

**Marex Financial**

Annual Report and Financial Statements

Year ended 31 December 2024

Registration Number 05613061

Company Information	2
Strategic Report	3
Directors' Report	24
Independent Auditor's Report	27
Income Statement	35
Statement of Comprehensive Income	36
Statement of Financial Position	37
Statement of Changes in Equity	39
Statement of Cash Flows	40
Notes to the Financial Statements	41

<b>Country of Incorporation</b>	England and Wales
<b>Legal Form</b>	Private unlimited company
<b>Directors</b>	S J van den Born R Irvin P R Tonucci
<b>Company Secretary</b>	S Linsley
<b>Registered Office</b>	155 Bishopsgate, London, EC2M 3TQ
<b>Auditor</b>	Deloitte LLP 2 New Street Square, London, EC4A 3BZ
<b>Bankers</b>	HSBC Bank plc 8 Canada Square, London, E14 5HQ BMO Harris Bank N.A. 111 W. Monroe St. Chicago, Illinois 60603 Barclays Bank plc 1 Churchill Place, London, E13 5BH Lloyds Bank plc 25 Gresham Street, London, EC2V 7HN ICBC (London) plc 81 King William Street, London, EC4N 7BG

## **About Marex Financial**

Marex Financial (the ‘Company’ or the ‘Firm’) is a leading independent global commodity specialist, providing clients with extensive access to financial and physical markets. The Firm is a private unlimited company and a subsidiary of Marex Group plc (collectively with its subsidiaries ‘Marex’, or the ‘Group’). The Company is part of Marex Group, a diversified global financial services platform providing essential liquidity, market access and infrastructure services to clients across energy, commodities and financial markets. We provide critical services to our clients by connecting them to global exchanges and providing a range of execution and hedging services across a range of our assets and products. We operate in a large and fragmented market with significant infrastructure requirements and regulatory and technological complexity, resulting in high barriers to entry. Moreover, our market is characterized by reduced competitive intensity as we believe many large banks and other financial institutions have reduced their participation in this part of the financial ecosystem. We consider these trends to elevate our value proposition and support our growth, as the scale and diversity of our business enable us to effectively service an underserved and growing global client base.

We provide our clients with breadth and depth across four business segments:

- Clearing
- Agency and Execution
- Market Making
- Hedging and Investment Solutions

We have a broad and diverse client base that includes the largest blue-chip commodities producers, consumers and traders, as well as leading banks, hedge funds, asset managers and brokers.

We also have a corporate segment which provides support to the rest of the Group.

Marex Financial is regulated in the UK by the Financial Conduct Authority (FCA), which also regulates the Group under consolidated supervision.

Marex is an efficient, robust and scalable business. With a comprehensive product and service offering, we are thoroughly embedded in the global commodity infrastructure. As part of the wider Group, the Company is connected to 60 major global exchanges, including the London Metal Exchange, where Marex is a Category 1 Member and Ring Dealer, the CME Group (CME) and the Intercontinental Exchange (ICE). In 2024, the Group cleared over 1,116 million contracts on exchange (2023: 856 million contracts).

## **Core Services**

The Company is a key part of the Group, a global financial services platform which provides essential liquidity, market access and infrastructure services to clients in the energy, commodity and financial markets. Our services are highly specialised and essential for our clients to run their own businesses effectively; to manage risk and operate profitably.

The Company’s specialised services are categorised into four business segments and a corporate segment:

- *Clearing*: Clearing is the interface between exchanges and clients. We provide the connectivity that allows our clients access to exchanges and central clearing houses. As a clearing member, we act as principal on behalf of our clients and generate revenue on a commission per trade basis. We provide clearing services across four principal markets: metals, agricultural products, energy and financial securities markets across different geographies. We hold collateral to manage client credit risk in our Clearing business, which also generates interest income.
- *Agency and Execution*: We match buyers and sellers on by facilitating price discovery primarily across a broad range of commodities and financial markets. The Agency and Execution segment primarily generates revenue on a commission per trade basis without material credit or market risk exposure. In addition to listed products that trade directly on exchanges, many of the Group’s markets are traded on an OTC basis.

**Core Services (continued)**

- *Market Making:* We act as principal to provide direct market pricing to professional and wholesale counterparties, primarily within the metals, agriculture, energy and financial securities markets. The Market Making segment primarily generates revenue through charging a spread between buying and selling prices, without taking significant proprietary risk. The Market Making operations are diversified across geographies and asset classes
- *Hedging and Investment Solutions:* We offer bespoke hedging and investment solutions to its clients and generates revenue through a return built into the product pricing. Tailored hedging solutions allow producers and consumers of commodities to hedge their exposure to movements in market prices, as well as exchange rates, across a variety of different time horizons. Additionally, our financial products allow investors to gain exposure to a particular market or asset class in a cost-effective manner through a structured product. We issue Structured Notes and derivatives to clients to meet their desired return parameters. The Structured Notes offering also provides a source of liquidity and funding for our business.
- *Corporate:* The Corporate segment includes the Group's control and support functions: finance, treasury, IT, risk, compliance, legal, human resources and executive management to support the operating segments. Corporate manages the resources of the Group, makes investment decisions and provides operational support to the business segments. Corporate manages the Group's funding requirements, interest expense is incurred through debt securities issuance, which is recharged to other segments through inter-segmental funding allocations to reflect their consumption of these resources. Interest Income is generated on cash balances. The adjusted loss before tax includes the expenses related to costs of the functions that are not recovered from the operating segments and corporate costs.

**Review of Financial performance**

The Company continued to deliver strong revenue growth, with strong organic growth across all businesses driven by robust client activity, market share gains and supportive market conditions. Revenue continued to increase, as well as Profit Before Tax and Adjusted Profit Before Tax (an alternative performance measure) between 2023 and 2024, which reflects the continued investment across various areas of the Company to allow for controlled revenue growth.

The key performance indicators (KPIs) that are the focus of senior management include Revenue, Adjusted Profit Before Tax, Adjusted Profit Before Tax Margin and return on equity.

From a financial management perspective Adjusted Profit Before Tax is the key measurement of financial performance, reflecting the underlying profitability of the business. It excludes costs and revenues that are considered to be non-operating such as exceptional items. For the full year 2024, adjusting items related to costs incurred from activities relating to shareholders and employer tax on vesting of growth shares.

The Company delivered revenue growth of 25% to \$588.9m (2023: \$470.7m) and Adjusted Profit Before Tax increased by 6% to \$131.6m (2023: \$123.9m).

The growth in revenue was due to an increase in both commissions and trading activity aided by an increase in net interest income.

	<b>2024</b>	<b>2023</b>	
	<b>\$m</b>	<b>\$m</b>	<b>% Change</b>
<b>Revenue</b>	<b>588.9</b>	<b>470.7</b>	<b>25%</b>
Net commission income	172.9	119.2	45%
Net trading income	398.8	338.6	18%
Net interest income	17.2	12.9	33%

**Review of Financial performance (continued)**

We generate revenue primarily from commissions and the spreads we make facilitating and executing client orders as part of our Clearing, Agency and Execution, Market Making and Hedging and Investment Solutions businesses. These revenue sources depend substantially on client trading volumes and commodity pricing levels, which are affected by a wide range of factors, many of which are beyond our control. These factors include volatility and pricing levels in commodities, currency, securities and other markets and inflation rates and general economic conditions and developments.

Net commission income increased 45% year-on-year due to increased activity and volumes in Agency and Execution, Market Making and Clearing. Net trading income increased 18% during the period due to an increase in client demand for Hedging and Investment Solutions and an exceptional performance in Metals trading, which benefited from unusual market conditions across Copper, Aluminium and Nickel in the second quarter following revised guidance on Russian metals from the LME. Net interest income increased 33% year-on-year due to increased balances and higher investment returns, driven by an increase in the average Fed Funds rate, partially offset by interest expense on an increase in debt securities in issue

Adjusted profit before tax of \$131.6m for 2024 increased by 6% (2023: \$123.9m). Return on equity decreased from 29% in 2023 to 25% in 2024.

	<b>2024</b>	<b>2023</b>	
	<b>\$m</b>	<b>\$m</b>	<b>% Change</b>
<b>Revenue</b>	<b>588.9</b>	<b>470.7</b>	<b>25%</b>
Front office costs	(306.0)	(200.7)	52%
Control and support costs	(153.6)	(140.0)	10%
Provision for Credit Losses	2.3	(7.6)	(130%)
Depreciation and amortisation	(3.2)	(2.3)	39%
Other Income	3.2	3.8	(16%)
<b>Adjusted profit before tax</b>	<b>131.6</b>	<b>123.9</b>	<b>25%</b>
Non-operating adjustments	(4.7)	(2.2)	n.m. <sup>1</sup>
<b>Reported profit before tax</b>	<b>126.9</b>	<b>121.7</b>	<b>4%</b>
Tax	(26.5)	(24.0)	10%
<b>Reported profit after tax</b>	<b>100.4</b>	<b>97.7</b>	<b>3%</b>
<b>Adjusted profit before tax margin</b>	<b>22%</b>	<b>26%</b>	
<b>Reported return on equity ('ROE')<sup>2</sup></b>	<b>25%</b>	<b>29%</b>	
 <b>Average monthly number of staff</b>			
Front office	307	244	26%
Control and support	601	460	31%
<b>Total</b>	<b>908</b>	<b>704</b>	<b>29%</b>

1. n.m. not meaningful

2. Return on Equity has been restated to align to the Group's calculation methodology. Refer to Appendix 1 for further detail on the Company's non-IFRS measures.

Front office costs represent staff, systems and infrastructure costs associated with running our revenue generating operations. These costs increased 52% to \$306.0m in 2024, largely reflecting the increase in front office headcount during the year in addition to the increased bonus expense related to the increase in revenues. The increase in these costs during the year reflects investment across the business, bringing in additional front office head count to expand our coverage geographically into different asset classes to support future growth.

Control and Support costs primarily reflect staff and property related costs, along with professional fees and other administrative expenses associated with the support functions. These costs increased 10% to \$153.6m in 2024, primarily reflecting increased headcount in our Control and Support functions, to ensure we continually invest in our systems and processes to support future sustainable growth.

As a result of the revenue and cost trends noted above, adjusted profit before tax increased by 6% to \$131.6m for 2024. Reported Profit after tax increased by 3% year on year to \$100.4m (2023: \$97.7m).

**Review of Financial performance (continued)**

**Reconciliation to reported results**

On a reported basis, Profit before tax increased 4% year-on-year to \$126.9m in 2024 from \$121.7m in 2023. This includes the impact of non-operating items such as activities relating to shareholders and acquisition costs, in 2024 these were \$4.7m (2023: \$2.2m).

The tax assessed for the year is lower (2023: lower) than the standard rate of corporation tax in the UK of 25.0% (2023: 23.5%). This is predominantly driven by a group relief claim for nil consideration from UK group companies partially offset by expenses not deductible for tax purposes and prior year adjustments.

	<b>2024</b>	<b>2023</b>
	<b>\$m</b>	<b>\$m</b>
Adjusted profit before tax	131.6	123.9
Acquisition costs	—	0.3
Activities in relation to shareholders	(2.4)	(2.5)
Employer tax on vesting of growth shares	(2.3)	—
<b>Profit before tax (reported)</b>	<b>126.9</b>	<b>121.7</b>
Tax	(26.5)	(24.0)
<b>Profit after tax (reported)</b>	<b>100.4</b>	<b>97.7</b>

**Business review**

Marex Financial is organised into distinct segments: Clearing, Agency and Execution, Market Making, Hedging and Investment Solutions, and Corporate. The following tables show the split of revenue by segment for 2024 compared to 2023:

	<b>2024</b>	<b>2023</b>	
	<b>\$m</b>	<b>\$m</b>	<b>% Change</b>
Clearing	226.1	205.8	10%
Agency and Execution	38.7	20.4	90%
Market Making	145.2	81.1	79%
Hedging and Investment Solutions	161.4	141.3	14%
Corporate	17.5	22.1	(21%)
<b>Revenue</b>	<b>588.9</b>	<b>470.7</b>	<b>25%</b>

## **Review of financial performance (continued)**

### **Business review**

#### **Clearing**

Clearing revenue increased 10% to \$226.1m in 2024 (2023: \$205.8m). This was largely driven by an increase in client activity in Metals and Marex Clearing services. Net interest income increased 16% to \$69.3m (2023: \$59.8m) due to increased balances and higher investment returns, driven by an increase in the average Fed Funds rate.

Adjusted Profit Before Tax increased to \$151.5m in 2024 (2023: \$141.1m), an increase of 7% year on year.

#### **Agency and Execution**

Agency and Execution revenue increased 90% to \$38.7m in 2024 (2023: \$20.4m), primarily driven by an increase in Net commission income from Equities and Rates within our Capital Markets business.

Adjusted Profit Before Tax decreased to a \$6.4m loss in 2024 (2023: \$2.6m profit).

#### **Market Making**

Market Making revenue increased 79% to \$145.2m in 2024 (2023: \$81.1m) driven by an exceptional performance in Metals trading, which benefited from unusual market conditions across Copper, Aluminium and Nickel in the second quarter following revised guidance on Russian metals from the LME.

Adjusted Profit Before Tax increased to \$71.4m in 2024 (2023: \$36.0m), an increase of 98% year on year.

#### **Hedging and Investment Solutions**

Hedging and Investment Solutions revenue increased by 14% to \$161.4m in 2024 (2023: \$141.3m), driven by an expanded product coverage and geographical footprint, bringing new clients onto our platform.

Adjusted profit before tax decreased to \$58.5m in 2024 (2023: \$63.2m), a decrease of 7% year on year.

#### **Corporate**

Corporate revenue decreased by 21% to \$17.5m in 2024, (2023: \$22.1m) driven by increased interest expense on debt securities in issue, partially offset by higher investment returns on house cash balances, driven by an increase in the average Fed Funds rate. Adjusted Profit Before Tax loss increased to \$143.4m in 2024 (2023: \$119.0m), a decrease of 21% year on year.

**Review of financial performance (continued)**

**Balance sheet**

	<b>2024</b>	<b>2023</b>	<b>Change</b>
	<b>\$'m</b>	<b>\$'m</b>	<b>\$'m</b>
Shareholder's equity	443.4	344.5	98.9
Intangible assets	(7.1)	(4.8)	(2.3)
Goodwill	(3.2)	(3.2)	—
<b>Tangible equity</b>	<b>433.1</b>	<b>336.5</b>	<b>96.6</b>
	<b>2024</b>	<b>2023</b>	<b>Change</b>
	<b>\$'m</b>	<b>\$'m</b>	<b>\$'m</b>
Cash and cash equivalents	1,496.9	776.9	720.0
Treasury instruments – (Treasuries and Fixed Income Securities)	410.1	386.2	23.9
<b>Cash and liquid assets</b>	<b>1,907.0</b>	<b>1,163.1</b>	<b>743.9</b>
Trade and other receivables	2,295.3	1,988.6	306.7
Trade and other payables	(2,561.4)	(2,207.6)	(353.8)
<b>Net trade payables</b>	<b>(266.1)</b>	<b>(219.0)</b>	<b>(47.1)</b>
Derivative assets	1,055.8	787.8	268.0
Derivative liabilities	(765.9)	(548.1)	(217.8)
<b>Net derivative instruments</b>	<b>289.9</b>	<b>239.7</b>	<b>50.2</b>
Net tax assets	32.6	11.2	21.4
Debt securities	(1,478.2)	(978.2)	(500.0)
Equity instruments	219.2	11.5	207.7
Reverse repurchase agreements	—	—	—
Stock borrowing	108.0	—	108.0
Inventory	6.9	144.5	(137.6)
Non-current assets	14.2	13.3	0.9
Repurchase agreements	(123.7)	—	(123.7)
Stock lending	(225.5)	—	(225.5)
Short securities	(1.6)	—	(1.6)
Subordinated loan payable (T2 debt)	(49.6)	(49.6)	—
<b>Other net liabilities</b>	<b>(1,497.7)</b>	<b>(847.3)</b>	<b>(650.4)</b>
<b>Tangible equity</b>	<b>433.1</b>	<b>336.5</b>	<b>96.6</b>

Shareholder's equity increased by \$98.9m in 2024 (2023: increased by \$3.1m), mainly as a result of the profit after tax for the year of \$100.4m.

The Company's liquid resources have increased by \$743.9m (64%) from \$1,163.1m in 2023 to \$1,907.0m as at 31 December 2024, primarily owing to the increase in cash due to the increase in debt securities and trade payables. Cash and cash equivalents have increased by \$720.0m (93%) year-on-year, from \$776.9m in 2023 to \$1,496.9m in 2024.

**Review of financial performance (continued)****Liquidity**

A prudent approach to capital and liquidity and commitment to maintaining the Company's investment grade credit rating are core principles which underpin the successful delivery of the Company's growth strategy.

The Company's liquidity resources consist of cash and assets that can be quickly converted to meet immediate and short-term obligations. The resources include non-segregated cash, short-term money market funds and unencumbered securities guaranteed by the U.S. Government. The Company also includes in its liquidity resources the undrawn portion of the Company's committed Revolving Credit Facility.

The Company has access to a \$150m unsecured revolving credit facility ("RCF") with the four participant banks: Bank of China Limited, London Branch, Barclays Bank plc; HSBC Bank plc; and Industrial and Commercial Bank of China Limited (London Branch). The RCF was undrawn as at 31 December 2024 (2023: undrawn).

As at 31 December 2024, the Company's liquid resources (inclusive of the undrawn portion of the RCF) stood at \$1,763.2m (2023: \$1,042.0m). The Company maintains a Liquid Asset Threshold Requirement prepared according to the principles of the UK Investment Firm Prudential Regime (IFPR). The requirement includes a liquidity stress impact calculated from a combination of systemic and idiosyncratic risk factors.

The Company's structured notes programme, issued by its Hedging and Investment Solutions business, remains an important source of liquidity. The effect of the callable features within the structured note program is monitored and dynamically updated to reflect any changes to the expected maturity profile as part of the Company liquidity monitoring framework. At year-end 2024, total debt issued by the Company was \$1,527.8m including \$49.6m of Tier 2 debt (2023: \$1,027.8m including \$49.6m of Tier 2 debt).

**Review of financial performance (continued)**

**Regulatory capital**

The Company is regulated by the Financial Conduct Authority ('FCA') as a MIFIDPRU investment firm under the Investment Firm Prudential Regime ('IFPR'). The minimum capital requirement as at 31 December 2024 was determined by the Own Funds Threshold Requirement ('OFTR') based on the Company assessment included within the Internal Capital Adequacy and Risk Assessment ('ICARA') process.

The Company is in compliance with the regulatory requirements and is appropriately capitalised relative to the minimum requirements as set by the FCA. The Company maintained a capital surplus over its regulatory requirement at all times.

Maintaining a prudent approach to capital and liquidity in order to maintain an investment grade credit rating are core principles which underpin the successful delivery of the growth strategy. The Company manages its capital structure in order to comply with regulatory requirements, ensuring its capital base is adequate to cover the risks inherent in the business and to maximise shareholder value through the strategic deployment of capital. The Company's business model assessment, business and capital forecasting, stress testing and recovery planning are a part of the ICARA process.

At 31 December 2024 the Company had a total capital ratio of 277% (2023: 253%). The increase in the total capital ratio resulted from the increase in capital resources due to profit in 2024, partly offset by an increase in the OFTR.

The following table summarises the Firm's capital adequacy position at the year end.

	<b>2024</b>	<b>2023</b>
	<b>\$m</b>	<b>\$m</b>
Core equity Tier 1 capital <sup>1</sup>	410.1	325.9
Tier 2 Capital	51.2	52.8
<b>Total Capital resources</b>	<b>461.3</b>	<b>378.7</b>
K-factor requirement	143.0	107.4
Own Funds Requirement <sup>2</sup>	166.3	149.4
<b>Total capital ratio<sup>3</sup></b>	<b>277%</b>	<b>253%</b>

The K-factor requirement reflects assessment of market, credit and operational risk for the Company's operations as defined by the IFPR regulations and consist of: K-NPR (Net Position Risk); K-TCD (Trading Counterparty Default); K-CMH (Client Money Held); K-COH (Client Orders Handled); and K-DTF (Daily Trading Flow). K-NPR is the market risk arising from the open positions held by the Company at the end of day. K-TCD measures the counterparty risk in the trading book exposures when dealing on own account. K-CMH, K-COH, and K-DTF are calculated based on the daily average client money held, daily average notional of client orders, and daily average notional of transactions executed in the Company's name. The Company's OFTR is determined and included within the ICARA process.

<sup>1</sup> Total audited capital resources as at the end of the financial year

<sup>2</sup> Own Funds Requirement presents as Own Funds Threshold Requirement based on the latest ICARA process

<sup>3</sup> The ratio expresses the Company's total capital as a percentage of Own Funds Requirement

## **Managing our Risk**

**Our enterprise-wide risk management framework and internal control environment are designed to address those risks that can undermine our business model and ability to execute our strategy.**

Risk management is a key consideration for delivering against our strategic priorities, whilst ensuring our long-term sustainability and effective corporate governance. Our Group's business strategy and risk appetite are linked and form the driver for decision-making across the Group so that boundaries are set to support the execution of our strategy, the effective management of capital and the efficient use of liquidity.

