

# FY2022 Presentation

Harry Adams, CEO | Jo Stent, CFO | David Christie, COO



# Disclaimer

*This document has been prepared by Argentex LLP (“Argentex”) authorised and regulated by the Financial Conduct Authority (Registered office: 25 Argyll Street, London W1F 7TU and registered in England & Wales No. OC369106).*

*This presentation and the discussion which follows it may include certain forward-looking statements with respect to the business, strategy and plans of the Company (together with its subsidiaries, the “Group”) and its current goals and expectations relating to its future financial condition and performance. Statements that are not historical or current facts, including statements about the Group or its directors’ and/or management’s beliefs and expectations, are forward-looking statements. These forward-looking statements may include words such as “aims”, “anticipates”, “believes”, “continues”, “estimates”, “expects”, “goal”, “intends”, “likely”, “may”, “plans”, “projected”, “seeks”, “sees”, “should”, “targets”, “will” or the inverse of such terms or other similar words. These forward-looking statements involve known and unknown risks and uncertainties and other factors, many of which are beyond the Group’s control and all of which are based on current beliefs and expectations about future events. They are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company, are inherently subject to significant risks, uncertainties, contingencies and other important factors. Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements, such as (but not limited to) future market and economic conditions, currency fluctuations, the behaviour of other market participants, the response of customers to sales and marketing activities, the performance, security and reliability of the Group’s online platform and other information technology systems, the cost of, and potential adverse results in, litigation involving any of the Group’s intellectual property, changes in business strategy, political, economic and regulatory changes in the countries in which the Group operates or changes in economic or technological trends or conditions, and the success of the Group in managing the risks of the foregoing. As a result, investors are cautioned not to place undue reliance on such forward-looking statements. Forward-looking statements speak only as of their date and the Company expressly disclaims any obligation to supplement, amend, update or revise any of the forward-looking statements made herein, except where it would be required to do so in accordance with its regulatory or legal obligations.*

# Founder-led Management Team



**Harry Adams**  
Chief Executive Officer  
Founder



**Jo Stent**  
Chief Financial Officer



**David Christie**  
Chief Operating Officer

## Today's Agenda

Company Overview  
Financial and Operating Highlights  
Evolution of Growth Strategy  
Outlook

---

## Non Executive Board Directors

### **Lord Digby Jones Kb.**

Director General of the CBI 2000-2006  
Minister of State for Trade and Investment in 2007  
Non-Exec Chairman of Triumph Motorcycles Ltd  
Non-Exec Chairman for Thatcher's Cider Co Ltd

### **Lena Wilson CBE FRSE**

Board Director for RBS PLC  
Chair of AGS Airports Limited  
Chair of Chiene and Tate LLP  
Chair of Picton Property Income Limited

### **Nigel Railton**

CEO of Camelot UK Lotteries Ltd

### **Jonathan Gray**

Senior roles at HSBC, UBS and NCB

### **Henry Beckwith**

Director of Pacific Investments Ltd

# The Investment Case

1. Solid FY22 results
2. Huge growth opportunity
3. New strategy
4. Reinforced Exec team
5. Increased investment

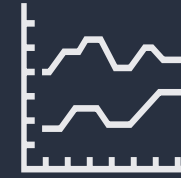


## Growth

Strong growth track record since inception in 2012

Profitable and highly cash generative

Diverse and high-quality corporate client base



## Market

15% of market serviced through specialist non-bank providers with huge opportunity to take significant market share

Highly fragmented with opportunities to scale through digitalization and/or consolidation

EMEA  
\$52bn addressable market

\*McKinsey 2020

Australian  
A\$2.5bn addressable market

\*abs.gov.au 2021



## People

Investment in people continues  
Headcount >100  
65% client-facing

Experienced exec team with proven industry-specific track record

Continue to attract and retain the best talent in the industry

# A Global Foreign Exchange Services Provider

## Who we are

- Founder-led business est. 2012
- London, Amsterdam, Sydney, Melbourne
- Over 100 employees
- Listed on the London Stock Exchange in 2019
- Experienced senior management team

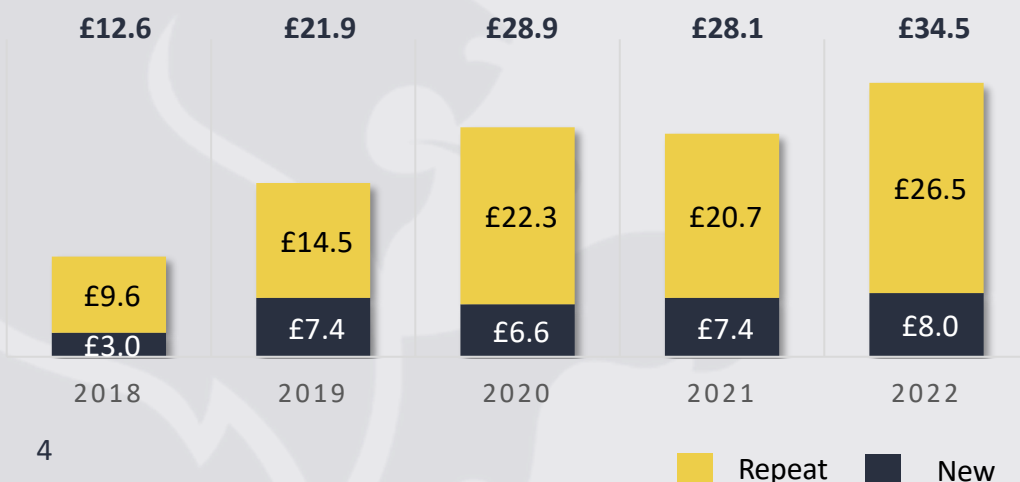
## What we do

- High touch, tech-enabled foreign exchange services provider
- 98% Corporate client base
- Commercial transactions only, no speculation
- Spot, Forward & Structured Solutions
- Revenue from spread only

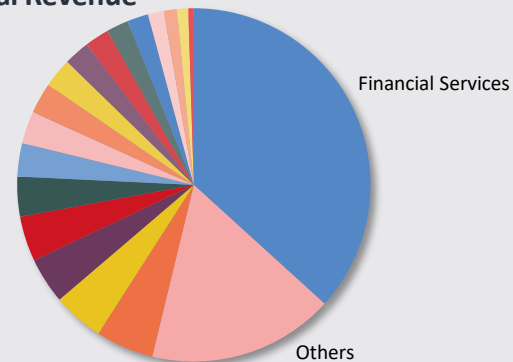
## De-risked Proposition

- Diverse client base
- Revenue concentration declining with top 20 clients responsible for 36% of total FY22 (41%: FY21)
- 80% of all trades are GBP/EUR, GBP/USD or EUR/USD – low Beta risk
- Immaterial bad debt since inception

