ARGENTEX GROUP PLC
ANNUAL REPORT 2022
Year ended 31 March 2022

ARGENTEX

Argentex Group PLC issues its Annual Report for the year ended 31 March 2022. The period has seen continued strong financial and operational performance.

This report shows that we make decisions based on the long-term, sustainable growth and profitability of the Business.

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Argentex Group PLC Annual Report.

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Financial highlights.

"Argentex embodies an active, measured and long term approach to growth."

Lord Digby Jones Kb.
Non-executive Chairman

Our long-term focus and agile business model remains central at Argentex.

£34.5m

Annual revenue

£11.0m

Adjusted operating profit [1]

6.6p/7.0p

EPS (Basic/Adjusted) [2]

2023 Outlook

"We have clear ambitions to continue to grow our top-line and continuously attract market-leading talent, supporting our overall performance despite an uncertain market backdrop."

Harry Adams
Chief Executive Officer

£8.0m

Revenue from new clients

528

New corporate clients traded

£10.4m

Operating profit

1,624

Total corporate clients traded

1.25p

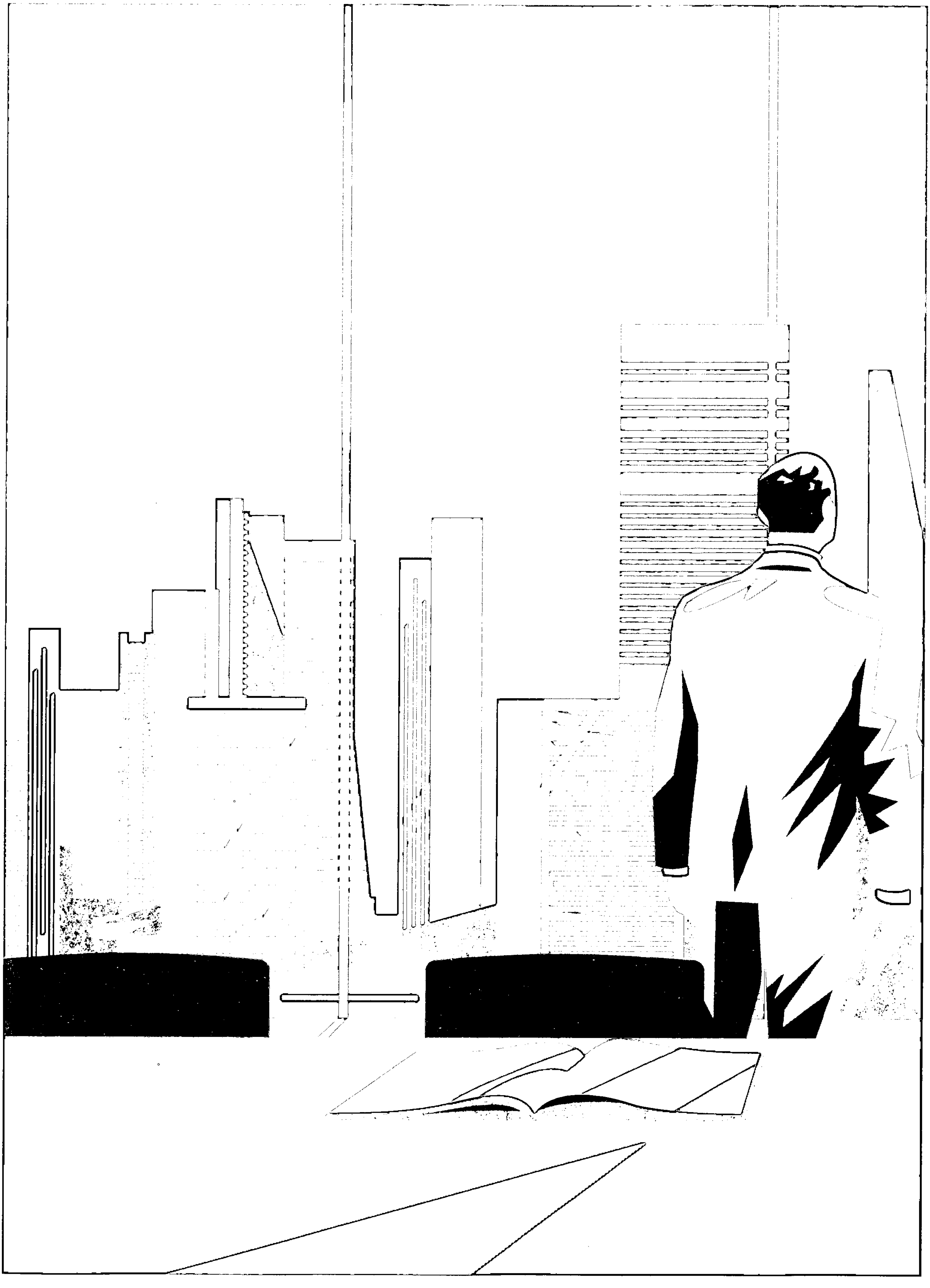
Final dividend per share

2.0p

Total dividend per share

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

[2] Note 13 to the Consolidated Financial Statements



A transformational year.

Lord Digby Jones Kb.
Non-Executive Chairman

As societies have emerged from the Covid-19 pandemic, businesses are at a point of introspection.

Good businesses will reflect on the learnings of the last two years and turn them into opportunities when embarking on the next phase of growth.

I am proud to be the Chairman of a business which embodies this active, measured and long-term approach to growth. With an eye on continually building a sustainable future, the business has used the last financial year to evolve further, invest in its teams, technology and breadth of client offering to strengthen its market position and ensure continued resilience and outperformance amid changeable and unpredictable macroeconomic conditions.

It has always been a privilege to work with Harry Adams, the leadership team and the Board of Directors. This year has been no different, indeed more so, as they have steered the business through a significant period of uncertainty, preserving company operations, supporting employee wellbeing and constantly innovating the service delivered to its clients.

This has been made possible by the oversight of a strengthened Argentex leadership team. Jo Stent's appointment as Chief Financial Officer and David Christie joining as Chief Operating Officer over the period are testament to the company's unwavering focus on talent as a means for optimising the market position we occupy.

Despite continued volatility, we have emerged from the recent period strongly, with an enhanced and increasingly efficient service offering. Ultimately, this means the business is well-positioned to capitalise on the opportunities that new markets present.

Argentex has worked hard at creating stronger foundations and a refined strategic plan to prioritise profitable growth, and I am confident it will unlock a significant untapped market opportunity – with people, technology and internationalisation at its core.

"The future of our industry is embedded in technologically enabled products."

MARKET BACKDROP

As the clouds of the pandemic lift, we face fresh challenges in our response to the tragic ongoing war and humanitarian crisis in Ukraine. Despite now carrying no corporate exposure to Russia and no client exposure in the region, the swift steps taken to exit all Rouble currency before the invasion reflects our unrelenting approach to risk management and a quality over quantity approach to relationships.

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

While the near-term outlook remains unclear, we are confident in the ability of our proven business model to continue navigating a changeable business environment, while meeting the expectations of our valued clients and shareholders.

KEY ACHIEVEMENTS

Our strong financial performance is supported by a three-pronged strategic approach to our activity, embedded in people, technology and internationalisation. Although the global economy has faced unprecedented challenges in recent years, our business has not stood still. The continued targeted investment across these three areas is translating into positive operational and financial momentum across the business.

We remain committed to opening new offices in key international locations. Our office in the Netherlands is already showing strong performance, driven by an expert team and a local market ripe with opportunity. I am also pleased to report that our new office in Australia is following in similar footsteps, with regulatory approvals at an advanced stage and teams onboarded. Client-led expansion into new, highly regulated international markets remains a pillar of our growth strategy looking forward.

Our investment in people continues to gather pace. The quality of the individuals running Argentex, and those delivering the market-leading service we are known for, is fundamental to our ability to remain resilient and continue driving shareholder value. We were delighted to welcome the team back to the safe working environment of the office after a prolonged period of remote working and are encouraged by the continued high standard of delivery as a result.

The future of our industry is embedded in technologically enabled products - a truly sustainable business needs to have an ability to provide a 24/7, 'always-on' service for clients, wherever they are based. Over the period, we have focused on creating a leading technology platform that meets the increasingly complex needs of clients in a user-friendly product and high quality service that is underpinned by the face-to-face relationships for which we are known. We understand the need to enhance our traditional broking offering, transitioning towards a technology-enabled service provider. We are excited about the optionality, efficiency and scalability this will bring to the business, including our ability to efficiently cross-sell services as we internationalise our offering.

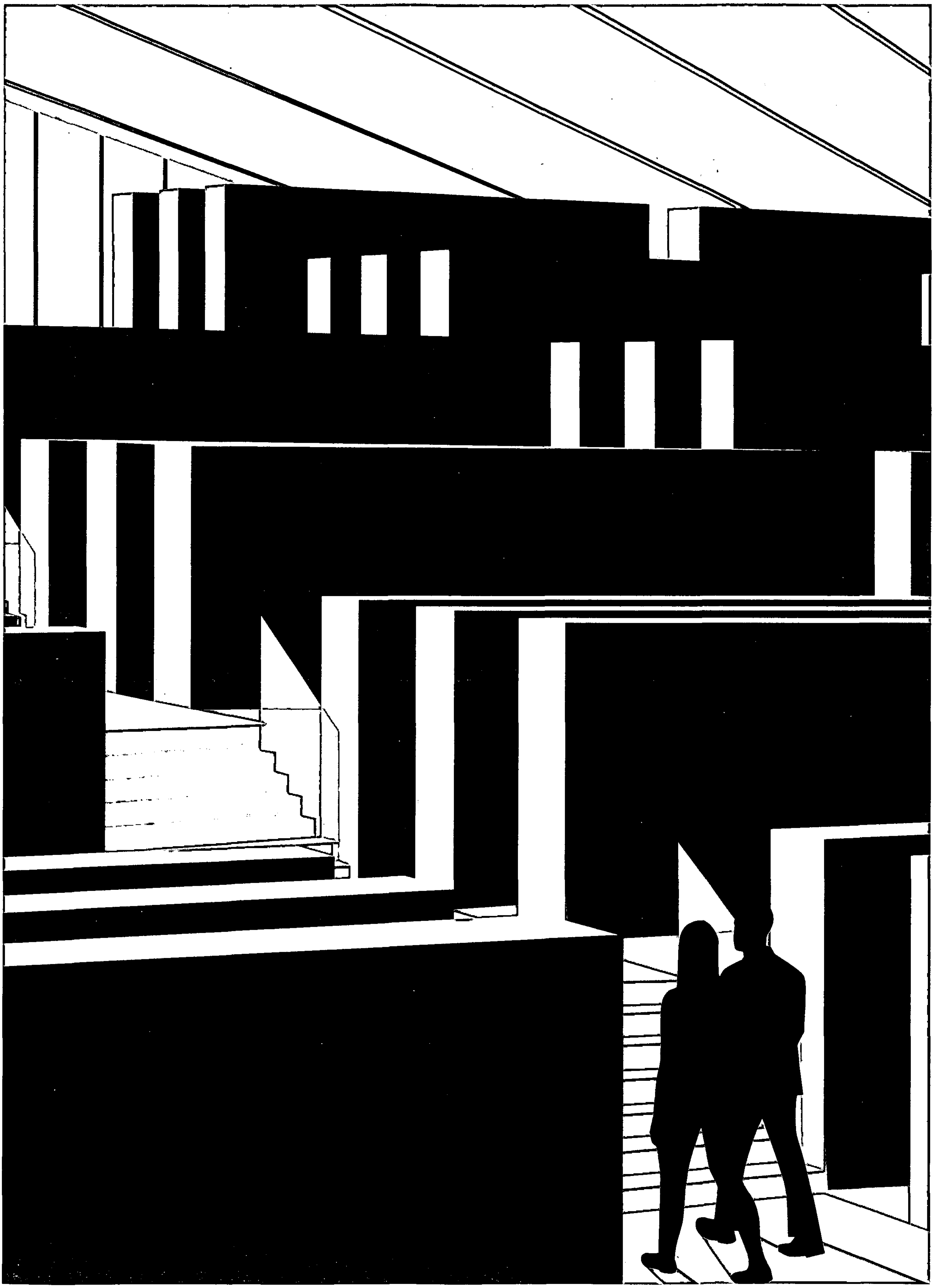
> "Our strong financial performance is supported by a three-pronged strategic approach to our activity, embedded in people, technology and internationalisation."
>
> **Lord Digby Jones Kb.**
> Non-Executive Chairman

OUTLOOK

Flexibility and confidence have been two of the most crucial characteristics of businesses that have navigated and emerged successfully from recent operational challenges, defined by the ongoing impact of the Covid-19 pandemic. While the global economy faces uncertain times ahead, I strongly believe the Company is well positioned to embark on its next evolutionary phase of growth.

Through our targeted investment we have built a stronger platform, based on greater efficiency and a broader service offering both geographically and operationally. I would like to thank all of our shareholders, clients and fantastic employees for their continued support that is instrumental in driving our business forward. As democratic capitalism weathers the global assaults of the crisis in supply chains, significantly higher inflation than for decades and the enduring fall-out from the war in Ukraine, your Company is set fair to succeed and deliver for all its many stakeholders.

Lord Digby Jones Kb.
Non-Executive Chairman



A year of substantial progress.

Harry Adams
Chief Executive Officer

OVERVIEW

The twelve months to 31 March 2022 constituted a defining and strategically significant period for Argentex. Despite the continued macro-economic uncertainty, the Company has delivered further double-digit revenue and profit growth, underpinned by our proven business model, best-in-class client service, balance sheet strength and measured approach to risk.

When I became sole CEO in July 2021, I sought to undertake a top to bottom review of the business. It was important to reflect on and evolve our strategy, taking action in areas we could influence to ensure we are well positioned, not only to deliver against our growth targets, but also optimise our service offering and capitalise on the ever-changing B2B financial services market.

In the period, I am pleased to say, we have delivered further progress against our long-term strategic initiatives and growth in our client base which has contributed to the Group's revenue of £34.5 million for the 12 months to 31 March 2022, representing growth of 23% year-on-year (2021: £28.1 million). This continued momentum delivered adjusted operating profit of £11.0m, up 26% year-on-year (2021: £8.7m) and a statutory operating profit of £10.4m (2021: £7.8m). The Board is pleased to announce a final dividend of 1.25p per share bringing the total for FY22 to 2.0p per share, flat on 2021.

I would like to thank the whole team at Argentex for their hard work and continued commitment which has given us a strong foundation to embark on the next chapter of our growth story. We continue to invest to drive efficiencies and bring new opportunities, both domestically and abroad. In addition, our commitment to bringing improved expertise and experience into our business, supported by a newly refined strategy, means we remain well positioned to deliver value for all stakeholders in the years to come.

MARKET BACKDROP

Over the last financial year, companies around the globe have taken steps to return to normal life, post-pandemic. As confidence has returned, the global economy has shown signs of recovery. We have observed a progressive uptick in business sentiment and activity, driven by a recovery following the post-COVID unlocking of the global economy, and consequently we are experiencing further demand for our services.

"The twelve months to 31 March 2022 constituted a defining and strategically significant period for Argentex."

However, trading conditions in the second half of the financial year have been more volatile as central banks grappled with sustained inflationary pressures, compounded by growing geopolitical tensions and Russia's invasion of Ukraine. Our service-led offering and approach to market risk – a key differentiator that has served us well since inception – has once again positioned the Company strongly in challenging markets. Our policy of matching every trade with a blue-chip institutional counterparty continues to be effective in eliminating residual proprietary market risk.

Volatility does, however, present opportunities for our clients. It has led to them not only trading more frequently with higher notional values, but also hedging for a longer tenor. These themes have allowed the Company to grow its breadth and depth of customer relationships that will be further enhanced by our evolving service offering, with notable new launches due in the current financial year. In addition, as interest rates rise, we expect that this trend will continue into FY23 and beyond.

Although volatility can be beneficial, it is our high levels of customer service and ability to meet client needs in any market environment that defines Argentex.

We recognise that our industry does not stand still, which is why we are continuing to invest in our people, global reach and technological capabilities. As a result, we are more agile in our ability to deliver for clients and their changing needs and requirements, irrespective of the trading environment.

The opportunity in the $6.6tn a day global foreign exchange market is vast. Our specialist, high touch, personalised service and superior pricing enables us to continue accumulating market share from incumbent banks, which account for 85% of the cross-border market. We continue to position ourselves to attract new clients in need of specialist, often sophisticated, commercial FX services.

FINANCIAL AND STRATEGIC PROGRESS

Our performance has been driven by our commitment to providing high-quality outcomes for our clients. Businesses across all sectors continue to identify Argentex as a trusted partner for their trading requirements against a dynamic market backdrop. As companies are rebuilding confidence in the post-Covid era, a record 528 new clients traded with the Group this year (2021: 499). The launch of our new online platform in H2 led to a record number of clients trading online during the period and we expect this demand to continue. On pages 44-45 we illustrate our client mix across industries, which showcases the high-quality and diverse nature of our book with revenue concentration further reducing, as our top 20 clients now make up 36% of total revenue (2021: 41%).

In order to maximise the significant market opportunity ahead, we have evolved our strategy around three growth pillars: people, technology and international expansion. We are confident these long-term focus areas will deliver deeper and more sustainable growth into the future as our client demand broadens, and we make strides towards becoming a technology-enabled financial services provider with foreign exchange at its core.

We have made good progress with each pillar:

— The strategic investment in strengthening our team at all levels continued during the year. Not only have we attracted senior leaders in finance, operations, compliance and risk to broaden our expertise and help drive our new strategy forward, we expect our front office capability to grow over the medium term, such that we are expanding the footprint of our London office. We have also fulfilled our commitment to building out our trading, execution and relationship management teams, recruiting 19 new hires across the Group with 4 in the Netherlands. We continue to optimise the service we provide to clients.

- The momentum behind the broadening of the Group's geographic reach continues to build as we seek to unlock new markets and revenue sources in highly regulated geographies where there is latent demand for our products and services. The business in the Netherlands is trading well and in line with expectations, just 24 months since inception. We have also onboarded a management team in Australia and, once the customary regulatory approvals have been obtained, expect to begin trading during the first half of FY23.
- In February 2022 we launched our online platform enhancements. We are now poised to add future products which will further enhance our customers' experience. In addition, our structured solutions product – catering for clients with more complex needs – continues to grow and is now responsible for 3% of total revenue (2021: 1%). The Board's decision to accelerate investment in our platform should allow for a more agile and efficient business, able to take on smaller clients and take a greater share of client wallets over time.

CHANGE IN ACCOUNTING PERIOD END

Historically, the Group has experienced its most active quarter in the final quarter of its financial year, i.e. for the quarter ending on 31 March, and therefore our results have always been strongly weighted towards the second half of the financial year. The Board believes that the Group would benefit from a change of financial year to 31 December which would address this imbalance. The Board therefore announces its intention to change the Group's financial year end from 31 March to 31 December. Argentex therefore intends to present its next unaudited interim results for the 6 months ended 30 September 2022 in November 2022 and its next audited final results for the 9 months ended 31 December 2022 no later than April 2023. From the beginning of calendar year 2023, interim and final results will then be prepared for the 6 month period to 30 June and 12 month period to 31 December.

PRIORITY GROWTH AREAS

Investment in people

Investment in our people has always been central to our success. We remain committed to ensuring our sales team has the resources to unlock opportunities, while simultaneously bolstering our senior management and operational teams to promote sustainable growth.

The period has been the first full financial year since Jo Stent, Chief Financial Officer, joined the Company (February 2021). Her experience has helped rebuild the finance function, while also innovating the ways in which we drive shareholder value. More recently, the Group has made two further significant leadership team hires with David Christie joining as Chief Operating Officer (March 2022), and David Winney as Global Chief Compliance and Risk Officer (April 2022).

As our client-led expansion continues, driven by the aforementioned sales team hires, we have reorganised our internal sales team structure to a pod

"Despite the continued macro-economic uncertainty, the Company has delivered further double-digit revenue and profit growth."

“We are embracing the digital revolution and the transformative effect it is having on the financial services industry.”

model, which drives accountability and performance transparency while also supporting clear progression across the team. To provide the infrastructure for this front office expansion, the Company is expecting to increase its footprint at our office in London.

We continue to attract high-quality, experienced individuals and we are proud that our graduate scheme continues to be effective in helping us identify and channel early-stage talent into our business. We are passionate about investing in the next generation of financial services professionals, as part of our commitment to fostering organic growth and nurturing the future leaders of Argentex.

International expansion
We have continued to pursue opportunities in new markets as we transform Argentex from a single-product, single-office business into a multi-product, global business. Over the period, this internationalisation has been bolstered particularly by the establishment of on-the-ground presence in our chosen global markets. I'm delighted that this strategy is starting to bear fruit and contribute to Group revenue.

The Amsterdam office, the EU headquarters of Argentex, continues to grow in line with expectations. The team has delivered positive half-on-half revenue growth since inception in January 2020, helped by a doubling of front-office staff to 8. We look forward to seeing the momentum behind the office and client growth build over time.

Furthermore, the Company's planned entry into the Australian market in FY23 and near-term commencement of trading is at an advanced stage, with key hires onboarded and customary regulatory approvals being sought. This remains a key objective in maximising growth opportunities outside our core UK and European markets.

Evolving our technology
Industry dynamics shift in alignment with client needs. Therefore, the strategic importance of a complementary tech-enabled service that gives clients optionality, flexibility and drives efficiency has grown. Over the period, Argentex has launched an enhanced online platform with a refreshed interface and intuitive navigation – the beginnings of a new, forward-looking technology strategy. It will enable our clients to tailor the service levels they require as well as increasing functionality and driving real time engagement.

This optimised platform will be supported by a mobile responsive interface, providing further flexibility to the Group's client base and enabling us to take a greater share of client wallet. It will also seek to capture new customers and gain further international reach.

The platform has been rolled out to a subset of existing Argentex customers, with positive feedback and results. We're proud that our technology enhancements have helped us deliver a record month for the business in March 2022, with 391 trades completed (March 2021: 123 trades). We look forward to making the new trading and client service platform available to all customers in the current financial year.

The Company is now accelerating its investment in its proprietary platform and in-house capability. I expect this investment to increase efficiency of onboarding and monitoring of client activity and trends. It is also likely to be recognised in our financial results over the shorter term, with a positive return on investment over the medium term as volume of trades and revenues increase.

This recent phase of investment constitutes the first in a planned suite of proprietary tech-enabled product enhancements. It is a sure step forward in the Company's journey towards becoming a technology-led financial services provider, with improved client accessibility, experience and scope to broaden our product offer. The continued digitisation of the platform will support the Group's aims to create a more efficient and scalable platform with diversified revenues to help drive profitable growth.

SUSTAINABILITY STRATEGY

We are committed to putting the right focus on environment, social and governance issues to support our growth and yield greater business benefits. Our sustainability strategy is centred around three key pillars: People, Partners and the Planet, more on which is explained on pages 64-67. We have outlined our intentions and look forward to reporting on progress against our goals in the months and years ahead.

OUTLOOK

Argentex is a growing company in a dynamic industry. We have clear ambitions to continue to grow our top-line and continuously attract market-leading talent, supporting our overall performance despite an uncertain market backdrop.

We are embracing the digital revolution and the transformative effect it is having on the financial services industry. By continuing to invest in our technology to ensure our capabilities meet the increasingly digitalised requirements of our stakeholders, we're confident we will continue to deliver value to our clients and shareholders.

The end-to-end review of our entire business that was undertaken this year has shone a spotlight on where opportunities exist for us to scale up our activity, and consequently, our ambitions for Argentex. We are strongly capitalised with sufficient financial flexibility to support us as we pursue our growth ambitions and continue to build market share in this very large and exciting sector.

The combination of the above initiatives are expected to generate a strong return on investment in the medium term through growth in revenues, boost in profitability and improvement in earnings quality.

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

Harry Adams
Chief Executive Officer

“We are strongly capitalised with sufficient financial flexibility to support us as we pursue our growth ambitions and continue to build market share.”

How we create impact at Argentex.

