
ELECTRONIC TRANSMISSION DISCLAIMER

STRICTLY NOT TO BE FORWARDED TO ANY OTHER PERSONS

IMPORTANT: You must read the following disclaimer before continuing. This electronic transmission applies to the attached document and you are therefore advised to read this disclaimer carefully before reading, accessing or making any other use of the attached admission document (the “**Admission Document**”) relating to Argentex Group plc (the “**Company**”) dated 20 June 2019 accessed from this page or otherwise received as a result of such access.

You acknowledge that this electronic transmission and the delivery of the attached document is confidential and intended for you only and you agree you will not forward, reproduce or publish this electronic transmission or the attached document to any other person. The Admission Document has been prepared solely in connection with the proposed admission to trading on the AIM market of the London Stock Exchange plc (“**LSE**”) of the entire issued and to be issued ordinary share capital of the Company, and an associated placing (the “**Transaction**”).

NOT FOR PUBLICATION, DISTRIBUTION OR RELEASE, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES OR ANY OTHER JURISDICTION IN WHICH THE DISTRIBUTION OR RELEASE WOULD BE UNLAWFUL.

ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THE ATTACHED DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS NOTICE MAY RESULT IN A VIOLATION OF APPLICABLE SECURITIES LAWS. NOTHING IN THIS ELECTRONIC TRANSMISSION AND THE ATTACHED DOCUMENT CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO.

IN ADDITION, THE SECURITIES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OF THE UNITED STATES OR ANY OTHER JURISDICTION.

The distribution of this electronic transmission and the Admission Document and the offering and sale of the Company’s securities in certain jurisdictions may be restricted by law and therefore, persons into whose possession this electronic transmission and the Admission Document comes should inform themselves about, and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the laws of any such jurisdiction. In particular, the Company’s securities have not been, nor will be, registered under the securities laws of the United States, Australia, Canada, Japan, the Republic of South Africa or the Republic of Ireland. Accordingly, the Company’s securities may not be taken up, offered, sold, delivered or distributed, directly or indirectly, within, into or from the United States, Australia, Canada, Japan, the Republic of South Africa or the Republic of Ireland, or any country or territory where to do so would or might contravene local securities laws or regulations.

This electronic transmission and the Admission Document are only addressed to and directed at persons in member states of the European Economic Area (“**EEA**”) who are qualified investors within the meaning of Article 2(1)(e) of the Prospectus Directive (Directive 2003/71/EC) (“**Qualified Investors**”). In addition, in the United Kingdom, this electronic transmission and the attached document is exempt from the general restriction (in section 21 of the Financial Services and Markets Act 2000 (as amended) (“**FSMA**”)) on the communication of invitations or inducements to engage in investment activity pursuant to the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “**Order**”) on the grounds that it is being distributed to, and only directed at, a restricted number of persons who are both: (A)(i) persons having professional experience in matters relating to investments, i.e. investment professionals within the meaning of Article 19(5) of the Order; (ii) high net worth companies, unincorporated associations and other bodies within the meaning of Article 49 of the Order; or (iii) persons to whom it is otherwise lawful to distribute it; and (B) “**Relevant Persons**” as defined in section 86(7) of FSMA (persons meeting criteria “**A**” and “**B**” are referred to herein as Relevant Persons). This electronic transmission and the attached document must not be acted on or relied on: (i) in the United Kingdom, by persons who are not Relevant Persons;

and (ii) in any member state of the EEA other than the United Kingdom, by persons who are not Qualified Investors.

Confirmation of Your Representation: This electronic transmission and the attached document is delivered to you on the basis that you are deemed to have represented to the Company and Numis Securities Limited (“Numis”) that:

- you are a person in a member state of the EEA and you are a Qualified Investor and/or a Qualified Investor acting on behalf of Qualified Investors or relevant persons, to the extent that you are acting on behalf of persons or entities in the EEA;
- if you are in the United Kingdom, you are a Relevant Person, and/or a Relevant Person who is acting on behalf of, Relevant Persons in the United Kingdom; and
- you are an institutional investor that is eligible to receive this document and you consent to delivery by electronic transmission.

You are reminded that you have received this electronic transmission and the attached document on the basis that you are a person into whose possession this document may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not nor are you authorised to deliver this document, electronically or otherwise, to any other person. This document has been made available to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently neither the Company nor Numis nor any of their respective affiliates accepts any liability or responsibility whatsoever in respect of any difference between the document distributed to you in electronic format and the hard copy version. By accessing the attached document, you consent to receiving it in electronic form. Neither Numis nor any of its affiliates accepts any responsibility whatsoever for the contents of the attached document or for any statement made or purported to be made by it, or on its behalf, in connection with the Company or its shares. Numis and its affiliates, accordingly disclaims all and any liability whether arising in tort, contract or otherwise which they might otherwise have in respect of such document or any such statement. No representation or warranty express or implied, is made by Numis nor any of its affiliates as to the accuracy, completeness or sufficiency of the information set out in the attached document.

Numis is acting exclusively for the Company and no one else in connection with the Transaction. Numis will not regard any other person (whether or not a recipient of this document) as its client in relation to the Transaction and will not be responsible to anyone other than the Company for providing the protections afforded to its clients nor for giving advice in relation to the Transaction or any other transaction or arrangement referred to in the attached document.

20 June 2019

Admission to AIM

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the UK Financial Services and Markets Act 2000 (as amended) (“FSMA”) who specialises in advising on the acquisition of shares and other securities in the UK, or otherwise duly qualified in your jurisdiction.

This document comprises an admission document in relation to AIM, a market operated by London Stock Exchange plc (“AIM”). This document has been drawn up in accordance with the AIM Rules for Companies (the “AIM Rules”) and has been issued in connection with the proposed admission to trading of the entire issued and to be issued ordinary share capital of Argentex Group PLC (the “Company”) to AIM. This document does not constitute an offer to the public requiring an approved prospectus under section 85 of FSMA and, accordingly, this document does not constitute, or contain, a prospectus, or any part of an offer, for the purposes of FSMA and the Prospectus Rules and has not been pre-approved by the FCA pursuant to section 85 of FSMA.

The Company and the Directors, whose names and functions appear on page 10 of this document, accept individual and collective responsibility for the information contained in this document, including individual and collective responsibility for compliance with the AIM Rules. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information. In connection with this document, no person is authorized to give any information or make any representation other than as contained in this document.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Each AIM company is required pursuant to the AIM Rules to have a nominated adviser. The nominated adviser is required to make a declaration to London Stock Exchange plc on Admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers. London Stock Exchange plc has not itself examined or approved the contents of this document.

Your attention is drawn to the Risk Factors set out in Part 2 of this document which should be read in its entirety. The whole of this document should be read in light of these Risk Factors.

Application will be made for the entire issued and to be issued ordinary share capital of the Company to be admitted to trading on AIM. It is expected that Admission will become effective and that trading in the Ordinary Shares will commence on AIM on 25 June 2019. The Ordinary Shares are not dealt on any other recognised investment exchange and no application has been or is being made for the Ordinary Shares to be admitted to any such exchange.



ARGENTEX

Argentex Group PLC

(incorporated and registered in England and Wales under the Companies Act 2006 with registered number 11965856)

Placing of 12,655,660 Placing Shares and 30,625,065 Sale Shares and Subscription of 551,887 Subscription Shares at 106 pence per Ordinary Share

and

Admission to trading on AIM

Nominated Adviser, Broker and Bookrunner

Numis Securities Limited

Financial Adviser

Kinmont

Numis Securities Limited (“Numis”), which is a member of the London Stock Exchange, is authorised and regulated in the UK by the Financial Conduct Authority and is acting as nominated adviser to the Company for the purposes of the AIM Rules and as broker and bookrunner to the Company and the Selling Shareholders in connection with the Placing and Admission. Numis is not acting for, and will not be responsible to, any person other than the Company and the Selling Shareholders for providing the protections afforded to its customers or for advising any other person on the contents of this document or on any transaction or arrangement referred to in this document. Numis’ responsibilities as the Company’s nominated adviser under the AIM Rules are owed solely to the London Stock Exchange and are not owed to the Company, any Director, the Selling Shareholders or to any other person. Without limiting the statutory rights of any person to whom this document is issued, no representation or warranty, express or implied, is made by Numis as to the contents of this document. Apart from the responsibilities and liabilities, if any, which may be imposed on Numis by FSMA or the regulatory regime established thereunder, no liability whatsoever is accepted by Numis for the accuracy of any information or opinions contained in this document, for which the Directors are solely responsible, or for the omission of any information from this document for which it is not responsible.

Kinmont (“**Kinmont**”) is authorised and regulated in the UK by the Financial Conduct Authority and is acting for the Company in connection with Admission. Kinmont is not acting for, and will not be responsible to, any person other than the Company for providing the protections afforded to its customers or for advising any other person on the contents of this document or on any transaction or arrangement referred to in this document. Without limiting the statutory rights of any person to whom this document is issued, no representation or warranty, express or implied, is made by Kinmont as to the contents of this document. Apart from the responsibilities and liabilities, if any, which may be imposed on Kinmont by FSMA or the regulatory regime established thereunder, no liability whatsoever is accepted by Kinmont for the accuracy of any information or opinions contained in this document, for which the Directors are solely responsible, or for the omission of any information from this document for which it is not responsible.

In accordance with the AIM Rules for Nominated Advisers, Numis has confirmed to the London Stock Exchange that it has satisfied itself that the Directors have received advice and guidance as to the nature of their responsibilities and obligations to ensure compliance by the Company with the AIM Rules and that, in its opinion and to the best of its knowledge and belief, all relevant requirements of the AIM Rules have been complied with.

The distribution of this Document outside the UK may be restricted by law. No action has been taken by the Company or Numis or Kinmont that would permit a public offer of shares in any jurisdiction outside the UK where action for that purpose is required. Persons outside the UK who come into possession of this document should inform themselves about the distribution of this document in their particular jurisdiction. Failure to comply with those restrictions may constitute a violation of the securities laws of such jurisdiction.

Solely for the purposes of the product governance requirements contained within (a) EU Directive 2014/65/EU on markets in financial instruments as amended (“**MiFID II**”); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the “**Product Governance Requirements**”), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any “manufacturer” (for the purpose of the Product Governance Requirements) may otherwise have with respect thereto, and the Placing Shares and the Sale Shares have been subject to a product approval process, which has determined that they each are (i) compatible with an end target market of investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the “**Target Market Assessment**”). Notwithstanding the Target Market Assessment, distributors should note that the price of the Placing Shares and Sale Shares may decline and investors could lose all or part of their investment; the Placing Shares and the Sale Shares offer no guaranteed income and no capital protection and an investment in the Placing Shares and the Sale Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits of such investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Placing. Furthermore it is noted that, notwithstanding the Target Market Assessment, Numis will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Placing Shares and the Sale Shares. Each distributor is responsible for undertaking its own target market assessment in respect of the Placing Shares and the Sale Shares and determining appropriate distribution channels.

Copies of this document will be available free of charge during normal business hours on any weekday (except Saturdays, Sundays and public holidays) at the Company’s registered office from the date of this document and shall remain available for a period of one month following Admission. A copy of this document will also be available from the Company’s website www.argentex.com.

20 June 2019

CONTENTS

	<i>Page</i>
IMPORTANT INFORMATION	4
ISSUE STATISTICS	8
DEALING CODES.....	8
EXPECTED TIMETABLE OF PRINCIPAL EVENTS.....	9
DIRECTORS, SECRETARY AND ADVISERS	10
DEFINITIONS.....	11
GLOSSARY	17
PART 1 THE GROUP AND ITS OPERATIONS	18
PART 2 RISK FACTORS	41
PART 3 REGULATORY OVERVIEW	51
PART 4 FINANCIAL INFORMATION	57
PART 5 TERMS AND CONDITIONS OF THE PLACING	78
PART 6 ADDITIONAL INFORMATION	87

IMPORTANT INFORMATION

The information below is for general guidance only and it is the responsibility of any person or persons in possession of this document to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdiction. No person has been authorised by the Company to issue any advertisement or to give any information or to make any representation in connection with the contents of this document and, if issued, given or made, such advertisement, information or representation must not be relied upon as having been authorised by the Company. This document should not be forwarded or transmitted to or into a Restricted Jurisdiction or to any resident, national, citizen or corporation, partnership or other entity created or organised under the laws thereof or in any other country outside the United Kingdom where such distribution may lead to a breach of any legal or regulatory requirement. The distribution of this document may be restricted and accordingly persons into whose possession this document comes are required to inform themselves about and to observe such restrictions. Prospective investors should inform themselves as to: (a) the legal requirements of their own countries for the purchase, holding, transfer or other disposal of Ordinary Shares; (b) any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of Ordinary Shares which they might encounter; and (c) the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer or other disposal of Ordinary Shares. Prospective investors must rely upon their own representatives, including their own legal advisers and accountants, as to legal, tax, investment or any other related matters concerning the Company and an investment therein. All holders of Ordinary Shares are entitled to the benefit of, and are bound by and are deemed to have notice of, the provisions of the Articles.

The delivery of this document or any subscriptions or purchases made hereunder and at any time subsequent to the date of this document shall not, under any circumstances, create an impression that there has been no change in the affairs of the Company since the date of this document or that the information in this document is correct.

PROSPECTIVE INVESTORS SHOULD READ THE WHOLE TEXT OF THIS DOCUMENT AND SHOULD BE AWARE THAT AN INVESTMENT IN THE COMPANY IS HIGHLY SPECULATIVE AND INVOLVES A HIGH DEGREE OF RISK. PROSPECTIVE INVESTORS ARE ADVISED TO READ, IN PARTICULAR, THE SECTION ENTITLED “RISK FACTORS” SET OUT AT PART 2 OF THIS DOCUMENT.

The distribution of this document outside the United Kingdom may be restricted by law. No action has been taken by the Company or Numis or Kinmont that would permit a public offer of Ordinary Shares or possession or distribution of this document where action for those purposes is required. Persons outside the United Kingdom who come into possession of this document should inform themselves about and observe any restrictions on the holding of Ordinary Shares and/or the distribution of this document in their particular jurisdiction. Failure to comply with these restrictions may constitute a violation of the securities laws of such jurisdiction.

This document does not constitute an offer to sell or an invitation to subscribe for, or solicitation of an offer to subscribe or buy, Ordinary Shares to any person in any jurisdiction to whom it is unlawful to make such an offer or solicitation. In particular, this document is not for distribution (directly or indirectly) in or into a Restricted Jurisdiction. Accordingly, Ordinary Shares may not, subject to certain exceptions, be offered directly or indirectly in or into a Restricted Jurisdiction. The Ordinary Shares have not been and will not be registered under the U.S. Securities Act or under the securities legislation of any state of a Restricted Jurisdiction and they may not be offered or sold directly or indirectly within a Restricted Jurisdiction or to or for the account or benefit of any national, citizen or resident of a Restricted Jurisdiction.

As required by the AIM Rules, the Company will update the information provide in this document by means of a supplement to it if a significant new factor that may affect the evaluation of the Placing or Admission by prospective investors occurs prior to Admission or if it is noted that this document

contains any mistake or substantial inaccuracy. This document and any supplement thereto will be made public in accordance with the AIM Rules.

FORWARD-LOOKING STATEMENTS

This document includes forward-looking statements. These statements relate to, among other things, analyses and other information that are based on forecasts of future results and estimates of amounts not yet determinable. These statements also relate to the Group's future prospects, developments and business strategies.

These forward-looking statements are identified by the use of terms and phrases such as "anticipate", "believe", "could", "estimate", "expect", "intend", "may", "plan", "predict", "project", "will" or the negative of those variations, or comparable expressions, including references to assumptions. These statements are contained in all sections of this document. The forward-looking statements in this document, including statements concerning projections of the Group's future results, operating profits and earnings, are based on current expectations and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by those statements.

Certain risks relating to the Group are specifically described in the section entitled "Risk Factors". If one or more of these risks or uncertainties arises, or if underlying assumptions prove incorrect, the Group's actual results may vary materially from those expected, estimated or projected. Given these uncertainties, potential Shareholders should not place over-reliance on forward-looking statements.

These forward-looking statements speak only as at the date of this document. The Company undertakes no obligation to update forward-looking statements or risk factors other than as required by the AIM Rules or applicable law, whether as a result of new information, future events or otherwise.

DATA PROTECTION

The information that a prospective investor provides in documents in relation to a purchase of Ordinary Shares or subsequently by whatever means which relates to the prospective investor (if it is an individual) or a third party individual ("**personal data**") will be held and processed by the Company (and any third party to whom it may delegate certain administrative functions in relation to the Company) in compliance with (a) the relevant data protection legislation and regulatory requirements of the United Kingdom (the "**Data Protection Legislation**"); and (b) the Company's privacy notice, a copy of which is available for consultation on the Company's website www.argentex.com ("**Privacy Notice**") (and if applicable any other third party delegate's privacy notice).

Without limitation to the foregoing, each prospective investor acknowledges that it has been informed that such information will be held and processed by the Company (or any third party, functionary or agent appointed by the Company which may include, without limitation, the Registrar) in accordance with and for the purposes set out in the Privacy Notice which include:

- verifying the identity of the prospective investor to comply with statutory and regulatory requirements in relation to anti-money laundering procedures;
- contacting the prospective investor with information about products and services, or its affiliates, which may be of interest to the prospective investor;
- carrying out the business of the Company and the administering of interests in the Company;
- meeting the legal, regulatory, reporting and/or financial obligations of the Company in England and Wales and elsewhere (as required); and
- disclosing personal data to other functionaries of, or advisers to, the Company to operate and/or administer the Company's business.

Where necessary to fulfil the purposes set out above and in the Company's Privacy Notice, it may be necessary for the Company (or any third party, functionary or agent appointed by the Company) to:

- disclose personal data to third party service providers, agents or functionaries appointed by the Company to provide services to prospective investors; and

-
- transfer personal data outside of the EEA to countries or territories which do not offer the same level of protection for the rights and freedoms of prospective investors as the United Kingdom provided that suitable safeguards are in place for the protection of such personal data, details of which shall be set out in the Privacy Notice or otherwise notified from time to time.

The foregoing processing of personal data is required in order to perform the contract with the prospective investor, to comply with the legal and regulatory obligations of the Company or otherwise is necessary for the legitimate interests of the Company.

If the Company (or any third party, functionary or agent appointed by a member of the Company) discloses personal data to such a third party, agent or functionary and/or makes such a transfer of personal data it will ensure that adequate safeguards are in place for the protection of such personal data, details of which shall be set out in the Privacy Notice or otherwise notified from time to time.

Prospective investors are responsible for informing any third party individual to whom the personal data relates of the disclosure and use of such data in accordance with these provisions.

NO INCORPORATION OF WEBSITE INFORMATION

The contents of the Group's website (www.argentex.com) or any hyperlinks accessible from the Group's website do not form part of this document and investors should not rely on them.

GOVERNING LAW

Unless otherwise stated, statements made in this document are based on the law and practice currently in force in England and Wales and the United States and are subject to change therein.

All references to legislation in this document are to the legislation of England and Wales or the United States unless the contrary is indicated. Any reference to any provision of any legislation or regulation shall include any amendment, modification, re-enactment or extension thereof.

Any reference to a treaty, regulation or directive of the Council of the European Union or any guidance published by any body to which the Commission of the European Union has delegated responsibility for producing guidance relating to a regulation or directive (whether issued jointly with any other persons or under any other name) is a reference to it as from time to time amended, consolidated, re-enacted or replaced (with or without modification) including any legalisation made by parliament or the government of the UK to replace provisions of any treaty relating to the EU or of any regulation of the Council of the European Union or of any guidance relating to a regulation or directive that will cease to apply to the UK when it ceases to be an EU member state provided that no such amendment, consolidation, re-enactment or replacement shall increase or extend the liability of any party to this document.

CURRENCY PRESENTATION

All references in this document to “sterling”, “pounds sterling”, “£” and “pence” are to the lawful currency of the UK, all references in this document to “euros” and “€” are to the lawful currency of the participating member states of the Eurozone and all references in this document to “dollars” and “US\$” and “\$” are to the lawful currency of the United States.

PRESENTATION OF FINANCIAL INFORMATION

The financial information contained in this document, including that financial information presented in a number of tables in this document, has been rounded to the nearest whole number or the nearest decimal place. Therefore, the actual arithmetic total of the numbers in a column or row in a certain table may not conform exactly to the total figure given for that column or row. In addition, certain percentages presented in the tables in this document reflect calculations based upon the underlying information prior to rounding and, accordingly, may not conform exactly to the percentages that would be derived if the relevant calculations were based upon the rounded numbers.

THE GROUP

References to “**Argentex**” or “**the Group**” throughout this document are references to the group of companies and partnerships which will be established before Admission and upon completion of the Reorganisation. For the avoidance of doubt, the Group does not currently exist. Descriptions of the business, intentions and performance of Argentex or the Group in this document are descriptions of the business, intentions and performance of the LLP and/or are descriptions of the business, intentions and performance of the Group as will be established shortly prior to and/or on Admission.

Any potential investor in Ordinary Shares should note that, by virtue of the Company’s ownership of the LLP (being an FCA regulated entity), where it acquires 10 per cent. or more of the voting rights in the capital of the Company, it will be viewed as a ‘controller’ of the LLP (on a ‘look-through’ basis), and will therefore be required, before obtaining such holding of Ordinary Shares, to apply for approval from the FCA as a ‘controller’ pursuant to Part 12 of FSMA.

GENERAL NOTICE

This document has been drawn up in accordance with the AIM Rules and it does not comprise a prospectus for the purposes of the Prospectus Rules. It has been drawn up in accordance with the requirements of the Prospectus Directive only in so far as required by the AIM Rules. This document has been prepared for the benefit only of a limited number of persons all of whom qualify as “qualified investors” for the purposes of the Prospectus Directive, to whom it has been addressed and delivered, and may not in any circumstances be used for any other purpose or be viewed as a document for the benefit of the public. The reproduction, distribution or transmission of this document (either in whole or in part) without the prior written consent of the Company and Numis is prohibited.

ISSUE STATISTICS

Number of Existing Ordinary Shares in issue immediately prior to Admission	100,000,000
Issue Price	106 pence per Ordinary Share
Number of Placing Shares	12,655,660
Number of Sale Shares	30,625,065
Number of Subscription Shares	551,887
Gross proceeds of the Placing and the Subscription	£46.5 million
Gross proceeds of the Placing and the Subscription receivable by the Company	£14.0 million
Net proceeds of the Placing and the Subscription receivable by the Company	£12.5 million
Number of Ordinary Shares in issue on Admission	113,207,547
Market capitalisation of the Company at the Issue Price immediately following Admission	£120 million
Percentage of Enlarged Share Capital represented by the Placing Shares and the Subscription Shares	11.7 per cent.
Percentage of Enlarged Share Capital represented by the Sale Shares	27.1 per cent.

DEALING CODES

The dealing codes for the Ordinary Shares are as follows:

ISIN	GB00BJLPH056
SEDOL	BJLPH05
TIDM	AGFX

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

	2019
Publication of this document	20 June
Completion of the Reorganisation	by 12.00 noon on 24 June
Admission and dealings in the Ordinary Shares commence on AIM	8.00 a.m. on 25 June
Crediting of CREST stock accounts in respect of the Ordinary Shares	25 June
Dispatch of definitive certificates in respect of the Ordinary Shares (where applicable)	week commencing 1 July

The dates and times specified are subject to change at the discretion of the Company and Numis without further notice. All references to times in this document are to London time unless otherwise stated.

DIRECTORS, SECRETARY AND ADVISERS

Directors

Digby Jones, Baron Jones of Birmingham (*Non-executive Chairman*)
Carl Jani (*Co-Chief Executive Officer*)
Harry Adams (*Co-Chief Executive Officer*)
Sam Williams (*Chief Financial Officer*)
Nigel Railton (*Senior Independent Director and Independent Non-executive Director*)
Henry Beckwith (*Non-executive Director*)
Jonathan Gray (*Independent Non-executive Director*)

Registered office

5 Old Bond Street, London W1S 4PD

Website

www.argentex.com

Nominated Adviser, Broker and Bookrunner	Numis Securities Limited 10 Paternoster Square London EC4M 7LT
Financial Adviser	Kinmont 5 Clifford Street London W1S 2LG
Legal Advisers to the Company	Gowling WLG (UK) LLP 4 More London Riverside London SE1 2AU
Reporting Accountants and Auditors	Nexia Smith & Williamson Audit Limited 25 Moorgate London EC2R 6AY
Tax Advisers	Ernst & Young LLP 1 More London Place London SE1 2AF
Legal Advisers to the Nominated Adviser, Broker and Bookrunner	Stephenson Harwood LLP 1 Finsbury Circus London EC2M 7SH
Registrar	Computershare Investor Services PLC The Pavilions Bridgwater Road Bristol BS13 8AE
Company Secretary	Vistra Company Secretaries Limited First Floor, 10 Temple Back Bristol BS1 6FL
Financial Public Relations	FTI Consulting 200 Aldersgate Street London EC1A 4HD

DEFINITIONS

In this document, where the context permits, the expressions set out below shall bear the following meaning:

Act	the UK Companies Act 2006 (as amended)
Admission	the admission of the Enlarged Share Capital to trading on AIM and such admission becoming effective in accordance with Rule 6 of the AIM Rules
AIM	AIM, the market of that name operated by the London Stock Exchange
AIM Rules or AIM Rules for Companies	the AIM Rules for Companies setting out the rules and responsibilities in relation to AIM companies (including, without limitation, any guidance notes or statements of practice) published by the London Stock Exchange, as amended from time to time
AIM Rules for Nominated Advisers	the AIM Rules for Nominated Advisers setting out the eligibility, on-going obligations and certain disciplinary matters in relation to nominated advisers published by the London Stock Exchange, as amended from time to time
Amended and Restated LLP Agreement	the limited liability partnership agreement between Argentex Capital, the Continuing Members and the LLP, effective from completion of the Reorganisation, further details of which are set out at paragraph 12.4 of Part 6 of this document
Argentex Capital	Argentex Capital Limited, a private limited company incorporated in England and Wales with registered number 11965565 and having its registered office at 5 Old Bond Street, Mayfair, London, W1S 4PD
Argentex Capital Acquisition Agreement	the conditional acquisition agreement dated 20 June 2019 between the Company and each of Carl Jani, Harry Adams, Andrew Egan, Henry Beckwith, Piers Beckwith, Lord Digby Jones, Oliver Hemsley, Sam Williams, Daniel Merrick and Joseph Duffelen, further details of which are set out in paragraph 12.10 of Part 6 of this document
Articles	the articles of association of the Company, which are summarised in paragraph 4 of Part 6 of this document
Audit Committee	the audit committee of the Board as constituted from time to time
Board	the board of directors of the Company from time to time
Business Day	a day (other than a Saturday or Sunday) on which banks are open for commercial business in the City of London
certificated or in certificated form	the description of a share or other security which is not in uncertificated form (that is not in CREST)
Call Option Agreements	the Principals Call Option Agreements and the Pacific Call Option Agreements
Company or Argentex	Argentex Group PLC, a public limited company incorporated in England and Wales with registered number 11965856 and having its registered office at 5 Old Bond Street, London W1S 4PD
Company Secretary	Vistra Company Secretaries Limited

Concert Party	has the meaning given in paragraph 21 of Part 1 of this document
Continuing Members	the Existing Members of the LLP who will continue to be members of the LLP following completion of the Reorganisation, being PFEL, Carl Jani, Harry Adams, Andrew Egan, Kit Smith, Sam Williams, Daniel Merrick and Joseph Duffelen
CREST	the relevant system (as defined in the CREST Regulations) for paperless settlement of share transfers and the holding of shares in uncertificated form which is administered by Euroclear
CREST Regulations	the Uncertificated Securities Regulations 2001 (SI 2001/3755), as amended
CSOP	the Company's share option plan, further details of which are set out in paragraph 11 of Part 6 of this document
CTA 2010	the UK Corporation Tax Act 2010
Deeds of Gift	the deeds of gift dated 20 June 2019 from each of Carl Jani, Harry Adams, Andrew Egan, Henry Beckwith, Piers Beckwith, Lord Digby Jones, Oliver Hemsley, Sam Williams, Daniel Merrick and Joseph Duffelen to Argentex Capital, further details of which are set out in paragraph 12.9 of Part 6 of this document
Directors	the directors of the Company from time to time, but whose names as at the date of this document appear on page 10 of this document
DTRs	the Disclosure Guidance and Transparency Rules published by the FCA under Part VI of FSMA from time to time
Eligible Counterparty	has the meaning given to it in MiFID II
ERISA	Employee Retirement Income Security Act of 1974
Enlarged Share Capital	the issued ordinary share capital of the Company on Admission comprising the Existing Ordinary Shares, the Placing Shares and the Subscription Shares
EU	the European Union
Euroclear	Euroclear UK & Ireland Limited, a company incorporated in England and Wales with registered number 2878738 and having its registered office at 33 Cannon Street, London EC4M 5SB
Executive Committee	the executive committee of the LLP as currently constituted pursuant to the terms of the LLP Agreement and will be constituted pursuant to the terms of the Amended and Restated LLP Agreement following completion of the Reorganisation, as more particularly described at paragraph 17.4 of Part 1 of this document
Executive Directors	the executive directors of the Company at the date of this document, being Carl Jani, Harry Adams and Sam Williams
Existing Members	Lord Digby Jones, Carl Jani, Harry Adams, Andrew Egan, Kit Smith, William Tonkyn, Sam Williams, Daniel Merrick, Joseph Duffelen, PFEL, Henry Beckwith, Piers Beckwith, Mark Johnson, Heather Beckwith and Oliver Hemsley
Existing Ordinary Shares	the 100,000,000 Ordinary Shares in issue immediately prior to Admission

FATCA	Foreign Account Tax Compliance Act
FCA	the UK Financial Conduct Authority
Framework Agreement	the framework agreement dated 20 June 2019 between the Company, Argentex Capital, the LLP, the Existing Members, the Option Holders and PIML, further details of which are set out in paragraph 12.8 of Part 6 of this document
FSMA	the Financial Services and Markets Act 2000 (as amended)
Group	the Company and its subsidiaries and subsidiary undertakings from time to time and, for the purposes of this document, including Argentex Capital, PFEL and the LLP (notwithstanding Argentex Capital, PFEL and the LLP are not owned by the Company or Argentex Capital as at the date of this document)
HMRC	HM Revenue & Customs
IFRS	International Financial Reporting Standards, as adopted for use in the European Union
Institutional Counterparties	together, Barclays Bank plc, Royal Bank of Scotland, Sucden Financial Limited, ED&F Man Capital Markets Limited, Macquarie Bank Limited and any other parties with whom the Group has banking facilities and Institutional Counterparty shall be construed accordingly
Issue Price	106 pence per Placing Share, Sale Share and Subscription Share
LLP	Argentex LLP, a limited liability partnership incorporated in England and Wales with registration number OC369106 whose registered office is at 5 Old Bond Street, London W1S 4PD
LLP Acquisition Agreements	the conditional acquisition agreements dated 20 June 2019 between Argentex Capital and each of PIML, Stuart Roberts, Douglas Rogers, Mark Johnson, Heather Beckwith, William Tonkyn and Kit Smith, further details of which are set out at paragraph 12.11 of Part 6 of this document
LLP Agreement	the limited liability partnership agreement dated 27 June 2016 between the Existing Members and the LLP (which shall be substituted and replaced by the Amended and Restated LLP Agreement becoming effective)
Lock-in Deeds	the agreements by which the Locked-in Shareholders have agreed, with Numis and the Company, certain undertakings with respect to their holdings of Ordinary Shares on Admission, as more particularly described in paragraph 12.2 of Part 6 of this document
Locked-in Shareholders	each of the Directors, Andrew Egan, Kit Smith, Daniel Merrick, Joseph Duffelen and PIML
London Stock Exchange	London Stock Exchange plc
Management Shares	the redeemable management shares of £0.0025 each in the capital of the Company
Market Abuse Regulation or MAR	EU Regulation No. 596/2014/EC
Memorandum	the memorandum of association of the Company
MiFID II	EU Directive 2014/65/EU on markets in financial instruments, as amended

Nominated Adviser	Numis in its capacity as nominated adviser to the Company for the purposes of the AIM Rules
Nominations Committee	the nominations committee of the Board as constituted from time to time
Non-executive Directors	the non-executive directors of the Company at the date of this document, being Lord Digby Jones, Nigel Railton, Henry Beckwith and Jonathan Gray
Numis	Numis Securities Limited, a company incorporated in England and Wales with registered number 02285918 and having its registered office at 10 Paternoster Square, London EC4M 7LT
Official List	the official list maintained by the FCA
Option Holders	Stuart Roberts and Douglas Rogers
Ordinary Shares	ordinary shares of £0.0001 each in the capital of the Company
Pacific Call Option Agreements	the call option agreement dated 20 June 2019 between Stuart Roberts and Henry Beckwith and the call option agreement dated 20 June 2019 between Douglas Rogers and Piers Beckwith
Pacific Facility	the £3 million facility provided by Puma Lending Limited, a related company of Pacific Investments, to the LLP pursuant to the terms of the Pacific Facility Agreement
Pacific Facility Agreement	the unsecured facility agreement dated 15 September 2015 an associated Puma Lending Limited and the LLP, further details of which are set out in paragraph 12.13 of Part 6 of this document
Pacific Investments	Pacific Investments Limited
Pacific Sub-Concert Party	has the meaning given in paragraph 21 of Part 1 of this document
PIML	Pacific Investments Management Ltd
PFEL	Pacific Foreign Exchange Ltd
PFEL Acquisition Agreement	the conditional acquisition agreement dated 20 June 2019 between Argentex Capital and PIML, further details of which are set out in paragraph 12.12 of Part 6 of this document
Placees	subscribers for the Placing Shares and purchasers of Sale Shares as procured by Numis on behalf of the Company and the Selling Shareholders pursuant to the Placing Agreement
Placing	the conditional placing by Numis of the Placing Shares on behalf of the Company and the Sale Shares on behalf of the Selling Shareholders at the Issue Price pursuant to and on the terms of the Placing Agreement
Placing Agreement	the placing agreement dated 20 June 2019 between Numis (1), the Company (2), the Directors (3) and the Selling Shareholders (4) relating to the Placing, further details of which are set out in paragraph 12.1 of Part 6 of this document
Placing Shares	the 12,655,660 new Ordinary Shares to be issued and allotted by the Company to Placees pursuant to the Placing
Principals	Carl Jani, Harry Adams and Andrew Egan
Principals Call Option Agreements	the call option agreements dated 20 June 2019 between PIML and each of the Principals

Principals Sub-Concert Party	has the meaning given in paragraph 21 of Part 1 of this document
Professional Client	has the meaning given to it in MiFID II
Prospectus Directive	Directive 2003/71/EC
Prospectus Rules	the Prospectus Rules made by the FCA under Part VI of FSMA relating to offers of securities to the public and admission of securities to trading on a ‘regulated market’
QCA	Quoted Companies Alliance
QCA Corporate Governance Code	the Corporate Governance Code for Small and Mid-Size Quoted Companies 2018, published by the QCA, as amended from time to time
Registrar	Computershare Investor Services PLC
Registrar Agreement	the registrar agreement dated 20 June 2019 between the Company and the Registrar, further details of which are set out in paragraph 12.7 of Part 6 of this document
Relationship Agreement	the relationship agreement dated 20 June 2019 between PIML and the Company, further details of which are set out in paragraph 12.3 of Part 6 of this document
Relevant Member State	a member state of the European Economic Area which has implemented the Prospectus Directive
Remuneration Committee	the remuneration committee of the Board as constituted from time to time
Reorganisation	the acquisition by the Company (through Argentex Capital) of the controlling interests in the LLP and the entire issued share capital of PFEL in consideration for the issue of Ordinary Shares in order to ensure the LLP is part of the Group at Admission, effected on the terms of the Reorganisation Documents, as more particularly described at paragraph 3 of Part 6 of this document
Reorganisation Documents	the Call Option Agreements, the Deeds of Gift, the Argentex Capital Acquisition Agreement, the LLP Acquisition Agreements, the PFEL Acquisition Agreement and the Framework Agreement
Restricted Jurisdiction	each of Australia, Canada, Japan, the Republic of Ireland, the Republic of South Africa and the United States
Sale Shares	the 30,625,065 Existing Ordinary Shares to be sold by the Selling Shareholders to Places pursuant to the Placing
SDRT	stamp duty reserve tax
Selling Shareholders	the persons set out in paragraph 20 of Part 6 of this document
Shareholders	holders of Ordinary Shares from time to time
Subscribers	certain Argentex employees and certain of their associates
Subscription	the conditional subscription by certain Argentex employees and certain of their associates of 551,887 new Ordinary Shares at the Issue Price pursuant to the terms of the Subscription Agreements

Subscription Agreements	the subscription agreements dated 14 June 2019 between the Company and each Subscriber, further details of which are set out at paragraph 12.15 of Part 6 of this document
Subscription Shares	the 551,887 new Ordinary Shares to be issued, in aggregate, to the Subscribers pursuant to the terms of the Subscription Agreements
subsidiary and subsidiary undertaking	has the same meaning as in the Act
Sub-Concert Party	either or both of the Pacific Sub Concert Party and the Principals Sub Concert Party (as applicable), further details of which are set out in paragraph 21 of Part 1 of this document
Takeover Code	the UK City Code on Takeovers and Mergers
Takeover Panel	the Panel on Takeovers and Mergers
Uncertificated or in uncertificated form	a share or shares recorded on the register of members as being held in uncertificated form in CREST, entitlement to which, by virtue of the CREST Regulations, may be transferred by means of CREST
UK or United Kingdom	the United Kingdom of Great Britain and Northern Ireland
US or United States	the United States of America and all its territories and possessions
U.S. Code	United States Internal Revenue Code
U.S. Investment Company Act	United States Investment Company Act of 1940 (as amended)
U.S. Plan Asset Regulation	United States Plan Asset Regulation 1986
U.S. Plan Investor	a benefit plan investor under Section 3(42) of ERISA or the U.S. Code
U.S. Securities Act	United States Securities Act of 1933 (as amended)
VAT	UK value added tax

GLOSSARY

In this document, where the context permits, the expressions set out below shall bear the following meaning:

bps	basis points
collateral	cash deposited with Argentex by a client or with an Institutional Counterparty by Argentex
Counterparty Risk	the risk posed to the Company as a consequence of the failure to perform of one of the Institutional Counterparties
forward contract	a contract to buy or sell a foreign currency exchange service at a set price for settlement (payment and delivery) at a future point in time
FX	foreign exchange
Interbank Exchange Rate	the rate that banks use when they're trading large amounts of foreign currencies with one another
mark-to market or MTM	denoting or relating to a system of valuing assets or liabilities (FX forward contracts in the case of Argentex) by reference to the most recent market price
margin	a deposit provided by the Group's clients to the Group, or the Group to its Institutional Counterparties, to hold open a position
margin call	where the Group collects margin from its clients in order to fund the requirements of its Institutional Counterparties
over the counter or OTC	trading and foreign exchange service with each participant directly rather than on a central clearing exchange
Riskless Principal	a trade in a security that involves two orders, with the execution of one order dependent upon the receipt or execution of the other
spot contract	a contract to buy or sell a foreign currency exchange service for immediate settlement (payment and delivery) on the 'spot' date
spread	the difference between the exchange rate the Group provides its clients and the exchange rate it obtains from its Institutional Counterparties

PART I

THE GROUP AND ITS OPERATIONS

1. INTRODUCTION

1.1 The Group

Argentex is a UK-based foreign exchange service provider founded in 2011 by its current senior management. The Group operates as a Riskless Principal broker for non-speculative, spot and forward foreign exchange and structured financial derivative contracts.

