Final Results

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Argentex Group PLC

("Argentex" or the "Group")

Final results for the year ended 31st December 2024

Full year revenues and profit margins ahead of expectations
Revenue diversification plans on track

Argentex Group PLC (AIM: AGFX), the global specialist in currency risk management and alternative banking, today issues its final results for the year ended 31 December 2024.

Financial summary

- Group revenue of £50.3m (FY23: £49.9m), with growth in the number of clients offset by a reduction in average spend
- Improving trading momentum with revenue growth of 6% yoy in H2 (vs. 4% yoy decline in H1)
- EBITDA margin of 8% comfortably ahead of previous expectations of low single digit EBITDA margin
- Operating loss of £0.2m (12 months to 31 December 2023: operating profit of £8.1m), with margin reduction as a result of planned investment in business transformation
- Strong balance sheet: debt free with net cash of £18.4m at 31 December 2024(1)
- Earnings/ (Loss) per share of (1.1p) (12 months to 31 December 2023: 4.6p)
- Nil dividend (12 months to 31 December 2023: 0.75p per share)

Operational summary

- Total number of clients(2) increased by 9% to 2,113 (12 months to 31 December 2023: 1,938)

- Average revenue per client fell by 9% during the period compared to the previous 12 months due to a combination of product/client mix, volatility and margin compression
- International expansion continued with licences obtained in both Australia and Dubai. Both regions are now fully operational and serving clients
- Revenue diversification plans on track. Argentex Global Platform (on which both new and existing services will run) on track to launch in Summer 2025
- Strengthened leadership. Experienced permanent executive team in place to deliver growth plans
- Management incentivised and aligned with shareholders. New LTIP for Executive team and CSOP for select employees.

Board changes

- Digby Jones to step down as a Non-Executive Director at AGM in June
- Jeff Parker joins Board as a Non-Executive Director from 1 April

[1] Net cash represents cash and cash equivalents less amounts payable to clients

[2] Excludes private clients

Outlook
The positive momentum delivered in H2 2024 has continued into the current financial year and we have made further progress in implementing our strategic growth agenda, with delivery remaining on-track. With trading having commenced in Australia and Dubai and the planned launch of digital accounts and payments in summer 2025, we anticipate a return to revenue growth in FY25. We will continue to invest in growth, and as we accelerate our progression into new products and services, we remain confident in our medium-term outlook and continue to expect revenue growth in FY26 in the 15% - 20% range, with EBITDA margins in the mid-teens.

Jim Ormonde, Chief Executive Officer said:
"Having actively reset the business in 2024, we are now well positioned to take advantage of exciting growth opportunities in our markets and are confident about the year ahead. With regulatory and operational hubs now fully established in the Netherlands, Australia and Dubai, we believe we have strong prospects to grow our market share overseas. Domestically, we have restructured our front office teams and re-aligned our cost base and believe we are now better placed to serve both new and existing clients. As a result of the investments made in technology and people as we continue to diversify our offering, all regions will benefit from the suite of new services we plan to launch this year and beyond, together with easier, automated onboarding processes which will drive operational leverage. It has been a year of significant change in the business, but I believe we are now well placed to return to profitable growth."

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This announcement contains inside information for the purposes of the UK version of the Market Abuse Regulation ("MAR") which forms part of UK law by virtue of the European Union (Withdrawal) Act 2018; as amended. Upon publication of this announcement, the inside information is now considered to be in the public domain for the purposes of MAR.

About Argentex

Argentex (AIM: AGFX) is a global specialist in currency risk management and alternative banking. Established in 2012 and headquartered in London, Argentex listed on London's AIM market in mid-2019 and has since added operations in Amsterdam, Dubai and Australia.

Chairman's Statement

Executing on our strategy

We have a clear strategy in place and the right people and processes in place to execute it.

Overview
2024 has been a year of necessary reset to reposition the business for growth following the completion of a comprehensive strategic review of the Group. We set out a clear strategy in May 2024 to scale the business and expand our customer offering, whilst driving a more efficient and effective operating model. At the same time, we announced the completion of a placing of new shares, raising a net £3m to accelerate the implementation of our new strategy, including the development of the new Argentex Global Platform ("AGP").

As part of the strategic review, we appointed new management, led by Jim Ormonde as Chief Executive Officer ("CEO"), who strengthened the executive team with further appointments during the course of the year. The team has been actively executing our revised strategy, which seeks to diversify our revenue streams, bring a rigorous approach to costs and efficiencies, and build better visibility into future revenues.

Higher FX volatility generally acts as a tailwind for Argentex revenues. However, despite lower levels of volatility in early 2024, full year revenues and profit margins were ahead of our original expectations, with momentum picking up in the second half of the year.

Governance
We are committed to keeping our stakeholders informed and taking their views into consideration. This has been particularly important in a year where we have changed management, raised capital, and outlined and embarked on a new strategic direction. We also acknowledge our responsibilities with regard to governance and sustainability, recognising the ongoing need for high standards across the business.

In terms of Board changes during the period, we welcomed Guy Rudolph who joined the Group and Board in a permanent capacity in July, following five months operating as our Interim Chief Financial Officer ("CFO"). We also welcomed Rina Ladva who joined as a Non-Executive Director in October. Rina brings over 25 years of organisational and technology transformation experience to Argentex.

I am also pleased that effective 1 April 2025, Jeff Parker joined the Board as a Non-Executive Director, bringing over two decades of significant experience of operating in the global fintech and financial services sectors. My predecessor as Chairman of the Group, Digby Jones has confirmed that he will not be seeking re-election as a Director at the AGM in June. Digby has been associated with Argentex since 2019 and was the Chairman of the Board from when the Group floated on AIM in 2019 until 2023, when he passed the baton to me. On behalf of myself and everyone at Argentex I would like to thank Digby for the stewardship and leadership he has given the Group, as well as the support he has consistently given to me, the Board and our colleagues.

We have also strengthened the Executive Committee with a number of key appointments to assist the Board in the day-to-day management of the business. In particular, Tim Rudman, who joined us as Chief Operating Officer ("COO"), Daniel Ross, who was appointed Chief Commercial Officer ("CCO") and Chrissie Humphrey who joined us as Chief People Officer ("CPO").

The Group is implementing a Long-Term Incentive Plan (LTIP) for its executive team in 2025, designed to align their interests with the long-term growth and transformation of the Group whilst incentivising sustainable value creation for shareholders. It is intended that the plan will be delivered through one-off awards in growth Shares that will be acquired by participants at the outset at market value. Equity value will be shared based on the performance of the Argentex Group PLC ("the PLC") share price over pre-defined price thresholds through a pre-determined performance period, transparently aligning participant and shareholder interests. Following vesting, participants will exchange growth shares for shares in the PLC or, at Argentex's option, cash.

Dividend
In the year ended 31 December 2023, the Board of Directors declared an interim dividend for the period ended 30 June 2023. However, given the strategy communicated to shareholders in May 2024 and, in particular, the focus on investing for growth that the Board communicated at the time of the FY23 results in May 2024 it is highly unlikely that the Group will pay dividends in the near term. Of course, the Board will continue to review this decision on a regular basis.