To ensure effective risk management practices permeate throughout the business, we have a comprehensive risk management governance structure in place, that articulates the control mechanisms to identify, measure, assess, monitor, control, and report on our underlying top and emerging risks. This governance structure is articulated within our Enterprise-Wide Risk Management ('EWRM') framework and policy which are enabled by our people, our processes and systems and sets the foundations and organisational structure for implementing and reviewing risk management practices and activities across the Group - This includes Marex Financial.

### **Risk appetite**

Our comfort in risk taking is set by the Group Board and Group Risk Committee which defines the risk boundaries in which the business and management operate.

Our risk appetite is underpinned by a series of measures that track the current and stressed performance of the business against a series of risk appetite statements.

Regular monitoring of our risk appetite measures helps us to alert management in case there are any changes to the Group risk profile so that appropriate actions can be promptly taken to return to within acceptable risk levels.

In line with our EWRM framework and policy, this approach allows the Board, its sub-committees and executive management to discuss and measure the nature and extent of the risks faced by the Group while executing our strategy.

### **Stress and scenario analysis**

As part of the risk management process and in alignment with UK regulatory requirements set by the Financial Conduct Authority, we carry out regular stress tests and scenario analysis on the amount, type and distribution of financial and capital resources to address the key risks we are exposed to.

Within these assessments we not only look at capital and liquidity resources required to cover for the level of risk we may be exposed to, but we also take into consideration the level of harm to those that might be affected by our operations such as our clients and the markets we operate in.

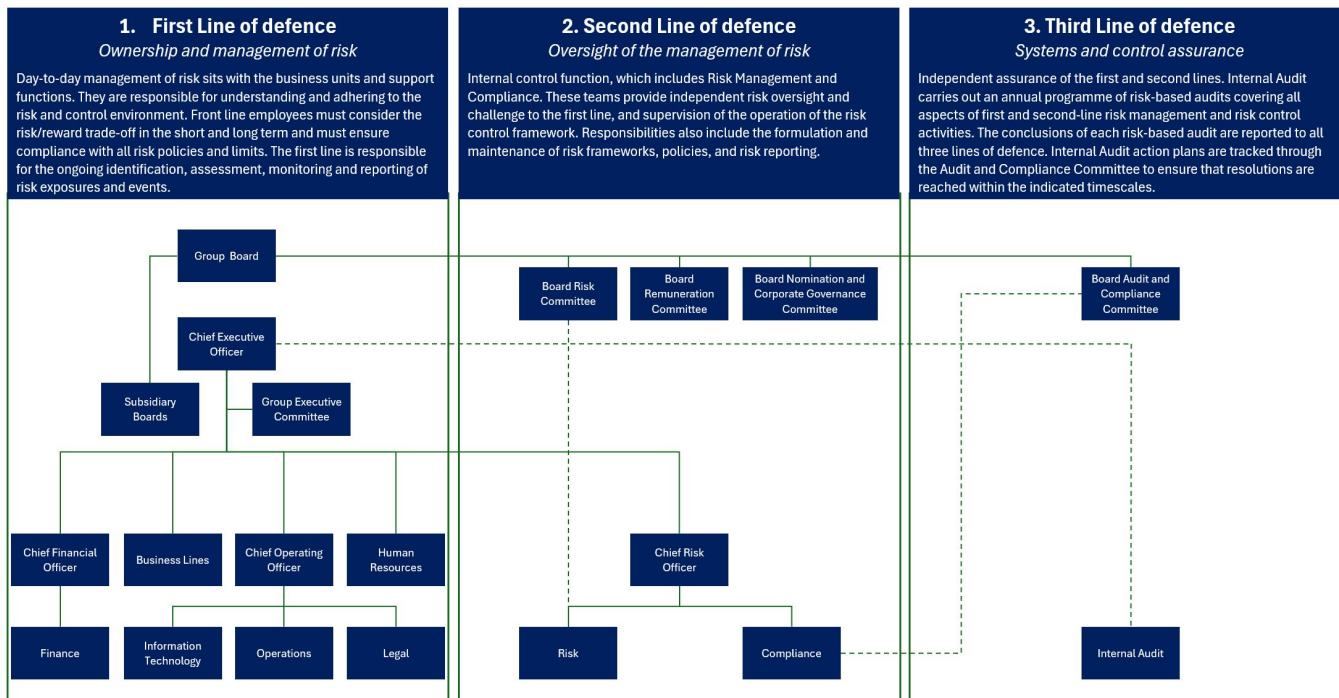
We use these extreme but plausible risk scenarios to better understand how resilient our business should be during a moment of crisis or large-scale events that could materialise and, if necessary, to re-calibrate our risk appetite.

### **Our Enterprise Wide Risk Management framework**

Our EWRM framework is an overarching document that applies to the Group and describes the methodology for managing our risks. The Group Board has ultimate responsibility for ensuring that the Group operates with an appropriate risk governance framework. It maintains oversight over subsidiaries and is cognisant of the local regulatory responsibilities applicable to boards of local operations.

Subsidiaries may develop their own risk frameworks and policies for their specific business, however in their development they are consistent with and do not conflict with the principles of the Group EWRM framework and all other relevant Group policies.

This structure ensures that all separate legal entities are treated collectively for the purposes of risk identification, assessment, communication, and reporting, so the Group has a holistic view of risk.



## MAREX ENTERPRISE WIDE RISK MANAGEMENT FRAMEWORK



### First line of defence - Ownership and management of risk

Day-to-day management of risk sits with the business units and support functions. They are responsible for understanding and adhering to the risk and control environment. Frontline employees must consider the risk/reward trade-off in the short and long term and must ensure compliance with all risk policies and limits. The first line is responsible for the ongoing identification, assessment, monitoring and reporting of risk exposures.

### Second line of defence - Oversight of the management of risk

Internal control function, which includes Risk Management and Compliance. These teams provide independent risk oversight and challenge to the first line, and supervision of the operation of the risk control framework. Responsibilities also include the formulation and maintenance of risk frameworks, policies, and risk reporting.

### Third line of defence - Systems and control assurance

Independent assurance of the first and second lines. Internal Audit carries out an annual programme or risk-based audits covering all aspects of first-and second-line risk management and risk control activities. The conclusions of

each risk-based audit are reported to all three lines of defence. Internal Audit action plans are tracked through the Audit and Compliance Committee to ensure that resolutions are reached within the indicated timescales.

Our robust governance and assurance structure facilitates the escalation and reporting of risk – bottom-up, by business units to the various Committees and Board – whilst also ensuring effective channels to cascade risk approved policies and information – top-down, from the Board to the business units.

Business units are accountable for identification, management, and escalation of risk in their area, supported by Risk Management and Internal Audit for guidance, oversight and supervision.

### Risk appetite

Our group-wide business strategy, including that of the Company, is aligned with the Group's risk appetite to guide the Group's business activity and management's risk-taking decisions. This approach ensures structures exist to respond to any material risks in line with the boundaries set by the Board. Our Group risk appetite statements defined for each risk type are further articulated and translated into risk triggers, limits, and exposures which are reviewed by management on a regular basis to ensure the business operates within an acceptable level of risk exposure. The Company's risk appetite approach is governed by the Enterprise Wide Risk Management Framework (EWRMF).

Risk Appetite and tolerance measure against risk types of Credit, Market, Operational, Capital and Liquidity Risks is monitored as part of Business As Usual daily activities, with early warning trigger breaches reported to management.

A high-level summary of the key risk roles and responsibilities is included in the table below:

Role	Responsibilities
<b>Board of Directors</b>	Sets risk appetite and reviews and challenges risk strategies, risk management and control framework, key risk limits and high-level risk policies. Oversees business plan and risk management strategy.
<b>Group Executive Committee</b>	Considers decisions relating to risk and initiates appropriate actions following Board, Risk Committee and Audit and Compliance Committee meetings. Reviews and challenges the overall risk profile and capital position of the business and ensures appropriate actions are taken to ensure risks are managed within the parameters and appetite set by the Board.
<b>Chief Risk Officer</b>	Enables efficient and effective governance of significant risks and related opportunities to the Group. As a member of the Executive Committee, guides the Committee and Board on the formulation of risk appetite, strategies, policies, delegated authorities, and limit structures for the management of risks.
<b>Global Head of Risk</b>	As a member of the Global Leadership Team supports the design and implementation of good risk governance across the Group and in coordination with the Chief Risk Officer advises Committee and Board on risk management strategies.
<b>Chief Operating Officer</b>	Supports the establishment of a risk-aware culture and the implementation of the EWRM framework, embedding its principles within all policies, frameworks and procedures under their remit.
<b>Risk Committee</b>	Provides advice to the Board on the Group's current risk exposures and future risk strategies (including the strategy for capital and liquidity management), the embedding and maintenance throughout the Group of a supportive culture in relation to the management of risk and the establishment of prescriptive rules and procedures in relation to risk. Oversight of risk when approving and monitoring limits on risk exposures and concentration across the business. Focus is on risks to which the Group is exposed to considering risk appetite.
<b>Audit and Compliance Committee</b>	Monitors the operational effectiveness of policies and internal control systems. Approves, monitors, and challenges the frequency, scope and performance of Risk Management considering risk exposures.
<b>Remuneration Committee</b>	Recommends to the Board the Group policies, practices and procedures related to employee remuneration, ensuring they encourage responsible business conduct, are consistent with, and promote sound and effective, risk management, promote risk awareness and prudent risk-taking.
<b>Business Heads, Division and Functional Leads</b>	Implement the EWRM framework, embedding its principles within all policies, frameworks and procedures under their remit supporting the establishment of a risk-aware culture within the organization.

### Risk management process

Our risk management process aims to provide a consistent methodology to the Group to effectively manage the risks we face.

To support this, we have a defined Risk Classification Model ('RCM') that provides a common risk language, and a consistent basis for the identification and management of risk. This approach allows us to have a common frame of reference when we communicate risk information while we continue our efforts to standardise reporting across the Group and across our regions. This categorisation model forms an integral part of the EWRM framework and is effectively linked to our risk appetite methodology.

The key steps as part of this component are:

1. **Identification and assessment:** The Group identifies and assesses material risks to which it may be exposed in the process of delivering its business strategy. This risk assessment forms the basis of identifying where it may be appropriate to implement risk controls across the business.
2. **Response and Mitigation:** Key risks identified in the RCM are consistently measured, analysed and controlled in accordance with approved policies and processes. The specific measure of risk is dependent upon the risk and multiple measures may be used to provide a comprehensive view given potential shortcomings in individual methodologies. Key business controls and procedures are implemented to effectively mitigate the risks highlighted by the risk assessment.
3. **Monitoring and Reporting:** An important part of the risk management remit is regular and appropriate monitoring and reporting. In line with the governance structure in place, periodic reporting and risk analysis is presented to the relevant governing bodies as well as the relevant risk-takers, including the Board; Risk Committee; Executive Board; and senior management. Specific details on calibration and implementation of individual measures and controls are detailed within the relevant policies and procedures for the control and business area.

The flow of information and communication across the Group relating to the management of risk and the effectiveness of the control framework within the risk governance structure is an important component of the framework. There is regular reporting on the performance and effectiveness of risk metrics and formalised management information relating to the risks inherent in the business. The escalation procedures for raising significant issues with managers and supervisors are clear and well embedded across the Group.

Reporting requirements include monitoring the ongoing adequacy and effectiveness of the control framework, taking account of the trends and frequency of breaches of the control framework recorded on the risk register. Inherent risks and mitigating controls are assessed during the Risk and Control Self-Assessment ('RCSA') process.

### **Risk integration**

We recognise that for risk management to be effective, it needs to be coordinated and embedded across the Group. We continuously strive to integrate our risk management efforts with other relevant strategic decision-making processes. As an example of this, our Risk department interacts, liaises, and is coordinated with the activities undertaken by Compliance, Internal Audit, Strategy and Planning, Business Resilience, and Sustainability teams to inform and challenge the Internal Capital Adequacy and Risk Assessment (ICARA) process.

Risk management also plays a crucial role when acquiring and integrating a new company into Group activities.

We have a structured process in place to ensure that acquisition and integration activities are executed in a controlled and structured manner and inherent risks of the target company are understood and managed.

### **Risk culture**

Measured risk-taking, and effective risk management are fundamental to our core values – the tone from the top in relation to the organisational culture and attitude to risk informs the behaviour of our colleagues towards risk-taking activities.

We believe that risk management is the responsibility of all employees and this is why we have reflected risk into our appraisal and remuneration processes. We consider training and development critical for supporting and reinforcing a positive culture across the organisation. This is why we launched and continue to invest in the Marex Academy where our training sessions, both online and in person, range from professional development, tech session, to specific classes on our products and services.

Selected risk behaviors are measured and tracked across the organization as part of our periodic Engagement Survey. This helps to understand how our culture towards risk is changing and provide us with useful insights when deciding on which initiatives and interventions to take forward.

### **Group risks in 2024**

Over the course of the year the Board, informed by the Risk Committee, and the Audit and Compliance Committee have periodically reviewed the Group principal and emerging risks and our ongoing focus remained on enhancing our internal control environment to meet the needs of our growing business.

Despite Marex significant growth in revenue, profitability, capital and liquidity, our Risk Appetite has not increased materially. Considering Marex's listing on NASDAQ which brought additional reporting requirements and stakeholders' scrutiny, and recent acquisitions that brought additional diversification across our client base we have continued to make significant investment for strengthening our regional control and support resources.

## Key changes in the year

During the year we have matured our Group EWRM Framework and overall IT architecture making targeted enhancements aimed at improving, and further automating where possible, our risk processes. We have:

- Evolved our Risk Appetite methodology aligning it closer to our business practices so that it more accurately measures and monitors our risk profile. We have i) refined the list of metrics monitored; ii) further calibrated appetite thresholds in terms of triggers and limits; iii) articulated risk appetite into geographical regions for enhanced risk oversight, all of this in line with the evolution and growth of our systems and processes.
- Enhanced regional risk governance through establishing governance forums, tailored risk appetites, clear accountabilities and delegated authorities. This feeds directly into functional global structures. In recent years we have grown support and control costs at the same pace as Front Office and headcount faster than Front Office, consistent with the view we need to invest in controls.
- By establishing the Sarbanes-Oxley Act (SOX) compliance programme during 2024, the Group began to strengthen its internal control framework in particular over financial reporting. In addition there were several actions taken during 2024 which began to remediate the material weaknesses over internal financial reporting controls identified at the time of the IPO.
- Refined our risk language for a better identification and articulation of risks. For example, we have incorporated climate-related risks into our Risk taxonomy. This allows climate-related risks to be explicitly assessed and consistently reported further embedding them into our risk processes.
- Evolved our operational resilience framework, with a clearer focus on the criticality of response. We have enhanced our third-party supplier management, system testing, scenario/ tabletop analysis, and entity board governance oversight. These improvements have helped limit the impact felt in the event of major incidents, such as a cyber-attack and the CrowdStrike outage across summer 2024, where we recovered quickly with limited impact to our operations.

Given that the Company is a material operating entity within the Group, we consider the Principal risks of the Group to reflect the Company's risk profile.

## Financial

CREDIT	OWNER Group Management
<p><b>DESCRIPTION</b></p> <p>We trade with a range of clients from institutional investors and financial services firms to energy distributors, commodity producers and other corporate hedging clients. Where any of our client, counterparty, or distributor fails to perform its contractual obligations we may incur a credit loss. As per our risk taxonomy we define three types of credit risk: Counterparty credit risk, Settlement risk and Non-client counterparty risk.</p> <p><i>Counterparty Credit Risk:</i> Risk of credit losses where a trading counterparty or client fails to perform during the lifecycle of a trade. This could arise in Marex business lines of client clearing, bilateral derivatives (e.g. Solutions) and other cash-settled ETD and Over The Counter - OTC products, e.g. client failure to meet margin calls or repay a credit line.</p> <p><i>Settlement Risk:</i> Risk of credit losses due to client or counterparty failure to deliver their obligation at trade settlement covering both Net and Gross settlement - respectively Delivery Versus Payment (DVP) and Free of Payment (FOP).</p> <p><i>Non-Client Counterparty Risk:</i> Potential credit losses due to exposure to banks, brokers and exchanges, for example Initial Margin and VM posted to exchanges and clearing houses.</p> <p><b>MITIGATION</b></p> <p>We manage and control credit risk using a structured framework of limits, governance and controls, which keep credit exposures within risk appetite while allowing business expansion and diversification. In addition, Group Risk Management supports business decision-making and the proactive identification of any new risks.</p> <p>Our mitigation approach is tailored to the type of credit risk, as defined in the risk taxonomy. Counterparty Credit Risk is mitigated by a comprehensive set of client-level limits (position limits, stress limits) and daily monitoring by dedicated risk teams. Any credit lines granted are approved as part of Delegated Authority from the Group Risk Committee, and are reviewed on an annual basis. Credit decisions are based on clients' financial statements, margin history and trading patterns.</p> <p>Settlement Risk is considered as <i>i)</i> Net Settlement risk where we may incur in replacement costs e.g. where one side of a matched principal trade drops out and Marex sells at a loss. This risk is mitigated by notional limits set for each client. Distributor risk may also occur in case a notes distributor cancels their order (pre-hedge), which is mitigated by delta limits and daily monitoring of notes settlement; <i>ii)</i> Gross Settlement risk in case the exposure is generated where currency, goods, securities or warrants have been released without receiving settlement by the counterparty. Credit terms are agreed in advance and may be mitigated by letters of credit, guarantees, or a client's strong credit rating.</p> <p>To mitigate Non-Client Counterparty Risk we set exposure limits according to the credit rating of each counterparty, which are monitored and adhered to by the Treasury team.</p>	<p><b>Trend</b></p> <p>Flat</p> <p><b>Strategy</b></p> <p>Products, People</p>

<i>Appetite</i>	<i>M</i>
<i>Metrics</i>	<i>Credit issuance, drawn/ undrawn credit, credit provisions, credit expected loss, credit and portfolio concentration</i>
	<b>MARKET</b>
	<b>OWNER Group Management</b>
	<b>DESCRIPTION</b>
	In trading businesses, changes in the values of trading portfolios generate profits or losses. Market Risk manages and limits the market risk exposures which give rise to changes in value of the trading portfolio. Such changes are due to changes in the prices of market instruments, including spot prices, volatilities, interest rates, etc.
	<b>MITIGATION</b>
	Through our Market Risk team we monitor the sensitivity of the portfolio to movements of market-driven risk factors. Market Risk captures, monitors and controls exposures on each portfolio. Each portfolio is subject to an agreed Dealing Authority which defines, inter alia, allowed products, currencies, tenors, exposures, etc. Such exposures are measured daily using a variety of Risk lenses including VaR, stress and greeks. Desks are required to remain within limit and breaches of limits are required to be escalated and remediated.
	Market Risk limits are set at levels to support business growth within a controlled Risk environment in alignment with the Group Risk Committee expectations. The Market Risk Management Framework is open and transparent.
<i>Trend</i>	<i>Flat</i>
<i>Strategy</i>	<i>Products, People</i>
<i>Appetite</i>	<i>M</i>
<i>Metrics</i>	<i>Market Risk is captured, limited and controlled using several different lenses including but not limited to Greek sensitivities, stress and Value at Risk models (VaR).</i>
	<b>LIQUIDITY AND CAPITAL</b>
	<b>OWNER Group Management</b>
	<b>DESCRIPTION</b>
	Due to the nature of our business, we may be subject to potential losses for not having sufficient financial resources to meet our financial obligations as they fall due, or we can secure such resources only at excessive cost. When assessing liquidity risk we consider two main aspects: our short-term liquidity and our structural funding.
	With this year IPO listing we have raised money for future growth and welcomed new investors. We have continued to take a prudent approach to managing our liquidity and took steps to further diversify our funding sources. We raised \$600 million in senior notes in October, strengthening our overall liquidity position.
	<b>MITIGATION</b>
	Our conservative approach to liquidity management encompasses regulatory requirements (e.g. UK Investment Firms Prudential Regime - IFPR) and internal processes designed to optimize and safeguard the Group's liquidity resources. Our Group funding objective is to maintain a stable maturity profile in line with working capital needs and growth objectives, including periods of financial stress.
	The management of Liquidity Risk is embedded in the Group's overall risk management framework. The Group Treasury function has primary responsibility for liquidity management with independent oversight from Group Risk Management. Policies and procedures relating to liquidity management are maintained and implemented at the Group level and at material operating entity level.
	Our Liquidity Risk Management Framework includes the following key control processes to mitigate liquidity risks:
	<ul style="list-style-type: none"> <li>• Periodic monitoring and reporting of the Group liquidity risk profile with early warning mechanism for the escalation of any breaches in alignment with Group risk appetite</li> <li>• Approval of regulatory documents e.g. ICARA or similar, specifying minimum requirements for capital and liquidity by the Group Risk Committee</li> <li>• Daily reporting of net liquidity resources and requirements for the Group and key entities, with material liquidity shifts highlighted to Executive Management</li> <li>• Regular reporting of Risk Appetite Metrics to Executive Management and to Group Risk Committee</li> </ul>
<i>Trend</i>	<i>Flat</i>
<i>Strategy</i>	<i>Products, People</i>
<i>Appetite</i>	<i>L</i>
<i>Metrics</i>	<i>Liquid assets per material operating entity, internal headroom, concentration (e.g. cash deposits, hedging counterparty), portfolio maturity profile</i>

## Operational

### TECHNOLOGY INFRASTRUCTURE AND CYBER SECURITY

**OWNER Group Management**

#### DESCRIPTION

We employ a comprehensive range of technology solutions, developed both internally and by recognized industry leaders. Within our technology framework, we have identified three significant risks.