Based in London, the Group provides commercial foreign currency exchange services for either immediate delivery ('spot' contracts) or for delivery at a fixed exchange rate at a future date ('forward' contracts). The Group delivers tailored foreign exchange advisory and execution services to a global client base consisting principally of institutions, corporates and high net worth private individuals. In 2018, the Group diversified its product offering by launching structured financial derivatives, such as options.

The Group trades through its wholly-owned and regulated subsidiary undertaking, Argentex LLP, which was incorporated on 21 October 2011 and commenced trading in 2012. The LLP is authorised and regulated by the FCA to provide payment services, issue E-Money and is an IFPRU 125k investment firm. The LLP holds permissions for advising Professional and Eligible Counterparty clients, and acts in an execution or advised execution only capacity for retail, Professional and Eligible Counterparty clients.

The business was founded as a joint venture between Pacific Investments (founded by Sir John Beckwith) and the management team of Harry Adams, Carl Jani and Andrew Egan (the "**Principals**"), who had previously held senior roles at other leading London financial services firms, specialising in foreign exchange.

Since the business commenced trading in 2012, it has experienced significant year-on-year growth in customers, transaction volumes and revenue. Argentex has been profitable in every financial year since incorporation.

Pacific Investments has an established investment track record and has provided start-up capital for companies including Liontrust Asset Management plc, Thames River Capital LLP, River & Mercantile Group plc and, more recently, Urban Logistics REIT plc.

1.2 The Argentex business

Argentex is a foreign exchange broker providing execution and advisory services and currently employs 40 people as at 19 June 2019 (the latest practicable date prior to the publication of this document).

The Group operates as a Riskless Principal, matching each client trade with a corresponding trade at one of its Institutional Counterparties. Revenue is derived solely from the difference in exchange rates at which it buys and sells currency (the 'spread'). The business assists customers with foreign exchange transactions which are related to genuine underlying business needs. It does not engage in speculative trades for its clients, nor does it offer margin trading, spread betting, CFDs or similar products and it does not speculate with its own funds as principal.

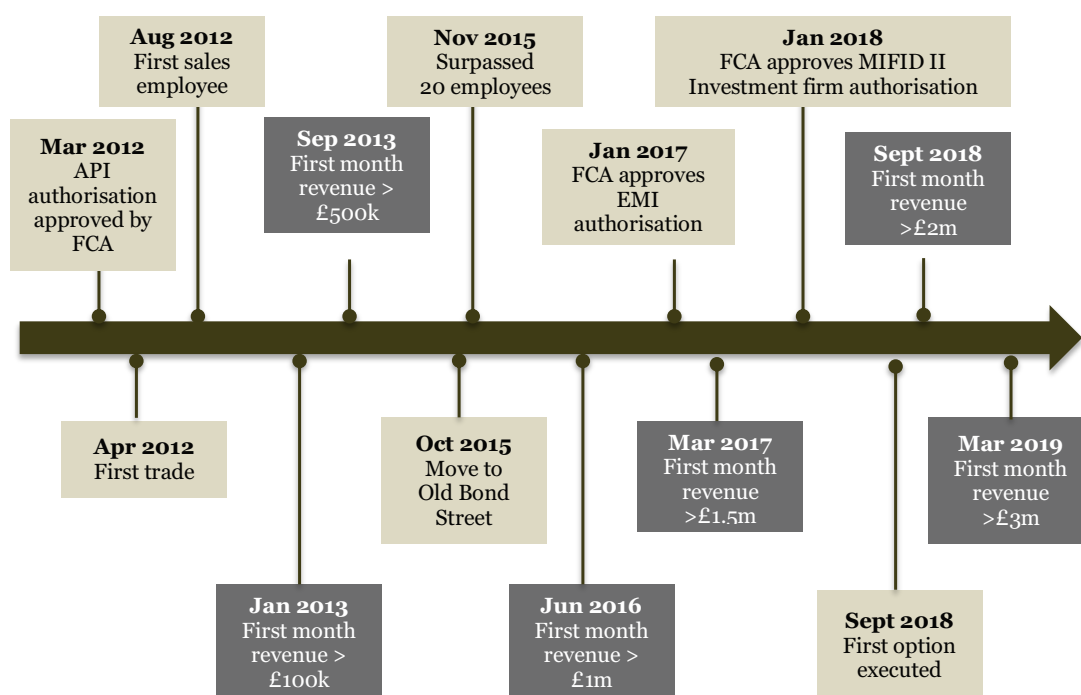
Argentex was established by the Principals and Pacific Investments to provide both corporate and institutional clients with a personal client-led service, improved pricing and with a more efficient execution and settlement service than existing FX service providers, such as banks and larger broker-dealers. The foundations of Argentex's business relationships are built on providing tailored FX solutions for the specific business requirements of customers and a highly personalised service. Consistency of customer service from a dedicated client team enables Argentex to offer what it believes to be attractive, advice-led foreign exchange solutions for its clients.

In the seven years since launch, Argentex's performance has been consistently strong, delivering year-on-year, organic and profitable growth. On a pro forma basis (see paragraph 8 of this Part 1), key financial performance metrics include:

- Revenue: Argentex increased revenue from £10.6 million in FY17 to £21.9 million in FY19, representing a compound annual growth rate of 43 per cent.
- Gross profit margin: the business recorded an average gross profit margin (revenue less associated commission and banking charges) of 82.3 per cent. between FY17 and FY19.
- Operating profit: operating profit has increased from £4.1 million in FY17 to £9.4 million in FY19, representing a compound annual growth rate of 51.4 per cent.
- Currency traded: in FY19 gross currency traded by Argentex totalled £10.8 billion, up from £7.9 billion in FY18.
- Growth in client numbers: 1,141 corporate clients traded in FY19, up from 898 in FY18.

See paragraph 8 of this Part 1 for the selected historic financial information and Part 4 of this document for further information on the historic financial performance of the LLP.

1.3 History of the Group



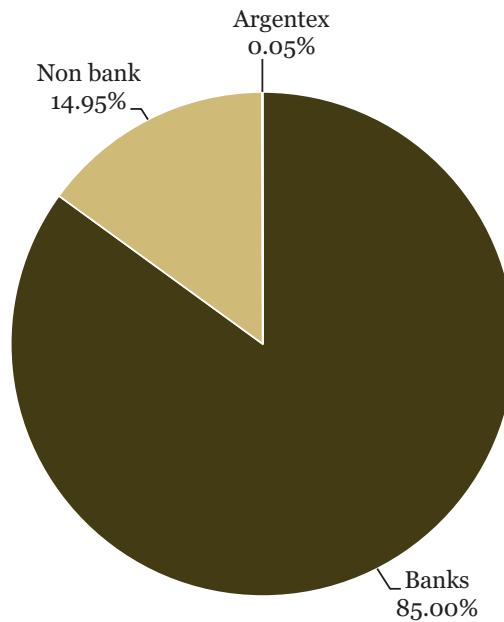
2. MARKET OVERVIEW

2.1 Global Foreign Exchange Market

The global foreign exchange market is the largest and most liquid of all global currency markets, within which London is increasingly a major global trading hub. The most recent Bank of England's FX JSG survey of the 28 largest financial institutions in the UK stated that the average daily volume of foreign exchange traded through London by surveyed institutions is over US\$2.6 trillion (October 2018) (up from US\$2.4 trillion in October 2017), of which approximately US\$850 billion is non-interbank spot and outright forward trades.

A 2016 research report by East and Partners estimated that banks are responsible for 85 per cent. of the UK's corporate FX flow.

Share of UK FX market



Source: BIS Data and East & Partners research

Argentex's existing and potential clients have ongoing foreign exchange requirements due to the many different underlying commercial drivers which affect their businesses. ONS estimates that the total value of goods and services imported and exported to and from the United Kingdom in the three months to March 2019 was approximately £340 billion.

In the financial year ended 31 March 2019, Argentex's average daily volume of foreign exchange traded was £41 million. The Directors believe there is significant opportunity to grow annual turnover in a large and growing market with significant barriers to entry.

2.2 Providers of Currency Services

The London foreign exchange market is dominated by banks. According to the Bank of England's FX JSG survey, the majority of UK SME and corporate clients continue to use clearing banks as their main provider of foreign exchange services, with recent estimates that 85 per cent. of UK corporates primarily use their bank for their foreign exchange needs.

A number of independent FX broking specialists compete with the banks. These range from those with a focus on retail clients converting travel money, moving smaller sums across borders or buying holiday homes overseas, through to those targeting SMEs and larger corporates purchasing currency as part of international trade.

Several of these providers have specialised solely on servicing the corporate FX market, led by sales teams. The Directors believe that this creates a competitive market, which in itself creates a barrier to entry via secure and established trading relationships, with corporate FX specialists not only faced with the challenge of encouraging clients to move away from their incumbent high-street bank, but also the task of overcoming preconceptions built up from a legacy of previous approaches from non-bank FX providers.

2.3 Market and business opportunity

The Directors believe that the addressable market is large but one in which multiple operators can grow market share, penetrating the corporate FX market share of the larger banks. A service-led organisation can engage decision makers with a distinguished offer that also provides clients with a personal relationship that goes beyond just competitive pricing and products.

The Directors do not primarily measure the Company's strategy, prospects and ongoing development by reference to market share. However, based on the Company's estimated daily FX turnover of £41 million, Argentex's market share represents approximately 0.05 per cent. of the total UK FX market or 0.3 per cent. of the non-bank segment of the market in which the Company primarily operates.

In addressing the opportunity available to the Company and in the context of such a large addressable market, the Directors focus on an assessment of the drivers which have taken the business to its current level of success – high levels of customer service, recruiting and retaining skilled staff and preserving a strong business culture – and seek to ensure continued improvement in these areas to drive improvements to business performance.

Argentex has achieved continuous organic revenue and profits growth since incorporation, despite the backdrop of the aftermath of the global financial crisis and Britain's decision to leave the European Union in 2016. The Directors believe this is because the Group's clients maintain a need to buy or sell currency (even in periods of economic uncertainty) and due to the fact that Argentex's client base is well balanced between both importers and exporters.

3. BUSINESS OVERVIEW

3.1 Business model

Argentex has a client base which includes institutions and corporates in a range of industries. The Group also offers services to high net worth private individuals.

Argentex operates as a Riskless Principal foreign exchange broker for non-speculative spot and forward foreign exchange as well as structured financial derivatives. The Group does not facilitate speculative trading, servicing only clients with an underlying commercial need to exchange currency or hedge an FX exposure by way of forward contracts or options. Each client trade is matched at one of the Group's Institutional Counterparties, comprising well known international banks and other broker dealers. All trades executed by the Group are over the counter ("OTC"), meaning that there is no central clearing exchange and Argentex exchanges FX contracts directly with each participant to the Riskless Principal trade - Institutional Counterparty and client.

Argentex's remit is to provide clients with a bespoke, personal service through its dedicated teams of experienced market professionals, from account management, analysis and trading, through to settlements and compliance.

Argentex believes it differentiates itself through the level of service and human interaction provided as well as the price, speed and flexibility of execution and settlement, which all occurs within a highly regulated environment. Customers are attracted to the Group's efficient, professional and regulatory compliant foreign exchange service which assists them in their financial planning and achieving certainty of financial outcomes. A guiding principle behind Argentex's approach is that the less time clients spend dealing with foreign exchange, the more time they have available to spend on the day to day running of their business. Whether the Group's clients' foreign currency objectives are short or longer-term, Argentex aims to combine experienced execution with expert analysis to achieve a material impact on both pricing and efficiency.

To deliver its offering, Argentex employ a dedicated sales team who are responsible for sourcing and acquiring new client accounts, supported by a separate team of dealers (collectively, the 'front office'). The focus is on servicing clients who do not have in-house foreign exchange capabilities and who lack the support of their existing providers of currency exchange (typically banks or brokers) as either they are not large enough to benefit from the economies of scale Argentex enjoys or they find the level of service offered by Argentex appealing. The Directors believe the model is sustainable given the size of the addressable market, the continued acceleration in on-boarding of new clients by the sales team and the continued levels of repeat business and referrals from existing customers.

Sales staff are responsible for the prospecting and generation of new business through a variety of channels and are paid a commission of gross revenue generated by each client. The rate of

commission is variable and is determined by targets, which are set and measured quarterly, and are focussed on key business metrics.

Each client is assigned a dedicated dealer, whose job is to manage that client's exposures and oversee every trade execution. Dealers are paid a flat percentage commission. Combined with the sales staff remuneration structure, it is the Directors' belief that long term mutually beneficial relationships are in the best interests of both the Group and its clients.

The Compliance team is responsible for the Group's strict adherence to the various regulatory regimes under which it operates.

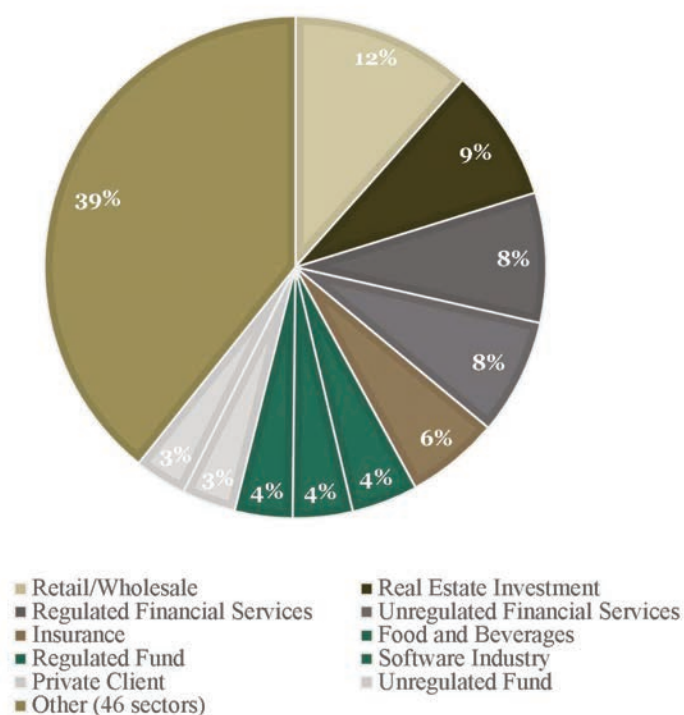
Finally the Settlements team are responsible for settling client trades, adherence to safeguarding rules and daily reconciliations.

3.2 Argentex's clients

Argentex targets corporate and institutional clients that have an average annual requirement to convert foreign exchange of between £1 million and £500 million. Additionally, the Group offers services to high net worth private individuals. In FY19, corporate and institutional clients accounted for 96 per cent. of revenues.

The Group's client base is diversified by sector, in FY19 Argentex provided services to clients across 56 sectors. The largest sector in FY19 was the retail / wholesale sector which accounted for 12 per cent. of revenues with the top 10 sectors by revenue accounting for 61 per cent. of revenues.

FY19 revenue by sector



Source: Argentex

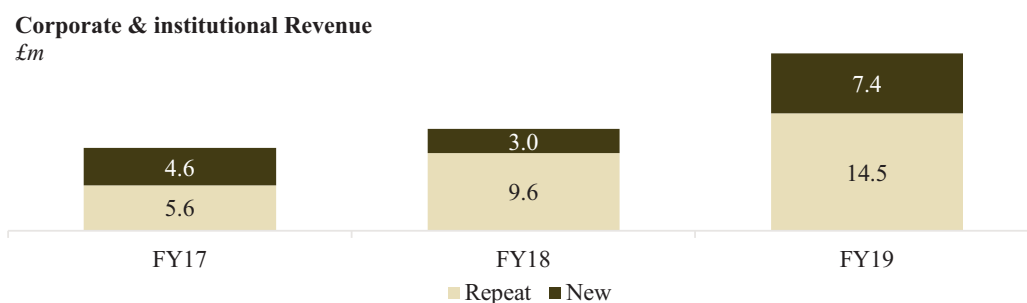
The Group's existing clients are predominantly UK based, with 72 per cent. of revenues derived from UK clients and 28 per cent. from non-UK clients in FY19. Argentex does not accept any business from US companies or individuals.

The Group's revenue from its top 20 clients has increased significantly since incorporation (growing from £0.6 million (FY13) to £7.6 million (FY19)), however the percentage of revenues attributable to the top 20 clients has decreased (from 81 per cent. in FY13 to 35 per cent. in FY19), demonstrating the Group's focus on diversifying its revenue base. The make-up of its top

20 clients has also changed considerably each year and over the life of the Company. Argentex is focussed on growing its client base and ensuring appropriate revenue distribution across more accounts with a particular focus on those generating annual revenues of between £5,000 to £100,000.

The Group's client sourcing is a combination of referrals as well as direct calls to a proprietary database of prospective clients. Argentex employs a sales staff of 23 people who focus their efforts on promoting the services of the Group to potential clients. In addition, the Group regularly features in national and international news coverage, enhancing the growing reputation of the business.

New vs repeat business



Source: Argentex

The Group does not widely distribute marketing or promotional materials. Instead it focusses on a specific profile of potential clients with existing foreign exchange exposure. The Group hosts targeted marketing events for networking and general promotion of the Argentex brand.

3.3 Products and pricing

Argentex's product offering includes spot, forward and, since September 2018, options FX capabilities which are provided primarily through traditional voice broking channels. In FY19 spot contracts accounted for 55 per cent. of revenues whilst forward contracts accounted for the remaining 45 per cent. and the average spread achieved across all trades was 20.27 bps. In September 2018, Argentex also began offering options products to professional and eligible counterparty clients. In FY19 this represented less than 5 per cent. of Group revenues for the 6 months of trading.

The Group does not charge fees or commissions for executing foreign exchange trades for clients. The Group's revenue is solely derived from the spread it receives from each trade. As a Riskless Principal, the Group prices its foreign exchange products with one of its Institutional Counterparties and offers the client the same product at a spread on the foreign exchange rate. The spread achieved will not be of a fixed value but variable depending on a number of factors including the client's individual trading history and dealer discretion.

The Group's Institutional Counterparties require Argentex to provide collateral on a net basis to mitigate market risk inherent in the delivery of foreign exchange. The amount of available collateral required by the Institutional Counterparties determines the total value of forward contracts Argentex can enter into at any point in time.

Key drivers to the spread taken will be the notional size of the transaction, the client's balance sheet, the tenor of the contract, the currencies traded and underlying market volatility. As the risk on these factors increases, the spread Argentex charges over the rate obtained from the Institutional Counterparties will increase to reflect the risks being borne by the Group.

As the Interbank Exchange Rate is widely observable, a client is able to calculate the Group's spread in most scenarios. If Argentex offers better pricing than that offered by an incumbent provider, transactions undertaken will represent both a saving for the client and income for the Group.

The Group's Institutional Counterparties offer competitive pricing (to within one or two basis points of the Interbank Exchange Rate), free of fees and without incentives, rebates or any other inducements. The Group is obligated to meet minimum trading levels with some counterparties in order to retain its pricing structure, but these amounts are relatively small compared to the aggregate turnover of the Group and managed by way of routine trading. As the prices are typically comparable, Institutional Counterparty selection has no material bearing on the price, execution time or settlement options that the Group is able to offer its clients.

As a Riskless Principal, the Group has to collateralise forward contracts with its Institutional Counterparties. The net proceeds from the Placing and the Subscription will allow the Group to significantly expand the amount of available collateral and therefore increase the total volume of trades Argentex is able to enter into with existing and new clients.

3.4 **Settlement and safeguarding of client funds**

Argentex operates on the basis of a safe-settlement system to mitigate credit risk and settlement risk exposure. Settlement is made through segregated accounts, into which the client remits the currency sold, and only once cleared the client's purchased currency is remitted to the order of the client. Client funds are paid to the order of the client at the earliest possible opportunity subject to standard international banking cut-off times, with Argentex retaining proceeds of any client's FX trade no longer than operationally necessary, unless instructed to do so by the client.

As an Authorised Electronic Money Institution, Argentex is committed to the maintenance of proper segregation of client funds. Any relevant funds received by Argentex from a client for the settlement of an FX trade, or funds retained by Argentex post-trade but not yet paid to the order of the client are redeemed for Electronic Money, which is issued to the client and segregated accordingly.

3.5 **Employees**

The Company is overseen by Carl Jani and Harry Adams, founding partners and co-CEOs, who have responsibility for all areas of the business.

Sales

The sales team is made up of 23 sales people, overseen by Andrew Egan.

The dedicated sales team are at the core of the Argentex proposition, focused on growing the number of high-quality trading clients of the Company. They are incentivised on productivity and annual revenue improvement per years employed. The longer a salesperson stays with the Company the more productive they become in all aspects of the role. Currently the Group's largest cohort of staff, representing 7 of the 23 sales people, are those who have been employed by the Group for three years and are entering their fourth year of employment, the year in which their productivity increases meaningfully, with average annual revenues generated by this cohort rising from c. £0.5 million in year three to c. £1.1 million in year four.

Talent is typically sourced from referrals and recruitment consultants with limited attrition after a first successful year.

Client experience is fundamental to the proposition with repeat business, meaning clients who have traded with Argentex at least once previously, accounting for c. 66 per cent. of corporate and institutional revenue in 2019.

Revenue growth therefore has two key drivers; a seasoning and maturation of the existing sales team whose productivity, and therefore revenue generated, will continue to increase; and an increase in headcount leading to more sales staff generating more revenue for the Company.

Dealing

The dealing team comprises six experienced dealers, overseen by Harry Adams.

Middle and back office

The Group's middle and back office function is overseen by Sam Williams, CFO and COO. The back office comprises a compliance team consisting of members of staff who all hold

qualifications from the International Compliance Association, and a settlement/treasury team with four members of staff. Senior members of the compliance team are sufficiently trained as to be able to perform settlement/treasury functions should the need arise (for example, high volume situations or staff shortages).

The Company uses its own proprietary software for all areas of business activity; from CRM through to trade execution, settlement, integration with the SWIFT network, reconciliations, regulatory reporting and staff KPI monitoring.

4. KEY STRENGTHS

- **A bespoke service-led FX solutions provider**

Argentex's personalised and tailored product offering is led by a team of dedicated market experts who are the foundation of Argentex's differentiated proposition and customer service experience. These dedicated salespeople and traders are practised market professionals, trained to understand clients' financial requirements and experienced in originating, advising on and executing trades of all sizes and in all market conditions.

Argentex's client servicing model revolves around human interaction to assist clients and deliver sophisticated propositions in a straightforward and efficient manner. The Directors believe that calibre of the front office team of salespeople and dealers is a key differentiator of Argentex's client proposition in the competitive FX marketplace.

This supportive trading structure facilitates a solutions-led approach to clients' foreign exchange requirements.

- **High quality and motivated sales team with proven ability to drive origination**

Since founding the business, the Principals have invested significant time and resources in building a high quality and motivated sales team. Focus has been and will remain on hiring talent at entry level and extensively training new sales staff to enable them to effectively communicate Argentex's services to prospective clients. The Directors believe an improved employee skillset combined with better efficiency leads to increasing returns on input.

Incentivisation of salespeople is closely linked to performance. Each salesperson has to create their own client base and once set up they generate commissions over the lifetime of the client. Growing the client base provides additional sources of revenue as well as improving retention due to the difficulty sales staff would have in rebuilding their client base elsewhere.

Argentex's bespoke IT system allows management to monitor sales team KPIs in real time by individual salesperson and optimise productivity, as well as allowing complete transparency between sales staff who can benchmark their own progress in a number of KPIs against their peers.

Separation of the sales and dealing functions allows the salespeople to focus on new business origination and enables a more scalable platform without creating conflicts between spending time developing new business and servicing existing clients.

- **Strong financial track record of growth and profitability**

Since the business was founded in 2012, the Group's revenues and profits have increased in each financial year. Revenue has grown at a CAGR of 78.4 per cent. since 2012.

Argentex has delivered organic revenue and profit growth despite the backdrop of the aftermath of the global financial crisis and the UK's decision to leave the European Union in 2016. The Directors believe this is because the Group's clients maintain a need to buy or sell currency (even in periods of economic uncertainty) and the fact that Argentex's client base is well balanced between both importers and exporters.

Consequently, the Directors believe that either the appreciation or depreciation of sterling can positively affect the business both in increasing a client's need to protect against adverse moves, taking advantage of favourable rates and bringing the issue of FX risk mitigation to the forefront of their agendas.

- **Increasingly diversified revenue base**

Whilst the top 20 largest accounts are producing more revenue for Argentex (increasing from £4.2 million (FY16) to £7.6 million (FY19)), there has been a decreasing concentration of these accounts relative to overall revenues (59 per cent. in FY16 to 35 per cent. in FY19). Argentex is focussed on growing its client base and ensuring appropriate revenue distribution across more accounts with a particular focus on those who trade generating annual revenues of between £5,000 to £100,000.

The Directors believe that increasing Argentex's revenue from the Group's top 20 clients each year shows a strong improvement in the quality of the business. Furthermore, the Directors believe that the decrease in percentage of the Group's total annual revenue attributable to those 20 clients shows a strong diversification of Argentex's revenue base. The constituent clients making up the top 20 also changes significantly from year to year, further decreasing concentration risk.

- **Resilient commissions across both spot and forward contracts**

As the Interbank Exchange Rate is widely observable, as well as the availability of FX price comparison sites and live exchange rate feeds, corporates can quickly and easily make informed decisions about the competitiveness of an exchange rate. Despite this competitive environment, the Group has maintained robust average spreads of between 21 and 31 bps for spot contracts and between 39 and 46 bps for forward contracts between FY17 and FY19.

- **History of winning business from bank and non-bank FX service providers**

Argentex focuses on targeting corporate and institutional clients which are underserved by banks with an average annual requirement to convert foreign exchange of between £1 million and £500 million.

Argentex proactively targets new accounts, sometimes investing a number of years' work before an account is set up and established. This will typically involve regular contact and meetings before a client is signed up and begins to trade. Introductions typically happen as a result of word of mouth, client references and/or referrals from intermediaries and through proactive direct contact. In addition, the Group regularly features in national and international news articles for commentary on currency, which provides promotion and credibility to the Group's offering.

The Group's bespoke IT platform allows management to monitor progress with respect to the prospective client pipeline and assign salespeople key actions to optimise the follow up of any potential leads.

- **Longevity of client relationships**

Repeat business remains the highest contributor to the Group's revenue, at 66 per cent. of corporate and institutional revenues, which the Directors believe is a testament to the Group's high, service driven retention statistics. Once a client has been on-boarded through a suite of stringent KYC and AML checks, it is assigned a dedicated point of contact. This point of contact is a professional financial trader with a minimum of ten years' experience, whose role will then be to maintain that client's ongoing relationship with the Group. There is significant capacity for growth of the client base within Argentex's existing dealing team. The Group currently has six dealers who typically service 200 – 300 clients each.

Segregation of sales and dealing functions in this way affords continuous dealing room access to clients for their execution needs and in turn a more scalable platform as the sales team are able to concentrate on the pipeline of future business from new clients.

- **Client experience and operational efficiency enhanced by a proprietary technology platform**

The Group operates a bespoke IT platform used for both front and back office functions. Argentex has invested over £3.4 million to date in the system which has been designed precisely to Argentex's specifications and needs, rather than altering an existing off-the-shelf system. The system retains all client relationship information and is used by the dealing team to input transactions for execution. On execution, contract notes are dispatched to the client electronically.

The system also centralises the settlements process, with all client balances and payment information processed from the system.

Client positions are 'marked to market' in using real time market data feeds, and exposures are monitored on a client by client basis in order to monitor credit risk. The Group's servers are hosted in a secure data centre outside of London and backed up to a separate data centre twice a day (with a full back up done once a day overnight). The Group also replicates its daily activity to its testing server, which provides a number of back-up options to restore essential connectivity in the event of a primary system failure.

The bespoke system is used in tandem with off-the-shelf single dealer platforms provided by the Company's Institutional Counterparties, where the matched principal trade is executed simultaneously. Bloomberg terminals are installed for the dealing team to provide access to live market data but are used for information purposes only.

- **Scale, regulatory compliance and client proposition**

Whilst none of the barriers to entry in the FX market are insurmountable when assessed individually, together they create a significant challenge to any potential new entrants. It is a highly regulated market with significant compliance and licensing requirements. Additionally, FX trading requires access to capital and liquidity trading lines through banks with typically onerous take on procedures.

With provision of FX products, companies need to be able to trust their FX broker and the advice it is providing. This means they are usually slow to change so building a client base of sufficient scale to support the business takes significant time.

Additionally, sourcing, hiring and training a staff takes time and investment and is not easily replicable in a short time period.

Argentex is currently authorised and regulated by the FCA as an Electronic Money Institution, with the primary purpose of providing commercial foreign currency exchange services (spot and forward contracts). As an IFPRU €125k Investment Firm, Argentex is able to offer FX options to its Professional and Eligible Counterparty client base. In providing foreign exchange services, Argentex remits money under the Payment Services Directive within its E-Money permissions.

Argentex's ability to achieve scale against this backdrop is supported by its differentiated client offer, robust regulatory compliance and growing brand awareness and reputation.

- **Founder-led managers supported by deep expertise of senior front office team and highly experienced Board of Directors**

Argentex's senior team have, between them, over 50 years of collective FX experience. They are supported by an equally experienced senior dealing team ensuring that clients receive a smooth and timely response regarding any transactions or queries.

Argentex's ability to attract a highly experienced Board, led by Chairman Lord Digby Jones, adds credibility to the Company's proposition, its long-term growth potential and confidence in management.

- **Rigorous risk management culture and robust compliance procedures**

As a Riskless Principal, Argentex is exposed to credit and settlement risk at both a client and institutional counterparty level.

At a client level, Argentex operates under a safe settlement system, whereby funds must always be received prior to funds being returned. Argentex is a member of the SWIFT payments network enabling fast, secure settlement from the leading globally recognised payment network.

At an Institutional Counterparty level, settlement risk is minimised due to the straightforward nature of the underlying product. As all contracts executed at an institutional counterparty level typically result in a spot or forward FX contract, where the liquidity within the foreign exchange marketplace should result in the timely settlement of trades, with no expected exposure to

settlement lag. This has been the case for Argentex since launch with the careful selection of Institutional Counterparties reducing any counterparty settlement risk.

To reduce credit risk to acceptable levels, Argentex only trades with Institutional Counterparties with robust balance sheets, high credit ratings and sound capital resources (in accordance with the Capital Requirement Regulation and Capital Requirements Directive IV of Basel III) and monitors the creditworthiness of institutional counterparties on an ongoing basis.

At the client level, Argentex performs rigorous KYC checks prior to accepting new clients. Credit checks are performed, proof of assets obtained and an internal credit rating is applied to each client. Argentex operates a margin-based credit scheme, where clients may be required to deposit and top-up margin balances to secure forward contracts. The Group's bespoke IT system monitors each open forward position and notifies dealers when positions move against the client. When positions move, further margin will be requested (which is offset from the future amount payable by the client on settlement of the contract).

- **Customer centric offer derived from continuity of best practices and talent development**

The Principals play a critical role in maintaining Argentex's culture and ensuring a customer-led approach is at the forefront of each employee's mind-set. The Directors believe this has resulted in a high quality, loyal client base. The Group is now of a sufficient scale where new business feeds through for incrementally less cost, to the benefit of group turnover and margin, thus supporting ongoing barriers to entry.

Argentex invests significant time and resources hiring and continuing a culture amongst its employees that the Directors believe has resulted in a focussed and effective front office, which can deliver value-add client propositions and ensure lasting relationships. Employees undergo a rigorous training programme.

The Group sources new talent via a variety of routes including recruitment consultants, inbound approaches and referrals. Additionally, the Group experiences relatively limited attrition after staff have been there for 12 months or more, which management attribute to the fostering of the performance-based culture.

- **Performance based incentivisation and client alignment of interest**

Staff are incentivised to develop long term relationships with the Group's clients and their interests are aligned to those of the end customer or client. This is primarily due to the commission structure in place which remunerates sales staff for the life of the client. The Directors believe this remuneration mechanism assists with retention and drives the low attrition rate seen amongst staff who have been with the Group for more than one year.

5. GROWTH STRATEGY

The Directors believe the Group has a proven, scalable business model, providing the opportunity to increase revenues significantly, whilst maintaining a disciplined approach to costs. To date, the Directors believe the Group's track record of organic growth is largely attributable to its simple growth strategy:

- Expand the sales team to increase capacity to drive new business origination.
- Develop the productivity of the sales team.
- Grow the client base.
- Generate repeat business and referrals through provision of high-quality service and execution.

Key initiatives to support this strategy include:

- **Further expansion of the sales team**

The Directors believe that expansion of the dedicated sales team with further talented hires will drive future growth. As a result, the Directors intend to increase sales staff headcount to 50 salespeople over the next two years. Management will continue to apply their rigorous approach to recruitment and training, ensuring the talent they hire develop into successful members of the sales team and fit with the Argentex culture.

To provide the office capacity for these new hires, the Directors intend to move the business to a new office in 2020.

- **Continue to advance the existing sales team up the productivity curve**

The longer sales staff are with Argentex, the more skilled they become at selling FX solutions to clients. The productivity curve has been proven by our longest serving salespeople, with average annual revenue per salesperson increasing from c. £42,000 in year one to c. £1.8 million in year five, excluding the impact of any sales team members who came to Argentex with prior experience.

Within our existing team, the largest cohort of sales staff has been with Argentex for 3 years. Year four of employment has historically been the inflexion point when productivity or average revenue generated per annum increases significantly from c. £0.5 million in year three to c. £1.1 million in year four.

- **Increase customer acquisition**

Expansion of the sales team will naturally increase the sales team's capacity to originate new business and pursue potential leads. Additionally, increasing the client base increases repeat business and the number of referrals from existing clients. Whilst future revenues from existing clients are not contracted, there have been consistently strong levels of revenue driven by repeat business from the existing client base. The Company's live order board gives an indication of future revenue potential.

- **Increase capital base to provide greater trading capacity**

A key limitation on any FX broker is the size of the capital base and the ability to post collateral to support trades. Historically, Argentex has had access to cash call facilities to enable it to provide collateral when it became balance sheet constrained. The primary proceeds of the IPO will be used to increase the Company's capital base to enable it to meet the growing demand for its services by increasing trading capacity and therefore drive revenue growth.

- **Focus on revenue diversification**

Argentex's core focus remains on clients generating annual revenues of between £5,000 and £100,000 per annum. Whilst revenues from the top 20 clients have increased to £7.6 million in FY19, the percentage of revenues for which the top 20 clients account has fallen from c.80 per cent. in the first year of trading to just 35 per cent. in FY19. Additionally, the top 20 clients are not the same from year to year. Argentex's strategy is not to target larger clients, rather to continue to increase diversification by growing the client base and increasing revenues from clients at the lower end of the target annual revenue range.

- **Ongoing technology improvements and upgrades to deliver efficiency and enhance the client experience**

Argentex has already significantly invested in its bespoke platform to improve internal monitoring and risk management. The next stage of the technological developments is to roll out a client portal to enable smaller clients to trade through Argentex whilst requiring less input from dealers, thus reducing the cost of trading for these smaller clients and enabling the Company to capture smaller trades at higher margins.

- **Continued assessment of clients' needs and desire for new products**

In September 2018, Argentex began offering options capabilities to Professional and Eligible Counterparty clients to help capture additional revenue streams which typically go through banks and improve share of wallet from clients with FX needs. Argentex will continue to monitor the FX requirements of their existing and target clients in order to adjust the client proposition as required. Argentex will consider adding to their existing product suite, should demand make the investment worthwhile.