Argentex is a leading provider of foreign exchange services to financial institutions, corporates and private clients globally

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

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

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

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

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

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

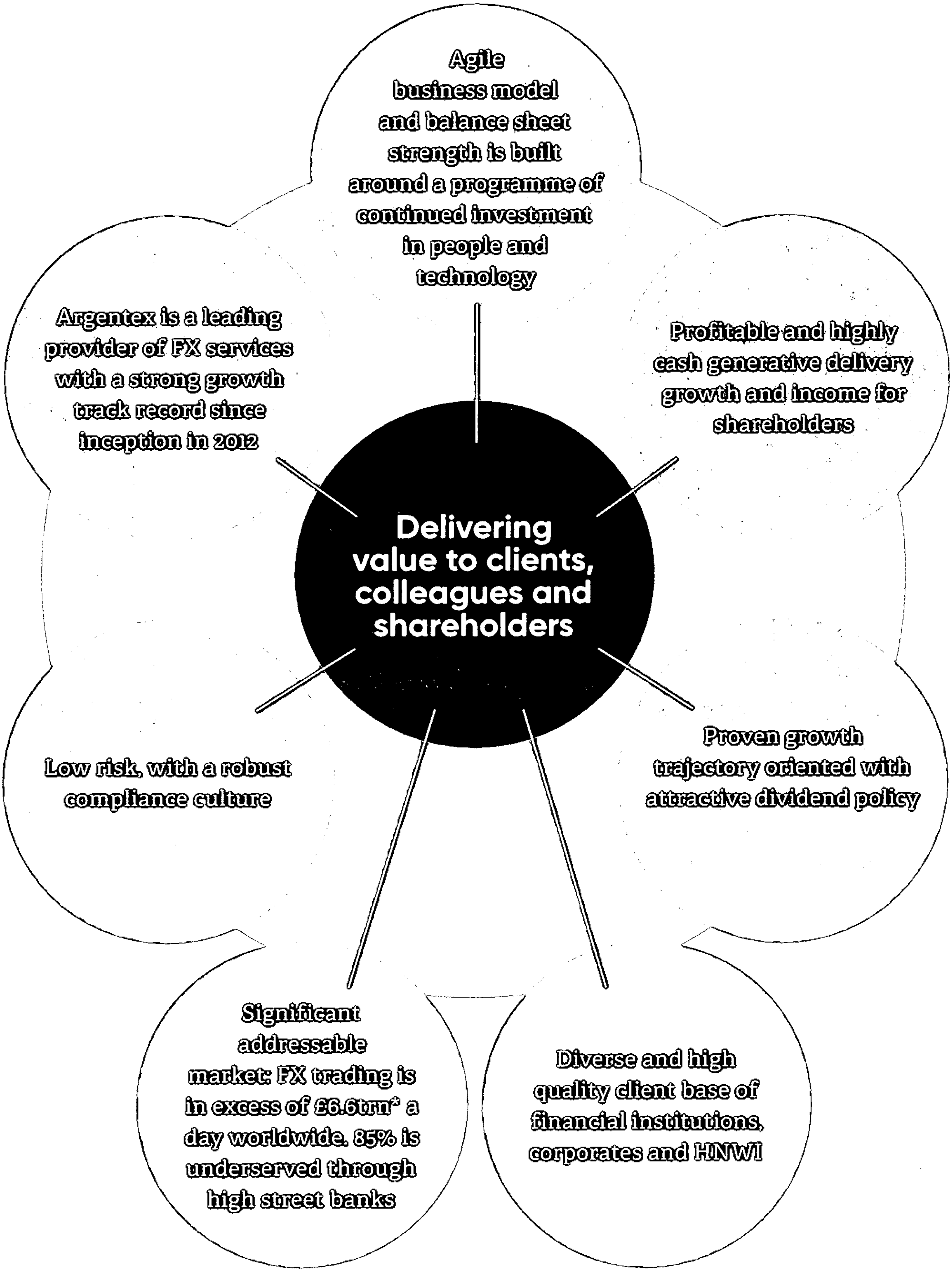
A committed management team and dedicated experts sit at the core of the Business

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

Value Proposition.

Argentex delivers value to clients, colleagues and shareholders.

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



* Bank of International Settlements - Triennial FX Survey

Evolution of Argentex.

2012

March

- API authorisation approved by FCA

April

- First trade

August

- First sales employee

2013

January

- First month revenue in excess of £100k

September

- First month revenue in excess of £500k

2015

October

- Move to Old Bond Street

November

- Surpassed 20 employees

2016

June

- First month revenue in excess of £1m

2017

January

- FCA approves EMI authorisation

March

- First month revenue in excess of £1.5m

Founded in 2012 by Harry Adams, Carl Jani and Andrew Egan with the backing of Sir John Beckwith's Pacific Investments Ltd.

2018

January

- FCA approves MIFID II Investment Firm authorisation

September

- First option executed

2019

March

- First month revenue in excess of £3m

June

- IPO

September

- Half year revenue up 42% to £13.8m

2020

March

- First month revenue in excess of £5m
- First online trade

September

- Cumulative revenues surpass £100m
- Opened new HQ at 25 Argyll Street, London

2021

January

- First month to open over 100 new accounts

March

- £3m total options revenue since inception

September

- Record H1 performance. Revenue £15.7m - up 33%

2022

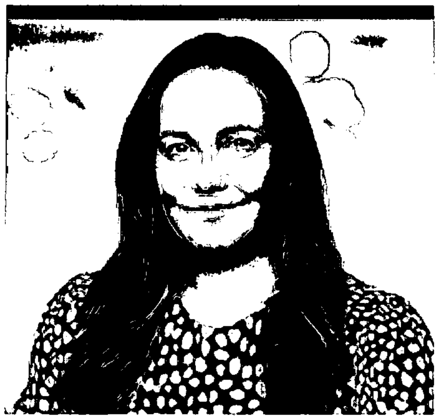
February

- Australian management hired
- Online platform enhancements released

Combined foreign exchange expertise.

Harry Adams
Chief Executive Officer, Co-Founder

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



Jo Stent
Chief Financial Officer

An experienced CFO, Jo has spent the majority of her 25-year career in senior finance roles in global, fast-paced organisations and has operated in a number of sectors and geographies. She has a demonstrable track record in organisational scaling and international expansion in addition to building best in class finance functions. Most recently, she was CFO at the European Tour and the Ryder Cup, and prior to that CFO of Vodafone Americas. She has also held senior finance roles in Telus Communications Inc, Deloitte and Scottish & Newcastle plc. Jo qualified as a Chartered Accountant with EY, and is a non-executive director at UK Coaching.

Andrew Egan
Chief Commercial Officer,
Co-Founder

Andrew is a founding partner of Argentex. As Chief Commercial Officer, he is directly responsible for the new business generation of the Group and oversees the recruitment, training and targeting of staff at all levels. Andrew is also responsible for ensuring that Argentex is well positioned within the competitor landscape, updating the Board of any material changes. Under Andrew's leadership and guidance, a team of directors report into him who ensure that the customer's end to end journey is seamless. Andrew is professionally qualified holding certificates from The CISI and has over 15 years' experience in financial markets.

David Christie
Chief Operating Officer

David joins Argentex with over 25 years' experience in technology in financial services, with over 15 years' experience in the FX and international payments space where he was formerly COO of XE (formerly HIFX) and Ria Financial one of the largest NBFI cross border companies globally. He currently sits on the board of VitessePSP, a successful payments start-up in the insurance sector and Bleckwen, an AI software risk company where he was formerly CEO. At Argentex, David is responsible for the technology and settlements/ operations teams. He is leading the strategic change agenda and its execution as the business transitions from a single office, single product to a multi office, multi product.

Unique talents, backgrounds and perspectives.

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

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

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

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

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

THE ARGENTEX COLLECTIVE

Integrity

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

Quality

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

Passion

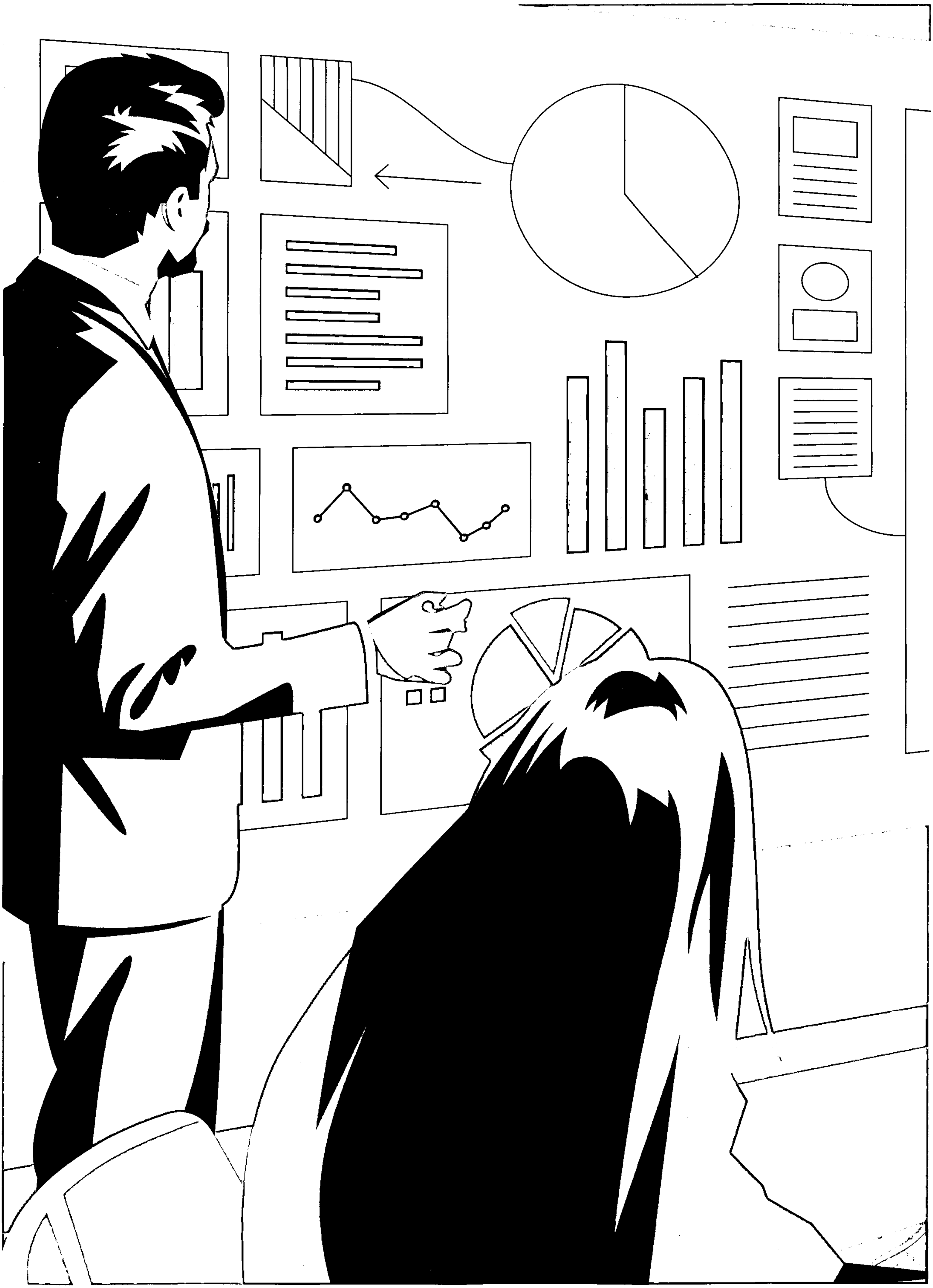
Our people are passionate about providing the quality of service we demand from ourselves as a business, and in turn we are passionate about our people through collaborative working, wellness programmes and continuous personal development.

Agility

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

Dedication

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



What we do.

"Argentex operates as a Riskless Principal foreign exchange broker of non-speculative spot, forward and structured solutions FX contracts."

Harry Adams
Chief Executive Officer

Our business is evolving but our strategic imperatives and our core fundamentals are unchanged.

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

NO MARKET RISK

Each client trade, regardless of product, is matched at one of the firm's institutional counterparties. Existing institutional counterparty relationships are held with Barclays Bank PLC, Macquarie Bank International, Sucden Financial Limited, Citigroup and Nomura.

All trades executed by the firm are over the counter (OTC), and matched within seconds. The firm does not permit speculative trading with regards to its products, instead requiring an underlying transactional need for the currency exchange (for example payment for goods and services, conversion of revenue/ profits, balance sheet hedging). This avoids adverse market moves creating significant losses which clients may struggle to service and is a core tenet of the Group's risk management policies.

ZERO SPECULATION

Argentex does not speculate and so revenue is purely derived from the difference between the rate it buys and sells currency at, and is therefore purely transaction-led. This means that continued, long-term sustainable growth is dependent on long-term mutually beneficial relationships which is why 'Treating Your Customer Fairly' is not just an FCA principle for us but a core precept of how we deal with every client.

As an Authorised Electronic Money Institution, any funds received by Argentex prior to the value date of an FX trade or held by Argentex post-trade but not yet paid to the order of the client are redeemed for Electronic Money, which is issued to the client and segregated accordingly. All trades are settled under "safe settlement" conditions, whereby the firm only pays funds to the order of a client upon receipt of cleared funds from that client, mitigating credit and settlement risks.

STRICT ADHERENCE TO CLIENT SAFEGUARDING PROTOCOLS

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

TARGETED CORPORATE CLIENT ACQUISITION MANAGED BY EXPERIENCED PROFESSIONAL TRADERS

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

Stakeholder engagement and value creation.

Operational resilience and focus drives value. Our client focused strategy and culture enables us to build long-term relationships and address the structural growth opportunities that exist. Continued investment in our people, technology and innovation ensures we can enhance our proposition, service and client engagement, which drives long-term sustainable growth.

Inputs +

PEOPLE: Our people are at the core of our business, ensuring we deliver on our core values. Aside from developing their knowledge and expertise they implement our strategy and deliver our products and services. 2022 has seen some significant hires with new roles created in HR and Technology. David Christie has joined as COO and significant investment in support functions has also been made to prepare for scaling the business across new product launches and geographies.

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

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

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

Growth +

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

GROWTH IN SERVICES: We have a regular dialogue with our clients so we can understand and respond to their needs along with those of our wider addressable market. This helps focus our reinvestment and allocation of resources to improve existing and develop new services, which makes us an even more integral part of our client's daily financial role.

Economics

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

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

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

Value Creation

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

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

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

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

2022

An Overview.

"Our targeted investment in a high quality team has enabled us to continue servicing clients with the high standards they expect."

Harry Adams
Chief Executive Officer

Against an uncertain and volatile geopolitical backdrop, the Group continued to maintain its prudent approach to risk management, focusing on the quality and diversification of its book, remaining debt free, cash generative and profitable. 2022 we reset the business, evolved the strategy and invigorated the growth potential of the Group. The momentum behind those long-term initiatives is starting to bear fruit, as reflected in our strong financial performance.

Our targeted investment in a high quality team has enabled us to continue servicing clients with the high standards they expect, throughout the year. Corporate clients trading in the year totalled 1,624 (2021: 1,385) with 528 new corporate clients trading over the period (2021:499). This growth in client base has been approached prudently with a careful take on procedures as we pursue responsible and sustainable business growth underpinned by the conservative approach to risk management which resonates through the business. We continue to enjoy very low levels of client default. Argentex weathered the previously prolonged downturn in market activity and subsequently seized upon a clear market opportunity as trading volumes return.

UKRAINE / RUSSIAN CONFLICT

The Group has no direct currency exposure to the Russian Rouble and continues to closely monitor the wider potential impacts of the Ukraine / Russian crisis.

KEY ACHIEVEMENTS

Shaping the growth strategy and building on the existing foundations laid since IPO, the Group has continued to invest to ensure it develops to meet its client needs and drive shareholder value. Revenue grew to £34.5 million for the 12 months to 31 March 2022, representing growth of 23% year-on-year (2021: £28.1 million). This growth was driven by the Group's targeted investment in strengthening its team, broadening its geographic reach, and taking more market share. In addition, the Group has invested to evolve its technology proposition to drive efficiencies and meet the growing demand from new and existing clients for its growing list of products and services.

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

The Group's newly formed Dutch office, which is the European hub of Argentex, continues to progress in line with expectations, delivering positive half on half revenue growth during the period, helped by a doubling of front-office headcount, which underpins its growing strategic importance.

Furthermore, the Company's planned entry into the Australian market through a Sydney office in the current financial year to 31 March 2022 is at an advanced stage and remains a key objective in maximising growth opportunities outside its core UK market. Management positions have been hired.

TECHNOLOGY: As part of its commitment to continually deliver the best outcomes and experience for clients, Argentex has launched a new technology-enabled trading and client service platform as part of a new technology strategy.

Further enhancing the in-person service-led approach which the Group has championed, the client platform has been significantly optimised to improve the usability and customer experience online. It will enable our clients to tailor the service levels they require as well as increasing functionality and driving real time engagement. This optimised platform will be supported by a mobile responsive interface, providing further flexibility to the Group's client base and enable the Group to take a greater share of client wallet. It will seek to capture new customers, drive basket size and gain further international reach. The platform has been rolled out to a subset of existing Argentex customers, with positive feedback and results. In 2022 we had 3010 trades vs. 766 in 2021, uplift of 293%. In the current financial year, the new trading and client service platform will be made available to all customers.

After our recent phase of investment, this is the first in a planned suite of proprietary tech-enabled products and a step forward in the Company's journey towards becoming a technology-enabled financial services provider, with improved client accessibility, experience and scope to broaden our product offer. The continued digitisation of the platform will support the Group's aims to create a more efficient and scalable platform with diversified revenues to help drive profitable growth.

INVESTMENT IN PEOPLE: The Group appointed David Christie as Chief Operating Officer to join the executive (non-Board) leadership team.

David Christie joins Argentex with over 25 years' experience in technology in financial services, with over 15 years' experience in the FX and international payments. David oversees the technology and settlements/operations teams. He also leads the various projects which will enable Argentex to transition from single office, single product to multi office, multi product.

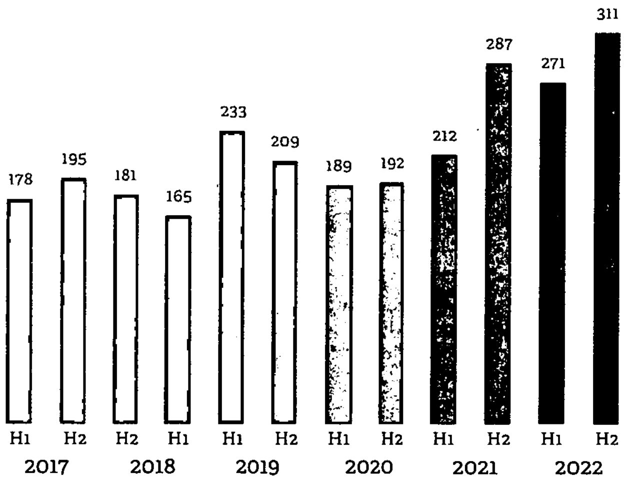
In addition, Argentex continues to invest in talent across the Group, having made 31 hires in the reported period bringing total current Group headcount surpassing 100. In addition to 19 front office hires, it has increased bench strength across the support functions in order to enable the business to scale efficiently and maintain a balanced approach to risk management.

MACRO-ENVIRONMENT AND IMPACT

Like all businesses, in the last few years Argentex has been faced with navigating the various challenges presented by the Covid-19 pandemic and, before that, the UK's exit from the European Union. While both issues are now widely seen to be woven into the fabric of companies' daily life, it would be remiss to ignore their residual impact on the broader macroeconomic environment. When combined with tensions resulting from the conflict in Ukraine, rising inflation and the increasing cost of living, the economic outlook remains uncertain.

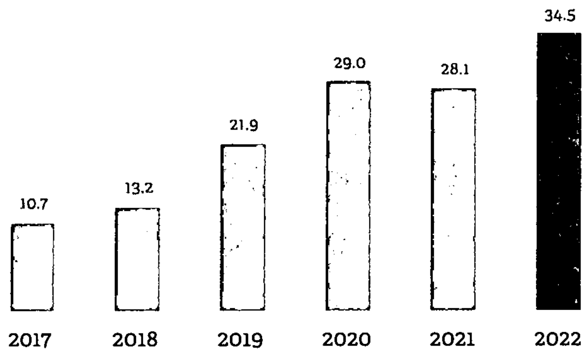
The Company is confident in a sustained return to growth, as is evidenced in this report. At its core is an unwavering, long-term strategic focus on technology, people and international expansion; we look forward to continually evolving our proposition, products and footprint to meet the needs of a growing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

Number of new corporate trades

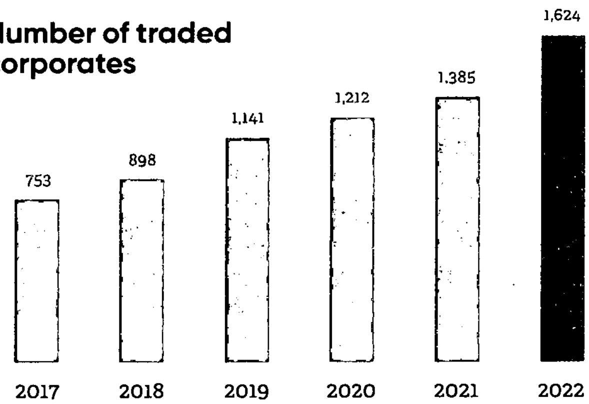


Growth and profitability

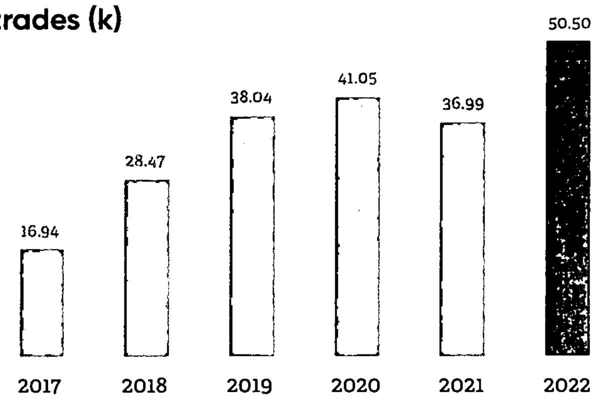
Revenue (£m)



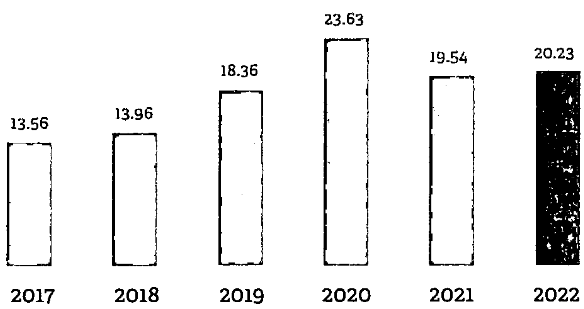
Number of traded corporates



Number of trades (k)



Average revenue per traded corporate client (£k)



Customised, commercial and riskless principal broker.

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

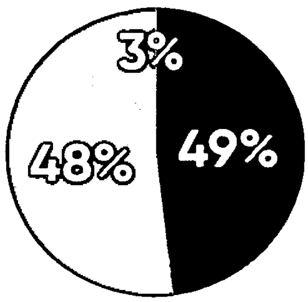
Argentex executes FX spot, forward and structured solutions contracts on behalf of its clients.

Revenue from FX structured solutions is realised as cash immediately in the form of premium. Revenue from spot trades is realised within two business days. Forwards attract higher spreads due to factors such as increased client credit risk, but the payoff to higher revenue is having to wait until the contract is settled to realise the cash. A blend of spot and forward contracts is therefore important for an optimum mix of revenue generation and cash flow. Argentex has always been there to meet the clients needs and avoid confusing matters with unecessary strategies.

Since inception this has led to a mix of approximately 2/3 spot and 1/3 forward contracts by volume, which due to the wider spreads achieved in forward contracts translates into a revenue split of approximately 50/50 by product. The last 12 months has seen the introduction of our structured solutions offering which now accounts for 3% of our revenue.

Spot vs Forward

Revenue



- Spot
- Forward
- Structured Solutions

Note: Spot, Forward and Structured Solutions revenue excludes swaps

The last 12 months has seen the introduction of our structured solutions offering which now accounts for 3% of our revenue.

Riskless Principal.

Argentex operates as a Riskless Principal broker which means that each client trade is matched with an identical trade at one of the Group's institutional counterparties.

The difference between the rate we execute at our institutional counterparty and the rate we pass on to our client is the only source of our revenue.

Several layers of systems and controls exist to ensure that no trades remain unmatched, and that the parameters of each trade are correct, including a four-eyes verification and multiple reconciliations throughout the day.

This means revenue is transaction-led only, and Argentex does not speculate. By not allowing its clients to speculate this eliminates market risk to the Group.

Commercial transactions only, no leveraged or margin trading.

Margin trading or spread betting is extremely risky to capital as it allows for very large bets to be placed by putting down comparatively small deposits – in other terms the trades are highly leveraged.

Large adverse market moves can therefore lead to losses building up extremely quickly (as the trade goes 'out of the money') which the underlying client may find difficult to service. If the client defaults, then the broker has to bear the loss. By never allowing clients to speculate, this acts as a self-regulating risk control that ensures that a solvent client never builds up out of the money positions it cannot service due to the fact that it has a commercial need to settle the notional value of the trade, not the fair value of the trade only as it would with a leveraged speculative position.

Our suite of services.

"Our online platform optimisations are the first in a planned suite of proprietary tech-enabled products and a step forward in the Company's journey towards becoming a technology led financial service provider."

David Christie
Chief Operating Officer

TRADITIONAL VOICE BROKING

Complex products, policies and hedging programmes often conceal the primary goal which should be risk mitigation, not profiting from foreign exchange by trying to 'beat the market'. A personal relationship with a professional trader will add value as they gain an understanding of your business. They can provide timely and relevant information to assist the client in making more informed decisions.

Some clients are in regular contact with their dedicated dealer several times per week, whilst others prefer far less frequent contact; sometimes as little as once a quarter. Most clients will sit somewhere on the spectrum between these two extremes and it is the job of the assigned trader to establish the best fit for the client's needs.