The first risk pertains to technology failure, where our systems and platforms may experience downtime due to improper configuration or inadequacy in meeting the demands of our scale and complexity. The second risk is associated with a complex IT architecture. As we pursue business growth and diversification into new product offerings, we consequently introduce more intricate systems that significantly impact our trade flows and overall technology ecosystem. The third risk involves cyber threats, which are increasingly sophisticated and prevalent.

As our organization continues to expand and acquire additional assets, these risks become more pronounced. Marex may face greater exposure to potential failures in our essential platforms and systems, as well as heightened vulnerability to cyber-attacks. The failure of our infrastructure could have profound implications for our business operations, encompassing the potential effects of physical and transitional climate risks on our key infrastructure.

**MITIGATION**

We are dedicated to proactively addressing challenges in order to safeguard our operations and promote sustainable growth. Our primary focus is on our long-term technology needs and requirements, which we address through the implementation of a well-defined technology strategy. Additionally, we have established an operational resilience and business continuity framework to ensure the consistent availability and reliability of our technology. Our security infrastructure is robust, and we are committed to maintaining up-to-date platforms, applications, and systems to enhance our security posture and programs continuously. Our Board considers cybersecurity risk as part of its risk oversight function and has delegated to the Group Risk Committee oversight of cybersecurity and other information technology risks. The Committee oversees management's implementation of our cybersecurity risk management program.

Our comprehensive suite of policies is aligned with ISO27001, and we employ a cyber assessment framework based on the National Institute of Standards and Technology (NIST). Furthermore, we carry out thorough due diligence on acquired entities to evaluate their security posture, implementing necessary enhancements prior to their integration into the Marex IT infrastructure.

Trend  
Strategy  
Appetite  
Metrics

Up  
Products, People  
L  
Core systems performance status (i.e. number of incidents and related breaches), Information security status, Business disruptions (i.e. Business Continuity Plans invoked, Disaster recovery procedure implemented).

**THIRD PARTY AND  
SUPPLIER  
MANAGEMENT**

**OWNER Group Management**

**DESCRIPTION**

We use a range of suppliers that help us provide services to our clients. It is fundamental we have the appropriate resources in place to manage and oversee all third parties and suppliers in line with our Group policies and practices. Our continued growth and expansion are adding pressures on our capabilities to manage the supplier population.

Inadequate supplier performance could lead to detrimental impact on our ability to serve clients or meet our regulatory expectations.

**MITIGATION**

Marex is committed to building and maintaining strong, transparent and mutually benefiting relationships with its suppliers. We continued to strengthen our Supplier Management Function and related methodologies and implemented a suite of documents for appropriate governance and oversight of our supplier population. These includes a Supplier Management Policy, Procedures and a Supplier Code of Conduct which have all been approved and endorsed by our Material Outsourcing Committee. The Material Outsourcing Committee is a sub-committee of the Group Executive Committee.

We continue to enhance the way risks around suppliers are managed and overseen strengthening our processes and framework capabilities to improve the visibility of this risk for appropriate management of our material third parties.

Trend  
Strategy  
Appetite  
Metrics

Up  
Products, People  
M  
Supplier population and related criticality assessments, Suppliers inventories per jurisdictions

**COMPLEXITY RELATED  
TO THE INTEGRATION  
OF NEW BUSINESSES,  
AND DELIVERY OF  
STRATEGIC CHANGE  
PROGRAMS**

**OWNER Group Management**

**DESCRIPTION**

With the continued growth and business expansion, our ability to integrate new businesses may be adversely affected by the increasing complexity and volume of these acquisitions stressed by capacity constraints within our key control and support functions.

**MITIGATION**

We continue to focus on investing and strengthening our change management capabilities to better integrate new businesses and deliver strategic initiatives while managing change in an efficient and effective way. For example all new change initiatives, which meet certain criteria, are governed and discussed in our Business Change Approval Committee (BCAC) which is chaired by the Group COO. The BCAC is a sub-committee of the Group Executive Committee and is attended by representatives of our Control and Support functions. This Committee is central for managing change in a controlled, safe and consistent manner.

When acquiring new businesses, we perform due diligence assessment and drive our integration plan in a consistent manner so that acquisition and integration activities are executed within a controlled and structured process while enhancing our control framework.

<i>Trend</i>	<i>Flat</i>
<i>Strategy</i>	<i>All</i>
<i>Appetite</i>	<i>L</i>
<i>Metrics</i>	<i>Status of risk in key business change projects and portfolios, Performance of Business and risk integration plans</i>

## BROKING PROCESS

**OWNER Group Management**

### DESCRIPTION

With the continued growth and expansion of The Group, there is an increasing exposure to operational risks at every stage of the broking process. This includes the execution and arrangement of transactions, where the potential for loss may arise from errors in closing positions or compensating clients. Additionally, operational risks persist during the clearing, settlement, and invoicing of transactions.

### MITIGATION

Marex is committed to continuously enhancing the internal control environment across all operations. As brokers, we maintain robust internal controls over our broking processes by periodically overseeing and assuring the activities conducted at our desks through our second and third line of defenses. This includes the issuance of trade recaps and confirmations, the establishment of order and position limits within our electronic order books, and ongoing monitoring to identify any potential erroneous trades, as well as addressing any clearing or settlement issues that may arise.

<i>Trend</i>	<i>Flat</i>
<i>Strategy</i>	<i>All</i>
<i>Appetite</i>	<i>L</i>
<i>Metrics</i>	<i>Material Business Events, Margin Call</i>

## INABILITY TO ATTRACT KEY TALENT

**OWNER Group Management**

### DESCRIPTION

The competencies and engagement of our colleagues are essential for the successful implementation of our strategy and the effective service of our customers. The departure of key talent in critical functions, coupled with insufficient succession planning for senior management, poses risks to our growth and overall business performance. The Group operates within a highly competitive recruitment landscape, further intensified by the industry's increasing demand for flexible working arrangements. Consequently, there exists a significant risk of losing vital front office, support, or control staff, all of whom are integral to the efficient operation of the business.

### MITIGATION

We allocate considerable time and resources to developing an engaging, inclusive, and rewarding work environment to effectively retain key talent and optimize the skills and abilities of our people.

The topics of colleagues, corporate culture, and talent management are central to discussions among the leadership team, within the Group Executive and Management Executive Committees, and the Board. Leaders and directors actively engage with colleagues at all levels throughout the year to remain attuned to sentiment within the organization. We administer an annual company-wide Engagement survey, conduct business-level spot checks, and analyze leaver data and surveys to identify trends and address any potential opportunities or challenges.

We incentivize key talent while establishing both short-term and long-term succession plans. For positions that are particularly sensitive from a commercial perspective, we implement post-termination restrictions to minimize the adverse effects of attrition. Furthermore, we provide fixed-term front office contracts with staggered renewal dates, a performance management process aligned with remuneration, and flexible working arrangements.

<i>Trend</i>	<i>Flat</i>
<i>Strategy</i>	<i>People</i>
<i>Appetite</i>	<i>M</i>
<i>Metrics</i>	<i>Staff attrition and turnover rates, Succession plans</i>

## Strategic and business

## ACQUISITION AND MARKET EXPANSION

**OWNER Group Management**

### DESCRIPTION

As part of Marex's growth ambitions, acquisitions form one part of our strategy to expand into new markets and territories, extend our portfolio, gain or boost long-run competitive advantage, acquire new technologies and capabilities. A clear strategic vision on which assets we acquire, when we acquire, and how, is critical. We recognise that a failure to take due care and consideration into our acquisition approach and framework may lead to undue pressure on our capital and liquidity resources, have a detrimental impact on our strategy or navigate in uncertain regulatory landscape.

**MITIGATION**

Our strategic acquisitions are aligned with our strategy to add clients, capabilities and geographies to our platform to continue to diversify our business. We continue to take advantage of consolidation opportunities through bolt-on transactions whilst opportunistically consider larger acquisitions where potential for significant value creation exists. We focus on maintaining discipline in our M&A Strategy and adopt a clear valuation model, aligned with our strategic initiatives, which supports our acquisitions targets.

Before acquiring any new business, we perform extensive initial due diligence assessments to identify, and potentially manage, any material risks while evaluating the viability of the purchase.

<i>Trend</i>	<i>Up</i>
<i>Strategy</i>	<i>All</i>
<i>Appetite</i>	<i>M</i>
<i>Metrics</i>	<i>Performance against strategy implementation plans, Concentration risk, Capital and Liquidity positions</i>

**CLIMATE-RELATED RISK** OWNER Group Management**DESCRIPTION**

While transitioning towards a more sustainable economy, we may fail to anticipate and adequately respond to physical and transition threats and opportunities, which may lead to a decline in revenues and/or market share, as well as regulatory and financial impact to the Group. Failure to articulate and manage our exposure to Climate-related risks may compromise our reputation and profitability, not meeting our stakeholder and investors' expectations.

**MITIGATION**

We remain committed to improving energy efficiency across the Group and aims to become net-zero by 2050 or earlier. To support this we have expanded our environmental capabilities and offerings to make Marex the go-to place for access to environmental products and markets and continue to mature our approach to measuring and monitoring our impact with quantifiable sustainability metrics and clear targets.

Our climate-related risks are assessed using the relevant metrics according to the risk management framework, for example the potential impact of commodity price volatility on client risk would be assessed in terms of client margin exposure. As outlined in our Climate-related Financial Disclosures (CFD) Statement, our key indicators are our Scope 1 & 2 emissions. Our strategy to address Scope 3 emissions is developing. The Group's Scope 1 & 2 Greenhouse Gas emissions are reviewed by the Climate Change Steering Group, the Sustainability Committee and the Audit and Compliance Committee.

We strive to align our sustainability approach with global leading practices and continue to seek advice from external subject matters resources to respond to new sustainability developments.

<i>Trend</i>	<i>Flat</i>
<i>Strategy</i>	<i>All</i>
<i>Appetite</i>	<i>M</i>
<i>Metrics</i>	<i>Revenue split from Environmental products and services, Stress test results</i>

**HEALTH AND SAFETY** OWNER Health and Safety Committee**DESCRIPTION**

While performing our business activities our employees, visitors, other parties or the environment may be adversely affected.

**MITIGATION**

We take health and safety seriously and recognise that the control of all health and safety matters from our work activities is not only an essential feature of our efficient operations but also a civil and statutory obligation.

We are committed to provide a safe and healthy workplace for all our employees and it is our objective to continually improve our overall health and safety performance. We have a Health and safety global Programme in place which is regularly overseen by our Health and Safety Committee and review our Health and Safety policy on a regular basis taking into consideration changing operational procedures, changing legislation and new knowledge.

<i>Trend</i>	<i>Flat</i>
<i>Strategy</i>	<i>People</i>
<i>Appetite</i>	<i>L</i>
<i>Metrics</i>	<i>Actions and outcomes related to Fire risk assessment, Unfilled Health and safety positions e.g. First aiders, Fire wardens</i>

**Compliance****EVOLVING REGULATORY LANDSCAPE** OWNER Group Management**DESCRIPTION**

Adding on new business types, with new regulatory requirements from new jurisdictional regulators in complex business units from both organic and inorganic growth has added to the overall regulatory risk we face as a business.

**MITIGATION**

We closely monitor the evolution of the regulatory landscape so that we can respond to changes in a timely manner. Our teams regularly scan upcoming regulations to understand if the introduction of changes would limit or restrict the way we run and operate our business.

As part of their duties the Audit and Compliance Committee is responsible for reviewing and approving the Group's plans for identifying, assessing, monitoring, managing, and reporting regulatory risk on a regular basis.

Marex also works with regulators and financial exchanges around the world to promptly respond to consultations with a view on collaboration so that regulations can be shaped effectively.

<i>Trend</i>	<i>Flat</i>
<i>Strategy</i>	<i>All</i>
<i>Appetite</i>	<i>L</i>
<i>Metrics</i>	<i>Compliance and regulatory breaches, Status of key regulatory/ change projects and initiatives</i>

**FINANCIAL CRIME AND SANCTIONS**

**OWNER** Financial Crime Committee

**DESCRIPTION**

We consider financial crime risk as the risk of facilitating illegal activity committed or furthered through Marex by internal or external parties, in relation to the following: money laundering, fraud, bribery and corruption, tax evasion, terrorist financing, proliferation financing and violation of sanctions.

**MITIGATION**

We have adopted a holistic approach to the management of financial crime and sanctions risk and implemented a group-wide Financial Crime Policy that is imposed through a structured financial crime and sanctions prevention framework.

Our risk-based approach is aligned to the Financial Action Task Force ('FATF') recommendations and relevant regulatory requirements.

Marex understands that its business model, sectors, and geographies in which it operates introduce inherent sanctions and financial crime risks. Additionally, the global sanctions landscape continues to evolve at pace bringing new complexities for compliance.

We are constantly strengthening our financial crime and sanctions prevention framework to adapt to these new and evolving threats and vulnerabilities, and to ensure the control environment remains sustainably designed and operates effectively.

<i>Trend</i>	<i>Flat</i>
<i>Strategy</i>	<i>All</i>
<i>Appetite</i>	<i>L</i>
<i>Metrics</i>	<i>Sanctions breaches, trend of business relationships refused or exited due to Financial Crime reasons, Reported suspicious activities</i>

**Looking ahead – our emerging risks****Change in geopolitical and markets dynamics**

2024 was the biggest election year in history, with a record number of global elections, and we are starting to see shifts in global powers which are bringing in a multitude of risk scenarios.

From fragmentation of economies, fueled by geopolitical tensions - both foreign and domestic, leading to increased divergence of regulatory and legislative systems, changes occurring in fiscal and economic environments, to the ESG agenda, organisations are adapting and considering these risk scenarios whilst developing and implementing their strategies. As a global growing organisation Marex is not exempt and must navigate through these complex challenges.

**Risk of de-globalisation**

The global economy is becoming more fragmented with a widening divergence between different regulatory systems. The shifting political landscapes and changes in government policies are adding pressures in an already complex regulatory environment. We see this risk heightening in our emerging markets with potential impacts to our growth strategy and ambitions. The increasing geopolitical instability and further uncertainty in the Middle East region is an example.

**Changes in economic environment**

Material changes in monetary and fiscal policies may impact our business growth and influence our investment decisions. Trade barriers being imposed or subsidies to protect domestic industries may lead to trade disputes with detrimental impacts on supply chains and commodity prices for our clients.

These challenges could limit Marex ability to sell products in certain markets or jurisdictions impacting revenue opportunities whilst at the same time complicate strategic planning for adapting to new rules. Marex will continue to do business in those markets and jurisdictions deemed profitable if in line with our strategy.

**ESG agenda**

Politically driven regulatory changes around climate could directly impact our revenue in markets where we have significant market share such as Energy, Metals and Agriculture. A significant risk we face from climate change is the retraction of our primary markets and our ability to diversify our revenue streams accordingly.

To mitigate this risk, and in line with our strategy, we continue to diversify through investments and strategic acquisitions into new resources and capabilities.

**Investment strategy balance**

All our business decisions are driven by our Strategy. As our business grows, we challenge ourselves on whether we make the right investment choices and whether these choices fully consider the shifting market landscape. We see a risk in not achieving the right balance in our investment strategies when considering efficiency and profitability and challenge whether we bring in the right level of resilience in our business. If not properly considered, this could limit our adaptability and capability in achieving success across all our business segments and as an organization.

**Rapid evolution of fraud threat landscape**

Advancements of business practices (i.e. algorithmic trading) and adoption of sophisticated technologies, such as blockchain and other Artificial Intelligence (AI) powered tools, are not just helping organisations to achieve results previously not possible but are also providing fertile ground for fraudsters to proliferate. We are seeing a constant increase in the volume and complexity of frauds fueled by these transformative technologies. Fraudsters are now utilizing real events in near-real time, and other social engineering tactics combined with the use of automation and deepfakes to perpetrate complex cyber frauds.

Phishing using generative AI, email-borne viruses and Denial of Service have become common cyber-attacks within financial services, with this trend not weakening any time soon.

Critical for the success and survival of any organisation is the ability to implement proactive and protective measures that are informed by appropriate detection techniques that can adapt rapidly to these changing threats.

**Section 172 - Companies Act 2006 statement**

The directors of a company must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to the requirements of Section 172 (1) (a) to (f) of the Companies Act 2006 as set out below. The Directors recognise the importance of stakeholder engagement and its contribution to the success of the Company and their interests are taken into consideration by the Directors during Board discussions and decision-making. This report sets out how the Directors have met these responsibilities during the financial year.

a) *the likely consequences of any decision in the long term*

The strategy, risk and financial and operational resilience of the Company are managed at a Group level and the Group Board held its annual 'Strategy Day' in January 2024. At this meeting, the overarching strategy of the Group was reviewed and discussed with focus on diversification and growth. Furthermore, the potential corporate restructuring to simplify the Group and facilitate the development in overseas jurisdictions along with simplifying the requirements of the unregulated business in both the UK and overseas. The Directors continue to identify opportunities for innovation, creativity and ambition, and to evolve and diversify the Group in line with agreed risk appetite and long-term strategy.

The directors considered the strategic direction of the Company and during the year approved the registration of the Company as a foreign entity in Australia.

During the year, the Group's Board Risk Committee recommended to the Board for approval the Company's Internal Capital and Risk Assessment. The directors recognised the Company's regulatory capital and liquidity requirements; challenged methodologies for calculating the internal assessments for capital and liquidity requirements; reviewed the stress test and reverse stress test scenarios and their suitability for the Company; deliberated the Windown Plan, its assumptions, and the timeline in which it could be effected.

b) *the interests of the Company's employees*

The Directors continued to support the annual employee engagement survey, which was undertaken in July 2024. The number of respondents increased year-on-year by approximately 21% to 1,725 (2023: 1,416), reflecting the growth of the Group. The overall scores were mostly consistent with the previous year, which suggests the Group's strengths have been preserved throughout significant change. Management, supported by the Board, will continue to focus on building a strong Group with increasingly satisfied employees, and on maintaining high levels of engagement following the recent acquisitions. Regular networking meetings consisting of executive directors and the management team meet on a regular basis to provide information for management to cascade to their teams and to enable executive directors to interact freely with employees. Employees across the Group are fundamental to the delivery of the Company's business strategy. Further details of the Group Board's approach to remuneration, to leadership and how this cascades through the business to the workforce and employee engagement, can be found in the Corporate Governance Report in Marex Group plc's Annual Report.

c) *the need to foster the Company's business relationships with suppliers, customers and others*

The cultural values of the Group are cascaded down by the Group Board to ensure that they are understood by all and embedded into the fabric of the Group, its actions, how it conducts business, and how it supports appropriate behaviours. This ensures that good business relationships are maintained. The Directors are committed to ensuring high standards are met when it comes to supplier relationships; as such, all suppliers are required to meet the Marex Supplier Code of Conduct and abide by both relevant national and international standards, including those set out by the International Labour Organisation, the UK Bribery Act 2010 and the UK Equality Act 2010. The Group's Modern Slavery and Human Trafficking Statement sets out the commitment of the Directors to their corporate responsibility and to maintaining a culture within which ethical behaviour is promoted, in addition to setting out the steps taken to minimise the risk of modern slavery existing in the Group's business or supply chains. The Group recognises its financial regulators across the globe as key relationships and the Directors are committed to ensuring regular open dialogue and compliance with regulatory requirements.

**Section 172 - Companies Act 2006 statement (continued)***d) the impact of the Company's operations on the community and the environment*

The Group Board acknowledges its responsibility to minimise the impact of the business on the community and the environment. The Company's approach is to create positive change for the people and communities with which we interact. We want to leverage our expertise and enable colleagues to support the communities around us. In making decisions, the Board has regard to a variety of matters including the interest of various stakeholders, the consequences of its decisions in the long term and its long-term reputation. The Directors continue to support the Group's focus on ESG, which includes activities in the biofuels, renewable energy certificates, emissions futures and options, environmental consulting services and the Group has also launched a bespoke renewables desk. Further detail of the Group's approach can be found in the Sustainability Report in Marex Group plc's Annual Report. In addition, supported by the Directors, the Group's approach to taxation is one of transparency and disclosure, paying its fair share of tax, ensuring a cooperative approach to working with tax authorities, no aggressive tax planning, and alignment with best market practices.

*e) the desirability of the Company maintaining a reputation for high standards of business conduct*

The Directors understand the importance of promoting the Group's cultural values, ensuring they are understood by all and embedded into the fabric of the Group, its actions, how it conducts business, and how it supports appropriate behaviours. These are as follows:

- Integrity: We pride ourselves on our honesty and high ethical standards. We apply these values when working with all clients, colleagues and other stakeholders.
- Respect: Our people and clients are at the heart of our business. We always act respectfully and treat people fairly in everything we do.
- Developing our people: Our people are the basis of our competitive advantage. We look to 'grow our own' and make Marex the place ambitious, hardworking and talented people choose to build their career.
- Adaptable and nimble: We are proactive. We embrace change as markets evolve to constantly increase our efficiency and create innovative solutions for our clients.
- Collaborative: By working together across the organisation, we foster teamwork, can better respond to challenges and successfully deliver for our clients.

During the year, the Board approved the Operational Resilience Self-Assessment. This critical assessment reinforces the Company's commitment to protecting consumers, minimising risks to market integrity during operational disruptions, and upholding its reputation for maintaining the highest standards of business conduct.