6 DIRECTORS AND SENIOR MANAGEMENT

6.1 Directors

Digby Jones, Lord Jones of Birmingham KB (age 63) (Non-executive Chairman)

Lord Jones graduated from University College London and spent 20 years with corporate law firm Edge and Ellison working his way up from Articled Clerk to Senior Partner. He was Director General of the Confederation of British Industry for six and a half years and was knighted for his services to business and charity in 2005. After leaving the CBI in 2006 he spent 12 months as advisor to Deloitte and Barclays Capital, as well as being the UK Skills Envoy. In 2007 Lord Jones was appointed Minister of State for UK Trade and Investment, becoming a life peer but not joining the party of government. Since 2009 Lord Jones has been a crossbencher in the House of Lords. He serves as non-executive chairman of Triumph Motorcycles Ltd, Thatcher's Cider Ltd, One Asset Ltd (trading as Elonex) Metalfloor UK Ltd, ProBuild 360 Ltd and On Logistics Ltd and is a non-executive director of Leicester Tigers plc and DRP Holdings Ltd. He is a corporate ambassador to Aon Risk Solutions. Lord Jones was also non-executive deputy chairman of the Unipart Expert Practices (UEP) Division (2013-2017), chairman of the International Advisory Board of HSBC (2009-2012), chairman of the international advisory board of British Airways plc (2010-2014) and chairman of Celixir plc (2015-2018). He was also a senior adviser to BP plc (2012-2015) and to Harvey Nash plc (2010-2017) and a corporate ambassador to Jaguar Cars (2009-2017) and to JCB (2010-2015).

Carl Jani (age 37) (Co-Chief Executive Officer)

Mr. Jani is a founding partner of the LLP. After working for Schneider Foreign Exchange, Mr. Jani advanced to Head of Desk and rose to senior trader where he was personally responsible for billions of pounds sterling in foreign exchange turnover per annum. Carl has advised some of the best-known names in the retail, charity and private equity sectors. Mr. Jani holds qualifications from The Chartered Institute for Securities & Investment and completed a technical analysis course from The Society of Technical Analysts.

Harry Adams (age 37) (Co-Chief Executive Officer)

Mr. Adams is a founding partner of the LLP. After graduating from the University of West of England in Business Studies, Mr. Adams began his career as a proprietary trader at a futures trading firm, specialising in the fixed income and FX markets. From there, he spent three years as a corporate FX dealer at Travelex and then became a senior trader at Schneider Foreign Exchange where he worked for five years before moving to establish the LLP.

Sam Williams (age 34) (Chief Financial Officer)

Mr. Williams qualified as a chartered accountant at Smith & Williamson LLP where he was responsible for auditing and advising financial service businesses, specialising in client money and capital adequacy. Whilst at Smith & Williamson LLP, Mr. Williams led the external audit team for Pacific Investments for two years before joining Argentex as chief financial officer and chief operating officer. Mr. Williams holds the CISI Investment Operations Certificate.

Henry Beckwith (age 40) (Non-executive Director)

Mr. Beckwith is a founding partner of the LLP and the appointed board representative of PIML pursuant to the Relationship Agreement. Mr. Beckwith is a director of Pacific Investments and leads their financial services and asset management division, taking an active role in both deal origination and the management of the portfolio of companies. In 2011 he became a founding shareholder of Zorin, a leading provider of alternative finance for the UK property market. In 2016 he became a founding partner of Pacific Asset Management, the core asset management business of Pacific Investments. Mr. Beckwith is a graduate of Newcastle University and a member of both the Chartered Financial Analyst Institute and the Society of Technical Analysis.

Nigel Railton (age 52) (Senior Independent Director and Non-executive Director)

Mr. Railton has been the Chief Executive Officer of Camelot UK Lotteries Limited since June 2017. He was previously the Chief Executive Officer of Camelot Global. Mr. Railton served as Financial & Operations Director of Camelot Group plc (from November 2007) and Finance

Director of Camelot Group plc (from 2003) and was responsible to its Board for all aspects of financial control, compliance, reporting and supplier development in its operation of the National Lottery. Prior to Camelot, he served as Senior Management Accountant of Daewoo Cars Ltd., from 1996 to 1998. Beginning his career at British Rail, he progressed through various finance roles before reaching management grade and served as Assistant Financial Manager from 1989 to 1991. Mr. Railton then joined Network South-East in 1991, moving to Railtrack plc as a Project Accountant in 1992 and Railfreight Distribution as a Management Accountant from 1993 to 1994. Mr. Railton is a Qualified Accountant and is a Member of the Chartered Institute of Management Accountants (ACMA).

Jonathan Gray (age 53) (Independent Non-executive Director)

Mr. Gray has considerable financial services experience having worked in senior roles in the City of London at HSBC, UBS and NCB. He founded and now works at Elm Square Advisers, a corporate finance boutique. Mr. Gray has substantial public company experience and has worked on numerous flotations. He has served as a non-executive director on the board of Tescom, an AIM-listed software business and also as non-executive chairman of PGF II SA, a Luxembourg-domiciled private property fund. Mr. Gray is currently an independent non-executive director of Urban Logistics REIT plc.

The Group intends to appoint a further independent non-executive director following Admission.

6.2 Senior Management

Andrew Egan (age 36) (Managing Director)

Mr. Egan is a founding partner of the LLP. Mr. Egan graduated in engineering from the University of Leeds. After gaining his FSA (now FCA) qualifications he became a broker in the UK equities market. He went on to become dealing floor manager at a stockbroking firm in the City of London, before moving to Schneider Foreign Exchange where he managed a sales team.

7. EMPLOYEES

As at 19 June 2019 (being the latest practicable date prior to the publication of this document), the Group employed 40 people. The following tables set out the Group's average number of employees (including directors) by function for the financial years ended 31 March 2017, 2018 and 2019.

	For the year ended 31 March		
	2017	2018	2019
Board and Senior Management	5	5	5
Sales, administration and support staff	27	34	37

8. SELECTED HISTORICAL FINANCIAL INFORMATION

The Company will become the new parent company of the Group before Admission. The Company has not traded since incorporation. The following financial information for the Group for the three financial years ended 31 March 2019 has been derived from the financial information contained in Part 4 of this document, prepared in accordance with IFRS, and should be read in conjunction with the full text of this document. The adjusted historical financial information illustrates the impact of the Reorganisation, primarily the revised compensation model for the self-employed LLP members who are members of the LLP Executive Committee. The revised compensation model has been applied as if the model was in place throughout the HFI period, and that members of the LLP Executive Committee were LLP members throughout the HFI period. Investors should not rely solely on the summarised information set out below.

Adjusted historical financial information

(£'000s)	For the year ended 31 March		
	2017	2018	2019
Revenue	10,646	13,241	21,911
Commissions and trading bank charges ⁽¹⁾	(1,578)	(2,284)	(4,226)
Gross Profit	9,069	10,957	17,684
Staff costs excluding LLP members	(1,022)	(1,368)	(1,623)
Revised compensation model LLP members ⁽²⁾	(2,624)	(2,738)	(3,922)
Other administrative costs ⁽³⁾	(1,373)	(2,096)	(2,731)
Operating Profit	4,050	4,755	9,407
IPO related costs	–	–	(400)
Depreciation and amortisation	(457)	(617)	(966)
Profit before tax	3,343	3,888	7,791

Notes to the adjusted historical financial information

- (1) Commissions payable to staff (excluding LLP members) – 2017: £995k, 2018: 1,775k, 2019: 3,446k. Other commissions and bank charges – 2017: 582k, 2018: 509k, 2019: 780k
- (2) Following Admission, the self-employed LLP members who are members of the LLP Executive Committee will be remunerated under the Amended and Restated LLP Agreement by a combination of (i) fixed annual remuneration (ii) participation in revenue commission schemes (iii) annual bonuses and (iv) other variable compensation based on the LLPs performance.
- (3) Includes IFRS 16 adjustments to office rent payments under operating leases, depreciation and interest payable.

Revenue recognition and cash conversion

The Group's revenue is recognised when it enters into a matched contract with its Institutional Counterparties. However, the cash relating to the revenue is not recognised until the currency is exchanged (typically on settlement of the contract).

Approximately 55 per cent. of the Group's revenue arises from spot contracts, where cash is realised by the Group within two business days. The remaining 45 per cent. of the Group's revenue is from forward contracts where the average tenure is 4 months and cash is received at the end of this period. In FY19, c.75 per cent. of revenue converted into cash within 3 months.

Revenue growth

Revenue has grown substantially from £10.6 million in FY17 to £21.9 million in FY19. This growth in revenue has been underpinned by repeat business generated from a client base, built up since inception, overlaid with new business flows bought into the business by expansion and maturation of the sales team and improvement in sales team performance. Diversification of revenue continues to improve, with the top 20 clients responsible for 35 per cent. of the Group's revenue in FY19, compared to 39 per cent. in FY17.

Operating costs

Staff and other personnel costs

Total staff and personnel costs, comprising salaries and variable remuneration (including commissions) represent the single biggest expenditure for the Group. Employee costs (excluding LLP members) comprise 36 per cent. of the total expenditure for FY19. The main driver of staff costs is the LLP's commission scheme, which remunerates front office staff based on their revenue generation and performance against KPIs. The LLP's commission payable is capped at a maximum of 27.5 per cent. of revenue generated, subject to KPI performance. Commissions as a proportion of revenue have increased from 9.3 per cent. of revenue in FY17 to 15.7 per cent. of revenue in FY19. The increases in the percentage payable over three years is a reflection of the strong performance of the LLP, underpinned by the sales team's improvements in productivity and revenue generation. Consequently, KPI targets were frequently met, triggering higher qualifying commissions.

Factoring in remuneration of LLP members, total staff and personnel costs is consistent through the HFI period, 66 per cent. in FY17 and 65 per cent. in both FY18 and FY19.

Other operating costs (including depreciation and amortisation)

Other operating costs in FY19 were £4.1 million, representing 18.7 per cent. of revenues (FY18: £2.7 million, 20 per cent.; FY17 £1.8 million, 17 per cent.). Key drivers within the operating cost base are as follows:

- depreciation and amortisation (FY19: £1.0 million, which primarily relates to amortising the LLP's bespoke trading and CRM platform); and
- other costs, primarily property costs; IT costs including support, data and Bloomberg fees; and professional fees including legal, compliance and finance. Since FY17, the LLP has made significant investment in personnel, technology and advice relating to the implementation of a robust compliance culture and environment. There have been significant updates to existing compliance legislation, including MiFID II, the Second Payment Services Directive and GDPR. The LLP has incurred a number of one-off costs since 1 April 2017 in relation to increased regulatory requirements, and the costs relating to continued compliance will continue to be borne by the LLP.

9. CURRENT TRADING AND PROSPECTS

The financial information of the LLP for the twelve-month period ended 31 March 2019 is set out in Part 4 of this document. The financial performance of the LLP since 31 March 2019 is in line with the Directors' expectations.

10. THE PLACING, THE SUBSCRIPTION AND THE PLACING AGREEMENT

The Placing comprises an offer by the Company of 12,655,660 Placing Shares to raise gross proceeds of £13.41 million and the sale of 30,625,065 Sale Shares by the Selling Shareholders. The Placing Shares and the Sale Shares have been offered to selected investors at the Issue Price of 106 pence per new Ordinary Share. No offer of securities to the public in the EEA has been made for which a prospectus is required to be produced. The terms and conditions of the Placing are set out in Part 5 of this document.

The Subscription comprises an offer by the Company of 551,887 Subscription Shares at the Issue Price to raise gross proceeds of £0.59 million. The Subscription was offered to, *inter alia*, certain Argentex employees and their associates who were not able to participate in the Placing and has been made pursuant to the terms of the Subscription Agreements.

The costs incurred by the Company in respect of the Placing, the Subscription and Admission, being £1.5 million (inclusive of VAT), include, *inter alia*, commissions and fees payable under the Placing, registrar's fees, admission fees, printing costs, legal, advisory and accounting and tax fees and any other applicable expenses.

The Company, the Directors, the Selling Shareholders and Numis have entered into the Placing Agreement, pursuant to the terms of which Numis has agreed to use reasonable endeavours to procure subscribers for the Placing Shares and the Sale Shares at the Issue Price. Further details of the Placing Agreement are set out in paragraph 12.1 of Part 6 of this document.

11. REASONS FOR THE PLACING, THE SUBSCRIPTION AND ADMISSION AND USE OF PROCEEDS

The Directors believe that Admission benefits the Group and enhances its growth prospects by significantly increasing its permanent capital base. The Group has reached a stage of growth where clients' demands for forward contracts has occasionally outstripped Argentex's ability to supply them. This is because, as a Riskless Principal, the Group has to collateralise forward contracts with its Institutional Counterparties.

The Company has raised net proceeds of £12.5 million pursuant to the Placing and the Subscription. Of the net proceeds, c.£10.5 million is intended to be used to increase the trading capacity of the Group in order for commercially viable business to not be turned down by Argentex. The additional c.£2 million will be used to repay the Pacific Facility.

Increased levels of business from existing customers and the on-boarding of new clients by the sales team remain the key drivers for growth, but, in tandem, the available capital collateral available to the Company ultimately determines how much FX throughput, and therefore revenue, can be generated.

12. DIVIDEND POLICY

The Directors intend that the Company will pay interim and final dividends going forwards, with the interim dividend to be announced at the time of the release of the Company's interim results and the final dividend at the time of the release of the Company's annual results. The Board intends to pay interim and final dividends representing a pay-out ratio of c.30 per cent. of the Group's profit after tax, adjusted for any exceptional items. It is expected that the first dividend will be declared by the Company at the time of the release of the interim results for the period from incorporation to 30 September 2019.

The Board may revise or adapt the Group's dividend policy from time to time in line with the actual results of the Group and the cash requirements of the Group's activities. The ability of the Company to pay dividends is dependent on a number of factors including, *inter alia*, the results of the Group's operations, its financial condition, anticipated cash requirements, regulatory capital requirements, future prospects and its profits available for distribution, and there can be no assurance that the Company will pay dividends or, if a dividend is paid, of the amount that dividend will be. Given that the Company was incorporated on 26 April 2019, it has not previously paid any dividends.

13. THE REORGANISATION

In connection with the Placing, the Subscription and Admission, the Group is undertaking the Reorganisation, the material steps of which are summarised in paragraph 3 of Part 6 of this document and in relation to which Ordinary Shares have been issued and will be issued, *inter alia*, to the Existing Members in exchange for their membership interests in the LLP to enable the Company to become the parent company of the Group.

14. EMPLOYEE INCENTIVE SCHEMES

The Board recognises the importance of ensuring that employees of the Company, and key individuals who hold office and/or provide services to the Group, are effectively and appropriately incentivised. The Company operates a UK tax-advantaged company share option plan (the "CSOP"), further details of which are set out at paragraph 11 of Part 6 of this document, and, in due course, the Board will consider putting in place a long-term incentive plan.

15. LOCK-IN AND ORDERLY MARKET ARRANGEMENTS

Each of the Locked-in Shareholders (including PIML) have undertaken (in respect of themselves and persons connected with them) not to dispose of any interest in Ordinary Shares for a period of 12 months following the date of Admission, without the prior written consent of Numis and the Company, except in certain limited circumstances and for a further 12 months thereafter not to dispose of Ordinary Shares held by them other than through Numis, subject to certain conditions, with a view to the maintenance of an orderly market in such Ordinary Shares.

The Lock-in Deeds will, upon Admission, apply to an aggregate of 58,290,418 Ordinary Shares. Further details of the Lock-in Deeds are set out in paragraph 12.2 of Part 6 of this document.

16. RELATIONSHIP AGREEMENT

Following completion of the Placing and the Subscription, PIML and its associates will be interested, in aggregate, in 26,778,438 Ordinary Shares, representing approximately 23.7 per cent. of the Enlarged Share Capital.

The Directors are satisfied that the Company is capable of carrying on its business independently of PIML and its associates and that all transactions and relationships between PIML and/or its associates and the Company are and will continue to be at arm's length and on commercial terms.

To ensure that Shareholders are adequately protected in this regard, the Company has entered into the Relationship Agreement with PIML pursuant to which PIML, for so long as PIML and its associates continue to hold 20 per cent. or more of the voting capital of the Company, has given certain undertakings to the Company to the effect that the Company can, amongst other things, operate on an independent basis. Under the Relationship Agreement, PIML may, for so long as it holds Ordinary Shares representing 20 per cent. or more of the voting capital of the Company, nominate a non-executive director to the Board. As at the date of this document, Henry Beckwith is appointed as

the board representative of PIML. Further details of the Relationship Agreement are set out in paragraph 12.3 of Part 6 of this document.

17. CORPORATE GOVERNANCE AND INTERNAL CONTROLS

The Directors recognise the importance of sound corporate governance and the Directors intend to adopt and fully comply with the QCA Corporate Governance Code. The QCA Corporate Governance Code sets out a standard of minimum best practice for small and mid-size quoted companies, particularly AIM companies. Further details are set out in the corporate governance statement on the Company's website (www.argentex.com).

The Board has established an Audit Committee, a Remuneration Committee and a Nominations Committee and the LLP has established an Executive Committee with formally delegated duties and responsibilities as described below:

17.1 Audit Committee

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

The Audit Committee will comprise all of the Non-Executive Directors and Nigel Railton will act as chair. The Audit Committee will meet at least three times a year at appropriate times in the reporting and audit cycle and otherwise as required. The Audit Committee will also meet frequently with the Company's external auditors.

17.2 Remuneration Committee

The Remuneration Committee will be responsible for determining and agreeing with the Board the framework for the remuneration of executive Directors and other designated senior executives and, within the terms of the agreed framework, determining the total individual remuneration packages of such persons including, where appropriate, bonuses, incentive payments, share options or other long term incentive plans. The remuneration of non-executive Directors will be a matter for the chairman and the executive Directors. No Director will be involved in any decision as to his or her own remuneration. The Remuneration Committee will also be responsible for issuing awards of shares and options to purchase Ordinary Shares under the Company's proposed share incentive plans. In exercising this role, the Directors shall have regard to the recommendations put forward in the QCA Corporate Governance Code and, where appropriate, the QCA Remuneration Committee Guide and associated guidance.

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

17.3 Nominations Committee

The Nominations Committee will be responsible for identifying and nominating members of the Board, recommending Directors to be appointed to each committee of the Board and the chair of each such committee. The Nominations Committee will also arrange for evaluation of the Board. The Nominations Committee will comprise all of the Non-Executive Directors and Lord Digby Jones will act as chair. The Nominations Committee will meet at least twice a year and otherwise as required.

17.4 Executive Committee of the LLP

Argentex LLP is managed through the Executive Committee. Pursuant to the Amended and Restated LLP Agreement, the Group will delegate to the Executive Committee the day to day management of the LLP. The Executive Committee will, in the first instance, consist of Lord Jones (representative of Argentex Capital), Carl Jani, Harry Adams, Andrew Egan, Sam Williams, Kit Smith, Daniel Merrick and Joseph Duffelen. The Executive Committee has the

power, *inter alia*, subject to the prior approval of Argentex Capital, to (i) approve the admission of additional members; (ii) approve and/or require the retirement of the Continuing Members; (iii) vary the Continuing Members' capital interests; and (iv) set the amount of monthly drawings for the Continuing Members.

The Executive Committee meets at a minimum quarterly. The Executive Committee provides structure and assumes responsibility for management of the Group and the risks faced by the Group at a micro and macro level.

It is the responsibility of the management team of the Group to develop a risk culture that can be embedded in the Group's operations. The Group has a clear structure internally, and reporting lines ensure free and frequent communication. The Group's structure allows for fast communication and escalation of key issues, providing a transparent environment for the Co-Chief Executive Officers and the Managing Director to manage.

The Executive Committee is responsible for identifying the significant risks to the Group. These risks are then evaluated as to their likelihood and potential impact and reviewed as to their place in the Group's risk appetite framework. Suitable risk responses are then implemented, to authorise a risk's potential occurrence or impact. This will involve either accepting the risk and implementing appropriate controls, declining the risk, by rejecting a particular trade, customer or proposed activity, or hedging the risk, for example by insuring against the impact of the risk.

Once a risk strategy has been implemented, the Executive Committee will regularly reassess the potential risk and the effectiveness of the controls in place, adjusting either the risk profile or controls where new information becomes available.

Further details of the Executive Committee and the Amended and Restated LLP Agreement are set out at paragraph 12.4 of Part 6 of this document.

17.5 Matters reserved for the Board

The Company has adopted a policy regarding matters reserved for the full Board. Those matters include (amongst other things):

- Board appointments or removals, following recommendations from the Nominations Committee.
- The appointment of directors to specified offices of the Board (including the Chair and Senior Independent Director).
- Contracts not in the ordinary course of business.
- Approval of yearly proposals regarding the funding of the Group (and any material amendments to such proposals).
- Approval of any matter relating to litigation considered by the Board to be material to the Company, or material in the context of the Group as a whole.

18. SHARE DEALING CODE

The Company has adopted a share dealing code, in conformity with the requirements of the AIM Rules and the Market Abuse Regulation, and will take steps to ensure compliance by the Board and relevant senior staff with the terms of the policy.

19. ADMISSION, SETTLEMENT AND DEALINGS

Application has been made to the London Stock Exchange for the Enlarged Share Capital to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings will commence on AIM on 25 June 2019. The Ordinary Shares will be in registered form and will be credited as fully paid and will rank in full for all dividends and distributions declared paid or made on the Ordinary Shares after Admission. No temporary documents of title will be issued.

It is expected that, subject to the satisfaction of the conditions to the Placing Agreement, the Placing Shares, the Sale Shares and Subscription Shares will be registered in the names of the Placees/Subscribers subscribing for them (as appropriate) and issued or transferred either: (a) in

certificated form, where the Placee/Subscriber so elects, with the relevant share certificate expected to be dispatched by post, at the risk of the relevant Placee/Subscriber, by week commencing 1 July 2019; or (b) in CREST, where the Placee/Subscriber so elects and only if the Placee/Subscriber is a “system member” (as defined in the CREST Regulations) in relation to CREST, with delivery (to the designated CREST account) of the Placing Shares and/or Sale Shares and/or Subscription Shares subscribed for, which is expected to take place on 25 June 2019. CREST is a voluntary system and holders of Ordinary Shares who wish to receive and retain share certificates will be able to do so.

All of the Ordinary Shares will be in registered form and no temporary documents of title will be issued. All documents or remittance sent by or to a place, or as they may direct, will be sent through the post at their risk.

20. TAXATION

Investors are referred to paragraph 17 of Part 6 of this document for details of the taxation of the Company and Shareholders in the UK. Investors who are in any doubt as to their tax position or who are subject to tax in jurisdictions other than the UK are strongly advised to consult their own professional advisers immediately.

21. THE TAKEOVER CODE

At Admission, the Takeover Code will apply to the Company. Under Rule 9 of the Takeover Code, if: (i) a person acquires an interest in Ordinary Shares which, when taken together with Ordinary Shares already held by him or persons acting in concert with him, carry 30 per cent. or more of the voting rights in the Company; or (ii) a person who, together with persons acting in concert with him, is interested in not less than 30 per cent. and holding shares carrying not more than 50 per cent. of the voting rights in the Company acquires additional interests in Ordinary Shares which increase the percentage of Ordinary Shares carrying voting rights in which that person is interested, then the acquirer and, depending on the circumstances, its concert parties, would be required (except with the consent of the Takeover Panel) to make a cash offer for the outstanding Ordinary Shares at a price not less than the highest price paid for any interests in the Ordinary Shares by the acquirer or its concert parties during the previous twelve months.

Under the Takeover Code, a concert party arises where persons acting together pursuant to an agreement or understanding (whether formal or informal and whether or not in writing) actively co-operate, through the acquisition by them of an interest in shares in a company, to obtain or consolidate control of the company. Control means holding, or aggregate holdings, of an interest in shares carrying 30 per cent. or more of the voting rights of the company, irrespective of whether the holding or holdings give de facto control.

21.1 The Concert Party

The Company has agreed with the Takeover Panel that the following Shareholders are acting in concert with each other for the purposes of the Takeover Code (together the “**Concert Party**”):

Name	Number of Ordinary Shares	Percentage of Enlarged Share Capital
Lord Digby Jones	396,951	0.35
Carl Jani	13,749,144	12.15
Harry Adams	13,749,144	12.15
Andrew Egan	6,130,918	5.42
Kit Smith	1,484,123	1.31
Joseph Duffelen	494,708	0.44
Daniel Merrick	494,708	0.44
Sam Williams	148,413	0.13
PIML	14,195,191	12.54
Mark Johnson	3,156,622	2.79
Henry Beckwith	7,349,948	6.49
Piers Beckwith	3,070,232	2.71
Heather Beckwith	1,329,104	1.17
William Tonkyn	2,473,540	2.18
Oliver Hemsley	949,360	0.84
Total:	69,172,106	61.10

21.2 The Pacific Sub-Concert Party

The Company has agreed with the Takeover Panel that the following members of the Concert Party, together with certain other Pacific family members and associated trusts who do not currently hold any Ordinary Shares but who are participating in the Placing, form a distinct sub-concert party for the purposes of the Takeover Code (together, the “**Pacific Sub-Concert Party**”):

Name	Shareholders/Beneficiaries	Number of Ordinary Shares	Percentage of Enlarged Share Capital
PIML	Pacific Investments	14,195,191	12.54
Henry Beckwith	–	7,349,948	6.49
Piers Beckwith	–	3,070,232	2.71
Heather Beckwith	–	1,329,104	1.17
Pacific Investments	Sir John Beckwith (41.7%), Nicola Bearman (née Beckwith) (3.8%), Simon Piers Beckwith (3.8%), Henry Beckwith (3.8%), JL Beckwith 1994 Children’s Settlement Trust (2.7%), JL Beckwith 1994 Life Interest Settlement Trust (10.3%), JL Beckwith 1986 Children’s Settlement Trust (21.7%) and The Cara Beckwith-Aubry Bare Trust 2018 (12.2%)	–	–
JL Beckwith 1994 Children’s Settlement Trust	Settlor: Sir John Beckwith. Beneficiaries: Nicola Bearman (née Beckwith), Henry Beckwith and Piers Beckwith	–	–
JL Beckwith 1994 Life Interest Settlement Trust	Settlor: Sir John Beckwith. Beneficiaries: Nicola Bearman (née Beckwith), Henry Beckwith and Piers Beckwith	–	–

Name	Shareholders/Beneficiaries	Number of Ordinary Shares	Percentage of Enlarged Share Capital
JL Beckwith 1986 Children's Settlement Trust	Settlor: Sir John Beckwith. Beneficiaries: Nicola Bearman (née Beckwith), Henry Beckwith and Simon Piers Beckwith	183,963	0.16
The Cara Beckwith-Aubry Bare Trust 2018	Cara Beckwith-Aubry	–	–
Sir John Beckwith	Sir John Beckwith is the father of Nicola Bearman (née Beckwith), Henry Beckwith, Simon Piers Beckwith	–	–
JL Beckwith Charitable Trust	–	153,302	0.14
MC Trustees Private Pension re JL Beckwith	–	153,302	0.14
Mark Johnson	–	3,156,622	2.79
Oliver Hemsley	–	949,360	0.84
Penny Bailey	–	47,169	0.04
Nicola Bearman	–	153,302	0.14
Christian Bearman	–	190,094	0.17
Stuart Roberts	–	94,339	0.08
Douglas Rogers	–	108,490	0.10
Total:		31,134,418	27.50

21.3 The Principals Sub-Concert Party

The Company has agreed with the Takeover Panel that Harry Adams, Carl Jani and Andrew Egan form a separate sub-concert party for the purposes of the Takeover Code (the “**Principals Sub-Concert Party**”).

21.4 Application of the Takeover Code

Immediately following Admission, the Concert Party will hold in excess of 50 per cent. of the Enlarged Share Capital. For so long as this remains the case, the members of the Concert Party may acquire further interests in Ordinary Shares without being required to make a general offer under Rule 9 of the Takeover Code, save that an individual member of the Concert Party, and each of the Pacific Sub-Concert Party and the Principals Sub-Concert Party, may only acquire further interests in Ordinary Shares which would increase the aggregate percentage of Ordinary Shares in which he or it is interested in to 30 per cent. or more with the consent of the Takeover Panel.

21.5 Repurchase by the Company of Ordinary Shares

Under Rule 37 of the Takeover Code, when a company redeems or purchases its own voting shares, any resulting increase in the percentage of shares carrying voting rights in which a person or group of persons acting in concert is interested will be treated as an acquisition for the purposes of Rule 9 of the Takeover Code.

The Company may, from time to time, make market purchases of Ordinary Shares pursuant to the limited authority set out in paragraph 2.6(g) of Part 6 of this document. Should this authority be exercised in full and 16,969,811 Ordinary Shares be purchased in accordance with its terms (assuming no further Ordinary Shares are issued and no Ordinary Shares are disposed of or acquired by the Concert Party or either Sub-Concert Party), the interests of the Concert Party would increase to represent 71.9 per cent. of the voting capital of the Company at such time, the interests of the Pacific Sub-Concert Party would increase to represent 32.2 per cent. of the voting capital of the Company at such time and the interests of the Principals Sub-Concert

Party would increase to represent 34.9 per cent. of the voting capital of the Company at such time. The Panel has confirmed that, in such circumstances, neither the Concert Party nor either Sub-Concert Party shall be required to make a general offer under Rule 9 of the Takeover Code.

22. TYPICAL INVESTOR

An investment in the Ordinary Shares is only suitable for institutional investors, professionally-advised private investors and highly knowledgeable investors who understand and are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses (which may equal the whole amount invested) that may result from such an investment. Furthermore, an investment in the Ordinary Shares should constitute part of a diversified investment portfolio. It should be remembered that the price of securities and the income from them can go down as well as up.

23. FURTHER INFORMATION

The Company's performance is dependent on many factors and potential investors should read the whole of this document and in particular the risk factors set out at Part 2 of this document and further additional information on the Group set out at Part 6 of this document.

PART 2

RISK FACTORS

In addition to the other relevant information set out in this document, the following specific risks and uncertainties should be considered carefully in evaluating whether to make an investment in the Company. If you are in any doubt about the contents of this document or the action you should take, you are strongly recommended to consult a professional adviser authorised under FSMA who specialises in advising on the acquisition of shares and other securities.

The Directors believe the following risk and uncertainties associated with the Group and the industry in which it participates or an investment in the Ordinary Shares to be material risks and uncertainties that are known to the Company and should be used as guidance only. They are not presented in any order of priority. Additional risks and uncertainties relating to the Group and/or the Ordinary Shares that are not currently known to the Company, or which the Company currently deems immaterial, may arise or become (individually or collectively) material in the future, and may have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

This is a high risk investment and investors may lose a substantial portion or even all of the money they invest in the Company. An investment in the Company is, therefore, suitable only for financially sophisticated investors who are capable of evaluating the risks and merits of such investment and who have sufficient resources to bear any loss that might result from such investment.

Investors should also take their own tax advice as to the consequences of owning shares in the Company as well as receiving returns from it. No representation or warranty, express or implied, is given to investors as to the tax consequences of their acquiring, owning or disposing of any shares in the Company and neither the Company, the Directors nor Numis will be responsible for any tax consequences for any such investors.

RISKS RELATING TO THE COMPANY AND ITS OPERATIONS

Insufficient capital to meet regulatory requirements

As an authorised Group, Argentex must maintain minimum levels of capital in accordance with the Capital Requirement Regulation. High levels of volatility in the market could increase Argentex's exposure to its counterparties, putting pressure on capital ratios.

To mitigate this risk, Argentex conducts due diligence on its client base to ensure credit terms are set to acceptable levels, and will call for collateral when exposures to clients exceed set tolerances to ensure exposure levels are reduced to acceptable levels. For institutional exposures, Argentex only transacts with approved credit institutions, and regularly reviews financial and regulatory disclosures for indicators of capital or solvency risks.

As the Group acts in a matched principal capacity, market risk is naturally hedged and therefore limited to the Group's own funds in foreign currency. These currency amounts are regularly reviewed to ensure no unnecessary FX exposures are held.

Loss of revenue as a result of counterparties withdrawing services

The Group contracts on standard terms and conditions with its Institutional Counterparties and, as part of this, the agreements the Group has in place with Barclays Bank plc, Royal Bank of Scotland, Sucden Financial Limited, ED&F Man Capital Markets Limited and Macquarie Bank Limited are terminable at any time. Approximately 90 per cent. of the Group's trades are currently made through Barclays Bank plc. The Group has a very good working relationship with Barclays Bank plc but if Barclays, or another Institutional Counterparty, chooses to terminate, the Group may incur losses as a result of not being able to meet clients' incoming, new trading demands (the Group's standard trading terms and conditions cover it against third party actions in the case of existing trades).

The Group may incur losses as a result of counterparty failure

Failure of the Group's Institutional Counterparties could result in financial loss due to cash deposits placed with those counterparties, or unsettled forward transactions being cancelled and revoked.

The Group is at risk of counterparty failure. There is also a risk that the Institutional Counterparties' systems fail or are not operational for a period of time. This risk is managed by reviewing the financial standing of all Institutional Counterparties at least annually, as well as subjecting all Institutional Counterparties to an ongoing internal credit review. However, a systems failure at an Institutional Counterparty is outside the control of the Group and could have a materially adverse impact on its business and operations.

Concentration of key clients

Whilst the top 20 clients of the Group do change each year, they account for 35 per cent. of the Group's revenue (financial year ended 31 March 2019). The loss of one or more of these key clients to a competitor or otherwise, could lead to a material adverse effect on the Group's revenue and profitability. The Group has, however, successfully reduced the concentration of revenue over the last few years by expanding its client base and thus reducing its reliance on its top 20 clients.

Absence of long-term contracts with clients

The Group does not have long-term or exclusive contracts in place with its clients. As a consequence there is a risk that clients cease to engage the Group's services and instead transact with a third party provider; as a result, the Group's revenues are reduced. Notwithstanding that this contractual arrangement is standard in the foreign exchange market; the Group has an increasingly diversified and growing customer base with recurring FX needs.

Ability to retain key personnel and senior management

The Group benefits from an experienced team most of whom have many years' experience in the foreign currency exchange industry. The Group's ability to generate fees from existing and new customers in the future is reliant on its ability to continue to offer the expertise of an experienced team and, to an extent, is also reliant on the relationships that these individuals have with their clients. The Group's clients often provide repeat business due to the quality of work and the value added by its employees, so the loss of key senior employees would therefore increase the risk of not winning repeat work or missing out on significant new contracts, which could result in a material adverse effect on the Group's financial results. Many of the Group's competitors have greater financial resources due to their scale and international presence, and there is a risk that these competitors increase attempts to attract the Group's resources. The loss of the services of one or more of these senior people may result in a material adverse impact on the Group's performance and future success. A number of senior management have, or will have entered into service agreements with the Group, but there can be no certainty that these individuals will remain with the Group in the future. However, the Directors believe that the Group offers an attractive culture, as well as market leading remuneration packages including, in certain cases, profit share arrangements and/or equity participation in order to retain the best talent.

The Group may incur losses as a result of liquidity risk

Liquidity risk arises if the Group is unable to meet its financial obligations when due. For example, if the Group is unable to deposit margin required by its Institutional Counterparties, this could lead to the Group becoming unable or restricted in its ability to meet trading capital requirements which in turn could result in the ability of the Institutional Counterparties to terminate the financing facilities with the Group.

Liquidity risk arises if the Group is unable to deposit margin required by its Institutional Counterparties

The Group operates a matched-principal brokerage model, meaning it executes a matching trade with its Institutional Counterparties on receipt of client orders. The Group has facilities with the Institutional Counterparties. These facilities enable the Group to book both forward and spot contracts on behalf of its clients. The Institutional Counterparties mark-to market all of the Group's forward contracts at the end of each business day.

To calculate the level of margin required, the Group's Institutional Counterparties mark to market the Group's net currency positions (meaning foreign exchange positions favourably affected by market movements are offset against those adversely affected). As a result, the Group is able to benefit from exchange rate movements when it has positions on both sides of the market (e.g. a depreciation in the euro will negatively impact the Group's long euro positions, but at the same time benefit its euro short positions). This results in a net claim payable to (or claim on) the Institutional Counterparties. If a net claim is payable, the Group is required to deposit margin with its Institutional Counterparties on the following business day.

The Group funds margin due to its Institutional Counterparties through client margin calls and its own funds. When the Group makes a margin call, clients have one business day to deposit margin with the Group.

The Group benefits from the fact that trading terms with its Institutional Counterparties are generally more favourable than those offered to its clients, and it only has to fund its net FX exposure with its Institutional Counterparties (i.e. if two clients make equal and opposing trades simultaneously its exposure is nil).

Liquidity risk is primarily driven by:

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

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

The Group has a liquidity policy in place to mitigate any such risks which provides that:

- weekly stress tests are carried out that subject the Group's net currency positions to simulated significant FX market volatility;
- robust margin call terms are maintained with clients;
- an over extension of hedging facilities is managed through internally mandating a minimum amount of free cash to be placed against each hedging facility extended; and
- the Group's balance sheet must be well capitalised with cash so that in the event that they are called for margin collateral by Institutional Counterparty but unable to call on their clients as they have granted them a 'hedging facility', they are able to fund the position.

The Group may incur losses as a result of credit risk

The Group is exposed to credit risk if a client fails to deliver currency at maturity of the contract or fails to deposit margin when a margin call is made. In either scenario, the Group's policy is to immediately cancel the trade through booking an equal and opposite trade (in order to reverse the original contract). The Group is therefore exposed to the movements in the exchange rate of the total value of the contract since the trade was booked, or since the date of the last margin call, up to the date of cancellation. However, the Group has a credit policy in place to mitigate any potential losses arising from a client failing to settle; in particular, the Group assesses the creditworthiness of clients and, where a hedging facility has been extended, puts in place strict limits (typically limited to 3 per cent. or 5 per cent. of the value of the contract with a client). If a client should fail to make payments to the Group when due, this could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

Revenue growth is partly reliant on attracting new personnel to expand existing services

Headcount is an important facilitator of growth for the Group, with a demonstrable correlation between hiring and promoting senior personnel and an increase in revenues. Delays in hiring or internal promotions could have a significant impact on the Group's performance. Any significant delay in a new senior hire generating new fee income, be it due to cultural differences, lack of relationships, systems

or personality, could also adversely affect the Group's financial performance. There is consistently a lead time between hiring an employee and that employee generating revenue and there is a risk that new hires may require substantial time in order to start generating material fee income.