ONLINE CAPABILITIES

2022 was a year of planning and investment. Our online platform optimisations are the first in a planned suite of proprietary tech-enabled products and a step forward in the Company's journey towards becoming a technology led financial service provider, with improved client accessibility, experience and scope to broaden our product offer.

Online trading function.

Adding new capabilities:
Online trading and reporting portal

Industry dynamics shift in alignment with client needs. Therefore, the strategic importance of a complementary tech-enabled service that gives clients optionality, flexibility and drives efficiency has grown. Over the period, Argentex has launched an enhanced online platform with a refreshed interface and intuitive navigation – the beginnings of a new, forward-looking technology strategy. It will enable our clients to tailor the service levels they require as well as increasing functionality and driving real time engagement.

This optimised platform will be supported by a mobile responsive interface, providing further flexibility to the Group's client base and enabling us to take a greater share of client wallet. It will also seek to capture new customers and gain further international reach.

The Company is now accelerating its investment in its proprietary platform and in-house capability.

This recent phase of investment constitutes the first in a planned suite of proprietary tech-enabled product enhancements. It is a sure step forward in the Company's journey towards becoming a technology-led financial services provider, with improved client accessibility, experience and scope to broaden our product offer. The continued digitisation of the platform will support the Group's aims to create a more efficient and scalable platform with diversified revenues to help drive profitable growth.

Argentex Online

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

Existing clients

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

New clients

— No need to turn away smaller, but higher margin business
— Not wasting time on calls

Poised for scale after significant investment.

> "Continually optimising our online user experience and journey remains a priority and will remain so for the foreseeable future."
>
> **David Christie**
> Chief Operating Officer

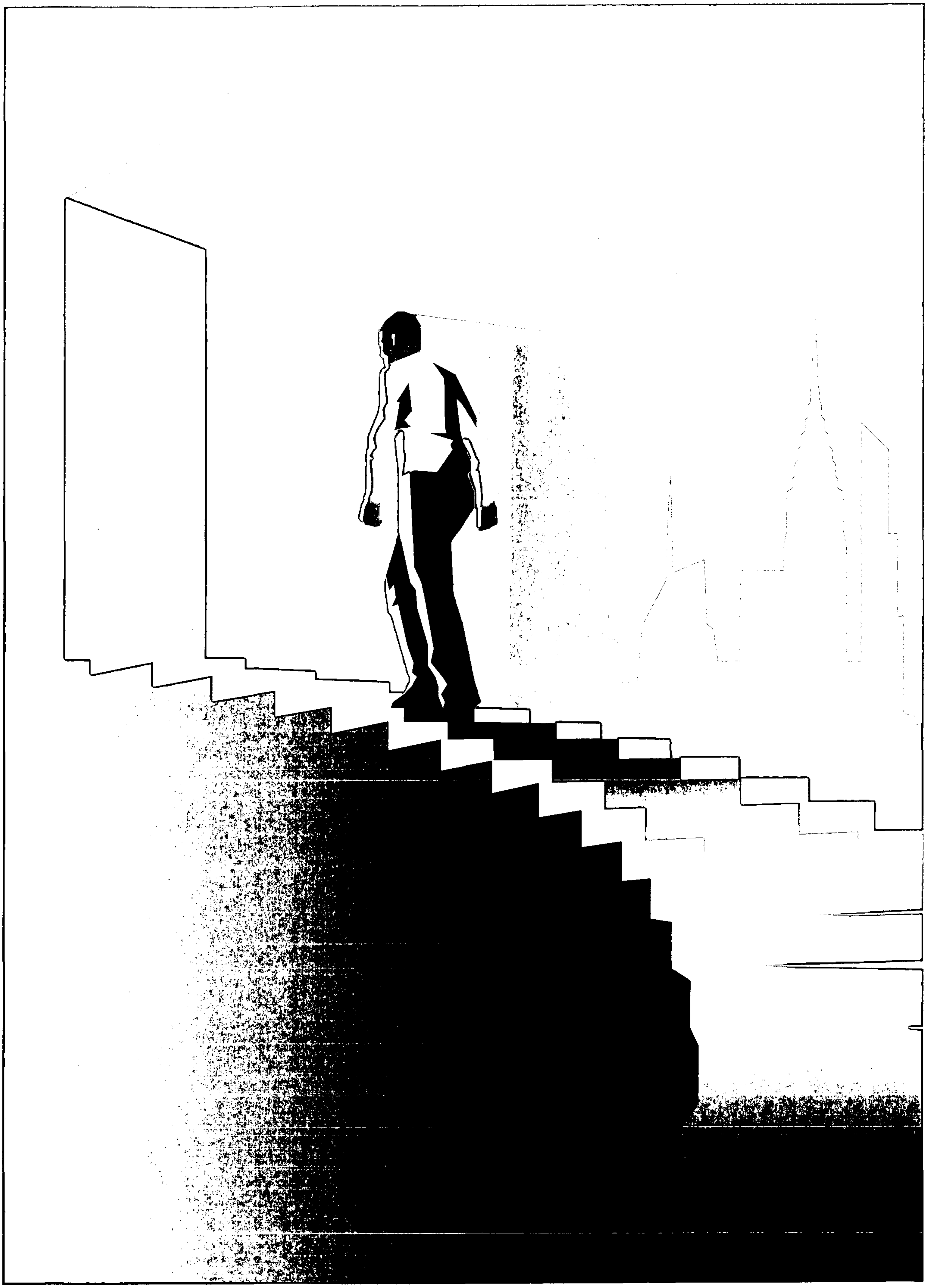
Scalable, proprietary technology is continually being optimised to help us develop online capabilities, structured products and analytical tools for a growing client base which will support our long-term sustainable growth.

To date we have invested over £6million on coding alone to ensure that the Argentex CRM and accompanying client front-end software is custom-built for us and our clients' requirements.

To build and invest rather than licence a generic solution has been instrumental to Argentex's reliable systems and controls.

Our online trading platform has been in operation for over two years and is complementary to our core business, offering a convenient addition to a growing suite of products to meet our clients' needs. In February 2022, further enhancements were released and experienced by 30 beta clients with valuable and positive feedback. Since then, adoption has accelerated swiftly. Our intention is for all our online users to be migrated and for further enhancements to be made in the future. This is the first in a planned suite of proprietory tech-lead products to be released.

As stated in last year's report, we believe further investment in all areas of the customer journey will prove beneficial as we adapt to an ever-changing environment. Continually optimising our online user experience and journey remains a priority and will remain so for the foreseeable future.



High quality and diverse client base.

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

Harry Adams
Chief Executive Officer

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

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

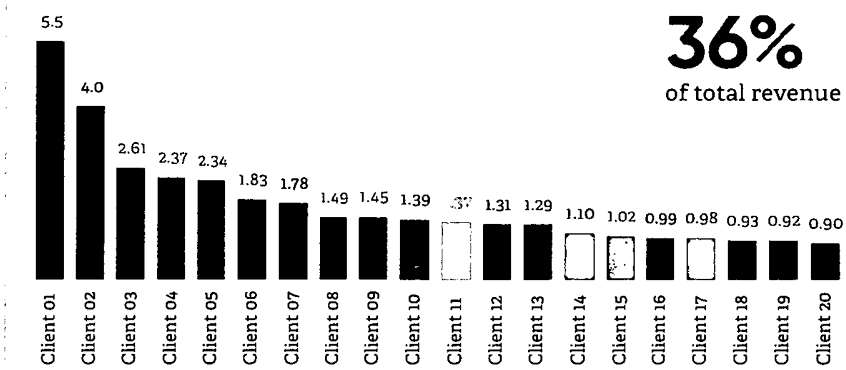
Fostering client relationships is paramount to the success and longevity of our business.

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

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

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

Top 20 clients



36%
of total revenue

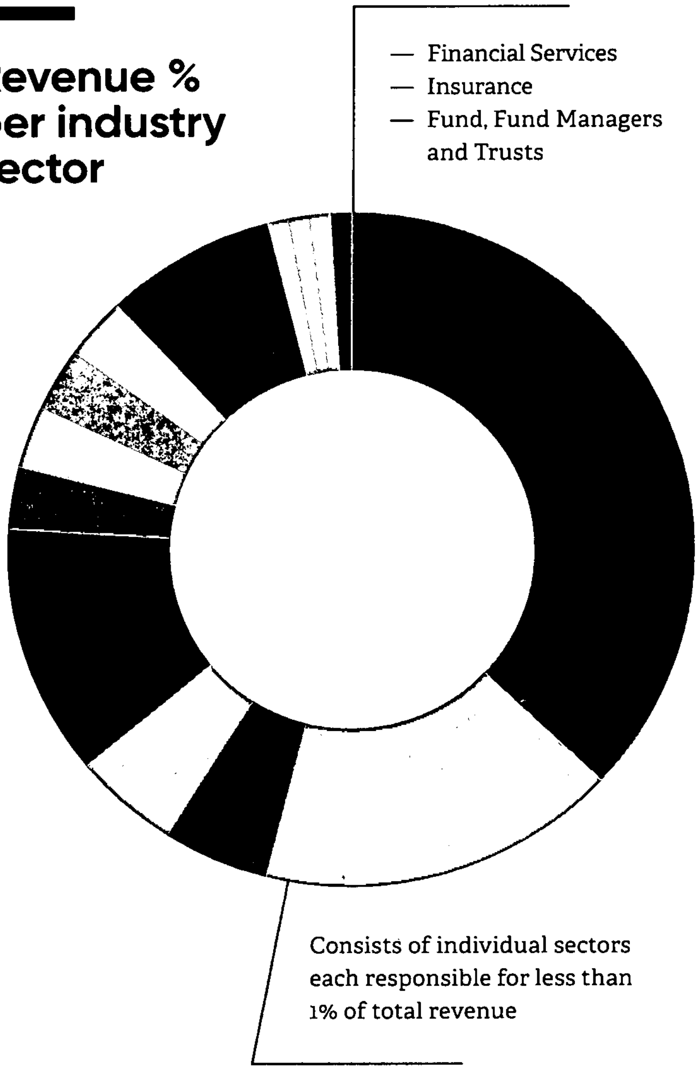
Retaining and growing the client base

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

1,624 corporates traded in the year ended March 2022, and the firm counts several thousand among its active client base. Not every client will trade every year – some hedge multiple years' exposures in one go whilst others may create an SPV with the sole purpose of transacting a deal (for example a private equity transaction).

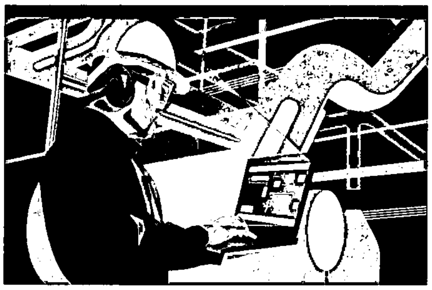
A customised level of service is required. Time is spent getting to know the client's requirements and their business objectives.

Revenue % per industry sector



- Financial Services (36.73%)
- Other (17.05%)
- Food and Beverages (5.29%)
- Manufacturing & Machinery (4.67%)
- Electrical (4.22%)
- IT, Technology and Software (4.14%)
- Household Goods and Homeware (3.64%)
- Logistics, Import and Export (3.05%)
- Agriculture (2.96%)
- Medical and Pharmaceutical (2.82%)
- Media, PR, Events and Marketing (2.69%)
- Wholesale (2.36%)
- Private Client (2.23%)
- Fashion (2.01%)
- Film Production and Animation (1.94%)
- Energy (1.46%)
- Motor, Vehicle, Aerospace Components (1.18%)
- Music and Entertainment (1.04%)
- Legal Services (0.50%)

Client case studies.



Manufacturing and Machinery

Our clients in the manufacturing and machinery sector have both import and export currency risk. Clients who manufacturer goods in the UK and export to customers in the EU, USA and Asia have continuing receipts in Euros and US Dollars which need to be repatriated into GBP. Firstly, we offer timely execution via our team of dedicated dealers who will provide in-depth market analysis to help the timing of trades. Secondly, we have a suite of forward and structured products that help our clients achieve their budgeted rates to protect their profit margins across the year.

Medical and Pharma

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

"Our client mix spreads across many industries which showcases the high quality and diverse nature of our book."

Harry Adams
Chief Executive Officer

Electronic retailer

Our client specialises in E-commerce offering high-end technology and photography products. They use Argentex to provide best execution on Scandinavian currency pairs when selling products to their Scandinavian clients and converting their funds back to their operating currency which is in GBP. Argentex provide charting, price alerts and forward facilities to give them the flexibility to budget for their incoming funds. Ultimately letting the business focus on its core business whilst letting Argentex find a streamlined and cost-effective solution that compliments their business and its future cash flow expectations.

Food and beverage

Our client operates a large-scale confectionary and patisserie business selling directly into independent retail chains and the wholesale market globally. By owning several brand names around the world, revenue is generated in multiple currencies that need to be repatriated into their operating currency in EUR. Argentex maximises the value of their foreign income by targeting significant prices in the market, bespoke analysis to assist with timing as well as a full online suite to allow for instant market execution. Moreover, Argentex hedge out a portion of the business' exposure with forward contracts, allowing the client to concentrate on its day-to-day strategies and budgeting, without the fear of being exposed on the fluctuations of the foreign exchange market.

Footballers

One of our clients is an English Premier League footballer with a loan transfer to the German Bundesliga. The English team pays the player's contract weekly in Pounds; however, the German club pays the loan player's contract contribution in Euros. Whilst this is regularly seen as a minor administrative point, it has a major hidden impact on the value of the player's earnings. Argentex works alongside players and the player care teams to inform them of the importance of foreign exchange on salaries. Secondly, we assist players with the execution of their foreign currencies and ensure that their hard-earned money is not lost as a result of poor exchange rates or overall lack of management.

Ways of doing business.

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

Jo Stent
Chief Financial Officer

Every client is different, and the reason each chooses Argentex will be too.

Some take comfort from our levels of regulation and demonstrable lengths we have gone to in order to create a safe, compliant dealing environment bound by strict governance principles.

Many choose Argentex because of the flexibility afforded by having immediate access to their assigned trader, whilst others appreciate the analytical and factual approach of their proactive interactions with their dedicated dealer.

The one thing our core clients do have in common is that they like dealing with people, as do we.

Once a client has been assigned a dealer, it is their job to work with that client, on their terms, to identify and quantify any FX risks inherent in their business, and present a range of strategies that will entail at least one of either a spot, forward or options trade, that can mitigate those risks and enable informed decisions.

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

Full range of customised FX capabilities

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

Delivered via multiple channels

- Traditional voice broking
- Online
- Bloomberg

To benefit our clients

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

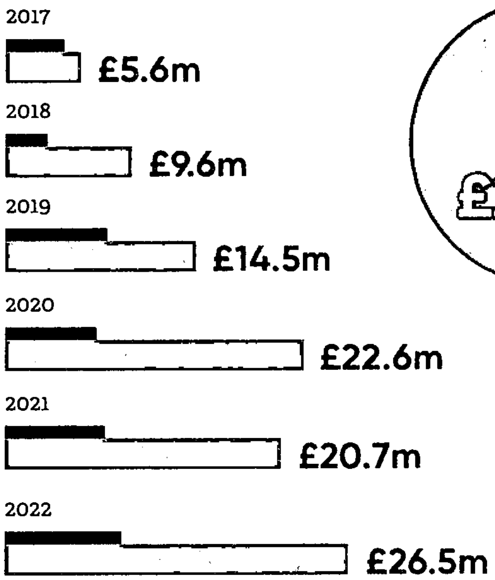
Sales and Performance.

Repeat business.

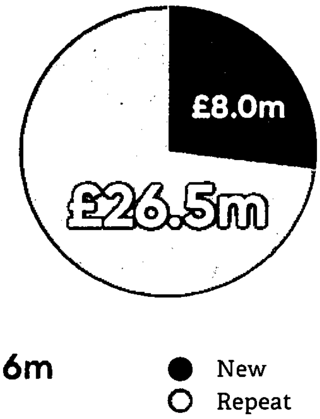
The bar chart to the right illustrates that repeat business is by far the largest source of revenue since the Business' inception. It is also the main reason Argentex was formed to target corporate, as opposed to private client business, which makes up just 3% of the firm's revenue.

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

New vs repeat business



Corporate revenue 2022



Sales Team

- Recruited from grass roots
- Trained to sell 'our way'
- Receive a commission 10-17.5%
- Commission paid for life of client
- New Business Targets

Dealing Team

- Minimum 10 years experience
- All regulated to give advice
- Receive flat commission of 10%
- Each dealer looks after 200-300 active clients

Driving forward

"We continually focus on our goals and delivering successful outcomes"

Harry Adams
Chief Executive Officer

2022 ACHIEVEMENTS

Goals.

Continue to improve productivity

Maintain a diverse client base

Generating revenues from options

Continued investment in people

Strong Governance

Outcomes.

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

- 36% of revenue generated from top 20 clients
- Revenue from top 20 clients was £12.4m

- Winning back flow lost to banks
- Professional and Eligible Counterparty clients only
- Recruitment of a Head of Options in 2022
- Options contribute 3% of revenue

- 31 new hires in 2022
- New COO in March 2022

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

Key events from the last 12 months.

As established, the last 12 months were instrumental in building a strong foundation to set the Business up for longevity and profitability.

To the right, we outline a number of highlights.

July 2021

- Rigorous stragetic review across all areas of the business undertaken

September 2021

- Record H1 performance - revenue £15.7m - up 33%

February 2022

- Australian management hired
- Online platform enhancements released
- 30 client beta test

March 2022

- David Christie is appointed COO
- Sustainability strategy defined and approved

Achieving growth strategies.

1. Expand sales force

- Goal achieved for sales team of 50 people one year ahead of plan
- Investment in growth of Sales Team continues

2. Increase productivity

- Further investment in our tech to create efficiencies during our customer journey and user experience.

3. Customer acquisition

- Driven by sales team expansion and increased productivity
- Driven by our advancements in technology, therefore offering a number of new products and convenience for our clients

4. Targeted revenue

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

5. Continued focus on client proposition

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

Year at a glance.

Jo Stent
Chief Financial Officer

Achieving impressive growth during a year of transition

The 12 months to 31 March 2022 represented a pivotal year for Argentex. As referenced on page 13, Harry Adams appointment as sole CEO in July 2021 initiated an end to end review of the Group's operations, resulting in an evolved strategy supported by three key growth pillars: people, technology and international expansion. Although these growth pillars are consistent with prior years, the redefined strategy identified an opportunity for technology to play a greater role in the delivery of our high touch customer service offering and enhance the Group's ability to prosper in the years ahead. This meant an increase in the Group's investment in software development (FY22: £1.7m, FY21: £1.2m), including an upgrade to the online platform. In addition, investment in people continued not only in the front office but in technology and operations, including at the senior executive level with the appointment of David Christie as COO.

At the same time, the Group delivered year on year revenue growth of 23%, adding 528 new traded corporates in the year (FY21 499) with 23% of revenue represented by new business. Adjusted operating margins improved modestly to 31.9% (FY21 30.9%), delivering an increase in earnings per share of 1.4p (operating margin was 30.1% (FY21: 27.8%)). The Group's robust approach to risk remains unchanged, which is demonstrably reflected in the consistently low instances of client default.

FINANCIAL PERFORMANCE

In FY22, revenues increased by 23% to £34.5m (2021: £28.1m). As has been the case in the past, revenue tends to be weighted towards the second half of the year with H2 revenues contributing 54% of total annual revenues. H1 delivered a higher year on year growth in percentage terms compared to H2, (H1 33%, H2 15%) however this was driven by the impact of the pandemic on H1 FY21 in particular, where the Group witnessed a significant slow-down

"Argentex views its ability to generate cash from its trading portfolio as a key indicator of performance within an agreed risk appetite framework."

Jo Stent
Chief Financial Officer

in trading volumes as many customers adjusted to a markedly different set of macro factors. The total number of corporate clients traded in FY22 was 1624, representing an increase of 17% on the prior year. 528 of these represent new customers, in turn demonstrating strong customer acquisition.

Earnings (note 13 in the financial statements) of £7.4m in FY22 represents an increase of £1.5m or 25% versus FY21 (FY21 £5.9m). This increase in earnings coupled with the Group's strong balance sheet has enabled the continued investment in growth in line with the now evolved strategy across people, technology and international expansion. Overall, administrative expenses increased by £4.0m compared to FY21. This is primarily driven by the investment in people. Average headcount grew from 67 in FY21 to 86 in FY22 including directors, with headcount at 31 March 2022 surpassing 100. The front office: back office split remained broadly consistent year on year. We expanded international teams including 4 new hires in Holland across the year and the appointment of the management team in Australia in February 2022. In addition, we increased our investment in technology to £1.7m in FY22 (FY21 £1.2m) in support of our service-led customer offering. Our investment in technology, in line with our accounting policy, is capitalised on our balance sheet as an intangible asset and amortised over a three year period.

Operating profit increased 33% to £10.4m (FY21: £7.8m). Adjusted operating profit of £11m (FY21: £8.7m) excludes £0.6m (FY21: £0.9m) of one-off items that do not form part of ongoing operating costs. In line with our accounting policy as stated on page 122, these are made up of legal and other set up costs for overseas subsidiaries as well as restructuring costs.

Net earnings in FY22 were £7.4m, representing a year over year increase of £1.5m (FY21 : £5.9m) resulting in a 1.4p increase in earnings per share to 6.6p.

FINANCIAL POSITION

Argentex views its ability to generate cash from its trading portfolio is a key indicator of performance within an agreed risk appetite framework. As at 31 March 2022, Argentex has cash and cash equivalents of £37.9m, an increase of £11.1m on prior year. Total cash and cash equivalents include client balances pertaining to collection of any collateral and variation margin in addition to routine operating cash balances. Further, cash and cash equivalents does not include collateral placed with financial counterparties which is a change from historical practice. Historically, this has been included in cash and cash equivalents but disclosed specifically in the financial statements disclosure notes, and in FY22 any collateral placed with financial counterparties is now classified as £7.2m in other assets (FY21:£11.6m).

The Group generated £17.2m in cash from operating activities in FY22 (FY21 £10.8m). Of this amount, £6.2m relates to an increase in client balances held, as shown in payables in note 18 of the financial statements. Of the remaining £11m in cash generated from operating activities, £1.7m was used to invest in technology including an enhanced online platform and a further £3.1m was returned to shareholders in the form of a dividend.

Cash generation from the Group's revenues is a function of i) the composition of revenues (spot, forward and option and swap revenues) and ii) the average duration of the FX forwards in the portfolio. To date, Argentex has generated revenues in a ratio of approximately 50:50 between spot and forward contracts outside of options and swap revenues. While spot FX contracts attract a smaller revenue spread, the inherent risk profile is much reduced and cash is generated almost immediately. As such, having this proportion of revenues generated by spot trades with a minimal working capital cycle creates a strong positive immediate cash flow for the business compared to its operating cost base.

Argentex continues to enjoy a high percentage of trades converting to cash within a short time frame, which is a result of almost 50% on average of trades outside of option and swap trades being spot contracts in addition to forward contracts carrying a relatively short tenor on average. Over 75% of revenue converts to cash within 6 months. Excluding swap revenue, 85% of revenue converts to cash within 3 months which is consistent with prior years as follows:

PORTFOLIO COMPOSITION

Argentex's client base continues to grow with an increase in corporate clients traded in the year to 1,624 (FY21: 1,385), and 528 of these corporate clients traded representing new business. Even when taking growth into account however the composition of our client portfolio remains consistent year-over-year in that it consists of similar businesses with exposures in the major currencies of sterling, euro and US dollar. In line with prior year, as at the year-end over 80% of the Group's portfolio was comprised of trades in those currencies and hence the Group's exposure to exotic currencies or currencies with higher volatility and less liquidity remains significantly limited. Further, client concentration has declined year on year with 36% of revenue represented by the top twenty customers, a reduction to the prior year (FY21 41%).

Argentex has put in place a low risk approach to managing collateral requirements with institutional counterparties to mitigate significant volatility risk which, when coupled with a selective and robust client acceptance process, has ensured that Argentex continues to avoid any material issues over settlement. In addition, as a result of a conservative approach to risk, Argentex continues to enjoy immaterial occurrence of bad debt.