Conclusion
There is much to look forward to as 2025 unfolds: building momentum of our operations in Australia and Dubai following their launch in H2 2024. We anticipate continued growth in the Netherlands and Europe as a whole, together with a much more focused approach on clients in our core UK business. In addition, the new Argentex Global Platform, is set to launch in summer 2025, enabling all our regions to start offering new services in payments and digital accounts, which should help increase revenues, give greater visibility of earnings and enhance client retention.

I would like to thank our shareholders for their support to date and we look forward to updating them on our progress this year and beyond. I would also like to thank everyone at Argentex for their hard work and contribution in what has been a year of substantial change, but one which allows us to face the future with optimism.

Nigel Railton

Non-Executive Chairman

02 April 2025

CEO's Review

Diversifying our revenues

Overview
During my first full year as CEO, we have made substantial strategic and operational progress. Our focus is to diversify revenue streams, launch new products, expand the breadth of our FX, digital accounts and payment services, whilst entering additional geographic territories. Simultaneously, we are focussed on driving operational efficiencies and reducing costs in our core business. We have added significant expertise across the Group including permanent appointments to our executive team and new experienced leadership within banking, operations and technology. It has been a positive year, and I am delighted with the milestones we have achieved. With a strong team now in place, and a clear roadmap for the future, I am excited about the prospects for next year and beyond as multiple revenue streams start to reward the investments we have made in new products and technology.

Financial and Operational performance

We have repositioned and restructured the business for profitable growth, investing in people, technology and overseas expansion.

Revenue in 2024 was £50.3m, slightly ahead of 2023 (£49.9m) despite a year of significant change and on par with 2022 which was a year of exceptional volatility. Whilst we recorded an operating loss of £0.2m (FY23 operating profit of £8.1m), this reflects the investment we have made in transforming the business as we look to return to revenue growth for 2025 and beyond. We saw trading momentum pick up in the second half of the year, with full year revenues and profit margins ahead of our original expectations.

Executing on our strategy
We are making good progress in migrating the business to one technology platform: the Argentex Global Platform, being delivered by the existing technology team supplemented by a number of key new hires. This will enable us to drive efficiencies on a global scale by increasing automation and building a platform on which multiple new products and services can run simultaneously, and addresses our three core strategic pillars:

- Product diversification to enhance and complement the Group's existing customer proposition, specifically through accelerating the Group's move into digital accounts and payments
- Focused geographical expansion, leveraging existing operational centres and licences with targeted expansion into complementary markets
- Ensuring operational excellence by driving operational and financial efficiencies whilst delivering a best-in-class customer experience

Product diversification
We have a strong brand and a successful history in providing large corporates and institutions with high quality foreign exchange services. However, our voice brokering product suite has been historically narrow and we are therefore diversifying into the broader payments and digital accounts markets to deliver new revenue streams and higher quality of earnings. This will also allow us to increase our overall addressable market and improve customer retention. Revenue visibility and client needs will also be easier to predict as our reliance on volatile foreign exchange markets is reduced.

We made a number of key technology hires in the period to help re-platform the business and roll out our new suite of services. Tim Rudman joined as COO and brings a wealth of industry experience having overseen the technological transformation at World First and Global Reach previously. Alongside several senior technology hires, Tim and his team have developed a detailed product and technology roadmap with a key focus on automation, efficiency and improving the customer experience via a self-serve model. Progress to date has been excellent - our first two milestones have been met ahead of schedule and on budget. We remain on track to launch a number of new services in summer 2025.

Geographic diversification
A key element of our growth strategy is to expand overseas, and we were delighted to be granted regulatory licences in both Australia and Dubai during 2024. Our front office and operational teams are already in place, allowing us to begin trading immediately. We expect both new regions to contribute incremental revenues in 2025 and will be investing in these teams organically over coming years.

In Australia, we have been granted an Australian Financial Services Licence. The licence, granted by the Australian Securities and Investments Commission, allows our Australian entity (Argentex Pty Ltd) to offer bespoke risk management solutions and global accounts to wholesale clients across Australia.

Australia is a significant addressable market for us. A$700bn of cross border payments are processed annually, and with c.180,000+ importers and exporters, we believe there is a A$3bn opportunity across both corporate and institutional clients. Our ability to partner with and offer bespoke structured solutions and treasury risk mitigation strategies coupled with our ability to offer automated onboarding and payment solutions should be a key differentiator in the market.

In Dubai, we announced the launch of Argentex (DIFC) Ltd, a fully licensed subsidiary regulated by the Dubai Financial Services Authority ("DFSA"). Led by our UAE Managing Director, Jamil Khammu, we have a highly experienced team in place to serve sophisticated corporate and institutional clients across the Dubai International Financial Centre and broader UAE market. Argentex (DIFC) Ltd is fully regulated under a Category 3A DFSA licence, enabling the team to offer comprehensive FX and payment services. We are the first listed UK FX Broker to achieve this. Again, Dubai holds significant potential for us. The UAE was the second largest in the world in 2023 in terms of

remittance outflows. We believe our combination of sophisticated products and services, together with automated self-serve for clients, will differentiate us from the competition and we look forward to reporting on progress as trading gets underway in this exciting region.

In the Netherlands, we were encouraged with progressive revenue growth in the year. We are also exploring our ability to expand elsewhere in Europe, utilising our Netherlands licence and operational hub as a base. However, we are not planning on opening any more new branches in 2025 and want to see all new products and teams delivering on growth expectations before we broaden our expansion plans still further.

Operational and financial efficiencies
We are prioritising investment into areas that will deliver profitable growth. As an indication, overall headcount was flat during the year despite significant new hires in technology, product, and our new overseas operations. We therefore reduced full time employees in our core FX Services business by 13% across the year and will continue to look for operational efficiencies as we drive towards automation.

We carried out an in-depth review of our front office operations during the year and made a number of important changes including how sales commissions and Key Performance Indicators ("KPIs") better align with the Group's long-term success. We also established a new Key Accounts team to service our largest corporate customers and are seeing improved retention as a result.

During the year we placed greater emphasis on a data driven approach to all our decision making and processes, both operational and financial. As a result, we completed the implementation of Salesforce and NetSuite in our Sales and Finance functions respectively.

Sustainability
As a small but growing services company with a team of 197 people across our four offices, we have a limited impact on the environment. Nonetheless, we strive to minimise or mitigate any harm that we might do and also actively seek to contribute positively to the environment and our communities.

People
Our people are essential to everything we do. We have made a number of key strategic changes during the year which will be integral to long-term profitable growth.

We have strengthened our executive team including new COO Tim Rudman, who will deliver the roll out of our global platform, launch new revenue-generating products, and automate our client onboarding processes. We have fully staffed our new operations in Australia and Dubai, in addition to making a number of key changes in our UK core operations. Finally, Chrissie Humphrey joined us in the year as Chief People Officer and joins the Executive Committee, marking a significant milestone in the Company's commitment to fostering a strong, dynamic workforce as it continues to scale its operations globally and to position ourselves as an employer of choice.

Outlook
Foreign exchange volatility is more likely to prevail compared to the more benign conditions we experienced in H1 as the United States ushers in a second Trump presidential term which has the potential to impact inflation, tariffs and global trade dynamics, as well as central bank monetary policy and geopolitical developments. Market expectations for the timing and extent of inbound interest rate cuts from various central banks will remain a key driver, as will variable economic data between economic regions. The US has continued to outshine many other developed market economies, termed 'US exceptionalism' by market commentators in recent years. The extent to which this can continue, or slow, throughout 2025 will be key to the fate of the dollar, and the wider foreign exchange markets in general.