*f) the need to act fairly as between members of the Company*

As a wholly-owned subsidiary of Marex Group plc, the Company benefits from active shareholder engagement. This ensures that its business strategy aligns with the Group's overarching strategic objectives. Shareholder interests are represented by the Directors, one of whom serves on the Group Board and therefore responsible for setting the direction of the Group as a whole.

Authorised and approved by the Board



R Irvin  
Director  
24 April 2025

The Directors present their report and audited financial statements of Marex Financial (the 'Company' or the 'Firm') for the year ended 31 December 2024. The Company is a private unlimited company and a subsidiary of Marex Group plc (collectively 'Marex', or the 'Group').

### **Directors**

The following Directors have held office throughout the year and to the date of this report, except where noted:

S J van den Born  
N G W Grace (resigned 31 May 2024)  
R Irvin  
P R Tonucci

### **Indemnity of directors**

Each Director is indemnified out of the assets of the Company against all costs, charges, losses and liabilities incurred by them in the proper exercise of their duties. Directors who have resigned during the year also benefit from the same indemnity arrangement. In addition, the Directors are covered by an insurance policy.

### **Directors' statement as to disclosure of information to the Auditor**

Each of the persons, who is a Director at the date of approval of this report, confirms that:

- so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- that they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

### **Foreign exchange**

The following foreign exchange rates have been used in the preparation of these financial statements:

	<b>2024</b>		<b>2023</b>	
	<b>Average rate</b>	<b>Year end rate</b>	<b>Average rate</b>	<b>Year end rate</b>
GBP / USD	1.2780	1.2525	1.2438	1.2731
EUR / USD	1.0818	1.0358	1.0816	1.1037

### **Going concern**

The Company's business activities and financial position, the factors likely to affect its future development and performance, its objectives and policies in managing the financial risks to which it is exposed and its capital, are discussed in the Strategic Report. The Company's regulatory capital resources, significant developments in 2024 and anticipated future developments are detailed in the liquidity and regulatory capital section on pages 9 and 10. This section also describes the Company's funding and liquidity profile, including changes in key metrics and the build up of liquidity reserves. As detailed in note 3(c) of the accounting policies, it is concluded that the Group and Company have adequate resources to continue to operate for the foreseeable future and for at least twelve months from the date of signing of the statements of financial position and confirm that the Group and Company can operate as a going concern. It is for this reason that the Directors continue to prepare the financial statements on a going concern basis.

**Events after the reporting period**

Events since the statement of financial position date are disclosed in note 32

**Overseas branches**

As at 31 December 2024, the Company had a branch in Israel.

**Dividends**

No dividends were paid during the year ended 31 December 2024 (2023: \$100.0m).

**Financial risk management**

Financial risk management objectives are included in the Strategic Report.

**Future developments**

Future developments are included in the Strategic Report.

**Research and development**

The Company produces commodity research across Energy, Agriculture Base Metals and Ferrous Metals markets and has developed key partnerships in this field.

**Engagement with Employees**

The Company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Company. This is achieved through formal and informal meetings and the Group website. Further statements regarding actions taken by the Company during the financial year are set out in the Strategic Report.

**Disabled Persons**

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Company continues and that appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

**Suppliers, customers and others**

In accordance with the Reporting on Payment Practices and Performance Regulations 2017, the Company submits biannual reports on payment practices and performance to the Department for Business, Energy and Industrial Strategy. The average time taken to make payments from the Company under qualifying contracts was 21 days (2023: 19.5 days). Relationships with suppliers, customers and others are not managed at company level, as the directors of the Company's immediate parent manage the operations of Marex on a Group-wide basis. Further statements regarding how the Group's relationships with suppliers, customers and others are managed, are contained in the Marex Group plc Annual Report (which does not form part of this report and is available on the Group's website).

**Streamlined Energy Carbon Reporting (SECR)**

Greenhouse gas emission estimates are produced for the Group as a whole and are contained in the Annual Report of Marex Group plc, which does not form part of this report.

**Climate-related Financial Disclosure ('CFD') Statement**

The Company is exempt from separately providing a Climate-related Financial Disclosure ('CFD') Statement, as this information is included in the disclosures of its parent entity, Marex Group plc. Further information on the Group's CFD disclosures can be found within the Sustainability Report of Marex Group plc's Annual Report and in the Group's CFD Statement within the Group's Strategic Report.

**Corporate governance arrangements**

The Company's parent Marex Group plc successfully listed on the Nasdaq Global Select Market on 25 April 2024 (the "IPO"); prior to the IPO, the Group adhered to and reported in line with The Wates Corporate Governance Principles for Large Private Companies (the 'Wates Principles'). Now that Marex Group plc is listed on Nasdaq, the Wates Principles are not an appropriate foundation for its corporate governance framework and instead, the Board believes that the requirements of the Nasdaq Rules provide a sufficiently robust overarching framework of governance standards within which the Group as a whole, including the Company, has implemented prudent governance processes and procedures.

**Corporate governance arrangements (continued)**

Consequently, the Group has not adopted a separate corporate governance code because it considers the applicable legislation and rules to effectively serve this purpose. This overarching governance framework is also reflected in the Group's various governance policy documents which are available on the Marex website.

Further details on Marex Group Plc's application of its corporate governance procedures are set out in the Group's Annual Report.

**DIRECTORS' RESPONSIBILITIES STATEMENT**

The Directors are responsible for preparing the annual report and financial statements in accordance with applicable law and regulations. Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB). In accordance with company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, International Accounting Standard ('IAS') 1 requires Directors to:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and, hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**Auditor**

The auditor, Deloitte LLP, has expressed their willingness to continue in office as auditor and appropriate arrangements have been put in place for them to be deemed reappointed as auditor pursuant to sections 485 – 488 of the Companies Act 2006.

Approved by the Board and signed on its behalf by:



R Irvin  
Director  
24 April 2025

## **Report on the audit of the financial statements**

### **1. Opinion**

In our opinion, the financial statements of Marex Financial (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2024 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom adopted international accounting standards and IFRS accounting standards as issued by the International Accounting Standards Board (IASB); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the income statement;
- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity;
- the statement of cash flows; and
- the related notes 1 to 32

The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom adopted international accounting standards and IFRS accounting standards as issued by the IASB.

### **2. Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **3. Summary of our audit approach**

---

<b>Key audit matters</b>	The key audit matter that we identified in the current year was: <ul style="list-style-type: none"><li>• Valuation of debt securities issued by Marex Financial as per IFRS 13.</li></ul>
<b>Materiality</b>	The materiality that we used for the financial statements was \$11.1 million which was determined on the basis of 2.5% of total net assets.
<b>Scoping</b>	Our audit was scoped by obtaining an understanding of the entity and its environment, including internal control, and assessing the risks of material misstatement.
<b>Significant changes in our approach</b>	No significant changes in our audit approach.

**4. Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- using our knowledge of the company, the financial services industry, the financial services regulatory environment and the general economic environment, including macroeconomic pressures affecting the company's operations, to identify inherent risks in the business model and how such risks might affect the financial resources or ability to continue operations over the going concern period;
- making inquiries of management about the assumptions, used in their going concern models, and assessing the reasonableness of those assumptions and historical forecasting accuracy;
- evaluating the company's strategic plans in light of the changing macroeconomic environment, short and longer term financial budgets, funding, liquidity and capital adequacy plans including internal stress tests;
- evaluating the company's operational resilience by inspecting the crisis management and business continuity plans in place and the company's readiness to respond to catastrophic events;
- evaluating the company's response and risk to recent geopolitical events and market volatility;
- reviewing regulatory correspondence to assess whether there are any matters that may impact the going concern assessment; and
- evaluating the company's disclosures on going concern against the requirements of IAS 1.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

## 5. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### 5.1 Valuation of structured notes issued by Marex Financial

<b>Key audit matter description</b>	<p>As disclosed in note 27, Marex Financial have issued debt securities amounting to \$ 1,478m as of 31 Dec 2024 (2023: \$978.2m) which are designated at fair value through profit and loss in accordance with IFRS 9 and IFRS 13. These debt securities contain substantive embedded derivatives and are accounted for at fair value to significantly reduce an accounting mismatch. Furthermore, these debt securities include bespoke auto-callable features whose contractual payoffs are referenced to a pool of underlying assets, typically a basket of underlying stock as well as stability and capital linked notes with varied terms.</p> <p>We have identified valuation of debt securities as a key audit matter because of the complexity involved in valuation of these debt securities which is based on multiple inputs, some of which are assessed for observability against comparable market data involving judgement. This required a higher degree of auditor judgment and an increased extent of effort, including the involvement of our valuation specialists.</p>
<b>How the scope of our audit responded to the key audit matter</b>	<p>We have performed the following procedures to address the risk of material misstatements in relation to valuation of structured notes:</p> <ul style="list-style-type: none"> <li>• Involved valuation specialists to evaluate management's methodology and significant assumptions over pricing inputs, including those that lack adequate market data to support observability;</li> <li>• Challenged the key judgements used by management in valuation of debt securities with the aim of identifying potential management bias;</li> <li>• Independently recalculated the valuation of debt securities as at 31 December 2024 on a sample basis;</li> <li>• Assessed the significance and observability of pricing inputs and their reasonableness in relation to valuation of debt securities; and</li> <li>• Tested disclosures on fair value hierarchy of these debt securities in accordance with IFRS 13.</li> </ul>
<b>Key observations</b>	<p>Based on our audit procedures performed, we concluded that the valuation of structured notes as at 31 December 2024 is reasonable.</p>

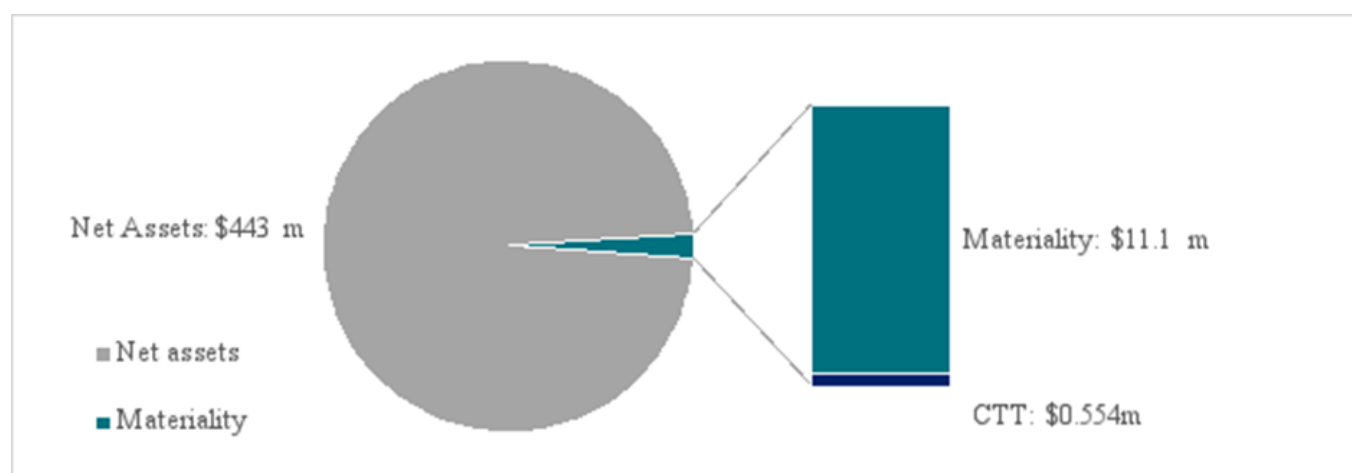
## 6. Our application of materiality

### 6.1 Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

<b>Materiality</b>	\$11.1 million (2023: \$7 million)
<b>Basis for determining materiality</b>	2.5% of total net assets (2023: 3% of total net assets)
<b>Rationale for the benchmark applied</b>	The Company acts as the regulated entity within the Marex Group. The balance sheet is the key measure of financial health that is important to shareholders, therefore we determined net assets to be the most appropriate benchmark.



### 6.2 Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole.

<b>Performance materiality</b>	65% of materiality (2023: 65% of materiality).
<b>Basis and rationale for determining performance materiality</b>	In determining performance materiality, we considered the following factors:

- The quality of the control environment and whether we were able to rely on controls;
- Degree of centralisation and commonality of controls and processes;
- The nature, volume and size of uncorrected misstatements arising in the previous audit and management's willingness to correct misstatements in the current period.

### 6.3 Error reporting threshold

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of \$665k (2023: \$350k), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

## **7. An overview of the scope of our audit**

### **7.1 Scoping**

Our audit was scoped by obtaining an understanding of the entity and its environment, including internal control, and assessing the risks of material misstatement. Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.

### **7.2 Our consideration of the control environment**

We obtained an understanding of relevant business controls. The Group uses a number of different IT systems across components, and we worked with our IT specialists to test the general IT controls for relevant systems. We did not rely on controls and further improvements are required in order for us to adopt a wider controls-reliant approach across the Group.

### **7.3 Our consideration of climate-related risks**

In planning our audit, we have considered the potential impact of climate change on the company's business and its financial statements. The company continues to develop its assessment of and response to the potential impacts of environmental, social and governance ('ESG') related risks, including climate change, as outlined in the Strategic Report.

We held discussions with management to understand the process for identifying climate-related risks, the consideration of mitigating actions and the impact on the company's financial statements which can we found in the Strategic report. Management do not expect any material climate change-related financial impact on their business. We performed our own qualitative risk assessment of the potential impact of climate change on the company's account balances and classes of transactions based on our understanding of the nature of the company's underlying operations through inquiries of management and review of the minutes and regulatory correspondence.

We read the climate-related disclosures included in the Strategic report section in the annual report and considered whether they are materially consistent with the financial statements and our knowledge obtained in the audit.

## **8. Other information**

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

**We have nothing to report in this regard.**

## **9. Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

## **10. Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## **11. Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

### **11.1 Identifying and assessing potential risks related to irregularities**

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- The nature of the industry and sector, control environment and business performance including the design of the company's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- Results of our enquiries of the directors, management, internal audit and the audit committee about their own identification and assessment of the risks of irregularities including those that are specific to the company's sector;
- Any matters we identified having obtained and reviewed the company's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations; and
- The matters discussed among the audit engagement team and relevant internal specialists, including tax, valuations and IT specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These include the company's regulators such as the FCA

### **11.2 Audit response to risks identified**

As a result of performing the above, we did not identify any key audit matters related to the potential risk of fraud or non-compliance with laws and regulations. Our procedures to respond to risks identified included the following:

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Enquiring of management, the audit committee and in-house and external legal counsel concerning actual and potential litigation and claims;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC and regulators, including the FCA; and
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

### **Report on other legal and regulatory requirements**

#### **12. Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

#### **13. Opinion on other matter prescribed by the Capital Requirements (Country-by-Country Reporting) Regulations 2013**

In our opinion the information given in note 32 to the financial statements for the financial year ended 31 December 2024 has been properly prepared, in all material respects, in accordance with the Capital Requirements (Country-by Country Reporting) Regulations 2013.

#### **14. Matters on which we are required to report by exception**

##### **14.1 Adequacy of explanations received and accounting records**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

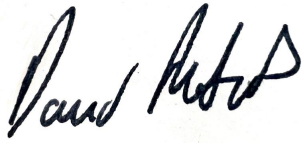
##### **14.2 Directors' remuneration**

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made.

We have nothing to report in respect of this matter.

**15. Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



David Roberts, FCA (Senior statutory auditor)  
For and on behalf of Deloitte LLP  
London, United Kingdom  
24 April 2025

**INCOME STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2024**

	Notes	2024 \$m	2023 \$m
Commission and fee income	<a href="#">5</a>	445.5	326.5
Commission and fee expense	<a href="#">5</a>	(272.6)	(207.3)
<b>Net commission income</b>	<a href="#">5</a>	<b>172.9</b>	<b>119.2</b>
<b>Net trading income</b>	<a href="#">5</a>	<b>398.8</b>	<b>338.6</b>
Interest income	<a href="#">6</a>	321.1	240.7
Interest expense	<a href="#">6</a>	(303.9)	(227.8)
<b>Net interest income</b>	<a href="#">6</a>	<b>17.2</b>	<b>12.9</b>
<b>Revenue</b>	<a href="#">5</a>	<b>588.9</b>	<b>470.7</b>
<b>Expenses:</b>			
Compensation and benefits	<a href="#">7</a>	(311.1)	(219.9)
Depreciation and amortisation		(3.2)	(2.3)
Other expenses	<a href="#">8</a>	(153.2)	(123.0)
Reversal of/(provision for) credit losses		2.3	(7.6)
Other income		3.2	3.0
Share of profit in associates and joint ventures	<a href="#">15</a>	—	0.8
<b>Profit before tax</b>		<b>126.9</b>	<b>121.7</b>
Tax	<a href="#">10</a>	(26.5)	(24.0)
<b>Profit after tax</b>		<b>100.4</b>	<b>97.7</b>

All operations are continuing for the current and prior years. The notes on pages 41 to 107 form part of these financial statements. Refer to note 3(b) and note 30 for the 2023 balances that have been restated.

**STATEMENT OF OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2024**

	<b>2024</b>	<b>2023</b>
	<b>\$m</b>	<b>\$m</b>
<b>Notes</b>		
Profit after tax	100.4	97.7
<b>Other comprehensive income</b>		
<b>Items that may be reclassified subsequently to profit and loss:</b>		
Cash flow hedges		
Fair value (loss)/gain arising on hedging instruments during the year	(11.9)	1.2
Deferred tax on hedging instruments	<a href="#">21</a> 3.0	(0.3)
<b>Items that will not be recycled to profit or loss:</b>		
Change in fair value of financial liabilities designated at FVTPL due to own credit risk	(3.4)	1.2
Deferred tax on change in fair value of financial liabilities designated at FVTPL due to own credit risk	<a href="#">21</a> 0.9	(0.3)
Fair value gain/(loss) on investments in equity instruments designated as at FVTOCI	<a href="#">15</a> 0.3	0.5
Deferred tax on revaluation of investments	<a href="#">21</a> (0.1)	(0.3)
<b>Other comprehensive (loss)/income net of tax</b>	<b>(11.2)</b>	<b>2.0</b>
<b>Total comprehensive income</b>	<b>89.2</b>	<b>99.7</b>

The notes on pages [41](#) to [107](#) form part of these financial statements.

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2024**

	Notes	31 December 2024 \$m	31 December 2023 \$m Restated
<b>Assets</b>			
<b>Non-current assets</b>			
Goodwill	<a href="#">12</a>	3.2	3.2
Intangible assets	<a href="#">13</a>	7.1	4.8
Property, plant and equipment	<a href="#">14</a>	1.5	1.2
Investments	<a href="#">15(a)</a>	5.4	4.8
Investments in subsidiaries	<a href="#">15(b)</a>	7.3	7.3
Treasury instruments (unpledged)	<a href="#">16(a)</a>	53.5	60.8
Treasury instruments (pledged as collateral)	<a href="#">16(b)</a>	46.1	300.4
Deferred tax asset	<a href="#">21</a>	25.2	7.3
<b>Total non-current assets</b>		<b>149.3</b>	<b>389.8</b>
<b>Current assets</b>			
Treasury instruments (unpledged)	<a href="#">16(a)</a>	56.3	15.0
Treasury instruments (pledged as collateral)	<a href="#">16(b)</a>	241.6	10.0
Fixed income securities	<a href="#">17</a>	12.6	—
Stock borrowing		108.0	—
Inventory	<a href="#">18</a>	6.9	144.5
Trade and other receivables	<a href="#">19</a>	2,295.3	1,988.6
Derivative instruments	<a href="#">20</a>	1,055.8	649.3
Equity instruments (unpledged)	<a href="#">27</a>	219.2	11.5
Corporate income tax receivable		7.4	3.9
Cash and cash equivalents		1,496.9	776.9
<b>Total current assets</b>		<b>5,500.0</b>	<b>3,599.7</b>
<b>Total assets</b>		<b>5,649.3</b>	<b>3,989.5</b>

The notes on pages [41](#) to [107](#) form part of these financial statements. Refer to note [3\(b\)](#) and note [30](#) for the 2023 balances that have been restated.

**STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2024 (CONTINUED)**

	Notes	31 December 2024 \$m	31 December 2023 \$m Restated
<b>Liabilities</b>			
<b>Current liabilities</b>			
Repurchase agreements		123.7	—
Derivative instruments	<a href="#">20</a>	765.9	409.6
Trade and other payables	<a href="#">22</a>	2,561.4	2,207.6
Stock lending		225.5	—
Short securities		1.6	—
Debt securities	<a href="#">27</a>	1,284.2	778.4
<b>Total current liabilities</b>		<b>4,962.3</b>	<b>3,395.6</b>
Deferred tax		—	—
Debt securities	<a href="#">27</a>	194.0	199.8
Subordinated loan payable	<a href="#">23</a>	49.6	49.6
<b>Total non-current liabilities</b>		<b>243.6</b>	<b>249.4</b>
<b>Total liabilities</b>		<b>5,205.9</b>	<b>3,645.0</b>
<b>Total net assets</b>		<b>443.4</b>	<b>344.5</b>
<b>Equity</b>			
Share capital	<a href="#">25</a>	160.1	160.1
Share premium		5.9	5.9
Retained earnings		274.9	175.7
Other reserves	<a href="#">26</a>	2.5	2.8
<b>Total equity</b>		<b>443.4</b>	<b>344.5</b>

The notes on pages [41](#) to [107](#) form part of these financial statements. Refer to note [3\(b\)](#) and note [30](#) for the 2023 balances that have been restated.