Ability to maintain quality of service and fulfil obligations on client contracts

The Group is reliant on being able to consistently deliver a high-quality service to clients. There are often risks outside of the control of the Group that may hinder the quality of service provided to a client, including human error, underperformance and/or illness of personnel. There can be no assurance that a client will maintain its relationship with the Group. Such termination or delay may result in a material adverse effect on the Group, if it cannot find replacement clients.

The Group's market share and business position may be adversely affected by economic, political and market factors beyond the Group's control

The market in which the Group operates is directly affected by many national and international factors that are beyond its control. Any of the following factors, among others, may cause a substantial decline in the market in which the Group offers its services: economic, stock market and political conditions, including UK monetary policy; the level and volatility of the currency market; concerns about inflation; changes in consumer confidence levels; legislative and regulatory changes including any impact on the currency market as a result of the UK leaving the European Union; natural disasters and epidemics; and concerns about terrorism and war. In recent years markets have been affected by the global financial crisis. Worsening or volatile economic conditions could impact the demand for the Group's services.

Uncertain economic prospects or a decline in the financial markets could:

- adversely affect the performance of the Group and its reputation;
- result in a deterioration of the Group's competitive position and a reduction in the overall level of its business; and
- lead to a failure to win new business.

Accordingly, any of these factors could have a material adverse effect on the Group's business, sales, results of operations, financial condition and growth prospects.

The Group's risk management policies, procedures and practices may not be effective or may be violated

The success of the Group's business is dependent on the Group's risk management policies, including policies in relation to, anti-bribery, corruption, financial crime (including money laundering), financial risk, fraud, information technology and security, as well as the amount of risk the Group is willing or able to take. The design and implementation of the Group's policies, procedures and practices used to identify, monitor and control risk may not be effective.

In addition, the Group's financial risk mitigation procedures and practices have been, and going forward will be, subject to human error, technological failure and competitive pressures. There can be no assurance that the Group will set financial risk limitation parameters accurately, that its testing and quality control practices will be effective in preventing technical software or hardware failure or that its employees will accurately or appropriately apply the Group's financial risk limitation procedures.

The Group is also exposed to potential losses due to fraud, misconduct and breaches of the Group's terms of business by its clients, counterparties, employees or third parties. For example, clients or people impersonating clients (for example through the use of a false identity to open an account) may engage in fraudulent activities, including the improper use of legitimate client accounts. In addition, the Group's employees may engage in unapproved activities or otherwise attempt to defraud the Group. Such activities may be difficult to prevent or detect, and the Group's internal policies, such as ensuring the segregation of duties and policing delegated authority limits, in order to mitigate these risks may be inadequate or ineffective. As such, the Group may not be able to recover the losses caused by such activities or events, which could have a material adverse effect on the Group's business, prospects, financial condition and results of operations.

The Group is subject to operational risk

The Group is subject to the risk of loss resulting from inadequate or failed internal processes, people, systems or external events. This can include the incorrect inputting or execution of a trade (either into the Group's reporting software or to one of the Group's Institutional Counterparties), as well as internal fraud e.g. intentional misreporting of positions, employee thefts, and insider trading on an employee's own account.

The Group minimises these errors through daily reconciliations of all account balances (meaning any trade error should be identified early), as well as ensuring trades greater than £10 million are reconciled within the hour. Where an error has been identified, it is the Group's policy to immediately cancel the trade through immediately booking an equal and opposite trade (in order to reverse the original contract). The Group also maintains a strict division between front and back office functions to ensure back office remain independent and attentive to any errors that may have been caused by front office.

Further, all daily reconciliations are overseen and signed off by a member of management. Daily reconciliations include reconciling trades booked with the Group's Institutional Counterparties as well as cash account balances. Internal fraud is minimised through DBS screening all back office individuals, maintaining strict delegated authority limits, segregation of duties and regular monitoring and oversight across different management functions. The Group also maintains a whistleblowing policy, which is communicated to all members of staff.

Geography

Any expansion by the Group into new countries brings associated risks. The Group generates most of its client business from the UK. The Group's head office and its senior management are based in the UK and there is a risk that any future overseas growth may result in a reduction in the quality of control and oversight provided by senior management. Factors such as different time zones, language barriers, different regulatory regimes in each country and different working cultures may all reduce the efficacy of the oversight provided by senior management and of the effectiveness of the Group's strategy employed in each country.

Relationships with technology platforms and service providers

The Group works with a number of technology platform providers and outsourced service providers particularly on the ongoing development of its proprietary custom software platform. A significant portion of the Group's services rely on technology platforms and outsourced services provided by a limited number of suppliers, with which the Group has non-exclusive supply agreements. As such, these suppliers are not prohibited from supplying solutions to the Group's competitors. A technology platform or outsourced services provider may be acquired, merge with another provider, or may discontinue operations, which could limit the Group's access to solutions provided by those suppliers. A sustained reduction in the Group's access to relevant technology platforms and outsourced services providers, or a deterioration in its relationship with those providers could have a material adverse effect on the Group's financial performance.

Macro-economic conditions that reduce demand for foreign currency, including a material slowdown or disruption in international trade and migration patterns.

Macro-economic conditions that reduce demand for foreign currency are likely to impact the Group. International trade is a key driver of demand for foreign exchange services. A slowdown in international trade could be caused by global macro-economic trends, such as reduced GDP growth or a recessionary economic climate. There is a risk that a slowdown in international trade could adversely impact the Group's business transaction turnover and as a result have a material impact on its income, earnings and growth.

Reduced spreads in foreign currencies, levels of trading activity and trading through alternative trading systems could reduce the Group's profitability

Computer-generated buy and sell programs and other technological advances and regulatory changes in the FX market may continue to tighten commission on foreign currency transactions. Tighter commissions and increased competition could make the execution of the Group's activities less profitable which in turn could have a material adverse effect on the Group's results and financial performance.

Foreign currency risk

Foreign currency risk refers to the risk that non-sterling revenue earned on a transaction may fluctuate due to changes in foreign currency rates. The Group manages its exposure to currency movements in line with its treasury policy.

The Group reduces its exposure to foreign exchange by retranslating excess cash in foreign currencies into sterling on a regular basis. The Group hedges a proportion of its unrealised currency exposures through the use of foreign exchange contracts.

The Group is exposed to foreign currency risk on sales and cash holdings that are denominated in a currency other than sterling. The principal currencies giving rise to this risk vary each year depending on the currency of trades the Group has entered into.

Potential breaches of data security

Through the ordinary course of business, the Group collects a wide range of personal and financial data from clients. This includes information such as personal contact details as well as payment information and bank account details. Cyber-attacks may lead to a compromise or even breach of the technology platform used by the Group to protect confidential information. It is possible that the measures taken by the Group (including firewalls, encryption of client data, operating a privacy policy, and policies to restrict access to data to authorised employees) will not be sufficient to detect or prevent unauthorised access to, or disclosure of, confidential information. There is a risk that, if a cyber-attack is successful, any data security breaches or failure to protect confidential information could result in loss of information integrity, breaches of obligations under applicable laws or client agreements and website and system outages, each of which may potentially have a material adverse impact on the Group's reputation, and financial performance notwithstanding the Group's insurance policy.

Interest rate risk

If the Group were to enter into financing arrangements where its exposure to floating interest rates was not hedged, or if a counterparty were to fail, the Group may be subject to interest rate risk and changes in interest rates could have a material adverse effect on the Group's results of operations, financial condition and business prospects.

Adequacy of insurance coverage

The Group's business may expose it to potential professional indemnity and other risks. By Admission the Group will have insurance in place to cover risks which the Directors, in their reasonable opinion, consider to be the key risks associated with the business (where insurance is available on what the Directors view as commercially acceptable terms). However, no assurance can be given that any future necessary insurance cover will be available to the Group at an acceptable cost, if at all, or that, if there is any claim, the level of the Group's insurance cover will be adequate. In the future if the Group's insurance is not adequate or available to pay liabilities associated with its operations, or if the Group is unable to purchase adequate insurance at reasonable rates in the future, it may have a material adverse effect on the Group's business, financial condition and business prospects.

Brexit

On 23 June 2016, the UK held a referendum on the UK's continued membership of the EU. This resulted in a vote for the UK to exit the EU and the UK government formally served notice of the UK's intention to leave the European Union on 29 March 2017 in accordance with Article 50(2) of the Treaty on European Union, marking the start of the process of the UK's withdrawal from the EU ("Brexit"). The date of Brexit has now been delayed until 31 October 2019. Brexit could have a serious impact on the Group's business, financial condition and results of operations. The extent of the impact would depend in part on the nature of the arrangements that are put in place between the UK and the European Union following Brexit and the extent to which the UK continues to apply laws that are based on European Union legislation. In addition the macroeconomic effect of Brexit on the Group's business (including on the pound sterling exchange rate in the long term) and of its clients is not known. Prolonged political and economic uncertainty and the potential negative economic trends that may follow could have a material adverse effect on the Group's results of operations, financial condition and business prospects.

The EU General Data Protection Regulation

The EU General Data Protection Regulation (“GDPR”) came into force and has applied directly to the legislation of all EU Member States from 25 May 2018 and replaced historic EU data privacy laws. The GDPR introduced a number of new more stringent obligations on data controllers and rights for data subjects as well as new and increased fines and penalties for breaches of its data privacy obligations. This increasingly restrictive and complex legal framework has resulted in a greater compliance burden for businesses with customers in Europe. The Group has incurred, and will continue to incur, costs and effort to ensure compliance with the GDPR and this could further increase compliance costs for the Group going forward.

If the Group is found not to comply with the data protection laws and regulations (including the GDPR) this may result in investigative or enforcement action (including criminal proceedings and significant pecuniary penalties) by the Information Commissioner’s Office in the UK and/or claims (including possible class actions) being brought against it by affected customers. This in turn could damage the Group’s reputation, lead to negative publicity and result in the loss of the goodwill of its existing customers and deter new customers, all of which would have a material adverse effect on the Group’s results of operations, financial condition and business prospects.

RISKS RELATING TO TAXATION AND REGULATION

A change in the Company’s tax status or in taxation legislation in the UK could adversely affect the Company’s profits and portfolio value and/or returns to Shareholders

The levels of and reliefs from taxation may change, adversely affecting the financial prospects of the Company and/or the returns payable to Shareholders. Any change in the Company’s tax status or in taxation legislation in the UK (including a change in interpretation of such legislation) could affect the Company’s ability to provide favourable returns to Shareholders. Any such change could also adversely affect the net amount of any dividends payable to Shareholders and/or the price of Ordinary Shares.

Argentex is subject to extensive regulation. Argentex may fail, or be held to have failed to comply with regulations. In addition, such regulations may change making compliance more onerous

The LLP is authorised and regulated by the FCA as (i) an electronic money institution under the Electronic Money Regulations 2011 and (ii) for the provision of investment services (IFPRU). The withdrawal of, or an amendment to, any regulatory approval required by a Group company or any of its Directors or employees for the Group’s business could result in the cessation of, or an adverse change in, the Group’s business or part thereof.

The FCA has broad regulatory powers dealing with all aspects of financial services, including the authority to grant, and in specific circumstances to vary or cancel permissions and to regulate marketing and sales practices, advertising and the maintenance of adequate financial resources. The FCA has effected greater regulatory scrutiny over the financial institutions it regulates over recent years and it is expected that this will continue for the foreseeable future, particularly in relation to compliance with new and existing corporate governance rules and remuneration, conduct of business, client protection, anti-money laundering, anti-terrorism laws and regulations, as well as the provisions of applicable sanctions.

The FCA and other regulators have in the past and may in the future make enquiries of companies operating within their jurisdiction regarding compliance with regulations governing the conduct of business or the operation of a regulated business (including the degree and sufficiency of supervision of the business by the Company) and the handling and treatment of clients or conduct investigations where it is alleged that regulations (including insider trading laws) have been breached. The FCA and/or other regulators could conclude that the Group and/or its employees have breached applicable regulations or regulatory principles and/or have not undertaken corrective action as required and commence regulatory proceedings which could result in a public reprimand to and/or fines or other regulatory sanctions being imposed upon one or more entities with the Group or any of its Directors or employees. Regulatory proceedings could result in adverse publicity or negative perceptions regarding the Group, restrictions on business activities and/or key personnel and/or fines and other penalties, any of which could result in a loss of revenue, as well as diverting the attention of the Group’s management from the day-to-day management of the Group. A significant regulatory action against a

member of the Group or any of its Directors or employees could have a material adverse effect on the Group's business, results of operations, financial condition and growth prospects.

Changes in: (i) the extent of the FCA's oversight of the Group's business; (ii) the FCA's interpretation or application of the current rules in respect of regulatory capital; (iii) the Group's regulatory capital requirements (including increases in the amount of regulatory capital required to be held), could, in the longer term, impact upon the Group's surplus working capital and have a material adverse effect on the Group's business, results of operations, financial condition and growth prospects.

The Group is subject to other regulations, laws and contractual restrictions including in respect of data protection and intellectual property rights. Breaches of such rights, laws and contractual restrictions could result in the incurrance of liability by the Group and such liability may not be subject to any contractual or other limitations.

Risk of incorrectly classifying clients

As the Group does not offer FX options to retail clients, there is a risk that a client is incorrectly classified as a Professional Client and the Group then advises on and/or deals in FX options with that client.

Risk of advising retail clients on MiFID products

There is a risk that retail clients are provided with advice when entering into a MiFID forward FX contract. As the Group is not authorised to advise retail clients, any personal recommendation made in relation to MiFID forward FX contracts would be outside of the regulatory permissions of the Group.

Client Money

The Group has permission to hold and control client money and there is a risk that on any given day incorrect amounts of client money is held in client bank accounts. This could arise in a number of scenarios, including the following:

- if mixed remittances are received and incorrectly processed;
- if client receipts are not allocated promptly;
- if client funds are received into an incorrect bank account; or
- if client money calculations are carried out incorrectly.

RISKS RELATING TO THE ORDINARY SHARES AND ADMISSION

Investments in AIM companies may attract a higher degree of risk

The prices of publicly traded securities can be volatile. The price of securities is dependent upon a number of factors, some of which are general or market or sector specific and others that are specific to the company issuing the relevant securities. The Ordinary Shares will not be listed on the Official List and although the Ordinary Shares will be traded on AIM, this should not be taken as implying that there will always be a liquid market in the Ordinary Shares. In addition, the market for shares in smaller public companies is less liquid than for larger public companies. Therefore, an investment in the Ordinary Shares may be difficult to realise and the price of the Ordinary Shares may be subject to greater fluctuations than might otherwise be the case.

An investment in shares quoted on AIM may carry a higher risk than an investment in shares quoted on the Official List. AIM has been in existence since June 1995 but its future success and liquidity in the market for Ordinary Shares cannot be guaranteed. Investors should be aware that the value of the Ordinary Shares may be volatile and may go down as well as up and investors may therefore not recover their original investment.

Restrictions on holdings of 10 per cent. or more

Prior approval of the FCA under section 178 of FSMA is required of any person proposing to acquire or increase "control" or a "qualifying holding" (respectively) of an FCA authorised person (being holdings of 10 per cent., 20 per cent. and 50 per cent.) and accordingly would apply in the case of

any person acquiring Ordinary Shares as a result of which such person's holding increased through the applicable threshold.

For FCA regulated entities, the FCA has 60 working days from the day on which it acknowledges the receipt of a completed change of control notice to determine whether to approve the new controller or object to the transaction. However, this period may be extended by a further 30 working days where the FCA is awaiting the provision of further information that it may request from an applicant during the approval process. If approval is given, it may be given unconditionally or subject to such conditions as the FCA considers appropriate. These laws may change and may, in their current or any future form, discourage potential future acquisition proposals and may delay, deter or prevent potential acquirers of Ordinary Shares which may, in turn, reduce the value of the Ordinary Shares.

Absence of prior trading market

Prior to Admission, there has been no public trading market for the Ordinary Shares and a market for the Ordinary Shares may not develop even after Admission. The Issue Price may not be indicative of the market price for the Ordinary Shares following Admission. Following Admission, the trading price of the Ordinary Shares may be subject to wide fluctuations in response to many factors, including those referred to in this Part 2, as well as stock market fluctuations and general economic conditions that may adversely affect the market price of the Ordinary Shares, regardless of the Company's actual performance or conditions in its key markets.

If securities or industry analysts do not publish research or reports about the Company's business, or if they downgrade their recommendations, the market price of the Ordinary Shares and their trading volume could decline

The trading market for the Ordinary Shares will be influenced by the research and reports that industry or securities analysts publish about the Company or its businesses. If any of the analysts that cover the Company or its business downgrade it or them, the market price of the Ordinary Shares may decline. If analysts cease coverage of the Company or fail to regularly publish reports on it, the Company could lose visibility in the financial markets, which in turn could cause the market price of the Ordinary Shares and their trading volume to decline.

Suitability of the Ordinary Shares as an investment

The Ordinary Shares may not be a suitable investment for all the recipients of this document. Before making a final decision, prospective investors are advised to consult an appropriate independent financial adviser authorised under FSMA if such prospective investor is resident in the UK or, if not, from another appropriately authorised independent financial adviser who can advise on acquisitions of shares and other securities. The value of the Ordinary Shares, and the income received from them, can go down as well as up and Shareholders may receive less than their original investment. In the event of a winding-up of the Company, the Ordinary Shares will rank behind any liabilities of the Company and therefore any return for Shareholders will depend on the Company's assets being sufficient to meet the prior entitlements of creditors.

The Company's ability to pay dividends in the future is not certain

There can be no assurance as to the level of future dividends (if any). The declaration, payment and amount of any future dividends of the Group are subject to the discretion of the Directors, and will depend on, among other things, the Group's earnings, financial position, cash requirements and availability of profits. A dividend may never be paid.

Future issues of Ordinary Shares may result in immediate dilution of existing Shareholders

The Company may decide to issue additional Ordinary Shares in the future in subsequent public offerings or private placements to fund future investments. If existing Shareholders do not subscribe for additional Ordinary Shares on a *pro rata* basis in accordance with their existing shareholdings, this will dilute their existing interests in the Company. Furthermore, the issue of additional Ordinary Shares may be on more favourable terms than the Placing Shares and/or Sale Shares and/or Subscription Shares. The issue of additional Ordinary Shares by the Company, or the possibility of such issue, may cause the market price of the Ordinary Shares to decline and may make it more difficult for Shareholders to sell Ordinary Shares at a desirable time or price. There is no guarantee that market

conditions prevailing at the relevant time will allow for such a fundraising or that new investors will be prepared to subscribe for Ordinary Shares at a price which is equal to or in excess of the Issue Price.

The market price of the Ordinary Shares may fluctuate significantly in response to a number of factors, some of which may be out of the Company's control

From time to time, publicly traded securities experience significant price and volume fluctuations which may be unrelated to the operating performance of the companies which have issued them. In addition, the market price of the Ordinary Shares may prove to be highly volatile. The market price of the Ordinary Shares may fluctuate significantly in response to a number of factors, some of which are beyond the Company's control, including: variations in operating results in the Company's reporting periods, changes in financial estimates by securities analysts, changes in market valuation of similar companies, announcements by the Company of a significant investment in a portfolio company, strategic alliances, joint ventures or other capital commitments, additions or departures of key personnel, any shortfall in turnover or net profit or any increase in losses from levels expected by securities analysts and future issues or sales of Ordinary Shares. Any or all of these events could result in a material decline in the price of the Ordinary Shares.

THE RISKS NOTED ABOVE DO NOT NECESSARILY COMPRISE ALL RISKS FACED BY THE GROUP AND ARE NOT INTENDED TO BE PRESENTED IN ANY ASSUMED ORDER OF PRIORITY.

PART 3

REGULATORY OVERVIEW

1. INTRODUCTION

In providing foreign exchange services to its client base, the following regulatory regimes principally determine the way the Group operates:

- Payment Services Regulations (2017) (the “PSRs”);
- Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (the “MLRs”);
- Proceeds of Crime Act 2002 (“POCA”);
- EU Funds Transfer Regulation;
- Electronic Money Regulations 2011 (the “EMRs”);
- Financial Services and Markets Act 2000 (“FSMA”); and
- Markets in Financial Instruments Directive II (“MiFID II”).

2. FINANCIAL CRIME

2.1 Scope

As an Electronic Money Institution and Annex 1 Financial Institution (as defined in the MLRs), Argentex must comply with legal requirements to deter and detect financial crime.

The key relevant legislation includes: the MLRs, the EU Funds Transfer Regulation, POCA, the relevant crime provisions of the PSRs and EMRs and the various pieces of legislation that implement the UK’s financial sanctions regime.

The FCA is the relevant supervisory authority for the MLRs for Electronic Money Institutions and Annex 1 Financial Institutions.

2.2 Key Requirements

Argentex is required to establish and maintain:

- systems and controls to comply with its legal obligations relating to financial crime under the legislation above;
- appropriate and risk-based policies and procedures to deter and detect financial crime; and
- an organisational structure where responsibility to prevent financial crime is clearly allocated.

2.3 Compliance

Argentex has implemented policies, controls and procedures to mitigate and manage effectively the risks of money laundering and terrorist financing. The Directors believe that Argentex’s policies and procedures are proportionate to the nature, scale and complexity of the firm and enable the compliance function to identify, assess, monitor and effectively manage financial crime risk. In preparing its AML policies and procedures, Argentex observes industry guidance and best practices as detailed in the Joint Money Laundering Steering Group (“JMLSG”) guidance on prevention of money laundering/combating terrorist financing.

Argentex conduct periodic reviews of its AML compliance using a specialist third party audit provider. The scope of the independent audit is external review of

- regulatory permissions;
- suspicious activity reporting;

-
- AML training;
 - customer due diligence and on-boarding;
 - MLRO reporting and MI;
 - transaction monitoring;
 - compliance monitoring;
 - AML policy;
 - customer risk assessment; and
 - management and key officer interview.

The last review was conducted in November 2018. Management are satisfied with the outcome of the findings in the report, and believe the report reflects the strong compliance culture and positive environment in which the firm operates.

3. ELECTRONIC MONEY AND PAYMENT SERVICES

3.1 Scope

As an Electronic Money institution, Argentex is subject to both the EMRs and PSRs. The EMRs are the UK implementation of the EU's second Electronic Money Directive (2EMD), and the PSRs implement the second Payment Services Directive (PSD2).

3.2 Regulatory Permissions

Argentex has been authorised by the FCA since March 2012, initially as an Authorised Payment Institution. In January 2017, Argentex was successful in its application to become an Electronic Money Institution.

All Payment Institutions and Electronic Money Institutions were required to undergo reauthorisation following the implementation of the PSRs 2017, which Argentex completed in May 2018.

Argentex is currently authorised under reference number 900671 for the following activities:

- services enabling cash placement on a payment account;
- services enabling cash withdrawals from a payment account;
- execution of payment transactions (not covered by a credit line);
- execution of payment transactions (covered by a credit line);
- issuing payment instruments or acquiring payment transactions;
- money remittance;
- execution of payment transactions via telecoms, IT system or network operator; and
- issuing Electronic Money.

These permissions allow Argentex to store and safeguard client funds effectively, and remit funds on behalf of its client base to their affiliates and suppliers.

3.3 Regulatory requirements

Argentex is required to comply with the EMRs and PSRs (as applicable) and certain aspects of the FCA Handbook.

The key aspects of the PSRs and EMRs relevant to Argentex are:

- conduct of business requirements;
- capital resource requirements;
- safeguarding of client funds;

-
- complaints handling;
 - reporting and notifications; and
 - operational and security risks.

3.4 Compliance

General

Argentex is required to maintain:

- robust governance arrangements for its electronic money issuance and payment service business, including a clear organisational structure with well-defined, transparent and consistent lines of responsibility;
- effective procedures to identify, manage, monitor and report any risks to which it might be exposed; and
- adequate internal control mechanisms, including sound administrative, risk management and accounting procedures,

which are comprehensive and proportionate to the nature, scale and complexity of electronic money to be issued and payment services to be provided.

Argentex must also continue to satisfy that:

- having regard to the need to ensure the sound and prudent conduct of the affairs of an authorised electronic money institution, any persons having a qualifying holding in the institution are fit and proper persons;
- the directors and persons responsible for the management of its electronic money and payment services business are of good repute and possess appropriate knowledge and experience to issue electronic money and provide payment services;
- it has a business plan under which appropriate and proportionate systems, resources and procedures will be employed by the institution to operate soundly;
- it has taken adequate measures for the purpose of safeguarding electronic money holders' funds.

The Directors are satisfied that the Group complies and will continue to comply with the general conditions above.

Conduct of business requirements

The PSRs set out the information to be provided or made available to customers before a contract is entered into, before execution of a transaction, and after execution of a transaction. This includes information to be provided in the form of a framework agreement. Argentex's framework agreement is its standard terms of business (or minor variations of the standard terms) under which in contracts with clients for the provision of foreign exchange services, payment services and electronic money services.

Capital resource requirements

Argentex has certain minimum capital resources requirements that it must maintain, which is based on the higher of €350,000 and the average outstanding e-money (as prescribed in the EMRs).

The Directors are satisfied that this criteria is satisfied on an ongoing basis.

Safeguarding requirements

Argentex is required to safeguard "relevant funds", received for the issuance for electronic money. The safeguarding obligation starts as soon as Argentex receives the funds. Argentex applies the segregation method when safeguarding funds and stores all safeguarded funds in pooled client accounts. Argentex holds bank acknowledgement letters regarding these pooled client accounts confirming their safeguarding status.

Complaint handling requirements

Argentex is required to have its own complaint handling arrangements. Argentex has a complaints policy in operation which is available on its website. The policy should be capable of handling most complaints received and the Directors are satisfied that this is the case.

Reporting and notification

Argentex is required to submit regular reporting information on a range of subject matters, including:

- Electronic Money annual returns;
- Complaints;
- Payments fraud;
- Operational and security risk;
- Controllers and close links; and
- Financial crime.

All reports have been submitted to the FCA within the appropriate timeframes.

Operational and security risk

Argentex is required by the PSRs to establish a framework with appropriate mitigation measures and control mechanisms to manage the operational and security risks relating to the payment services provided. As part of that framework Argentex must establish and maintain effective incident management procedures, including for the detection and classification of major operational and security incidents.

Argentex is required to submit this risk assessment at least annually, and the Directors are satisfied with the current risk assessment and any remedial actions to be taken based on the outcomes of the assessment.

4. FINANCIAL SERVICES AND MARKETS ACT 2000 AND MARKETS IN FINANCIAL INSTRUMENTS DIRECTIVE II (MIFID II)

4.1 Scope

Prior to the implementation of MiFID II in January 2018, spot FX transactions and FX forwards taken out for commercial purposes were exempt from classification as a derivative by the FCA under the UK's implementation of the first Markets in Financial Instruments Directive (MiFID). As such, Argentex's FX activities prior to the implementation of MiFID II did not require the LLP to be authorised as an Investment Firm.

Under MiFID II, spot FX transactions remain exempt from scope, however the commercial purpose exemption has been narrowed for FX forwards. Under MiFID II, certain FX products (including non-deliverable forwards and FX forwards entered into for balance sheet hedging) no longer fall within the exemption, and as such are classified as an investment product. In order to be exempt from the scope of MiFID II, FX forwards must be a "means of payment" for identifiable goods, services or direct investment. FX options are classified as an investment product under both MiFID and MiFID II.

4.2 Regulatory Permissions

Argentex was authorised by the FCA in December 2017 to provide FX products under the MiFID II regime, as implemented in the UK by FSMA (as amended).

Argentex is currently authorised as an IFPRU €125k Investment Firm under reference number 781077 for the following activities:

Regulated activity	Investment type⁽²⁾	Customer type
Agreeing to carry on a regulated activity	Future ⁽¹⁾ Option ⁽¹⁾	
Advising on investments	Future ⁽¹⁾ Option ⁽¹⁾	Eligible Counterparty Professional
Arranging (bringing about) deals in investments	Future ⁽¹⁾ Option ⁽¹⁾	Eligible Counterparty Professional Retail (Investment)
Dealing in investments as principal ⁽³⁾	Future ⁽¹⁾ Option ⁽¹⁾	Eligible Counterparty Professional Retail (Investment)
Making arrangements with a view to transactions in investments	Future ⁽¹⁾ Option ⁽¹⁾	Eligible Counterparty Professional Retail (Investment)

(1) Excluding a commodity future and a rolling spot forex contract.

(2) Rights to or interests in investments (Contractually Based Investments).

(3) Limited Licence – matched principal broker.

4.3 **Compliance**

Argentex is committed to upholding the FCA's principles for business – Integrity; Skill, care and diligence; Management and control; Financial prudence; Market conduct; Customers' interests; Communications with clients; Conflicts of interest; Customers: relationships of trust; Clients' assets; and Relations with regulators.

As an investment firm, Argentex must comply with the applicable provisions of the FCA Handbook. Argentex has implemented policies and procedures to promote best practice and a strong compliance culture, including the following key elements:

Systems and controls

- High level systems and controls, including apportionment & oversight and compliance arrangements;
- Outsourcing policy and procedures for oversight;
- Conflicts of interest policy and procedure;
- Staff dealing policy; and
- Business continuity plan.

Prudential

- ICAAP; and
- Capital adequacy reporting procedure.

Conduct

- Client categorisation procedure;
- Suitability and appropriateness policy and procedures;
- Product governance; and
- Staff competence policy – training and annual reviews.

Financial Crime

- Financial crime risk assessment
- Policies and procedures covering:
 - o Market abuse
 - o AML and Counter terrorist financing Anti-Bribery and Corruption
 - o Fraud
 - o Whistleblowing

Supervisory

- Reporting procedures, including breach identification and reporting, and FCA notification process

Complaints Handling

- Complaint handling policy and procedure

These policies are overseen by the Group's senior management and the Directors are satisfied with their effective implementation.

PART 4
FINANCIAL INFORMATION
SECTION A

Accountant's Report on the historical financial information of the LLP



20 June 2019

The Directors
Argentex Group PLC
5 Old Bond Street
London
W1S 4PD

Dear Sirs

Argentex LLP ("Argentex")

We report on the historical financial information set out on pages 59 to 77 relating to Argentex for the years ended 31 March 2017, 31 March 2018 and 31 March 2019. This historical financial information has been prepared for inclusion in the AIM Admission Document dated 20 June 2019 of Argentex Group PLC ("the Company") on the basis of the accounting policies set out in note 1 to the historical financial information. This report is required by Schedule Two of the AIM Rules for Companies and is given for the purpose of complying with that schedule and for no other purpose. Save for any responsibility arising under Schedule Two of the AIM Rules for Companies to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any responsibility to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report, or our statement, required by and given solely for the purposes of complying with Schedule Two of the AIM Rules for Companies, consenting to its inclusion in the Admission Document.

Responsibility

The Directors of Argentex Group PLC are responsible for preparing the historical financial information on the basis of preparation set out in note 1 to the historical financial information.

It is our responsibility to form an opinion on the historical financial information as to whether the historical financial information gives a true and fair view, for the purposes of the AIM Admission Document, and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the historical financial information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the historical financial information and whether the accounting policies are appropriate to the Group's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the historical financial information is free from material misstatement whether caused by fraud, other irregularity or error.

Opinion

In our opinion, the historical financial information gives, for the purposes of the AIM Admission Document dated 20 June 2019, a true and fair view of the state of affairs of Argentex as at the dates stated and of its profits, cash flows and changes in equity for the periods then ended in accordance with the basis of preparation set out in note 1.

Declaration

For the purposes of Paragraph (a) of Schedule Two of the AIM Rules for Companies, we are responsible for this report as part of the AIM Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the AIM Admission Document in compliance with Schedule Two of the AIM Rules for Companies.

Yours faithfully

Nexia Smith & Williamson Audit Limited

Registered Auditors
25 Moorgate
London
EC2R 6AY

SECTION B

Historical financial information of the LLP

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2019

	Notes	for the year ending 31 March 2017 £	for the year ending 31 March 2018 £	for the year ending 31 March 2019 £
Revenue	1.4	10,646,155	13,240,626	21,910,695
Direct costs		(279,861)	(283,122)	(391,656)
Gross Profit		10,336,294	12,957,504	21,519,039
Administrative expenditure		(4,886,740)	(6,740,692)	(10,288,461)
Operating profit	6	5,479,554	6,216,812	11,230,578
Interest payable and similar charges	5	(60,586)	(45,152)	(107,764)
Profit for the financial year before members' remuneration and profit shares		5,418,968	6,171,660	11,122,814
Members' remuneration charged as an expense	1.11	(5,418,968)	(6,171,660)	(11,122,814)
Retained profit for the financial year available for discretionary division among members and total comprehensive income		—	—	—

All of the LLP's operations are classed as continuing.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2019

	Notes	31 March 2017 £	31 March 2018 £	31 March 2019 £
Non-Current Assets				
Intangible assets	7	559,229	1,118,055	1,756,435
Property, plant and equipment	8	1,243,648	842,473	473,406
Trade and other receivables	9	1,319,967	482,225	2,228,663
Total non-current assets		3,122,844	2,442,753	4,458,504
Current assets				
Trade and other receivables	9	9,383,331	14,901,392	10,279,640
Cash and cash equivalents	10	14,535,554	12,747,583	13,566,063
Trade and other payables	11	(19,123,307)	(21,670,848)	(16,308,596)
Net current assets		4,795,578	5,978,127	7,537,107
Total assets less current liabilities		7,918,422	8,420,880	11,995,611
Creditors: amounts falling due after more than one year	12	(1,259,633)	(724,117)	(547,779)
NET ASSETS ATTRIBUTABLE TO MEMBERS		6,658,789	7,696,763	11,447,832
Loans and other debts due to members				
Other reserves	1.12	2,012,151	3,050,125	6,781,194
Members' other interests				
Members' capital classified as equity	1.12	4,646,638	4,646,638	4,666,638
		6,658,789	7,696,763	11,447,832
TOTAL MEMBERS' INTERESTS				
Loans and other debts due to members		2,012,151	3,050,125	6,781,194
Members' other interests		4,646,638	4,646,638	4,666,638
		6,658,789	7,696,763	11,447,832

STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 31 MARCH 2019

	Notes	for the year ending 31 March 2017 £	for the year ending 31 March 2018 £	for the year ending 31 March 2019 £
Net cash generated from operating activities				
before drawings and distributions to members	16	12,641,485	4,666,132	7,973,774
Drawings and distributions to members		(5,327,559)	(5,133,686)	(7,391,745)
Net cash generated from operating activities		7,313,926	(467,554)	582,029
Cash flow from investing activities				
Payments to acquire Property, plant and equipment		(92,648)	(50,626)	(53,069)
Payments to acquire intangible fixed assets		(488,986)	(958,971)	(1,417,090)
Net cash used in investing activities		(581,634)	(1,009,597)	(1,470,159)
Cash flow from financing activities				
New short term loans		–	–	1,997,430
Repayment of short term loans		(2,000,000)	–	–
Payments under lease arrangements	13	(310,820)	(310,820)	(310,820)
Capital contributions by members		3,053,281	–	20,000
Capital repayments to members		(431,643)	–	–
Net cash (outflow)/inflow from financing activities		310,818	(310,820)	1,706,610
Net (decrease)/increase in cash and cash equivalents		7,043,110	(1,787,971)	818,480
Cash and cash equivalents at beginning of the year		7,492,444	14,535,554	12,747,583
Cash and cash equivalents at end of the year		14,535,554	12,747,583	13,566,063

RECONCILIATION OF MEMBERS' INTERESTS (INCLUDING STATEMENT OF CHANGES IN EQUITY) FOR THE YEAR ENDED 31 MARCH 2019

	Members capital classified as equity £	Loans and other debts due to members £	Total £
Amounts due to members		1,920,742	
Members' interests at 1 April 2016	2,025,000	1,920,742	3,945,742
Members' remuneration charged as an expense	–	5,418,968	5,418,968
Members' interests after profit for the year	2,025,000	7,339,710	9,364,710
Capital introduced by members	3,053,281	–	3,053,281
Repayments of capital	(431,643)	–	(431,643)
Drawings	–	(5,327,559)	(7,391,745)
Members' interests at 31 March 2017	4,646,638	2,012,151	6,658,789
Amounts due to members		2,012,151	
Members' remuneration charged as an expense	–	6,171,660	6,171,660
Members' interests after profit for the year	4,646,638	8,183,811	12,830,449
Drawings	–	(5,133,686)	(5,133,686)
Members' interests at 31 March 2018	4,646,638	3,050,125	7,696,763
Amounts due to members		3,050,125	
Members' remuneration charged as an expense	–	11,122,814	11,125,426
Members' interests after profit for the year	4,646,638	14,172,939	18,819,577
Capital introduced by members	20,000	–	20,000
Drawings	–	(7,391,745)	(7,391,745)
Members' interests at 31 March 2019	4,666,638	6,781,194	11,447,832
Amounts due to members		6,781,194	

In the event of a winding up, amounts due to members rank *pari passu* in relation to all other unsecured creditors.

1. ACCOUNTING POLICIES

1.1 General information and basis of accounting

The Historical Financial Information (“HFI”) has been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and IFRIC Interpretations applicable to companies reporting under IFRS and which are in force at the reporting date.

This historical financial information is presented in pounds sterling, which is the currency of the primary economic environment in which the LLP operates. The financial information incorporates the financial statements of Argentex LLP for the twelve months to 31 March 2017, twelve months to 31 March 2018 and twelve months to 31 March 2019.

The combined historical financial information has been prepared in accordance with the requirements of the Prospectus Directive Regulation and the AIM Rules for Companies subject to the application of SIR 2000.