Having actively reset Argentex in 2024, we are well positioned to take advantage of more dynamic markets, and with regulatory and operational hubs now fully established in the Netherlands, Australia and Dubai, we believe we have strong capability to grow our market share overseas. Domestically, we have restructured our front office teams, realigned payment terms, set about the creation of new products and services with vigour, and believe we are better placed to serve both new and existing clients as a result. Globally, all regions will benefit from the suite of new services we aim to launch this year and next, together with easier, automated onboarding processes and full Application Programming Interface capability incorporated into our new Argentex Global Platform which remains on schedule to be delivered in summer 2025. It has been a year of significant change in the business, but I believe this change was necessary as costs had escalated against static revenues that were the result of a simplistic business model neither automated, nor scalable.

It has been a privilege to lead Argentex during 2024 and I am genuinely excited by the opportunities ahead of us in 2025 and beyond. We are well placed to return to profitable growth but none of this would be possible without the effort, resilience and enthusiasm shown by my colleagues every single day and I would like to take this opportunity to thank them for their ongoing and unwavering support. Our business employs 197 amazing people whose talent and commitment we cherish and who will help propel us to success, as we execute our clear strategy over coming years.

Jim Ormonde

Chief Executive Officer

02 April 2025

CFO's Review

Market Overview
In 2024 foreign exchange volatility meaningfully increased over the year before, once again driven by monetary policy divergence and political developments, particularly in the United States with the election in November of President Trump for a second term.

Ultimately, many central banks did not cut interest rates by as much as markets had anticipated, partly owing to the inability of headline inflation to remain at target (1-3%). In the core currencies traded by most of our clients, 2024 followed a strikingly similar path to the prior year. The US dollar weakened quite significantly during the summer, only to perform an impressive volte-face in the autumn, rallying significantly as markets reacted to the re-election of Trump and his inflationary policy mix. Continuing US economic resilience and the prospect of inflation nudging higher later in the year has reduced the chance of rate cuts into 2025. Various outcomes for interest rate policy remain.

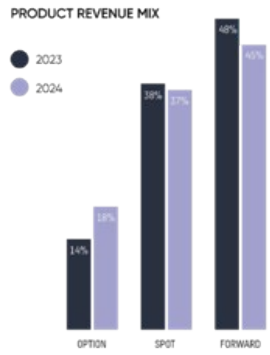
In the UK, sterling performed strongly for much of the year, fuelled by strong GDP growth, reticence from the Bank of England to begin the rate cut cycle, and a new Government promising 'fiscal responsibility'. By year end, however, sterling's H1 strength had faded, materially weakening in the aftermath of the new Labour government's first Autumn Budget, as business confidence worsened, and economic growth slowed sharply. As we transition into 2025, we see grounds for ongoing volatility in foreign exchange markets, given the scope for some monetary policy divergence, the ripple effects of President Trump's policies around international trade and the imposition of import tariffs by the United States, and geopolitical issues still capable of impacting wider markets. Higher levels of volatility have historically led our customers to hedge a higher proportion of their foreign currency transactions.

Financial Performance Overview

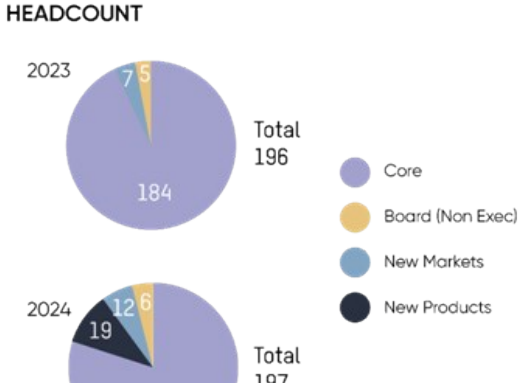
Revenue
Argentex generated revenue of £50.3m in FY24, marginally ahead of the prior year (FY23: £49.9m). An increase in total volumes traded was offset by a reduction in average revenue per client, driven by an industry-wide reduction in margins across all products.

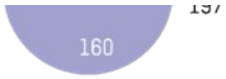
During FY24, 2,113 clients traded with Argentex, an increase of 9% on the prior year. The teams continue to win new business and revenue from new clients of £15.8m in FY24 was ahead of the prior year (FY23: £15.2m)

The column charts below show the changing nature of our product mix year on year, with an increase in share of revenue from options, a product that was first launched during FY22, and a reduction in revenue share from both forwards and spots.



Operating headcount
Headcount is the principal driver of operating costs for Argentex. At the very start of FY24 our Full Time Employee ("FTE") numbers increased as new colleagues hired in the second half of FY23 joined the Group for anticipated growth, which did not materialise. Throughout FY24, through a combination of natural attrition, performance management and controlled backfill, the Group has reduced the headcount supporting the core business by 13%, and increased headcount in areas supporting growth, with closing total headcount being broadly flat compared to the prior year, as illustrated in the chart below.





Improvements have been made to control cost across the Group, including the implementation of a more robust expenses policy and a tightening of discretionary spend. Whilst the impact of these measures is taking some time to flow through, we expect to see a full year of benefit in FY25.

During the year, the Group incurred a number of costs which reduced overall profitability, and which did not occur in the prior year. The most significant of these were:

- Costs associated with transformation of the Group of c.£1.5m which we would not expect to reoccur in FY25

- The closure / cancellation of the Argentex Group Value Creation Plan which gave rise to a one-off non-cash accounting charge of £0.6m

- Default on a foreign exchange contract by a customer of £0.6m.

As a result of the cost of transformation and these one-off costs, we generated EBITDA of £4.0m and operating loss of £0.2m (FY23: profit £8.1m).

Cash

Cash and cash equivalents as at 31 December 2024 was £48.7m, which includes £30.3m of client balances pertaining to collection of any collateral and variation margin. Net cash as at 31 December 2024 was broadly flat at £18.4m (FY23: £18.3m).

In FY24, we spent £2.1m on capex which includes the build of the new Argentex Global Platform for which £3.0m net was raised via an equity issue in May 2024. The capex spend is lower than the prior year of £4.7m, which included significant investment in premises.

Working capital was impacted by a larger cash balance required to be segregated for mark to market movements on CASS clients positions than in December 2023.

£m	**FY24**	**FY23**
EBITDA	4.0	11.9
Lease payments	(1.9)	(1.5)
Capex	(2.1)	(4.7)
Working capital	(1.6)	1.8
Operating cash flow	**(1.6)**	**7.5**
Tax paid	(1.3)	(2.0)
Free cash flow	**(2.9)**	**5.5**
Net proceeds from equity raise	3.0	-
Dividends paid	-	(3.4)
Net cash flow	**0.1**	**2.1**
Net cash at beginning of period	18.3	16.2
Net cash at end of period	18.4	18.3

£m	**31 December 2024**	**31 December 2023**
Cash and cash equivalents	48.7	33.0
Less: segregated client funds	(30.3)	(14.7)
Net cash	18.4	18.3
Collateral held at Institutional counterparties	5.7	5.7

Argentex is required to hold a minimum amount of cash for regulatory requirements, and therefore it is only the headroom above this amount that is free cash available for investing in the business. The regulatory cash requirement is calculated daily and is based on ongoing costs of running the business as well as stress tests. The headroom can

vary significantly month to month due to margin calls and ongoing working capital movements.