## Revenue Composition

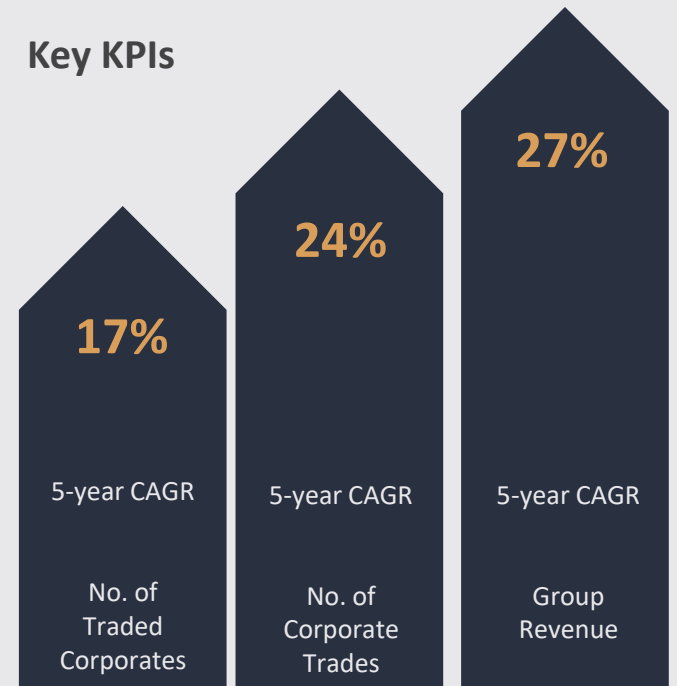


## Total Revenue



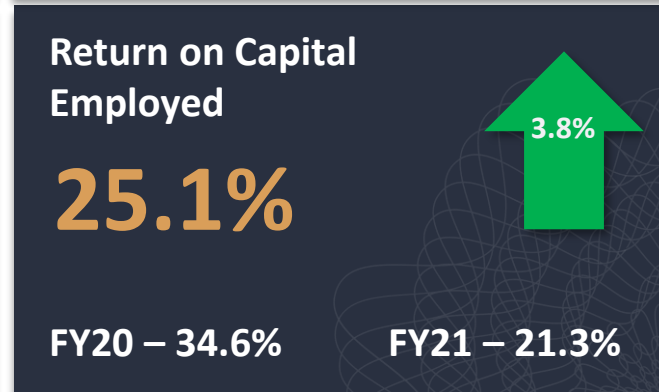
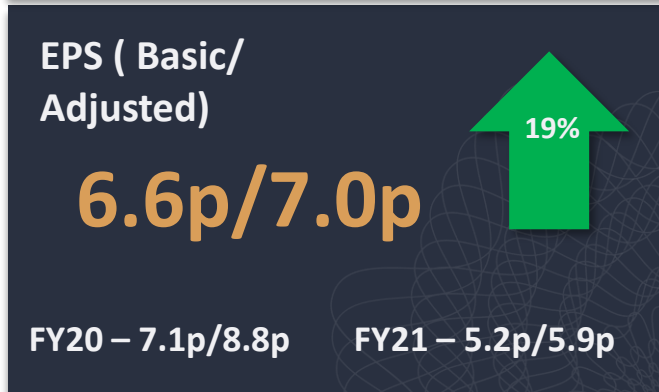
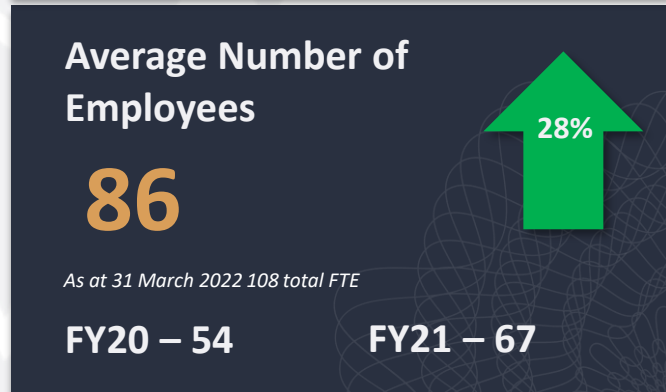
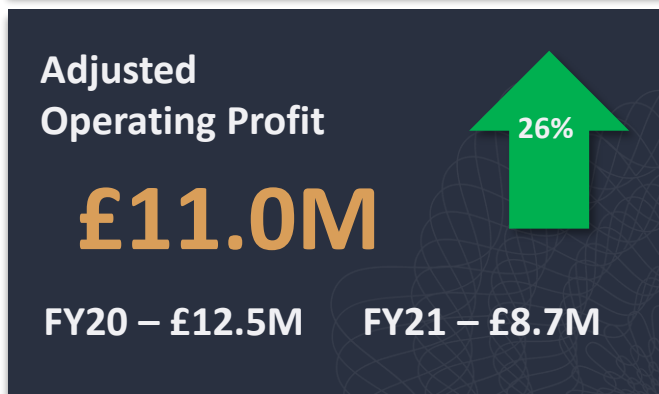
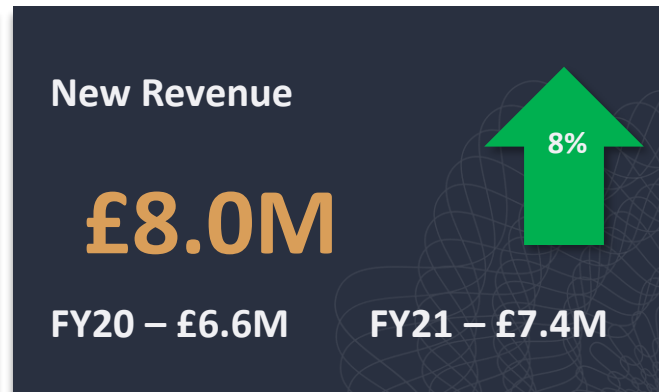
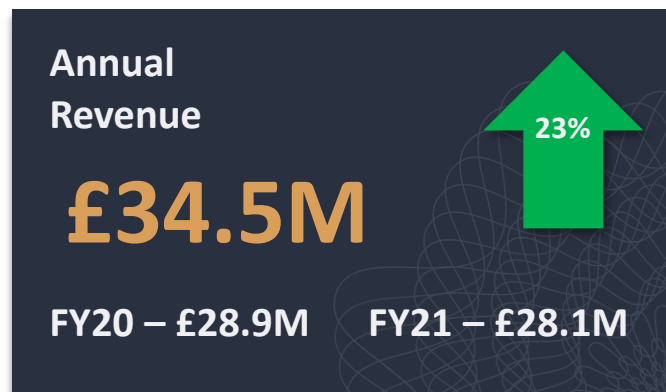
Financial Services makes up 37%. The second largest segment is 'other' made up of clients sectors at <1%. No other sector exceeds 5%