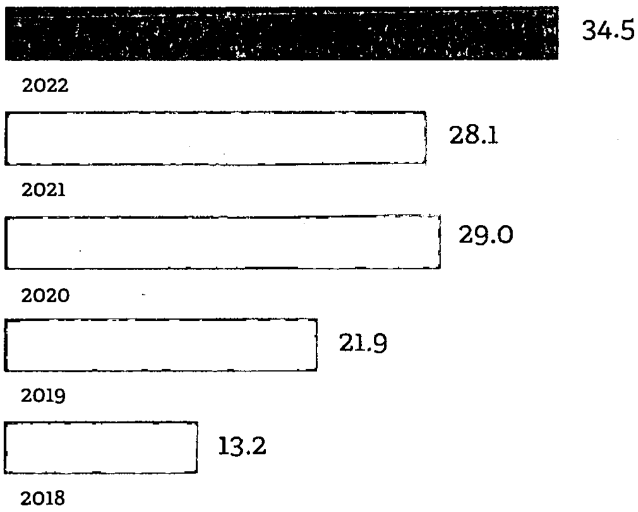
CASH CONVERSION

	2022 £m	2021 £m	2020 £m	2019 £m
Revenues for the last 12 months	**34.5**	28.1	29.0	21.9
Revenues for the last 12 months (swap adjusted S/A) (A)	**31.5**	27.2	27.6	20.5
Less				
Revenues settling beyond 3 months S/A	**4.6**	3.1	4.0	2.4
Net short-term cash generation (B)	**26.9**	24.1	23.6	18.1
Short-term cash return (B/A)	85%	88%	86%	88%

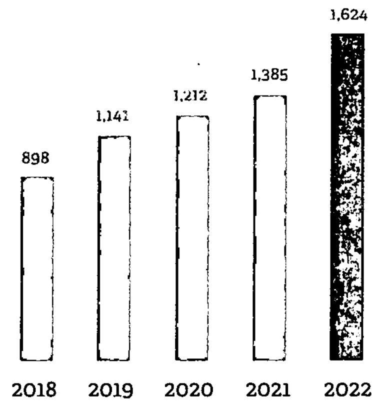
KEY PERFORMANCE INDICATORS

The Group measures its performance using the following Key Performance Indicators:

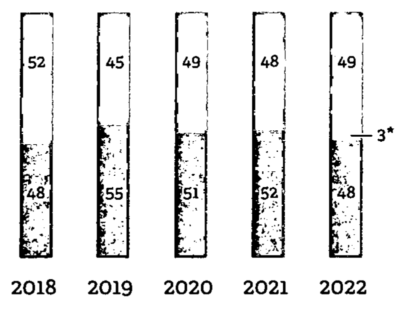
Revenue (£m)



Number of traded corporates



Spot/Forward revenue mix



*Structured solutions revenue

Earnings/ Adjusted Earnings

£7.4m/ £7.9m

FY 2022[1]

£5.9m/ £6.7m

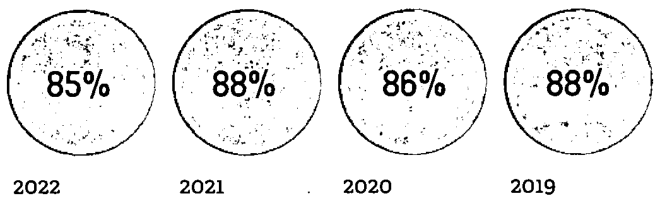
FY 2021[1]

£8.1m/ £10m

FY 2020

[1] Note 13 to the Consolidated Financial Statements

Short-term cash return (Net of swaps)



CHANGE IN FINANICAL REPORTING PERIOD

In line with the Group's transition to a global financial solutions provider, the financial reporting timetable will move to a calendar year with the first new reporting period ending 31 December 2022.

DIVIDEND

Argentex is pleased to declare a final dividend for the year ended 31 March 2022 of 1.25p per share. The final dividend record date will be 26th August 2022 and will be paid on 26th September 2022. The ex-dividend date is 25th August 2022. Together with the interim dividend paid on 7th January 2022 of 0.75p per share, this brings the total amount of dividend payable for the year to 2p per share, in line with prior years.

Jo Stent
Chief Financial Officer

Section 172 Statement.

Our 5 Key Stakeholders

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

As a board we have always taken decisions for the long-term, and collectively and individually our aim is always to uphold the highest standards of conduct.

Similarly, we understand that our business can only grow and prosper over the long-term if we understand and respect the view and needs of our clients, colleagues and the communities in which we operate, as well as our suppliers, the environment and the shareholders to whom we are accountable.

Meaningful engagement with these stakeholder groups supports the ethos of Section 172 of the Companies Act which set out that Directors should have regard to stakeholder interests when discharging their duty to promote the success of the Company. Specifically, each Director confirms that during the year, they have acted to promote the long-term success of the Company for the benefit of shareholders, and in doing so have given regard to factors (a) to (f) of s172(1) of the Companies Act 2006, being;

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

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

COVID-19

As the pandemic has eased over the past year, the Board has continued its regular communication with our employees. Employee wellbeing and satisfaction has been a priority as staff return to the workplace. The Board has frequently addressed covid secure measures throughout the year and placed an additional focus on our approach to sustainability. The Board approved our sustainability policy during the year ended 31 March 2022. Investments in technology have allowed for a flexible approach to working patterns. We have communicated to investors through trading statements and investor presentations. We continue to maintain a high standard of business best practices.

	Who / What they are?	Why are they important to us?	What do they want from us?	How do we engage with them?
Our Customers 21 44 45 46 47 48	We have a very diverse client base. Our clients vary from institutional, corporate and private clients from a variety of industries.	Our clients are the reason Argentex has become what it is. They form our revenue and growth.	They want tailored and best in class foreign exchange advisory and execution services that are safe and reliable.	The Directors have implemented a client service model designed to provide high levels of service and personal interaction to the Group's client base. Our growing repeat revenues are testament to our commitment to our client focussed operating model.
Our Employees 15 26 27 32 49 51	Anyone who is employed by Argentex.	Our people are our most important asset. They create and maintain our business, provide our customers with service they have grown accustomed to and drive business development and growth.	Our employees want a satisfying career, and a positive and motivating work environment where they can thrive, all underpinned by a supportive culture. In addition there is a need to act fairly between members of the Company and a desire for high standards of business conduct.	Directors engage regularly with staff and leadership teams. The Directors monitor staff appraisals, implement personal development plans and have set fair remuneration policies including health insurance that includes mental wellbeing as well as in-house fitness facilities.
Our Environment and Communities 64	Our environment and our local communities	Long Term sustainability and integrity are important components of the Argentex culture. We recognise that community engagement is vital to our ability to deliver long term-term returns for our stakeholders. Therefore we carefully consider our impact on the communities in which we operate and on the environment. Our commitment is embodied by our Sustainability Strategy.	Our environment and communities want from us a commitment to putting the right focus on the environment, social and governance.	Through our key pillars of Planet, People and Partners we have partnered with organisations such as Earthly and Social Mobility Foundation as well as implement grass roots led initiatives such as meat free Mondays. Such partnerships develop long term support to communities at both a national and global level.
Our Investors 21 33 81 84	Those who own shares in Argentex.	Investors provide capital to the Business, as well as valuable feedback on our performance and strategic position.	Investors want a clearly articulated long-term strategy together with shorter-term plans and effective communication of our progress. We aim to grow our share price and provide sustainable dividend income through a progressive dividend policy, while carrying no external borrowings.	The Directors conduct formal results presentations every six months. Institutional shareholders meet our Executive Directors regularly. The Directors hold an AGM every year.
Our Partners 67	Those who have a direct working, regulatory or contractual relationship, or share a mutual interest with us.	Their vital contributions to our business provide services, advice or oversight.	Our partners want us to be trustworthy and live up to our promises.	The Directors work to find mutually effective ways to communicate and collaborate with each group. High standards of health, safety and security underpin everything we do.

Key strategic decisions.

DIVIDEND POLICY

The Board committed to our stated policy, paying a full dividend based on the 2021 results in September despite the market volatility, and declaring a final dividend for 2022. As a board we appreciate the value of dividends to our shareholders who experienced widespread dividend cancellations and deferrals through the year.

LTIP

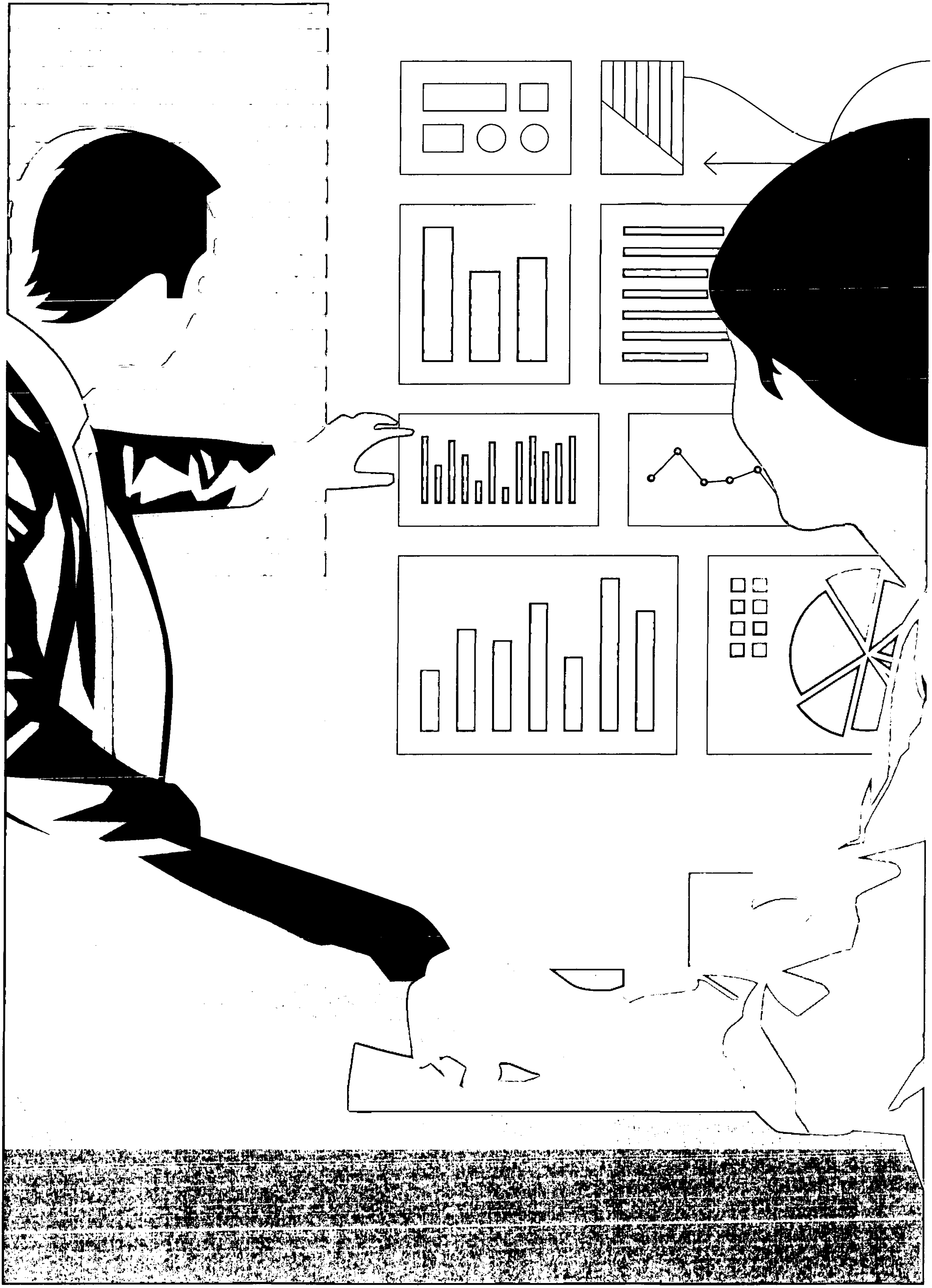
The Board consulted extensively on the final form of the Group's long-term incentive plan. Any staff incentive plan must strike the right balance between the interests of both employees and investors as key stakeholders of the business. Consideration was given to ensuring appropriate reward that acts as an incentive and encourages staff retention whilst sustaining value for the existing shareholders. Any share options issues in the year were issued at a premium to the market price of between 12% and 16%, giving dilution protection to investors before employees enjoy participation.

APPOINTMENT OF CHIEF OPERATING OFFICER

The Board approved the recommendation of the appointment of David Christie as COO. David has a clear remit to deliver on product developments across the Group and drive the investment in support functions that are key to ensuring the delivery of high levels of execution services to the Group's client base. As a Board we are keen to sustain close working relationships and open dialogue with suppliers who contribute to business operations. The decision to appoint for the role of COO is key to ensuring this approach underscores the Group's business strategy.

OPERATIONAL RESILIENCE

The Board acted swiftly to enact remote working protocols for all employees at the height of the pandemic. The Board also reviewed and approved proposals for returning to work in a COVID safe manner, implementing strict processes for employees to return. In addition we made swift steps to exit all Rouble currency before Russia's invasion into Ukraine.



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

Our vision

"This financial year, we have evolved our thinking and identified three key pillars to underpin our sustainability strategy."

Lena Wilson CBE FRSE
Board Sustainability Champion

We are committed to putting the right focus on sustainability, encompassing environmental, social and governance (ESG) issues to support our growth and yield greater business benefits by transitioning towards a sustainable business model.

Last year, we commenced consultation to identify key elements to develop our sustainability strategy. This financial year, we have evolved our thinking and identified three key pillars to underpin this sustainability strategy.

The Three Pillars:

People.

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

Partner.

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

Planet.

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

People.

BELONGING STRATEGY

A sense of belonging is central to the journey of our people, and to our ability to remain competitive when retaining and attracting the best talent. Developing a truly inclusive workforce calls for an organization to evaluate its practices, people, and take concerted, meaningful and intentional action for positive change.

We are committed to building on what already makes Argentex a great place to work and staff input is invaluable. This year we undertook an anonymous survey on Diversity and Socio-economic Status to gather data and understand our makeup. We are really proud that our organisation is made up of 14 different ethnicity groups and 7 different religious beliefs. Using the results of the survey we intend to identify a set of inititives to promote a culture of inclusion and belonging at Argentex.

Argentex will continue to work hard and engage our employees to continuously evaluate how we operate, to understand what we can do better. The purpose of these initiatives is to make positive changes, give every Argentex employee a voice, and develop a full belonging strategy.

SUPPORTING A CULTURE OF WELLNESS WITHIN THE ARGENTEX TEAM

With our commitment to our staff work culture and wellness, this year we launched the Argentex Fitness Challenge 2022: a four-week challenge that promotes fitness, competition, and team building.

ARGENTEX ACADEMY

The financial services industry is often perceived as notoriously inaccessible to those from lower socioeconomic backgrounds and for many young people, embarking on a career within the industry, it can appear unattainable.

Argentex recognises and understands the challenges surrounding enhancing diversity within financial services. We are well-positioned to support a change in this narrative by encouraging and supporting talented and ambitious students from diverse backgrounds to choose a career at Argentex.

In support of our focus on diversity, inclusion and belonging, we have partnered with the Social Mobility Foundation (SMF). They support over 2000 high-achieving young individuals and their aim is to make practical improvements in social mobility for young people from low-income backgrounds through SMF's Aspiring Professional Programme (APP), their Social Mobility Index, their advocacy and their campaigning arm, the Department of Opportunities (DO) to help us deliver on this core objective. This partnership with SMF marks the start of our Argentex Academy program launching summer of 2022.

Partner.

We recognise that for us to fully determine our path to net-zero, we need to understand and evaluate our impact across our value chain and be able to measure the indirect impact of doing business. Going forward, we will set our annual targets and work with partners in our value chain who align with and contribute positively towards a path of net-zero. Initial consultation has commenced and detailed planning is set to take place in the upcoming financial year.

Planet.

Argentex will continue to determine and measure our operational carbon footprint by maintaining our Planet Mark certification.

We have chosen to partner with organisations in a meaningful way to create lasting and positive change beyond our direct operational footprint and our chosen focus in this area is the replenishment of biodiversity loss, said to be one of the most significant potential risks to the global economy. To this end we have identified Earthly as an appropriate partner. This partnership aligns our objective of replenishing biodiversity loss by supporting the conservation program in the Kasigau Corridor, Kenya. For every trade a customer places with Argentex, we pledge to plant a tree in the Kasigau Corridor in support of the programme and its objectives.

Kasigau Corridor programme is a Reducing Emission from Deforestation and forest degradation (REDD+) project based in Rukinga, Kenya. This project protects over 200,000 hectares of dryland Acacia-Commiphora Forest home to more than 20 species of bats, over 50 species of large mammals, including lions and over 300 species of birds.

In addition, this project supports the UN Sustainable Development goals as noted in the table below.

PLANET MARK

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

EARTHLY

Earthly is a platform that showcases high integrity nature-based solution that removes carbon, restore biodiversity and support frontline communities.

Argentex has identified Earthly as an appropriate partner in support of our wider objective to replenish biodiversity loss.

Framework and structured processes.

> "Operational resilience and a sound risk framework have always been integral to the running of Argentex."
>
> **Jo Stent**
> Chief Financial Officer

The Group, as any business operating in the financial services sector, faces a number of challenges to its successful operation and development.

The principal risks and uncertainties facing the Group are addressed through a sound risk management framework that provides a structured process for identifying, assessing and managing risks associated with the Group's business objectives and strategy.

Market Risk

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

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

↔ NO CHANGE IN RESIDUAL RISK

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

Operational Risk

DESCRIPTION and potential impact
Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external causes. These failures can be deliberate, accidental or natural. Roles and responsibilities are clearly defined across business and control functions.

MITIGATION
Argentex mitigates operational risks having established a clear control framework with supporting policies, procedures and business continuity planning alongside on-going embedding of operational risk management and processes. Where the Group is unable to wholly mitigate a risk (for example cyber threats) it has taken out extensive insurance to cover any consequential losses and ensure that the Group is able to continue in operation with little to no financial detriment to itself or its clients.

↔ NO CHANGE IN RESIDUAL RISK

RATIONALE
The Group successfully navigated a significant proportion of the year in a work-from-home state for all or most of the employees, with operational effectiveness and resilience key to the sucess of this way of working. In addition, over the period the Group has invested in all core support functions including finance, HR and technology with a view to promoting a best in class approach to processes and controls across the enterprise. The Group therefore believes that there is no incremental residual operational risk. Operational effectiveness and resilience were key to the success and therefore the Group believes that there is no incremental residual operational risk.

Liquidity Risk

DESCRIPTION and potential impact
Liquidity risk is the risk that the Group has insufficient cash resources to meets its obligations or can only do so at an unsustainable cost.

Liquidity risk is primarily driven by:
- a sudden sharp movement in exchange rates when a currency is net long/short; or
- an over-extension of hedging facilities.

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

MITIGATION
The Group's primary intra-day liquidity requirements are driven by margin balance requirements with institutional counterparties. This margin position is monitored intra-day, and is subject to frequent review and stress testing to ensure the Group has sufficient collateral pledged to cover its current and potential obligations in the event of a significant market movement.

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

↔ NO CHANGE IN RESIDUAL RISK

RATIONALE
The Group continues to be well capitalised and monitors liquidity dynamically in response to the numerous macro economic events of the year. The Group sucessfully renegotiated ISDA agreements with institutional counter parties in the prior financial year and continues to opperate under this reduced risk model. As a result, the Group believes there is no incremental residual liquidity risk.

Credit Risk – clients

DESCRIPTION and potential impact
Credit risk reflects the risk that the Group is unable to realise the cash value of its assets.

The Group is exposed to credit risk if a client fails to settle a contract at maturity or fails to deliver on margin calls when required. The Group is therefore exposed to the fair value movements of the contract from the day the trade was booked, or since the date of the last margin call.

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

- assessment of the creditworthiness of clients, with each client being provided a credit assessment based on their specific circumstances;
- where a hedging facility has been extended, maximum exposure limits (typically 3-5% of the value of the contract with a client) before a margin call will be made;
- timely collection of margin calls or early settlement of client contracts to reduce or eliminate credit exposures;
- regular stress testing of exposures, both routine and event driven to provide visibility on potential future exposures in a range of market scenarios.

↔ NO CHANGE IN RESIDUAL RISK

RATIONALE
The Group recognised an increase in residual client related credit risk in the prior financial year as a result of the economic impact of the Covid 19 pandemic. Undoubtedly the extent of the economic impact of the pandemic on business is still unfolding, and therefore the Group will continue to monitor accordingly. Undoubtedly the wider global economic impact of Russia's invasion of Ukraine would have the potential to further increase residual credit risk as businesses face increased volatility and uncertainty. Although the Group has no direct exposure to the Russian Rouble, it continues to monitor credit worthiness of new and existing clients on a case by case basis and has not experienced any undue adverse impact in the current financial year with bad debt in line with historically low averages. On this basis, the Group believes there is no increase to residual credit risk for clients.

Credit Risk – institutional counterparties

DESCRIPTION and potential impact
Argentex relies on third party institutions in order to trade and clear settlement funds through client accounts. Counterparty Credit risk reflects the risk that the Group may incur losses as a result of institutional counterparty failure.

MITIGATION
To reduce counterparty credit risk to acceptable levels, Argentex only trades with leading counterparties such as fully regulated international banks and sound capital resources (as disclosed in accordance with the CRR and CRD IV of Basel III) and monitors the creditworthiness of institutional counterparties on an ongoing basis.

At institutional counterparty level, trade volumes and trading cash balances are concentrated to a small selection of institutional counterparties. A degree of concentration is necessary for the Group to command strong pricing and settlement terms with these institutions, however the Group continues to review the composition of its institutional counterparty base to ensure that there is sufficient redundancy in its liquidity offering.

↔ NO CHANGE IN RESIDUAL RISK

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

Regulatory and Compliance Risk

DESCRIPTION and potential impact
Regulatory and Compliance risk is the current and prospective risk to earnings or capital arising from violations of, or non-observance of, laws, rules and regulations applicable to the Group. Argentex LLP is authorised and regulated by the FCA as (i) an electronic money institution under the Electronic Money Regulations 2011 and (ii) for the provision of investment services (as an IFPRU Limited License Firm). Furthermore, the Group must abide by the AIM rules and other significant legislation including GDPR.

Consequences of failure to meet regulatory requirements include penalties and withdrawal of permissions, and the dynamic and evolving nature of financial and other regulations could lead to significant expenditure in order to remain compliant with the evolving regulatory environment.

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

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

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

↔ NO CHANGE IN RESIDUAL RISK

RATIONALE
UK, EU and global financial regulation continues to develop, bringing increased obligations on the Group. The Group continues to grow its compliance team and uses external advisors to stay ahead of any impending regulatory change.

Key Personnel

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

MITIGATION
Remuneration is reviewed annually and a proportion of the Group's employees participate in the Group's share-based incentive plans. The Group has a successful track record of retaining senior employees and the recruitment of additional key personnel provide assurance that there is appropriate breadth of management and appropriate span of control. Succession planning is assessed annually by the Nomination committee. The Group has comprehensive keyman person insurance policy in place. All key management have entered into service contracts which provide notice periods for the Group's protection.

↔ NO CHANGE IN RESIDUAL RISK

RATIONALE
The board continues to invest in the strength of the leadership team and other key personnel and is satisfied that this in addition to ongoing sucession planning mitigates the risk of loss of key personnel.

IT and System Risk

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

MITIGATION
The Group maintains business continuity and operational resilience arrangements which are periodically tested and enhanced as required as our products and services expands. These include relevant policies, processes, training, infrastructure, governance and tools to ensure the business can recover from a range of business interruption scenarios.

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

Argentex has implemented a Business Continuity Policy to provide guidelines for developing, maintaining and exercising Argentex's Business Continuity Management (BCM) and IT Disaster Recovery (DR).

↔ NO CHANGE IN RESIDUAL RISK

RATIONALE
The Group's transitions between remote and office working or a hybrid model have been implemented with minimal disruption over the last two financial years. Further, the majority of the Group's infrastructure utilises cloud – based infrastructure thereby mitigating residual risk.

Cyber Risk

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

MITIGATION
The Group maintains and continues to enhance its information security management framework which are systemically tested against evolving threat vectors as they develop and continually enhanced as our products and services expand. These include relevant policies, tools and processes and employee training on security and fraud related matters like phishing and ransomware, which are then periodically tested by external third parties.

Additionally all systems are patched, secured and penetration/vulnerability tested regularly to ensure they are secure and robust to maintain confidentiality, integrity and availability of our services and business assets. Additionally we monitor the web and dark web for any threats and have appropriate incident management and expertise in place to react to any threat as they may emerge.

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

Staff are trained regularly on password security, fraud, ransomware and phishing threats, and management put emphasis on robust IT and systems to our overall strategy.

↔ NO CHANGE IN RESIDUAL RISK

RATIONALE
The pervasive threat of cyber crime remains a high risk. There have been no significant developments in the current year to elevate the assessment.

COVID-19

DESCRIPTION and potential impact
The continuing risk of COVID-19 negatively impacting the Group either through direct health risks to staff and key stakeholders of the Group, or further adverse impact on the economy.

MITIGATION
The Group's primary responsibility is the safety and welfare of its staff. The Group has developed its pandemic response as the threat evolves, and has robust policies and procedures that facilitate remote working and a safe return to work.

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

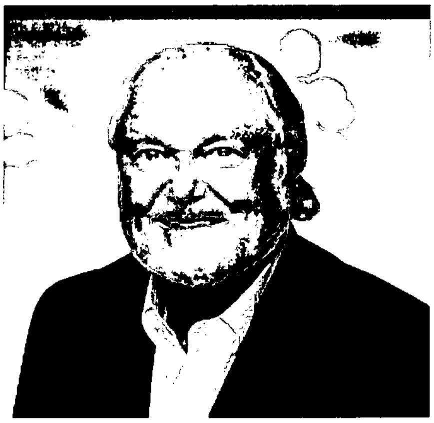
↔ NO CHANGE IN RESIDUAL RISK

RATIONALE
The Group continues to monitor the ongoing impact of Covid 19 across many industry sectors as the impact of the vaccination program has led to a return to a version of normality. The Group continues to be focused on robust financial controls and maintaining balance sheet strength and as such believes there is no increased residual risk in the period as a result of the ongoing impact of Covid 19.