The accounting policies set out below, unless otherwise stated, have been applied consistently to all periods presented.

1.2 Measurement convention

The HFI has been prepared on the historical cost basis except for derivative financial instruments which are measured at fair value.

1.3 Going concern

The designated members have a reasonable expectation that the LLP has adequate resources to continue in operational existence for the foreseeable future and for at least one year from the approval date of this historical financial information. The LLP has been profitable since inception in 2011, has no external debt, and continues to generate sufficient cash to support the expectations of the designated members. Budgets and cash flow forecasts are prepared to cover a variety of scenarios and are subsequently reviewed by the members to ensure they support the LLP’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 LLP, including lower levels of revenue growth, compression in profitability margins and higher levels of operating expenditure.

In addition, the members have also considered mitigating actions such as lower capital expenditure and other short-term cash management activities within their control (see note 14.3 for further disclosures relating to liquidity risk).

Accordingly, the LLP has adopted the going concern basis in preparing its historical financial information.

1.4 Revenue

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 currency transaction for immediate or forward delivery. Derivative assets and liabilities are initially measured at fair value at the date the derivative contract is entered into and are subsequently remeasured to fair value at each financial period end date. The resulting gain or loss is recognised within Revenue immediately.

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

1.5 Financial instruments

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

(a) ***Initial Recognition***

Financial assets and financial liabilities are recognised when the LLP becomes a party to the contractual provisions of the instrument.

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

(b) ***Derivative financial instruments***

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

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability, unless a bilateral netting agreement exists between the LLP and its counterparty, in which case derivative financial asset and liability positions with the counterparty are aggregated to produce a single netted asset or liability.

The fair value of forward currency contracts is based on their observable mid, offer and bid prices in the foreign exchange marketplace requiring no significant adjustment.

(c) ***Foreign exchange gains and losses on derivative financial asset and liabilities***

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

(d) ***Derecognition of Derivative financial asset and liabilities***

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

(e) ***Amortised cost and effective interest method***

The effective interest method is a method of calculating the amortised cost of a financial liability or debt instrument and of allocating interest income over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the financial asset or liability.

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

(f) ***Classification of financial assets***

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

-
- (i) *Financial assets at FVTPL*
Forward foreign currency contracts are measured at FVTPL (see note 14).
Other financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL (see note 14.2).
Fair value is determined in the manner described in note 15.
- (ii) *Other Financial assets*
All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.
All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.
- (g) *Impairment of financial assets*
The LLP recognises impairment on an Expected Credit Loss (ECL) basis, using historical and forward looking information. The only financial assets at amortised cost that this applies to are Other Debtors.
- (h) *Derecognition of other financial assets*
The LLP derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.
On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.
- (i) *Classification of financial liabilities*
Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.
- (i) *Financial liabilities at FVTPL*
Financial liabilities are classified as at FVTPL when the financial liability is designated as at FVTPL.
Financial liabilities at FVTPL are stated at fair value with any gains or losses arising on changes in fair value recognised in profit or loss to the extent that they are not part of a designated hedging relationship.
Fair value is determined in the manner described in note 15.
- (ii) *Other Financial liabilities*
Other financial liabilities are subsequently measured at amortised cost using the effective interest method.
The LLP holds amounts payable to customers at amortised cost. These are short term balances that do not attract interest.
- (j) *Derecognition of other financial liabilities*
The LLP derecognises financial liabilities when, and only when, the LLP'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.
-

1.6 Leases

At inception of a contract the LLP 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 LLP considers whether:

- (a) the LLP has the right to operate the asset; and
- (b) the LLP 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. It is remeasured when there is a change in future lease payments arising from a change in rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee or if the LLP changes its assessment of whether it will exercise a purchases, 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 to use asset and the revised carrying amount is amortised over the remaining (revised) lease term, or it is recorded in profit and loss if the carrying amount of the right to use assets has been reduced to zero.

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

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

The LLP presents right to use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'Trade and other payables' in the statement of financial position.

1.7 Intangible assets and amortisation

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

Software development costs comprise the LLP's bespoke dealing system. Costs that are directly associated with the production of identifiable and unique dealing system controlled by the LLP, 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 or update. Maintenance costs are expensed through the Income Statement.

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

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

1.8 Property, Plant & Equipment

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

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

Office equipment	–	Three 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.

1.9 Foreign currencies

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

1.10 Employee benefits

(a) *Short term benefits*

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

(b) *Defined contribution pension plans*

The LLP operates a defined contribution pension plan for its employees. A defined contribution plan is a pension plan under which the LLP pays fixed contributions into a separate entity. Once the contributions have been paid the LLP 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 balance sheet. The assets of the plan are held separately from the LLP in independently administered funds.

1.11 Members' remuneration

Members' remuneration is determined by reference to the nature of the participation of rights. 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 LLP 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 Statement of Financial Position.

1.12 Members' interests

Member capital is only repaid to outgoing members in accordance with the provision in the Members' Deed where the LLP 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. KEY SOURCES OF ESTIMATION, UNCERTAINTY AND JUDGEMENTS

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

2.1 Accounting judgements

(a) *Impairment of non-financial assets*

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced.

The Members use their judgement to assess the costs to be capitalised with regard to upgrades and enhancements and the level of any obsolescence based on future cash generation.

(b) ***Impairment of financial assets***

Impairment provisions are recognised when has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the LLP measures the loss allowance for that financial instrument at an amount equal to 12 month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

2.2 Key sources of estimation uncertainty

(a) ***Useful economic life of intangible assets***

Technology within the financial services sector is in a perpetual state of development and evolution, providing uncertainty over the useful economic life of the LLP's bespoke dealing system.

The carrying value of intangible assets is shown in note 7.

3. SEGMENTAL REPORTING

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

No customer contributed to more than 10 per cent. of revenues in the year ended 31 March 2019 (2018 – none) (2017 – none).

4. EARNINGS PER SHARE

The historical capital structure is that of an LLP and therefore does not include share capital. In line with the provisions of paragraph 60 of SIR 2000 the LLP has not provided an earnings per share calculation as it is not considered meaningful.

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2017 £	2018 £	2019 £
Interest on short term loans	–	–	78,998
Interest on lease arrangements	60,586	45,152	28,766
	<u>60,586</u>	<u>45,152</u>	<u>107,764</u>

6. PROFIT FOR THE FINANCIAL YEAR BEFORE MEMBERS' REMUNERATION

	2017 £	2018 £	2019 £
Profit is stated after charging/(crediting):			
Depreciation of owned fixed assets (note 8)	438,756	451,801	422,136
Amortisation of intangible assets (note 7)	252,511	400,145	778,710
Net (gain)/loss on foreign currency translation	278,503	184,749	(152,057)
	<u>278,503</u>	<u>184,749</u>	<u>(152,057)</u>

7. INTANGIBLE FIXED ASSETS

	Software development costs £
Cost	
At 1 April 2016	579,036
Additions	488,986
At 31 March 2017	1,068,022
Additions	958,971
At 31 March 2018	2,026,993
Additions	1,417,090
At 31 March 2019	3,444,083
	Software development costs £
Amortisation	
At 1 April 2016	256,282
Charge for year	252,511
At 31 March 2017	508,793
Charge for year	400,145
At 31 March 2018	908,938
Charge for year	778,710
At 31 March 2019	1,687,648
Net book value	
At 31 March 2019	1,756,435
At 31 March 2018	1,118,055
At 31 March 2017	559,229

8. PROPERTY, PLANT AND EQUIPMENT

Cost	Leasehold improvements £	Right of use Asset £	Office equipment £	Computer equipment £	Total £
At 1 April 2016	345,418	1,173,525	237,235	135,270	1,891,448
Additions	6,282	–	2,920	83,446	92,648
At 31 March 2017	351,700	1,173,525	240,155	218,716	1,984,096
Additions	–	–	1,658	48,968	50,626
At 31 March 2018	351,700	1,173,525	241,813	267,684	2,034,722
Additions	–	–	1,212	51,857	53,069
At 31 March 2019	351,700	1,173,525	243,025	319,541	2,087,791

Depreciation	Leasehold improvements	Right of use Asset	Office equipment	Computer equipment	Total
	£	£	£	£	£
At 1 April 2016	30,363	176,033	54,277	41,049	301,722
Charge for the year	74,102	234,711	77,476	52,467	438,759
At 31 March 2017	104,465	410,714	131,753	93,516	740,448
Charge for the year	74,227	234,711	72,417	70,446	451,801
At 31 March 2018	178,692	645,425	204,170	163,962	1,192,249
Charge for the year	74,228	234,711	37,033	76,164	422,136
At 31 March 2019	252,920	880,136	241,203	240,126	1,614,385
Net book value					
At 31 March 2019	98,780	293,389	1,822	79,415	473,406
At 31 March 2018	173,008	528,100	37,643	103,722	842,473
At 31 March 2017	247,235	762,811	108,402	125,200	1,243,648

9. TRADE AND OTHER RECEIVABLES

	2017	2018	2019
	£	£	£
Non-Current			
Derivative financial assets at fair value (note 15)	1,319,967	482,225	2,228,663
	1,319,967	482,225	2,228,663
Current			
Derivative financial assets at fair value (note 15)	9,148,302	14,324,252	9,927,443
Other debtors	67,958	39,860	49,698
Prepayments	167,071	537,280	302,499
	9,383,331	14,901,392	10,279,640

The LLP always measures the loss allowance for other receivables at an amount equal to 12 month ECL. If there is a significant increase in credit risk, credit losses are recognised on the lifetime ECL basis. The expected credit losses on other receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

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

10. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand and at banks. Cash and cash equivalents at the end of the reporting period can be reconciled to the related items in the statement of financial position as follows:

	2017	2018	2019
	£	£	£
Cash and cash equivalents	14,535,554	12,747,583	13,566,063

11. TRADE AND OTHER PAYABLES

	2017	2018	2019
	£	£	£
Trade creditors	34,615	4,830	–
Amounts payable to clients	10,025,873	12,047,657	8,581,414
Short term loans	–	–	1,997,430
Accruals	817,136	1,170,982	2,120,097
Other taxation and social security	85,980	104,101	189,331
Derivative financial liabilities at fair value (note 15)	7,894,357	8,060,628	3,120,364
Lease liability (note 13)	265,346	282,650	299,960
	<u>19,123,307</u>	<u>21,760,848</u>	<u>16,308,596</u>

The short term loan was from Puma Lending (see related party note 18) and attracted an interest rate of 15%. The loan is repayable on demand and has no conversion rights.

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2017	2018	2019
	£	£	£
Derivative financial liabilities at fair value (note 15)	599,705	346,839	470,461
Lease liability (note 13)	659,928	337,278	77,318
	<u>1,259,633</u>	<u>724,117</u>	<u>547,779</u>

13. LEASES

The LLP leases its office space. The LLP entered into a five-year lease in July 2015 with no break or extension clauses. The annual lease payments are £310,820. The lease gives rise to a right-of-use asset (note 8), and a corresponding lease liability. Information about the lease liability is presented below:

13.1 Lease liabilities

	£
Lease liability at 1 April 2016	1,176,263
Payments made under lease terms	(310,820)
Unwinding of finance costs	59,831
Lease Liability at 31 March 2017	925,274
Payments made under lease terms	(310,820)
Unwinding of finance costs	45,474
Lease Liability at 31 March 2018	659,928
Payments made under lease terms	(310,820)
Unwinding of finance costs	28,170
Lease Liability at 31 March 2019	377,278

14. FINANCIAL INSTRUMENTS

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

14.1 Capital management

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

14.2 Categories of financial instruments

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

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

	2017 £	2018 £	2019 £
<i>Financial assets at fair value through profit or loss</i>			
Forward foreign currency contracts	10,468,269	14,806,477	12,156,106
	<u>14,468,269</u>	<u>14,806,477</u>	<u>12,156,106</u>
<i>Financial assets that are debt instruments measured at amortised cost</i>			
Other debtors	67,958	39,860	49,698
<i>Financial liabilities at fair value through profit or loss</i>			
Forward foreign currency contracts	(8,494,062)	(8,407,467)	(3,590,825)
<i>Financial liabilities measured at amortised cost</i>			
Trade creditors	(34,615)	(4,830)	–
Amounts payable to clients	(10,025,873)	(12,047,657)	(8,581,414)
Short term loans	–	–	(1,997,430)
Accruals	(817,136)	(1,170,982)	(2,120,097)
Lease liabilities	(925,274)	(659,928)	(377,278)
	<u>(11,802,898)</u>	<u>(13,833,397)</u>	<u>(13,176,219)</u>

14.3 Financial risk management objectives

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

Market risk

Market risk for the LLP comprises foreign exchange risk and interest rate risk. The LLP does not consider any of these factors to have a material significance to its operations.

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

Foreign exchange risk – sensitivity analysis

The LLP'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 LLP's operating profit of a 10% change in the exchange rate of Euros and US Dollars against Pounds sterling.

At 31 March	2017	2018	2019
10% weakening in the GBPEUR exchange rate	236,650	278,614	263,765
10% strengthening in the GBPEUR exchange rate	(193,623)	(227,957)	(215,808)
10% weakening in the GBPUSD exchange rate	(56,949)	(37,949)	220,961
10% strengthening in the GBPUSD exchange rate	46,595	31,049	(180,786)

Interest rate risk affects the LLP to the extent that forward foreign currency contracts have an implied interest rate adjustment factored in to their price, which is subject to volatility. This risk is

mitigated in the same way as foreign currency risk. The LLP's short term loans have fixed rates of interest, limiting any further exposure to interest rate risk.

Liquidity risk

Liquidity risk is the risk that the LLP will not be able to meet its financial obligations as they fall due. The LLP has extensive controls to ensure that it has sufficient cash or working capital to meet the cash requirements of the LLP in order to mitigate this risk. The LLP monitors its liquidity requirement daily, and the LLP 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 LLP, as well as ensuring that a robust system of internal controls is implemented and enforced (see the LLP's going concern policy in note 1.3).

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

Financial liabilities at balance sheet date by contractual maturity

31 March 2019

	0-3 months £	3-6 months £	6-12 months £	1-3 years £	Total £
Forward foreign currency contracts	(1,268,203)	(1,076,094)	(776,067)	(470,461)	(3,590,825)
Customer balances	(8,581,414)	–	–	–	(8,581,414)
Lease Payments	(77,705)	(77,705)	(155,410)	(77,705)	(388,525)
Short term loans	(1,997,430)	–	–	–	(1,997,430)
Other Payables	(2,120,097)	–	–	–	(2,120,097)
Financial liabilities	<u>(14,044,849)</u>	<u>(1,153,799)</u>	<u>(931,477)</u>	<u>(548,166)</u>	<u>(16,678,291)</u>

31 March 2018

	0-3 months £	3-6 months £	6-12 months £	1-3 years £	Total £
Forward foreign currency contracts	(3,102,454)	(1,743,554)	(3,214,620)	(346,839)	(8,407,467)
Customer balances	(12,047,657)	–	–	–	(12,047,657)
Lease payments	(68,595)	(69,629)	(144,426)	(377,278)	(659,928)
Short term loans	–	–	–	–	–
Other payables	(1,175,812)	–	–	–	(1,175,812)
Financial liabilities	<u>(16,394,518)</u>	<u>(1,813,183)</u>	<u>(3,359,046)</u>	<u>(724)</u>	<u>(22,290,864)</u>

31 March 2017

	0-3 months £	3-6 months £	6-12 months £	1-3 years £	Total £
Forward foreign currency contracts	(4,597,299)	(1,599,050)	(1,698,008)	(599,705)	(8,494,062)
Customer balances	(10,025,873)	–	–	–	(10,025,873)
Lease payments	(64,610)	(65,584)	(135,152)	(659,928)	(925,274)
Short term loans	–	–	–	–	–
Other payables	(851,751)	–	–	–	(851,751)
Financial liabilities	<u>(15,539,533)</u>	<u>(1,664,634)</u>	<u>(1,833,160)</u>	<u>(1,259,633)</u>	<u>(20,296,960)</u>

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. Argentex employs rigorous procedures and ongoing monitoring to ensure the

individual risk of any one client defaulting is never material in the context of the size of the business.

Management review financial and regulatory disclosures of the LLP's institutional counterparties to ensure its cash balances and derivative assets are maintained with creditworthy financial institutions. The LLP 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 LLP to command strong pricing and settlement terms with these institutions and is not considered a material risk to the LLP.

(a) **Overview of the LLP's exposure to credit risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the LLP. As at 31 March 2019, the LLP'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 LLP 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 statement of financial position.

The carrying amount of the LLP's financial assets at FVTPL as disclosed in (note 14) best represents their respective maximum exposure to credit risk. Note 14.5 details the Group's credit risk management policies

14.4 Counterparty risk

Argentex relies on third party institutions in order to trade and clear settlement funds through client accounts. To reduce counterparty credit risk to acceptable levels, Argentex only trades with institutional counterparties with robust balance sheets, high credit ratings and sound capital resources (as disclosed in accordance with the CRR and CRD IV of Basel III) and monitors the creditworthiness of institutional counterparties on an ongoing basis. It is the opinion of the business that the LLP's financial backing, turnover, systems and controls and quality of clients sets the business at the higher end of the spectrum of foreign exchange brokers in the UK. The LLP's business continuity procedures have established trading and settlement lines with several institutional counterparties which means that the withdrawal of services from a banking provider will have a negligible effect on the business.

14.5 Credit risk management

Note 14.3(a) details the LLP's maximum exposure to credit risk and the measurement bases used to determine expected credit losses.

The LLP 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 LLP's exposure to credit risk.

The table below sets out the profile of the LLP's open financial assets. Management are satisfied that the assets are of a high quality, none are past due and that no impairments are required.

Financial assets at balance sheet date by contractual maturity

31 March 2019

	0-3 months £	3-6 months £	6-12 months £	1-3 years £	Total £
Forward foreign currency contracts	5,334,490	1,789,611	2,803,341	2,228,663	12,156,106
Other receivables	49,698	–	–	–	49,698
Financial assets	<u>5,384,188</u>	<u>1,789,611</u>	<u>2,803,341</u>	<u>2,228,663</u>	<u>12,205,804</u>

31 March 2018

	0-3 months £	3-6 months £	6-12 months £	1-3 years £	Total £
Forward foreign currency contracts	4,921,555	2,154,313	7,248,384	482,225	14,806,477
Other receivables	39,860	–	–	–	39,860
Financial assets	<u>4,961,415</u>	<u>2,154,313</u>	<u>7,248,384</u>	<u>482,225</u>	<u>14,846,337</u>

31 March 2017

	0-3 months £	3-6 months £	6-12 months £	1-3 years £	Total £
Forward foreign currency contracts	3,771,77	2,334,083	3,042,447	1,319,967	10,468,269
Other receivables	67,958	–	–	–	67,958
Financial assets	<u>3,744,905</u>	<u>2,334,083</u>	<u>3,042,447</u>	<u>1,319,967</u>	<u>10,536,227</u>

15. FAIR VALUE MEASUREMENTS

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

15.1 Fair value of the LLP's financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the LLP'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).

Financial assets/financial liabilities	Fair value as at			Fair value hierarchy	Valuation technique(s) and key input(s)
	2017	2018	2019		
Foreign currency forward contracts (note 14)	Assets £10,468,269; and Liabilities £8,494,062	Assets £14,806,477; and Liabilities £8,407,467	Assets £12,156,106; and Liabilities £3,590,825	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.

Estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates.

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

The members consider that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximately at their fair values

16. RECONCILIATION OF PROFIT FOR THE FINANCIAL YEAR TO NET CASH INFLOW FROM OPERATING ACTIVITIES BEFORE DRAWINGS AND DISTRIBUTIONS TO MEMBERS

	2017 £	2018 £	2019 £
Profit for the financial year	5,418,968	6,171,660	11,122,814
Adjustments for			
– Interest payable and similar charges	60,586	45,152	107,764
Operating profit	5,479,554	6,216,812	11,230,578
Depreciation of plant and equipment	438,756	451,801	422,136
Amortisation of intangible assets	252,511	400,145	778,710
Increase in receivables	(1,756,937)	(4,680,319)	2,875,314
Increase in trade and other payables	8,227,601	2,277,693	(7,732,964)
Net cash generated from operating activities	12,641,485	4,666,132	7,973,774

17. RECONCILIATION OF LIABILITIES FROM FINANCING ACTIVITIES

	2017 £	2018 £	2019 £
At 1 April	–	–	–
Cash flows	–	–	1,997,430
Non-cash changes	–	–	–
At 31 March	–	–	1,997,430
Short term loans (note 11)	–	–	1,997,430

18. RELATED PARTY TRANSACTIONS

During the year, the LLP carried out transactions with Pacific Investments Management Limited (and its subsidiary companies) totalling £nil (2018: £nil, 2017: £12,000). The transactions were the payment of £nil (2018: £nil, 2017: £12,000) for accounting fees.

Included in trade creditors is an amount of £nil (2018: £nil, 2017: £3,000) due to Pacific Investments Management Limited in respect of accounting fees.

Puma Lending Limited, a company related by common control to Pacific Investments Management Limited also provides an occasional short term liquidity facility to the LLP in the form of short term loans (see note 11). The maximum balance during the period was £2,560,000 (2018: £2,000,000, 2017: £2,000,000 of which £1,997,430 (2018: £nil, 2017: £nil) was outstanding at the year end.

The relationship of Pacific Investments Management Limited to the LLP is that a subsidiary of Pacific Investments Management Limited is a member of the LLP. Pacific Investments Management Limited has directors who are individual members in the LLP.

Total key management personnel compensation

Key management are those persons having authority and responsibility for planning, controlling and directing the activities of the LLP. In the opinion of the partnership board the key management are deemed to be the designated members and the members. Information regarding their short-term employment benefits is provided in the Reconciliation of Members' interests.

19. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

As at 31 March 2019 there were no capital commitments or contingent liabilities (2018 & 2017: none).

20. CONTROLLING PARTY

In the opinion of the members there is no controlling party of the LLP.

SECTION C

Historical financial information of the Company

Argentex Group PLC was incorporated on 26 April 2019 under the Act with a financial year end of 31 March. Since the date of its incorporation, Argentex Group PLC has not yet commenced operations and it has no material assets or liabilities, and therefore no financial statements have been prepared as at the date of this document, and no separate historical financial information on Argentex Group PLC is presented in this document.

Section B of this Part 4 sets out the historical financial information for the LLP for the three financial years ended 31 March 2019 which has been the Group's sole trading company over that period.

Following the Reorganisation becoming effective (as described in paragraph 3 of Part 6 of this document), the Argentex Group PLC will own no assets other than its interest in the LLP via Argentex Capital and as the new parent company of the Group.

PART 5

TERMS AND CONDITIONS OF THE PLACING

MEMBERS OF THE PUBLIC ARE NOT ELIGIBLE TO TAKE PART IN THE PLACING. THESE TERMS AND CONDITIONS ARE FOR INFORMATION PURPOSES ONLY AND ARE DIRECTED ONLY AT: (A) PERSONS IN MEMBER STATES OF THE EUROPEAN ECONOMIC AREA (EACH A MEMBER STATE) WHO ARE QUALIFIED INVESTORS AS DEFINED IN SECTION 86(7) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000, AS AMENDED, (“**QUALIFIED INVESTORS**”) BEING PERSONS FALLING WITHIN THE MEANING OF ARTICLE 2(1)(E) OF THE EU PROSPECTUS DIRECTIVE (WHICH MEANS DIRECTIVE 2003/71/EC AND INCLUDES ANY RELEVANT IMPLEMENTING DIRECTIVE MEASURE IN ANY MEMBER STATE) (“**THE PROSPECTUS DIRECTIVE**”); (B) IN THE UNITED KINGDOM, QUALIFIED INVESTORS WHO ARE PERSONS WHO (I) FALL WITHIN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005 (“**THE ORDER**”); (II) FALL WITHIN ARTICLE 49(2) (A) TO (D) (HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS, ETC.) OF THE ORDER; OR (III) ARE PERSONS TO WHOM IT MAY OTHERWISE BE LAWFULLY COMMUNICATED (ALL SUCH PERSONS WITHIN (A) OR (B) TOGETHER BEING REFERRED TO AS “**RELEVANT PERSONS**”).

THESE TERMS AND CONDITIONS MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THESE TERMS AND CONDITIONS RELATE IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS.

These terms and conditions apply to investors agreeing (whether orally or in writing) to subscribe for and/or purchase Ordinary Shares (in this Part 5, “**Investors**”). Each Investor agrees with each of the Company, the Selling Shareholders and Numis, to be bound by these terms and conditions as being the terms and conditions upon which Ordinary Shares will be issued or sold in connection with the Placing and will be deemed to have accepted them.

The Company, the Selling Shareholders and/or Numis may require any Investor to agree such further terms and/or conditions and/or give such additional warranties and/or representations as any of them (in its absolute discretion) sees fit.

1. AGREEMENT TO SUBSCRIBE FOR AND/OR ACQUIRE ORDINARY SHARES

Conditional on: (i) the Placing Agreement becoming otherwise unconditional in all respects and not having been terminated in accordance with its terms; (ii) Admission occurring on or prior to 25 June 2019 (or such later date as Numis and the Company may agree but, in any event, no later than 8.00 a.m. on 9 July 2019); and (iii) the Investor being allocated Ordinary Shares, each Investor agrees to become a member of the Company and agrees to subscribe for and/or to acquire Ordinary Shares allocated to the Investor at the Issue Price.

To the fullest extent permitted by law, each Investor acknowledges and agrees that it will not be entitled to exercise any rights to rescind or terminate or, subject to any statutory rights, to withdraw an application for Ordinary Shares in the Placing, or otherwise to withdraw from, such commitment.

2. PAYMENT FOR ORDINARY SHARES

Each Investor undertakes to pay the Issue Price for the Ordinary Shares subscribed for and/or acquired by such Investor in such manner and by the time directed by Numis. In the event of any failure by any Investor to pay as so directed and/or by the time required by Numis, the relevant Investor will be deemed to have appointed Numis, or any nominee of Numis, as its agent to use its reasonable endeavours to sell (in one or more transactions) any or all of the Ordinary Shares allocated to the Investor in respect of which payment will not have been made as directed by Numis and indemnifies on demand Numis and/or any relevant nominee of Numis in respect of any liability for stamp duty

and/or stamp duty reserve tax arising in respect of any such sale or sales. Any proceeds received in respect of the sale of such Ordinary Shares shall be retained by Numis and for Numis' account and benefit as agent for the Company and/or the Selling Shareholder(s), as the case may be. A sale of all or any of such Ordinary Shares shall not release the relevant Investor from the obligation to make such payment for the relevant Ordinary Shares to the extent that Numis or their nominees have failed to sell such Ordinary Shares at a consideration which, after deduction of the expenses of such sale and payment of any stamp duty and/or stamp duty reserve tax as aforementioned, exceeds the Issue Price (as applicable) per Ordinary Share.

3. REPRESENTATIONS AND WARRANTIES

Each Investor and any person confirming an agreement to subscribe for and/or purchase Ordinary Shares on behalf of an Investor or authorising Numis to notify the Investor's name to the Registrars, undertakes, represents, warrants and acknowledges to each of the Company, the Selling Shareholders and Numis that:

- (a) the content of this document is exclusively the responsibility of the Company and the Directors and that neither the Selling Shareholders, Numis nor any person acting on their behalf is responsible for or will have any liability for any information, representation or statement contained in this document or any information previously published by or on behalf of the Company or any member of the Group and will not be liable for any decision by an Investor to participate in the Placing based on any information, representation or statement contained in this document or otherwise;
- (b) in agreeing to subscribe for and/or purchase Ordinary Shares, the Investor has read and understands this document in its entirety and acknowledges it is relying solely on this document (including these terms and conditions), the Articles as in force at the date of Admission, and any supplementary document that may be issued by the Company, and not on any draft thereof, other information given or representation or statement made at any time, by any person, concerning the Group, the Selling Shareholders, the Ordinary Shares or the Placing. Such Investor agrees that none of the Company, the Selling Shareholders, Numis nor any of their respective officers, partners, agents, employees or directors will have any liability for any such other document, information, representation or statement, and irrevocably and unconditionally waives any rights it may have in respect of any such other information or representation. This paragraph 3(b) of this Part 5 will not exclude any liability for fraudulent misrepresentation;
- (c) none of the Company, the Directors, Numis nor any of their respective advisers or agents is making any recommendations to Investors or advising any of them regarding the suitability or merits of any transaction they may enter into in connection with the Placing. Each Investor acknowledges that participation in the Placing is on the basis that it is not and will not be a client of Numis and that Numis is acting for the Company and no one else, and they will not be responsible to anyone else for the protections afforded to their clients, and that Numis will not be responsible to anyone other than the Company for providing advice in relation to the Placing, the contents of this document or any transaction, arrangements or other matters referred to herein and Numis will not be responsible to anyone other than the relevant party to the Placing Agreement in respect of any obligations contained in the Placing Agreement or for the exercise or performance of Numis' rights and obligations thereunder, including any right to waive or vary any condition or exercise any termination right contained therein;
- (d) the exercise by Numis of any rights or obligations under the Placing Agreement shall be within their absolute discretion and Numis need not have any reference to any Investor and it accepts that if the Placing does not proceed or the relevant conditions to the Placing Agreement are not satisfied for any reason whatsoever then neither Numis nor the Company, nor persons controlling, controlled by or under common control with any of them nor any of their respective employees, agents, officers, members, stockholders, partners or representatives, shall have any liability whatsoever to it or any other person;
- (e) where the Investor or any person acting on behalf of it is dealing with Numis, any money held in an account with Numis, on behalf of it and/or any person acting on behalf of it will not be

-
- treated as client money within the meaning of the relevant rules and regulations of the FCA which therefore will not require Numis to segregate such money, as that money will be held by Numis under a banking relationship and not as trustee;
- (f) the Investor has the funds available to pay the Issue Price in respect of the Ordinary Shares for which it has given a commitment under the Placing and that it will pay the total Issue Price in respect of its participation in the Placing;
 - (g) the subscription and/or purchase by the Investor for Ordinary Shares and the Investor's payment in respect thereof will comply with, and not violate, its constitutional documents or any agreement to which it is bound or which relates to any of its assets, is duly authorised and constitutes its valid and legally binding agreement;
 - (h) as far as the Investor is aware, it is not acting in concert (within the meaning given in the Takeover Code) with any other person in relation to the Company and it is not a related party of the Company for the purposes of the AIM Rules for Companies;
 - (i) if the laws of any territory or jurisdiction outside the United Kingdom are applicable to the Investor's agreement to subscribe for and/or purchase Ordinary Shares, such Investor warrants that it has complied with all such laws, obtained all governmental and other consents which may be required, complied with all requisite formalities, and none of the Company, the Selling Shareholders or Numis will infringe any laws outside the United Kingdom as a result of such Investor's agreement to subscribe for and/or purchase Ordinary Shares or any actions arising from such Investor's rights and obligations under the Investor's agreement to subscribe for and/or purchase Ordinary Shares and under the Articles;
 - (j) the Investor has not done, and will not do, anything in relation to the Placing that has resulted or could result in any person being required to publish a prospectus in relation to the Company or to any Ordinary Shares in accordance with FSMA or the Prospectus Rules or in accordance with any other laws applicable in any part of the European Union or the European Economic Area;
 - (k) the Investor understands that no action has been or will be taken in any jurisdiction other than the United Kingdom by the Company or any other person that would permit a public offering of the Ordinary Shares, or possession or distribution of this document, in any country or jurisdiction where action for that purpose is required, and (where relevant) represents and warrants that it is a person to whom the Ordinary Shares may be lawfully offered under such other jurisdiction's laws and regulations;
 - (l) if the Investor is in any member state of the European Economic Area which has implemented the Prospectus Directive it is:
 - (i) a legal entity which is a Qualified Investor; or
 - (ii) otherwise permitted by law to be offered and sold the Ordinary Shares in circumstances which do not require the publication by the Company of a prospectus pursuant to Article 3 of the Prospectus Directive or other applicable laws;
 - (m) subject to paragraph 3(p) of this Part 5, the Investor does not have a registered address in, and is not a national, resident or citizen of a Restricted Jurisdiction or a corporation, partnership or other entity organised under the laws of a Restricted Jurisdiction, the Investor will not offer, sell, renounce, transfer or deliver, directly or indirectly, any of the Ordinary Shares in a Restricted Jurisdiction or to any national, resident or citizen of a Restricted Jurisdiction and the Investor acknowledges that the Ordinary Shares have not been and will not be registered under the applicable securities laws of a Restricted Jurisdiction and that the same are not being offered for subscription and/or purchase, and may not, directly or indirectly, be offered, sold, transferred or delivered, in a Restricted Jurisdiction unless an exemption from any such registration requirement is available;
 - (n) the Investor is participating in the Placing in compliance with the selling and transfer restrictions set out in paragraph 3(i) of this Part 5, including the representations and acknowledgements contained therein;
-

-
- (o) subject to paragraph 3(p) of this Part 5, the Investor has not applied to subscribe for and/or acquire Ordinary Shares on behalf of a national, resident or citizen of a Restricted Jurisdiction or a corporation, partnership or other entity organised under the laws of a Restricted Jurisdiction;
 - (p) if the Investor or any person acting on behalf of it is in Australia, the Investor (and any such person) are: one of the following: (i) a “sophisticated investor” within the meaning of section 708(8) of the Corporations Act 2001 (Cth); or (ii) a “professional investor” within the meaning of section 708(11) of the Corporations Act; and a “wholesale client” within the meaning of section 761G of the Corporations Act;
 - (q) if the Investor is a natural person, such investor is not under the age of majority (18 years in the United Kingdom) on the date of such investor’s agreement to subscribe for and/or purchase Ordinary Shares under the Placing;
 - (r) the Investor is liable for any capital duty, stamp duty, stamp duty reserve tax and all other stamp, issue, securities, transfer, registration, documentary or other duties or taxes (including any interest, fines or penalties relating thereto) payable inside or outside the United Kingdom by it or any other person on the acquisition by it of any Ordinary Shares or the agreement by it to acquire any Ordinary Shares;
 - (s) in the case of a person who confirms to Numis, on behalf of an Investor, an agreement to subscribe for and/or purchase Ordinary Shares and/or who authorises Numis to notify the Investor’s name to the Registrars, that person represents and warrants that he, she or it has authority to do so on behalf of the Investor;
 - (t) in connection with its participation in the Placing, the Investor has complied with its obligations in connection with money laundering and terrorist financing under the Proceeds of Crime Act 2002, the Terrorism Act 2000 and the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (“MLR 2017”), and any other applicable law concerning the prevention of money laundering and that its application is only made on the basis that it accepts full responsibility for any requirement to verify the identity of its clients and other persons in respect of whom it has applied. In addition, it warrants that it is a person (i) subject to the MLR 2017 in force in the United Kingdom; or (ii) acting in the course of a business in relation to which an overseas regulatory authority exercises regulatory functions and is based or incorporated in, or formed under the law of, a country in which there are in force provisions at least equivalent to those required by the Money Laundering Directive (2005/60/EC of the European Parliament and of the EC Council of 26 October 2005 on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing);
 - (u) that due to anti-money laundering and the countering of terrorist financing requirements, Numis, the Company and/or the Selling Shareholders may require proof of identity of the Investor and related parties and verification of the source of the payment before the placing commitment can be processed and that, in the event of delay or failure by the Investor to produce any information required for verification purposes, Numis, the Company and/or the Selling Shareholders may refuse to accept the placing commitment and the subscription moneys relating thereto. The Investor shall hold harmless and will indemnify Numis, the Company and/or the Selling Shareholders against any liability, loss or cost ensuing due to the failure to process the placing commitment, if such information as has been required and has not been provided by it or has not been provided in a timely manner;
 - (v) the Investor is not, and is not applying as nominee or agent for, a person which is, or may be, liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in any of sections 67, 70, 93 and 96 of the Finance Act 1986 (depository receipts and clearance services);
 - (w) if the Investor is in the United Kingdom, it is: (i) a person having professional experience in matters relating to investments who falls within the definition of “investment professionals” in Article 19(5) of the Order; or (ii) a high net worth body corporate, unincorporated association or partnership or trustee of a high value trust as described in Article 49(2) (a) to (d) of the
-

-
- Order; or (iii) is otherwise a person to whom an invitation or inducement to engage in investment activity may be communicated without contravening section 21 of FSMA;
- (x) subject to paragraph 3(p) of this Part 5, the Investor has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted this document or any other offering materials concerning the Placing or the Ordinary Shares to any persons within a Restricted Jurisdiction or to any US person (as defined in Regulation S), nor will it do any of the foregoing;
 - (y) that, save in the event of fraud on the part of Numis, or in respect of any liability that cannot be excluded under FSMA, and its respective ultimate holding company, nor any direct or indirect subsidiary undertakings of such holding companies, nor any of their respective directors, members, partners, officers and employees shall be responsible or liable to an Investor or any of its clients for any matter arising out of the Placing, and that where any such responsibility or liability nevertheless arises as a matter of law, the Investor and, if relevant, its clients, will immediately waive any claim against any of such persons which the Investor or any of its clients may have in respect thereof;
 - (z) the Investor has not offered or sold and will not offer or sell any Ordinary Shares to persons in the European Economic Area prior to Admission except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their business or otherwise in circumstances which have not resulted in and which will not result in an offer to the public in any member state of the European Economic Area within the meaning of the Prospectus Directive (including any relevant implementing measure in any member state);
 - (aa) the Investor and each person or body (including without limitation, any local authority or the managers of any pension fund) on whose behalf it accepts Ordinary Shares or to whom it allocates such Ordinary Shares have the capacity and authority to enter into and to perform their obligations as an Investor and will honour those obligations;
 - (bb) each Investor in a relevant member state of the European Economic Area who acquires any Ordinary Shares under the Placing contemplated hereby will be deemed to have represented, warranted and agreed with each of Numis and the Company that: (i) it is a Qualified Investor; and (ii) in the case of any Ordinary Shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive: (A) the Ordinary Shares acquired by it in the Placing have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any relevant member state other than Qualified Investors, or in other circumstances falling within Article 3(2) of the Prospectus Directive and the prior consent of Numis has not been given to the offer or resale; or (B) where Ordinary Shares have been acquired by it on behalf of persons in any relevant member state other than Qualified Investors, the offer of those Ordinary Shares to it is not treated under the Prospectus Directive as having been made to such persons. For the purposes of this provision, the expression an “offer” in relation to any of the Ordinary Shares in any relevant member states means the communication in any form and by any means of sufficient information on the terms of the offer and any Ordinary Shares to be offered so as to enable an Investor to decide to subscribe for and/or purchase the Ordinary Shares, as the same may be varied in that relevant member state by any measure implementing the Prospectus Directive in that relevant member state;
 - (cc) in the case of a person who confirms to Numis, on behalf of an Investor which is an entity other than a natural person, an agreement to subscribe for and/or purchase Ordinary Shares and/or who authorises the notification of such Investor’s name to the Registrars, that person warrants that he, she or it has authority to do so on behalf of the Investor;
 - (dd) if the Investor is subscribing and/or acquiring Ordinary Shares as a fiduciary or agent for one or more Investor accounts, it has sole investment discretion with respect to each such account and it has full power to make the acknowledgements, representations and agreements contained herein on behalf of each such account; and confirms that any of its clients, whether or not identified to Numis or any of its affiliates or agents, will remain the Investor’s clients and will not become clients of Numis or any of its affiliates or agents for the purposes of the rules of the FCA or for the purposes of any other statutory or regulatory provision;
-

-
- (ee) the Investor accepts that the allocation of Ordinary Shares shall be determined by Numis and the Company in their absolute discretion and that such persons may scale down any placing commitments for this purpose on such basis as they may determine; and
 - (ff) time shall be of the essence as regards to its obligations to settle payment for, the Ordinary Shares and to comply with its other obligations under the Placing.