Cash generation from the Group's revenue is a function of:
- The composition of revenue (spot, forward, option and swap revenues)
- The average duration of the FX forwards in the portfolio

In FY24, Argentex generated revenues in a proportion of approximately 46%/54% between spot and forward contracts outside of options and swap revenues. Whilst spot FX contracts attract a smaller revenue spread, the inherent risk profile is much reduced, and cash is generated almost immediately. As such, having this proportion of revenues generated by spot trades with a minimal working capital cycle creates a strong positive immediate cash flow for the business.

Excluding swap revenue, 80% of revenue converts to cash within three months, which is broadly consistent with prior years as follows:

Cash conversion	12 months to	12 months to	9 months to	12 months to	12 months to
	31 December 2024	31 December 2023	31 December 2022	31 March 2022	31 March 2021
	£m	£m	£m	£m	£m
Revenues	50.3	49.9	41.0	34.5	28.1
Revenues (swap adjusted "S/A") **(A)**	41.0	43.6	37.7	31.5	27.2
Less					
Revenues settling beyond 3 months S/A	(8.2)	(7.7)	(7.1)	(4.6)	(3.1)
Net short term cash generation **(B)**	32.8	35.9	30.6	26.9	24.1
Short term cash return **(B/A)**	80%	82%	81%	85%	88%

Investing for Growth
In May 2024, we communicated our new strategy to shareholders and we have made progress against each of the three pillars of the strategy, as follows:

Operational/financial efficiencies
Where there has been natural attrition in our headcount, we have controlled backfill, reduced the number of FTE supporting the existing business and invested only to support growth areas, and as a result have kept overall closing headcount broadly flat year on year.

Salesforce has been implemented which allows us greater insights into how to best serve our clients and to improve our customer retention and repeat business. We also successfully migrated our accounting system from a basic system with a manual consolidation to a NetSuite ERP product which provides the functionality to support a multi-currency, multi-location Group. We will be leveraging its functionality further during FY25 with the introduction of a more robust 'Procure to Pay' process, which will strengthen our financial control. We have also tightened our cost control in FY24, reducing our discretionary spend and introducing a more robust expenses policy, and this will continue to be an area of focus in FY25.

Product expansion
In May 2024, we raised net proceeds of £3.0m via a share issue to fund our acceleration into digital accounts and payments through the build of the Argentex Group Platform. We have hired an experienced team who are on track to deliver and launch the first phase of this new product set in summer 2025. The AGP build costs were on budget throughout FY24 and all in year milestones were achieved.

Geographic expansion
We were granted licences in two more overseas jurisdictions during FY24: the Australian Financial Services License in May 2024 and the Category 3A licence from the Dubai Financial Services Authority in November 2024. We look forward to trading ramping up from each of these overseas entities during FY25.

Portfolio Composition
As at 31 December 2024, 84% of the Group's portfolio was comprised of trades in the major currencies of Sterling, Euro and US dollar, in line with the prior year. Therefore, the Group's exposure to exotic currencies or currencies with higher volatility and less liquidity remains limited.

Dividend
Whilst we continue to invest in growth and to transform the business, the Board has decided that Argentex Group plc will not declare a dividend for the year ended 31 December 2024.

Outlook
With trading having commenced in Australia and Dubai, following the grant of their licences during FY24, and the launch of digital accounts and payments products in summer 2025, we anticipate a return to revenue growth in FY25.

Guy Rudolph
Chief Financial Officer
02 April 2025

Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2024

	Notes	Year ended 31 December 2024 £m	Year ended 31 December 2023 £m
Revenue	5	**50.3**	49.9
Cost of sales		**(1.3)**	(1.7)
Gross profit		**49.0**	48.2
Other operating income		**1.6**	1.1
Administrative expenses		**(50.2)**	(40.7)
Share-based payments charge	22	**(0.6)**	(0.5)
Operating (loss)/profit		**(0.2)**	8.1
Finance costs	10	**(0.8)**	(0.8)
(Loss)/profit before taxation		**(1.0)**	7.3
Taxation	11	**(0.3)**	(2.2)
(Loss)/profit for the year		**(1.3)**	5.1
Other comprehensive income for the year			
Foreign exchange differences on translation of foreign operations		**0.1**	-
Total comprehensive (loss)/income for the year		**(1.2)**	5.1
Earnings per share			
Basic	12	**(1.1p)**	4.6p
Diluted	12	**(1.1p)**	4.6p

Consolidated Statement of Financial Position as at 31 December 2024

	Notes	31 December 2024 £m	31 December 2023 £m
Non-current assets			
Intangible assets	13	**2.8**	2.7
Property, plant and equipment	14	**13.1**	15.1
Derivative financial assets	23	**13.6**	9.8
Deferred tax asset	11	**0.5**	0.2
Trade and other receivables	15	**0.1**	-
Total non-current assets		**30.1**	27.8
Current assets			
Trade and other receivables	15	**1.3**	1.3
Cash and cash equivalents	16	**48.7**	33.0
Other assets	17	**18.6**	10.5
Derivative financial assets	23	**58.1**	38.9
Total current assets		**126.7**	83.7
Current liabilities			
Trade and other payables	18	**(46.8)**	(29.3)
Lease liabilities	19	**(1.2)**	(0.9)
Derivative financial liabilities	23	**(46.7)**	(23.6)
Total current liabilities		**(94.7)**	(53.8)
Net current assets		**32.0**	29.9
Non-current liabilities			
Trade and other payables	18	**(0.3)**	(0.3)
Lease liabilities	19	**(9.4)**	(10.6)
Derivative financial liabilities	23	**(9.0)**	(5.8)
Total non-current liabilities		**(18.7)**	(16.7)
Net assets		**43.4**	41.0

Consolidated Statement of Financial Position (continued) as at 31 December 2024

	Notes	31 December 2024 £m	31 December 2023 £m
Equity			
Share capital	20	**0.1**	0.1
Share premium	21	**15.7**	12.7
Share option reserve	22	**-**	1.0
Merger reserve	21	**4.5**	4.5
Translation reserve	21	**0.1**	-
Retained earnings	21	**23.0**	22.7
Total Equity		**43.4**	41.0

The Consolidated Financial Statements of Argentex Group PLC were approved by the Board of Directors on 02 April 2025 and were signed on its behalf by:

Guy Rudolph

Registered number **11965856**

Consolidated Statement of Changes in Equity for the year ended 31 December 2024

	Notes	Share capital £m	Share premium £m	Share option reserve £m	Merger reserve £m	Translation reserve £m	Retained earnings £m	Total equity £m
Balance at 1 January 2023		**0.1**	**12.7**	**0.5**	**4.5**	**-**	**21.0**	**38.8**
Comprehensive income for the year								
Profit for the year		-	-	-	-	-	5.1	5.1
Total comprehensive income for the year		-	-	-	-	-	5.1	5.1
Transactions with owners:								
- Dividends paid	9	-	-	-	-	-	(3.4)	(3.4)
- Share-based payments charge	22	-	-	0.5	-	-	-	0.5
Balance at 31 December 2023		**0.1**	**12.7**	**1.0**	**4.5**	**-**	**22.7**	**41.0**
Comprehensive income/(loss) for the year								
Loss for the year		-	-	-	-	-	(1.3)	(1.3)
Other comprehensive income		-	-	-	-	0.1	-	0.1
Total comprehensive income/(loss) for the year		-	-	-	-	**0.1**	**(1.3)**	**(1.2)**
Transactions with owners:								
- Issue of share capital	20	-	3.0	-	-	-	-	**3.0**
- Dividends paid	9	-	-	-	-	-	-	-
- Share-based payments charge	22	-	-	0.6	-	-	-	**0.6**
- Share scheme release	22	-	-	(1.6)	-	-	1.6	**-**
Balance at 31 December 2024		**0.1**	**15.7**	**-**	**4.5**	**0.1**	**23.0**	**43.4**