The financial statements on pages [35](#) to [107](#) were approved and authorised for issue by the Board of Directors on 24 April 2025 and signed on its behalf by:



R Irvin  
Director  
24 April 2025  
Registration Number: 05613061

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2024**

	Notes	Share capital \$m	Share premium \$m	Retained earnings \$m	Other reserves \$m	Total \$m
At 1 January 2023		<b>160.1</b>	<b>5.9</b>	<b>176.5</b>	<b>(1.1)</b>	<b>341.4</b>
Profit after tax for the period		—	—	97.7	—	97.7
Gain on cash flow hedge		—	—	—	1.2	1.2
Deferred tax on cash flow hedge reserve	21	—	—	—	(0.3)	(0.3)
Change in fair value of financial liabilities designated at FVTPL due to own credit risk		—	—	—	1.2	1.2
Deferred tax on change in fair value of financial liabilities designated at FVTPL due to own credit risk	21	—	—	—	(0.3)	(0.3)
Gain on revaluation of investments		—	—	—	0.5	0.5
Deferred tax on revaluation of investments		—	—	—	(0.3)	(0.3)
<i>Total comprehensive income for the period</i>		—	—	97.7	2.0	99.7
Deferred tax on share-based payments	21	—	—	—	1.9	1.9
Dividends paid	11	—	—	(100.0)	—	(100.0)
Other movements		—	—	1.5	—	1.5
<b>At 31 December 2023 and 1 January 2024</b>		<b>160.1</b>	<b>5.9</b>	<b>175.7</b>	<b>2.8</b>	<b>344.5</b>
Profit after tax for the period		—	—	100.4	—	100.4
Fair value loss on hedging instruments		—	—	—	(11.9)	(11.9)
Deferred tax on hedging instruments	21	—	—	—	3.0	3.0
Change in fair value of financial liabilities designated at FVTPL due to own credit risk		—	—	—	(3.4)	(3.4)
Deferred tax on change in fair value of financial liabilities designated at FVTPL due to own credit risk	21	—	—	—	0.9	0.9
Gain on revaluation of investments		—	—	—	0.3	0.3
Deferred tax on revaluation of investments	21	—	—	—	(0.1)	(0.1)
<i>Total comprehensive income for the period</i>		—	—	100.4	(11.2)	89.2
Deferred tax on share-based payments	21	—	—	—	10.1	10.1
Current tax on share-based payments	10	—	—	—	0.8	0.8
Other movements		—	—	(1.2)	—	(1.2)
<b>At 31 December 2024</b>		<b>160.1</b>	<b>5.9</b>	<b>274.9</b>	<b>2.5</b>	<b>443.4</b>

The notes on pages [41](#) to [107](#) form part of these financial statements.

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

	Notes	2024 \$m	2023 \$m
Profit before tax		126.9	121.7
<b>Adjustments for:</b>			
Depreciation of property, plant and equipment	<a href="#">14</a>	0.7	0.3
Amortisation of intangible assets	<a href="#">13</a>	2.5	1.8
(Decrease) in provisions		—	(1.9)
Provision for credit losses	<a href="#">19</a>	(2.3)	7.6
Share of results in associates and joint ventures		—	(0.8)
Movement in fair value of derivative instruments		(62.1)	(50.5)
Other revaluations		8.9	(4.9)
Other non-cash movements		(3.2)	—
<b>Operating cash flows before changes in working capital</b>		<b>71.4</b>	<b>73.3</b>
<b>Working capital adjustments:</b>			
Increase in trade and other receivables		(305.3)	(44.7)
Increase in trade and other payables		353.5	674.8
Increase in treasury instruments		(11.3)	(116.6)
Increase in equity instruments		(206.1)	(6.3)
Increase in fixed income securities		(12.6)	—
Increase / (decrease) in debt securities		496.6	(121.2)
Decrease / (increase) in inventory		137.6	(117.0)
Increase in net repurchase and reverse repurchase agreements		123.7	—
Increase in net stock borrowing and lending		117.5	—
<b>Cash flow from operating activities</b>		<b>765.0</b>	<b>342.3</b>
Corporation tax paid		(30.5)	(29.1)
<b>Net cash from operating activities</b>		<b>734.5</b>	<b>313.2</b>

During 2024, interest received was \$298.1m (2023: \$250.2m), interest paid was \$291.0m (2023: \$222.8m) and dividends received were \$nil (2023: \$nil).

## STATEMENT OF CASH FLOWS

## FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

	Notes	2024 \$m	2023 \$m
<b>Investing activities</b>			
Redemption of investment in associate		—	6.4
Purchase of intangible assets	<a href="#">13</a>	(4.8)	(1.5)
Purchase of property, plant and equipment	<a href="#">14</a>	(1.0)	(0.9)
<b>Net cash inflow from investing activities</b>		<b>(5.8)</b>	<b>4.0</b>
<b>Financing activities</b>			
Dividends paid	<a href="#">11</a>	—	(100.0)
<b>Net cash outflow from financing activities</b>		<b>—</b>	<b>(100.0)</b>
<b>Net increase in cash and cash equivalents</b>		<b>728.7</b>	<b>217.2</b>
<b>Cash and cash equivalents</b>			
Cash available on demand and short-term deposits at 1 January		776.9	552.0
Increase in cash		728.7	217.2
Effect of foreign exchange rate changes		(8.7)	7.7
<b>Cash and cash equivalents at 31 December</b>		<b>1,496.9</b>	<b>776.9</b>

The notes on pages [41](#) to [107](#) form part of these financial statements.

**1 GENERAL INFORMATION**

Marex Financial (the 'Company') is an unlimited company incorporated in England and Wales under the Companies Act. The address of the registered office is 155 Bishopsgate, London, EC2M 3TQ, United Kingdom. The principal activities of the Company and the nature of the Company's operations are set out in note 5 and in the Strategic Report.

References to the 'Group' are to the group of companies headed by Marex Group plc, of which Marex Financial is a part.

These financial statements are presented in US dollars ('USD' or '\$'), which is also the Company's functional currency. All amounts have been rounded to the nearest tenth of a million ('m'), except where otherwise indicated.

In preparing these financial statements, the Directors have taken the exemption from preparing consolidated financial statements afforded in IFRS 10 Consolidated Financial Statements as the Company is included in the consolidated financial statements of the Group that are available on the Group's website.

**2 ADOPTION OF NEW AND REVISED STANDARDS****(a) New and amended IFRS Accounting Standards that are effective for the current year**

The Company applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2024 (unless otherwise stated). The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

**Amendments to IFRS 16 Leases - Lease Liability in a Sale and Leaseback**

The amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in IFRS 15 Revenue from Contracts with Customers to be accounted for as a sale.

The amendments had no impact on the Company's financial statements.

**Amendments to IAS 1 Presentation of Financial Statements - Classification of Liabilities as Current or Non-Current**

The amendments to IAS 1 published in January 2020 (effective for annual periods beginning on or after 1 January 2024) affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expense, or the information disclosed about those items.

The amendments had no material impact on the Company's financial statements.

**Amendments to IAS 1 Presentation of Financial Statements - Non-current Liabilities with Covenants**

The amendments to IAS 1 issued in October 2022 (effective for annual periods beginning on or after 1 January 2024) specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or non-current).

The amendments had no material impact on the Company's financial statements.

**Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures - Supplier Finance Arrangements**

The amendments add a disclosure objective to IAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, IFRS 7 was amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk.

The amendments had no material impact on the Company's financial statements.

**2 ADOPTION OF NEW AND REVISED STANDARDS (continued)**

**(b) New and revised IFRSs in issue, but not yet effective**

At the date of authorisation of these financial statements, the Company has not applied the following revised IFRS Accounting Standard that have been issued and adopted by the IFRS UK Endorsement Board but is not yet effective.

Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates

The amendments to IAS 21 sets out the requirements to help entities to assess exchangeability between two currencies, and to determine the spot exchange rate, when exchangeability is lacking. An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose.

When a currency is not exchangeable into another currency, the spot exchange rate needs to be estimated. The objective in estimating the spot exchange rate at a measurement date is to determine the rate at which an orderly exchange transaction would take place at that date between market participants under prevailing economic conditions.

The amendments are applicable for annual reporting periods beginning on or after 1 January 2025. Although earlier adoption permitted.

These amendments are not expected to have a material impact on the Company's financial statements in future periods.

**3 MATERIAL ACCOUNTING POLICIES**

The Company is required to disclose material accounting policy information. Accounting policy information is material if it can reasonably be expected to influence decisions that the primary users of financial statements make on the basis of those financial statements when considered together with other information included in the financial statements. The Company considers an accounting policy as material if the information relates to material transactions, other events or conditions or involves a high degree of uncertainty and has a material impact on the financial statements.

**(a) Basis of accounting**

The financial statements of the Company comply with UK-adopted international accounting standards and with the requirements of the Companies Act 2006. These financial statements are also prepared in accordance with International Financial Reporting Standards ('IFRS Accounting Standards'), as issued by the International Accounting Standards Board ('IASB'), including interpretations issued by the IFRS Interpretations Committee. There are currently no differences between UK-adopted international accounting standards and IFRS Accounting Standards as issued by the IASB. There were no unendorsed standards effective for the year ended 31 December 2024 affecting these financial statements.

The financial statements have been prepared on the historical cost basis, except for the revaluation of certain assets and liabilities that are measured at fair value, as explained in the accounting policies below.

The material accounting policies adopted are set out below.

**3 MATERIAL ACCOUNTING POLICIES (CONTINUED)****(b) Restatement**

The Company restated the statement of financial position as at 31 December 2023 due to the correction of errors. The details of the corrections are outlined in note [29](#).

**(c) Going concern**

The Directors have assessed the going concern assumptions during the preparation of the Company's financial statements. The Company believes that no events or conditions, including those related to recent macroeconomic events give rise to doubt about the ability of the Company to continue operating for a period of at least 12 months from the date of signing the financial statements. This conclusion is drawn based on the knowledge of the Company, the estimated economic outlook and identified risks, which has been modelled to be included within several stress tests performed by the Group. As funding is managed on a Group basis the Directors considered the Group stress tests in determining their assessment for the Company. The results of the stress test highlighted that the Group and the Company had sufficient liquidity and capital to satisfy its regulatory requirements. Thus, the Company continues to adopt the going concern basis of accounting in preparing these financial statements.

**(d) Revenue recognition**

The Company's revenue consists of:

*Net commission and fee income*

Sales and brokerage commissions are generated when customers trade exchange traded derivatives, over-the-counter ('OTC') traded derivatives, fixed income securities and equity securities.

The Company is responsible for executing and clearing the customers' purchases and sales as such it acts as principal and commission income is recognised on a gross basis.

Commissions charged to customers on exchange traded derivatives and over the counter traded derivatives are recognised at a point in time on the trade date when a client order is cleared or executed (i.e. when performance obligation is satisfied). Commissions charged to customers on traded securities are sale-based commissions that are recognised at a point in time on the trade date. Sales based commissions are typically a fixed fee per security transaction and in certain instances, are based on a percentage of the transaction value.

Commission charged to customers on clearing transactions recoup clearing fees and other fee expenses incurred. Clearing fees earned represent the recharge of transaction-based fees charged by the various exchanges and clearing organisations at which the Company or one of its clearing brokers is a member for the purpose of executing and/or clearing trades through them. Clearing fees incurred are generally passed through to clients' accounts and are reported gross as the Company maintains control over the clearing and execution services provided, maintains relationships with the exchanges or clearing brokers, and has ultimate discretion in whether the fees incurred are passed through to the clients and the rates at which they are passed through. As clearing fees charged are transactional based, they are recognised at a point in time on the trade date along with the related commission income when the client order is cleared or executed.

In connection with the execution and clearing of trades, the Company is required to pay fees to the executing brokers, exchanges, clearing organisations and banks. These fees are based on transaction volumes and recognised as commission and fee expense on the trade date. The Company also pays commissions to third party introducing brokers (individuals or organisations) that maintain relationships with clients and introduce them to the Company. Introducing brokers accept orders from clients whilst the Company provides the accounts, transaction, margining and reporting services, including money and securities from clients. Introducing brokers commissions are determined monthly and presented in commission and fee expense in the income statement and settled quarterly. Commission and fee expenses are generally passed through to clients' accounts. No other costs related to the generation of commission income are included within commission and fee expense.

**3 MATERIAL ACCOUNTING POLICIES (CONTINUED)****(d) Revenue recognition (continued)***Net trading income*

Net trading income includes realised and unrealised gains and losses derived from transactions in OTC derivatives, exchange traded derivatives, equity instruments, stock borrowing and stock lending, reverse repurchase agreements, fixed income securities and foreign exchange. These transactions are the result of trading activity, being managed at fair value. As such the resulting net trading income includes the gains and losses on transactions executed with clients and other counterparties, and where the Company enters into these transactions on its own account.

Net trading income also includes fair value movements on the following financial liabilities designated at fair value through profit or loss:

- Structured notes, are hybrid debt securities issued. Fair value movements, excluding those related to own credit risk and interest expense, are recorded in net trading income;
- Repurchase agreements and stock loans, held as part of the Company's trading book, are managed at fair value. The fair value movements, including the realised gain or loss on settlement, and the interest derived from the activity is recorded within net trading income.

In certain transactions, the transaction price of the financial instrument differs from the fair value calculated using valuation models. This difference is called day 1 profit or loss and is recognised immediately in the income statement in net trading income only when:

- the fair value determined using valuation models is based only on observable inputs;
- the fair value determined using valuation models is based on both observable and unobservable inputs but the impact of the unobservable inputs in the fair value is insignificant.

In all other cases, the financial instrument is initially recognised at the transaction price and the recognition of day 1 profit or loss is deferred and amortised through the term of the deal or to the date when unobservable inputs become observable (if sooner) unless specific factors relevant to the trade require a specific recognition pattern.

*Net interest income*

Interest income includes mainly the interest earned on the cash and financial instruments balances held on behalf of the Company's clients as well as the Company's own cash balances. Interest income is calculated using the effective interest rate ('EIR') method. The effective interest rate is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument to the gross carrying amount of the financial asset (before adjusting for expected credit losses) or to the amortised cost of the financial liability.

Interest expense includes interest paid to the Company's clients on their balances and interest paid on debt securities issued and borrowings. Interest expense is calculated using the effective interest method. The interest expense component of the Company's structured notes, designated at fair value through profit or loss are also presented in interest expense. This approach aligns with the way that the Company manages the issued debt securities, as it considers the structured notes to be a source of liquidity and funding and therefore the interest flows are crucial to understanding the interest rate sensitivity of the Company.

**(e) Tax***Current tax*

The current tax payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

**3 MATERIAL ACCOUNTING POLICIES (CONTINUED)****(e) Tax (continued)***Deferred tax*

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same tax authority and the Company intends to settle its current tax assets and liabilities on a net basis or to realise the asset and settle the liability simultaneously.

*Current tax and deferred tax for the year*

Current and deferred tax are recognised in profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

In determining whether uncertain tax positions exist, the Company assesses whether it is probable that a tax authority will accept the uncertain tax treatment applied or proposed to be applied in its income tax filings. The Company assesses for each uncertain tax treatment whether it should be considered independently or whether some tax treatments should be considered together based on what the Company believes provides a better prediction of the resolution of the uncertainty. The Company measures tax uncertainties using its best estimate of likely outcomes for which it relies on estimates and assumptions and may involve judgments about future events. Corporate activity as well as day to day operations may give rise to tax uncertainties. The Company has determined, with the benefit of opinions from external tax advisors and legal counsel, where appropriate, that it has provided for all tax liabilities that are probable to arise from such activities. New information may become available that causes the Company to change its judgment regarding the adequacy of existing tax liabilities. Such changes could result in incremental tax liabilities which could have a material effect on cash flows, financial condition and results of operations. Where the final tax outcome of these matters is different from the amounts that were originally estimated such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

**3 MATERIAL ACCOUNTING POLICIES (CONTINUED)****(f) Impairment of non-financial assets**

Impairment tests on goodwill and intangible assets with indefinite useful lives (trademarks) are undertaken annually and whenever there is an indicator of impairment. Other non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable.

The impairment test is carried out on the asset's cash generating unit (i.e. the smallest group of assets in which the asset belongs for which management measures separately identifiable cash flows). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash generating units, or otherwise, they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation can be identified.

The recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Where the carrying value of an asset exceeds its recoverable amount an impairment loss is recognised in the income statement.

An impairment loss in respect of goodwill is not reversed. For non-financial assets other than goodwill, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

**(g) Financial instruments***Initial recognition and measurement*

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company 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 and 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 and loss are recognised immediately in profit and loss.

*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 timeframe 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.

Financial assets that meet both of the following conditions and have not been designated as at fair value through profit and loss ('FVTPL') are measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**3 MATERIAL ACCOUNTING POLICIES (CONTINUED)****(g) Financial instruments (continued)**

Financial assets that meet both of the following conditions and have not been designated as at FVTPL are measured at fair value through other comprehensive income ('FVTOCI'):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVTOCI as described above are measured at FVTPL. This includes all derivative financial assets.

The Company may make the following irrevocable election and/or designation at initial recognition of a financial asset:

- the Company may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- the Company may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

The following accounting policies apply to the subsequent measurement of financial assets.

*Amortised cost and effective interest rate method*

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

For financial instruments other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (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 debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the EIR method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the contrary, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the EIR method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the EIR to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired interest income is recognised by applying the EIR to the amortised cost of the financial asset.

**3 MATERIAL ACCOUNTING POLICIES (CONTINUED)****(g) Financial instruments (continued)***Investments in debt instruments classified as amortised cost*

Debt instruments classified as amortised cost are subsequently measured using the EIR method and are subject to impairment. Gains and losses are recognised in the income statement when the asset is derecognised, modified or impaired. The Company's financial assets held at amortised cost include US treasury and agency bonds (classified as treasury instruments on the statement of financial position) and trade receivables.

*Investments in equity designated as at FVTOCI*

On initial recognition, the Company made an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination to which IFRS 3 Business Combinations ('IFRS 3') applies.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has evidence of a recent actual pattern of short-term profit taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs and are presented as investments in the statement of financial position. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the revaluation reserve. The cumulative gain or loss will not be reclassified to profit and loss on disposal of the equity investments; instead it will be transferred to retained earnings. The Company has designated all investments in equity instruments that are not held for trading as at FVTOCI on initial application of IFRS 9.

*Financial assets at FVTPL*

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL. Specifically:

- investments in equity instruments are classified as at FVTPL, unless the Company designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition; and
- debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria are classified as at FVTPL.

**3 MATERIAL ACCOUNTING POLICIES (CONTINUED)****(g) Financial instruments (continued)***Impairment of financial assets*

The Company recognises a loss allowance for expected credit losses ('ECL') on investments in debt instruments that are measured at amortised cost or at FVTOCI. No impairment loss is recognised for investments in equity instruments. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company always recognises lifetime ECL for trade receivables. ECL are a probability-weighted estimate of credit losses based on both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and forward-looking expectation.

For all other financial instruments, the Company recognises lifetime ECL when there 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 Company 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. Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that is possible within 12 months after the reporting date.

*Simplified approach*

The Company adopts a simplified approach for trade debtors whereby allowances are always equal to lifetime ECL. The ECL on trade debtors are estimated using a provision matrix by reference to historical credit losses experience adjusted for current and expected future economic conditions. When a trade debtor balance is more than 180 days past due, the Company further performs a qualitative review of the debtor analysing factors such as the debtor's current financial position, past due days, cash collection history and internal credit ratings to determine whether the Company has reasonable and supportable information to apply a higher credit loss rate adjusted by forward-looking information.

*Significant increases in credit risk*

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating; and
- significant deterioration in external market indicators of credit risk for a particular financial instrument.

The Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk, based on all of the following: (i) the financial instrument has a low risk of default in accordance with either internal or external credit ratings; (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and (iii) adverse changes in economic and business conditions in the long term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that each criterion is capable of identifying a significant increase in credit risk before the amount becomes past due.

**3 MATERIAL ACCOUNTING POLICIES (CONTINUED)****(g) Financial instruments (continued)***Definition of default*

The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables and other assets that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collateral held by the Company) or partially.

*Credit-impaired financial assets*

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as default or past due event;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

*Write-off policy*

The Company writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no reasonable expectation of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit and loss.

*Measurement and recognition of expected credit losses*

At the reporting date, an allowance is required for the 12-month (Stage 1) ECL. If the credit risk has significantly increased since initial recognition (Stage 2), or if the financial instrument is credit-impaired (Stage 3), an allowance (or provision) should be recognised for the lifetime ECL.

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date, less any collateral held.

For financial assets, the ECL is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Where lifetime ECL is measured on a collective basis to cater for cases where evidence of significant increases in credit risk at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- nature of financial instruments; and
- external credit ratings where available.

**3 MATERIAL ACCOUNTING POLICIES (CONTINUED)****(g) Financial instruments (continued)***Measurement and recognition of expected credit losses (continued)*

If the Company has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Company measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

The Company recognises an impairment gain or loss in profit and loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

*Presentation of impairment*

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. Provision for credit losses related to trade and other receivables, including settlement balances and deposits paid for securities borrowed are presented on the face of the income statement.

*Derecognition of financial assets*

The Company 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 entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

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 the income statement. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the revaluation reserve is reclassified to the income statement. In contrast, on derecognition of an investment in equity instrument which the Company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the revaluation reserve is not reclassified to the income statement but is transferred to retained earnings.

