



Built on stable, long-term foundations.

We focus on FX, so the client can focus on the everyday running of their business.

OVERVIEW

The last financial year marks a significant milestone in Argentex's history. When joining the London Stock Exchange's AIM in June 2019, we had a clear commitment to our growth strategy and proven business model and since then, we are proud to have gone from strength to strength while considerably increasing the scale and breadth of our business.

The increased capital strength, more competitive counterparty terms and enhanced brand recognition that the IPO has afforded us, has positioned the business on firm foundations for our first year of trading and we're delighted with the financial and operational momentum we have achieved against an unforgettable 12 months, from a financial markets perspective.

The total FX turnover increased to over £12bn, generating revenue of £29m. 1,212 corporates traded, 380 having never traded before generating £6.6m in 'new' revenue – broadly in line with expected historical ratios. Our focus on serving

a high quality, diverse client base has continued unabated, as has their demand for our services. Our client activity also grew, demonstrating that our clients use our services for genuine underlying business needs, particularly in an uncertain environment.

Our growth trajectory has been set against some of the most unprecedented markets recently recorded and one of the most unusual periods in our history, and our thoughts are with all of those impacted by the COVID-19 pandemic. Our immediate priority in the face of the pandemic was to safeguard the health and wellbeing of our people. It is testament to their spirit, collegiality and resilience, combined with our robust business model, balance sheet strength and approach to risk mitigation that clients were able to receive a continuity of service that they have come to expect from Argentex, with the entire business operating effectively within 24 hours of instigating a 100% work from home policy.



Harry Adams
Co-Chief Executive Officer



Carl Jani
Co-Chief Executive Officer



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MARKET BACKDROP

In a year that has seen events such as Brexit, US-China trade wars, and more recently COVID-19, the extreme volatility often documented in the news has been surprisingly translated into relatively benign currency crosses to which the Group are primarily exposed. The occasional exception (GBP/USD seeing its largest one-day fall on record to 1.14 most notable among them) has caused bouts of flurried activity, however, the Group has remained calm in the slipstream of an otherwise ubiquitous turbulence.

It is true that volatility helps a broking business, however the Group's clients, all have a commercial need to buy and sell currency – a manufacturer requiring £10m worth of components from the US will still need to purchase £10m of US dollars.

Volatility precipitates an increased risk in the client's priorities. The counter to this is that with a robust risk framework in place the Group's continued growth is dependent more on the number of active clients it services, as opposed to relying on large swings in currency catalysing a client's decision to execute a trade.

The Group's client base remains diverse, without significant concentration at sector or client level. The top 20 clients now account for over £11m of revenue, but represent only 41% of total revenue for the year. So, too have we experienced diversification in sectors served, which along with the continued application of stringent risk policies sees no excessive exposure to either one sector, client or trade. Argentex continues to win the vast majority of our new business from High Street Banks that are estimated to have 85% market share.

INVESTING FOR THE FUTURE

We are well placed to enter our next phase of growth with the capabilities and resources essential for our continued success. In September this year we will move into our new offices on Argyll Street in the West End of London. Our lease was signed for 12,500ft² of space in the middle of the pandemic. Whilst COVID-19 forced us all to work from home very successfully, Argentex is a business that thrives on the day to day human interaction so we have applied a lot of time and effort to design and renovate our new premises with a focus on an environmentally sustainable work place that gives us plenty of room to upscale resources in line with demand and over an appropriate period.

As well as moving into our new offices, we have made a number of significant hires such as our Chief Compliance Officer to maintain our robust approach to compliance and governance. Bolstering our talent across all areas of the business with a focus on sales to drive accelerated future growth, as well as talent to facilitate HR, ESG and our office environment, we have sought to secure a blend of continuity and additional skills that will help take Argentex forward.

In September we will continue our Graduate Programme attracting a diverse and driven talent base to future-proof our proposition. This process has been a healthy opportunity to scrutinise Argentex's business ethos and values whilst remaining true to our own beginnings – entrepreneurial yet professional; creative but efficient. Furthermore, we have made a commitment to maintain the engagement of all our staff in the Group's operational

performance. Our investor-aligned LTIP has been designed and implemented to incentivise and retain non-founder staff alongside our Company Share Option Plan (CSOP) implemented at IPO.

Our bespoke IT infrastructure, built specifically for the business to our exact design was instrumental in the seamless move to remote working, and remains the lynchpin of our ability to continue to serve our clients whilst maintaining high standards of service, compliance and governance from sales, through order placement, trade execution, settlement, reconciliations and reporting.

With the level of resource already invested into the business to ensure the Group can stand tall as an example of the standards an FX business should hold itself to, the Executives are delighted to have attracted what it believes to be one of the most impressive Non-Executive boards on AIM.

We'd like to take this opportunity to thank our Non-Execs, Lord Jones, Lena Wilson CBE FRSE, Nigel Railton, Jonathan Gray and Henry Beckwith for their invaluable guidance and support in such unprecedented times for UK businesses.

TAKING ADVANTAGE OF GROWTH OPPORTUNITIES

Our strategic growth trajectory has always factored in prudently entering highly regulated, international markets where the client appetite for our product base exists and timing makes sense. As part of that, we opened a sales office in Amsterdam in March 2020 and we are exploring the process of obtaining an Australian licence with the intention of opening in Sydney in due course. We are

excited about the potential of these two new locations and we are confident that in time, they will sweep up the latent client demand there and complement our core proposition in London.

Over the last 12 months we have continued to monitor the FX requirements of our existing and target clients and like the recent successful introduction of FX Options, we will evolve our proposition according to client's growing needs. We remain committed to aligning our product suite with our clients' risk mitigation needs, steering clear of products such as a TARF, that carries undue risk to the client and in turn to the Group.

OUTLOOK

Our first year as a listed business has been one of continued momentum and we have enjoyed doing exactly what we set out to do at IPO – the same, but more of it. Our new premises, bolstered team, leading technology and strong capital position mean we are entering the new financial year very well positioned to build upon the continuous growth delivered to date.

COVID-19 and the subsequent uncertain economic environment remains but our past performance proves that we can deal with long-term uncertainty and financial market volatility during a time when our clients rely on our services more than ever. On behalf of the management team we extend our thanks to new and longer-term investors, our loyal and growing client-base and importantly, our excellent colleagues for their continued hard work and support.



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