## Key KPIs



# Financials

# FY22 Results



# Income Statement

	<b>FY22</b>	<b>FY21</b>
	<b>£m</b>	<b>£m</b>
Revenue	34.5	28.1
Adjusted Operating Profit	11.0	8.7
Adjusted operating profit margin	31.9%	31.0%
Operating Profit	10.4	7.8
Operating profit margin	30.1%	27.8%
Earnings per share (pence)		
- basic	6.6	5.2
- adjusted	7.0	5.9
Average headcount	86	67
- Directors/LLP members	16%	18%
- sales and dealing	52%	55%
- support functions	32%	27%



Revenues increased by 23%

Adjusted operating profit increase of 26%

Moderate increase in adjusted operating profit margin to 31.9%

Notable increase in operating profit of 33% corresponding to an uplift of 2.3% on operating profit margin

Earnings per share increased to 6.6p basic and 7.0p adjusted

Investment in people as business grows with headcount surpassing 100 at 31 March 2022

Front office : back office ratios remain consistent



# Cashflow from Operating Activities

	FY22	FY21 <sup>(1)</sup>
	£m	£m
<b>Statutory cash generated from operating activities</b>	<b>17.2</b>	<b>10.8</b>
(Increase)/decrease in client balances	(6.2)	6.8
<b>Cash flow from operating activities</b>	<b>11.0</b>	<b>17.6</b>
Cash used in investing activities	(2.1)	(3.9)
Cash used in financing activities	(4.0)	(2.8)
<b>Net increase in cash excluding client balances</b>	<b>4.9</b>	<b>10.9</b>
Add back:		
Increase/(decrease) in client balances	6.2	(6.8)
<b>Statutory net increase in cash</b>	<b>11.1</b>	<b>4.1</b>

(1) Restated



Net cash generated from operating activities in FY22 £17.2m (FY21 10.8m)

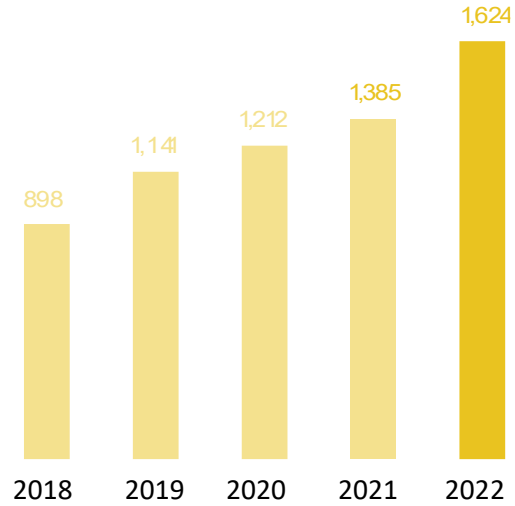
Net of £6.2m increase in client balances held pertaining to the collection of any collateral or variation margin, £11m in cash was generated in FY22. Of this, £1.7m of £2.1m was invested in technology and £3.1m of £4.0m was returned to shareholders by way of dividend. Remaining amounts relate to ongoing improvements and the cost of the lease for London HQ. We remain a debt free organization.

In FY22 investment in technology increased to £1.7m (FY21 £1.2m) reflecting the incremental investment in an enhanced online platform in addition to other improvements