Consolidated Statement of Cash Flows for the year ended 31 December 2024

	Notes	Year ended 31 December 2024 £m	Year ended 31 December 2023 £m
(Loss)/profit before taxation		**(1.0)**	7.3
Taxation paid		**(1.3)**	(2.0)
Net finance expense	10	**0.8**	0.8
Depreciation of property, plant and equipment	14	**1.1**	1.1
Depreciation of right of use assets	19	**1.3**	1.2
Amortisation of intangible assets	13	**1.8**	1.6
Share-based payment charge	22	**0.6**	0.5
(Increase) in trade receivables	15	**-**	(0.3)
Increase in trade and other payables	18	**18.2**	4.3
(Increase)/ decrease in derivative financial assets	23	**(23.0)**	17.8
Increase/ (decrease) in derivative financial liabilities	23	**26.3**	(17.8)
(Increase) in other assets	17	**(8.1)**	(0.5)
(Increase) in operating leases		**-**	(0.4)
Net cash generated from operating activities		**16.7**	13.6
Investing activities			
Purchase of intangible assets	13	**(1.9)**	(1.8)
Purchase of plant and equipment	14	**(0.2)**	(2.9)
Net cash used in investing activities		**(2.1)**	(4.7)
Financing activities			
Payments made in relation to lease liabilities	19	**(1.9)**	(1.5)
Dividends paid	9	**-**	(3.4)
Proceeds from equity raise	20	**3.0**	-
Net cash generated from/ (used in) financing activities		**1.1**	(4.9)
Net increase in cash and cash equivalents		**15.7**	4.0
Cash and cash equivalents at the beginning of the year		**33.0**	29.0
Cash and cash equivalents at the end of the year	16	**48.7**	33.0

1 General information

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

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

The Company is the ultimate parent company into which the results of all subsidiaries are consolidated.

The Consolidated Financial Statements are presented in pounds sterling (£), which is the currency of the primary economic environment in which the Group operates, and are rounded to the nearest million, except where otherwise indicated.

2 Material accounting policies

The material accounting policies are summarised below.

2.1 Basis of preparation

The Consolidated Financial Statements have been prepared in accordance with UK-adopted IFRS accounting standards.

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

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

2.2 Adoption of new and revised standards

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

The Group has not early adopted any new standards, interpretations or amendments that have been issued but are not yet effective. The following new standard is effective in future periods and has not been applied in preparing these Consolidated Financial Statements:

IFRS 18 Presentation and Disclosure in Financial Statements: Issued in April 2024, IFRS 18 introduces new requirements for the presentation and disclosure of financial statements. The standard is effective for annual reporting periods on or after 01 January 2027, with earlier application permitted.

2.3 Going concern

The Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and have assessed the Group's prospects over a 12-month period from the approval date of these Consolidated Financial Statements. The Group's principal trading subsidiary, Argentex LLP, has been profitable since inception in 2011, the Group has no external debt, and the LLP continues to generate sufficient cash to support the activities of the Group. Budgets and cash flow forecasts are prepared to cover a variety of scenarios and are subsequently reviewed by the Directors to ensure they support the Group's continuing ability to operate as a going concern.

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 23.2 for further disclosures relating to liquidity risk).

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

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

2.4 Basis of consolidation

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

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

Name of undertaking	Nature of business	Country of incorporation
Argentex LLP	Foreign exchange broking	England
Argentex Capital Limited	Holding company	England
Argentex Foreign Exchange Limited	Holding company	England
Argentex B.V.	Foreign exchange broking	Netherlands
Argentex PTY LTD	Foreign exchange broking	Australia
Argentex Technologies Limited	Platform development	England
Argentex (DIFC) Ltd	Foreign exchange broking	United Arab Emirates

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

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

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

The following UK subsidiaries will take advantage of the audit exemption set out within section 479A of the Companies Act 2006 for the year ended 31 December 2024.

Name of undertaking	Company number
Argentex Capital Limited	11965565
Argentex Foreign Exchange Limited	07814670
Argentex Technologies Limited	14797013

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

2.5 Accounting for merger on formation of the Group

In June 2019, immediately prior to the Company's admission to AIM, Argentex Group PLC acquired all equity interests in Argentex LLP. This was affected 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 year end date. The resulting gain or loss is recognised within revenue

immediately.

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

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

2.7 Financial instruments

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

The Group's financial assets include derivative assets (foreign exchange spot, foreign exchange forward and foreign exchange structured solution option contracts with customers and banking counterparties) as well as amortised cost assets including cash and cash equivalents, other assets and trade and other receivables. The Group's financial liabilities include derivative liabilities (foreign exchange spot, foreign exchange forward and foreign exchange structured solution option contracts) and trade and other payables. The Group does not apply hedge accounting.

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

2.7.1 Derivative financial assets

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

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

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

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

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

2.7.2 Other financial instrument assets

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

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

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

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

The Group writes off receivables when there is information indicating that the debtor is in severe

financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the receivables are past due, whichever occurs earlier.

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

2.7.3 Derivative financial liabilities

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

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

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

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

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

2.7.4 Other financial instrument liabilities

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

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

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

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

2.8 Cash and cash equivalents

For the purpose of presentation in the Consolidated Statement of Cash Flows, cash and cash equivalents includes cash on hand or deposits held at call with financial institutions. Cash and cash equivalents includes client funds disclosed in Note 16.

2.9 Other assets

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

2.10 Leases

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

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

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless this is not readily determinable, in which case the Group's incremental borrowing rate on commencement of the lease is used. Lease liabilities are remeasured when there is a change in future lease payments arising from a change in rate, if there is a change in the Group's estimate of

the amount expected to be payable under a residual value guarantee or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

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

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

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

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

The Group applies the short-term lease recognition exemption under IFRS 16 to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as an expense in the Consolidated Statement of Comprehensive Income on a straight-line basis over the lease term.

2.11 Intangible assets and amortisation

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

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

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

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

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

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

2.12 Property, plant and equipment

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

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

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

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

2.13 Foreign currencies

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

2.14 Cost of sales

Cost of sales includes bank charges paid to banking counterparties and third party platform fees.

2.15 Employee benefits

(i) Short term benefits

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

(ii) Defined contribution pension plans

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

2.16 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.

2.17 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.

2.18 Share-based payments

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

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

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

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

2.19 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 Consolidated Financial Statements. Deferred tax assets are recognised to the extent that it is probable future taxable profits will be available against which the temporary differences can be utilised.