The Company, the Selling Shareholders and Numis will rely upon the truth and accuracy of the foregoing representations, warranties and undertakings. If an Investor believes that any of the representations, warranties or undertakings made in connection with or deemed to have been made by its application for Ordinary Shares are not or cease to be accurate, it shall promptly notify Numis and the Company.

4. SUPPLY AND DISCLOSURE OF INFORMATION

If the Company, the Selling Shareholders or Numis or any of their respective agents request any information about an Investor's agreement to subscribe for and/or purchase Ordinary Shares, such Investor must promptly disclose it to them and ensure that such information is complete and accurate in all respects.

Each Investor and any person confirming an agreement to subscribe for and/or purchase Ordinary Shares on behalf of an Investor or authorising Numis to notify the Investor's name to the Registrars, undertakes, represents, warrants and acknowledges to each of the Company, the Selling Shareholders and Numis that:

- (a) it acknowledges and agrees that information provided by it to the Company or the Registrars will be stored on their computer systems and in hard copy. It acknowledges and agrees that for the purposes of the Data Protection Act 2018 and other applicable data protection legislation ("Data Protection Law"), the Company and the Registrar are required to specify the purposes for which they will hold personal data. The Company and the Registrar will only use such information for the purposes set out below (collectively, the "Purposes"), being to:
 - (i) process the personal data (including special categories of personal data) of the Investor and any of its officers, directors, employees, representatives or clients (each, a "**Data Subject**") as required by or in connection with the holding of Ordinary Shares, including processing personal data in connection with credit and money laundering checks;
 - (ii) communicate with it as necessary in connection with its affairs and generally in connection with its holding of Ordinary Shares;
 - (iii) provide personal data to such third parties as the Company or the Registrar may consider necessary in connection with its affairs and generally in connection with its holding of Ordinary Shares or as Data Protection Law may require, including to third parties outside the United Kingdom or the European Economic Area;
 - (iv) process its personal data for the Company's internal administration;
 - (v) without limitation, provide such personal data to the Company, Numis and their respective associates for processing, notwithstanding that any such party may be outside the United Kingdom or the European Economic Area; and
- (b) it acknowledges and agrees that the Company and the Registrar have one or more of the following lawful bases for processing the personal data of any Data Subject:
 - (i) the processing is necessary for the performance of a contract to which it is party or in order to take steps at its request prior to entering into a contract;
 - (ii) the processing is necessary for compliance with a legal obligation to which the Company or the Registrar (as appropriate) is subject;
 - (iii) the processing is necessary for the purposes of the legitimate interests pursued by the Company, the Registrar or a third party (those interests being to enable the Investor to participate in the Placing); and

-
- (c) it acknowledges and agrees that:
- (i) before transferring the personal data of a Data Subject outside the European Economic Area, the Company and the Registrar will take all steps reasonably necessary to ensure that any such transfer is made securely and that there is adequate protection in place in order to protect such personal data, in accordance with Data Protection Law;
 - (ii) the Company and the Registrar will retain the personal data of the Investor and any Data Subject for a minimum of six years and for as long as is reasonably necessary for the purpose for which it was obtained and in accordance with their legal obligations and will follow their respective data destruction policy and processes thereafter;
 - (iii) subject to certain exceptions, a Data Subject has a right of access to the personal data that the Company and the Registrar hold about them;
 - (iv) a Data Subject has a right to the rectification of inaccurate or incomplete information about them held by the Company and the Registrar;
 - (v) in certain circumstances, a Data Subject has a right to request the deletion of information about them held by the Company and the Registrar;
 - (vi) a Data Subject has a right to lodge a complaint with the Information Commissioner by writing to the Information Commissioner's Office, Water Lane, Wilmslow, SK9 5AF telephone 0303 123 1113; and
- (d) in providing the Company and the Registrar with information, it hereby represents and warrants to the Company and the Registrar that it has notified each affected Data Subject of the matters set out in paragraphs 4(a) to 4(c) above and has obtained any necessary explicit consent of any Data Subject to the Company and the Registrar and their respective associates holding and using any special categories of personal data for the Purposes. For the purposes of this document, personal data and special categories of personal data shall have the meanings attributed to them in the Data Protection Law.

5. UNITED STATES PURCHASE AND TRANSFER RESTRICTIONS

- (a) By participating in the Placing, each Investor acknowledges and agrees that it will (for itself and any person(s) procured by it to subscribe for or purchase Ordinary Shares pursuant to the Placing and any nominee(s) for any such person(s)) be further deemed to represent and warrant to the Company, the Selling Shareholders and Numis that:
- (i) it is (i) not located within the United States and is acquiring the Ordinary Shares in an "offshore transaction" within the meaning of and pursuant to Regulation S; (ii) not a US person (as defined in Regulation S) and it is not acquiring the Ordinary Shares for the account or benefit of a US person; and (iii) not acquiring any Ordinary Shares as a result of any "directed selling efforts" as defined in Regulation S;
 - (ii) it acknowledges that the Ordinary Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold, directly or indirectly in the United States or to, or for the account or benefit of, US persons (as defined in Regulation S) absent registration except pursuant to an exemption from or registration requirements of the U.S. Securities Act;
 - (iii) it acknowledges that the Company has not registered under the U.S. Investment Company Act, that investors will not be entitled to the benefits of that act, and that the Company has put in place restrictions for transactions not involving any public offering in the United States, and to ensure that the Company is not and will not be required to register under the U.S. Investment Company Act;
 - (iv) it is not, and for so long as it holds the Ordinary Shares or any beneficial interest therein will not be, a U.S. Plan Investor, it is not acting on behalf of a U.S. Plan Investor, and no portion of the assets used by it to acquire or hold the Ordinary Shares or any beneficial interest therein constitutes or will constitute "plan assets" of any U.S. Plan
-

Investor under the U.S. Plan Asset Regulation. In addition, if the Investor is, or is acting on behalf of, an Other Plan Investor, or any portion of the assets used by the Investor to acquire or hold the Ordinary Shares or any beneficial interest therein constitutes, or will constitute, assets of an Other Plan Investor for purposes of any similar law, its purchase, holding and disposition of the Ordinary Shares will not constitute or result in a non-exempt violation of any such similar law or cause the assets of the Company to be deemed to be assets of such Other Plan Investor for purposes of any such similar law;

- (v) it is purchasing the Ordinary Shares for its own account or for one or more investment accounts for which it is acting as a fiduciary or agent, in each case for investment only, and not with a view to or for sale or other transfer in connection with any distribution of the Ordinary Shares in any manner that would violate the U.S. Securities Act, the U.S. Investment Company Act or any other applicable securities laws;
 - (vi) it acknowledges that the Company reserves the right to make inquiries of any holder of the Ordinary Shares or interests therein at any time as to such person's status under the US federal securities laws and to require any such person that has not satisfied the Company that holding by such person will not violate or require registration under the U.S. securities laws to transfer such Ordinary Shares or interests in accordance with the Articles;
 - (vii) it acknowledges and understands the Company is required to comply with FATCA and that the Company will follow FATCA's extensive reporting and withholding requirements. The Investor agrees to furnish any information and documents which the Company may from time to time request, including but not limited to information required under FATCA;
 - (viii) it has received, carefully read and understands this document, and has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted this document or any other presentation or offering materials concerning the Ordinary Shares to or within the United States or to a US person (as defined in Regulation S), nor will it do any of the foregoing; and
 - (ix) if it is acquiring any Ordinary Shares as a fiduciary or agent for one or more accounts, the investor has sole investment discretion with respect to each such account and full power and authority to make such foregoing representations, warranties, acknowledgements and agreements on behalf of each such account.
- (b) The Company, Numis and their respective directors, officers, agents, employees, advisers and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgments and agreements.
 - (c) If any of the representations, warranties, acknowledgments or agreements made by the Investor are no longer accurate or have not been complied with, the Investor will immediately notify the Company and Numis.

6. FURTHER AUTHORITY

In applying to be issued and/or transferred Ordinary Shares pursuant to the Placing, the Investor irrevocably appoints any Director and any director of Numis to be its agent and on its behalf (without any obligation or duty to do so), to sign, execute and deliver any documents and do all acts, matters and things as may be necessary for, or incidental to, its acquisition and registration of all or any of the Ordinary Shares for which it has given a commitment under the Placing, in the event of its own failure to do so.

7. MISCELLANEOUS

- (a) The rights and remedies of the Company, the Selling Shareholders and Numis under these terms and conditions are in addition to any rights and remedies which would otherwise be available to each of them, and the exercise or partial exercise of one will not prevent the exercise of others.

-
- (b) On application, each Investor may be asked to disclose, in writing or orally, to Numis:
 - (i) if he or she is an individual, his or her nationality; or
 - (ii) if he, she or it is a discretionary fund manager, the jurisdiction in which the funds are managed or owned.
 - (c) All documents provided in connection with the Placing will be sent at the Investor's risk. They may be sent by post to such Investor at an address notified to Numis.
 - (d) Each Investor agrees to be bound by the Articles (as amended from time to time) once the Ordinary Shares which such Investor has agreed to subscribe for and/or purchase have been issued or transferred to such Investor.
 - (e) The Company, the Selling Shareholders and Numis expressly reserve the right to modify the Placing (including without limitation, its timetable and settlement) at any time before the Issue Price and allocation are determined.
 - (f) The contract to subscribe for and/or purchase Ordinary Shares under the Placing and the appointments and authorities mentioned herein and all disputes and claims arising out of or in connection with its subject matter or formation (including any non-contractual disputes or claims) will be governed by, and construed in accordance with, English law. For the exclusive benefit of the Company, the Selling Shareholders and Numis, each Investor irrevocably submits to the exclusive jurisdiction of the English courts in respect of these matters and waives any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum. This does not prevent an action being taken against an Investor in any other jurisdiction.
 - (g) In the case of a joint agreement to subscribe for and/or purchase Ordinary Shares, references to a purchaser in these terms and conditions are to each of such Investors and any Investor's liability is joint and several.

8. INFORMATION TO DISTRIBUTORS

Solely for the purposes of the product governance requirements contained within: (a) MiFID II; (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the “**MiFID II Product Governance Requirements**”), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any “manufacturer” (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Ordinary Shares have been subject to a product approval process, which has determined that such Ordinary Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of Professional Clients and Eligible Counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the “**Target Market Assessment**”). Notwithstanding the Target Market Assessment, distributors should note that: (a) the price of the Ordinary Shares may decline and investors could lose all or part of their investment; (b) the Ordinary Shares offer no guaranteed income and no capital protection; and (c) an investment in the Ordinary Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Placing. Furthermore, it is noted that, notwithstanding the Target Market Assessment, Numis will only procure investors who meet the criteria of Professional Clients and Eligible Counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Ordinary Shares.

Each distributor is responsible for undertaking its own Target Market Assessment in respect of the Ordinary Shares and determining appropriate distribution channels.

PART 6

ADDITIONAL INFORMATION

1. THE GROUP

- 1.1 The Company was incorporated in England and Wales on 26 April 2019 with registered number 11965856 as a public company limited by shares under the Act with the name 'ARG 124 PLC'. The Company is domiciled in England and Wales for tax purposes. On 12 June 2019, the Company changed its name to Argentex Group PLC.
- 1.2 The registered office of the Company is 5 Old Bond Street, Mayfair, London W1S 4PD with telephone number +44 (0) 203 772 0300. The Company's website, which discloses the information required by Rule 26 of the AIM Rules, is www.argentex.com.
- 1.3 The Company and the Group trade under the name 'Argentex'. The principal legislation under which the Company operates is the Act and the regulations made thereunder.
- 1.4 The LLP holds two authorisations with the FCA: (a) as an authorised and regulated firm with reference number 781077 and (b) as an authorised electronic money institution with reference number 900671. In providing foreign exchange services, Argentex remits money under the Payment Services Directive encapsulated within its electronic money permissions. Argentex is an IFPRU €125k limited licence firm which is able to hold and control client money. Argentex also holds the following authorisations and approvals:
- (a) a member of SWIFT (BIC ARTXGB2L);
 - (b) registered with the London Stock Exchange for the purposes of European Market Infrastructure Regulation (EMIR) reporting (LEI 213800OFFR9NLMLXI686); and
 - (c) registered with the Information Commissioner's Office (ICO), Data Protection Registration number ZA041779.
- 1.5 On 10 June 2019, the Company was granted a certificate under Section 761 of the Act entitling it to commence business and to exercise its borrowing powers.
- 1.6 The Company's accounting period ends on 31 March of each year. The first accounting period ends on 31 March 2020. The annual report and accounts will be prepared in sterling according to accounting standards laid out under IFRS. It is expected that copies of the report and accounts will be sent to Shareholders by the end of September each year. The Company will also publish an unaudited half-yearly report covering the six months to 30 September each year. The first unaudited financial report that the Company will publish will be for the period from incorporation to 30 September 2019.
- 1.7 The Company intends to hold its first annual general meeting before 30 September 2020 and will continue to hold an annual general meeting before 30 September each year thereafter.
- 1.8 The Company's principal activity is that of a holding company. Following completion of the Reorganisation (which shall take place prior to Admission), the Company will act as the ultimate parent company of the Group and will have the following subsidiaries and subsidiary undertakings:

Subsidiary/subsidiary undertaking	Principal activity	Country of incorporation	Registered office	Percentage of ownership
Argentex Capital Limited	Intermediate holding company	England and Wales	5 Old Bond Street, London W1S 4PD	100 per cent. by the Company*

Subsidiary/subsidiary undertaking	Principal activity	Country of incorporation	Registered office	Percentage of ownership
Pacific Foreign Exchange Ltd (to be renamed Argentex Foreign Exchange Ltd shortly after Admission)	Intermediate holding company	England and Wales	5 Old Bond Street, London W1S 4PD	100 per cent. by Argentex Capital**
Argentex LLP	Operating entity	England and Wales	5 Old Bond St, London W1S 4PD	76.341 per cent. by Argentex Capital and 23.659 per cent. by PFEL***

*The Company will own the beneficial interest in Argentex Capital on Admission until the stock transfer forms executed in relation to the Argentex Capital Acquisition Agreement are stamped by HMRC and Argentex Capital's register of members is written up, whereupon the legal ownership will transfer. Until such time as the legal ownership is transferred, the Company has the benefit of a power of attorney to exercise all legal rights in relation to the shares.

**Argentex Capital will own the beneficial interest in Pacific Foreign Exchange Ltd on Admission until the stock transfer from executed in relation to the PFEL Acquisition Agreement is stamped by HMRC and PFEL's register of members is written up, whereupon the legal ownership will transfer. Until such time as the legal ownership is transferred, Argentex Capital has the benefit of a power of attorney to exercise all legal rights in relation to the shares.

***In addition the Continuing Members will have the right to receive a priority profit share from the LLP pursuant to the terms of the Amended and Restated LLP Agreement. See paragraph 12.4 of this Part 6 for further details.

2. SHARE CAPITAL

2.1 On incorporation, one ordinary share of nominal value £0.01 was issued at £0.01 for the purpose of incorporation to the subscriber to the Memorandum (the "**Subscriber Share**").

2.2 The following changes in the share capital of the Company have taken place or are expected to take place between incorporation of the Company and Admission and immediately following Admission:

- (a) on 7 June 2019, the Subscriber Share was transferred from the subscriber to the Memorandum to Mr. Carl Jani and then sub-divided and re-classified into 100 Ordinary Shares (see paragraph 3.1(a) of this Part 6);
- (b) on 7 June 2019, 21,080,000 Management Shares were issued (quarter paid) pursuant to a resolution of the Board in accordance with the Act, to the following persons in order for the Company to hold sufficient nominal share capital to qualify under Section 761 of the Act for a trading certificate (see paragraph 3.1(a) of this Part 6):

Shareholder	Number of new Management Shares
Carl Jani	6,000,000
Harry Adams	6,000,000
Andrew Egan	2,800,000
Henry Beckwith	3,600,000
Piers Beckwith	1,400,000
Lord Digby Jones	400,000
Oliver Hemsley	400,000
Joseph Duffelen	200,000
Daniel Merrick	200,000
Sam Williams	80,000
Total	21,080,000

- (c) on 19 June 2019, 23,589,112 new Ordinary Shares were issued at par (fully paid) and 2,509,212 new Management Shares were issued (quarter paid) in connection with the Reorganisation, and pursuant to resolutions of the Board in accordance with the Act, to the following persons (see paragraph 3.1(b) of this Part 6):

Shareholder	No. of new Ordinary Shares	Aggregate no. of Ordinary Shares	No. of new Management Shares	Aggregate no. of Management Shares
Carl Jani	6,874,472	6,874,572	874,572	6,874,572
Harry Adams	6,874,572	6,874,572	874,572	6,874,572
Andrew Egan	3,065,459	3,065,459	265,459	3,065,459
Henry Beckwith	3,674,974	3,674,974	74,974	3,674,974
Piers Beckwith	1,535,116	1,535,116	135,116	1,535,116
Lord Digby Jones	496,189	496,189	96,189	496,189
Oliver Hemsley	474,680	474,680	74,680	474,680
Joseph Duffelen	247,354	247,354	47,354	247,354
Daniel Merrick	247,354	247,354	47,354	247,354
Sam Williams	98,942	98,942	18,942	98,942
Total	23,589,112	23,589,212	2,509,212	23,589,212

- (d) on 19 June 2019, and conditional upon Admission, 12,655,660 Placing Shares and 551,887 Subscription Shares were, pursuant to resolutions of the Board in accordance with the Act, allotted to Placees/Subscribers at the Issue Price pursuant to the terms of the Placing/Subscription (as appropriate);
- (e) prior to Admission, and in accordance with the terms of the Framework Agreement, 76,410,788 new Ordinary Shares will be issued at par (fully paid) in connection with the Reorganisation, and pursuant to resolutions of the Board in accordance with the Act, to the following persons (see paragraph 3.1(c) of this Part 6):

Shareholder	No. of new Ordinary Shares	Aggregate no. of Ordinary Shares	Aggregate no. of Management Shares
Carl Jani ⁽¹⁾	6,874,572	13,749,144	6,874,572
Harry Adams ⁽¹⁾	6,874,572	13,749,144	6,874,572
Andrew Egan ⁽¹⁾	3,065,459	6,130,918	3,065,459
Henry Beckwith ⁽²⁾	3,674,974	7,349,948	3,674,974
Piers Beckwith ⁽³⁾	1,535,116	3,070,232	1,535,116
Lord Digby Jones	496,189	992,378	496,189
Oliver Hemsley	474,680	949,360	474,680
Joseph Duffelen	247,354	494,708	247,354
Daniel Merrick	247,354	494,708	247,354
Sam Williams	98,942	197,884	98,942
Mark Johnson	4,509,461	4,509,461	–
Heather Beckwith	1,898,721	1,898,721	–
William Tonkyn	4,947,081	4,947,081	–
Kit Smith	1,978,832	1,978,832	–
PIML ⁽¹⁾	34,868,389	34,868,389	–
Stuart Roberts ⁽²⁾	3,244,317	3,244,317	–
Douglas Rogers ⁽³⁾	1,374,775	1,374,775	–
Total	76,410,788	100,000,000	23,589,212

- (1) PIML is selling 11,209,735 Ordinary Shares under the Placing which it will acquire pursuant to the Principal Call Options from Carl Jani, Harry Adams and Andrew Egan and will use the net proceeds to pay the consideration under such agreements (40.9 per cent. to Carl Jani, 40.9 per cent. to Harry Adams and 18.2 per cent. to Andrew Egan). Further details of the Selling Shareholders are set out at paragraph 20 of this Part 6.
- (2) Stuart Roberts is selling 3,149,978 Ordinary Shares under the Placing which he will acquire pursuant to the Pacific Call Options between him and Henry Beckwith and will use the net proceeds to pay the consideration under such agreement. Further details of the Selling Shareholders are set out at paragraph 20 of this Part 6.
- (3) Douglas Rogers is selling 1,266,285 Ordinary Shares under the Placing which he will acquire pursuant to the Pacific Call Options between him and Piers Beckwith and will pay the net proceeds to Piers Beckwith. Further details of the Selling Shareholders are set out at paragraph 20 of this Part 6.

- (f) immediately following Admission, the following Sale Shares will be transferred to Placees at the Issue Price pursuant to the terms of the Placing (see paragraph 3.2(a) of this Part 6):

Shareholder	No. of Ordinary Shares following completion of the Reorganisation	No. of Ordinary Shares being sold pursuant to the Placing	No. of Ordinary Shares following completion of the Placing	% of Enlarged Share Capital following completion of the Placing
Carl Jani ⁽¹⁾	13,749,144	–	13,749,144	12.15%
Harry Adams ⁽¹⁾	13,749,144	–	13,749,144	12.15%
Andrew Egan ⁽¹⁾	6,130,918	–	6,130,918	5.42%
Henry Beckwith ⁽²⁾	7,349,948	–	7,349,948	6.49%
Piers Beckwith ⁽³⁾	3,070,232	–	3,070,232	2.71%
Lord Digby Jones	992,378	595,427	396,951	0.35%
Oliver Hemsley	949,360	–	949,360	0.84%
Joseph Duffelen	494,708	–	494,708	0.44%
Daniel Merrick	494,708	–	494,708	0.44%
Sam Williams	197,884	49,471	148,413	0.13%
Mark Johnson	4,509,461	1,352,839	3,156,622	2.79%
Heather Beckwith	1,898,721	569,617	1,329,104	1.17%
William Tonkyn	4,947,081	2,473,541	2,473,540	2.18%
Kit Smith	1,978,832	494,709	1,484,123	1.31%
PIML ⁽¹⁾	34,868,389	20,673,198	14,195,191	12.54%
Stuart Roberts ⁽²⁾	3,244,317	3,149,978	94,339	0.08%
Douglas Rogers ⁽³⁾	1,374,775	1,266,285	108,490	0.10%
Total	100,000,000	30,625,065	69,374,935	61.28%

- (1) PIML is selling 11,209,735 Ordinary Shares under the Placing which it will acquire pursuant to the Principal Call Options from Carl Jani, Harry Adams and Andrew Egan and will use the net proceeds to pay the consideration under such agreements (40.9 per cent. to Carl Jani, 40.9 per cent. to Harry Adams and 18.2 per cent. to Andrew Egan). Further details of the Selling Shareholders are set out at paragraph 20 of this Part 6.
- (2) Stuart Roberts is selling 3,149,978 Ordinary Shares under the Placing which he will acquire pursuant to the Pacific Call Options between him and Henry Beckwith and will use the net proceeds to pay the consideration under such agreement. Further details of the Selling Shareholders are set out at paragraph 20 of this Part 6.
- (3) Douglas Rogers is selling 1,266,285 Ordinary Shares under the Placing which he will acquire pursuant to the Pacific Call Options between him and Piers Beckwith and will pay the net proceeds to Piers Beckwith. Further details of the Selling Shareholders are set out at paragraph 20 of this Part 6.
- (g) shortly following Admission 6,774,609 Management Shares will be transferred to the Principals at par (see paragraph 3.2(b) of this Part 6):

Shareholder	No. of existing Management Shares	No. of existing Management Shares being transferred	No. of existing Management Shares being acquired	Aggregate number of Management Shares following transfer
Carl Jani	6,874,572	-	2,769,767	9,644,339
Harry Adams	6,874,572	-	2,769,767	9,644,339
Andrew Egan	3,065,459	-	1,235,074	4,300,533
Henry Beckwith	3,674,974	3,674,974	-	-
Piers Beckwith	1,535,116	1,535,116	-	-
Lord Digby Jones	496,189	496,189	-	-
Oliver Hemsley	474,680	474,680	-	-
Joseph Duffelen	247,354	247,354	-	-
Daniel Merrick	247,354	247,354	-	-
Sam Williams	98,942	98,942	-	-
Total	23,589,212	6,774,609	6,774,609	23,589,212

- 2.3 Set out below is the issued share capital of the Company: (i) at the date of this document; (ii) following completion of the Reorganisation and immediately prior to Admission; and (iii) immediately following completion of the Placing and the Subscription:

	Ordinary Shares		Management Shares	
	Aggregate nominal value (£)	Number	Aggregate nominal value (£)	Number
(i) As at the date of this document	2,358.96	23,589,212	58,973.03 ⁽¹⁾	23,589,212
(ii) Following completion of the Reorganisation and immediately prior to Admission	10,000	100,000,000	58,973.03 ⁽¹⁾	23,589,212
(iii) Immediately following completion of the Placing and the Subscription	11,320.75	113,207,547	58,973.03 ⁽¹⁾	23,589,212

(1) Quarter paid up.

- 2.4 Details of the total number of options under the CSOP which are outstanding as at the date of this document are as follows:

Date of grant*	Exercise price per Ordinary Share	Number of Ordinary Shares under option	Exercise period
19 June 2019	£1.06	311,311	20 June 2022 to 19 June 2029

*The grants become unconditional upon Admission. These grants are not subject to performance conditions.

- 2.5 By ordinary and special resolutions passed on 7 June 2019:
- the one ordinary share of £0.01 in the capital of the Company was sub-divided into 100 Ordinary Shares;
 - the Directors were generally and unconditionally authorised in accordance with Section 551 of the Act to exercise all of the powers of the Company to allot Management Shares up to an aggregate nominal value of £52,700, such authority to expire on 30 September 2019 save that the Company may, at any time prior to the expiry of such authority, make an offer or enter into an agreement which would or might require the allotment of Management Shares in pursuance of such an offer or agreement as if such authority had not expired; and
 - the Directors were generally empowered (pursuant to Section 570 of the Act) to allot the Management Shares pursuant to the authority referred to in paragraph 2.5(b) above as if Section 561 of the Act did not apply to any such allotment, such power to expire on 30 September 2019, save that the Company may, at any time prior to the expiry of such authority, make an offer or enter into an agreement which would or might require the Management Shares to be allotted after such expiry and the Directors may allot the Management Shares in pursuance of such an offer or agreement as if such power had not expired.
- 2.6 By ordinary and special resolutions passed on 19 June 2019:
- the Directors were generally and unconditionally authorised in accordance with Section 551 of the Act to exercise all of the powers of the Company to allot Ordinary Shares up to an aggregate nominal value of £11,320.75 in connection with the Reorganisation and/or the Placing and/or the Subscription, such authority to expire on 30 September 2019 save that the Company may, at any time prior to the expiry of such authority, make an offer

-
- or enter into an agreement which would or might require the allotment of Ordinary Shares in pursuance of such an offer or agreement as if such authority had not expired;
- (b) the Directors were generally empowered (pursuant to Section 570 of the Act) to allot the Ordinary Shares pursuant to the authority referred to in paragraph 2.6(a) above as if Section 561 of the Act did not apply to any such allotment, such power to expire on 30 September 2019, save that the Company may, at any time prior to the expiry of such authority, make an offer or enter into an agreement which would or might require the Ordinary Shares to be allotted after such expiry and the Directors may allot the Ordinary Shares in pursuance of such an offer or agreement as if such power had not expired;
- (c) the Directors were generally and unconditionally authorised in accordance with Section 551 of the Act to exercise all of the powers of the Company to allot Management Shares up to an aggregate nominal value of £6,273.03, such authority to expire on 30 September 2019 save that the Company may, at any time prior to the expiry of such authority, make an offer or enter into an agreement which would or might require the allotment of Management Shares in pursuance of such an offer or agreement as if such authority had not expired;
- (d) the Directors were generally empowered (pursuant to Section 570 of the Act) to allot the Management Shares pursuant to the authority referred to in paragraph 2.6(c) above as if Section 561 of the Act did not apply to any such allotment, such power to expire on 30 September 2019, save that the Company may, at any time prior to the expiry of such authority, make an offer or enter into an agreement which would or might require the Management Shares to be allotted after such expiry and the Directors may allot the Management Shares in pursuance of such an offer or agreement as if such power had not expired;
- (e) the Directors were generally and unconditionally authorised in accordance with Section 551 of the Act to exercise all of the powers of the Company to allot Ordinary Shares up to an aggregate nominal value of £1,132.08, such authority to expire at the annual general meeting of the Company to be held in 2020 save that the Company may, at any time prior to the expiry of such authority, make an offer or enter into an agreement which would or might require the allotment of Ordinary Shares in pursuance of such an offer or agreement as if such authority had not expired;
- (f) the Directors were generally empowered (pursuant to Section 570 of the Act) to allot Ordinary Shares up to an aggregate nominal amount of £1,132.08 pursuant to the authority referred to in paragraph 2.6(e) above as if Section 561 of the Act did not apply to any such allotment, such power to expire at the conclusion of the annual general meeting of the Company to be held in 2020, save that the Company may, at any time prior to the expiry of such authority, make an offer or enter into an agreement which would or might require Ordinary Shares to be allotted after such expiry and the Directors may allot Ordinary Shares in pursuance of such an offer or agreement as if such power had not expired;
- (g) the Company was authorised in accordance with Section 701 of the Act to make market purchases (within the meaning of Section 693(4) of the Act) of Ordinary Shares provided that the maximum number of Ordinary Shares authorised to be purchased is 16,969,811 Ordinary Shares. The minimum price which may be paid for an Ordinary Share is £0.0001. The maximum price which may be paid for an Ordinary Share must not be more than the higher of (i) five per cent. above the average of the mid-market value of the Ordinary Shares for the five Business Days before the purchase is made or (ii) the higher of the last independent trade and the highest current independent bid for Ordinary Shares. Such authority will expire on the earlier of the conclusion of the annual general meeting of the Company to be held in 2020 save that the Company may contract to purchase Ordinary Shares under the authority thereby conferred prior to the expiry of such authority, which contract will or may be executed wholly or partly after the expiry of such authority and may purchase Ordinary Shares in pursuance of such contract; and
-

-
- (h) the purchase by the Company, as part of the Reorganisation, of:
- (i) 496,189 ordinary shares of Argentex Capital from Lord Digby Jones, being a director of the Company in consideration for the issue of 496,189 Ordinary Shares;
 - (ii) 6,874,572 ordinary shares of Argentex Capital from Carl Jani, being a director of the Company in consideration for the issue of 6,874,572 Ordinary Shares;
 - (iii) 6,874,572 ordinary shares of Argentex Capital from Harry Adams, being a director of the Company in consideration for the issue of 6,874,572 Ordinary Shares;
 - (iv) 3,674,974 ordinary shares of Argentex Capital from Henry Beckwith, being a director of the Company in consideration for the issue of 3,674,974 Ordinary Shares; and
 - (v) 98,942 ordinary shares of Argentex Capital from Sam Williams, being a director of the Company in consideration for the issue of 98,942 Ordinary Shares,
- be approved.

2.7 Save as disclosed in this Part 6:

- (a) no share or loan capital of the Company has been issued or is proposed to be issued, fully or partly paid, either for cash or for a consideration other than cash;
- (b) save for the CSOP (further details of which are set out in paragraph 11 of this Part 6), no share or loan capital of the Company is under option or is the subject of an agreement, conditional or unconditional, to be put under option;
- (c) there are no convertible securities, exchangeable securities or securities with warrants in issue;
- (d) there are no acquisition rights or obligations over the unissued share capital of the Company and there is no undertaking to increase the share capital of the Company; and
- (e) no commission, discounts, brokerage or other special term has been granted by the Company or is now proposed in connection with the issue or sale of any part of the share or loan capital of the Company.

3. THE REORGANISATION

The Group is undertaking the Reorganisation in order to allow and facilitate the Company to become the ultimate holding company of the Group. The Group has undertaken certain steps as part of the Reorganisation and will undertake certain further steps prior to Admission.

3.1 The Reorganisation

- (a) On 7 June 2019: (i) the Subscriber Share was transferred from the subscriber to the Memorandum to Mr. Carl Jani and was then sub-divided and re-classified into 100 Ordinary Shares; (ii) 21,080,000 Management Shares were issued (one quarter paid) to certain Existing Members (being the Principals, Henry Beckwith, Piers Beckwith and the other Existing Members who have held their interests in the LLP for less than 24 months); and (iii) the subscriber share of Argentex Capital was transferred from the subscriber to the memorandum to Mr. Carl Jani and was then sub-divided and re-classified into 100 Argentex Capital ordinary shares.
- (b) On 19 June 2019: (i) 23,589,112 Ordinary Shares were issued at par and 2,509,212 Management Shares were issued quarter paid up; and (ii) 23,589,112 Argentex Capital ordinary shares were issued at par to the same Existing Members who were issued Management Shares on 7 June 2019.
- (c) On or around 24 June 2019:
 - (i) Carl Jani, Harry Adams and Andrew Egan will each sell c.25 per cent. of their existing interests in the LLP to PIML pursuant to the terms of the Principals Call Option Agreements;

-
- (ii) Henry Beckwith will sell c.30 per cent. of his existing interests in the LLP to Stuart Roberts pursuant to the terms of the Pacific Call Option Agreement entered into between Henry Beckwith and Stuart Roberts;
 - (iii) Piers Beckwith will sell c.30 per cent. of his existing interests in the LLP to Douglas Rogers pursuant to the terms of the Pacific Call Option Agreement entered into between Piers Beckwith and Douglas Rogers;
 - (iv) the Existing Members who are also shareholders of Argentex Capital shall gift their remaining interests in the LLP to Argentex Capital pursuant to the terms of the Deeds of Gift (further details of which are set out in paragraph 12.9 of this Part 6);
 - (v) the Company shall acquire the entire issued share capital of Argentex Capital in return for the issue of, in aggregate, 23,589,212 Ordinary Shares to the shareholders of Argentex Capital pursuant to the terms of the Argentex Capital Acquisition Agreement (further details of which are set out in paragraph 12.10 of this Part 6);
 - (vi) the remaining members of the LLP (other than PFEL) will, pursuant to the terms of the LLP Acquisition Agreements (further details of which are set out in paragraph 12.11 of this Part 6), transfer their interests in the LLP to Argentex Capital in return for Argentex Capital procuring the issue of, in aggregate, 29,162,922 Ordinary Shares to those remaining members; and
 - (vii) PIML shall, pursuant to the terms of the PFEL Acquisition Agreement and the deed of novation (further details of which are set out in paragraphs 12.12 and 12.16 of this Part 6), transfer the entire issued share capital of PFEL to Argentex Capital in return for Argentex Capital procuring the issue of 23,658,654 Ordinary Shares to PIML.

3.2 Post-Admission steps following the Reorganisation

- (a) Immediately after Admission, the Selling Shareholders shall sell, in aggregate, 30,625,065 Ordinary Shares to Placees at the Issue Price pursuant to the Placing. Pursuant to the terms of the Principals Call Option Agreements PIML has agreed to sell 11,209,735 Ordinary Shares in aggregate under the Placing and pay the net proceeds to the Principals. Pursuant to the terms of the Pacific Call Option Agreement between Stuart Roberts and Henry Beckwith, Stuart Roberts has agreed to sell 3,149,978 Ordinary Shares under the Placing and pay the net proceeds to Henry Beckwith. Pursuant to the terms of the Pacific Call Option Agreement between Douglas Rogers and Piers Beckwith, Douglas Rogers has agreed to sell 1,266,685 Ordinary Shares under the Placing and pay the net proceeds to Piers Beckwith.
- (b) Shortly after Admission, the holders of Management Shares (other than the Principals) shall transfer their Management Shares to the Principals.
- (c) Pursuant to the terms of a side letter dated 20 June 2019 entered into between *inter alia*, the LLP and the Existing Members, the LLP has agreed to pay any retained income due to the Existing Members as at the date of completion of the Reorganisation to the Existing Members within two years of Admission.

4. THE ARTICLES

The Articles contain provisions, *inter alia*, to the following effect:

4.1 Objects/purposes

The Articles do not provide for any objects of the Company and accordingly the Company's objects are unrestricted.