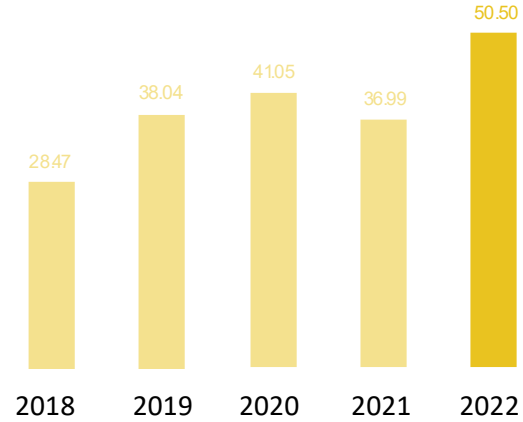
# Trading KPI Sheet

All data excludes swaps

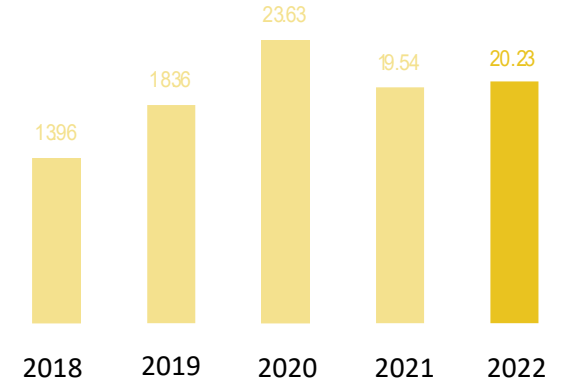
### Number of traded corporates



### Number of trades (k)

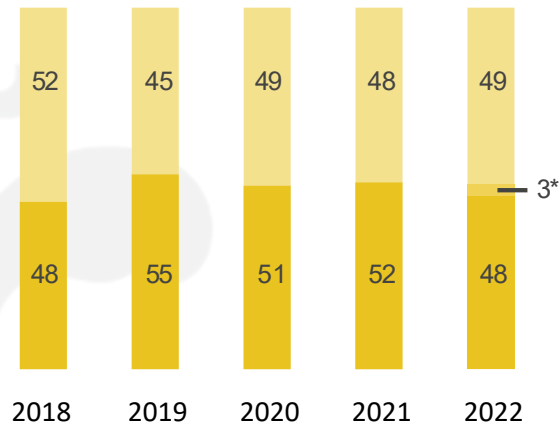


### Avg revenue per traded corporate clients (£k)

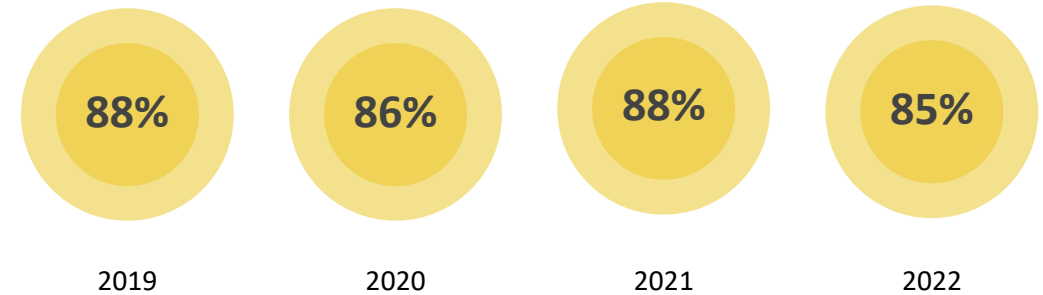


### Spot/ Forward Revenue Mix

\* Structured solutions revenue

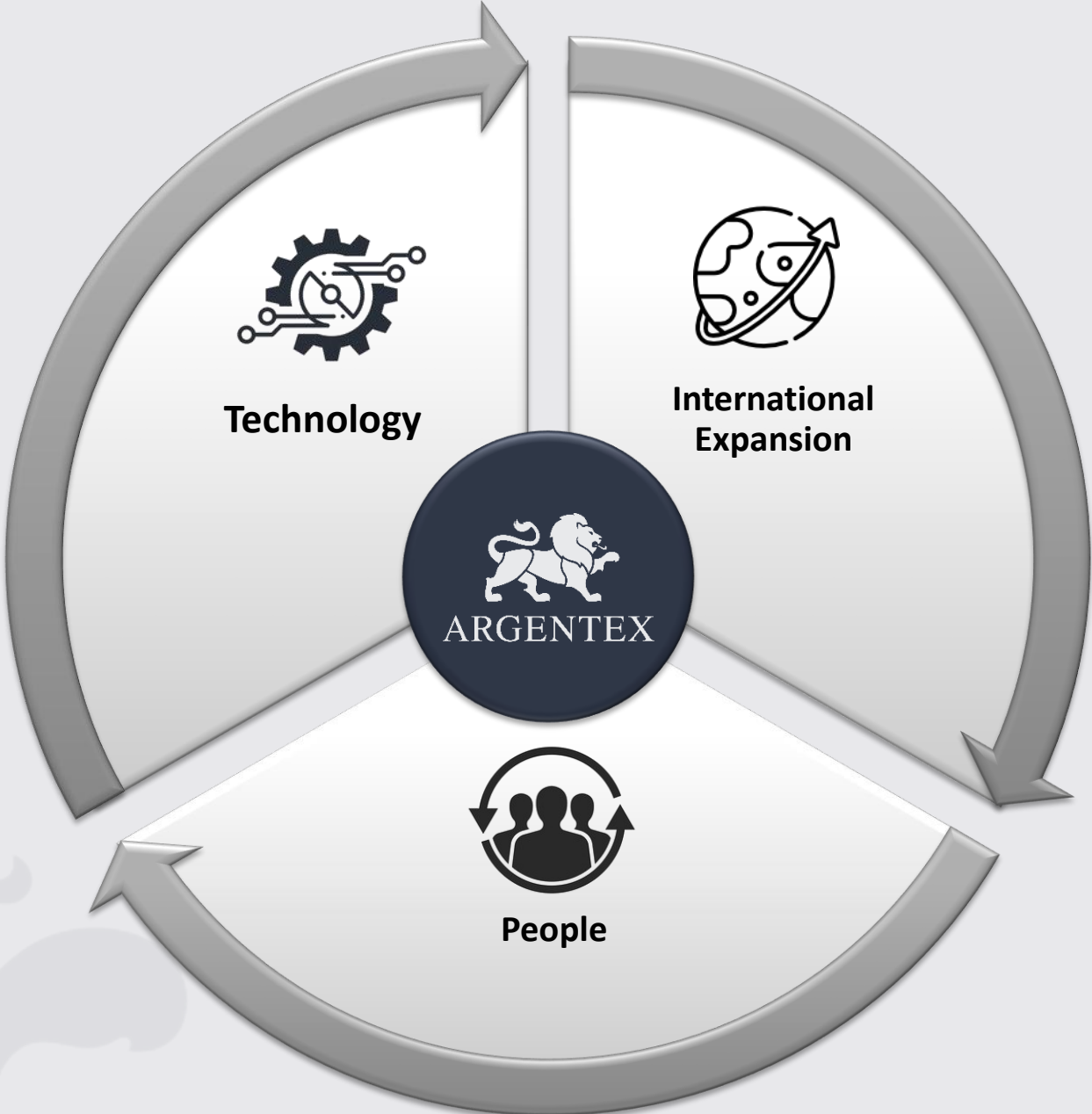


### Short-term cash return



# Growth Strategy

# Drivers of Growth



# Massive Increase in Industry Bench Strength

## UK

### Chief Operating Officer

25 years in FS, 15 years in FX

### Chief Compliance & Risk Officer

30 years in FS, 6 years in FX

### Group Finance Director

25 years in FS, 5 years in FX

### Head of Alternatives & Enterprise Solutions

18 years in FX

### Global Head of Structured Solutions

15 years in FX

### Head of Sales Operations

9 years in FX

## AUSTRALIA

### Chairman of Advisory Board

37 years in FS, 19 years in FX

### Managing Director

15 years in FX

### COO/MLRO

19 years in FS, 15 years in FX

## NETHERLANDS

### Chairman of Super Advisory

35 years in FS

### Super Advisory

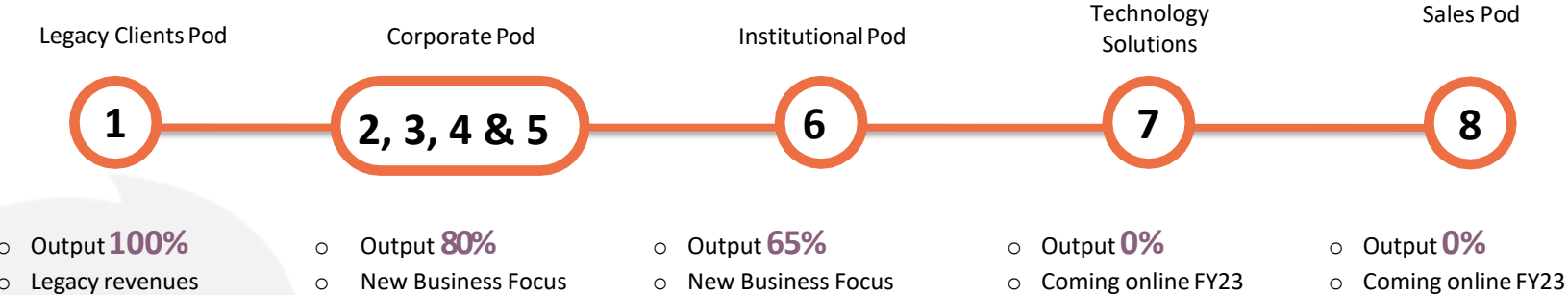
20 years in FS

### Operations Director

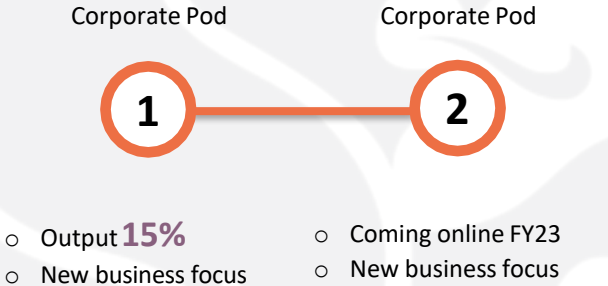
24 years in FS, 5 years in FX

# Optimising Global Sales Model

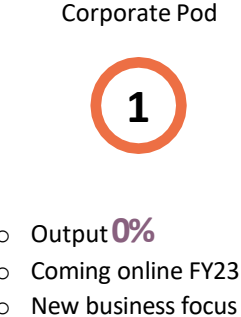
## UK



## NETHERLANDS



## AUSTRALIA



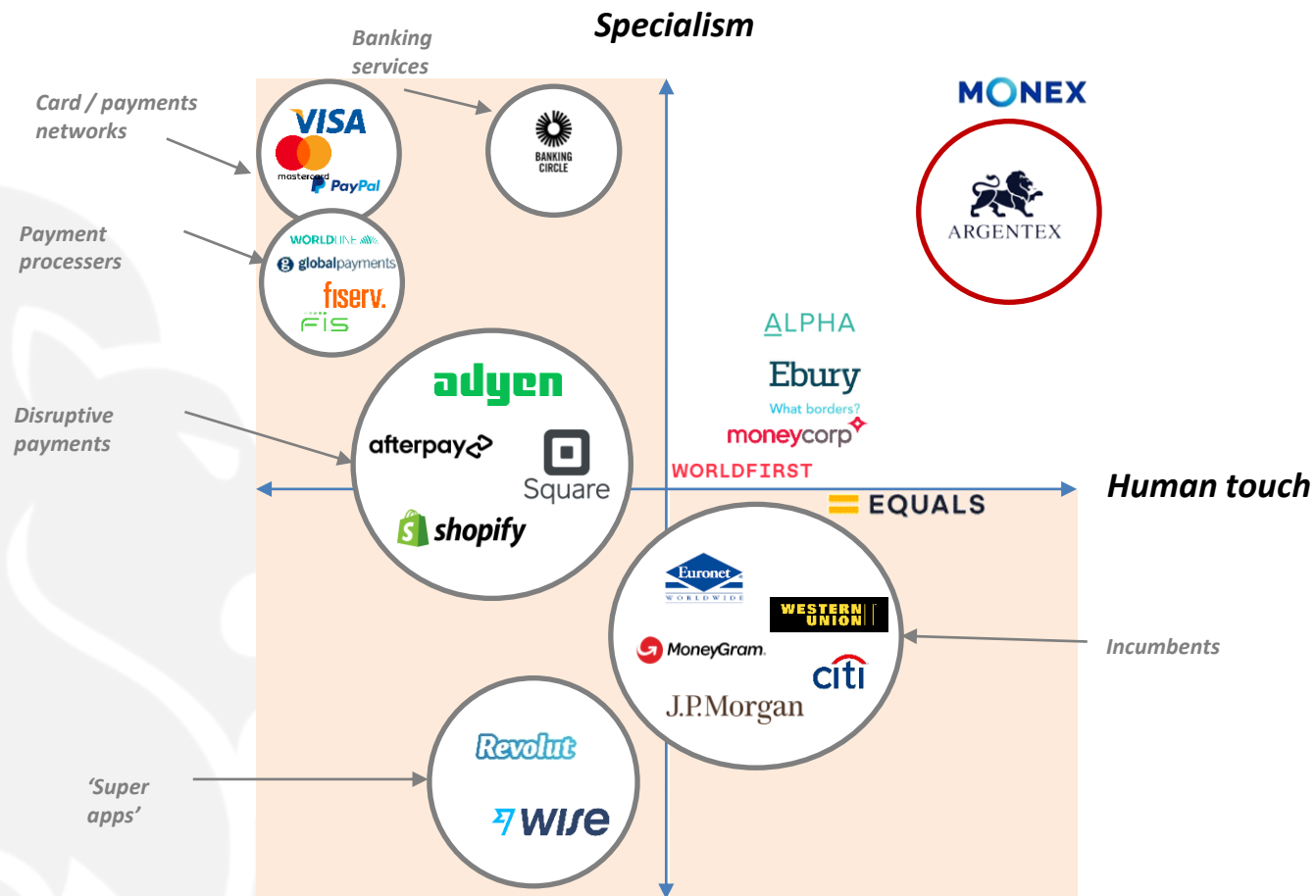
Pods size optimized – blueprint created

Scalable & repeatable model

New UK Institutional Pod with industry specializations

New UK tech solutions pod

# Technology Competitor Landscape



We plan to expand our FX expertise and specialism into payments, which will

- **Increase penetration** in the existing market
- **Expand target market** through product development

To do this the business must be **technology-enabled**

We do not intend to compete in segments of the market where:

- Customer acquisition relies on heavy marketing spend
- Heavy technology infrastructure is required

# Competitor Analysis



	ARGENTEX	LLOYDS BANK	MONEX	ALPHA	EQUALS	Revolut Business
Trust	✓✓	✓✓✓	✓	✓✓	✓✓	✓
Service	✓✓✓	✓	✓✓	✓✓	✓✓	✓
Speed	✓✓✓	✓	✓✓	✓✓✓	✓✓	✓✓✓
Product Range	✓	✓✓✓	✓	✓✓	✓✓	✓
Digital	✓	✓	✓	✓✓	✓✓	✓✓✓
Price	✓✓✓	✓	✓✓✓	✓✓✓	✓✓	✓✓
International	✓✓	✓✓	✓✓✓	✓✓	✓	✓✓✓

Big incumbent banks slow  
 Responsible for 85% of corporate FX (East and partners - 2020)



# The £6bn Addressable Market in the UK

## FX Led Corporates and Institutional Clients



- Key client requirements
  - Hedging and management of risk
  - High levels of specialist service
  - Management of risk
  - Reporting and measurement

## Funds Segment



- Key client requirements
  - Rapid account opening
  - Full governance of money movement
  - Full treasury capability – receive and reconcile funds, hold balances and send funds easily

## Payment Led Mid Corps and Enterprises



- Key client requirements
  - Easy to use applications – Consumer grade UX
  - Combined FX and payments offer with wider set of product capabilities and reach
  - Access to high levels of service when they need it

### Key technology requirements

- ✓ Online trading & hedging capabilities for spot and forwards for G20 currencies
- ✓ Create and Manage FX Orders
- ✓ Online Statements
- ✓ Manage Beneficiaries/SSIs
- ✓ Virtual multi-currency bank accounts
- ✓ Instant Inter Entity Payments
- ✓ Configurable governance levels and limits for trading and payments

200k Companies → £2.6bn TAM <sup>(1)</sup>

### Key technology requirements

- ✓ Online trading & hedging capabilities for spot and forwards for G20 currencies
- ✓ Create and Manage FX Orders
- ✓ Online Statements
- ✓ Manage Beneficiaries/SSIs
- ✓ Virtual multi-currency bank accounts
- ✓ Instant Inter Entity Payments
- ✓ Configurable governance levels and limits for trading and payments
- ✓ Advanced reconciliations
- ✓ Mass payments