2.20 Other operating income

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

3 Critical accounting judgements and key sources of estimation uncertainty

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

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

3.1 Accounting judgements

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

(i) Capitalisation of costs to intangible assets

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

(ii) Credit Valuation Adjustment

The CVA is a calculation based on the credit risk of counterparties inherent in the valuation of derivative financial instruments (Note 23). The failure of a client to settle a contracted trade carries the risk of loss equal to the prevailing fair value of the trade. Within the CVA calculation to quantify credit risk, judgement is required in determining the credit quality of the client based on current market and other information and key estimates include loss on default of a client and the probability of default. A 10 percent increase across all Probability of Defaults (PDs) would result in decreased operating profit of £0.1m (2023: £0.2m).

3.2 Key sources of estimation uncertainty

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

Useful economic life of intangible assets (see Note 13)

Technology within the financial services sector is in a perpetual state of development and evolution, providing uncertainty over the useful economic life of the Group's bespoke dealing system. Extending the estimated useful life of the intangible costs from 3 years to 4 years would result in increased operating profit of £0.4m (2023: £0.4m), decreasing the estimated useful life from 3 years to 2 years would result in decreased operating profit of £0.8m (2023: £0.8m)

4 Segment reporting

For the year ended 31 December 2024, the Group consisted of a single operating segment (being Argentex LLP's foreign currency dealing business) that operated in a market not bound by geographical constraints. This is due to the relative size of Argentex LLP's operations compared to overseas subsidiaries and continued investment in overseas operational readiness throughout the year. Of the Group's revenue of £50.3m, Argentex LLP generated £46.4m (2023: £49.7m), Argentex BV generated £3.8m (2023: £0.2m) and Argentex PTY generated £0.1m (2023: nil).

There is no reliance on an individual customer and no customer contributed to more than 10 percent of revenues in the year ended 31 December 2024 or year ended 31 December 2023.

5 Revenue

An analysis of the Group's revenue is as follows:	**Year ended 31 December 2024 £m**	**Year ended 31 December 2023 £m**
Spot foreign exchange contracts	**12.0**	13.4
Forward foreign exchange contracts	**29.1**	29.5
Structured solutions	**9.2**	7.0
	50.3	49.9

6 Operating (loss)/profit

	Year ended 31 December 2024 £m	Year ended 31 December 2023 £m
Operating (loss)/profit for the year is stated after charging:		
Depreciation of plant and equipment	**1.1**	1.1
Depreciation of right of use assets	**1.3**	1.2
Amortisation of intangibles	**1.8**	1.6
Staff costs (see Note 8)	**33.0**	27.7
Net foreign exchange losses/(gains)	**0.1**	(0.4)

7 Auditor's remuneration

Fees payable to the Group's auditor and its associates for services to the Group:	Year ended 31 December 2024 £m	Year ended 31 December 2023 £m
The audit of Financial Statements of the Group and subsidiaries	**0.7**	0.4
Other assurance and advisory services	**0.1**	0.1
	0.8	0.5

8 Staff costs

Average	Year ended 31 December 2024 No.	Year ended 31 December 2023 No.
Directors	**7**	6
LLP members (excl. executive directors)	**4**	4
Sales and dealing	**85**	85
Operations	**103**	74
Average headcount	**199**	169
Employees, members and directors as at 31 December 2024 and 2023	**197**	196

	Year ended 31 December 2024 £m	Year ended 31 December 2023 £m
Staff costs for the above persons were:		
Wages and salaries	**24.0**	20.3
Social security costs	**3.0**	2.3
Pension costs	**0.6**	0.5
Share-based payments	**0.6**	0.5
LLP members' remuneration*	**2.7**	2.6
Directors' remuneration	**2.1**	1.5
	33.0	27.7

Directors' remuneration

	Year ended 31 December 2024 £m	Year ended 31 December 2023 £m
Directors' remuneration comprised:		
Salaries and LLP members' remuneration	**2.1**	1.5

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

Prior to IPO, profits from Argentex LLP were distributed according to individual equity holdings in the

LLP. Following Admission, the self-employed LLP members are remunerated under the Amended and Restated LLP Agreement by a combination of (i) fixed annual remuneration (ii) participation in revenue commission schemes (iii) annual bonuses and (iv) other variable compensation based on the LLP's performance.

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

9 Dividends

	Year ended 31 December 2024	Year ended 31 December 2023
	£m	£m
Amounts recognised as distributions to equity holders:		
Final dividend for the year ended 31 December 2023 of nil per share (December 2022: dividend for the 9-month period ended 31 December 2022 of 2.25p per share)	-	2.5
Interim dividend for the year to 31 December 2024 of nil per share (2023: 0.75p per share)	-	0.9
	-	3.4
Proposed final dividend for the year ended 31 December 2024 of nil per share (2023: nil)	-	-

10 Finance costs

	Year ended 31 December 2024	Year ended 31 December 2023
	£m	£m
Interest on lease arrangements	**0.8**	0.8

11 Taxation

	Year ended 31 December 2024 £m	Year ended 31 December 2023 £m
Income tax recognised in Consolidated Statement of Comprehensive Income		
Current tax charge/(credit)		
Current tax on profit for the year	**0.4**	1.6
Adjustments in respect of prior years	**0.2**	0.3
Total current tax	**0.6**	1.9
Deferred tax		
Origination and reversal of temporary differences	**(0.2)**	0.3
Adjustments in respect of prior years	**(0.1)**	-
Total deferred tax	**(0.3)**	0.3
Total tax expense	**0.3**	2.2

Tax has been calculated using an estimated annual effective tax rate of -30.5% (2023: 23.5%) on profit before tax. The main rate of UK corporation tax for the year ended 31 December 2024 was 25% (2023: increased to 25% from 19%).

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

	Year ended 31 December 2024 £m	Year ended 31 December 2023 £m
(Loss)/profit for the year	**(1.3)**	5.1
Income tax expense	**0.3**	2.2
(Loss)/ profit before income taxes	**(1.0)**	7.3
Tax using the Company's domestic tax rate of 25% (2023: 23.5%)	**(0.2)**	1.7
Effects of:		
Variance in overseas tax rates	**0.1**	-
Expenses not deductible for tax purposes	**0.2**	0.1
Tax losses/temp. differences for which no deferred income tax asset has been recognised	**0.1**	-
Adjustments in respect of prior period	**0.1**	0.4
Total tax on ordinary activities	**0.3**	2.2

	Year ended 31 December 2024 £m	Year ended 31 December 2023 £m
Current tax assets and liabilities		
Corporation tax asset/(liability)	**0.1**	(0.6)
Current tax asset/(liability)	**0.1**	(0.6)

	Year ended 31 December 2024 £m	Year ended 31 December 2023 £m
Deferred Tax		
Assets		
At 1 January 2024 and 1 January 2023	**0.2**	0.5

Current year movement	**0.2**	(0.3)
Prior year adjustments	**0.1**	-
Total deferred tax asset	**0.5**	0.2

Deferred tax in relation to timing differences on fixed assets and other timing differences. There is no expiry on the deferred tax asset. The deferred tax asset is based on the rate of corporation tax 25%. Deferred tax assets of £0.1m relating to unused tax losses in Australian and Dubai subsidiaries have not been recognised as there is no track record of taxable profits generated from trading using local licences to utilise against the losses.

12 Earnings per share

The Group calculates basic earnings to be net loss attributable to equity shareholders for the year.