BOARD APPROVAL
The Strategic Report as set out on pages 30 to 75 was approved by the Board of Directors on 5 July 2022 and signed on its behalf by

Jo Stent
Chief Financial Officer
July 2022

Board of Directors.

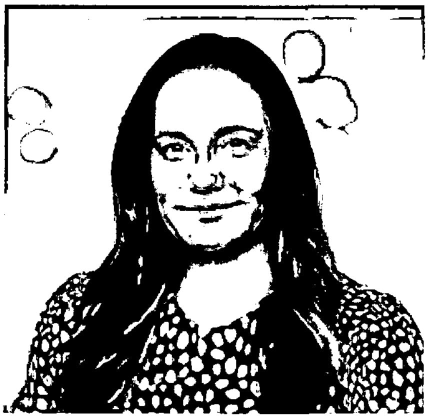


Lord Digby Jones Kb.
Non-executive Chairman

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

Harry Adams
Chief Executive Officer, Co-Founder

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



Jo Stent
Chief Financial Officer

An experienced CFO, Jo has spent the majority of her 25-year career in senior finance roles in global, fast-paced organisations and has operated in a number of sectors and geographies. She has a demonstrable track record in organisational scaling and international expansion in addition to building best in class finance functions. Most recently, she was CFO at the European Tour and the Ryder Cup, and prior to that CFO of Vodafone Americas. She has also held senior finance roles in Telus Communications Inc, Deloitte and Scottish & Newcastle plc. Jo qualified as a Chartered Accountant with EY, and is a non-executive director at UK Coaching.

Lena Wilson CBE FRSE
Senior Independent Director and Independent Non-executive Director

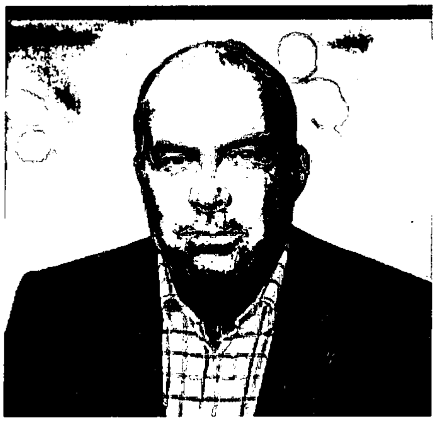
Lena brings extensive experience to Argentex, from an international career spanning over 60 countries. She currently serves on the Group Board of NatWest Group, and is Chair of Picton Property Income Ltd and Chair of AGS Airports Ltd. She is also a member of the UK Prime Minister's Business Council for 2022 and a Visiting Professor at the University of Strathclyde Business School. Lena was Chief Executive of Scottish Enterprise from November 2009 until October 2017. Prior to this, Lena was Senior Investment Advisor to The World Bank.

Nigel Railton
Independent Non-Executive Director

Nigel has been the CEO of Camelot UK Lotteries Ltd since June 2017. Nigel previously served as Financial & Operations Director and Finance Director of Camelot Group PLC. Prior to Camelot, he served as Senior Management Accountant of Daewoo Cars Ltd, beginning his career at British Rail. Nigel is a Qualified Accountant.

Henry Beckwith
Non-executive Director

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



Jonathan Gray
Independent Non-executive Director

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

Directors' Report.

The Directors have the pleasure of presenting their report including reports from the Board Committees and consolidated financial statements for Argentex Group PLC for the year ended 31 March 2022.

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

PRINCIPLE ACTIVITY

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

BUSINESS REVIEW AND RESULTS

The review of the business, operations, principal risks and outlook are included in the Strategic Report on pages 30 to 74. The Group's profit after taxation for the year was £7.4m as set out in the Consolidated Statement of Profit or Loss on page 110.

DIVIDENDS

During the year, the Group declared and paid a final dividend for FY21 of 2.0p per share, totalling £2.3m paid in September 2021. In January 2022, the group paid an interim dividend of 0.75p per share totalling £0.8m based on the results for the H1 ended 30 September 2021. For the year ended 31 March 2022, the directors are declaring a final dividend of 1.25p per share, totalling £1.5m.

Full particulars of the dividends are contained within the Financial Review on page 56.

DIRECTORS

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

- Harry Adams
- Carl Jani (Resigned 11th June 2021)
- Jo Stent
- Lord Digby Jones Kb.
- Lena Wilson CBE FRSE
- Nigel Railton
- Jonathan Gray
- Henry Beckwith

Biographies of the directors including their committee memberships are set out on pages 77 to 79.

DIRECTORS INTERESTS

The remuneration, principal terms of employment and the interests of the Directors in the Company's shares are detailed in the Directors Remuneration Report on pages 90 to 95. During the period covered by this report, no Director had a material interest in a contract to which the Company or any of its subsidiaries was a party (other than their own service contract), requiring disclosure under the Companies Act 2006. There are procedures in place to deal with any Directors' conflicts of interest arising under section 175 of the Companies Act 2006 and such procedures have operated effectively.

GOING CONCERN

The Directors have assessed the Group's prospects until the end of 2022, taking into consideration the current operating environment, including the impact of Coronavirus pandemic and the Ukraine conflict on the FX markets.

The board of directors of are confident that in context of the Group's financial requirements they give flexibility and sufficient liquidity to the Group to ensure that the Group can withstand significant shocks and/or extended periods of market volatility, whilst remaining as a going concern for the next twelve months from the date of approval of the Director's report and financial statements.

DIRECTORS' INDEMNITY

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

POLITICAL DONATIONS

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

SHARE CAPITAL

Argentex Group PLC is a public limited company incorporated in England and Wales and its shares are quoted on the AIM market of the London Stock Exchange. Save as agreed at the Annual General Meeting of the shareholders, the ordinary shares have pre-emption rights in respect of any future issues of ordinary shares to the extent conferred by section 561 of the Companies Act. Details of the Group's Share Capital and changes in the year are set out in note 20 of the Consolidated Financial Statements.

EMPLOYEE INVOLVEMENT

The Group continues to involve its staff in the future development of the Business, and provide working conditions to engender high performance and certain employees are participants in the Group's share plans, which comprise a CSOP plan which was issued at IPO, and, a Long-Term Incentive Plan ("LTIP") designed to reward, incentivise and retain key staff and engage employees with the long-term growth aspirations of the Group.

SUBSTANTIAL SHAREHOLDINGS

At 31 March 2022, the company had been notified of the following interests (excluding Directors within the Group) representing 3% or more of its issued shared capital:

Shareholder	Number of ordinary shares	% holding
Pacific Investments Limited	15,442,694	13.64%
Gresham House Asset Management	8,315,855	7.35%
AXA Framlington Investment Managers	4,350,000	3.84%
Fidelity International	4,011,760	3.54%

ENGAGEMENT WITH CUSTOMERS AND SUPPLIERS

Engagement with our stakeholders is fundamental to our ethos. The Board is regularly updated on wider stakeholder engagement with customers, suppliers and shareholders' insights into the issues that matter most to them and our business. The Section 172 Statement on pages 60 to 61 provides a comprehensive overview of the Group's commitment to stakeholder engagement.

CORPORATE SOCIAL RESPONSIBILITY

We are committed to minimising the impact our operations have on the environment, so we have hired an ESG consultant to help us become more environmentally aware. Recycling office supplies where possible is already being undertaken. We do not discriminate against age, gender, ethnicity, disability or any other criteria. For more information please see pages 64 to 67.

ANNUAL GENERAL MEETING

The AGM will take place on 22nd August at Gowling WLG, 4 More London Riverside, London SE1 2AU. The Notice of the AGM and the ordinary and special resolutions to be put to the meeting are included at the end of this Annual Report.

FINANCIAL INSTRUMENTS AND RISK

The financial instruments and their associated risks are set out in note 23 of the Consolidated Financial Statements.

CORPORATE GOVERNANCE

A full review of Corporate Governance appears on pages 84 to 109.

AUDITOR

Deloitte, which was appointed on the 4th August 2021 have confirmed their willingness to continue in office as auditor in accordance with section 489 of the Companies Act 2006. The Group is satisfied that Deloitte are independent and there are adequate safeguards in place to safeguard their objectivity. A resolution to reappoint Deloitte as the Company's auditor will be proposed at the AGM on 22nd August.

DIRECTORS' STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR

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

DIRECTORS' RESPONSIBILITIES

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

Company law requires the Directors to prepare financial statements for each financial year. Under such laws, the Directors have prepared the Group financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006.

Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the Group and Company for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

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 also responsible for ensuring that they meet their responsibilities under the AIM Rules.

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

On behalf of the Board

Jo Stent
Chief Financial Officer

Corporate Governance Report.

Lord Digby Jones Kb.
Non-Executive Chairman

Dear Shareholder,

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

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

Best practice is adopted wherever possible to facilitate robust risk management and the promotion of a strong governance environment. The Board has reviewed the Corporate Governance disclosures set out in the following pages and believes that the Group complies with the principles and disclosure requirements of the code in full.

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

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

Lord Digby Jones Kb.
Non-Executive Chairman

The QCA Corporate Governance Code.

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

30 Strategic Report

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

33 Investor / Shareholders

152 Shareholder communications

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

60 Section 172 Statement

64 Sustainability Initiative

33 Other Stakeholders

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

70 Principal Risks & Uncertainties

70 Internal Controls & Assessments of Business Risk

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

77 Board of Directors

84 Corporate Governance Statement

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

77 Board of Directors

88 Board of Effectiveness

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

88 Board of Effectiveness

90 Remuneration Committee Report

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

84 Corporate Governance Statement

90 Remuneration Committee Report

98 Audit and Risk Committee Report

96 Nomination Report

64 Sustainability Strategy

27 Argentex Collective

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

44 Clients

26 Culture

26 Business Culture, Behaviour & Ethics

64 Sustainability Strategy

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

84 Corporate Governance Statement

GOVERNANCE INTRODUCTION AND THE BOARD COMPOSITION

The Board is responsible to shareholders for the long-term success of the Business. It is important that the Board comprises of a mixed skill set, experience and knowledge to deliver the Strategy of the Group. The Board comprises of two Executive Directors and five Non-Executives, including the Chairman. The Board believes that the size, skills sets, and experience are pertinent to the Argentex Group given its size, stage of development and opportunities that it faces. All Board Directors are subject to election at their first Annual General Meeting and to re-election annually thereafter.

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

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

The Board meets at least six times each year, and additional meetings are held as required. The Board is the principal forum for directing the business of the Group.

CHANGES TO THE BOARD

Carl Jani resigned as Co-CEO 11th June 2021.

HOW THE BOARD OPERATES

The Board is responsible for the proper management of the Group by formulating, reviewing and approving the Group's strategy, budgets and corporate actions. Executive Directors work full time within the Group. Non-Executive Directors are expected to devote such time as is necessary for the proper performance of their duties.

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

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

The Board is responsible to for:
- The maintenance of a robust system of internal controls and risk management procedures
- Board appointments and succession planning
- The approval of the Remuneration Policy and remuneration arrangements for the Directors and other senior managers
- Setting the terms of reference for Board Committees
- The strategy and growth plans of the Business
- Structure and Capital
- Risk Management and internal controls
- Contracts
- Commitment to material expenditure
- Shareholder communication
- Corporate Governance

BOARD MEETINGS

The Board met six times during the year and Non-Executive Directors communicate directly with Executive Directors and Senior Management between formal meetings. The Board operates to an agreed schedule, covering key matters at regular intervals through the year. The agenda and papers for the Board are distributed in advance of each Board meeting.

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

Directors are expected to attend all Board meetings, and the Committee meetings on which they are members. The table on page 89 outlines the scheduled Board and Committee meetings with attendance of each Board Member.

THE BOARD COMMITTEES

<u>Audit and Risk Committee</u>

The Audit and Risk Committee is responsible for monitoring the integrity of the Company's financial statements, reviewing significant financial reporting issues, reviewing the effectiveness of the Company's internal control and risk management systems and overseeing the relationship with the external auditors (including advising on their appointment, agreeing the scope of the audit and reviewing the audit findings). The Audit and Risk Committee monitors the need for an internal audit function.

The Audit and Risk Committee is comprised of Lena Wilson CBE FRSE, Jonathan Gray, Henry Beckwith and Nigel Railton is Chair. The Audit and Risk Committee will meet at least three times a year at appropriate times in the reporting and audit cycle and otherwise as required. The Audit and Risk Committee will also meet frequently with the Company's external auditors.

Remuneration Committee
The Remuneration Committee is responsible for determining and agreeing with the Board the framework for the remuneration of executive Directors and other designated senior executives and, within the terms of the agreed framework, determining the total individual remuneration packages of such persons including, where appropriate, bonuses, incentive payments, share options or other long-term incentive plans. The remuneration of Non-Executive Directors is a matter for the Chairperson and the Executive Directors. No Director will be involved in any decision as to his or her own remuneration. The Remuneration Committee is also responsible for issuing awards of shares and options to purchase Ordinary Shares under the Company's proposed share incentive plans.

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

The Remuneration Committee is comprised of all of the Non-Executive Directors and Jonathan Gray is Chair. The Remuneration Committee will meet at least twice a year and otherwise as required.

Nominations Committee
The Nominations Committee is responsible for identifying and nominating members of the Board, recommending Directors to be appointed to each committee of the Board and the Chair of each such committee. The Nominations Committee also arranges for evaluation of the Board. The Nominations Committee is comprised of all of the Non-Executive Directors and Lena Wilson CBE FRSE is Chair. The Nominations Committee will meet at least twice a year and otherwise as required.

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

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

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

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

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

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

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

All Directors will normally attend each AGM and shareholders are given the opportunity to ask questions. In addition, the Chief Executive and Chief Financial Officer welcome dialogue with individual institutional shareholders to understand their views and feed these back to the Board. General presentations are also given to analysts and investors covering the Annual and Interim Results.

OTHER STAKEHOLDERS
Other key stakeholders aside from shareholders are the Group's staff, its corporate clients and its key suppliers.

Delivering client focussed outcomes ensures the long-term viability of the Argentex business model, and maintaining

● Attended meeting ○ Absent

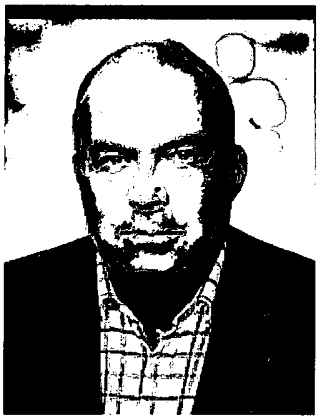
● Not a committee member ○ Not a board member at time

	Digby, Lord Jones Kb.	Nigel Railton	Jonathan Gray	Lena Wilson CBE FRSE	Henry Beck-with	Harry Adams	Jo Stent
Board Meetings	Chair						
	●	●	●	●	●	●	●
	●	●	●	●	●	●	●
	●	●	●	●	●	●	●
	●	●	○	●	●	●	●
	●	●	●	●	●	●	●
	●	●	●	●	●	●	●
Audit Committee		Chair					
	●	●	●	●	●	●	●
	●	●	●	●	●	●	●
	●	●	○	●	●	●	●
	●	●	●	●	●	●	●
Remuneration			Chair				
	●	●	●	●	●	●	●
	●	●	○	●	●	●	●
	●	●	●	●	●	●	●
Nominations				Chair			
	●	●	●	●	●	●	●
	●	●	●	○	●	●	●

client confidence and trust requires full commitment to the Argentex culture by its staff. The client journey involves all facets of the Argentex model, from front office client acquisition and relationship management, through to payment execution and ongoing compliance undertaken by the back office. Argentex's growing client base and ever growing staff number demonstrate Argentex's commitment to the same model that drove the early success of the Business and continues to deliver for the Business.

The Board actively encourages and gives opportunities for its staff to give feedback regardless of seniority or tenure through regular team meetings and sustaining a flat organisation where the senior management team are present on the sales floor daily. Argentex is also committed to using domestic supply chains where possible, in order to maintain a modest environmental footprint and have access to domestically located support, opposed to solutions outsourced overseas.

Remuneration Committee Report.



Johnathan Gray
Chair of the Remuneration Committee

I am pleased to present the Remuneration Report for the year ending March 2022 which summarises the work of the Remuneration Committee, the remuneration policy and the remuneration paid to the Directors for the year.

As an AIM-quoted company, the information provided is disclosed to fulfil the requirements of AIM Rule 19. Complying with AIM Rule 26, Argentex complies with the QCA Corporate Governance Code. Although the Company is not required to comply with Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Argentex is committed to achieving both high governance standards and a simple and effective remuneration structure.

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

REMUNERATION COMMITTEE

The composition of the committee is shown on page 89 and is made up entirely of the Group's Non-Executive Directors. The Committee is responsible for determining and reviewing the Group's policy on executive remuneration and other benefits and terms of employment, including performance related bonuses and share options. The Committee also determines the operation of the share option and share incentive schemes established by the Group, and reviews senior management's proposals for remuneration policies affecting all staff.

The Committee has met three times during the year.

REMUNERATION POLICY

The Committee is conscious of the scale and importance of remuneration in a business of this type. The Group's policy is to offer competitive remuneration with the aim of motivating and retaining high quality executives to support the achievement of the Group's financial and non-financial targets and to pay executives fairly. The Committee considers the appropriate balance between fixed and variable remuneration as well as ensuring that the remuneration policy is aligned with the interests of shareholders.

Our CEO has a significant shareholding and so his interests are directly aligned with shareholders as a whole. In view of this, the CEOs does not currently participate in long-term incentive arrangements. The committee has retained an independent external consultant to advise on remuneration matters across the Group.

Salaries, fees and benefits

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

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

Fees for Non-Executive Directors are determined by the Board, having regard to fees paid to Non-Executive Directors in other UK quoted companies of a similar scale, the time commitment, and responsibilities of the role. The Non- Executive Directors' fees are subject to the aggregate limit set out in the Company's Articles of Association. The fee for our Chairman was £67,500 per annum and for our non-executive directors was £50,000 per annum. No options are held by the Non-Executive Directors. Individuals cannot vote on their own remuneration.

Annual bonus

The Company operates an annual discretionary bonus plan under which Executive Directors may receive a bonus based primarily on group financial and operational performance in the year. Bonuses are payable in cash following completion of the audit.

This has been an exciting year of growth for the Group. Consequently, the Remuneration Committee has determined to award bonuses to the Executive Directors as set out in the table below.

Long-term incentive plans

The Committee recognises the importance of ensuring that senior employees of the Company are effectively and appropriately incentivised. In order to further encourage long term alignment of staff with the interests of shareholders and the strategic objectives of the Group, the Company operates a UK tax-advantaged company share option plan (the "CSOP").

The CSOP was granted at IPO to certain senior employees of the Group excluding Executive Directors. The 311,311 Options granted under this scheme are intended to meet the requirements of Schedule 4 to the Income Tax (Earnings and Pensions) Act 2003 and be qualifying for capital gains tax treatment for employees.

On 7 April 2020 the Company issued a further grant of 4,528,300 share options under the CSOP to senior employees within the Group. These options were issued at an exercise price of 135p (representing a 12% premium to the prevailing market price) and are a combination of UK tax-advantaged company share options and share options that are not tax-favoured. The awards will vest in portions of one third on the third, fourth and fifth anniversaries of grant.

On 25 February 2021, Jo Stent was awarded 452,830 share options under the CSOP, at 135p (representing a 16% premium to the prevailing market price). The share options are a combination of UK tax-advantaged company share options and share options that are not tax-favoured. Her award has an EPS growth performance condition attached and will vest at the same time as the LTIP awards granted on 7 April 2020.

SERVICE CONTRACTS

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

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

The committee has retained the service of an external consultant to advise on remuneration matters.

DIRECTORS' REMUNERATION

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

Comparative information (where shown) included remuneration of the Executive Directors as employees or members of Argentex LLP, where profit shares were automatically determined in accordance with proportions of equity held in the LLP prior to the IPO. Following the IPO on 24 June 2019, the Directors no longer have any entitlement to equity profits arising from Argentex LLP, and are instead remunerated by reference to: Director's service agreements, basic salaries/fixed profit shares from Argentex LLP and variable performance related bonuses as determined by the Remuneration Committee.

31 MARCH 2022	Basic salary/ Fixed profit shares	Performance related bonus in respect of FY2022	Other amounts	2021/22 Total
Executive Directors				
Harry Adams	350,000	280,000	-	630,000
Carl Jani[1]	56,426		113,890	170,316
Jo Stent	270,000	160,000	-	430,000
Non-Executive Directors				
Lord Digby Jones	67,500	-	-	67,500
Henry Beckwith	50,000	-	-	50,000
Jonathan Gray	50,000	-	-	50,000
Nigel Railton	50,000	-	-	50,000
Dr Lena Wilson	50,000	-	-	50,000

Notes:

[1] To July 2021

31 MARCH 2021	Basic salary/ Fixed profit shares	Performance related bonus in respect of FY2021	Other amounts	2020/21 Total
Executive Directors				
Harry Adams	250,000	87,000	-	337,000
Carl Jani	250,000	-	-	250,000
Sam Williams[1]	125,000	-	75,000	200,000
Jo Stent[2]	45,000	15,000	-	60,000
Non-Executive Directors				
Lord Digby Jones	60,000	-	-	60,000
Henry Beckwith	-	-	-	-
Jonathan Gray	45,000	-	-	45,000
Nigel Railton	45,000	-	-	45,000
Dr Lena Wilson	45,000	-	-	45,000

Notes:
[1] To the 31st January 2021
[2] Appointed on 1 February 2021

DIRECTORS' SHARE INTERESTS

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

	Number of ordinary shares held in the Company at 31 March 2022	Number of ordinary shares held in the Company at 31 March 2021
Executive Directors		
Harry Adams	13,882,894	13,749,144
Carl Jani	-	13,749,144
Jo Stent	37,500	-
Non-Executive Directors		
Lord Digby Jones	434,451	396,951
Henry Beckwith	7,675,247	7,425,748
Jonathan Gray	75,000	50,000
Nigel Railton	84,670	47,170
Dr Lena Wilson	12,500	-

SHARE OPTIONS

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

	Date of grant	Number of CSOP options	Number of unapproved options	Exercise price	First exercise date [1]
Executive Directors					
Jo Stent	26 February 2021	0	452,830	£1.35	07 April 2023

Notes:
[1] Subject to an EPS growth performance condition.

Jonathan Gray
Chair of the Remuneration Committee
June 2022

Nominations Committee Report.

Lena Wilson CBE FRSE
Chair of the Nominations Committee

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

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

The Nominations Committee is responsible for identifying and nominating members of the Board, recommending Directors to be appointed to each committee of the Board and the chair of each such committee. This enables the Board and each committee to effectively discharge their duties and responsibilities in the pursuit of long-term value creation for the Company's stakeholders.

COMMITTEE COMPOSITION

The Nominations Committee is comprised of all of the Non-executive Directors as shown on page 89. The Nominations Committee met twice during the year.

KEY RESPONSIBILITIES OF THE COMMITTEE

The full terms of reference for the committee can be found on the Company's website at www.argentex.com. The key focus of the committee during the year included:

— reviewing the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and make recommendations to the Board with regard to any changes.
— giving full consideration to succession planning for directors and other senior executives into account the challenges and opportunities facing the Company, and the skills and expertise needed on the Board in the future; and
— keeping under review the leadership needs of the organisation, both executive and non-executive, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace.

COMMITTEE ACTIVITY

During the year, a key focus of the Committee was the Covid-19 pandemic, and Company's ability to navigate the challenging circumstances. The Committee was involved in and kept informed of any developments regarding succession planning in the event of key persons illness and the Company's responses to any such events. The Committee further supported management's employer risk assessments and safety protocols for returning to a Covid-safe working environment as restrictions evolved through the financial year. The Committee continues to monitor the impact of the Covid 19 pandemic across all elements within it terms of reference.

During the year a key focus of the Committee was the annual review of Board effectiveness. The Committee also reviewed and updated the Board Skills Matrix implemented in the previous year, the results of which showed that the Board has the necessary depth and breadth of skills required to effectively discharge its duties. This year's effectiveness review was carried out internally and led by the Committee Chair. Key outcomes were positive with the Board wishing to focus more on shareholder engagement, competitive landscape and innovation; and environmental, social and corporate governance (ESG) and all three have already been addressed in deeper Board discussions as well as during the annual strategy session. The Committee will in the coming year, turn its attention to the implementation of a robust succession plan that considers contingency, medium-term and long-term implications of board composition. Given the sector in which Argentex operates, the Board also undertook comprehensive annual compliance training.

The Committee plays a key role in all new Board and Executive Leadership appointments. During the year, David Christie was appointed as COO and we welcome his financial expertise and global experience to the Board. His skills are major asset to Argentex as we pursue sustainable long-term growth and shareholder value creation.

David was appointed following a comprehensive evaluation by the Committee of the skills, knowledge and experience required to fill the vacancy. The Committee engaged the services of an external adviser to assist with the search, and a range of candidates from varying backgrounds were considered in making the appointment. Prior to recommendation of the appointment, the Committee also sought the input of its other advisers including the Company's NOMAD to evaluate the outcome of the Committee's decision-making process.