*Financial liabilities*

All financial liabilities are measured subsequently at amortised cost using the effective interest rate method or at FVTPL.

Financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies and financial guarantee contracts issued by the Company, are measured in accordance with the specific accounting policies set out below.

*Financial liabilities at FVTPL*

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration recognised by an acquirer in a business combination to which IFRS 3 applies, (ii) held for trading or (iii) designated as at FVTPL.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)****3 MATERIAL ACCOUNTING POLICIES (CONTINUED)****(g) Financial instruments (continued)***Financial liabilities (continued):*

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated at FVTPL.

Financial liabilities at FVTPL are measured at fair value, with any gains or losses arising on changes in fair value recognised in the income statement to the extent that they are not part of a designated hedging relationship. The interest expense on structured notes designated at FVTPL is recognised in interest expense based on the implied variable market interest rate.

In respect of financial liabilities that are designated as at FVTPL (i.e. structured notes issued), the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in the income statement. The remaining amount of change in the fair value of the liability is recognised in the income statement. Changes in the fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are not subsequently reclassified to the income statement. Instead, they are transferred to retained earnings upon derecognition of the financial liability.

*Financial liabilities measured at amortised cost*

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated at FVTPL, are measured subsequently at amortised cost using the effective interest rate method.

*Derecognition of financial liabilities*

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the income statement.

When the Company exchanges with the existing lender one debt instrument into another one with substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly the Company accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between: (i) the carrying amount of the liability before the modification; and (ii) the present value of the cash flows after modification should be recognised in the income statement as the modification gain or loss.

**3 MATERIAL ACCOUNTING POLICIES (CONTINUED)****(g) Financial instruments (continued)***Offsetting of financial assets and liabilities*

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention and ability to settle on a net basis, or to realise the assets and liabilities simultaneously.

*Derivative instruments*

The Company uses derivative financial instruments, such as forward currency contracts, OTC precious and base metal contracts, agriculture contracts, energy contracts and equities. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The Company utilises the services of a prime broker to enter into derivative contracts that are used to hedge its structured notes issuance business. The agreement provides for net settlement of daily margin calls and in addition, should there be a default event, this would also be settled on a net basis. On this basis the Company has determined that the balance representing cash held at the Prime Broker and various derivative instruments should be shown within derivative assets in the statement of financial position.

*Issued debt and equity instruments*

The Company applies IAS 32 Financial Instruments: Presentation to determine whether an instrument is either a financial liability (debt) or equity. Issued financial instruments or their components are classified as liabilities if the contractual arrangement results in the Company having an unconditional obligation to either deliver cash or another financial asset, or a variable number of equity shares, to the holder of the instrument. If this is not the case, the instrument is generally an equity instrument and the proceeds included in equity, net of transaction costs. Dividends and other returns to equity holders are recognised when approved for payment by the Board of Directors and treated as a deduction from equity.

Debt securities are the Company's issued debt instruments which are comprised of hybrid financial instruments and vanilla debt instruments. Structured notes issued are hybrid financial instruments and are composed of debt components and embedded derivatives and are designated as FVTPL. Changes in fair value are recognised within net trading income except for changes related to the Company's own credit risk which are recognised in other comprehensive income and interest related to the hybrid debt securities is presented within interest expense. Vanilla debt instruments are presented within debt securities in line with their maturity profile and have no other embedded or linked instruments. The Company presents the hedged interest expense related to vanilla debt instruments through interest expense.

**(h) Inventories**

The Company applies the broker-dealer exemption to its inventories stated in paragraph 3 of IAS 2 Inventories.

The Company holds cryptocurrencies, both for its own account in order to generate a return, and to complement its cryptocurrency client offerings. The Company does not act as a custodian for crypto and, other than in limited circumstances, does not allow clients to provide crypto as security for client activity. The Company holds these cryptocurrencies in either a hot wallet at Fireblocks (kept online) or in cold storage at a crypto custodian (kept offline). The Company classifies cryptocurrency holdings as inventories on the statement of financial position measured at fair value less costs to sell.

The Company has holdings of carbon emission certificates held for trading purposes. These are held at fair value less costs to sell.

The cost of inventories including the changes in their fair value is recognised within net trading income in the income statement.

**3 MATERIAL ACCOUNTING POLICIES (CONTINUED)****(i) Hedge accounting***Cash flow hedges*

The Company designates certain derivatives as hedging instruments in respect of foreign currency risk exposure that arises from firm commitments and the interest rate exposure resulting from customer balances being placed on deposit in interest bearing accounts over the short term. These hedge relationships are accounted for as cash flow hedges.

At inception of the hedge relationship, the Company documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and at each reporting date or on a significant change in circumstances, the Company documents whether the hedging instrument is highly effective in offsetting changes in the cash flows of the hedged item.

The effective portion of changes in the fair value of foreign currency forwards and interest rate swaps that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated in the cash flow hedge reserve. The gain or loss relating to the ineffective portion, if any, would be recognised in profit or loss.

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item is recognised in profit or loss, in the same line of the income statements as the recognised hedge item.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

**(j) Cash and cash equivalents**

The Company considers cash held at banks and all highly liquid investments not held for trading purposes, with original or acquired maturities of 90 days or less, including certificates of deposit, to be cash and cash equivalents. Cash and cash equivalents not deposited with or pledged to broker-dealers, clearing organisations, counterparties or segregated under federal or other regulations is recognised on the statement of financial position.

Pursuant to the requirements of the Markets in Financial Instruments Implementing Directive 2006/73/EC underpinning the Client Asset ('CASS') rules in the Financial Conduct Authority ('FCA') handbook in the U.K. funds deposited by clients relating to futures and options on futures contracts in regulated commodities must be carried in separate accounts, which are designated as segregated or secured client accounts. The deposits in segregated client accounts are not commingled with Company funds. Under the FCA's rules certain categories of clients may choose to opt-out of segregation.

**(k) Foreign currency translation**

The Company financial statements are presented in US Dollars ('US\$'), which is also the currency of the primary economic environment (the functional currency) and the presentational currency of the Company.

Transactions entered into by the Company in a currency other than US\$ are recorded at the rates prevailing when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates prevailing at the reporting date. Exchange differences arising on the retranslation of monetary assets and liabilities are similarly recognised immediately in the income statement.

**3 MATERIAL ACCOUNTING POLICIES (CONTINUED)****(l) Current versus non-current classification**

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- expected to be realised or intended to be sold or consumed in the normal operating cycle;
- held primarily for the purpose of trading; or
- expected to be realised within 12 months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- it is expected to be settled in the normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within 12 months after the reporting period; or
- the Company does not have the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification. The Company classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

**(m) Share-based payments**

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value excludes the effect of non-market-based vesting conditions. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note [32\(e\)](#). The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of the number of equity instruments that will eventually vest.

The expense is recognised in compensation and benefits, together with a corresponding increase in equity. At each reporting date, the Company revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions. The impact of the revision on the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to reserves.

**3 MATERIAL ACCOUNTING POLICIES (CONTINUED)****(n) Repurchase agreements, stock borrowing and stock lending**

The Company enters into debt securities and stock sold under agreements to repurchase (a repurchase agreement - 'repo'), stock borrowing transactions, and stock lending transactions to meet counterparty needs under matched book principal strategies managed at fair value, to facilitate market making and trading activities. It is the Company's policy to receive or pledge cash or securities (non-cash collateral) to collateralise such agreements and transactions in accordance with contractual arrangements. The Company monitors the fair value of its collateral daily, requiring counterparties to deposit additional collateral or return collateral pledged.

Stock borrowing transactions are managed within a trading model and as a result they are measured at fair value through profit or loss. Repo and stock lending transactions have been designated as financial liabilities at fair value through profit or loss during 2024 to reflect the fact that both assets and liabilities are managed together and therefore better reflects the economic reality, and avoids a valuation mismatch.

The Company records the income statement impact of these repo, stock borrowing and stock lending activities (collectively referred to as the securities financing business) as net trading income owing to the nature of the activity undertaken. The desks and the underlying securities are managed on a fair value basis, with spreads being earned dependent upon the underlying collateral, representing the net results of the securities financing business.

Any non-cash collateral received is not included on the balance sheet as the Company does not acquire the risks and rewards of ownership, however they are recorded off-balance sheet as collateral received. Cash consideration paid (or cash collateral provided) is accounted for as a loan asset mandatorily classified as fair value through profit or loss. Whereas the securities and stock are retained on the balance sheet as the Company retains substantially all the risk and rewards of ownership and these securities are disclosed as pledged collateral. Cash consideration received (cash collateral received) is accounted for as a financial liability irrevocably designated at fair value through profit or loss at initial recognition.

**3 MATERIAL ACCOUNTING POLICIES (CONTINUED)****(o) Trade and other receivables***Trade debtors*

Trade debtors are financial assets measured at amortised cost such as invoiced commissions and amounts receivable for securities sold but not yet delivered by the Company.

*Amounts due from exchanges, clearing houses and other counterparties*

Amounts due from exchanges, clearing houses and other parties include cash deposits to meet margin requirements. The margin requirements comprise of both initial and daily variation margin to secure futures, options and over-the-counter products pertaining to the Company's membership of the exchanges and the legal agreements with the clearing houses and other counterparties. Where the deposit of cash constitutes settlement, the amounts receivable from the exchanges, clearing houses and other counterparties constitute cash receivable. There are exchanges where the deposit of cash does not constitute the settlement of the outstanding position, and when this is the case and where applicable the balance against these exchanges, clearing houses and other counterparties are reported net reflecting the initial margin and cash collateral being offset against the unrealised transactions.

Receivables from clients include the total net deficits related to client activity in exchange traded-futures, options and OTC derivative trading accounts. Client deficits arise from the realised and unrealised trading losses as well as any margin transactions. Client deficit accounts are reported gross of client accounts that contain net credit or positive balances, except where a right of offset exists, or where the agreement with the client is operated under a title transfer collateral agreement (TTCA). Where clients operate under TTCA agreements, this represents a single legal agreement, and in particular where these clients are provided clearing services by the Company, each client is accounted for as a single unit of account. Regardless of whether the amounts receivable from clients is a single unit of account or whether they represent part of a gross position, the income from clients is mainly reported through commission income with interest being earned on client deficits and interest being paid to clients on excess cash on deposit. Where clients are accounted for as a single unit of account, the net interest income or expense from the excess cash placed with the Company or owing to the Company from any margin financing will be recorded within net interest income or expense.

*Default funds and deposits*

Default funds and deposits balances with exchanges represent credit risk protection from the members of the exchange, whereby a certain amount of cash is placed on deposit representing the members' activities and the volatility in the prices of the exchange traded commodities. These cash deposits are measured at amortised cost.

*Loans receivable*

Loans receivable mainly constitute loans to clients and other counterparties. These loans are measured initially at fair value and are subsequently accounted for at amortised cost. The interest income from these loan assets is recorded within interest income and calculated and recognised using the EIR method.

*Other debtors*

Other debtors mainly consist of interest receivable from banks and cash deposits which are accrued for in line with payment expectations on average balances and using agreed upon rates. Additionally other debtors include sign-on bonuses which are amortised over the contractual period.

**3 MATERIAL ACCOUNTING POLICIES (CONTINUED)**

**(s) Trade and other payables**

*Trade payables*

Trade payables are financial liabilities measured at amortised cost such as amounts payable for securities delivered but not yet paid.

*Amounts due to exchanges, clearing houses and other counterparties*

Amounts due to exchanges, clearing houses and other counterparties include cash amounts payable to exchanges where the Company is required to meet margin requirements, either initial or daily variation margin. These margin requirements are there to secure futures, options and over-the-counter products, including forwards. These amounts represent financial liabilities that are measured at amortised cost.

The Company's relationship with its clients are governed by the legal agreements that are signed between the parties. The amounts due to other counterparties specifically addresses the cash received from clients for Clearing and Prime Brokerage activity under these legal agreements. The legal agreements underpin the various different components of a balance with the client; ranging from cash, to realised and unrealised gains or losses on futures and options, to margin financing. As they are governed by a single agreement, they will be accounted for as a single unit of account. As financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held for trading, or (iii) designated at FVTPL, the single unit of account is initially recorded at fair value but then remeasured at amortised cost. The one exception being the amounts due to clients which relate to the settlement of contracts at the London Metal Exchange ('LME'), where the Company is subject to the settlement and margining requirements of LME Clear. Where clients are requesting to clear LME forward contracts, these contracts do not settle until the prompt date and cannot be said to settle daily. Any outstanding LME forwards cleared by the Company will be treated as an amount to due to clients constituting a hybrid instrument which comprises of cash for initial margin, cash collateral and the outstanding forward which will settle in the future. As a hybrid instrument, the entire instrument will be categorised as a financial liability held at FVTPL.

Amounts payable to clients include the total excess pertaining to client activity in exchange traded futures, options and OTC derivative trading accounts. Client excesses arise from realised and unrealised trading losses as well as any margin transactions. Client excess accounts are reported gross of client accounts that contain net debit or negative balances, except where a right of offset exists, or where the agreement with the client is operated under a title transfer collateral agreement ('TTCA'). Clients which operate under TTCA agreement represent a single legal agreement, and in particular where clients are provided clearing services by the Company, each client is accounted for as a single unit of account, within amounts receivable from clients measured at amortised cost, except as above when the client activity relates to outstanding LME forwards.

**4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In the application of the Company's accounting policies, the Directors are required to make judgements, estimates and assumptions that affect the reported carrying amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant and reasonable under the circumstances.

Estimates and assumptions are reviewed on an ongoing basis and revisions to accounting estimates are recognised in the period an estimate is revised. No critical accounting judgements are applied in preparation of these financial statements.

**5 REVENUE AND SEGMENTAL ANALYSIS**

Revenues within the scope of IFRS 15 of \$88.9m (2023: \$46.2m) are included within commission and fee income in the income statement. In addition, the net proceeds from a commitment to simultaneously buy and sell financial instruments with counterparties on matched principal basis, which are not in the scope of IFRS 15 are also recorded within commissions and fee income.

Revenues that are not within the scope of IFRS 15 are presented within net trading income and net interest income in the income statement.

Operating segments for the Company are presented in a manner consistent with the internal reporting provided to the Group's Chief Operating Decision Maker ('CODM'). The Group CODM, who is responsible for allocating resources and assessing performance for the Company and the Group, has been identified as the Group's Executive Committee. The Group CODM regularly reviews the Group's operating results in order to assess performance and to allocate resources. The accounting policies of the operating segments are the same as the Company's accounting policies.

Adjusted Profit Before Tax (previously labelled as 'Adjusted operating profit/(loss)') is the segmental performance measure and excludes income and expenses that are not considered directly related to the performance of our segments as detailed in the reconciliation below.

For management purposes, the Company is organised into the following operating segments, based on the services provided, as follows:

- Clearing – the interface between exchanges and clients. The Company provides the connectivity that allows its clients access to exchanges and central clearing houses. As clearing members, the Company acts as principal on behalf of its clients and generates revenue on a commission per trade basis. The Company provides clearing services across four principal markets: metals, agricultural products, energy and financial securities markets across different geographies.
- Agency and Execution – The Company matches buyers and sellers on an agency basis by facilitating price discovery primarily across energy and financial securities markets. The Agency and Execution segment primarily generates revenue on a commission per trade basis without material credit or market risk exposure. In addition to listed products that trade directly on exchanges, many of the Company's markets are traded on an OTC basis.
- Market Making – The Company acts as principal to provide direct market pricing to professional and wholesale counterparties, primarily metals, agriculture, energy and financial securities markets. The Market Making segment primarily generates revenue through charging a spread between buying and selling prices, without taking significant proprietary risk. The Market Making operations are diversified across geographies and asset classes.
- Hedging and Investment Solutions – The Company offers bespoke hedging and investment solutions to its clients and generates revenue through a return built into the product pricing. Tailored hedging solutions allow producers and consumers of commodities to hedge their exposure to movements in market prices, as well as exchange rates, across a variety of different time horizons.
- The Corporate segment includes the Group's control and support functions: finance, treasury, IT, risk, compliance, legal, human resources and executive management which support the operating segments. Corporate manages the resources of the Group, makes investment decisions and provides operational support to the business segments. Corporate manages the Group's funding requirements. Interest expense is incurred through debt securities issuance which is charged to other segments through inter-segmental funding allocations to reflect their consumption of these resources. Interest income is derived from interest on in-house cash balances. The adjusted operating loss includes the expenses related to costs of the functions that are not recovered from the operating segments and corporate costs.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

**5 REVENUE AND SEGMENTAL ANALYSIS (continued)**

	Clearing	Agency and Execution	Market Making	Hedging and Investment Solutions	Corporate	Total
2024	\$m	\$m	\$m	\$m	\$m	\$m
Commission and fee income	419.4	24.6	1.5	—	—	445.5
Commission and fee expense	(262.6)	(3.7)	(6.3)	—	—	(272.6)
<b>Net commission income / (expense)</b>	<b>156.8</b>	<b>20.9</b>	<b>(4.8)</b>	<b>—</b>	<b>—</b>	<b>172.9</b>
<b>Net trading income</b>	<b>—</b>	<b>20.9</b>	<b>167.6</b>	<b>210.3</b>	<b>—</b>	<b>398.8</b>
Interest income / (expense)	143.2	—	—	—	(126.0)	17.2
Intersegmental funding allocations <sup>1</sup>	(73.9)	(3.1)	(17.6)	(48.9)	143.5	—
<b>Net interest income / (expense)</b>	<b>69.3</b>	<b>(3.1)</b>	<b>(17.6)</b>	<b>(48.9)</b>	<b>17.5</b>	<b>17.2</b>
<b>Revenue</b>	<b>226.1</b>	<b>38.7</b>	<b>145.2</b>	<b>161.4</b>	<b>17.5</b>	<b>588.9</b>
<b>Adjusted profit/(loss) before tax<sup>2</sup></b>	<b>151.5</b>	<b>(6.4)</b>	<b>71.4</b>	<b>58.5</b>	<b>(143.4)</b>	<b>131.6</b>

**Other segment information**

Compensation and benefits	(46.9)	(33.2)	(47.1)	(42.9)	(141.0)	(311.1)
Depreciation and amortisation	—	—	—	—	(3.2)	(3.2)

1. The Inter-segmental funding allocation represents the interest costs borne by the Group, excluding interest earned centrally on house cash balances, which is subsequently recharged to the business segments. The recharge is based on the funding requirements of each business.
2. See Appendix 1 for further information on Adjusted Profit Before Tax, which is an alternative performance measure.

	Clearing	Agency and Execution	Market Making	Hedging and Investment Solutions	Corporate	Total
2023	\$m	\$m	\$m	\$m	\$m	\$m
Commission and fee income	346.3	(0.8)	(19.0)	—	—	326.5
Commission and fee expense	(200.2)	(1.1)	(6.0)	—	—	(207.3)
<b>Net commission income / (expense)</b>	<b>146.1</b>	<b>(1.9)</b>	<b>(25.0)</b>	<b>—</b>	<b>—</b>	<b>119.2</b>
<b>Net trading income</b>	<b>(0.1)</b>	<b>25.0</b>	<b>134.8</b>	<b>178.9</b>	<b>—</b>	<b>338.6</b>
Interest income / (expense)	123.7	(1.4)	(1.9)	—	(107.5)	12.9
Intersegmental funding allocations	(63.9)	(1.3)	(26.8)	(37.6)	129.6	—
<b>Net interest income / (expense)</b>	<b>59.8</b>	<b>(2.7)</b>	<b>(28.7)</b>	<b>(37.6)</b>	<b>22.1</b>	<b>12.9</b>
<b>Revenue</b>	<b>205.8</b>	<b>20.4</b>	<b>81.1</b>	<b>141.3</b>	<b>22.1</b>	<b>470.7</b>
<b>Adjusted profit/(loss) before tax</b>	<b>141.1</b>	<b>2.6</b>	<b>36.0</b>	<b>63.2</b>	<b>(119.0)</b>	<b>123.9</b>

**Other segment information**

Compensation and benefits	(37.1)	(9.2)	(26.9)	(39.4)	(107.3)	(219.9)
Depreciation and amortisation	—	—	—	—	(2.3)	(2.3)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

**5 REVENUE AND SEGMENTAL ANALYSIS (continued)**

Reconciliation of adjusted operating profit (before tax) to profit after tax (reported):

	<b>2024</b>	<b>2023</b>
	<b>\$'m</b>	<b>\$'m</b>
<b>Adjusted profit (before tax)</b>	<b>131.6</b>	<b>123.9</b>
Acquisition costs	—	0.3
Activities in relation to shareholders	(2.4)	(2.5)
Employer tax on vesting of growth shares	(2.3)	—
<b>Profit before tax (reported)</b>	<b>126.9</b>	<b>121.7</b>
Tax	(26.5)	(24.0)
<b>Profit after tax (reported)</b>	<b>100.4</b>	<b>97.7</b>

The Company's revenue by country of domicile is as follows. In presenting geographical information, revenue is based on the geographic location of the legal entity where the customers' revenue is recorded.

	<b>2024</b>	<b>2023</b>
	<b>\$m</b>	<b>\$m</b>
United Kingdom	586.2	467.7
Rest of the world	2.7	3.0
<b>Total</b>	<b>588.9</b>	<b>470.7</b>

**Contract assets**

There were no assets that meet the definition of a contract asset as at 31 December 2024 (2023: \$nil).