	Year ended 31 December 2024 £m	**Year ended 31 December 2023 £m**
Earnings		
Earnings for the purposes of basic and diluted earnings per share - basic and diluted	**(1.3)**	5.1
Number of shares		
The calculation of basic and diluted earnings per share is based on the following number of shares (m).		
Weighted average number of ordinary shares for the purposes of basic earnings per share	**117.8**	113.2
Number of dilutive shares under option	**-**	0.1
Weighted average number of ordinary shares for the purposes of dilutive earnings per share	**117.8**	113.3
Earnings per share		
Basic	**(1.1p)**	4.6p
Diluted	**(1.1p)**	4.6p

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.

As the Group has incurred a loss in the year, the diluted loss per share is the same as the basic earnings per share as the loss has an anti-dilutive effect (an increased number of shares gives rise to a reduced loss per share).

13 Intangible fixed assets

	Software development costs £m
Cost	
At 1 January 2023	8.8
Additions	1.8
At 31 December 2023	10.6
Additions	1.9
At 31 December 2024	12.5
Accumulated amortisation	
At 1 January 2023	6.3
Charge for year	1.6
At 31 December 2023	7.9
Charge for year	1.8
At 31 December 2024	9.7
Net book value	
At 31 December 2023	2.7
At 31 December 2024	**2.8**

14 Property, plant and equipment

	Leasehold improvements £m	Right of use asset £m	Office equipment £m	Computer equipment £m	Total £m
Cost					
At 1 January 2023	1.8	7.3	1.3	0.7	11.1
Additions	*2.0*	*6.6*	*0.5*	*0.4*	*9.5*
Disposals	-	-	-	-	-
At 31 December 2023	3.8	13.9	1.8	1.1	20.6
Additions	*0.1*	*0.2*	*-*	*0.1*	*0.4*
Disposals	-	-	-	-	-
At 31 December 2024	3.9	14.1	1.8	1.2	21.0
Accumulated depreciation					
At 1 January 2023	0.4	2.1	0.2	0.5	3.2
Charge for the year	*0.4*	*1.2*	*0.4*	*0.3*	*2.3*
Disposals	-	-	-	-	-
At 31 December 2023	0.8	3.3	0.6	0.8	5.5
Charge for the year	*0.5*	*1.3*	*0.4*	*0.2*	*2.4*
Disposals	-	-	-	-	-
At 31 December 2024	1.3	4.6	1.0	1.0	7.9
Net book value					
At 31 December 2023	3.0	10.6	1.2	0.3	15.1
At 31 December 2024	**2.6**	**9.5**	**0.8**	**0.2**	**13.1**

Right of use asset relates to leases disclosed in Note 19.

15 Trade and other receivables

	31 December 2024	31 December 2023
	£m	£m
Non-current		
Other receivables	**0.1**	-
Trade and other receivables	**0.1**	-
Current		
Other receivables	**0.4**	0.6
Prepayments	**0.9**	0.7
Trade and other receivables	**1.3**	1.3

16 Cash and cash equivalents

	31 December 2024	31 December 2023
	£m	£m
Cash and cash equivalents	**48.7**	33.0

Included within cash and cash equivalents are client held funds relating to margins received and client balances payable. These amounts are matched by amounts payable to clients of £30.3m (2023: £14.7m) in Note 18 and are not available for the Group's own use. Client balances held as electronic money in accordance with the Electronic Money Regulations 2011 are held in accounts segregated from the firm's own bank accounts.

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

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

17 Other assets

	31 December 2024 £m	31 December 2023 £m
Collateral with banking counterparties	**5.7**	5.7
Balances segregated for CASS mark to market	**12.9**	4.8
Other assets	**18.6**	10.5

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

18 Trade and other payables

	31 December 2024 £m	31 December 2023 £m
Non-current		
Lease dilapidation provisions	**0.3**	0.3
Trade and other payables	**0.3**	0.3
Current		
Amounts payable to clients	**30.3**	14.7
Corporation tax	**-**	0.6
Amounts due to members and former members of Argentex LLP	**-**	0.4
Trade payables	**7.9**	6.9
Accruals	**8.5**	5.6
Other taxation and social security	**0.1**	1.1
Trade and other payables	**46.8**	29.3

19 Leases

In May 2020, the Group signed a ten-year lease for its head office premises at Argyll Street, London. In February 2023, the Group signed a nine-year lease for an additional floor for its head office at Argyll Street, London as well as signing a deed of variation for the original lease, extending the term until a final expiry date of January 2033. In the same month, the Group also signed a five-year lease for its office in the Netherlands. In December 2023, the Group signed a three-year lease for its office in Dubai.

In October 2024 and November 2024, the Group signed five-month and six-month licence agreements for office spaces in Sydney and Melbourne, Australia respectively. The Group has elected to apply the short-term lease exemption under IFRS 16 for these agreements. The lease payments are recognised as an expense in the Consolidated Statement of Comprehensive Income over the terms of the leases.

As a lessee, the Group has recognised lease liabilities representing the present value of the obligations to make lease payments, and related right of use (ROU) assets, in accordance with Note 2.10. For the UK leases, the lease payments are discounted using the interest rates implicit in the leases (both 7%). For the Netherlands and Dubai leases, the interest rates implicit in the leases cannot be readily determined and therefore management have assessed the incremental borrowing rates to be 7% and 4.6% respectively determined based on the individual borrowing rates of each entity adjusted for lease-specific factors. Information about the lease liability is presented below:

	31 December 2024 £m	**31 December 2023 £m**
Lease liability at beginning of financial year	**11.5**	6.1
Additions	**0.2**	6.1
Payments made in the year	**(1.9)**	(1.5)
Unwinding of finance costs	**0.8**	0.8
Lease liability at end of financial year	**10.6**	11.5
Of which		
Current	**1.2**	0.9
Non-current	**9.4**	10.6

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

	Year ended 31 December 2024 £m	**Year ended 31 December 2023 £m**
Depreciation charge on right of use assets (Note 14)	**1.3**	1.2
Interest on lease liabilities (Note 10)	**0.8**	0.8

Maturity profile of lease liability based on contractual (undiscounted) payments disclosed in Note 23.

20 Share capital

	Ordinary shares No.	Management shares No.	Nominal value £m
Authorised, allotted and paid up			
At 1 January 2024	113,207,547	23,589,212	0.1
Shares issued during the year	7,221,508	-	-
At 31 December 2024	**120,429,055**	**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. Of these, 100,000,000 shares were issued to the former owners of Argentex LLP as part of the Group formation. Following this, the Group issued an additional 13,207,547 shares at 106p per share, generating share premium of £13,988,679 before issuance costs.

On 13 May 2024, 7,221,508 Ordinary shares with a nominal value of £0.0001 per share were issued, generating total gross proceeds of £3,249,679 before issuance costs resulting in a net Share Premium of £3,012,568. The issued shares are fully paid and rank *pari passu* in all respects with the existing Ordinary Shares of the Company, including, without limitation, the right to receive all dividends and other distributions declared, made, or paid after the date of issue.

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).

Translation reserve
The translation reserve relates to foreign exchange differences which arise on the translation of foreign operations.

Share option reserve
The Group operates share option schemes that are explained in Note 22 of these Consolidated Financial Statements. The Group recognises the services received from eligible scheme participants as a charge through the Consolidated Statement of Comprehensive Income, with the corresponding entry credited to the Share option reserve.

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

22 Share-based payments

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

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

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

CSOP

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

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

During the year, all remaining employees that had retained their share options under the CSOP left the scheme and surrendered their share options. Accordingly, the CSOP has been cancelled.