10k Funds → £1.2bn TAM <sup>(2)</sup>

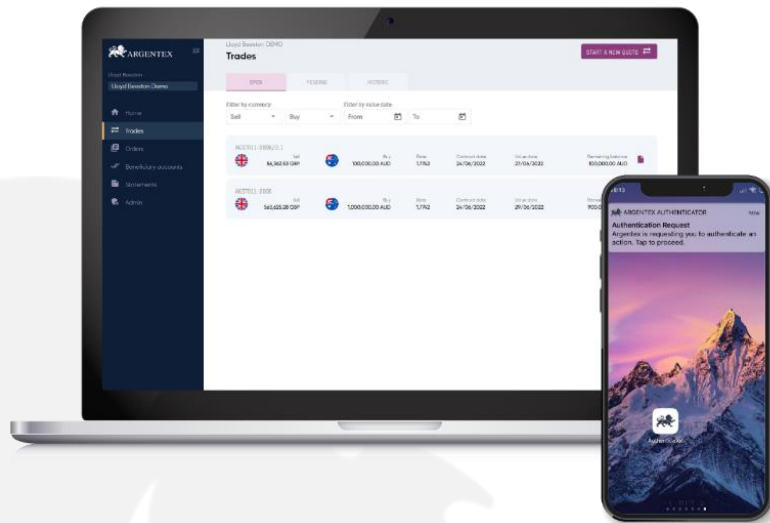
### Key technology requirement

- ✓ Mobile responsive platform
- ✓ Simple one step spot trading & payments capabilities for full range of currencies
- ✓ Option for requesting limits and signatories and trading forwards
- ✓ Manage Beneficiaries
- ✓ Virtual multi-currency bank accounts
- ✓ Instant Inter Entity Payments
- ✓ Mass payments
- ✓ Request to Pay
- ✓ API Into ERPs/Accounting Systems

200k Companies → £2.4bn TAM <sup>(3)</sup>

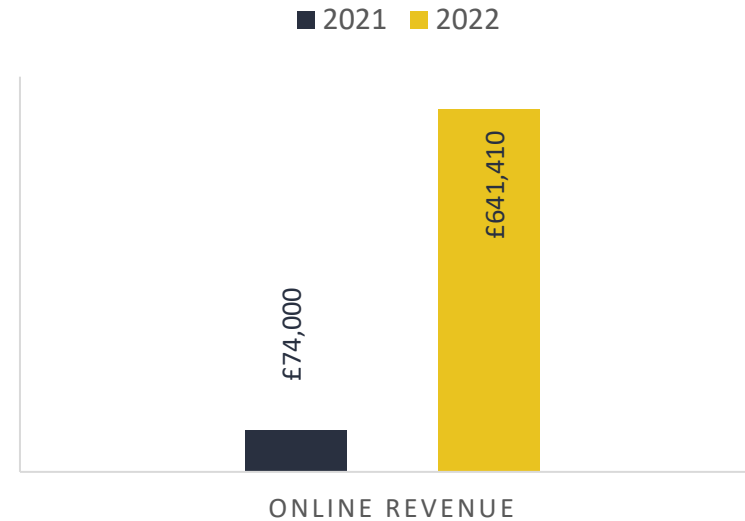
(1) c.4 million mid sized corporate in the UK, assume that 5% have a hedging requirement and average revenue per client is £13k (current level)  
 (2) Assumes no cross-sell on the FX; All closed ended, niche PE – 10k funds, 4 accounts per fund, 4k charged per account, 0.18% charged on payments (we assume AUM of funds is £100m on average and 50% of this will be cross border transfers)  
 (3) Assumes 200k clients, £25 AVT, 24 trades a year at 20bps

# Client Demand Driven Functionality



## Existing

- Mobile Responsive experience
- One login for multiple “linked” entities with 2FA authentication
- Very granular access levels per client
- Trades and Market Orders
- Full trade history available
- Ability to filter and search all lists
- Statement download
- “Admin” - enable/disable users
- FX weekly rates



## Launch Imminent

- Virtual IBANs
- MTM Balances on account
- Payments from balance and full payment History
- Definable authorisation governance and limits
- PSD2 compliant API for account information and payment initiation
- PSD2” complaint strong customer authentication app for IOS and Android



## What is the plan?

- ✓ Go deeper with existing clients – increased wallet share
- ✓ Mine existing CRM for <£1m clients – activate latent demand
- ✓ Getting more return from our ‘Sales machine’ as product has wide appeal
- ✓ Define a go-to market strategy for the technology-driven propositions into payments led segments
- ✓ Leverage technology to unlock opportunity in the funds, mid corporate and MNC segments



# International Expansion

Continuing to pursue opportunities in new markets as we transform Argentex from a single-product, single-office business into a multi-product, global business.

## Netherlands & The EU

- EU headquarters of Argentex and a forensic regulatory environment
- EMI Licence imminent
- It continues to grow in line with expectations. The team has delivered positive half-on-half revenue growth since inception in January 2020
- Doubling of front-office staff
- Supervisory board appointed

## Australia

- APAC Headquarters of Argentex and a similar regulatory environment to the UK
- The Company's planned entry into the Australian market in FY23 and near-term commencement of trading is at an advanced stage
- AFSL applied
- Key hires onboarded and customary regulatory approvals being sought
- Advisory board appointed

# Serious About Sustainability

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

## People



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

## Partner



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

## Planet



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

# SOCIAL MOBILITY FOUNDATION®

We have partnered with the Social Mobility Foundation whose aim is to make practical improvements in social mobility for young people from low-income backgrounds through their Aspiring Professional Programme (APP), their Social Mobility Employer Index and their advocacy and campaigning arm, the Department for Opportunities (DO).

# EARTHLY

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

# Summary & Outlook



- High-growth company
- Large and growing market
- New strategy underpinning current momentum
- Confidence building with increased bench strength of leadership team



- Impressive traction and adoption of new online initiatives
- Continue to invest in technology and digital transformation
- Ensure capabilities meet the evolving requirements of our clients



- Well capitalised
- Strong FY23 Q1
- Continue to build market share in international geographies
- Change of financial year end to 31DEC as Group turns global

We expect to generate a strong return on investment in the medium term through growth in revenues, optimisation of revenue mix, boost in profitability and improvement in earnings quality.

# Appendix

# Balance Sheet

	FY22	FY21 <sup>(1)</sup>
	£m	£m
<b>Non-current assets</b>		
Intangible assets	2.2	1.7
Property, plant and equipment	8.3	9.1
Derivative financial assets	3.1	3.8
Total non-current assets	<u>13.6</u>	<u>14.6</u>
<b>Current assets</b>		
Trade and other receivables	0.6	0.6
Cash and cash equivalents	37.9	26.8
Other assets	7.2	11.6
Derivative financial assets	38.0	38.7
Total current assets	<u>83.7</u>	<u>77.7</u>
<b>Current liabilities</b>		
Trade and other payables	(34.2)	(28.5)
Derivative financial liabilities	(21.6)	(27.1)
Total current liabilities	<u>(55.8)</u>	<u>(55.6)</u>
<b>Net current assets</b>	27.9	22.1
<b>Non-current liabilities</b>		
Trade and other payables	(6.0)	(5.9)
Derivative financial liabilities	(2.3)	(2.1)
Total non-current liabilities	<u>(8.3)</u>	<u>(8.0)</u>
<b>Net Assets</b>	<u><u>33.2</u></u>	<u><u>28.7</u></u>
<b>Equity</b>		
Share capital	0.1	0.1
Share premium account	12.7	12.7
Share option reserve	0.4	0.2
Marger reserve	4.5	4.5
Retained earnings	15.5	11.2
<b>Total Equity</b>	<u><u>33.2</u></u>	<u><u>28.7</u></u>