PRIORITIES FOR 2022/23

The Nominations Committee will continue to oversee the effectiveness of the Board and ensure that appointments are based on merit, considering fully the skills and experience required, as well as the benefits gained from all forms of diversity in future Board composition.

Lena Wilson CBE FRSE
Chair of the Nominations Committee

Audit and Risk Committee Report.

Nigel Railton
Independent Non-Executive Director

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

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

The composition of the committee is shown on page 89. The committee is comprised of only non-executive directors, and committee meetings are attended by the CEO and the CFO as well as other senior management as requested. The Committee met five times in the year and also held meetings with both the previous and newly appointed external Auditors, Deloitte LLP. The Committee meets with the auditor following the finalisation of the annual report and results independently of management to discuss any issues arising from the audit. The Chair of the Audit and Risk Committee consults with all committee members prior to the meeting to ensure all matters arising are raised and discussed openly.

As the Company's risk profile increases as a result of overseas diversification and increased payment activities, the Audit Committee's responsibility to oversee risk management has been formalised by reforming the Audit Committee to the Audit and Risk Committee as of 14 March 2022.

The full terms of the Committee comply with the UK's QCA Corporate Governance Code and are available on the Group's website or from the Company Secretary at the registered office address.

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

- Review of the 2021/2022 audit plan and audit engagement letter
- The tender and appointment of a new external auditor
- Reviewing the effectiveness of the external audit process
- Consideration of significant financial reporting judgements
- Monitoring the integrity of the financial statements of the Company and Report
- Going Concern Review
- Review of the risk management and internal control systems
- Review of the Group's ICAAP and risk framework
- Consideration of regulatory developments and their impact

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

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

RISK MANAGEMENT AND INTERNAL CONTROLS

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

The Group's Chief Compliance Officer, as appointed in April 2022, will provide a regular report to the Committee on the controls framework, along with any testing and monitoring outcomes, carried out by the Compliance function. This also covers a regulatory update on upcoming regulatory changes and the impact of changes implemented during the year, a summary of other compliance issues.

The Company has grown to sufficient scale and complexity to require a separate risk committee at management level which reports directly to the newly expanded Audit and Risk Committee on a quarterly basis. The objective of the risk committee is to assist in the oversight of the effectiveness of the enterprise-wide risk management framework. The Committee achieves this through a strategy of identification and review of key group risks with relevant mitigation measures implemented where appropriate.

Key risks are outlined on pages 71 in the Strategic Report.

WHISTLEBLOWING, ANTI-BRIBERY AND FRAUD PREVENTION

The Group has in place a whistleblowing policy which sets out the formal process by which an employee of the Group may raise concerns about possible improprieties in the financial reporting or any other matters. The Committee considers that the current policy is operating effectively.

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

EXTERNAL AUDITOR

The external Auditor, Deloitte LLP, were appointed as auditors to the Company at the Company's AGM on 4 August 2021. The Audit Committee monitors the relationship to ensure the auditor independence and objectivity are maintained.

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

INTERNAL AUDIT

The Group does not currently have an internal audit function. The committee regularly considers whether there is a need for an internal audit function and reports its findings to the Board. The committee and Board agree that the Company has now grown to a level that necessitates the provision of an internal audit function over and above the existing compliance function. The Committee will outsource the internal audit to a third-party provider in the upcoming year with a view to a more integrated approach in the long-term. In the interim, management will continue to derive assurance as to the adequacy and effectiveness of internal controls and risk management procedures based on the results of external assurance reports and internal reports provided to the committee.

2022/2023 PRIORITIES

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

1. Any emerging risks presented to the Group's operations such as cyber security and key financial controls
2. Reviewing the Group's ICAAP and risk frameworks
3. The Group's international expansion and controls framework supporting this growth
4. The outsourced internal audit tender process and appointment
5. Consideration of any other changes to the regulatory environment, business practises and the risk profile of the Group

As a result of the work performed, the Committee has concluded that the Annual Report for the year ended 2022, taken as a whole, is fair, balanced and understandable and provides the information necessary for model and strategy, and has reported on these finding to the Board.

Nigel Railton
Chair of the Audit Committee

Independent Auditors' Report.

1. **In our opinion:**

- the financial statements of Argentex Group plc (the 'parent company') and its subsidiaries (the 'group') give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 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;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:
- the consolidated statement of profit or loss and other comprehensive income;
- the consolidated and parent company statements of financial position;
- the consolidated and parent company statements of changes in equity;
- the consolidated statement of cash flows;
- the related consolidated notes 1 to 28; and
- the related parent company notes 1 to 11.

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

2. Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

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

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

3. Summary of our audit approach

Key audit matters	The key audit matters that we identified in the current year were: — Revenue recognition; and — Presentation of derivative assets and liabilities.
Materiality	The materiality that we used for the group financial statements was £517,000 which was determined on the basis of 1.5% of revenue.
Scoping	Our audit was scoped by obtaining an understanding of the group and its environment, key processes and controls over financial reporting, and assessing risks of material misstatement at a group level. Our audit scope covers 100% of the group's revenue, 100% of the group's profit before tax and 100% of the group's total assets.
First year audit transition	This is the first year we have been appointed as auditors to the group. From the date of our appointment we undertook a number of procedures to prepare for the audit. This included meeting regularly with group leadership to understand the business and the environment in which it operates. Additionally, we reviewed the working papers of the former auditor to gain an understanding of their audit risk assessment and audit procedures performed for the purposes of issuing their audit opinion.
Significant changes in our approach	We identified the presentation of derivative assets and liabilties as a key audit matter in the current year, following management's reassessment of the classification and presentation of derivative financial assets and liabilities in the current year.

4. Conclusions relating to going concern

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

Our evaluation of the directors' assessment of the group's and parent company's ability to continue to adopt the going concern basis of accounting included:

- Assessing management's financial projections and evaluating key assumptions and their projected impact on capital and liquidity;
- reading correspondence with regulators to understand the group's capital and liquidity requirements;
- assessing the historical accuracy of forecasts prepared by management; and
- evaluating the adequacy of the disclosures made in the financial statements in view of the requirements of IFRSs.

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. Revenue recognition

Refer to the summary of significant accounting policies on page 118 and note 5 on page 125.

Key audit matter description	Revenue is generated by the group through the brokering of foreign exchange currency contracts for immediate ("spot") and future delivery ("forward")and foreign currency exchange options ("options"). Revenue totalled £34.5m for the year to 31 March 2022 (FY21: £28.1m). Revenue is a key performance indicator of the group and a key focus of investors, analysts and management. Furthermore, the nature of the recording of revenue on the trading system and the manual extraction of this data from the trading system also provides opportunity for revenue to be recorded inaccurately. Therefore, we have identified a key audit matter in relation to the accuracy of revenue recognised by the group.

***How the scope* of our audit responded to the key audit matter**	*We performed the following audit procedures:*
	— Obtained an understanding of the relevant controls over the revenue recognition process;
	— Assessed the group's policy against the requirements of IFRS 9 Financial Instruments;
	— For a sample of spot, forward and option contracts, we tested the accuracy of revenue by:
	  — inspecting signed contracts with customers and brokers;
	  — where the contract had completed in the year, tracing the revenue recorded to bank statements;
	  — where the contract was open at the year end, assessing whether the transaction was appropriately recorded as a derivative financial asset or liability;
	  — recalculating revenue recognised based on the evidence we inspected; and
	  — reconciling total revenue as per the trading system to the general ledger.

Key observations	We are satisfied that the recognition of revenue for the year is appropriate.

5.2. Presentation of derivative assets and liabilities

Refer to the summary of significant accounting policies on page 119 and notes 16, 18, 23 and 28 on pages 130, 131, 134 and 139.

Key audit matter description	The group enters into derivative contracts with both customers and institutional counterparties as part of its normal course of business. Where these contracts remain open at the year end, a derivative asset or liability is recognised in accordance with IFRS 9. At 31 March 2022 derivative financial assets totalled £41.1m (FY21: £42.5m) and derivative financial liabilities totalled £23.9m (FY21: £29.2m). Under IAS 32, derivative assets and liabilities can only be offset when an entity has a legal right and intent to settle on a net basis. Judgement is required in determining whether a legal right and intent to settle exists and, in the current year, management reassessed the classification and presentation of derivative financial assets and liabilities in line with these criteria. As a result, management determined that the offsetting requirements of IAS 32 had not been met and therefore certain derivative assets and liabilities were required to be presented on a gross basis. Due to the material nature of these differences, the prior year financial statements have been restated in accordance with IAS 8 and a third statement of financial position has been presented in accordance of IAS 1. The net impact of presenting derivative assets and liabilities on a gross basis was an increase of £17.3m in FY21 and £17.9m in FY20. We therefore identified the presentation of derivative financial assets and liabilities as a key audit matter.
How the scope of our audit responded to the key audit matter	We performed the following audit procedures: — Obtained an understanding of the relevant controls over the derivative recognition process; — Inspected legal contracts between the group and its customers and institutional counterparties to determine whether a legal right exists; — Inspected settlement activity to determine whether the intention to settle net exists; and — Assessed the conclusions made by the group in relation to applying the requirements of IAS 32. — Evaluated the prior year restatement disclosures and assessed these against the requirements of IAS 8. Additionally, we also tested the completeness and accuracy of the FY22, FY21 and FY20 netting calculations prepared by management for a sample of derivatives.
Key observations	We are satisfied that the presentation of derivative assets and liabilities as at 31 March 2022 is appropriate.

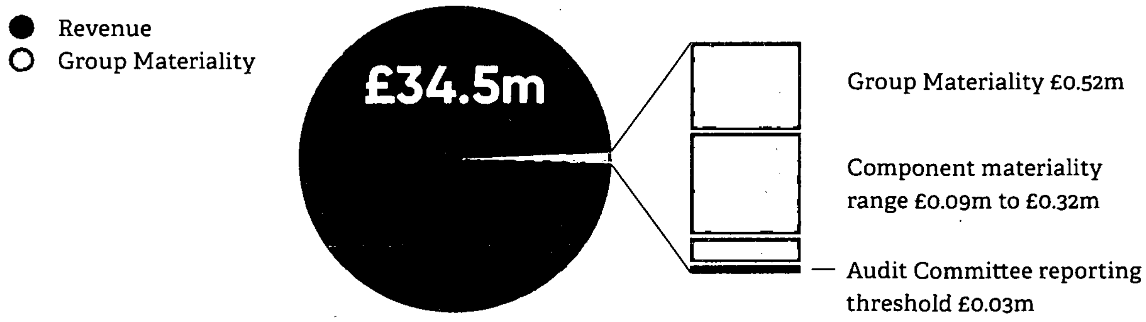
6. Our application of materiality

6.1. Materiality

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

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

	Group financial statements	Parent company financial statements
Materiality	£517,000 (2021 predecessor auditor: £562,000)	£235,200 (2021 predecessor auditor: £449,600)
Basis for determining materiality	1.5% of revenue (2021 predecessor auditor: 2% of revenue).	Parent company materiality equates to 1% of net assets, which is capped at 70% of group materiality (2021 predecessor auditor: 0.4% of net assets).
Rationale for the benchmark applied	We determined that revenue was an appropriate benchmark for materiality given its importance to investors and users of the financial statements.	The parent company is not profit driven. The balance sheet is the key measure of financial health that is important to shareholders since the primary concern for the parent company is the receipt and payment of dividends.



6.2. Performance materiality

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

	Group financial statements	Parent company financial statements
Performance materiality	65% (2021 predecessor auditor: 80%) of group materiality	65% (2021 predecessor auditor: 80%) of parent company materiality
Basis and rationale for determining performance materiality	In determining performance materiality, we considered the following factors: — The current financial year being our first year auditing the group and parent financial statements; — The quality of the control environment and our ability to rely on controls; — The nature, volume and size of misstatements identified in the previous audit; and — The restatements to prior year balances as a result of misstatements identified in the current year.	

6.3. Error reporting threshold

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £25,000, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

7. An overview of the scope of our audit

7.1. Identification and scoping of components

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

The audit was performed using the materiality levels set out above, for the group and the parent company. The group consists of the parent company and three subsidiaries, all of which were subject to full scope audit procedures. As such the group audit covered 100% of revenue, profit before tax and total assets, which is consistent with the prior year. The group engagement team is the statutory auditor for all entities within the group and therefore performed all procedures for the purposes of the group audit.

7.2. Our consideration of the control environment

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

7.3. Our consideration of climate-related risks

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

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

We performed our own qualitative risk assessment of the potential impact of climate change on the group's account balances and classes of transactions. We read the climate related disclosures on pages 64 to 67 in the strategic report and considered whether they were materially consistent with the financial statements and the knowledge obtained in our audit.

8. Other information

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

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

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

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

We have nothing to report in this regard.

9. Responsibilities of directors

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

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

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

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

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

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

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

11.1. Identifying and assessing potential risks related to irregularities

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

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

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

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

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

11.2. Audit response to risks identified

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

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

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management, the audit committee and external legal counsel concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing correspondence with regulators; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

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

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

13.1. Adequacy of explanations received and accounting records

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

13.2. Directors' remuneration

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

We have nothing to report in respect of this matter.

14. Use of our report

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

Isabel Agius
FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
05 July 2022

Consolidated Statement of Profit or Loss and other comprehensive income

for the year ended 31 March 2022

	Notes	2022	2021
		£m	£m
Revenue	5	34.5	28.1
Cost of sales		(0.6)	(0.5)
Gross profit		33.9	27.6
Administrative expenses		(22.9)	(18.9)
Adjusted operating profit	2.13	11.0	8.7
Non-adjusted expenditure	8	(0.4)	(0.7)
Share-based payments charge	22	(0.2)	(0.2)
Operating profit		10.4	7.8
Finance costs	11	(0.4)	(0.4)
Profit before taxation		10.0	7.4
Taxation	12	(2.6)	(1.5)
Profit for the year and total comprehensive income		7.4	5.9
Earnings per share			
Basic	13	6.6p	5.2p
Diluted	13	6.6p	5.2p
Adjusted - Basic	13	7.0p	5.9p
Adjusted - Diluted	13	7.0p	5.9p

Consolidated Statement of Financial Position

as at 31 March 2022

	Notes	2022	2021	2020
		£m	£m (restated)[1]	£m (restated)[1]
Non-current assets				
Intangible assets	14	2.2	1.7	1.8
Property, plant and equipment	15	8.3	9.1	0.2
Derivative financial assets	16	3.1	3.8	8.2
Total non-current assets		13.6	14.6	10.2
Current assets				
Trade and other receivables	16	0.6	0.6	0.3
Cash and cash equivalents	17	37.9	26.8	22.7
Other assets	28	7.2	11.6	26.5
Derivative financial assets	16	38.0	38.7	34.5
Total current assets		83.7	77.7	84.0
Current liabilities				
Trade and other payables	18	(34.2)	(28.5)	(36.5)
Derivative financial liabilities	18	(21.6)	(27.1)	(27.9)
Total current liabilities		(55.8)	(55.6)	(64.4)
Net current assets		27.9	22.1	19.6
Non-current liabilities				
Trade and other payables	18	(6.0)	(5.9)	-
Derivative financial liabilities	18	(2.3)	(2.1)	(4.9)
Total non-current liabilities		(8.3)	(8.0)	(4.9)
Net assets		33.2	28.7	24.9

[1] Restatements relate to disclosure formats of derivative netting and cash collateral. There is no impact on net assets. See note 28.

Consolidated Statement of Financial Position (continued)

as at 31 March 2022

	Notes	2022 £m	2021 £m (restated) [1]	2020 £m (restated) [1]
Equity				
Share capital	20	0.1	0.1	0.1
Share premium account	21	12.7	12.7	12.7
Share option reserve	22	0.4	0.2	-
Merger reserve	21	4.5	4.5	4.5
Retained earnings	21	15.5	11.2	7.6
Total Equity		33.2	28.7	24.9

[1] Restatements relate to disclosure formats of derivative netting and cash collateral. There is no impact on net assets. See note 28.

The financial statements of Argentex Group PLC were approved by the Board of Directors on 5 July 2022 and were signed on its behalf by:

Harry Adams
Director
Registered number 11965856

Consolidated Statement of Changes in Equity

for the year ended 31 March 2022

	Share capital	Share premium	Share option reserve	Merger reserve	Retained earnings	Total equity
	£m	£m	£m	£m	£m	£m
Balance at 1 April 2020	0.1	12.7	-	4.5	7.6	24.9
Comprehensive income for the year						
Profit for the year	-	-	-	-	5.9	5.9
Total comprehensive income for the year	-	-	-	-	5.9	5.9
Transactions with owners:						
— Dividends paid	-	-	-	-	(2.3)	(2.3)
— Share-based payments charge	-	-	0.2	-	-	0.2
Balance at 31 March 2021	0.1	12.7	0.2	4.5	11.2	28.7
Comprehensive income for the year						
Profit for the year	-	-	-	-	7.4	7.4
Total comprehensive income for the year	-	-	-	-	7.4	7.4
Transactions with owners:						
— Dividends paid	-	-	-	-	(3.1)	(3.1)
— Share based payments	-	-	0.2	-	-	0.2
Balance at 31 March 2022	0.1	12.7	0.4	4.5	15.5	33.2

Consolidated Statement of Cash Flows

for the year ended 31 March 2022

	Notes	2022	2021
		£m	£m (restated)[1]
Profit before taxation		10.0	7.4
Taxation paid		(2.2)	(2.1)
Net finance expense		0.4	0.4
Depreciation of property, plant and equipment		0.5	0.2
Depreciation of right of use assets		0.8	0.8
Amortisation of intangible assets		1.2	1.3
Share-based payment charge		0.2	0.2
Decrease in receivables		-	(0.3)
Increase/(decrease) in payables		5.8	(8.6)
Decrease in derivative financial assets		1.4	0.2
(Decrease) in derivative financial liabilities		(5.3)	(3.6)
Decrease in other assets		4.4	14.9
Net cash generated from operating activities		17.2	10.8
Investing activities			
Purchase of intangible assets	14	(1.7)	(1.2)
Purchases of plant and equipment	15	(0.4)	(2.7)
Net cash used in investing activities		(2.1)	(3.9)

Consolidated Statement of Cash Flows (continued)

for the year ended 31 March 2022

	Notes	2022 £m	2021 £m (restated)[1]
Financing activities			
Payments made in relation to lease liabilities	19	(0.9)	(0.5)
Dividends paid	10	(3.1)	(2.3)
Net cash used in financing activities		(4.0)	(2.8)
Net increase in cash and cash equivalents		11.1	4.1
Cash and cash equivalents at the beginning of the year		26.8	22.7
Cash and cash equivalents at the end of the year[1]	17	37.9	26.8

[1] Collateral deposits removed from prior year cash and cash equivalents total and derivative financial assets and liabilities updated to reflect nettings. Further details given in Note 28.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. **General information**

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

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

The Company is the ultimate parent company into which the results of all subsidiaries are consolidated. The Consolidated Financial Statements for the years ended 31 March 2022 and 31 March 2021 comprise the financial statements of the Company and its subsidiaries (together, "the Group").

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

2. **Significant accounting policies**

The principal accounting policies are summarised below.

2.1. **Basis of preparation**

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

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

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

The Group has reviewed its relationship with counterparty banks and as a result, restated its derivative financial assets, derivative financial liabilities and cash and cash equivalents FY21 and FY20 balances on the Consolidated Statement of Financial position. Further details given on note 28.

2.2. **Adoption of new and revised standards**

In the prior year, the Group adopted the Phase 1 amendments Interest Rate Benchmark Reform — Amendments to IFRS 9/IAS 39 and IFRS 7. These amendments modify specific hedge accounting requirements to allow hedge accounting to continue for affected hedges during the period of uncertainty before the hedged items or hedging instruments are amended as a result of the interest rate benchmark reform.

In the current year, the Group adopted the Phase 2 amendments Interest Rate Benchmark Reform — Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16. Adopting these amendments enables the Group to reflect the effects of transitioning from interbank offered rates (IBOR) to alternative benchmark interest rates (also referred to as 'risk free rates' or RFRs) without giving rise to accounting impacts that would not provide useful information to users of financial statements. The Group has not restated the prior period. Instead, the amendments have been applied retrospectively with any adjustments recognised in the appropriate components of equity as at 1 April 2022. Implementation had no material impact on the Group.

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

2.3. Going concern

The Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and have assessed the Group's prospects over a 12 month period from the approval date of these Consolidated Financial Statements. The Group's principal trading subsidiary, Argentex LLP, has been profitable since inception in 2012, the Group has no external debt, and the LLP continues to generate sufficient cash to support the activities of the Group. Budgets and cash flow forecasts are prepared to cover a variety of scenarios and are subsequently reviewed by the Directors to ensure they support the Group's continuing ability to operate as a going concern.

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

In addition, the Directors have also considered mitigating actions such as lower capital expenditure and other short-term cash management activities within their control (see note 23.3 for further disclosures relating to liquidity risk).

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

For these reasons, the Directors adopt the going concern basis of accounting in preparing these financial statements.

2.4. Basis of consolidation

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

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

Name of undertaking	Nature of business	Country of incorporation
Argentex LLP	Foreign exchange broking	England
Argentex Capital Limited	Holding company	England
Argentex Foreign Exchange Limited	Holding company	England
Argentex B.V.	Inactive pending regulatory authorisation	Netherlands
Argentex PTY Ltd	Inactive pending regulatory authorisation	Australia

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

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

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

2.5. Accounting for merger on formation of the Group

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

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

2.6. Revenue recognition

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

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

In relation to currency options, the Group recognises the net option premium receivable as revenue on the date that the option is executed. The execution date is when a binding contract is entered into with the client. The revenue is fixed and determined representing the difference between the premium paid by the client and the premium paid by the Group to its banking counterparties.

2.7. Financial instruments

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

2.7.1. Initial recognition

Financial assets and financial liabilities are recognised 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.

2.7.2. Derivative financial instruments

Forward foreign exchange contracts and foreign exchange options are classified as financial assets and liabilities at fair value through profit or loss (FVTPL). Derivative assets and liabilities are initially measured at fair value at the date the derivative contract is entered into and are subsequently remeasured to fair value at each financial period end date. The resulting gain or loss is recognised within revenue immediately. The Group does not apply hedge accounting.

A derivative with a positive fair value is recognised as a financial asset and a derivative with a negative fair value is recognised as a financial liability. Where there is a legally enforceable right to set off the recognised amounts and an intention to settle on a net basis or to realise the asset and the liability simultaneously, financial assets and financial liabilities are offset, and the net amount presented in the statement of Financial Position. Management have presented the derivative assets and liabilities with banking and brokerage counterparties and with clients on a gross basis.

2.7.3. Foreign exchange gains and losses on derivative financial asset and liabilities

Assets and liabilities are measured at their fair value based on the transaction price agreed with the customer or counterparty and their observable fair value in the foreign exchange market, and any assets or liabilities in a foreign currency are revalued at the balance sheet date. Management consider the potential impact of exchange rate movements on positions held to be immaterial as substantially all of the Group's positions are fully matched with a number of counterparty banks.

2.7.4. Derecognition of derivative financial asset and liabilities

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

2.7.5. Amortised cost and effective interest rate method

The effective interest rate method is a method of calculating the amortised cost of a financial liability or debt instrument.

The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (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 financial asset or liability.

The Group has not purchased or originated any credit-impaired financial assets.

2.7.6. Classification of financial assets

Recognised financial assets within the scope of IFRS 9 are required to be classified as subsequently measured at amortised cost, fair value through other comprehensive income (FVTOCI) or fair value through profit or loss (FVTPL) on the basis of both the Group's business model and the contractual cash flow characteristics of the financial assets.

2.7.7. Financial assets at FVTPL

Forward foreign exchange contracts and foreign exchange options are measured at FVTPL (see note 24).

Other financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL (see note 24).

Fair value is determined in the manner described in note 24.

2.7.8. Other 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 time frame 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.

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

2.7.9. Impairment of financial assets

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

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

2.7.10. Derecognition of other 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.

2.7.11. Classification of financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest rate method or at FVTPL.

2.7.12. Financial liabilities at FVTPL

Derivative financial liabilities are automatically held at FVTPL. Other financial liabilities are classified as at FVTPL when the financial liability is designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value with any gains or losses arising on changes in fair value recognised in profit or loss.

Fair value is determined in the manner described in note 24.

2.7.13. Other Financial liabilities

Other financial liabilities are obligations to pay for goods or services that have been acquired in the ordinary course of business. Other financial liabilities are subsequently measured at amortised cost using the effective interest rate method.

The Group holds amounts payable to customers at amortised cost. These are short term balances that do not attract interest.

2.7.14. Derecognition of other financial liabilities

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

2.8. Cash and cash equivalents

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

2.9. Leases

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

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

In accordance with IFRS 16, lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless this is not readily determinable, in which case the Group's incremental borrowing rate on commencement of the lease is used. It is remeasured when there is a change in future lease payments arising from a change in rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

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

Right of use assets are initially measured at the amount of the lease liability.