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

	31 December 2024		31 December 2023	
	Average exercise price (£)	Number of options outstanding	Average exercise price (£)	Number of options outstanding
At beginning of year	**1.35**	**996,226**	**1.35**	**996,226**
Granted	-	-	-	-
Forfeited	1.35	(996,226)	-	-
Exercised	-	-	-	-
At end of year	**-**	**-**	**1.35**	**996,226**

The share-based payment charge in relation to the above scheme in the year ended 31 December 2024 is £nil (31 December 2023: £nil).

Value Creation Plan

In November 2022, selected employees and senior executives of the Group were issued with Growth shares in Argentex Capital Limited. When and to the extent vested, the growth shares will be exchanged into ordinary shares of Argentex Group PLC. The Growth shares vest in two equal tranches (A and B) over two periods. Growth A shares vest over a 3 year and 4-month period and Growth B shares vest over a 4 year and 4-month period. The rate of exchange is that the Growth Shares will be regarded as worth a pro rata share of the share price gain of Argentex Group PLC above hurdle prices. Upon exchange, the number of ordinary shares in Argentex Group PLC that a Growth shareholder will receive is such number of shares whose value is equivalent to the Group's closing share price at the exchange date subject to the extent that Growth shares have vested. The average weighted value of Growth shares granted in Argentex Capital is £85.

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

During the year, the Committee reviewed the Argentex Value Creation Plan ("VCP") and concluded that it no longer aligned with the interests of employees and shareholders. As a result, the Group lapsed all awards under the VCP in October 2024 and the Plan was cancelled. This resulted in the immediate vesting of all unvested options and the subsequent forfeiture of all outstanding options granted under the VCP. In accordance with IFRS 2, the cancellation was treated as an acceleration of vesting, and the remaining unrecognised expense of £0.6m was recognised immediately in the Consolidated Statement of Comprehensive Income. No cash or equity consideration was granted upon the cancellation of the VCP, and the balance of the share option reserve was transferred to retained earnings. At the end of the reporting period, there were no outstanding options under the VCP.

The total share-based payment charge of the Value Creation Plan including the accelerated vesting charge in the year ended 31 December 2024 was £0.6m (2023: £0.5m).

Growth Shares		
	31 December 2024	31 December 2023
	Number of options outstanding	Number of options outstanding
Outstanding at beginning of year	**18,250**	**20,000**
Granted in year	-	-
Forfeited in year	(18,250)	(1,750)
Exercised in year	-	-
Outstanding at end of year	**-**	**18,250**

The total balance of the share-based payment reserve was transferred to retained earnings following the cancellation of the Value Creation Plan. The remaining balance at 31 December 2024 is £nil (31

December 2023: £1.0m).

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

23.1 Capital management

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

23.2 Financial risk management objectives

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

Market risk

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

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

Foreign exchange risk - sensitivity analysis

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

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

	31 December 2024 £m	**31 December 2023 £m**
10% weakening in the GBP/EUR exchange rate	**1.9**	1.1
10% strengthening in the GBP/EUR exchange rate	**(1.6)**	(0.9)

10% weakening in the GBP/USD exchange rate	**2.1**	0.7
10% strengthening in the GBP/USD exchange rate	**(1.8)**	(0.6)

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

Liquidity risk

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

Derivative financial assets at balance sheet date by contractual maturity

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

31 December 2024	**£m 0-3 months**	**£m 3-6 months**	**£m 6-12 months**	**£m 12 months +**	**£m Total**
Derivative financial assets	1,205.4	688.7	700.4	370.5	**2,965.0**

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

Derivative financial liabilities at balance sheet date by contractual maturity

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

31 December 2024	**£m 0-3 months**	**£m 3-6 months**	**£m 6-12 months**	**£m 12 months +**	**£m Total**
Derivative financial liabilities	1,201.7	685.2	696.3	365.7	**2,948.9**

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

Other financial liabilities

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

31 December 2024	Up to 1 year	1 year +	Total
	£m	£m	£m
Amounts payable to clients	30.3	-	**30.3**
Other payables	10.5	0.5	**11**
Lease liabilities	1.9	11.7	**13.6**
	42.7	12.2	**54.9**

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

Credit risk

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

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

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

23.3 Categories of financial instruments

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

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

	31 December 2024	31 December 2023
	£m	£m
Financial asset instruments		

Measured at FVTPL		
Non-current		
Derivative financial assets	**13.6**	9.8
Current		
Derivative financial assets	**58.1**	38.9
Total derivative financial assets	**71.7**	48.7
Measured at amortised cost		
Current		
Cash and cash equivalents	**48.7**	33.0
Other assets	**18.6**	10.5
Non- current		
Other assets	**0.1**	-
Total amortised cost assets	**67.4**	43.5

	31 December 2024 £m	**31 December 2023 £m**
Financial liability instruments		
Measured at FVTPL		
Non-Current		
Derivative financial liability	**(9.0)**	(5.8)
Current		
Derivative financial liability	**(46.7)**	(23.6)
Total derivative financial liabilities	**(55.7)**	(29.4)
Measured at amortised cost		

Amounts payable to clients	**(30.3)**	(14.7)
Other creditors	**(8.0)**	(8.7)
Amounts due to members and former members of Argentex LLP	**-**	(0.4)
Accruals (excluding non-financial instruments)	**(2.5)**	(1.7)
Lease liabilities	**(10.6)**	(11.5)
Non-derivative financial liabilities	**(51.4)**	(37.0)

Derivative financial assets and derivative financial liabilities include derivative transactions with banking counterparties. The transactions are subject to ISDA (International Swaps and Derivatives Association) Master Agreements and similar master agreements which provide a legally enforceable right to offset under certain conditions. These derivative financial instruments have not been offset in the Consolidated Statement of Financial Position but are presented separately in the table below. These derivatives are subject to collateral and margin calls by banking counterparties and the amounts are disclosed in Note 17.

	31 December 2024	**31 December 2023**
Amounts with counterparties subject to Master Netting agreements:	**£m**	**£m**
Derivative financial assets	**39.2**	27.1
Derivative financial liabilities	**31.5**	17.8

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 December 2024, 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 year, the Group included a CVA of £1.1m (2023: £0.5m) to represent the credit risk inherent in the fair value of derivative financial instruments. In the opinion of the Directors, the carrying amount of the Group's financial assets best represents the maximum exposure.

The carrying amount of the Group's financial assets at FVTPL as disclosed in Note 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

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

23.6 Credit risk management

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

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

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)**
	31 December 2024	**31 December 2023**		
Foreign exchange forward and option contracts	Assets **£71.7m**; and Liabilities **£55.7m**	Assets £48.7m; and Liabilities £29.4m	Level 2	The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of foreign exchange forward and option contracts is measured using observable market information provided by third party market data providers. Future cashflows are estimated based on

				forward exchange rates and contract rates, discounted to reflect maturity.

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 Consolidated Financial Statements are a reasonable approximation of their fair value.

25 Related party transactions

As at 31 December 2024, no material related transactions require further disclosure.

26 Contingent liabilities

As at 31 December 2024 there were no capital commitments or contingent liabilities (2023: none). The Group has an outstanding Employment Tribunal claim from a former Director. The Group is contesting the claim and has assessed the likelihood of an outflow settlement as remote.

27 Controlling party

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

28 Events after the reporting date

There are no material events after the reporting period that require disclosure.

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