

# Proven expertise, delivering on expectations.



Lord Digby Jones Kb.  
Non-Executive Chairman

First and foremost I must start by saying how much of an honour it is to be Chairman of a business that has grown and evolved in the way Argentex has since its inception in 2012.

It's rare to get an opportunity to chair a company at the start of its journey as a listed business, but I have also had the privilege of knowing the three co-founders, Carl Jani, Harry Adams and Andrew Egan, and followed them and the business closely, since they started out over eight years ago.

A year on from the Group's successful debut on AIM, it's only natural to reflect on how far the business has come. It is testament to Carl, Harry and Andrew's long-term vision, ability to attract leading talent, intricate understanding of the foreign exchange market and approach to clients that have enabled them to build the leading FX platform that Argentex is today. Their work ethic and sense of fun has also permeated the culture and makes the business unique.

Competing in a highly regulated sector previously dominated by banks, Argentex's robust business model and balance sheet strength is built around a programme of investment in technology, compliance and risk management. This has attracted a high quality, diversified and loyal customer base and best in class counterparties

which have supported strong year on year organic growth since inception.

I'm pleased to say the last twelve months are no exception and despite the extreme macro-economic, geo-political and financial market conditions and the rapid escalation of COVID-19 towards the end of the fiscal year, the excellent ongoing financial performance further evidences delivery on the Group's steady growth strategy that it promised its shareholders ahead of the IPO.

But at Argentex, the vision is always long-term and the Group's cash generative profile and clear strategy supports the positive long-term outlook as the Group continues its trajectory, delivering the trusted advice and services for its clients, positive returns for its shareholders and being an employer of choice in the FX market.

#### MARKET BACKDROP

Since our listing in 2019, market and socio-political conditions have changed significantly. In that time, the UK appointed a new Prime Minister,

experienced a general election and exited the European Union, with trade negotiations still ongoing, as well as experiencing the worst global pandemic the world has seen since 1919. Despite these events the business has continued to grow, delivering on our objectives set out at the IPO and serving our clients' complex needs in turbulent market conditions.

Through this recent spell of unprecedented change, the safety and wellbeing of our employees have been our absolute priority. I am proud of how quickly and effectively we were able to implement working from home policies that have helped employees cope in these difficult times, while continuing fully to serve our clients.

The health and economic crisis caused by the spread of COVID-19 has caused major disruption in the global economy, while FX markets have seen a spike in volatility unseen in recent years. Rising global unemployment and a risk-off approach in stock markets has seen investors flood to safe-haven currencies such as the US Dollar. Central bank policies have created a new paradigm in the currency markets, with exchange rates moving away from being driven by fundamental economic indicators towards stock markets. Our expert teams continue to analyse market

trends and ensure our client advice is reflective of rapidly changing foreign exchange trends.

#### KEY HIGHLIGHTS

The last twelve months will always be defined by the Group's successful IPO, the benefits of which have been immediate. Most tangibly, the proceeds raised from the listing have enabled Argentex to increase its trading capacity to meet the growing needs of clients for its products and services, whilst improving the terms of its counterparties. The heightened visibility and credibility that comes with being a public company further solidify Argentex's position as a trusted provider, attracting new client interest. The positive revenue impact is plain to see from our results.

Whilst the core Spot and Forward product range denominated by dollar, sterling and euro continues to be the bedrock of Argentex's offering, during the year the increasing client uptake of FX Options demonstrates the Group's ability to serve the broadening needs of clients and the gradual move towards a more diversified revenue stream.

At a time where businesses up and down the country are seeking capital injections and reliant on the government's furlough scheme during



Listed on the London Stock Exchange with an FX turnover last year of more than £12bn. (FYE 2020).

this challenging period, I am proud that the business has continued to invest in people and services during the year to ensure the benchmark of talent and the infrastructure and systems in place evolve in lock step with and contribute to the strategic momentum. The new, state-of-the-art headquarters at 25 Argyll Street, announced post year end, will further support headcount growth and create a modern ecosystem for employees and the business to thrive.

Aligned with this expansion and what the Group said to investors at IPO, progress has been made in identifying select jurisdictions where there is strong demand for Argentex's products, a track record of regulation and importantly an opportunity to capture market share. On that note, I'm excited by the opportunities identified in The Netherlands and Australia and the potential to replicate and enhance in those markets, what the team has built in the UK. As ever, the strategic approach here will be gradual and prudent.

#### SETTING THE INDUSTRY STANDARD

Since Carl, Harry and Andrew founded the business, they have stuck by a few core principles that not only differentiate Argentex, but has helped the business grow to where it is today. It is based on an ethos of integrity in



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everything they do and always putting clients first. This means governance, compliance and risk management is central to the business, evidenced by the significant investment in systems, processes and controls over the years.

It is this high benchmark set by the business that reassures clients and counterparties alike but has also attracted a seasoned team of non-executive directors to Argentex. I am fortunate to work alongside a highly experienced Board that brings a depth of expertise that we believe, coupled with an industry-leading workforce, helps separate Argentex from its peers.

People are the Group's most important asset and fundamental to the long-term success of the business. Supporting and nurturing employees is an area Argentex takes seriously. Investment continues to be made in training programmes throughout the business to ensure everyone across the business, whether it be on the sales desk, trading floor or relationship managers is given continuous learning opportunities to progress her or his careers within the business whilst protecting the health and wellbeing of each individual.

#### OUTLOOK

After a strong start as a listed company we remain confident of the Group's long-term prospects despite the uncertain macro outlook. Our strong business model, unwavering strategy and expertise in a sector that will continue to be vital for clients, will help the Group continue to build on its track record.

The business is steadily building for the future and the new London headquarters and office openings further afield mark the next step in the journey. We do not take undue risk and all decisions are made through a long-term lens, ensuring we grow organically and sustainably.

I would like to thank all of our shareholders for their support during our first year as a public company and of course to each and every employee for continuing to drive the business forward, despite such an unsettling time brought about by the global pandemic.

It is a privilege to be your Chairman; thank you.

**Lord Digby Jones Kb.**  
Non-Executive Chairman