4.2 Voting rights

- (a) Subject to the provisions of the Act, to any special terms as to voting on which any shares may have been issued or may from time-to-time be held and to any suspension or abrogation of voting rights pursuant to the Articles, at any general meeting, every member

holding Ordinary Shares who is present in person (or, being a corporation, by representative) or by proxy shall, on a show of hands, have one vote and every member holding Ordinary Shares present in person (or, being a corporation, by representative) or by proxy shall, on a poll, have one vote for each share of which he is a holder. A shareholder entitled to more than one vote need not, if he votes, use all his votes or vest all the votes he uses the same way. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

- (b) Unless the Board otherwise determines, no member shall be entitled to receive any dividends or be present and vote at a general meeting or a separate general meeting of the holders of any class of shares, either in person or (save as proxy for another member) by proxy, or be reckoned in a quorum, or to exercise any other right or privilege as a member in respect of a share held by him, unless and until he shall have paid all calls for the time being due and payable by him in respect of that share, whether alone or jointly with any other person, together with interest and expenses (if any) payable by him to the Company or if he, or any other person whom the Company reasonably believes to be interested in such shares, has been issued with a notice pursuant to the Act requiring such person to provide information about his interests in the Company's shares and has failed in relation to any such shares to give the Company the required information within 14 days.

4.3 Dividends

- (a) Subject to the provisions of the Act and of the Articles, the Company may by ordinary resolution declare dividends to be paid to members according to their respective rights and interests in the profits of the Company. However, no dividend shall exceed the amount recommended by the Board.
- (b) Subject to the provisions of the Act, the Board may declare and pay such interim dividends (including any dividend payable at a fixed rate) as appears to the Board to be justified by the profits of the Company available for distribution. If at any time the share capital of the Company is divided into different classes, the Board may pay such interim dividends on shares which rank after shares conferring preferential rights with regard to dividends as well as on shares conferring preferential rights, unless at the time of payment any preferential dividend is in arrears. Provided that the Board acts in good faith, it shall not incur any liability to the holders of shares conferring preferential rights for any loss that they may suffer by the lawful payment of any interim dividend on any shares ranking after those preferential rights.
- (c) All dividends, interest or other sums payable and unclaimed for a period of twelve months after having become payable may be invested or otherwise used by the Board for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. All dividends unclaimed for a period of twelve years after having become payable shall, if the Board so resolves, be forfeited and shall cease to remain owing by, and shall become the property of, the Company.
- (d) The Board may, with the authority of an ordinary resolution of the Company, direct that payment of any dividend declared may be satisfied wholly or partly by the distribution of assets, and in particular of paid up shares or debentures of any other company, or in any one or more of such ways.
- (e) The Board may also, with the prior authority of an ordinary resolution of the Company and subject to the Articles and such terms and conditions as the Board may determine, offer to holders of shares the right to elect to receive shares of the same class, credited as fully paid, instead of the whole (or some part, to be determined by the Board) of any dividend specified by the ordinary resolution.
- (f) Unless the Board otherwise determines, the payment of any dividend or other money that would otherwise be payable in respect of shares will be withheld by the Company if such

shares represent at least 0.25 per cent. in nominal value of their class and the holder, or any other person whom the Company reasonably believes to be interested in those shares, has been duly served with a notice pursuant to the Act requiring such person to provide information about his interests in the Company's shares and has failed to supply the required information within 14 days. Furthermore such a holder shall not be entitled to elect to receive shares instead of a dividend.

4.4 **Winding up**

If the Company is wound up the liquidator may, with the sanction of a special resolution and any other sanction required by law and subject to the Act, divide among the Shareholders in specie the whole or any part of the assets of the Company and may, for that purpose, value any assets and determine how the division shall be carried out as between the Shareholders or different classes of Shareholders. The liquidator may, with the like sanction, vest the whole or any part of the assets in trustees upon such trusts for the benefit of the Shareholders as he may with the like sanction determine, but no Shareholder shall be compelled to accept any shares or other securities upon which there is a liability.

4.5 **Transfer of shares**

- (a) Subject to such of the restrictions in the Articles as may be applicable, each member may transfer all or any of his shares which are in certificated form by instrument of transfer in writing in any usual form or in any form approved by the Board. Such instrument shall be executed by or on behalf of the transferor and (in the case of a transfer of a share which is not fully paid up) by or on behalf of the transferee. The transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the register of members.
- (b) The Board may, in its absolute discretion, refuse to register any transfer of a share in certificated form (or renunciation of a renounceable letter of allotment) unless:
 - (i) it is in respect of a share which is fully paid up;
 - (ii) it is in respect of only one class of shares;
 - (iii) it is in favour of a single transferee or not more than four joint transferees;
 - (iv) it is duly stamped (if so required); and
 - (v) it is delivered for registration to the registered office for the time being of the Company or such other place as the Board may from time-to-time determine, accompanied (except in the case of: (a) a transfer by an authorised person where a certificate has not been issued; (b) a transfer of an uncertificated share; or (c) a renunciation) by the certificate for the share to which it relates and such other evidence as the Board may reasonably require to prove the title of the transferor or person renouncing and the due execution of the transfer or renunciation by him or, if the transfer or renunciation is executed by some other person on his behalf, the authority of that person to do so, provided that the Board shall not refuse to register a transfer or renunciation of a partly paid share in certificated form on the grounds that it is partly paid in circumstances where such refusal would prevent dealings in such share from taking place on an open and proper basis on the market on which such share is admitted to trading. The Board may refuse to register a transfer of an uncertificated share in such other circumstances as may be permitted or required by the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755) and the relevant electronic system.
- (c) Unless the Board otherwise determines, a transfer of shares will not be registered if the transferor or any other person whom the Company reasonably believes to be interested in the transferor's shares has been duly served with a notice pursuant to the Act requiring such person to provide information about his interests in the Company's shares, has failed to supply the required information within 14 days and the shares in respect of which such notice has been served represent at least 0.25 per cent. in nominal value of their class,

unless the member is not himself in default as regards supplying the information required and proves to the satisfaction of the Board that no person in default as regards supplying such information is interested in any of the shares the subject of the transfer, or unless such transfer is by way of acceptance of a takeover offer, in consequence of a sale on an authorised investment exchange or any other stock exchange outside the United Kingdom on which the Company's shares are normally traded or is in consequence of a *bona fide* sale to an unconnected party.

- (d) If the Board refuses to register a transfer of a share, it shall send the transferee notice of its refusal, together with its reasons for refusal, as soon as practicable and in any event within two months after the date on which the transfer was lodged with the Company.
- (e) No fee shall be charged for the registration of any instrument of transfer or any other document relating to or affecting the title to any shares.
- (f) If at any time the holding or beneficial ownership of any shares in the Company by any person (whether on its own or taken with other shares), in the opinion of the Directors would cause the assets of the Company to be treated as "plan assets" of any benefit plan investor under Section 3(42) of ERISA or the U.S. Code; or (ii) would or might result in the Company and/or its shares being required to register or qualify under the U.S. Investment Company Act and/or the U.S. Securities Act and/or the U.S. Securities Exchange Act 1934 and/or any laws of any state of the U.S. that regulate the offering and sale of securities; or (iii) may cause the Company not to be considered a "Foreign Private Issuer" under the U.S. Securities Exchange Act 1934; or (iv) may cause the Company to be a "controlled foreign corporation" for the purpose of the U.S. Code; or (v) creates a significant legal or regulatory issue for the Company under the U.S. Bank Holding Company Act of 1956 (as amended) or regulations or interpretations thereunder, then any shares which the Directors decide are shares which are so held or beneficially owned ("Prohibited Shares") must be dealt with in accordance with paragraph 4.5(g) below. The Directors may at any time give notice in writing to the holder of a share requiring him to make a declaration as to whether or not the share is a Prohibited Share.
- (g) The Directors shall give written notice to the holder of any share which appears to them to be a Prohibited Share requiring him within 21 days (or such extended time as the Directors consider reasonable) to transfer (and/or procure the disposal of interests in) such share to another person so that it will cease to be a Prohibited Share. From the date of such notice until registration for such a transfer or a transfer arranged by the Directors as referred to below, the share will not confer any right on the holder to receive notice of or to attend and vote at a general meeting of the Company and of any class of shareholder and those rights will vest in the chairman of any such meeting, who may exercise or refrain from exercising them entirely at his discretion. If the notice is not complied with within 21 days to the satisfaction of the Directors, the Directors shall arrange for the Company to sell the share at the best price reasonably obtainable to any other person so that the share will cease to be a Prohibited Share. The net proceeds of sale (after payment of the Company's costs of sale and together with interest at such rate as the Directors consider appropriate) shall be paid over by the Company to the former holder upon surrender by him of the relevant share certificate (if applicable).
- (h) Upon transfer of a share the transferee of such share shall be deemed to have represented and warranted to the Company that such transferee is acquiring shares in an offshore transaction meeting the requirements of Regulation S and is not, nor is acting on behalf of: (i) a benefit plan investor and no portion of the assets used by such transferee to acquire or hold an interest in such share constitutes or will be treated as "plan assets" of any benefit plan investor under Section 3(42) of ERISA; and/or (ii) a U.S. Person.

4.6 Variation of rights

- (a) If at any time the share capital of the Company is divided into shares of different classes, any of the rights for the time being attached to any shares (whether or not the Company may be or is about to be wound up) may from time-to-time be varied or abrogated in such

manner (if any) as may be provided in the Articles by such rights or, in the absence of any such provision, either with the consent in writing of the holders of not less than three-quarters in nominal value of the issued shares of the relevant class (excluding any shares of that class held as treasury shares) or with the sanction of a special resolution passed at a separate general meeting of the holders of the class duly convened and held in accordance with the Act.

- (b) The quorum at every such meeting shall be not less than two persons present (in person or by proxy) holding at least one-third of the nominal amount paid up on the issued shares of the relevant class (excluding any shares of that class held as treasury shares) and at an adjourned meeting not less than one person holding shares of the relevant class or his proxy.

4.7 **Alteration of share capital**

The Company may, from time to time, by ordinary resolution:

- (a) authorise the Directors to increase its share capital by allotting new shares;
- (b) consolidate and divide all or any of its share capital into shares of larger nominal amount than its existing shares;
- (c) subject to the provisions of the Act, sub-divide its shares or any of them, into shares of smaller nominal amount and may by such resolution determine that, as between the shares resulting from such a sub-division, one or more of the shares may, as compared with the others, have any such preferred, deferred or other special rights or be subject to any such restrictions, as the Company has power to attach to new shares; and
- (d) redenominate its share capital by converting shares from having a fixed nominal value in one currency to having a fixed nominal value in another currency.

4.8 **General meetings**

- (a) The Board may convene a general meeting (which is not an annual general meeting) whenever it thinks fit.
- (b) A general meeting shall be convened by such notice as may be required by law from time to time.
- (c) The notice of any general meeting shall include such statements as are required by the Act and shall in any event specify:
 - (i) whether the meeting is convened as an annual general meeting or any other general meeting;
 - (ii) the place, the day, and the time of the meeting;
 - (iii) the general nature of the business to be transacted at the meeting;
 - (iv) if the meeting is convened to consider a special resolution, the text of the resolution and the intention to propose the resolution as such; and
 - (v) with reasonable prominence, that a member entitled to attend and vote is entitled to appoint one or (provided each proxy is appointed to exercise the rights attached to a different share held by the member) more proxies to attend and to speak and vote instead of the member and that a proxy need not also be a member.
- (d) The notice shall be given to the members (other than any who, under the provisions of the Articles or of any restrictions imposed on any shares, are not entitled to receive notice from the Company), to the Directors and the auditors and to any other person who may be entitled to receive it. The accidental omission to give or send notice of any meeting, or, in cases where it is intended that it be given or sent out with the notice, any other document relating to the meeting including an appointment of proxy to, or the non-receipt of either by, any person entitled to receive the same, shall not invalidate the proceedings at that meeting.

-
- (e) The right of a member to participate in the business of any general meeting shall include without limitation the right to speak, vote, be represented by a proxy or proxies and have access to all documents which are required by the Act or the Articles to be made available at the meeting.
 - (f) A Director shall, notwithstanding that he is not a member, be entitled to attend and speak at any general meeting and at any separate meeting of the holders of any class of shares of the Company. The Chairman of any general meeting may also invite any person to attend and speak at that meeting if he considers that this will assist in the deliberations of the meeting.
 - (g) No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business. Subject to the Articles, two persons entitled to attend and to vote on the business to be transacted, each being a member so entitled or a proxy for a member so entitled or a duly authorised representative of a corporation which is a member so entitled, shall be a quorum. If, at any time, there is only one person entitled to attend and to vote on the business to be transacted, such person being the sole member so entitled or a proxy for such sole member so entitled or a duly authorised representative of a corporation which is such sole member so entitled, shall be a quorum. The Chairman of the meeting may, with the consent of the meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time-to-time (or indefinitely) and from place to place as the meeting shall determine. Where a meeting is adjourned indefinitely, the Board shall fix a time and place for the adjourned meeting. Whenever a meeting is adjourned for 30 days or more or indefinitely, seven clear days' notice at the least, specifying the place, the day and time of the adjourned meeting and the general nature of the business to be transacted, must be given in the same manner as in the case of the original meeting.
 - (h) A resolution put to a vote of the meeting shall be decided on a show of hands unless (before or on the declaration of the result on a show of hands) a poll is duly demanded. Subject to the provisions of the Act, a poll may be demanded by:
 - (i) the chairman of the meeting;
 - (ii) at least five members having the right to vote on the resolution;
 - (iii) a member or members representing not less than five per cent. of the total voting rights of all the members having the right to vote on the resolution (excluding any voting rights attached to shares held as treasury shares); or
 - (iv) member or members holding shares conferring the right to vote on the resolution, being shares on which an aggregate sum has been paid up equal to not less than ten per cent. of the total sum paid up on all the shares conferring that right (excluding any voting rights attached to shares in the Company conferring a right to vote on the resolution held as treasury shares).

4.9 **Borrowing powers**

Subject to the provisions of the Act, the Directors may exercise all the powers of the Company to borrow money and to mortgage or charge all or any part of its undertaking, property and assets (present and future) and uncalled capital or any part or parts thereof and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

4.10 **Issue of shares**

- (a) Subject to the provisions of the Act, and to any relevant authority of the Company required by the Act, the Board may allot, grant options over, offer or otherwise deal with or dispose of any new shares or rights to subscribe for or convert any security into shares, at such times and generally on such terms and conditions as the Board may decide, provided that no share shall be issued at a discount.

-
- (b) Subject to the provisions of the Act and to any rights for the time being attached to any existing shares, any shares may be allotted or issued with or have attached to them such preferred, deferred or other rights or restrictions, whether in regard to dividend, voting, transfer, return of capital or otherwise, as the Company may from time-to-time by ordinary resolution determine or, if no such resolution has been passed or so far as the resolution does not make specific provision, as the Board may determine and any share may be issued which is, or at the option of the Company or the holder of such share is liable to be, redeemed in accordance with the Articles or as the Directors may determine.
 - (c) The business of the Company shall be managed by the Directors who, subject to the provisions of the Act, the Articles and to any directions given by special resolution to take, or refrain from taking, specified action, may exercise all the powers of the Company, whether relating to the management of the business or not. Any Director may appoint any other Director, or any other person approved by resolution of the Directors and willing to act and permitted by law to do so, to be an alternate Director.

4.11 Directors' fees

- (a) The Directors (other than alternate Directors) shall be entitled to receive by way of fees for their services as Directors such sum as the Board may from time-to-time determine (not exceeding in aggregate £500,000 per annum or such other sum as the Company in general meeting shall from time-to-time determine). Any such fees payable shall be distinct from any salary, remuneration or other amounts payable to a Director pursuant to any other provision of the Articles or otherwise and shall accrue from day-to-day.
- (b) The Directors are entitled to be repaid all reasonable travelling, hotel and other expenses properly incurred by them in or about the performance of their duties as Directors.

4.12 Directors' interests

- (a) The Board may authorise any matter proposed to it in accordance with the Articles which would, if not so authorise, involve a breach by a Director of his duty to avoid conflicts of interest under the Act, including any matter which relates to a situation in which a Director has or can have an interest which conflicts, or possibly may conflict, with the interest of the Company (including the exploitation of any property, information or opportunity, whether or not the Company could take advantage of it but excluding any situation which cannot reasonably be regarded as likely to give rise to a conflict of interest). This does not apply to a conflict of interest arising in relation to a transaction or arrangement with the Company. Any authorisation will only be effective if any quorum requirement at any meeting at which the matter was considered is met without counting the Director in question or any other interested Director and the matter was agreed to without their voting or would have been agreed to if their votes had not been counted. The Board may impose limits or conditions on any such authorisation on or may vary or terminate it at any time.
 - (b) Subject to having, where required, obtained authorisation of the conflict from the Board, a Director shall be under no duty to the Company with respect to any information which he obtains or has obtained otherwise than as a Director of the Company and in respect of which he has a duty of confidentiality to another person. In particular, a Director shall not be in breach of the general duties he owes to the Company under the Act because he fails to disclose any such information to the Board or to use or apply any such information in performing his duties as a Director, or because he absents himself from meetings of the Board at which any matter relating to a conflict of interest, or possible conflict, of interest is discussed and/or makes arrangements not to receive documents or information relating to any matter which gives rise to a conflict of interest or possible conflict of interest and/or makes arrangements for such documents and information to be received and read by a professional adviser.
 - (c) Provided that his interest is disclosed at a meeting of the Board, or in the case of a transaction or arrangement with the Company, in the manner set out in the Act, a Director, notwithstanding his office:
-

-
- (i) may be a party to or otherwise be interested in any transaction or arrangement with the Company or in which the Company is otherwise interested;
 - (ii) may hold any other office or place of profit under the Company (except that of auditor of the Company or any of its subsidiaries);
 - (iii) may act by himself or through his firm in a professional capacity for the Company, and in any such case on such terms as to remuneration and otherwise as the Board may arrange;
 - (iv) may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any company promoted by the Company or in which the Company is otherwise interested or as regards which the Company has any powers of appointment; and
 - (v) shall not be liable to account to the Company for any profit, remuneration or other benefit authorised by any office or employment or from any transaction or arrangement or from any interest in any body corporate. No such transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such profit, remuneration or any other benefit constitute a breach of his duty under the Act or under the law not to accept benefits from third parties.
- (d) A Director need not declare an interest in the case of a transaction or arrangement with the Company if the other Directors are already aware, or ought reasonably to be aware, of the interest or it concerns the terms of his service contract that have been or are to be considered at a meeting of the Directors or if the interest consists of him being a director, officer or employee of a company in which the Company is interested.

4.13 Restrictions on Directors voting

- (a) A Director shall not vote on, or be counted in the quorum in relation to, any resolution of the Board or of a committee of the Board concerning any transaction or arrangement in which he has an interest which is to his knowledge a material interest and, if he purports to do so, his vote shall not be counted, but this prohibition shall not apply in respect of any resolution concerning any one or more of the following matters:
- (i) any transaction or arrangement in which he is interested by means of an interest in shares, debentures or other securities or otherwise in or through the Company;
 - (ii) the giving of any guarantee, security or indemnity in respect of money lent to, or obligations incurred by him or any other person at the request of or for the benefit of, the Company or any of its subsidiary undertakings;
 - (iii) the giving of any guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
 - (iv) the giving of any other indemnity where all other Directors are also being offered indemnities on substantially the same terms;
 - (v) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiary undertakings in which offer he is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which he is to participate;
 - (vi) any proposal concerning any other body corporate in which he does not to his knowledge have an interest (as the term is used in Part 22 of the Act) in one per cent. Or more of the issued equity share capital of any class of such body corporate (calculated exclusively of any shares of that class in that company held as treasury shares) nor to his knowledge holds one per cent. Or more of the voting rights which he holds as shareholder or through his direct or indirect holding of financial
-

instruments (within the meaning of the Disclosure and Transparency Rules) in such body corporate;

- (vii) any proposal relating to an arrangement for the benefit of the employees of the Company or any of its subsidiary undertakings which does not award him any privilege or benefit not generally awarded to the employees to whom such arrangement relates;
 - (viii) any proposal concerning insurance which the Company proposes to maintain or purchase for the benefit of Directors or for the benefit of persons who include Directors;
 - (ix) any proposal concerning the funding of expenditure by one or more Directors on defending proceedings against him or them, or doing anything to enable such Director or Directors to avoid incurring such expenditure; or
 - (x) any transaction or arrangement in respect of which his interest, or the interest of Directors generally has been authorised by ordinary resolution.
- (b) A Director shall not vote or be counted in the quorum on any resolution of the Board or committee of the Board concerning his own appointment (including fixing or varying the terms of his appointment or its termination) as the holder of any office or place of profit with the Company or any company in which the Company is interested.

4.14 Number of Directors

Unless and until otherwise determined by an ordinary resolution of the Company, the number of Directors (other than alternate Directors) shall be not less than two and the number is not subject to a maximum.

4.15 Directors' appointment and retirement

- (a) Directors may be appointed by the Company by ordinary resolution or by the Board. If appointed by the Board, a Director shall hold office only until the next annual general meeting and shall not be taken into account in determining the number of Directors who are to retire by rotation.
- (b) At each annual general meeting of the Company, any Directors appointed by the Board since the last annual general meeting shall retire. In addition one-third of the remaining Directors or, if their number is not three or a multiple of three, the number nearest to but not exceeding one-third, shall retire from office by rotation. If there are fewer than three such Directors, one Director shall retire from office.
- (c) At each annual general meeting, any Director who was last elected or last re-elected at or before the annual general meeting held in the third calendar year before the current year shall retire by rotation. If the number of Directors so retiring is less than the minimum number of Directors who are required to retire by rotation, additional Directors up to that number shall retire (namely, those Directors who are subject to rotation but who wish to retire and not offer themselves for re-election and those Directors who have been Directors longest since their appointment or last reappointment (and, as between those who have been in office an equal length of time, those to retire shall, unless they otherwise agree, be determined by lot)).
- (d) Any Director who would not otherwise be required to retire shall also retire if he has been with the Company for a continuous period of nine years or more at the date of the meeting and shall not be taken into account when deciding which and how many Directors should retire by rotation at the annual general meeting.

4.16 Notice requiring disclosure of interest in shares

- (a) The Company may, by notice in writing, require a person whom the Company knows to be, or has reasonable cause to believe is interested in any shares or at any time during the three years immediately preceding the date on which the notice is issued to have been interested in any shares, to confirm that fact or (as the case may be) to indicate whether or not this

is the case and to give such further information as may be required by the Directors. Such information may include, without limitation, particulars of the person's identity, particulars of the person's own past or present interest in any shares and to disclose the identity of any other person who has a present interest in the shares held by him, where the interest is a present interest and any other interest, in any shares, which subsisted during that three year period at any time when his own interest subsisted to give (so far as is within his knowledge) such particulars with respect to that other interest as may be required and where a person's interest is a past interest to give (so far as is within his knowledge) like particulars for the person who held that interest immediately upon his ceasing to hold it.

- (b) If any Shareholder is in default in supplying to the Company the information required by the Company within the prescribed period (which is 14 days after service of the notice), or such other reasonable period as the Directors may determine, the Directors in their absolute discretion may serve a direction notice on the Shareholder. The direction notice may direct that in respect of the shares in respect of which the default has occurred (the "default shares") the Shareholder shall not be entitled to vote in general meetings or class meetings where the default shares represent at least 0.25 per cent. In nominal value of the class of shares concerned, the direction notice may additionally direct that dividends on such shares will be retained by the Company (without interest) and that no transfer of the default shares (other than a transfer authorised under the Articles) shall be registered until the default is rectified.

4.17 Untraced shareholders

Subject to the Articles, the Company may sell any shares registered in the name of a member remaining untraced for twelve years who fails to communicate with the Company following advertisement of an intention to make such a disposal. Until the Company can account to the member, the net proceeds of sale will be available for use in the business of the Company or for investment, in either case at the discretion of the Board. The proceeds will not carry interest.

4.18 Indemnity of officers

Subject to the provisions of the Act, but without prejudice to any indemnity to which he may otherwise be entitled, every past or present Director (including an alternate Director) or officer of the Company or a director or officer of an associated company (except the auditors or the auditors of an associated company) may at the discretion of the Board be indemnified out of the assets of the Company against all costs, charges, losses, damages and liabilities incurred by him for negligence, default, breach of duty, breach of trust or otherwise in relation to the affairs of the Company or of an associated company, or in connection with the activities of the Company, or of an associated company, or as a trustee of an occupational pension scheme (as defined in Section 235(6) of the Act). In addition the Board may purchase and maintain insurance at the expense of the Company for the benefit of any such person indemnifying him against any liability or expenditure incurred by him for acts or omissions as a Director or officer of the Company (or of an associated company).

4.19 Management Shares

The Management Shares can be redeemed at any time (subject to the provisions of the Act) by the Company for an amount equal to their nominal value. For so long as there are shares of any other class in issue, the Management Shares do not confer any right to participate in the Company's profits. The holders of the Management Shares will not have any right to receive notice of or vote at any general meeting of the Company.

5. CITY CODE ON TAKEOVERS AND MERGERS

5.1 Mandatory bid

The Takeover Code applies to the Company. Under Rule 9 of the Takeover Code, if:

- (a) a person acquires an interest in Ordinary Shares which, when taken together with Ordinary Shares already held by him or persons acting in concert with him, carry 30 per cent. or more of the voting rights in the Company; or

-
- (b) a person who, together with persons acting in concert with him, is interested in not less than 30 per cent. and not more than 50 per cent. of the voting rights in the Company acquires additional interests in Ordinary Shares which increase the per cent. age of Ordinary Shares carrying voting rights in which that person is interested, the acquirer and, depending on the circumstances, its concert parties, would be required (except with the consent of the Takeover Panel) to make a cash offer for the outstanding Ordinary Shares at a price not less than the highest price paid for any interests in the Ordinary Shares by the acquirer or its concert parties during the previous twelve months.

For further details of the Concert Party see paragraph 21 of Part 1 of the document.

5.2 **Compulsory acquisition**

Under Sections 974 – 991 of the Act, if an offeror acquires or contracts to acquire (pursuant to a takeover offer) not less than 90 per cent. of the shares (in value and by voting rights) to which such offer relates it may then compulsorily acquire the outstanding shares not assented to the offer. It would do so by sending a notice to outstanding holders of shares telling them that it will compulsorily acquire their shares and then, six weeks later, it would execute a transfer of the outstanding shares in its favour and pay the consideration to the Company, which would hold the consideration on trust for the outstanding holders of shares. The consideration offered to the holders whose shares are compulsorily acquired under the Act must, in general, be the same as the consideration that was available under the takeover offer.

In addition, pursuant to Section 983 of the Act, if an offeror acquires or agrees to acquire not less than 90 per cent. of the shares (in value and by voting rights) to which the offer relates, any holder of shares to which the offer relates who has not accepted the offer may require the offeror to acquire his shares on the same terms as the takeover offer.

The offeror would be required to give any holder of shares notice of his right to be bought out within one month of that right arising. Sell-out rights cannot be exercised after the end of the period of three months from the last date on which the offer can be accepted or, if later, three months from the date on which the notice is served on the holder of shares notifying them of their sell-out rights. If a holder of shares exercises its rights, the offeror is bound to acquire those shares on the terms of the takeover offer or on such other terms as may be agreed.

6. **CREST**

CREST is a paperless settlement system enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by a written instrument. The Ordinary Shares are eligible for settlement in CREST in accordance with the CREST Regulations. The Company has applied for the Enlarged Share Capital to be admitted to CREST.

7. **CONFLICTS OF INTEREST POLICY**

Any member of the Group or any associate, director, partner, officer, employee, agent of any of them may be involved in other financial, investment or other professional activities which may, on occasion, give rise to conflicts of interest with the Company. Whenever such conflicts arise, the Board shall ensure that they are resolved, and any relevant investment opportunities allocated, fairly. The Group has an established conflicts of interest policy that covers policies with regards to gifts, bribery, insider trading, personal trading accounts and sensitive information.

8 **DIRECTORS' INTERESTS**

- 8.1 The interests of the Directors and, so far as is known to the Directors (having made appropriate enquiries), persons connected with them, which expression shall be construed in accordance with the AIM Rules (all of which are beneficial except as shown), in the Ordinary Share capital of the Company as at: (i) the date of this document, (ii) following completion of the Reorganisation and immediately prior to Admission; and (iii) immediately following Admission and completion of the Placing are as follows:

	Percentage capital interest in LLP	(i) As at the date of this document		(ii) Immediately prior to Admission		(iii) Immediately following Admission	
		Ordinary Shares	%	Ordinary Shares	%	Ordinary Shares	%
Lord Digby Jones	0.99%	496,189	2.10%	992,378	0.99%	396,951	0.35%
Carl Jani ⁽¹⁾	18.33%	6,874,572	29.14%	13,749,144	13.75%	13,749,144	12.15%
Harry Adams ⁽¹⁾	18.33%	6,874,572	29.14%	13,749,144	13.75%	13,749,144	12.15%
Sam Williams	0.20%	98,942	0.42%	197,884	0.20%	148,413	0.13%
Henry Beckwith ⁽²⁾	10.59%	3,674,974	15.58%	7,349,948	7.35%	7,349,948	6.49%
Nigel Railton	0.00%	0	0.00%	0	0.00%	47,170	0.04%
Jonathan Gray	0.00%	0	0.00%	0	0.00%	50,000	0.04%
Total	48.45%	18,019,249	76.39%	36,038,498	36.04%	35,490,770	31.35%

(1) PIML is selling 11,209,735 Ordinary Shares under the Placing which it will acquire pursuant to the Principal Call Options from Carl Jani, Harry Adams and Andrew Egan and will use the net proceeds to pay the consideration under such agreements (40.9 per cent. to Carl Jani, 40.9 per cent. to Harry Adams and 18.2 per cent. to Andrew Egan). Further details of the Selling Shareholders are set out at paragraph 20 of this Part 6.

(2) Henry Beckwith is also, amongst others, an indirect beneficiary of PIML which will hold a further 14,195,191 Ordinary Shares immediately following Admission and completion of the Placing.

- 8.2 Save as otherwise set out in this document, none of the Directors has any interests in the share capital or loan capital of the Company or any of its subsidiaries nor does any person connected with the Directors (within the meaning of Sections 820 to 825 of the Act) have any such interests, whether beneficial or non-beneficial.
- 8.3 Save as otherwise set out in this document, none of the Directors have been granted any options over Ordinary Shares and there are no outstanding loans granted or guarantees provided by any company in the Group to or for the benefit of any of the Directors.
- 8.4 Save as otherwise set out in this document, no Director has any interest, whether direct or indirect, in any transaction which is or was unusual in its nature or condition or significant to the business of the Company taken as a whole and which was effected by the Company since its incorporation and which remains in any respect outstanding or under-performed.
- 8.5 None of the Directors or any person connected with them (within the meaning of Section 252 of the Act) is interested in any related financial product referenced to the Ordinary Shares (being a financial product whose value is, in whole or in part, determined directly or indirectly by reference to the price of the Ordinary Shares including a contract for difference or a fixed odds bet).
- 8.6 In addition to their directorships in the Company, the Directors have held the following directorships and/or been a partner in the following partnerships within the period of five years prior to the date of this document:

Name	Current directorships/ partnerships	Past directorships/ partnerships
Digby Jones, Baron Jones of Birmingham	Bromsgrove School Foundation Leicester Football Club plc Digby Jones LLP Thatchers Cider Company Limited Croft Property Development Limited On Logistics Limited Grafton Fields Investments Ltd Triumph Motorcycles Limited Argentex Capital Limited One Asset Ltd Metalfloor UK Limited Probuild 360 Limited	Flybe Group plc Cell Therapy Limited Celixir PLC Urica Limited G-Labs (Holdings) Limited Grove Industries Limited UK Community Foundations Neutrino Concepts Limited Becap Spicers (UK) Limited GIL Investments Limited DLGN Limited

Name	Current directorships/ partnerships	Past directorships/ partnerships
Carl Jani	Argentex Capital Limited Argentex LLP	n/a
Harry Adams	Argentex Capital Limited Argentex LLP Folly Investments Ltd	n/a
Sam Williams	Argentex Capital Limited Argentex LLP	n/a
Henry Beckwith	Argentex Capital Limited Argentex LLP Pacific Investments Management Ltd Pacific Helicopters Limited Pacific Investments Ltd HJB Capital Limited SPB Capital Asset Management Limited HJB Capital Asset Management Limited Pacific Capital Partners Limited Pacific and York Limited	Red River (Ireland) Limited Beckwith Property Partners Limited Law 2169 Limited Heli-Banners Limited JHP Development Limited Old Mortor Capital Limited
Nigel Railton	Argentex Capital Limited Enice Investments Limited Camelot UK Lotteries Limited CISL Limited National Lottery Enterprises Limited Camelot Lotteries Limited Wholesale Commercial Collections Limited	Camelot Global Lottery Solutions Limited Camelot Global Services Limited
Jonathan Gray	Argentex Capital Limited Urban Logistics Acquisitions 2 Limited Sabina Estates Group Holdings Limited Urban Logistics Prop Co 1 (AC) Limited Urban Logistics Acquisitions 1 Limited Urban Logistics REIT plc Elm Square Advisers Limited NCB Corporate Finance Limited Sons of the Gobi Limited	Caisson Light Industrial Properties Limited

8.7 No Director:

- (a) has any unspent convictions in relation to indictable offences;
- (b) has been bankrupt or the subject of an individual voluntary arrangement, or has had a receiver appointed to any asset of such director;
- (c) has been a director of any company which, while he or she was a director or within twelve months after he or she ceased to be a director, had a receiver appointed or went into compulsory liquidation, creditors' voluntary liquidation, administration or company voluntary arrangement, or made any composition or arrangement with its credits generally or

with any class of its creditors, save that Lord Digby Jones was a director of Neutrino Concepts Limited when a liquidator was appointed on 18 March 2015 as part of a creditor's voluntary liquidation. Neutrino Concepts Limited was dissolved on 30 December 2016;

- (d) has been a partner of any partnership which, while he or she was a partner or within twelve months after he or she ceased to be a partner, went into compulsory liquidation, administration or partnership voluntary arrangement, or had a receiver appointed to any partnership asset;
- (e) has had any public criticism by statutory or regulatory authorities (including authorised professional bodies); or
- (f) has been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.

9. DIRECTORS' TERMS OF APPOINTMENT

9.1 The following: (i) letters of appointment have been entered into by the Company and each of the Directors; and (ii) side letters to the Amended and Restated LLP Agreement have been entered into by the LLP and certain of the Directors in their capacity as Continuing Members of the LLP:

(a) **Digby Jones, Baron Jones of Birmingham**

Lord Jones was appointed as non-executive Chairman of the Company by letter of appointment dated 20 June 2019. The appointment is for an initial three year period, is subject to re-election at the forthcoming annual general meeting and it is terminable on three months' notice by either party. The fee payable to Lord Jones for his roles as non-executive Chair and his role as a member of each committee is £60,000 per annum and is subject to annual review.

(b) **Carl Jani**

In anticipation of Admission, Mr. Jani has entered into a letter of appointment dated 20 June 2019 in respect of his role as Co-Chief Executive Officer of the Company and as a Director, terminable upon six months' notice by either party. Under the letter of appointment Mr. Jani acknowledges that in the event his appointment as a director ceases for any reason, he shall also cease to be a member of the LLP (and vice versa). Mr. Jani will receive a fee of £25,000 per annum under this letter of appointment.

In addition, as a Continuing Member, and conditional upon completion of the Reorganisation, Mr. Jani has entered into a side letter dated 20 June 2019 with the LLP pursuant to which he is entitled to annual drawings of £225,000 and any special drawings to be determined by the Executive Committee. Mr. Jani is entitled to 25 holiday days per annum. Mr. Jani must make own provision for pension, life insurance and all additional benefits. Mr. Jani is also a party to the Amended and Restated LLP Agreement (further details of which are set out in paragraph 12.4 of this Part 6) and will be bound by the terms set out therein including twelve-month restrictive covenants.

(c) **Harry Adams**

In anticipation of Admission, Mr. Adams has entered into a letter of appointment dated 20 June 2019 in respect of his role as Co-Chief Executive Officer, terminable upon six months' notice by either party. Under the letter of appointment Mr. Adams acknowledges that in the event his appointment as a director ceases for any reason, he shall also cease to be a member of the LLP (and vice versa). Mr. Adams will receive a fee of £25,000 per annum under this letter of appointment.

In addition, as a Continuing Member, and conditional upon completion of the Reorganisation, Mr. Adams has entered into a side letter dated 20 June 2019 with the LLP pursuant to which he is entitled to annual drawings of £225,000 and any special drawings to be determined by the Executive Committee. Mr. Adams is entitled to 25 holiday days per annum. Mr. Adams must make own provision for pension, life insurance and all additional benefits. Mr. Adams is also a party to the Amended and Restated LLP Agreement (further

details of which are set out in paragraph 12.4 of this Part 6) and will be bound by the terms set out therein including a twelve-month restrictive covenants.

(d) **Sam Williams**

In anticipation of Admission, Mr. Williams has entered into a letter of appointment dated 20 June 2019 in respect of his role as Chief Financial Officer and Chief Operating Officer, terminable upon six months' notice by either party. Under the letter of appointment Mr. Williams acknowledges that in the event his appointment as a director ceases for any reason, he shall also cease to be a member of the LLP (and vice versa). Mr. Williams will receive a fee of £25,000 per annum under this letter of appointment.

In addition, as a Continuing Member, and conditional upon completion of the Reorganisation, Mr. Williams has entered into a side letter dated 20 June 2019 with the LLP pursuant to which he is entitled to annual drawings of £125,000 and any special drawings to be determined by the Executive Committee. Mr. Williams is entitled to 25 holiday days per annum. Mr. Williams must make own provision for pension, life insurance and all additional benefits. Mr. Williams is also a party to the Amended and Restated LLP Agreement (further details of which are set out in paragraph 12.4 of this Part 6) and will be bound by the terms set out therein including twelve-month restrictive covenants.