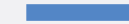
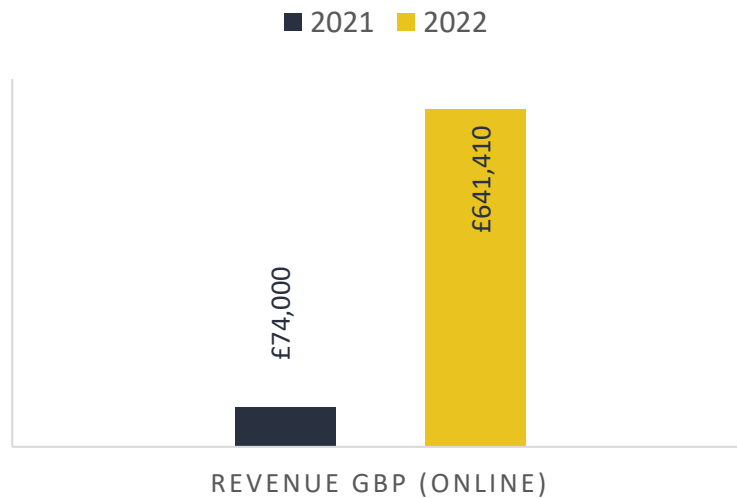
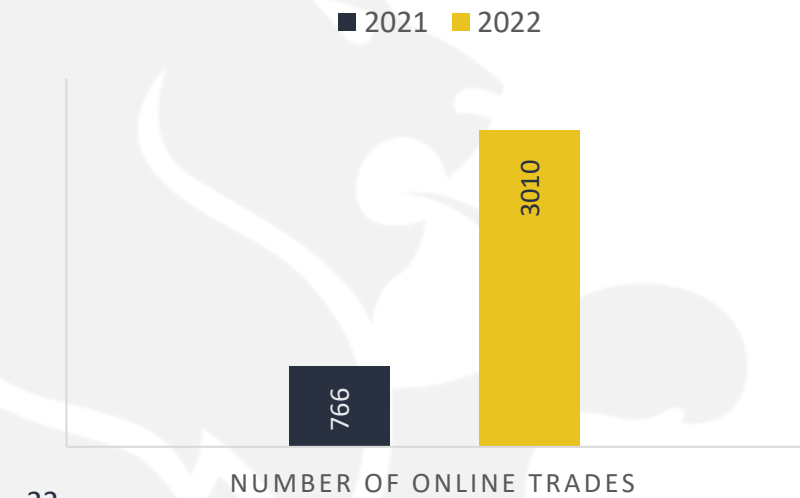
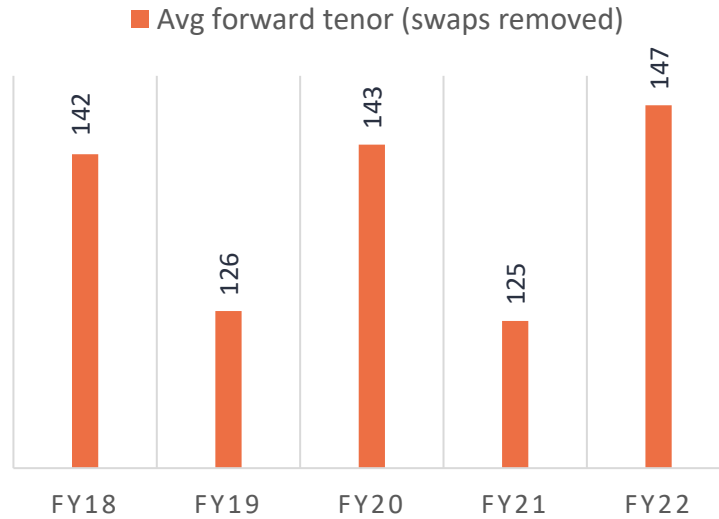
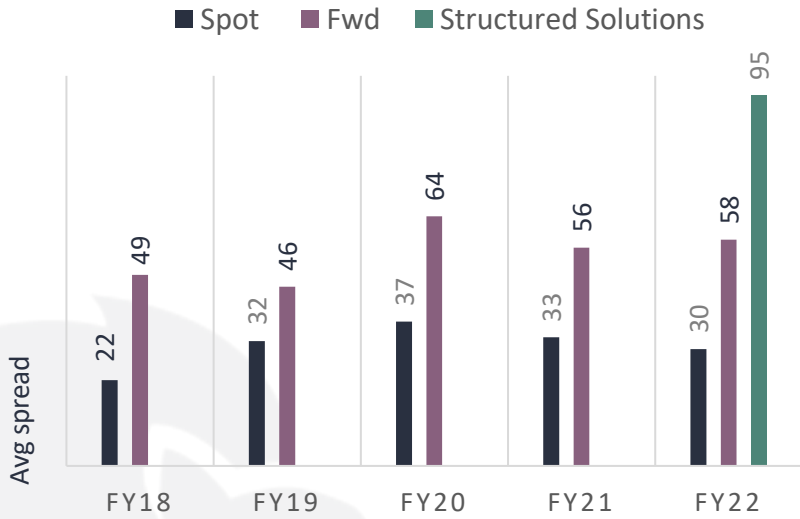
(1) Restated



Robust capital base

Generating cash

# Track Record



Average spot and forwards remain broadly consistent with prior years

Structure solutions spread higher due to complexity

Average forward tenor back in line with historic years (FY19 Brexit, FY21 COVID)

Good traction with online take-up



# The Argentex Client Proposition

Each client is unique, and the reason each chooses Argentex will be too.