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

2.10. Intangible assets and amortisation

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

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

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

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

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

2.11. Property, Plant & Equipment

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

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

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

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

2.12. Foreign currencies

Non-derivative monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

2.13. Adjusted operating profit

The Group presents adjusted operating profit as an Alternative Performance Measure on the face of the Consolidated Statement of Comprehensive Income. Adjusted operating profit excludes those items of income and expense which, because of the nature and expected infrequency of the events giving rise to them, merit separate presentation to allow shareholders to align with management's evaluation of financial performance in the year. Non-adjusted expenditure will relate to one off costs and structural set up costs.

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

2.14. Employee benefits

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

(ii) Defined contribution pension plans

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

2.15. LLP Members' remuneration

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

2.16. LLP Members' interests

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

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

2.17. Share-based payments

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

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

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

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

2.18. Taxation

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

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

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

3. Critical accounting judgements and key sources of estimation uncertainty

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

3.1. Accounting judgements

(i) Capitalisation of costs to intangible assets

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

(ii) Derivative financial asset and liability netting

Management have assessed the classification and presentation of derivative transactions and determined that although the Group has a legal right of offset of such assets and liabilities in certain circumstances, it does not have the intent in all cases to settle such transactions on a net basis.

3.2. Key sources of estimation uncertainty

Useful economic life of intangible assets (see note 14)

Technology within the financial services sector is in a perpetual state of development and evolution, providing uncertainty over the useful economic life of the Group's bespoke dealing system. Extending the estimated useful life of the intangible costs from 3 years to 4 years would result in increased operating profit of £0.7m (2021: £0.5m), decreasing the estimated useful life from 3 years to 2 years would result in decreased operating profit of £1.6m (2021: £1m).

4. Segment reporting

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

There is no reliance on an individual customer and no customer contributed to more than 10 per cent of revenues in the year ended 31 March 2022 or 31 March 2021.

5. Revenue

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

	2022 £m	2021 £m
Continuing operations		
Spot foreign exchange contracts	6.4	9.1
Forward foreign exchange contracts	27.2	18.1
Option premiums	0.9	0.9
	34.5	28.1

6. Operating profit

Operating profit for the period is stated after charging:

	2022 £m	2021 £m
Depreciation of plant and equipment	0.5	0.2
Depreciation of Right of Use assets	0.8	0.8
Amortisation of intangibles	1.2	1.3
Staff costs (see note 9)	15.2	12.6
Net foreign exchange (gains)/losses	(0.2)	0.5

7. Auditor's remuneration

	2022 £m	2021 £m
Fees payable to the Company's auditor and its associates for other services to the Group:		
— The audit of financial statements of the Group and subsidiaries	0.2	0.1
— Other assurance and advisory services	0.1	-

8. Non-adjusted expenditure

The Directors have classified certain costs as non-adjusted in accordance with the accounting policy set out in note 2.13. These costs amount to £0.4m (2021: £0.7m) and for 2022 relate to: i) costs related to the creation of and regulatory applications for overseas operations and; ii) fees incurred in the year in relation to Director changes in the Group.

In 2021, non-adjusted expenditure related to: i) moving the Group's headquarters which are ineligible for capitalisation; ii) staff costs in relation to Director changes in the Group and iii) costs related to the creation of and regulatory applications for overseas operations.

Costs relating to the creation of overseas operations are infrequent despite inclusion in FY21 and FY22 as these costs will not be recurring once the operations are fully functional. The director change costs are non-recurring and inclusion in both FY21 and FY22 is due to the timing of the change.

9. Staff costs

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

	2022 Number	2021 Number
Directors	8	8
LLP members (excl. executive directors)	6	4
Sales and dealing	45	37
Operations	27	18
	86	67

	2022 £m	2021 £m
Staff costs for the above persons were:		
Wages and salaries	8.4	7.2
Social security costs	0.9	0.9
Pension costs	0.1	0.1
Share based payments	0.2	0.2
LLP members' remuneration*	4.1	3.2
Directors remuneration	1.5	1.0
	15.2	12.6

Directors' remuneration	2022 £m	2021 £m
Directors' remuneration comprised:		
Salaries and LLP members remuneration	1.5	1.0

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

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

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

10. Dividends

	2022 £m	2021 £m
Amounts recognised as distributions to equity holders:		
Final Dividend for the year ended 31 March 2021 of 2p per share (2021: Dividend for the year ended 31 March 2020 of 2p per share)	2.3	2.3
Interim dividend declared of 0.75p per share (2021: nil)	0.8	-
	3.1	2.3
Proposed Final Dividend for the year ended 31 March 2022 of 1.25p per share (2021: 2p per share)	1.5	2.3

11. Finance costs and finance income

	2022 £m	2021 £m
Interest on lease arrangements	0.4	0.4
Finance Costs	0.4	0.4

Total interest expense for financial liabilities that are not at fair value through profit or loss is equal to the amount of interest payable disclosed above.

12. Taxation

	2022 £m	2021 £m
Current tax		
In respect of the current year	2.6	1.5
Total tax expense for the year	2.6	1.5

Tax has been calculated using an estimated annual effective tax rate of 19% (2021: 19%) on profit before tax. The UK main rate of corporation tax is set to increase to 25% for Financial Year 2023.

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

	2022	2021
	£m	£m
Profit before taxation	10.0	7.4
Tax on profit on ordinary activities at standard UK corporation tax rate of 19%	1.9	1.4
Effects of:		
Other amounts charged	0.6	0.1
Adjustments in respect of prior period	0.1	-
Total tax expense for the year	2.6	1.5

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

13. Earnings per share

The Group calculates basic earnings to be net profit attributable to equity shareholders for the period. The Group also calculates an adjusted earnings figure, which excludes the effects of share-based payments, and non-adjusted costs as described further in note 2.13.

	2022	2021
	£m	£m
Earnings		
Earnings for the purposes of basic and diluted earnings per share		
— basic and diluted	7.4	5.9
Adjustments for:		
Non-adjusted expenditure	0.4	0.7
Shared based payments	0.2	0.2
Tax impact	(0.1)	(0.1)
Adjusted earnings (basic and diluted)	7.9	6.7

Number of shares

The calculation of basic and earnings per share is based on the following number of shares (m).		
Weighted average number of ordinary shares for the purposes of basic earnings per share	113.2	113.2
Number of dilutive shares under option	0.2	0.1
Weighted average number of ordinary shares for the purposes of dilutive earnings per share	113.4	113.3

Earnings per share	2022	2021
Basic	6.6p	5.2p
Diluted	6.6p	5.2p
Adjusted - Basic	7.0p	5.9p
Adjusted - Diluted	7.0p	5.9p

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

14. Intangible fixed assets

	Software development costs £m
Cost	
At 1 April 2020	4.5
Additions	1.2
At 31 March 2021	5.7
Additions	1.7
At 31 March 2022	7.4
Amortisation	
At 1 April 2020	2.7
Charge for year	1.3
At 31 March 2021	4.0
Charge for year	1.2
At 31 March 2022	5.2
Net book value	
At 31 March 2022	2.2
At 31 March 2021	1.7

15. Property, plant and equipment

Cost	Leasehold improvements	Right of use Asset	Office equipment	Computer equipment	Total
	£m	£m	£m	£m	£m
At 1 April 2020	0.4	1.2	0.2	0.4	2.2
Additions	*1.7*	*7.2*	*0.6*	*0.4*	***9.9***
Disposals	*(0.4)*	*(1.2)*	*(0.2)*	*(0.2)*	***(2.0)***
At 31 March 2021	1.7	7.2	0.6	0.6	**10.1**
Additions	*0.1*	*0.1*	*0.2*	*0.1*	***0.5***
Disposals	-	-	-	-	-
At 31 March 2022	1.8	7.3	0.8	0.7	**10.6**
Depreciation					
At 1 April 2020	0.4	1.1	0.2	0.3	**2.0**
Charge for the year	*0.1*	*0.8*	-	*0.1*	***1.0***
Disposals	*(0.4)*	*(1.2)*	*(0.2)*	*(0.2)*	***(2.0)***
At 31 March 2021	0.1	0.7	-	0.2	**1.0**
Charge for the year	*0.2*	*0.8*	*0.1*	*0.2*	***1.3***
Disposals	-	-	-	-	-
At 31 March 2022	0.3	1.5	0.1	0.4	**2.3**
Net book value					
At 31 March 2022	1.5	5.8	0.7	0.3	**8.3**
At 31 March 2021	1.6	6.5	0.6	0.4	**9.1**

Right of use Asset relates to head office lease disclosed in note 19.

16. Trade and other receivables

	2022	2021
	£m	£m (restated)[1]
Non-Current		
Derivative financial assets at fair value (note 23)	3.1	3.8
Current		
Derivative financial assets at fair value (note 23)	38.0	38.7
Other debtors	0.1	0.1
Prepayments	0.5	0.5
Trade and other receivables	**0.6**	**0.6**

[1] Refer to note 28.

17. Cash and cash equivalents

	2022 £m	2021 £m (restated)[1]
Cash and cash equivalents	37.9	26.8

Included within cash and cash equivalents are client held funds relating to margins received and client balances payable (See note 18). Client balances held as electronic money in accordance with the Electronic Money Regulations 2011 are held in accounts segregated from the firm's own bank accounts.

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

18. Trade and other payables

	2022 £m	2021 £m (restated)[1]
Non-Current		
Derivative financial liabilities at fair value (note 23)	2.3	2.1
Provisions	0.2	0.2
Lease Liability (note 19)	5.8	5.7
Trade and other payables	6.0	5.9

	2022 £m	2021 £m (restated)[1]
Current		
Derivative financial liabilities at fair value (note 23)	21.6	27.1
Amounts payable to clients	24.9	18.7
Other creditors	0.1	0.7
Corporation tax	1.9	1.5
Amounts due to members and former members of Argentex LLP	2.8	3.8
Accruals	3.4	2.3
Other taxation and social security	0.3	0.3
Lease liability (note 19)	0.8	1.2
Trade and other payables	34.2	28.5

[1] Refer to note 28.

19. Leases

In May 2020, the Group signed a ten-year lease for its head office premises at Argyll Street, London. As a lessee, the Group has recognised a lease liability representing the present value of the obligation to make lease payments, and a related right of use (ROU) asset, in accordance with note 2.9. The rent is subject to a rent review after five years and contains a break clause at this same anniversary. The rate implicit in the lease is not evident and so the Group's incremental borrowing rates have been used. Management have assessed the incremental borrowing rate to be 6% (2021: 6%). Information about the lease liability is presented below:

	2022	2021
	£m	£m
Lease liability at beginning of financial year	6.9	-
Additions	0.1	7.0
Payments made in the year	(0.9)	(0.5)
Unwinding of finance costs	0.5	0.4
Lease liability at end of financial year	6.6	6.9
Of which		
Current (note 18)	0.8	1.2
Non-current (note 18)	5.8	5.7

Amounts recognised in the consolidated statement of comprehensive income is presented below:

	2022	2021
	£m	£m
Depreciation charge on right-of-use assets (note 15)	0.8	0.8
Interest on lease liabilities (note 11)	0.4	0.4
At 31 March	1.2	1.2

20. Share Capital

Allotted and paid up	Ordinary shares	Management shares	Nominal value
	No.	No.	£m
At 1 April 2021 and 31 March 2022	113,207,547	23,589,212	0.1

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

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

21. Reserves

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

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

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

Share option reserve
The Group operates a share option scheme that is explained in note 22 of these Consolidated Financial Statements. The Group recognises the services received from eligible scheme participants as charge through the Consolidated Statement of Profit or Loss, with the corresponding entry credited to the Share option reserve.

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

22. Share based payments

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

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

At the end of each reporting period the assumptions underlying the number of awards expected to vest are adjusted for the effects of non market-based vesting conditions to reflect the conditions prevailing at that date. The impact of any revisions to the original estimates is recognised in the statement of profit or loss, with a corresponding adjustment to equity. Fair value is measured by the use of a Black-Scholes option pricing model.

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

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

During the previous financial year, the Group issued a total of 4,981,130 share options under Parts I, II and III of the Group share option plan ("CSOP") to participating employees and LLP members. The share options have an exercise price of £1.35, and vest in tranches three, four and five years after issuance. The fair value of these options at issuance has been derived using a Black-Scholes model, with expected volatility of 34%, based on derived volatilities of the Group and the similar listed entities to the Group. The risk free rate at the time of issuance was 0.12% for UK Government Bonds with a similar term to the vesting period of the CSOP.

The total share-based payment reserve at 31 March 2022 is £0.4m (2021: £0.2m). The Group has recognised a total expense of £0.2m (2021: £0.2m) based on the estimated number of share options expected to vest across all parts of the CSOP.

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

	2022		2021	
	Average exercise price (£)	Number of options outstanding	Average exercise price (£)	Number of options outstanding
At 1 April	1.34	4,754,708	1.06	226,408
Granted	-	-	1.35	4,981,130
Forfeited	1.06	(28,301)	1.35	(452,830)
Exercised	-	-	-	-
31 March	1.34	4,726,407	1.34	4,754,708

23. Financial instruments

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

23.1. Capital management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return. Capital is repayable in accordance with the terms set out in the partnership agreement. Management regularly review the adequacy of the Group's capital. The level of capital is in excess of the capital requirement set by the Financial Conduct Authority.

23.2. Categories of financial instruments

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

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

	2022	2021
	£m	£m (restated) [1]
Derivative financial assets	41.1	42.5
Other debtors	0.1	0.1
Derivative financial liabilities	(23.9)	(29.2)
Amounts payable to clients	(24.9)	(18.7)
Other Creditors	(1.9)	(0.7)
Amounts due to members and former members of Argentex LLP	(2.8)	(3.8)
Accruals (excluding non-financial instruments)	(1.2)	(2.3)
Lease liabilities	(6.6)	(6.9)
Total non derivative financial instrument liabilities [2]	(37.4)	(32.4)

[1] Refer to note 28. [2] Provision relating to lease dilapidation removed from prior year comparative (£0.2m).

23.3. Financial risk management objectives

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

Market risk

Market risk for the Group comprises foreign exchange risk and interest rate risk.

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

Foreign exchange risk - sensitivity analysis

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

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

At 31 March	2022	2021
	£m	£m
10% weakening in the GBP/EUR exchange rate	0.8	0.6
10% strengthening in the GBP/EUR exchange rate	(0.6)	(0.5)
10% weakening in the GBP/USD exchange rate	1.1	0.3
10% strengthening in the GBP/USD exchange rate	(0.9)	(0.3)

Interest rate risk affects the Group to the extent that forward foreign exchange contracts and foreign exchange options have an implied interest rate adjustment factored into their price, which is subject to volatility. This risk is mitigated in the same way as foreign currency risk.

Liquidity risk

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

Derivative financial assets at balance sheet date by contractual maturity

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

31 March 2021 (restated) [1]	0-3 months	3-6 months	6-12 months	12 months +	Total
	£m	£m	£m	£m	£m
Derivative financial assets	1,198.6	563.5	445.3	187.0	2,394.4

Derivative financial liabilities at balance sheet date by contractual maturity

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

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

31 March 2021 (restated) [1]	0-3 months	3-6 months	6-12 months	12 months +	Total
	£m	£m	£m	£m	£m
Derivative financial liabilities	1,193.0	560.8	442.4	185.3	2,381.5

Other Financial Liabilities

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

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

31 March 2021 (restated) [1]	Up to 1 year	1 year +	Total
	£m	£m	£m
Amounts payable to clients	18.7	-	18.7
Other Payables	6.8	0.2	7.0
Lease liabilities	0.9	8.3	9.2
	26.4	8.5	34.9

Credit risk

The failure of a client to settle a contracted trade carries the risk of loss equal to the prevailing fair value of

[1] Refer to note 28.

the trade. Argentex employs rigorous procedures and ongoing monitoring to ensure that client risk exposures fit within the Group's risk appetite. Before accepting any new client, a dedicated team responsible for the determination of credit risk assess the potential client's credit quality and defines credit limits by clients. Limits and scoring attributed to customers are reviewed on an ongoing basis.

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

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

23.4. Overview of the Group's exposure to credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations in relation to financial derivative assets resulting in financial loss to the Group. As at 31 March 2022, the Group's maximum exposure to credit risk without taking into account any collateral held or other credit enhancements, which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties arises from the carrying amount of the respective recognised financial assets as stated in the Consolidated Statement of Financial Position.

If deemed appropriate, the Group will make a valuation adjustment to the estimated fair value of a financial instrument. In the opinion of the Directors, the carrying amount of the Group's financial assets best represents the maximum exposure.

The carrying amount of the Group's financial assets at FVTPL as disclosed in (note 24) best represents their respective maximum exposure to credit risk. Note 23.6 details the Group's credit risk management policies.

23.5. Counterparty risk

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

23.6. Credit risk management

Note 23.4 details the Group's maximum exposure to credit risk and the measurement bases used to determine expected credit losses.

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

24. Fair value measurements

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

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

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

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

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

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

Financial assets/ financial liabilities	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)
	2022	2021 (restated) [1]		
Foreign exchange forward and option contracts	Assets **£41.1m**; and Liabilities **£23.9m**	Assets £42.5m; and Liabilities £29.2m	Level 2	The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of foreign exchange forward and option contracts is measured using observable market information provided by third party market data providers.

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

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

25. Related party transactions

Included in other creditors is £0.1m (2021: £0.6m) owed to Pacific Investments Management Limited, the former owner of Argentex Foreign Exchange Limited.

26. Contingent liabilities

As at 31 March 2022 there were no capital commitments or contingent liabilities (2021: none).

[1] Refer to note 28.

27. Controlling party

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

28. Restatements

28.1. Derivative financial assets and derivative financial liabilities

In previous years the Group offset derivative financial assets and derivative financial liabilities on the Consolidated Statement of Financial Position and Consolidated Statement of Cashflows. Management have reassessed the classification and presentation of derivative transactions and determined that although the Group has a legal right of offset of such assets and liabilities in specific circumstances however in most cases it does not have the legal right of offset. As a result, in the current financial year Management have presented the derivative assets and liabilities with banking and brokerage counterparties and with clients on a gross basis. Comparative figures have also been presented on this basis and there is no impact to the Consolidated Statement of Comprehensive Income or to Net Assets. Disclosure impact on prior years is as follows:

	2021			2020		
	£m Net	£m Reclassification	£m Restated	£m Net	£m Reclassification	£m Restated
Current Financial Assets	21.0	17.7	38.7	17.6	16.9	34.5
Current Financial Liabilities	(9.3)	(17.8)	(27.1)	(10.9)	(17.0)	(27.9)
Non Current Financial Assets	4.2	(0.4)	3.8	7.2	1.0	8.2
Non Current Financial Liabilities	(2.6)	0.5	(2.1)	(4.0)	(0.9)	(4.9)
Net Financial Assets	13.3	0.0	13.3	9.9	0.0	9.9

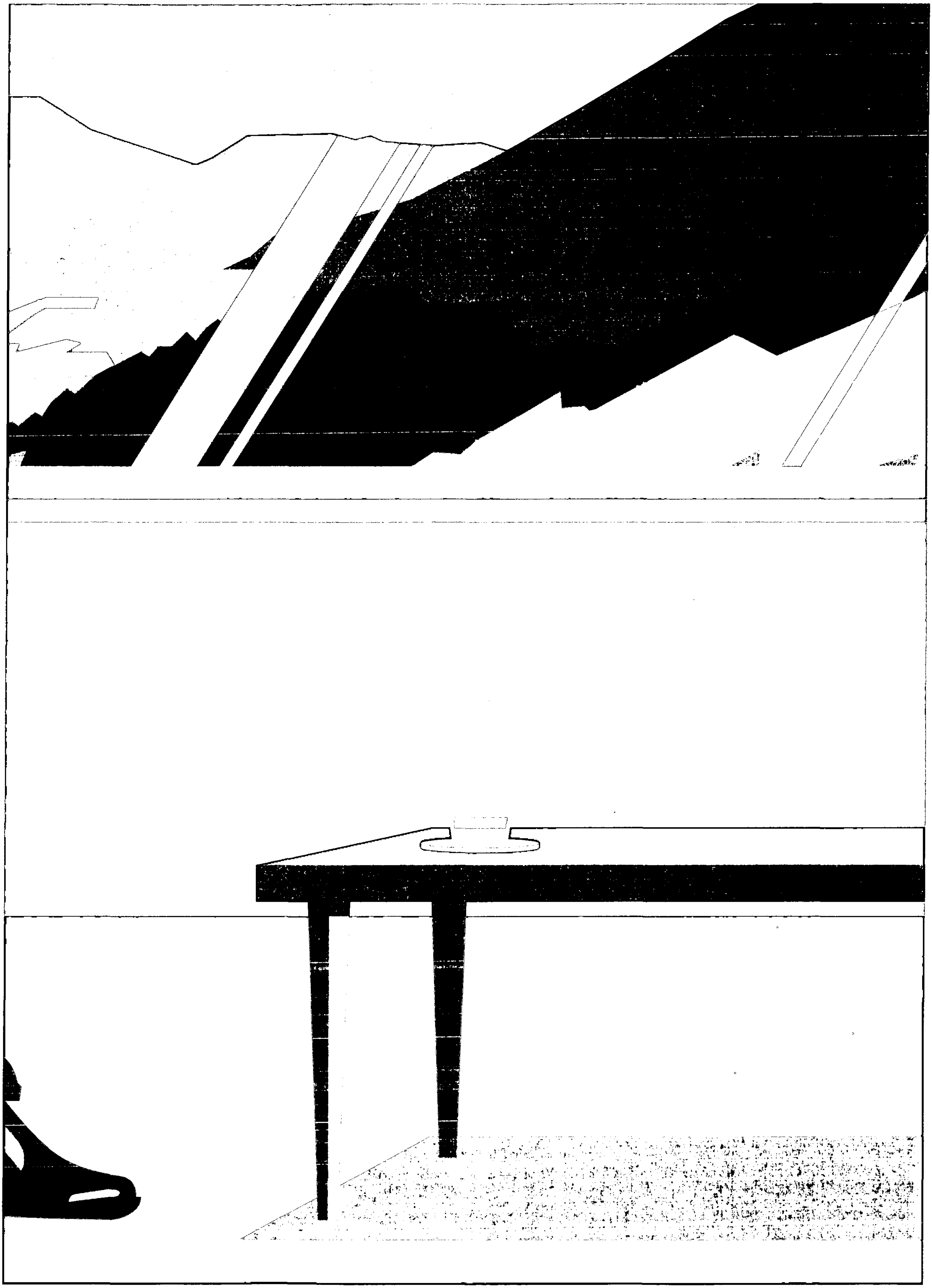
The FY21 Consolidated Statement of Cash Flows has been restated to include updated movements of £0.2m and £(3.6)m in the derivative financial assets and derivative financial liabilities (previously £(0.4)m and £(3.0)m).

28.2. Undiscounted contractual cashflows

In prior years the Financial Assets and Liabilities on the Consolidated Statement of Financial Position have been analysed by contractual maturity date. In the current financial year, the undiscounted contractual cash flows have been disclosed. Comparative figures have also been disclosed on this basis. Undiscounted cashflows disclosed in note 23.3.

28.3. Collateral balances

In previous years the cash held as collateral with banking and brokerage counterparties has been included in the cash and cash equivalents balance and disclosed as such in the cash and cash equivalents note. In the current year, management have included cash held as collateral with banking and brokerage counterparties £7.2m (2021: £11.6m, 2020: £26.5) as Other Assets on the Consolidated Statement of Financial Position resulting in a corresponding decrease in the cash and cash equivalents figures. There is no impact to the Consolidated Statement of Comprehensive Income or to Net Assets. The Consolidated Statement of Cash Flows has been restated to reconcile to the restated cash and cash equivalents figure.



Company Statement of Financial Position

as at 31 March 2022

	Notes	2022 £m	2021 £m
Non-current assets			
Investment in subsidiaries	6	118.4	118.2
Total non-current assets		118.4	118.2
Current assets			
Trade and other receivables	7	4.0	4.8
Total current assets		4.0	4.8
Current liabilities			
Other payables	8	(2.4)	(0.8)
Total current liabilities		(2.4)	(0.8)
Net assets		120.0	122.2
Equity			
Share capital	9	0.1	0.1
Share premium	10	12.7	12.7
Share option reserve	10	0.4	0.2
Merger reserve	10	106.0	106.0
Retained earnings	10	0.8	3.2
		120.0	122.2

Under section s408 of the Companies Act 2006 the Company is exempt from the requirement to present its own income statement. The profit for the period was £0.7m (2021: £6.3m).

The financial statements of Argentex Group PLC were approved by the Board of Directors on 05 July 2022 and were signed on its behalf by:

Harry Adams
Director
Registered number 11965856

Company Statement of Changes in Equity

for the year ended 31 March 2022

	Share capital	Share premium	Share option reserve	Merger reserve	Retained earnings	Total equity
	£m	£m	£m	£m	£m	£m
Balance at 01 April 2020	0.1	12.7	-	106	(0.8)	118.0
Total comprehensive income for the year	-	-	-	-	6.3	6.3
Transactions with owners:						
Dividends paid	-	-	-	-	(2.3)	(2.3)
Share-based payments charge	-	-	0.2	-	-	0.2
Balance at 31 March 2021	0.1	12.7	0.2	106.0	3.2	122.2
Total comprehensive income for the year	-	-	-	-	0.7	0.7
Transactions with owners:						
Dividends paid	-	-	-	-	(3.1)	(3.1)
Share-based payments charge	-	-	0.2	-	-	0.2
Balance at 31 March 2022	0.1	12.7	0.4	106.0	0.8	120.0

1. **Basis of preparation**

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

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

The financial statements have been prepared on a going concern basis and under the historical cost convention. The financial statements are presented in pounds sterling (£), which is the currency of the primary economic environment in which the Company operates.