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

**6 NET INTEREST INCOME**

	2024			2023 (Restated <sup>1</sup> )		
	Amortised Cost \$m	FVTPL \$m	Total \$m	Amortised Cost \$m	FVTPL \$m	Total \$m
<b>Interest Income</b>						
Financial institutions <sup>2</sup>	116.4	—	116.4	111.3	—	111.3
Exchanges <sup>3</sup>	130.9	27.6	158.5	91.3	21.7	113.0
Securities <sup>4</sup>	15.5	—	15.5	—	—	—
Clients <sup>5</sup>	30.2	0.5	30.7	16.4	—	16.4
	293.0	28.1	321.1	219.0	21.7	240.7
<b>Interest expense</b>						
Clients <sup>6</sup>	(101.9)	(0.3)	(102.2)	(61.1)	—	(61.1)
Borrowings and debt issued <sup>7</sup>	(4.0)	(170.4)	(174.4)	(4.3)	(142.2)	(146.5)
Exchanges <sup>8</sup>	(27.3)	—	(27.3)	(20.2)	—	(20.2)
	(133.2)	(170.7)	(303.9)	(85.6)	(142.2)	(227.8)
<b>Net interest income</b>	159.8	(142.6)	17.2	133.4	(120.5)	12.9

- Certain categories of interest income and expense have been re-presented to better reflect the appropriate underlying business driver.
- Interest income from financial institutions includes interest earned from banks from cash and cash equivalents on client money and the Company's own cash and cash equivalents.
- Interest income from deposits placed at exchanges, clearing houses, and intermediary brokers placed at these counterparties to facilitate transactional activity. Interest income is calculated using a deposit rate linked to the benchmark interest rates.
- Securities interest income arises from securities purchased under agreements to resell, repurchase and stock borrowing activities.
- Interest income from clients is the result of credit lines offered to clients.
- Interest expense includes interest paid to clients on cash deposited with the Company by clients.
- Interest expense from debt securities includes the interest component on structured notes. Interest expense on structured notes was \$170.4m (2023: \$142.2m). Structured notes are measured at fair value through profit or loss.
- Interest expense from balances placed at exchanges, clearing houses, and intermediary brokers placed at these counterparties to facilitate transactional activity.

**7 COMPENSATION AND BENEFITS**

	2024 Number	2023 Number
Front office	307	244
Control & support	601	460
<b>Average monthly number of staff</b>	<b>908</b>	<b>704</b>
	<b>2024</b>	<b>2023</b>
	<b>\$m</b>	<b>\$m</b>
Aggregate wages and salaries	252.1	180.1
Share-based compensation expense	20.3	14.7
Employer's national insurance contributions and similar taxes	31.3	19.7
Defined contribution pension cost	4.3	3.5
Other staff costs	3.1	1.9
<b>Total staff costs</b>	<b>311.1</b>	<b>219.9</b>

As at 31 December 2024, there were contributions totalling \$0.8m (2023: \$0.6m) payable to the defined contribution pension scheme from the Company.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

**8 OTHER EXPENSES**

Other expenses include the following charges:

	<b>2024</b>	<b>2023</b>
	<b>\$m</b>	<b>\$m</b>
Professional fees	22.6	16.6
Non-trading technology and support	3.2	1.8
Trading systems and market data	15.3	7.1
Occupancy and rental equipment	4.5	2.6
Travel and business development	3.9	3.4
Bank fees	2.8	1.7
VAT (irrecoverable)	3.8	1.9
Communications	0.7	—
Allocated compensation	13.7	13.0
Allocated executive costs	37.8	33.7
Allocated other direct expenses	40.2	34.1
Other including foreign exchange losses / (gains)	4.7	7.1
	<b>153.2</b>	<b>123.0</b>

**9 AUDITOR'S REMUNERATION**

The analysis of the auditor's remuneration is as follows:

	<b>2024</b>	<b>2023</b>
	<b>\$m</b>	<b>\$m</b>
<b>Fees payable to the Company's auditor for the audit of the Company's annual accounts:</b>		
Audit of the Company's annual accounts	2.2	1.8
<b>Total audit fees</b>	<b>2.2</b>	<b>1.8</b>
	<b>2024</b>	<b>2023</b>
	<b>\$m</b>	<b>\$m</b>
<b>Fees payable to the Company's auditor for other services comprise:</b>		
Audit-related services	0.2	0.2
<b>Total non-audit fee</b>	<b>0.2</b>	<b>0.2</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

**10 TAX****(a) Tax charge**

	Notes	2024 \$m	2023 \$m
<b>Current tax</b>			
UK corporation tax on profit for the year		27.3	26.6
Foreign corporation tax on profit for the year		0.1	—
Adjustment in respect of prior years		2.7	0.8
		<b>30.1</b>	<b>27.4</b>
<b>Deferred tax</b>			
Origination and reversal of temporary differences		(3.7)	(3.3)
Adjustment in respect of prior years – other		0.1	(0.1)
	21	<b>(3.6)</b>	<b>(3.4)</b>
Tax expense for the year		<b>26.5</b>	<b>24.0</b>
<b>Deferred tax credit / (expense) relating to items recognised in OCI</b>			
Items that may be reclassified subsequently to profit and loss		<b>3.0</b>	<b>(0.3)</b>
Items that will not be recycled to profit and loss		<b>0.8</b>	<b>(0.6)</b>
		<b>3.8</b>	<b>(0.9)</b>
<b>Current tax (credit) / expense relating to items recognised in Equity</b>			
		<b>(0.8)</b>	<b>—</b>
<b>Deferred tax (credit) / expense relating to items recognised in Equity</b>			
		<b>(10.1)</b>	<b>1.9</b>

**(b) Reconciliation between tax charge and profit before tax**

The tax assessed for the year is lower (2023: lower) than the standard rate of corporation tax in the UK of 25.0% (2023: 23.5%). This is predominantly driven by a group relief claim for nil consideration from UK group companies partially offset by expenses not deductible for tax purposes and prior year adjustments.

Tax for other jurisdictions is calculated at rates prevailing in the relevant jurisdictions.

	Notes	2024 \$m	2023 \$m
<b>Profit before tax</b>		<b>126.9</b>	<b>121.7</b>
Expected tax expense based on the standard rate of corporation tax in the UK of 25.0% (2023: 23.5%)		31.7	28.6
<b>Difference explained by:</b>			
Income not subject to tax		(0.5)	(0.5)
Expenses not deductible for tax purposes		1.3	0.8
Tax rate change		—	(0.1)
Prior year adjustments		2.8	0.8
Group relief received for nil consideration		(8.8)	(5.6)
<b>Tax expense for the year</b>	10(a)	<b>26.5</b>	<b>24.0</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

**11 DIVIDENDS PAID AND PROPOSED**

No dividends were paid during the year ended 31 December 2024 (2023: \$100.0m). No dividend has been proposed at the year end (2023: \$nil).

**12 GOODWILL**

	2024	2023
	\$m	\$m
<b>Cost</b>		
<b>At 1 January and 31 December</b>	<b>12.9</b>	<b>12.9</b>
Accumulated impairment losses	(9.7)	(9.7)
<b>Net book value</b>		
<b>At 31 December</b>	<b>3.2</b>	<b>3.2</b>

**(a) Goodwill impairment testing**

For the purpose of impairment testing, goodwill arising on the acquisition of a business has been allocated to one cash generating unit ('CGU'): ProTrader.

The Group performed the annual impairment test as at 1 October each year. Between annual tests, the Group reviews the CGU for impairment triggers that could adversely impact the valuation of the CGU and, if necessary, undertakes additional impairment testing. In assessing whether an impairment is required, the carrying value of the CGU is compared with the recoverable amount, which is determined by calculating both the fair value less cost of disposal ('FVLCD') and the value in use ('VIU'). The higher of these two amounts is compared with the carrying value of the CGU. If either the VIU or the FVLCD is higher than the carrying value, no impairment is necessary.

**(b) Key assumptions**

- The fair value less cost of disposal is determined by applying a price earnings multiple to the post-tax earnings of each CGU arising in the period and for the effect of any organisational changes to the CGU. The price earnings multiples applied are derived from comparable peer companies.
- Comparable peers are those against whom our stakeholders evaluate our performance, whilst the price earnings multiples are obtained from third party market data providers. The provision of data from third party data sources, such as Bloomberg, would suggest that this data and therefore any valuation conducted using this data would contain only observable market data. However, management applies a level of judgement in the application of this data and in determining the price earnings multiple.
- In assessing the VIU, a discounted cash flow model is used covering a 5 year projected period, which drives the valuation of the CGUs. VIU was calculated using post-tax discount rates and post-tax cash flows. An equivalent pre-tax discount rate was determined and has been presented in the table below. Future projections are based on the most recent financial projections considered by the Board of Directors as at the valuation date which are used to project post-tax cash flows for the next 5 years. After this period, a steady cash flow is used to derive a terminal value for the CGU.
- Discount rates represent the current market assessment of the risks specific to the CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the market assessment of the weighted average cost of capital derived from observable inputs at the valuation date.

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**
**12 GOODWILL (continued)****(b) Key assumptions (continued)**

The following inputs represent key assumptions for the VIU calculation:

	<b>2024</b>	<b>2023</b>
Pre-tax valuation discount rate	12.3%	13.0%
Breakeven discount rate	59.0%	345.5%
Valuation revenue growth rate	2.4%	1.8%
Breakeven revenue growth rate	(2.2%)	(3.1%)
Breakeven terminal value growth rate	Not meaningful	Not meaningful
Valuation cost growth rate	3.2%	3.2%
Stable terminal growth rate	2.0%	2.0%

The impact on future cash flows resulting from a falling growth rate does not reflect any management actions that would be taken.

## 13 INTANGIBLE ASSETS

	Software \$m	Internally generated software \$m	Total \$m
<b>Cost</b>			
At 1 January 2023	15.2	0.3	15.5
Additions	1.5	—	1.5
<b>At 31 December 2023</b>	<b>16.7</b>	<b>0.3</b>	<b>17.0</b>
Additions	4.8	—	4.8
<b>At 31 December 2024</b>	<b>21.5</b>	<b>0.3</b>	<b>21.8</b>
<b>Impairment provisions and amortisation</b>			
At 1 January 2023	10.1	0.2	10.3
Charge for the year	1.8	0.1	1.9
<b>At 31 December 2023</b>	<b>11.9</b>	<b>0.3</b>	<b>12.2</b>
Charge for the year	2.5	—	2.5
<b>At 31 December 2024</b>	<b>14.4</b>	<b>0.3</b>	<b>14.7</b>
<b>Net book value</b>			
<b>At 31 December 2024</b>	<b>7.1</b>	<b>—</b>	<b>7.1</b>
At 31 December 2023	4.8	—	4.8

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

**14 PROPERTY, PLANT AND EQUIPMENT**

	Leasehold improvements \$m	Computer equipment \$m	Furniture, fixtures and fittings \$m	Total \$m
<b>Cost</b>				
At 1 January 2023	3.7	13.3	3.4	20.4
Additions on acquisitions	—	—	—	—
Additions	0.1	0.6	—	0.7
<b>At 31 December 2023</b>	<b>3.8</b>	<b>13.9</b>	<b>3.4</b>	<b>21.1</b>
Additions	0.1	0.9	—	1.0
<b>At 31 December 2024</b>	<b>3.9</b>	<b>14.8</b>	<b>3.4</b>	<b>22.1</b>
<b>Depreciation</b>				
At 1 January 2023	3.7	12.8	3.1	19.6
Charge for the year	—	0.3	—	0.3
<b>At 31 December 2023</b>	<b>3.7</b>	<b>13.1</b>	<b>3.1</b>	<b>19.9</b>
Charge for the year	0.1	0.6	—	0.7
<b>At 31 December 2024</b>	<b>3.8</b>	<b>13.7</b>	<b>3.1</b>	<b>20.6</b>
<b>Net book value</b>				
<b>At 31 December 2024</b>	<b>0.1</b>	<b>1.1</b>	<b>0.3</b>	<b>1.5</b>
At 31 December 2023	0.1	0.8	0.3	1.2

Property, plant and equipment is measured at cost less accumulated depreciation and impairment. Depreciation of property, plant and equipment begins when they are available for use (i.e. when they are in the location and condition necessary for them to be capable of operating in the manner intended by management). Depreciation is calculated on a straight-line basis over an asset's estimated useful life. The estimated useful economic lives of the Company's property, plant and equipment are:

Leasehold improvements	over the remaining length of the lease or 5 years straight-line, where appropriate
Computer equipment and other hardware	2 to 5 years straight-line
Furniture, fixtures and fittings	2 to 5 years straight-line

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

**15 INVESTMENTS**

**(a) Investments**

	<b>2024</b>	<b>2023</b>
	<b>\$m</b>	<b>\$m</b>
<b>Cost</b>		
At 1 January	4.8	4.3
Transfer	0.3	—
Revaluation	0.3	0.5
<b>At 31 December</b>	<b>5.4</b>	<b>4.8</b>
Listed investments	2.0	1.8
Unlisted investments	3.4	3.0
	<b>5.4</b>	<b>4.8</b>

Investments comprise shares and seats held in clearing houses which are deemed relevant to the Company's trading activities and are classified as FVTOCI financial assets and recorded at fair value with changes in fair value reported in equity. The fair value for these investments is determined based on the latest available traded price.

**(b) Investment in subsidiaries**

	<b>2024</b>	<b>2023</b>
	<b>\$m</b>	<b>\$m</b>
<b>Cost</b>		
<b>At 1 January and 31 December</b>	<b>7.3</b>	<b>7.3</b>

The investment in subsidiaries of \$7.3m (2023: \$7.3m) relates to the investment in Carlton Commodities 2004 LLP. At the end of each reporting period an impairment review is undertaken in respect of investment in subsidiaries. Impairment is required where the investment exceeds the recoverable amount. Refer to note 3 and note 12 for the methodology of the impairment test.

Subsidiaries held directly

<b>Name / Registered office</b>	<b>Country of incorporation / Principal place of business</b>	<b>Class</b>	<b>Proportion of ownership interest</b>	<b>Nature of business</b>
Carlton Commodities 2004 LLP 155 Bishopsgate, London, EC2M 3TQ	England and Wales	Partnership interest	100%	Commodity and option trading

Carlton Commodities 2004 LLP has a year end of 31 March.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

**16 TREASURY INSTRUMENTS**

**(a) Unpledged**

Unpledged treasury instruments comprise \$109.8m (2023: \$75.8m) of US Treasuries.

	<b>2024</b>	<b>2023</b>
	<b>\$m</b>	<b>\$m</b>
Treasury instruments (non-current)	53.5	60.8
Treasury instruments (current)	56.3	15.0
	<b>109.8</b>	<b>75.8</b>

**(b) Pledged as collateral**

Treasury instruments pledged as collateral comprise US Treasuries and agency bonds which will fully mature by 30 June 2027. At year end, the Company has pledged \$287.7m (2023: \$310.4m) US Treasuries to counterparties as collateral for financing transactions. Treasury instruments which have been pledged in this way are held under certain terms and conditions set out in specific agreements with each counterparty. In these agreements it is generally stated that whilst the US Treasury is pledged at the counterparty the Company cannot sell or transfer the financial instrument or have any third-party rights associated with the financial instrument whereby it can be used as security towards any further financing activities.

	<b>2024</b>	<b>2023</b>
	<b>\$m</b>	<b>\$m</b>
Treasury instruments (pledged as collateral) - (non-current)	46.1	300.4
Treasury instruments (pledged as collateral) - (current)	241.6	10.0
	<b>287.7</b>	<b>310.4</b>

**(c) Unpledged and pledged non-current/current analysis**

	<b>2024</b>	<b>2023</b>
	<b>\$m</b>	<b>\$m</b>
Treasury instruments (non-current)	99.6	361.2
Treasury instruments (current)	297.9	25.0
	<b>397.5</b>	<b>386.2</b>

**17 FIXED INCOME SECURITIES**

Fixed income securities are corporate bonds which are invested in as a part of the Company's Hedging and Investment Solutions segments. The aim of investing in these securities is as hedges to client positions.

	<b>2024</b>	<b>2023</b>
	<b>\$m</b>	<b>\$m</b>
Fixed income securities (current)	12.6	—

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

**18 INVENTORY**

	<b>2024</b>	<b>2023</b>
	<b>\$m</b>	<b>\$m</b>
Cryptocurrency - Trading	6.9	121.0
Carbon emission certificates and credits - Trading	—	23.5
<b>Total inventories at fair value less cost to sell</b>	<b>6.9</b>	<b>144.5</b>

The Company economically hedges its exposure to cryptocurrencies and hence the Company's net exposure to market risk has not been material to our operations for 2024 or the prior year. As at 31 December 2024, the Company's overall net market risk exposure to cryptocurrencies was \$1.1m (2023: \$1.8m). The fair values of cryptocurrencies held as assets are determined based on quoted market prices and are classified as a Level 1 valuation.

Carbon emission certificates and credits comprise solar renewable energy certificates (RECs) which are held to trade with a fair value. As at 31 December 2024 the Company did not have any carbon emission certificates and credits (2023: \$23.5m). The fair value in the prior year was based on quoted market prices and classified as a Level 1 valuation under the fair value hierarchy.

All inventories are held at fair value less cost to sell. The fair value movements charged to profit and loss are as follows:

	<b>Cost</b>	<b>Fair value</b>	<b>Inventory</b>
	<b>2024</b>	<b>movement</b>	<b>2024</b>
	<b>\$m</b>	<b>\$m</b>	<b>\$m</b>
<b>Cryptocurrency and carbon emission certificates</b>			
Cryptocurrencies	8.9	(2.0)	6.9
Carbon emission certificates and credits	—	—	—
	<b>8.9</b>	<b>(2.0)</b>	<b>6.9</b>

	<b>Cost</b>	<b>Fair value</b>	<b>Inventory</b>
	<b>2023</b>	<b>movement</b>	<b>2023</b>
	<b>\$m</b>	<b>\$m</b>	<b>\$m</b>
<b>Cryptocurrency and carbon emission certificates</b>			
Cryptocurrencies	114.1	6.9	121.0
Carbon emission certificates and credits	26.9	(3.4)	23.5
	<b>141.0</b>	<b>3.5</b>	<b>144.5</b>

## 19 TRADE AND OTHER RECEIVABLES

	2024	2023
	\$m	\$m
Amounts due from exchanges, clearing houses and other counterparties	1,898.0	1,339.2
Trade debtors	11.8	8.0
Amounts due from group undertakings	160.7	509.2
Default funds and deposits	188.6	98.1
Loans receivable	0.1	0.4
Social security and other tax	4.4	3.9
Other debtors	24.7	23.2
Prepayments	7.0	6.6
	<b>2,295.3</b>	<b>1,988.6</b>

Trade and other receivables are assessed on an individual basis for impairment, with a provision of \$13.9m (2023: \$20.2m) recognised for the Company's entire exposure to impaired debtors. The provision is inclusive of specific provisions and amounts recognised under expected credit losses. The Directors consider that the carrying amount of trade and other receivables is not materially different to their fair value.

Included in other debtors is \$3.6m (2023: \$2.6m) which is due in more than one year, relating to sign-on bonuses which are awarded to employees and amortised over the term of the contract.

## (a) Ageing of trade debtors

The provision matrix for trade debtors is as follows:

31 December 2024	Current	Less than	31 to 60	61 to	91 to	More than	Total
	\$m	30 days	days	90 days	120 days	120 days	
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Expected credit loss rate	0.33%	0.33 %	0.33 %	0.33%	0.33%	0.33%	
Trade debtors \$m	4.8	1.8	0.6	1.3	0.6	2.7	11.8
Trade debtors lifetime ECL \$m	—	—	—	—	—	—	—

31 December 2023	Current	Less than	31 to 60	61 to	91 to	More than	Total
	\$m	30 days	days	90 days	120 days	120 days	
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Expected credit loss rate	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	
Trade debtors \$m	5.0	0.5	0.3	0.3	0.2	1.7	8.0
Trade debtors lifetime ECL \$m	—	—	—	—	—	—	—

## 19 TRADE AND OTHER RECEIVABLES (CONTINUED)

## (b) Ageing of non trade debtors

Below we present the ageing of the Company's non trade debtors, excluding other tax and social security taxes and prepayments.

31 December 2024	Current \$m	Less than 30 days \$m	31 to 60 days \$m	61 to 90 days \$m	91 to 120 days \$m	More than 120 days \$m	Total \$m
Amounts due from exchanges, clearing houses and other counterparties	1,891.4	3.8	—	—	1.4	1.4	1,898.0
Amounts due from group undertakings	160.7	—	—	—	—	—	160.7
Default funds and deposits	188.6	—	—	—	—	—	188.6
Loans receivables	—	—	—	—	—	0.1	0.1
Other debtors	24.6	—	—	—	—	0.1	24.7
							<u>2,272.1</u>
Corresponding allowance for loan losses ECL							<u>13.9</u>

31 December 2023	Current \$m	Less than 30 days \$m	31 to 60 days \$m	61 to 90 days \$m	91 to 120 days \$m	More than 120 days \$m	Total \$m
Amounts due from exchanges, clearing houses and other counterparties	1,324.6	—	0.2	0.1	—	14.3	1,339.2
Amounts due from group undertakings	509.2	—	—	—	—	—	509.2
Default funds and deposits	98.1	—	—	—	—	—	98.1
Loans receivables	0.1	—	—	—	—	0.3	0.4
Other debtors	20.6	—	—	—	—	2.6	23.2
							<u>1,970.1</u>
Corresponding allowance for loan losses ECL							<u>20.2</u>

## (c) Reconciliation of the movement in impairment allowance

	2024 \$'000	2023 \$'000
At 1 January	20.2	12.6
Bad debts written off	(4.5)	—
Released to the income statement	(3.2)	7.6
Charged to the income statement	0.9	—
Other balance sheet movements	0.5	—
<b>At 31 December</b>	<u>13.9</u>	<u>20.2</u>

**20 DERIVATIVE INSTRUMENTS**

Derivative assets and derivative liabilities comprise of exchange traded and over-the-counter foreign exchange, precious metal, agriculture and energy contracts.