## Full range of customised FX capabilities

- Spot Contracts
- Forward Contracts
- Options Contracts
- Personalised hedging strategies

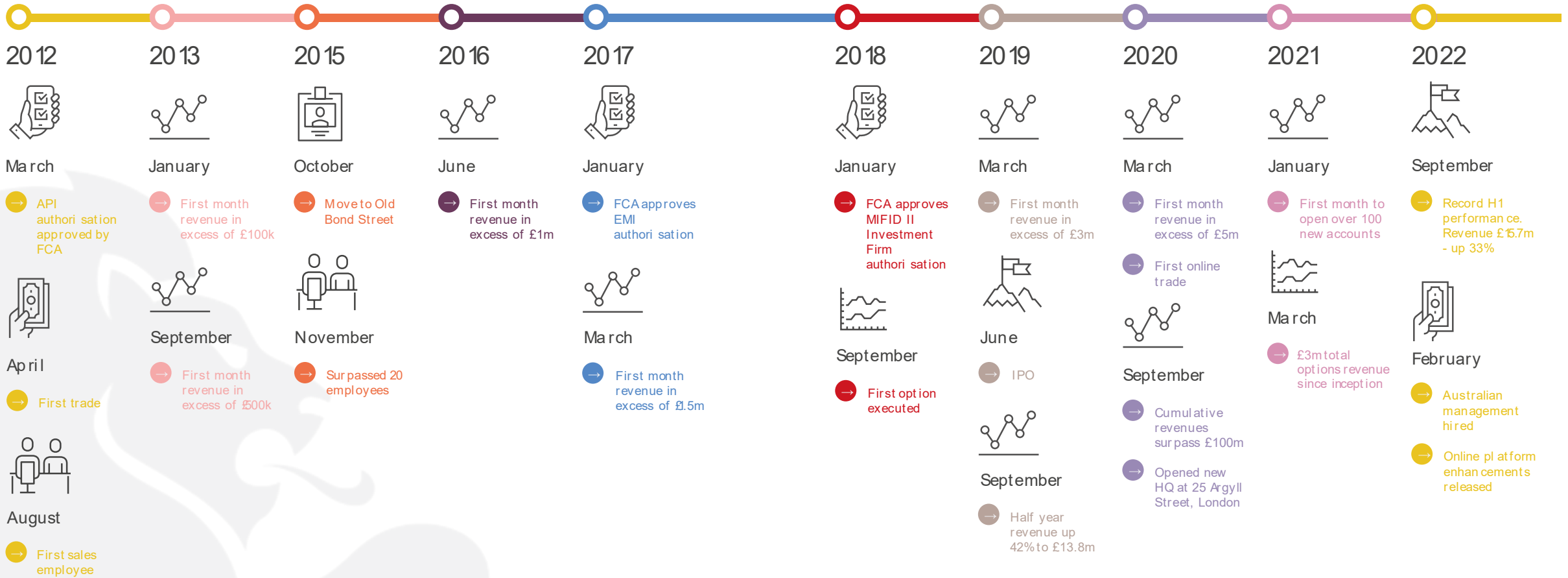
## Delivered via multiple channels

- Traditional voice broking
- Online
- Bloomberg

## To benefit our clients

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

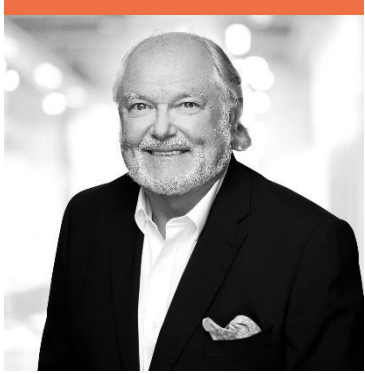
# Evolution of Argentex



# Our Bespoke Tech Platform: Summary Features

- A hybrid of CRM, pricing, execution and settlement software custom-built for Argentex that allows the entire lifetime of a client relationship to be managed in one place – from initial pitching down to execution, management and settlement of trades.
- Central “board” interface that gives an at a glance summary of the individualsalesperson performance in terms of the sales pipeline, new customers and commission generated.
- CRM screens tracking the client relationship from initial contact, account take-on, and compliance through to trading custom-designed around Argentex’s businessworkflow.
- Dedicated pre-sales screens to manage contact with prospects and prompt for following-ups and documentation.
- Full contact management functionality for tracking decision-makers and administrative contacts at each customer.
- Clear, logical order stack and trade capture screens for forwards, European options, barrier options and swaps/rolls.
- Four eyes verification of trades and payments.
- Real-time price feed, full pricing history for each currency pairtraded.
- Multi-leg capture for options with templates to allow fast defaulting of recurring contracts.
- Automated creation and delivery of contract notes, confirmations and option term sheets.
- Quote request, price streaming and execution using a high speed, low latency and fully encrypted FIX engine.
- Fully automated regulatory reporting engines utilising SMTP and FIX – EMIR, ARM and APA.
- Custom internal reporting screens/email reports summarising balances, commissions, payments, pricing, settlements, collateral management, compliance processes, reconciliations and month end.
- Custom screens to manage and make settlement to introducing brokers.
- Bank statement screens, payment balances across our multiple accounts.
- Settlements screens showing the due date, status and details of all payments incoming and outgoing.
- Onward payment instructions with screens for setup and an ability to set at trade capture or during trade lifecycle.

# Board



**Digby, Lord Jones of Birmingham KB**  
Non-executive Chairman

Lord Jones spent 20 years in corporate law before his appointment as Director General of the CBI in 2000.

In 2007 he became Minister of State for UK Trade and Investment, becoming a life peer but not joining the party of government. Lord Jones is Non-Executive Chairman of Triumph Motorcycles Ltd & Thatchers Cider Co Ltd.



**Dr Lena Wilson CBE FRSE**  
Senior Independent Non-executive Director

Lena brings extensive experience to Argentex, from an international career spanning over 60 countries. She currently serves on the Group Board of NatWest Group, and is Chair of Picton Property Income Ltd and Chair of AGS Airports Ltd.

She is also a member of the UK Prime Minister's Business Council for 2022 and a Visiting Professor at the University of Strathclyde Business School. Lena was Chief Executive of Scottish Enterprise from November 2009 until October 2017. Prior to this, Lena was Senior Investment Advisor to The World Bank.



**Nigel Railton**  
Independent Non-executive Director

Nigel has been the CEO of Camelot UK Lotteries Ltd since June 2017.

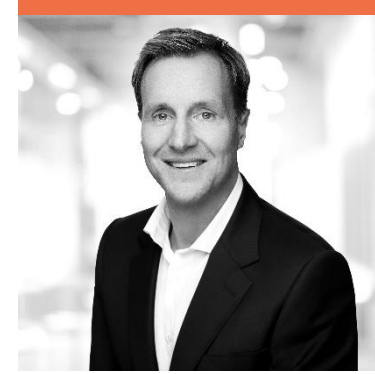
Nigel previously served as Financial & Operations Director and Finance Director of Camelot Group PLC. Prior to Camelot, he served as Senior Management Accountant of Daewoo Cars Ltd, beginning his career at British Rail. Nigel is a Qualified Accountant.



**Jonathan Gray** Independent Non-executive Director

Jonathan has considerable financial services experience having worked in senior roles at HSBC, UBS and NCB.

Jonathan has substantial public company experience having worked on numerous flotations, including companies such as Property Fund Management, Cleveland Trust and CLS Holdings.



**Henry Beckwith**  
Non-executive Director

Henry is a director of Pacific Investments Ltd.

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

# General

**Argentex Group PLC**

**25 Argyll Street London  
W1F 7TU**

**Argentex Group BV**

**Atrium Amsterdam WTC  
Centre Building  
Strawinskylaan 3051  
The Netherlands**

**Argentex Australia PTY**

**Level 26,  
1 Bligh Street Sydney  
NSW 2000  
Australia**