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

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

2. **Significant accounting policies**

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

Investments in subsidiary undertakings

Unlisted investments in subsidiary undertakings are stated at cost (being their fair value at acquisition) less any provisions for impairment. A review for impairment is carried out if events or changes in circumstances indicate that the carrying amount may not be recoverable, in which case an impairment provision is recognised and charged to the Statement of Comprehensive Income. To the extent applicable, balances in the Merger Reserve will be recycled into Retained Earnings to correspond with any impairment charge. Management have reviewed the Group and subsidiaries' financial position and believe the subsidiaries are not impaired in accordance with IAS 36.

3. **Critical accounting estimates and judgements**

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

Carrying value of investments in subsidiaries

The carrying value of investments in subsidiaries are initially recorded at cost (being the fair value at acquisition) and subsequently measured at cost less provision for impairment. The directors have reviewed all forecast and budgetary information available to them and have deemed there to be no objective evidence for impairment.

4. **Auditor's remuneration**

The auditor's remuneration for audit and other services is disclosed in Note 7 to the consolidated financial statements.

5. **Directors' Emoluments**

	2022	2021
	Number	Number
Executive and non-executive directors	7	8
	£m	£m
Costs for the above persons were:	0.4	0.3

Disclosures in the company financial statements reflect costs to the Company only. The Remuneration Committee report contains relevant information on directors' remuneration for the Group.

6. **Investment in subsidiaries**

Cost

	£m
At 1 April 2020	118.0
Additions	0.2
At 31 March 2021	118.2
Additions	0.2
At 31 March 2022	118.4

Details of the company's subsidiaries, which are all included in the consolidated financial statements of the Group, are as follows:

Name of undertaking	Nature of business	Country of incorporation	Address
Directly held			
Argentex Capital Limited	Foreign exchange broking	England	25 Argyll Street, London, W1F 7TU
Indirectly held			
Argentex LLP	Holding company	England	25 Argyll Street, London, W1F 7TU
Argentex Foreign Exchange Limited	Holding company	England	25 Argyll Street, London, W1F 7TU
Argentex B.V.	Inactive pending regulatory authorisation	Netherlands	Atrium Amsterdam WTC, Centre Building, Strawinskylaan 3051, 1077 ZX Amsterdam, The Netherlands
Argentex PTY Ltd	Inactive pending regulatory authorisation	Australia	17 One International Towers Sydney Barangaroo, NSW 2000

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

7. Trade and other receivables

	2022	2021
	£m	£m
Other receivables	0.1	0.1
Amounts due from group companies	3.9	4.7
	4.0	4.8

The directors consider that the carrying amount of trade and other receivables is a reasonable approximation of their fair value. All trade and other receivables are short-term.

8. Other payables

	2022	2021
	£m	£m
Amounts owed to group companies	2.4	0.8
	2.4	0.8

The directors consider that the carrying amount of trade and other payables is a reasonable approximation of their fair value. Amounts owed to group companies are unsecured, interest free and repayable on demand. All trade and other payable amounts are short-term.

9. Share capital

Allotted and paid up	Ordinary shares No.	Management shares No.
Ordinary shares of £0.0001 each	113,207,547	-
Management shares of £0.0025 each	-	23,589,212
At 31 March 2021 and 31 March 2022	113,207,547	23,589,212

10. Reserves

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

Share premium
The share premium account is used to record the aggregate amount or value of premiums paid less issuance costs when the Company's shares are issued at a premium.

Share option reserve
The Company operates a share option scheme that is explained in note 22 of the Consolidated Financial Statements. The Company is the settling entity of the share based payment scheme, and recognises the services received as an increase in investments in subsidiary undertakings, with the corresponding entry credited to the Share option reserve.

Merger reserve
The merger reserve represents the difference between the cost of the investment (being the fair value at acquisition) and the nominal value of shares being issued. In 2019, the Company acquired the entire issued share capital of Argentex Capital Limited via a share- for-share exchange. Subsequent to the acquisition, the Company invested a further £12.0m in the form of new shares in Argentex Capital, which was then used to increase the equity capital of Argentex LLP, a subsidiary of Argentex Capital Limited. The share-for-share exchange qualified for merger relief in accordance with the Companies Act 2006, and a merger reserve of £106.0m was created on the issue of 76,410,788 ordinary shares.

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

The Directors declared an interim dividend of 0.75p per ordinary share amounting to £849,056.60 which was paid in the year.

11. Events after the Reporting Date

On 22 June 2022, the Company's 100% owned subsidiary, Argentex Capital Limited, declared a dividend of £2.0m payable to the Company.

Glossary of Terms.

'The Company', 'The Firm' and 'Argentex' are used interchangeably to represent the consolidated group 'Argentex Group PLC' which trades on the London Stock Exchange's AIM market.

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

Riskless Principal – The type of firm Argentex is, where each individual client trade is matched with a corresponding trade with one of the institutional counterparties available to the Company.

Spread – the difference between the exchange rate Argentex achieves in its trade with its institutional counterparty and the rate it passes on to its client.

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

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

FX Turnover – The notional value of currencies bought or sold with Argentex by its clients, expressed in pounds sterling.

IPO – Initial public offering of shares in Argentex Group PLC, which began trading on the London Stock Exchange's AIM on the 25th June 2019.

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

Forward – An FX trade which fixes the exchange rate on a set amount of currency, and is expected to be settled more than two business days following agreement of the trade.

Options – structured financial derivatives, used by a subsection of Argentex's clients for hedging rates on a known amount of currency on a specified date in the future. Used instead of a forward contract, an options contract may provide the potential for achieving a rate better than that available in a standard forward contract.

LTIP – Long-term incentive plan, where the interests of key staff are further aligned with that of investors through an opportunity for equity ownership over a five year period.

FCA – The Financial Conduct Authority, the regulatory body which authorises Argentex to perform specific functions such as issuing Electronic Money, making remittances and buying and selling of options for its clients, amongst others.

CAGR – Compound annual growth rate.

Year end / Period end – 31st March.

Shareholder information.

Shareholder enquiries

- investorrelations@argentex.com

Dividend dates

- 22 August 2022 – Final dividend approved
- 25 August 2022 – Ex-dividend date
- 26 August 2022 – Final dividend record date
- 26 September 2022 – Final dividend payment date

Annual shareholder calendar

- 31 March 2022 – Financial year end
- 6 July 2022 – Full year results announcement
- 22 August 2022 – AGM
- 30 September 2022 – Half year end
- November 2022 – Half year results announcements
- 31 December 2022 – Financial year end

Company information.

AUDITORS
Deloitte LLP
1 New Street Square
London, EC4A 3HQ

BANK
Barclays
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London, E14 5HP

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This document is also available on the Company's website at www.argentex.com

Designed by Everything–Connected
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Printed by Elle Media Group
www.ellemediagroup.co.uk

Printed in the UK by Elle Media Group, an ISO14001:2015 (Environmental Management) accredited printer.

Notice of Annual General Meeting.

Notice is hereby given that the annual general meeting ("AGM") of Argentex Group plc (the "Company") will be held at Gowling WLG, 4 More London Riverside, London SE1 2AU on 22 August 2022 at 11.30 a.m. for the purpose of considering and, if thought fit, passing the following resolutions (which will be proposed, in the case of resolutions 1 to 13 as ordinary resolutions and resolutions 14 and 15 as special resolutions):

ORDINARY BUSINESS

Ordinary Resolutions

1. To receive the Annual Report and Accounts of the Company for the financial year ended 31 March 2022 together with the Directors' Report and Auditors' Report thereon.

2. To approve the Directors' Remuneration Report for the financial year ended 31 March 2022.

3. That Lord Digby Jones Kb., who retires as a Director in accordance with the Articles of Association (the "Articles") and being eligible to do so offers himself for re-election as a Director, be elected as a Director of the Company.

4. That Harry Adams, who retires as a Director in accordance with the Articles and being eligible to do so offers himself for re-election as a Director, be elected as a Director of the Company.

5. That Jo Stent, who retires as a Director in accordance with the Articles and being eligible to do so offers herself for re-election as a Director, be elected as a Director of the Company..

6. That Henry Beckwith, who retires as a Director in accordance with the Articles and being eligible to do so offers himself for re-election as a Director, be elected as a Director of the Company.

7. That Jonathan Gray, who retires as a Director in accordance with the Articles and being eligible to do so offers himself for re-election as a Director, be elected as a Director of the Company.

8. That Nigel Railton, who retires as a Director in accordance with the Articles and being eligible to do so offers himself for re-election as a Director, be elected as a Director of the Company.

9. That Lena Wilson CBE FRSE, who retires as a Director in accordance with Articles and being eligible to do so offers herself for election as a Director, be re-elected as a Director of the Company.

10. To re-appoint Deloitte LLP as auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next annual general meeting of the Company at which the Company's accounts are laid.

11. To authorise the Directors to determine the amount of the auditors' remuneration.

SPECIAL BUSINESS

Ordinary Resolution

12. That the Directors be and are hereby generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 (the "Act") to exercise all powers of the Company to allot shares in the Company and to grant rights to subscribe for or convert any security into shares in the Company up to an aggregate maximum nominal amount of £1,132.08 (equating to 11,320,754 ordinary shares of £0.0001 each ("Ordinary Shares") and representing approximately 10 per cent. of the ordinary share capital of the Company as at 5 July 2022) provided that this authority shall expire (unless renewed, varied or revoked by the Company in general meeting) on the earlier of the conclusion of the next annual general meeting of the Company and 30 June 2023 save that the Company shall be entitled to make, prior to the expiry of such authority, any offer or agreement which would or might require shares to be allotted or rights to subscribe for or convert any security into shares to be granted after the expiry of such authority and the Directors may allot shares or grant rights to subscribe for or convert securities into shares in pursuance of such offer or agreement as if the authority conferred hereby had not expired. The authority granted by this resolution shall replace all existing authorities to allot any shares in the Company and to grant rights to subscribe for or convert any security into shares in the Company previously granted to the Directors pursuant to section 551 of the Act.

13. That a final dividend of £1,415,094.34/1.25 pence per Ordinary Shares for the year ended 31 March 2022 be declared.

Special Resolutions

14. That, subject to the passing of resolution no. 12, the Directors be and are hereby empowered pursuant to sections 570 and 573 of the Act to allot equity securities (as defined in section 560 of the Act) for cash either pursuant to the authority conferred by resolution no. 12 above or by way of sale of treasury shares as if section 561(1) of the Act did not apply to such allotment, provided that this power shall be limited to:

    (a). the allotment of equity securities in connection with an offer of, or invitation to apply for, equity securities:

        (i) to the holders of Ordinary Shares in proportion (as nearly as may be practicable) to their respective holdings; and

        (ii) to holders of other equity securities as required by the rights of those securities or as the Directors otherwise consider necessary,

    but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical problems in or under the laws of any territory or the requirements of any regulatory body or stock exchange; and

    (b). the allotment (otherwise than pursuant to paragraph (a)) and/or transfer of equity securities up to an aggregate nominal amount of £1,132.08 (equating to 11,320,754 Ordinary Shares and representing approximately 10 per cent. of the Ordinary Share capital of the Company as at 5 July 2022), provided that this authority shall expire (unless renewed, varied or revoked by the Company in general meeting) on the earlier of the conclusion of the next annual general meeting of the Company and 30 June 2023 save that the Company shall be entitled to make, prior to the expiry of such authority, offers or arrangements which would or might require equity securities to be allotted and/or transferred after such expiry, and the Directors may allot and/or transfer equity securities in pursuance of any such offer or agreement as if the power conferred by this resolution had not expired. The authority granted by this resolution shall replace all existing authorities previously granted to the Directors to allot equity securities for cash or by way of a sale of treasury shares as if section 561(1) of the Act did not apply.

15. That the Company be authorised generally and unconditionally, in accordance with section 701 of the Act, to make market purchases (within the meaning of section 693(4) of the Act) of Ordinary Shares provided that:

    (a). the maximum number of Ordinary Shares that may be purchased is 16,969,811, representing approximately 14.99 per cent. of the issued ordinary share capital of the Company as at 5 July 2022;

    (b). the minimum price which may be paid for an Ordinary Share is £0.0001; and

    (c). the maximum price which may be paid for an Ordinary Share is the higher of: (i) five per cent. above the average of the mid-market value of the Ordinary Shares for the five business days before the purchase is made; and (ii) the higher of the last independent trade and the highest current independent bid for any number of Ordinary Shares on the trading venue where the purchase is carried out.

The authority conferred by this resolution will expire on the earlier of the conclusion of the next annual general meeting of the Company and 30 June 2023 save that the Company may, before the expiry of the authority granted by this resolution, enter into a contract to purchase Ordinary Shares which will or may be executed wholly or partly after the expiry of such authority.

By order of the Board of Directors

Alethia McDonald
Company Secretary of Argentex Group PLC

6 July 2022

Registered Office:
25 Argyll Street,
London, W1F 7TU
United Kingdom

We are pleased to invite shareholders to attend our AGM in person this year. We will continue to monitor developments and the latest prevailing Government guidance and regulations relating to public gatherings prior to the holding of the AGM, and whether any changes are required to the arrangements for the AGM. Shareholders are advised to check the Company's website for any updates. Shareholders are asked not to attend the AGM in person if they are displaying any symptoms of COVID-19 or have recently been in contact with anyone who has tested positive.

NOTES:

<u>Proxies</u>

1. A member is entitled to appoint a proxy to exercise all or any of the member's rights to attend, speak and vote at the AGM. A proxy need not be a member of the Company.

2. You can vote either:
   (a). by logging on to www.investorcentre.co.uk/eproxy and following the instructions; You will be asked to enter a Control Number, Shareholder Reference Number (SRN) and PIN, all of which can be found on the hard-copy form of proxy or on the electronic copy sent via email where members have signed up to Ecomms..

   (b). whilst shareholders are being encouraged to appoint their proxy and submit their votes online, a hard copy form of proxy is enclosed with this notice where members have requested paper copies. Forms of proxy may also be obtained on request from the registrars, Computershare Investor Services PLC by sending a request to The Pavilions, Bridgwater Road, Bristol BS99 6ZY or by telephone 0370 707 1384. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 08.30 – 17.30, Monday to Friday excluding public holidays in England and Wales; or

   (c). in the case of CREST members, by utilising the CREST electronic proxy appointment services in accordance with the procedures set out below.

3. In order to be valid any form of proxy or other instrument appointing a proxy must be returned duly completed by no later than 48 hours before the time of the Annual General Meeting (excluding nonworking days). The form of proxy must be received by

Computershare Investor Services PLC at The Pavilions, Bridgwater Road, Bristol, BS99 6ZY (only if posting a hard copy form). Submission of a proxy appointment will not preclude a member from attending and voting at the AGM should they wish to do so.

4. A shareholder may appoint more than one proxy in relation to the AGM provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder.

5. To direct your proxy on how to vote on the resolutions, mark the appropriate box on your form of proxy with an 'X'. To abstain from voting on a resolution, select the relevant "Vote withheld" box. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the AGM.

6. Any power of attorney or any other authority under which your form of proxy is signed (or a duly certified copy of such power or authority) must be returned to the registered office with your form of proxy.

7. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the AGM and any adjournment(s) thereof by using the procedures described in the CREST Manual (available via www.euroclear.com). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

8. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the Company's agent ID (3RA50) by the latest time(s) for receipt of proxy appointments specified in this notice of AGM. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

9. CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his or her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

10. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

Thresholds and entitlement to vote

11. To be passed, ordinary resolutions require a majority in favour of the votes cast and special resolutions require a majority of not less than 75% of members who vote in person or by proxy at the meeting. On a show of hands every shareholder who is present in person (or being a company is present by a representative not himself, a shareholder) and who is allowed to vote at a general meeting shall have one vote. Upon a poll every member holding Ordinary Shares who is present in person or by proxy (or being a company is represented) shall have one vote for every Ordinary Share of which he is the registered holder.

12. The Company, pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001 (as amended), specifies that only those members registered in the Register of Members of the Company at the close of business on 20 August 2022 (or if the AGM is adjourned, members entered on the Register of Members of the

Company no later than 48 hours before the time fixed for the adjourned AGM) shall be entitled to attend, speak and vote at the AGM in respect of the number of Ordinary Shares registered in his or her name at that time. Changes to entries on the Register of Members of the Company after the close of business on 20 August 2022 shall be disregarded in determining the rights of any person to attend, speak or vote at the AGM.

13. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's Register of Members in respect of the joint holding (the first named being the most senior).

14. A corporation which is a member can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises powers over the same share.

15. As at 5 July 2022, being the latest practicable date before the publication of this notice of AGM, the Company's issued share capital consisted of 113,207,547 Ordinary Shares each carrying one vote. Therefore, the total voting rights in the Company as at 5 July 2022 is 113,207,547.

Miscellaneous

16. Copies of the Directors' service contracts and letters of appointment are available for inspection at the registered office of the Company during normal business hours from 6 July 2022 and will be available for inspection at the place where the meeting is being held from 15 minutes prior to and during the meeting.

17. Members who have general queries about the Annual General Meeting should email the Company Secretary at Alethia.McDonald@argentex.com.

18. Please note that the Company takes all reasonable precautions to ensure no viruses are present in any electronic communication it sends out but the Company cannot accept responsibility for loss or damage arising from the opening or use of any email or attachments from the Company and recommend that the shareholders subject all messages to virus checking procedures prior to use. Any electronic communication received by the Company that is found to contain any virus will not be accepted.

Explanation of certain resolutions

1. **Resolution 1** – the Directors are required to present the accounts, Directors' report and auditor's report to the meeting. These are contained in the Company's Annual Report and Financial Statements 2022.

2. **Resolution 2** – the Directors' are required to approve the Remuneration Report for the financial year.

3. **Resolutions 3 to 9** – *retirement by rotation* – in accordance with good corporate governance, each Director shall retire and submit themselves for re-election by Shareholders at each AGM.

   Biographies of each of the Directors are provided on pages 77 and 79 of the Annual Report and Accounts and are also available from the Company's website www.argentex.com. The Board unanimously recommends the re-appointment of each of the Directors.

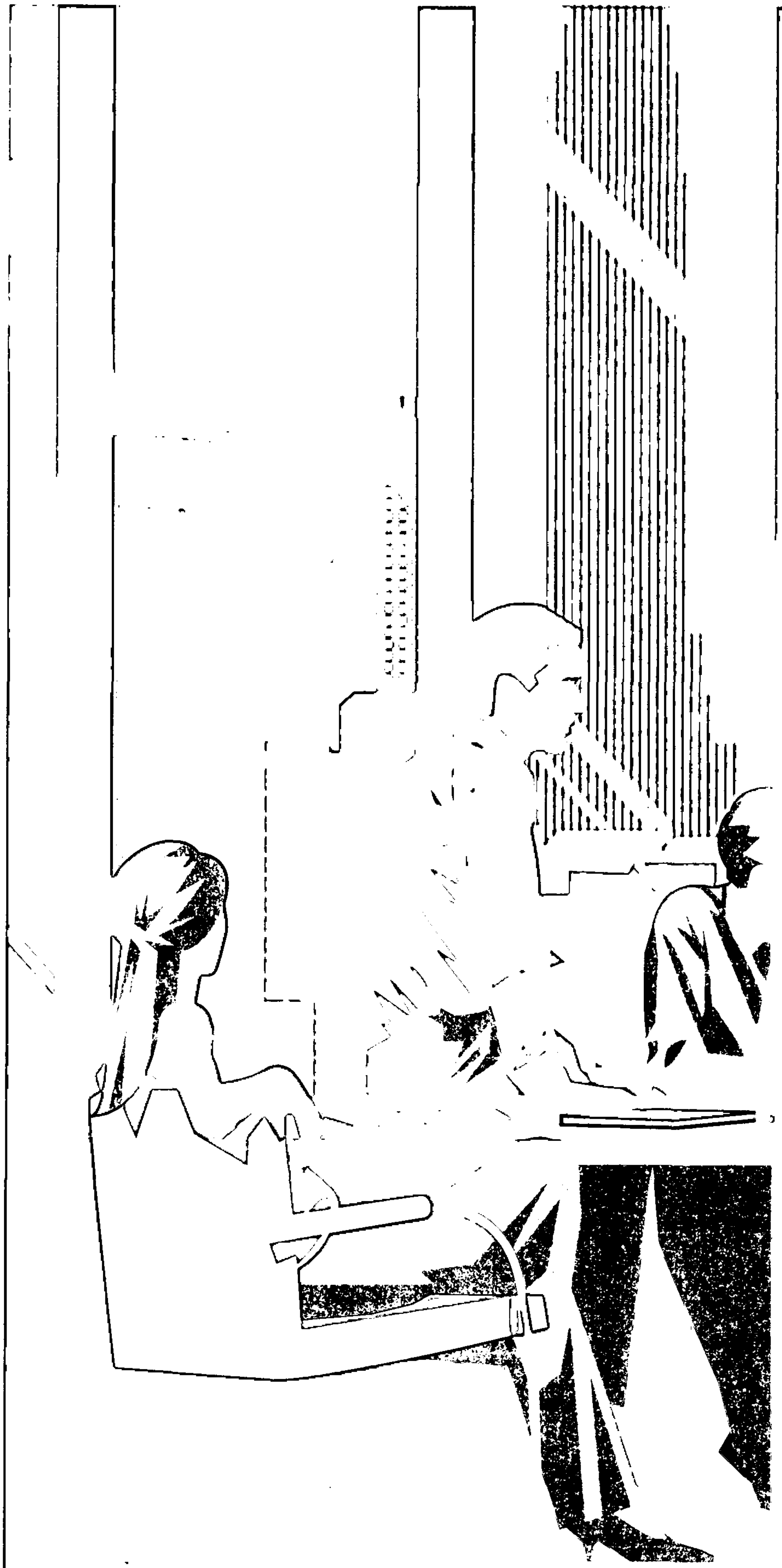
4. **Resolution 10 and 11** – *auditor re-appointment and remuneration* – at each general meeting at which the Company's accounts are presented to its shareholders, the Company is required to appoint an auditor to serve until the next such meeting and following normal practice, resolution 11 separately authorises the Directors to determine the remuneration of the auditors.

5. **Resolution 12** – *general authority to allot* – this resolution, to be proposed as an ordinary resolution, relates to the grant to the Directors of authority to allot unissued Ordinary Shares until the earlier of the conclusion of the annual general meeting to be held in 2023 and 30 June 2023 (being six months after the financial year end of the Company), unless the authority is renewed or revoked prior to such time. This authority is limited to a maximum of nominal amount of £1,132.08 (representing approximately 10 per cent. of the issued Ordinary Share capital of the Company as at 5 July 2022 (the latest practicable date prior to the publication of this document)).

6. **Resolution 13** – *declaration of final dividend* – under the Articles, the Company may by ordinary resolution declare dividends to be paid to members according to their respective rights and interests in the profits of the Company. This final dividend shall be paid on 26 September 2022 to holders of Ordinary Shares on the register of members at the close of business on 26 August 2022.

7. **Resolution 14** – *disapplication of statutory pre-emption rights* – the passing of this resolution would allow Directors to allot Ordinary Shares (or sell any Ordinary Shares which the Company may purchase and hold in treasury) without first offering them to existing holders in proportion to their existing holdings. The authority set out in resolution 14 is limited to (a) allotments or sales in connection with pre-emptive offers and offers to holders of other equity securities if required by the rights of those Ordinary Shares; or (b) as the Directors otherwise consider necessary, or otherwise up to an aggregate nominal amount of £1,132.08 (representing 11,320,754 Ordinary Shares). This aggregate nominal amount represents approximately 10 per cent of the issued ordinary share capital of the Company (excluding treasury shares) as at 5 July 2022, the latest practicable date before the publication of this notice of AGM. This authority will expire at the conclusion of the next AGM of the Company or, if earlier, at the close of business on 30 June 2023.

8. **Resolution 15** – *market purchases* – the Directors are requesting authority for the Company to make market purchases of Ordinary Shares up to a maximum nominal amount of £1,696.98 (representing approximately 14.99 per cent. of the issued Ordinary Share capital of the Company as at 5 July 2022 (the latest practicable date prior to the publication of this document)). There is no present intention to exercise such general authority. Any repurchase of Ordinary Shares will be made subject to the Act and within guidelines established from time to time by the Directors (which will take into account the income and cash flow requirements of the Company) and will be at the absolute discretion of the Directors, and not at the option of shareholders. Subject to shareholder authority for the proposed repurchases, general purchases of the Ordinary Shares in issue will only be made through the market. Such purchases may only be made provided the price to be paid is not more than the higher of: (i) five per cent. above the average of the middle market quotations for the Ordinary Shares for the five Business Days before the purchase is made; or (ii) the higher of the price of the last independent trade and the highest current independent bid at the time of purchase. This authority will expire at the conclusion of the next AGM of the Company or, if earlier, at the close of business on 30 June 2023.



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