(e) **Henry Beckwith**

Mr. Beckwith was appointed as a Non-executive Director of the Company (and as the board representative of PIML pursuant to the Relationship Agreement) by letter of appointment dated 20 June 2019. The appointment is for an initial three year period, is subject to re-election at the forthcoming annual general meeting and it is terminable on three months' notice by either party. For so long as the Relationship Agreement is in place, Mr. Beckwith will not receive a salary for his role as Non-executive Director nor as a member of each committee.

(f) **Nigel Railton**

Mr. Railton was appointed as a Non-executive Director and Senior Independent Director of the Company by letter of appointment dated 20 June 2019. The appointment is for an initial three year period, is subject to re-election at the forthcoming annual general meeting and it is terminable on written notice by either party. The fee payable to Mr. Railton for his role as Non-executive Director and his role as a member of each committee is £45,000 per annum and is subject to annual review.

(g) **Jonathan Gray**

Mr. Gray was appointed as an independent Non-executive Director of the Company by letter of appointment dated 20 June 2019. The appointment is for an initial three year period, is subject to re-election at the forthcoming annual general meeting and it is terminable on three months' notice by either party. The fee payable to Mr. Gray for his role as Non-executive Director and his role as a member of each committee is £45,000 per annum and is subject to annual review.

9.2 None of the Directors' letters of appointment provide for benefits upon termination of employment.

9.3 Save as set out in this paragraph 9, there are no existing or proposed service agreements or appointment letters between the Directors and any member of the Group.

10. SIGNIFICANT SHAREHOLDERS

10.1 The Company is aware of the following persons who, (i) at the date of this document; and (ii) immediately following Admission (assuming completion of the Placing and the Subscription), represent an interest (within the meaning of Chapter 5 of the DTRS) directly or indirectly, jointly or severally, in three per cent. or more of the Company's issued share capital or could exercise control over the Company:

Name	Percentage capital interest in LLP	(i) As at the date of the document		(ii) Immediately following Admission and completion of the Placing and the Subscription	
		Ordinary Shares	%	Ordinary Shares	%
Pacific Investments Management Limited ⁽¹⁾	23.7%	0	0.0%	14,195,191	12.5%
Carl Jani ⁽²⁾	18.3%	6,874,572	29.1%	13,749,144	12.1%
Harry Adams ⁽²⁾	18.3%	6,874,572	29.1%	13,749,144	12.1%
Henry Beckwith ⁽³⁾	10.6%	3,674,974	15.6%	7,349,948	6.5%
Andrew Egan	8.2%	3,065,459	13.0%	6,130,918	5.4%
BlackRock international Limited	0.0%	0	0.0%	5,400,000	4.8%
Gresham House Asset Management Ltd	0.0%	0	0.0%	5,000,000	4.4%

(1) Held indirectly via Pacific Foreign Exchange Ltd.

(2) PIML is selling 11,209,735 Ordinary Shares under the Placing which it will acquire pursuant to the Principal Call Options from Carl Jani, Harry Adams and Andrew Egan and will use the net proceeds to pay the consideration under such agreements (40.9 per cent. to Carl Jani, 40.9 per cent. to Harry Adams and 18.2 per cent. to Andrew Egan). Further details of the Selling Shareholders are set out at paragraph 20 of this Part 6.

(3) Henry Beckwith is also, amongst others, an indirect beneficiary of PIML which will hold a further 14,195,191 Ordinary Shares at Admission.

10.2 None of the Company's major Shareholders have any different voting rights from other Shareholders.

10.3 Save as set out in paragraph 8.1 above, the Company is not aware of any person or entity who, directly or indirectly, jointly or severally, will or could exercise control over the Company immediately following Admission and there are no arrangements the operation of which could result in a change of control of the Company.

10.4 Any potential investor in Ordinary Shares should note that, by virtue of the Company's ownership of the LLP (being an FCA regulated entity), where it acquires 10 per cent. or more of the voting rights in the capital of the Company, it will be viewed as a 'controller' of the LLP (on a 'look-through' basis), and will therefore be required, before obtaining such holding of Ordinary Shares, to apply for approval from the FCA as a 'controller' pursuant to Part 12 of FSMA.

11. EMPLOYEE INCENTIVE SCHEMES

The Company adopted the Argentex Group PLC Company Share Option Plan on 19 June 2019 to allow employees, executive directors and consultants to be granted the right to acquire Ordinary Shares subject to the rules of the CSOP. The principal terms of the CSOP are summarised below. Part A of the CSOP is intended to meet the requirements of Schedule 4 to the Income Tax (Earnings and Pensions) Act 2003 and benefit from statutory tax advantages, but Part B and Part C of the CSOP are not subject to those qualifying restrictions. Part A, Part B and Part C of the CSOP are identical except as noted.

11.1 Eligibility and Grant of CSOP Options

The Board (which may act through the remuneration committee) may grant CSOP Options to selected employees but only Directors who work at least 25 hours per week for the Company and individuals without a material interest may participate under Part A of the CSOP. A material interest is an interest with associates of more than 30% of the ordinary share capital of the Company in the previous 12 months. It is proposed that CSOP Options may be granted subject to a performance condition.

The CSOP Options may be granted during:

- the period of 42 days after the date of adoption of the CSOP;
- any period of 42 days immediately following the preliminary announcement of the Company's interim or final results each year; or
- in any other period that the Board decides due to exceptional circumstances.

No Options may be granted more than ten years after the date of adoption of the CSOP or when otherwise prohibited by law or regulation.

11.2 Exercise Price

The price payable to acquire Ordinary Shares on the exercise of the CSOP Options will be not materially less than the market value (or nominal value if higher) of the Ordinary Shares at the date of grant. Market value will be the mid-market closing price of the Ordinary Shares on the trading day immediately before the grant or as otherwise agreed with HMRC.

11.3 Exercise and Lapse of CSOP Options

CSOP Options are normally exercisable at any time from between the third and tenth anniversary of the grant of the option, subject to the satisfaction of any objective performance condition imposed by the Board at grant. Performance conditions may be varied so long as they are not more difficult or materially easier to satisfy than any applicable original performance condition.

CSOP Options may (to the extent that any performance conditions have been met or waived) be exercised within 90 days after the employee ceases to be a director or employee of the Company as a result of disability, ill-health, injury, redundancy, retirement, transfer of business or at the discretion of the Board or 12 months after death (in which case CSOP Options are exercisable by personal representatives of the option holder).

CSOP Options are exercisable in limited circumstances following a change of control of the Company, on commencement of a winding up or on a court sanctioned reconstruction or amalgamation or for cessation of employment due to death, injury, ill-health, disability, retirement, redundancy, a transfer of the undertakings or at the discretion of the Board but will otherwise, to the extent unexercised, lapse.

CSOP Options are personal and will lapse on assignment or other transfer by the eligible employee, except to a personal representative.

The exercise of CSOP Options will be conditional upon the option holder agreeing to indemnify the Company for the cost of any income tax and national insurance, including unless the Company determines otherwise, secondary national insurance contributions arising in connection with the CSOP Options.

11.4 Limits

The individual limit for CSOP Options under Part A of the CSOP is the statutory limit, currently, £30,000 (calculated based on the market value of Ordinary Shares under option at the date of grant) or such other limit as the legislation permits.

The Company may not grant a CSOP Option if that grant would result in the total number of Ordinary Shares to be issued when added to any other options granted under all group employee share schemes and other individual share option agreements in the ten year period prior to grant exceeding five per cent. of the issued Ordinary Shares of the Company from time to time.

11.5 Variation of Share Capital

On an alteration of the ordinary share capital of the Company by capitalisation or rights issue, consolidation, sub-division or reduction or other alteration, the number of shares subject to or the option price may be adjusted by the Board acting fairly and reasonably and, for CSOP Options granted under Part A of the CSOP, satisfies the statutory requirements.

11.6 Amendment

Amendments to the CSOP require the prior approval of the Company in general meeting to increase the limits on the number of Ordinary Shares that may be issued under the CSOP, to make the CSOP Options materially more generous, to expand the class of participants or to alter the rule on variation of share capital to benefit the option holders, unless the amendments are minor to benefit the administration of the CSOP, take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants or the Company.

For Part A of the CSOP, no amendment may be made to a key feature of the CSOP if qualifying status will be lost.

11.7 Voting, Dividend and Other Rights

On exercise, shares issued are ranked *pari passu* but, until then, option holders have no voting or dividend rights. The rights under the CSOP Options are not pensionable.

12. MATERIAL CONTRACTS OF THE GROUP

The following are all of the contracts, not being contracts entered into in the ordinary course of business, that (i) have been entered into by the Group for the two years immediately preceding the date of this document and are, or may be, material to the Group as at the date of this document and (ii) any other contract entered into by any member of the Group which contains any provision under which any member of the Group has any obligation or entitlement which is or may be material to the Group as at the date of this document:

12.1 The Placing Agreement

The Placing Agreement dated 20 June 2019 between the Company, the Directors, the Selling Shareholders and Numis pursuant to which Numis has agreed, subject to certain conditions, to use reasonable endeavours to procure subscribers for 12,655,660 Placing Shares at the Issue Price which are allocated pursuant to the Placing. In addition, Numis has agreed, subject to certain conditions, to use reasonable endeavours to procure purchasers for 30,625,065 Sale Shares at the Issue Price to be sold by certain of the Selling Shareholders. Numis shall subscribe/purchase any Placing Shares or Sales Shares not so subscribed or purchased by Placees.

The Placing Agreement may be terminated by Numis in certain customary circumstances prior to Admission. The Company has appointed Numis as nominated adviser, broker and bookrunner to the Company in connection with the Placing. The Selling Shareholders have appointed Numis as broker and bookrunner in connection with the sale of the Sale Shares pursuant to the Placing.

The obligation of the Company to issue 12,655,660 Placing Shares, the obligations of the Selling Shareholders to sell 30,625,065 Sale Shares and the obligations of Numis to procure subscribers or purchasers for such Placing Shares and Sale Shares are conditional upon certain conditions that are typical for an agreement of this nature. These conditions include, among others: (i) Admission occurring by 8.00 a.m. on 25 June 2019 (or such later time and/or date, not being later than 9 July 2019, as the Company and Numis may agree) (ii) implementation of the Reorganisation (as described in paragraph 3.1 of this Part 6), (iii) the Subscription Agreements becoming unconditional (save as to Admission) and (iv) the Placing Agreement not having been terminated in accordance with its terms.

In consideration for their respective services in relation to the Placing and Admission and conditional upon completion of the Placing, Numis will be paid commission based on the aggregate value of the Placing Shares and the Sale Shares at the Issue Price.

The Company and the Directors have given warranties to Numis concerning, *inter alia*, the accuracy of the information contained in this document. The Company has also given indemnities to Numis. The warranties and indemnities given by the Company and the Directors are standard for an agreement of this nature. In addition, the Selling Shareholders have given warranties to Numis concerning, *inter alia*, title to the Sale Shares to be sold on their behalf.

The Placing Agreement is governed by the laws of England and Wales.

12.2 Lock-in Deeds

The Lock-in Deeds dated 20 June 2019 entered into between the Company, Numis and the Locked-in Shareholders pursuant to which each Locked-in Shareholder has covenanted to Numis and the Company not to dispose of any of the Ordinary Shares held by him at Admission, (or subsequently acquired) for a period of 12 months from Admission except with the consent of Numis or in other limited circumstances (including pursuant to a court order, death or acceptance of a takeover offer which is open to all Shareholders and/or a transfer to a connected person). For the period of

12 months following the first anniversary of Admission each Locked-in Shareholder has also agreed that (except in certain limited circumstances) he will only sell such Ordinary Shares through Numis.

The Lock-in Deeds are governed by the laws of England and Wales.

12.3 Relationship Agreement

The Relationship Agreement dated 20 June 2019 between the Company, Numis and PIML pursuant to which PIML has undertaken (for so long as it holds Ordinary Shares representing 20 per cent. or more of the voting capital of the Company), amongst other things, that it will (and, in relation to its associates, will procure that each of its associates will): (i) conduct all transactions, agreements, relationships and arrangements with the Group on an arm's length basis and on normal commercial terms; and (ii) exercise its voting rights to procure insofar as it is able, that each member of the Group is able at all times to carry on its business independently of PIML.

Under the Relationship Agreement, PIML may, for so long as it holds Ordinary Shares representing 20 per cent. or more of the voting capital of the Company, nominate a non-executive director to the Board.

The Relationship Agreement is governed by the laws of England and Wales.

12.4 Amended and Restated LLP Agreement

The Amended and Restated LLP Agreement to be dated on or around 24 June 2019 and entered into between the Continuing Members, Argentex Capital and the LLP pursuant to which the Continuing Members will agree how any profits of the LLP available for distribution are to be distributed to the Continuing Members and which will set out each Continuing Member's duties and obligations to the operation of the business of the LLP.

Following the Reorganisation, the Continuing Members (other than PFEL and Argentex Capital) will have the right to receive a priority profit share from the LLP as determined by the terms of the Amended and Restated LLP Agreement and set out in their respective side letters in lieu of any salary and bonus entitlement they would have received were they employed by the Group. Further details of the terms of the side letters for each Continuing Member who is also a Director are set out at paragraph 9 of this Part 6.

Pursuant to the Amended and Restated LLP Agreement, the Continuing Members will delegate to an executive committee the day to day management of the LLP. The Executive Committee will, in the first instance, consist of Lord Jones (representative of Argentex Capital), Carl Jani, Harry Adams, Andrew Egan, Sam Williams, Kit Smith, Daniel Merrick and Joseph Duffelen. No decision of the Executive Committee is valid unless a quorum of three is present. The Executive Committee has the power, *inter alia*, subject to the prior approval of Argentex Capital, to (i) approve the admission of additional members; (ii) approve and/or force the retirement of the Continuing Members; (iii) vary the Continuing Members' capital interests; and (iv) set the amount of monthly drawings for the Continuing Members.

The profits of the LLP are allocated (i) first to each Continuing Member equal to their respective aggregate amount of monthly drawings and any special drawings and (ii) second the remaining balance is allocated between Argentex Capital and PFEL on a *pro rata* basis according to their respective capital interests.

Under the Amended and Restated LLP Agreement, a member will be able to resign on 6 months' written notice to the LLP and will, following such notice period, forfeit his interests in the LLP. The Executive Committee will be able to require a member to retire upon 6 months' written notice in the event that, *inter alia*, the member has failed to perform his duties as a member or meet such members' performance targets. A member shall be deemed to have retired (and forfeit all interests in the LLP) upon his incapacity or death. There will also be an absolute right for Argentex Capital to serve notice of not less than 6 months on a member and, following such notice period, the member shall be deemed to have retired and forfeited his interests in the LLP. The Executive Committee will also be able to require a member (other than Argentex Capital or PFEL) to retire immediately if he commits an act of gross misconduct.

The Amended and Restated LLP Agreement sets out a list of reserved matters which shall require the consent of Argentex Capital including:

- any variation to the terms of the Amended and Restated LLP Agreement;
- any obligation of the LLP outside of the normal course of business which could involve payment by it of amounts in excess of £50,000 in the aggregate in any 12 month period;
- the creation of any mortgage, charge encumbrance or other security interest whatsoever on any asset of the LLP;
- the appointment and removal of the auditors of the LLP;
- the merger, acquisition, disposal or flotation of any material part of the business or the winding up of the LLP;
- the annual budget of the LLP;
- the payment of any special drawings, bonuses to or entering into any commission arrangements with employees or Continuing Members;
- the allocation of capital interests to existing or additional members;
- the sale, exchange, transfer, pledge, encumbrance or disposal of a Continuing Member's rights, obligations and interests in the LLP;
- any material change in the nature of the business or the carrying on of any new business of the LLP; and
- any matter on which the Executive Committee has been unable to reach a decision.

The LLP has given a standard indemnity in favour of the members in respect of such members' potential losses in carrying on their responsibilities under the Amended and Restated LLP Agreement.

The Amended and Restated LLP Agreement contains certain restrictive covenants (including non-solicitation of clients and/or employees) for each member (save for Argentex Capital and PFEL) following his retirement/removal from the LLP for a 12 month period.

No member may transfer its membership interests in the LLP without the prior approval of Argentex Capital. Argentex Capital or PFEL may transfer or assign all of their interests and rights in the LLP to the Company, Argentex Capital or PFEL or any and all of their subsidiaries and subsidiary undertakings. There is also a drag along provision for the members if a *bona fide* arm's length offer is made for the capital interests of Argentex Capital and PFEL. The LLP shall continue in existence until wound up in accordance with the terms of the Amended and Restated LLP Agreement. Argentex Capital may resolve to place the LLP into voluntary liquidation or otherwise wind up the LLP.

The Amended and Restated LLP Agreement will be in substitution and replacement for the LLP Agreement.

The Amended and Restated LLP Agreement is governed by the laws of England and Wales.

12.5 Nominated Adviser and Broker Agreement

The Nominated Adviser and Broker Agreement dated 20 June 2019 between the Company and Numis pursuant to which Numis has agreed, *inter alia*, to act as nominated adviser to the Company following Admission as required by the AIM Rules. Numis will, amongst other matters, advise and guide the Company and the Directors on their responsibilities and obligations under the AIM Rules. The Company has agreed to pay Numis an annual fee as well as reasonable and properly incurred expenses. The agreement also contains a customary indemnity given by the Company to Numis in relation to the provision by Numis of its services under the agreement.

The Nominated Adviser and Broker Agreement is governed by the laws of England and Wales.

12.6 The Company Secretarial Agreement

The Company Secretarial Agreement dated 20 June 2019 between the Company and the Company Secretary pursuant to which the Company Secretary has been appointed to act as secretary to the Company. Under the terms of the Company Secretarial Agreement, the Company Secretary is entitled to a one-off on-boarding fee of £300, an annual company secretarial fee of £1,500 and an additional fee of £4,500 for managing the board portal. Other fees are chargeable on request including board and meeting support and other ongoing services.

The Company Secretarial Agreement contains provisions whereby the Company indemnifies and holds harmless the Company Secretary, its affiliates and their directors, officers, employees and agents from and against any and all losses incurred by such parties resulting or arising from the Company's breach of the Company Secretarial Agreement and, in addition, any third party claims relating to or arising from or in connection with the Company Secretarial Agreement or the services contemplated therein except to the extent that any such claims have resulted from the negligence, fraud, breach of the Company Secretarial Agreement or default of any such person. Further, the liability of the Company Secretary under the Company Secretarial Agreement is limited in respect of each matter upon which it is instructed to £3 million. The Company Secretarial Agreement is terminable, *inter alia*, upon one month's written notice.

The Company Secretarial Agreement is governed by the laws of England and Wales.

12.7 The Registrar Agreement

The Registrar Agreement dated 20 June 2019 between the Company and the Registrar pursuant to which the Registrar has agreed to act as registrar to the Company. Under the terms of the Registrar Agreement, the Registrar is entitled to a fee for share registration services of £1.35 per Shareholder account per annum, subject to a minimum fee of £3,480 per annum (exclusive of VAT). The fee is subject to increase in line with RPI. The Registrar is also entitled to activity fees under the Registrar Agreement.

The Registrar Agreement may be terminated on six months' notice, such notice not to expire prior to the end of the second year of appointment. The Company has given certain market standard indemnities in favour of the Registrar in respect of the Registrar's potential losses in carrying on its responsibilities under the Registrar Agreement. The Registrar's liability under the Registrar Agreement is limited (with certain exceptions) to the fees paid to the Registrars during such calendar year.

The Registrar Agreement is governed by the laws of England and Wales.

12.8 The Framework Agreement

The Framework Agreement dated 20 June 2019 between the Company, Argentex Capital, the LLP, the Existing Members, the Option Holders and PIML which governs the completion of the Reorganisation in order to ensure it had completed in sufficient time for Admission. The conditions of the Framework Agreement include, *inter alia*, the Placing Agreement not having been terminated and (ii) any relevant approvals given by the FCA not having been revoked. Under the Framework Agreement each of the parties has given further assurance that they shall use all reasonable endeavours to, *inter alia*, effect the Reorganisation prior to Admission.

The Framework Agreement is governed by the laws of England and Wales.

12.9 Deeds of Gift

The Deeds of Gift each dated 20 June 2019 from each of Carl Jani, Harry Adams, Andrew Egan, Henry Beckwith, Piers Beckwith, Lord Digby Jones, Oliver Hemsley, Sam Williams, Daniel Merrick and Joseph Duffelen (each a "Donor") to Argentex Capital pursuant to which each Donor has agreed, subject to certain conditions, to give and transfer by way of gift certain or all of the Donor's capital interest and capital contribution in the LLP (the "Gift Interest") to Argentex Capital. Each Donor has given standard warranties to Argentex Capital.

The Deeds of Gift are governed by the laws of England and Wales.

12.10 **The Argentex Capital Acquisition Agreement**

The Argentex Capital Acquisition Agreement dated 20 June 2019 between the Company and each of Carl Jani, Harry Adams, Andrew Egan, Henry Beckwith, Piers Beckwith, Digby Jones, Oliver Hemsley, Sam Williams, Daniel Merrick and Joseph Duffelen (for the purposes of this paragraph 12.10, the “**Argentex Capital Vendors**”) pursuant to which the Company has agreed, subject to certain conditions, to acquire the entire issued share capital of Argentex Capital in return for the allotment and issue of, in aggregate, 23,589,212 Ordinary Shares to the Argentex Capital Vendors. The Argentex Capital Vendors have given standard warranties to the Company.

The Argentex Capital Acquisition Agreement is governed by the laws of England and Wales.

12.11 **The LLP Acquisition Agreements**

The LLP Acquisition Agreements each dated 20 June 2019 between each of PIML, the Option Holders, Mark Johnson, Heather Beckwith, William Tonkyn and Kit Smith (for the purposes of this paragraph 12.11, each an “**LLP Vendor**”) and Argentex Capital pursuant to which each LLP Vendor has agreed, subject to certain conditions, to sell their capital interests and capital contribution in the LLP (the “**Sale Interest**”) to Argentex Capital. in return for Argentex Capital procuring the allotment and issue of 29,162,922 Ordinary Shares to the LLP Vendors. Each LLP Vendor has given standard warranties to Argentex Capital.

The LLP Acquisition Agreements are governed by the laws of England and Wales.

12.12 **The PFEL Acquisition Agreement**

The PFEL Acquisition Agreement dated 20 June 2019 between PIML and Argentex Capital pursuant to which PIML has agreed, subject to certain conditions, to transfer the entire issued share capital of PFEL to Argentex Capital in return for Argentex Capital procuring the issue of 20,620,674 Ordinary Shares to PIML. PIML has given standard warranties to Argentex Capital.

The PFEL Acquisition Agreement is governed by the laws of England and Wales.

12.13 **The Pacific Facility Agreement**

The Pacific Facility Agreement dated 15 September 2015 between Puma Lending Limited (a related company of Pacific Investments) and the LLP pursuant to which Puma Lending Limited has made an unsecured loan facility of £3 million available to the LLP. The purpose of the loan is to facilitate foreign exchange deals (each a “**Deal**”) by the LLP when it has insufficient margin and is used solely as collateral with an Institutional Counterparty. Interest is payable on the loan calculated as a fixed percentage (either 5 per cent. or 10 per cent.) of the accounting profit on each Deal less directly attributable commissions and introductory brokerage expenses incurred on such Deal. The completion of the Reorganisation will trigger the repayment of the loan as it is repayable on the occurrence of the sale of more than 50 per cent. of nominal value of the existing partnership capital of the LLP.

The Pacific Facility Agreement is governed by the laws of England & Wales

12.14 **Deed of Termination**

The Deed of Termination dated 20 June 2019 between Puma Lending Limited and the LLP pursuant to which the parties have agreed, conditional on Admission, to terminate the Pacific Facility Agreement (further details are set out in paragraph 12.13 above). Under the Deed of Termination the parties acknowledge that any amounts owing by the LLP to Puma Lending Limited will be immediately repaid shortly following Admission following which the Pacific Facility Agreement will be terminated.

The Deed of Termination is governed by the laws of England & Wales.

12.15 **The Subscription Agreements**

The Subscription Agreements dated 14 June 2019 between the Company and each Subscriber pursuant to which the Subscribers have agreed to subscribe, in aggregate, for 551,887 new Ordinary Shares at the Issue Price. The Subscription is conditional, *inter alia*, upon Admission occurring.

The Subscription Agreements are governed by the laws of England and Wales.

12.16 Deed of Novation

The Deed of Novation dated 20 June 2019 between PFEL, PIML and Argentex Capital pursuant to which PIML has agreed, subject to certain conditions, to transfer its rights and obligations under the terms of an intra-group on-demand facility agreement between PFEL and PIML to Argentex Capital and in consideration Argentex Capital will procure the allotment and issue of 3,037,980 Ordinary Shares to PIML. The Deed of Novation is governed by the laws of England and Wales.

13. LITIGATION

Neither the Company nor any member of the Group is, nor has at any time in the 12 months immediately preceding the date of this document, been involved in any governmental, legal or arbitration proceedings, and the Company is not aware of any governmental, legal or arbitration proceedings pending or threatened by or against the Company or any member of the Group, nor of any such proceedings having been pending or threatened at any time in the 12 months immediately preceding the date of this document in each case which may have, or have had in the recent past, a significant effect on the Company's or the Group's financial position or profitability.

14. WORKING CAPITAL

The Directors, having made due and careful enquiry, are of the opinion that, taking into account the proceeds of the Placing and the Subscription receivable by the Group, the working capital available to the Company and the Group will be sufficient for its present requirements, that is for at least twelve months from the date of Admission.

15. NO SIGNIFICANT CHANGE

- 15.1 There has been no significant change in the financial or trading position of the Company since the date of its incorporation.
- 15.2 There has been no significant change in the financial or trading position of the LLP since 31 March 2019, being the last date to which financials have been published in relation to the LLP.

16. RELATED PARTY TRANSACTIONS

There are no material 'related party transactions' (within the meaning of the AIM Rules) required to be disclosed under the accounting standards applicable to the Group, to which the Group was a party during the period of the historical financial information and up to the date of this document save for:

- (a) the Pacific Facility Agreement and the Deed of Termination;
- (b) the Relationship Agreement;
- (c) the LLP Acquisition Agreement between Argentex Capital and PIML;
- (d) the PFEL Acquisition Agreement;
- (e) the Deeds of Gift from each of Carl Jani, Harry Adams, Sam Williams, Henry Beckwith and Lord Digby Jones to Argentex Capital; and
- (f) the Argentex Capital Acquisition Agreement.

17. TAXATION

The following paragraphs are intended as a general guide only for Shareholders who are resident in or otherwise connected with, the United Kingdom for tax purposes, holding Ordinary Shares as investments and not as securities to be authorised in the course of a trade, and are based on current legislation and practice. Any prospective subscriber for, or purchaser of, Ordinary Shares who is in any doubt about his tax position or who is subject to taxation in a jurisdiction other than the United Kingdom should consult his own professional adviser immediately.

The statements do not constitute tax advice and are intended only as a general guide. Furthermore, this information applies only to Ordinary Shares that are held as capital assets and does not apply to all categories of shareholders, such as dealers in securities, trustees, insurance companies, collective investment schemes or shareholders who have, or who are deemed to have, acquired their shares by virtue of an office or employment. This summary is not exhaustive and Shareholders and prospective investors

should consult their own tax advisors as to the tax consequences in the United Kingdom, or other relevant jurisdictions of this offering, including the acquisition, ownership and disposition of our shares.

17.1 Taxation of dividends

(a) **General**

Under current UK tax legislation, no amounts in respect of tax will be withheld at source from dividend payments made by the Company.

(b) **Individual Shareholders**

A UK resident individual Shareholder will not be subject to income tax on a dividend such individual Shareholder receives from the Company if the total amount of dividend income received by the individual in the tax year (including the dividend from the Company) does not exceed a dividend allowance of £2,000, which will be taxed at a nil rate (the “**Dividend Allowance**”).

In determining the income tax rate or rates applicable to a UK resident individual Shareholder’s taxable income, dividend income is treated as the highest part of such individual Shareholder’s income (not including capital gains). Dividend income that falls within the Dividend Allowance will count towards the basic or higher rate limits (as applicable) which may affect the rate of tax due on any dividend income in excess of the Dividend Allowance.

To the extent that a UK resident individual Shareholder’s dividend income for the tax year exceeds the Dividend Allowance and, when treated as the highest part of such individual Shareholder’s income, falls above such individual Shareholder’s personal allowance but below the basic rate limit, such an individual Shareholder will be subject to tax on that dividend income at the dividend basic rate of 7.5 per cent.

To the extent that such dividend income falls above the basic rate limit but below the higher rate limit, such an individual Shareholder will be subject to tax on that dividend income at the dividend higher rate of 32.5 per cent.

To the extent that such dividend income falls above the higher rate limit, such an individual Shareholder will be subject to tax on that dividend income at the dividend additional rate of 38.1 per cent.

(c) **Corporate Shareholders**

UK resident corporate Shareholders (including unit trusts and open-ended investment companies) and pension funds will not normally be liable to UK taxation on any dividend received on the Ordinary Shares.

(d) **Non-resident Shareholders**

A Shareholder resident or otherwise subject to tax outside the UK (whether an individual or a body corporate) may be subject to foreign taxation on dividend income under local law. Shareholders to whom this may apply should obtain their own tax advice concerning tax liabilities on dividends received from the Company.

17.2 Taxation on chargeable gains

(a) **General**

Shareholders who are resident for tax purposes in the UK may be liable to UK taxation on chargeable gains on a disposal of Ordinary Shares, depending upon their individual circumstances and subject to any available exemption or relief.

(b) **Individual Shareholders**

United Kingdom resident individual Shareholders, depending upon their individual circumstances and any available reliefs, may be subject to capital gains tax at the prevailing rate on any disposals of Ordinary Shares (or may give rise to an allowable loss). For individuals who are taxed at the basic rate, UK capital gains tax may be payable at the flat

rate of 10 per cent. For such individuals who are higher or additional rate taxpayers, UK capital gains tax may be payable at the flat rate of 20 per cent. No indexation allowance is available to such Shareholders, but they may be entitled to an annual exemption from capital gains tax (this is £12,000 for the tax year 2019/2020).

(c) ***Corporate Shareholders***

Where a Shareholder is within the charge to corporation tax, a disposal of Ordinary Shares may give rise to a chargeable gain (or allowable loss) for the purposes of UK corporation tax, depending on the circumstances and subject to any available exemption or relief. Corporation tax is charged on chargeable gains at the rate applicable to that company. Indexation allowance may reduce the amount of chargeable gain that is subject to corporation tax, but may not create or increase a loss. The current rate of UK corporation tax is 19 per cent., but is due to reduce to 17 per cent. from 1 April 2020.

(d) ***Non-resident Shareholders***

A Shareholder who is not resident for tax purposes in the UK will not be liable to UK taxation on chargeable gains unless the Shareholder carries on a trade, profession or vocation in the UK through a branch or agency and the Ordinary Shares disposed of are, or have been, used, held or acquired for the purposes of such trade, profession or vocation or for the purposes of such branch or agency. Such Shareholders may also be subject to tax under any law to which they are subject outside the UK.

In certain circumstances, where an individual disposes of Ordinary Shares while temporarily non-resident in the UK, they may be liable to CGT on their return. If you are unsure of your tax exposure and/or position, you should contact your professional tax adviser.

17.3 Stamp Duty and Stamp Duty Reserve Tax (“SDRT”)

Under current law, no stamp duty or SDRT will be payable on the issue of Ordinary Shares pursuant to the Placing or the Subscription and neither stamp duty nor SDRT will apply to trades in Ordinary Shares made on a growth market, such as AIM.

17.4 Inheritance Tax

- (a) Individual investors domiciled or deemed to be domiciled in any part of the UK may be liable on occasions to inheritance tax (“IHT”) on the value of any Ordinary Shares held by them. IHT may also apply to individual shareholders who are, not domiciled in the UK although relief under a double tax convention may apply to those in this position.
- (b) If the Ordinary Shares are held in a trust different rules apply and professional guidance and advice should be sought in respect of any transfer of the Ordinary Shares.
- (c) IHT can be charged on the death of an individual Shareholder, on any gifts made during the seven years prior to the death of an individual Shareholder, and on certain lifetime transfers, including transfers to trusts or appointments out of trusts to beneficiaries.
- (d) IHT business property relief (“BPR”) may however apply to a holding of Ordinary Shares once these have been held for two years and certain conditions have been satisfied. This relief applies where the Ordinary Shares are admitted to trading on AIM (although it would not apply if the Ordinary Shares were listed on the Official List). BPR operates by providing up to 100 per cent. relief from IHT on the transfer of qualifying shares.

18. CONSENTS

- (a) Nexia Smith & Williamson Audit Limited is a company registered in England and Wales with registered number 4469576 and having its registered office at 25 Moorgate, London EC2R 6AY. Nexia Smith & Williamson Audit Limited is a member of the Institute of Chartered Accountants in England and Wales. Nexia Smith & Williamson Audit Limited has given and not withdrawn its written consent to the inclusion of its report in Section A of Part 4 of this document in the form and context in which it appears and has authorised the contents of its reports for the purpose of Schedule Two to the AIM Rules.

- (b) Numis is a company incorporated in England and Wales with registered number 02285918 and having its registered office at The London Stock Exchange Building, 10 Paternoster Square, London EC4M 7LT. Numis is authorised and regulated by the FCA. Numis has given and not withdrawn its written consent to the issue of this document with the inclusion of its name and references to it in the form and context in which they appear.

19. THIRD PARTY INFORMATION

Where information in this document has been sourced from a third party, this information has been accurately reproduced and, so far as the Company and the Directors are aware and are able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

20. THE SELLING SHAREHOLDERS

The names of the Selling Shareholders, the number of Ordinary Shares following completion of the Reorganisation and immediately prior to Admission, the number of Sale Shares being sold as part of the Placing and the number of Ordinary Shares immediately following Admission and completion of the Placing are set out below.

Selling Shareholder	Business Address	No. of Ordinary Shares following completion of the Reorganisation and immediately prior to Admission	No. of Sale Shares being sold as part of the Placing	No. of Ordinary Shares immediately following Admission
Lord Digby Jones	5 Old Bond Street, London W1S 4PD	992,378	595,427	396,951
Sam Williams	5 Old Bond Street, London W1S 4PD	197,884	49,471	148,413
Mark Johnson	124 Sloane Street, London SW1X 9BW	4,509,461	1,352,839	3,156,622
Heather Beckwith	124 Sloane Street, London SW1X 9BW	1,898,721	569,617	1,329,104
William Tonkyn	5 Old Bond Street, London W1S 4PD	4,947,081	2,473,541	2,473,540
Kit Smith	5 Old Bond Street, London W1S 4PD	1,978,832	494,709	1,484,123
PIML	124 Sloane Street, London SW1X 9BW	34,868,389	20,673,198	14,195,191 ⁽¹⁾
Stuart Roberts	124 Sloane Street, London SW1X 9BW	3,244,317	3,149,978	94,339 ⁽²⁾
Douglas Rogers	124 Sloane Street, London SW1X 9BW	1,374,775	1,266,285	108,490 ⁽³⁾
Total:		54,011,838	30,625,065	23,386,773

- (1) PIML is selling 11,209,735 Ordinary Shares under the Placing which it will acquire pursuant to the Principal Call Options from Carl Jani, Harry Adams and Andrew Egan and will use the net proceeds to pay the consideration under such agreements (40.9 per cent. to Carl Jani, 40.9 per cent. to Harry Adams and 18.2 per cent. to Andrew Egan).
- (2) Stuart Roberts is selling 3,149,978 Ordinary Shares under the Placing which he will acquire pursuant to the Pacific Call Options between him and Henry Beckwith and will use the net proceeds to pay the consideration under such agreement.
- (3) Douglas Rogers is selling 1,266,285 Ordinary Shares under the Placing which he will acquire pursuant to the Pacific Call Options between him and Piers Beckwith and will pay the net proceeds to Piers Beckwith.

21. GENERAL

21.1 The costs and expenses incurred by the Group in connection with the Placing, the Subscription and Admission are estimated to be £1.5 million, including VAT and are payable by the Company. Any

costs and expenses incurred in connection with the Placing of the Sale Shares will be borne by the Selling Shareholders.

- 21.2 Except for fees payable to the professional advisers whose names are set out on page 10 above or payments to trade suppliers, no person has received any fees, securities in the Company or other benefit to a value of £10,000 or more, whether directly or indirectly, from the Company within the 12 months preceding the date of this document, or has entered into any contractual arrangement to receive from the Company, directly or indirectly, any such fees, securities or other benefit on or after Admission.
- 21.3 The Company is not dependent on patents or other intellectual property rights, licences or particular contracts which are or may be of fundamental importance to the Company's business.
- 21.4 The Directors are not aware of any trends, uncertainties, demands, commitments or events which are reasonably likely to have a material effect on the Group's prospects for at least the current financial year.
- 21.5 The Directors are not aware of any environmental issues which may affect the Company's holdings of its tangible fixed assets.
- 21.6 Neither the Company nor any of the Directors are aware of the existence of any public takeover offer in respect of the share capital of the Company.
- 21.7 Since the date of its incorporation on 26 April 2019, the Company has not yet commenced operations and it has no material assets or liabilities, and therefore no financial statements of the Company have been prepared as at the date of this document.

22. AVAILABILITY OF DOCUMENT

A copy of this document will be available, free of charge, during normal business hours on any weekday (except Saturdays, Sundays and public holidays), at the registered office of the Company at 5 Old Bond Street, London W1S 4PD for a period of one month from the date of Admission and also for download on the Group's website at www.argentex.com in accordance with Rule 26 of the AIM Rules.

Dated 20 June 2019