	2024 \$m	2023 \$m Restated <sup>1</sup>
<b>Financial assets</b>		
<i>Held for trading derivatives carried at FVTPL that are not designated in hedge accounting relationships:</i>		
Synthetic equity swap	243.3	177.1
Agriculture contracts	296.9	172.0
Energy contracts	83.4	68.9
Foreign currency contracts	212.6	125.8
Metal contracts	3.2	10.4
Crypto contracts	13.9	1.1
Credit contracts	6.0	5.1
Rates contracts	87.5	35.7
Equity contracts	104.5	49.9
Precious metal contracts	2.9	0.2
<i>Held for trading derivatives that are designated in hedge accounting relationships:</i>		
Foreign currency contracts	0.1	3.1
Rates contracts	1.5	—
	<b>1,055.8</b>	<b>649.3</b>

1) Refer to note [3\(b\)](#) and note [29](#) for the 2023 balances that have been restated.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

**20 DERIVATIVE INSTRUMENTS (CONTINUED)**

	2024 \$m	2023 \$m Restated <sup>1</sup>
<b>Financial liabilities</b>		
<i>Held for trading derivatives carried at FVTPL that are not designated in hedge accounting relationships:</i>		
Agriculture contracts	221.6	131.7
Energy contracts	54.5	57.2
Foreign currency contracts	266.9	72.5
Metals contracts	3.2	3.3
Precious metal contracts	5.0	4.4
Credit contracts	11.9	3.1
Rates contracts	95.0	37.0
Equity contracts	75.9	64.8
Crypto contracts	22.0	35.4
<i>Held for trading derivatives that are designated in hedge accounting relationships:</i>		
Foreign currency contracts	1.5	0.2
Rates contracts	8.4	—
	<b>765.9</b>	<b>409.6</b>

1) Refer to note [3\(b\)](#) and note [30](#) for the 2023 balances that have been restated.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

**21 DEFERRED TAX**

	<b>2024</b>	<b>2023</b>
	<b>\$m</b>	<b>\$m</b>
Revaluation of investments	2.6	(1.0)
Depreciation in excess of capital allowances	(0.7)	(0.9)
Share-based payments	23.2	9.1
Other	0.1	0.1
<b>31 December</b>	<b>25.2</b>	<b>7.3</b>
	<b>2024</b>	<b>2023</b>
	<b>\$m</b>	<b>\$m</b>
At 1 January	7.3	2.9
Credited to the income statement (note 10(a))	3.6	3.4
Credited/ (Expensed) to OCI	3.8	(0.9)
Credited to Equity	10.1	1.9
Other	0.4	—
<b>31 December</b>	<b>25.2</b>	<b>7.3</b>

Deferred tax assets and liabilities are offset where the Company has a legally enforceable right to do so.

The Finance Act 2021 enacted on 10 June 2021 increases the headline rate of UK corporation tax from 19% to 25% from 1 April 2023 which results in a 25.0% UK corporation rate for 2024 and future periods. This is an increase from the blended effective rate of 23.5% from 2023.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

**22 TRADE AND OTHER PAYABLES**

	<b>2024</b>	<b>2023</b>
	<b>\$m</b>	<b>\$m</b>
Amounts due to exchanges, clearing houses and other counterparties (restated) <sup>1</sup>	1,605.2	1,355.6
Amounts due to group undertakings	766.6	718.9
Other tax and social security taxes	5.0	4.0
Other creditors	7.9	6.9
Deferred income	1.7	—
Accruals	175.0	122.2
	<b>2,561.4</b>	<b>2,207.6</b>

1. The 2023 balance for Amounts due to exchanges, clearing houses and other counterparties has been restated to better reflect the nature of the balance. As at 31 December 2023, \$1,309.1m has been reclassified from trade payables to amounts due to exchanges, clearing houses and other counterparties.

The Directors consider that the carrying amount of trade and other payables is not materially different to its fair value.

**23 SUBORDINATED LOANS DUE FROM GROUP UNDERTAKINGS**

In 2021, the Company was extended a subordinated loan of \$49.6m by its parent, Marex Group plc. The facility has a maturity date of 1 June 2031 and an optional call date of 1 June 2026. The total credit line is \$49.6m. The subordinated borrowings of \$49.6m are unsecured and carry interest at a fixed rate of 8%.

The subordinated borrowings qualify as Tier 2 equity capital under the FCA's prudential regulations.

**24 CONTINGENT LIABILITIES**

From time to time the Company is engaged in litigation in relation to a variety of matters, and it is required to provide information to regulators and other government agencies as part of informal and formal enquiries or market reviews.

The Company's reputation may also be damaged by any involvement, or that of any of its employees or former employees, in any regulatory investigation and by any allegations or findings, even where the associated fine or penalty is not material.

As outlined above in respect of legal matters or disputes for which a provision has not been made, notwithstanding the uncertainties that are inherent in the outcome of such matters, there are no individual matters which are considered to pose a significant risk of material adverse financial impact on the Company's results or net assets.

**25 SHARE CAPITAL**

	<b>Issued and fully paid</b>		<b>Issued and fully paid</b>	
	<b>2024</b>	<b>2024</b>	<b>2023</b>	<b>2023</b>
	<b>Number</b>	<b>\$m</b>	<b>Number</b>	<b>\$m</b>
Ordinary shares of \$1.65 each	<b>97,000,001</b>	<b>160.1</b>	<b>97,000,001</b>	<b>160.1</b>

The rights of the shares are as follows:

<b>Class of share</b>	<b>Rights</b>
Ordinary shares	Full voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption.

**26 OTHER RESERVES**

The following describes the nature and purpose of the reserves within other reserves:

<b>Reserves</b>	<b>Description</b>
Revaluation reserve	Cumulative unrealised gains on investments in exchanges that are held at FVTOCI and recognised in equity as well as changes in own credit risk.
Cash flow hedge reserve	Cumulative unrealised gains and losses on hedging instruments deemed effective cash flow hedges.

---

## 27 FINANCIAL INSTRUMENTS

**(a) Capital risk management**

For the purpose of the Company's capital management, capital includes issued share capital, share premium and all other equity reserves attributable to the equity holders of the Company as disclosed in notes 25 and 26. The primary objective of the Company's capital management is to maximise shareholder value.

As at 31 December 2024 and 31 December 2023 the Company had capital resources in excess of the external requisite minimum requirements. These requirements are driven by the UK Investment Firms Prudential Regime to ensure the Company has an adequate capital base to support the nature and scale of its operations. Management of regulatory capital forms an important part of the Company's risk governance structure. A robust programme of regular monitoring and review takes place to ensure the Company is in adherence with local rules and has capital in excess of external and internal limits. Regular submissions are made and constantly maintained with internal limits assessed against the Company's risk appetite, as determined by the Board.

**(b) Categories of financial instruments**

Set out below is an analysis of the Company categories of financial assets as at 31 December.

	FVTPL	FVTOCI	Amortised cost	Total
	\$m	\$m	\$m	\$m
<b>Financial assets</b>				
Cash and cash equivalents	—	—	1,496.9	1,496.9
Equity instruments	219.2	—	—	219.2
Fixed income securities	12.6	—	—	12.6
Stock borrowing	108.0	—	—	108.0
Treasury instruments <sup>1</sup>	—	—	397.5	397.5
Amounts due from exchanges, clearing houses and other counterparties	51.9	—	1,846.1	1,898.0
Trade debtors	—	—	11.8	11.8
Amounts due from group undertakings	—	—	160.7	160.7
Default funds and deposits	—	—	188.6	188.6
Loans receivable	—	—	0.1	0.1
Other debtors <sup>2</sup>	—	—	21.1	21.1
Investments	—	5.4	—	5.4
Derivative instruments <sup>3</sup>	1,054.2	1.6	—	1,055.8
<b>31 December 2024</b>	<b>1,445.9</b>	<b>7.0</b>	<b>4,122.8</b>	<b>5,575.7</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

**27 FINANCIAL INSTRUMENTS (CONTINUED)**

**(b) Categories of financial instruments (continued)**

	FVTPL \$m	FVTOCI \$m	Amortised cost \$m	Total \$m
<b>Financial assets</b>				
Cash and cash equivalents	—	—	776.9	776.9
Equity instruments	11.5	—	—	11.5
Treasury instruments <sup>1</sup>	—	—	386.2	386.2
Amounts due from exchanges, clearing houses and other counterparties <sup>2</sup>	12.0	—	1,327.2	1,339.2
Trade debtors	—	—	8.0	8.0
Amounts due from group undertakings	—	—	509.2	509.2
Default funds and deposits	—	—	98.1	98.1
Loans receivable	—	—	0.4	0.4
Other debtors <sup>3</sup>	—	—	20.6	20.6
Investments	—	4.8	—	4.8
Derivative instruments <sup>4</sup>	645.8	3.5	—	649.3
<b>31 December 2023</b>	<b>669.3</b>	<b>8.3</b>	<b>3,126.6</b>	<b>3,804.2</b>

1. The fair value of the treasury instruments, which are Level 1 instruments as they are all quoted instruments, held at amortised cost at 31 December 2024 was \$402.2m (2023: \$387.9m). The fair values of other assets and liabilities at amortised cost are consistent with the carrying amount.
2. The Group realigned the classification of the balances for receivables from LME to reflect the underlying way that the assets are managed. These assets were previously disclosed as assets held at amortised cost, but have been adjusted to FVTPL.
3. \$3.6m (2023: \$2.6m) of the other debtors balance relates to sign-on bonuses (note 19) and is not included in the table above as it is not a financial asset.
4. The \$1.6m (2023: \$3.5m) hedging derivatives are at FVTOCI due to being designated in a cash flow hedging relationship.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

**27 FINANCIAL INSTRUMENTS (CONTINUED)**

**(b) Categories of financial instruments (continued)**

Set out below is an analysis of the Company's categories of financial liabilities as at 31 December.

	FVTPL \$m	FVTOCI \$m	Amortised cost \$m	Total \$m
<b>Financial liabilities</b>				
Amounts due to exchanges, clearing houses and other counterparties	65.1	—	1,540.1	1,605.2
Amounts due to group undertakings	—	—	766.6	766.6
Subordinated loan payable	—	—	49.6	49.6
Repurchase agreements	123.7	—	—	123.7
Short securities	1.6	—	—	1.6
Stock lending	225.5	—	—	225.5
Derivative instruments <sup>1</sup>	756.1	9.8	—	765.9
Other creditors	—	—	7.9	7.9
Debt securities	1,478.2	—	—	1,478.2
<b>31 December 2024</b>	<b>2,650.2</b>	<b>9.8</b>	<b>2,364.2</b>	<b>5,024.2</b>

	FVTPL \$m	FVTOCI \$m	Amortised cost \$m	Total \$m
<b>Financial liabilities</b>				
Amounts due to exchanges, clearing houses and other counterparties (Restated <sup>2,4</sup> )	105.2	—	1,250.4	1,355.6
Amounts due to group undertakings	—	—	718.9	718.9
Subordinated loan payable	—	—	49.6	49.6
Derivative instruments (Restated) <sup>1,3</sup>	409.4	0.2	—	409.6
Other creditors	—	—	6.9	6.9
Debt securities	978.2	—	—	978.2
<b>31 December 2023</b>	<b>1,492.8</b>	<b>0.2</b>	<b>2,025.8</b>	<b>3,518.8</b>

1. The \$9.8m (2023: \$0.2m) hedging derivatives are at FVTOCI and are designated in a cash flow hedging relationship (note 27(f)).
2. The 2023 balance for Amounts due to exchanges, clearing houses and other counterparties has been restated to better depict the nature of the balance. As at 31 December 2023, \$1,309.1m has been reclassified from trade payables to amounts due to exchanges, clearing houses and other counterparties.
3. Certain prior period comparatives have been restated. Refer to note 3(b) and note 29 for further information.
4. The Group realigned the classification of the balances for payables from LME to reflect the underlying way that the assets are managed. These assets were previously disclosed as assets held at amortised cost, but have been adjusted to FVTPL.

**27 FINANCIAL INSTRUMENTS (CONTINUED)**

**(c) Equity instruments**

Equity instruments relate to equities purchased for the Company's own account to hedge the economic exposure arising from the non-host derivative component of the Company's issued debt securities.

**(d) Financial instruments subject to offsetting, enforceable master netting arrangements and similar agreements**

As a member of the London Metal Exchange ('LME'), the Company is subject to the settlement and margining rules of LME Clear. The majority of LME products transacted by the Company are forward contracts. LME forwards that are in-the-money do not settle in cash until the maturity ('prompt') date, while the Company is required to post margin to cover loss-making contracts daily. In accordance with the LME Clear rules, the Company is able to utilise forward profits to satisfy daily margin requirements which are set-off against loss-making contracts. Consequently, trade payables and amounts due from exchanges, clearing houses and other counterparties are presented on a net basis in the statement of financial position. The balance of trade receivables includes offsetting of LME forwards against any cash collateral held with the LME.

## NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

The effect of offsetting is disclosed below:

	Gross amount \$m	Amounts set-off \$m	Net amount presented \$m	Non-cash collateral rec'd / (pledged) \$m	Cash collateral rec'd / (pledged) \$m	Net amount \$m
<b>31 December 2024</b>						
<b>Financial assets</b>						
Amounts due from exchanges, clearing houses and other counterparties	2,315.8	(417.8)	1,898.0	—	—	1,898.0
Derivative instruments	2,171.1	(1,115.3)	1,055.8	—	(223.2)	832.6
<b>Financial liabilities</b>						
Derivative instruments	1,881.2	(1,115.3)	765.9	—	(177.0)	588.9
Amounts due to exchanges, clearing houses and other counterparties	2,023.0	(417.8)	1,605.2	—	—	1,605.2
<b>31 December 2023</b>						
<b>Financial assets</b>						
Amounts due from exchanges, clearing houses and other counterparties	1,691.8	(352.6)	1,339.2	—	—	1,339.2
Derivative instruments (Restated) <sup>1</sup>	664.7	(15.4)	649.3	—	(184.5)	464.8
<b>Financial liabilities</b>						
Derivative instruments (Restated) <sup>1</sup>	425.0	(15.4)	409.6	—	(102.8)	306.8
Amounts due to exchanges, clearing houses and other counterparties (Restated) <sup>2</sup>	1,708.2	(352.6)	1,355.6	—	—	1,355.6

1. Certain prior period comparatives have been restated. Refer to note 3(b) and note 29 for further information.

2. The 2023 balance for Amounts due to exchanges, clearing houses and other counterparties has been restated to better depict the nature of the balance. As at 31 December 2023, \$1,309.1m has been reclassified from trade payables to amounts due to exchanges, clearing houses and other counterparties.

**27 FINANCIAL INSTRUMENTS (CONTINUED)****(e) Debt securities**

## Financial Products Programs

In 2018 and September 2021, the Company launched its Structured Notes Program and Public Offer Program (together, the 'Financial Products Programs'), respectively, which are at the core of the Financial Products business. The Financial Products business is part of the Hedging and Investment Solutions segment and provides our clients with structured investment products (the 'Structured Notes') and represents a way to diversify our sources of funding and to reduce the utilisation of our revolving credit facilities. The Financial Products business allows investors to build their own Structured Notes across numerous asset classes, including commodities, equities, foreign exchange and fixed income products.

Under the Financial Products Program, the Company may issue warrants, certificates or notes, including auto callable, fixed, stability and capital linked notes with varied terms. As at 31 December 2024, the Company had \$1,471.0m (2023: \$970.8m) of debt securities issued under the Financial Products Program with an average expected maturity of 16 months (2023: 15 months) however some of those debt securities issued include early redemption clauses exercised at the election of the investor if the underlying conditions are met. The average imputed interest rate of the notes was 6.0% (2023: 7.8%). These notes are designated at fair value through profit and loss.

## Tier 2 Program

Under the Tier 2 Program, the Company may issue subordinated notes including fixed or floating rate, zero coupon, share or index linked notes with varied terms that qualify as Tier 2 Capital. The Tier 2 Program has been approved by the Vienna Stock Exchange and the Tier 2 Notes are listed on the Vienna Multilateral Trading Facility. As at 31 December 2024, the Company had \$7.2m (2023: \$7.4m) of debt securities issued under the Tier 2 Program with an average maturity of 14 months (2023: 26 months) and an average interest rate of SOFR plus 643 basis points (2023: SOFR plus 643 basis points).

**(f) Financial risk management objectives**

The Company's activities expose it to a number of financial risks including market risk, operational risk, credit risk and liquidity risk, as discussed in the Strategic Report.

The Company manages these risks through various control mechanisms, and its approach to risk management is both prudent and evolving.

Overall responsibility for risk management rests with the Board. Dedicated resources within the Risk Department control and manage the exposures of the Company's own positions, the positions of its clients and its exposures to its counterparties as well as operational exposures, within the risk appetite set by the Board.

Credit risk

The maximum credit risk exposure relating to financial assets is represented by the carrying value as at the balance sheet date. Credit risk in the Company principally arises from cash and cash equivalents deposited with third party institutions, exposures from transactions and balances with exchanges and clearing houses, and exposures resulting from transactions and balances relating to customers and counterparties, some of which have been granted credit lines.

The Company only makes treasury deposits with banks and financial institutions that have received approval from the Group's Executive Credit and Risk Committee (or their authorised delegates). These deposits are also subject to counterparty limits with respect to concentration and maturity.

The Company's exposure to customer and counterparty transactions and balances is managed through the Company's credit policies and, where appropriate, the use of initial and variation margin credit limits in conjunction with overall position limits for all customers and counterparties. These exposures are monitored both intraday and overnight. The limits are set by the Group's Executive Credit and Risk Committee (or their authorised delegates) through a formalised process.

## 27 FINANCIAL INSTRUMENTS (CONTINUED)

## (f) Financial risk management objectives (continued)

Credit quality

The table below does not take into account collateral held. All collateral held is in the form of cash received from clients.

	<b>2024</b>	<b>2023</b>
	<b>\$m</b>	<b>\$m</b>
AA and above	799.3	1,354.3
AA-	781.4	1,455.6
A+	515.4	375.5
A	1,523.6	6.8
A-	26.6	22.4
BBB+	225.1	26.3
Lower and unrated	1,704.1	701.8
	<b>5,575.5</b>	<b>3,942.7</b>

The Company has received collateral in respect of its derivative assets during the year ended 31 December 2024 amounting to \$223.2m (2023: \$184.5m). Collateral was recognised in amounts due to exchanges, clearing houses and other counterparties. All collateral received from clients is in the form of cash.

**Market risk**

The Company's activities expose it to financial risks primarily generated through financial (interest rate, equity and foreign exchange markets) and commodity market price exposures. The Company's Agency & Execution, Market Making and Hedging and Investment Solutions businesses generate market risk as the Company acts as principal.

**Market risk sensitivity**

The Company manages market risk exposure using appropriate risk management techniques within predefined and independently monitored parameters and limits. The Company uses a range of tools to monitor and limit market risk exposures. These include Value-at-Risk ('VaR'), sensitivity limits and stress testing. VaR, risk sensitivity limits and stress testing have been implemented, as appropriate, to provide oversight and control over the Agency & Execution, Market Making and Hedging and Investment Solutions segments and to ensure that trading is conducted within the pre-set risk appetite of the Board.

Continuous development of the Company's VaR framework and risk sensitivities will ensure a more consistent method of risk management for all desks.

**(f) Financial risk management objectives (continued)****Value at Risk**

VaR is a technique that estimates the potential losses that could occur on risk positions as a result of movements in market rates and prices over a specified time horizon and to a given level of confidence. The VaR model used by the Company for the Metals, Agriculture, Energy and CSC business is based upon the Monte Carlo simulation technique. The VaR model for the OTC FX, and the EMEA Securities Financing businesses in the Agency & Execution segment and the Equity Market Making, Frontier FX, Interest Rate Swaps and the Delta One Total Return Futures businesses in the Market Making segment is based on the Historical Simulation technique.

The Company validates VaR by comparing to alternative risk measures, for example, scenario analysis and exchange initial margins as well as the back testing of calculated results against actual profit and loss.

The Company recognises the limitations of VaR by augmenting its VaR limits with other position and sensitivity limit structures. The Company also applies a wide range of stress testing, both on individual portfolios and on the Company's consolidated position

**Market risk management in the Agency & Execution segment**

VaR, risk sensitivity limits and stress testing are used to assess market risk associated with the Capital Markets business in the Agency & Execution segment. Those parts of the Capital Markets business within the Agency & Execution segment which exhibit market risk are the OTC FX, and the EMEA Securities Financing businesses.

Market Risk for the OTC FX desk is monitored and regulated through limits based on FX Delta at the currency, tenor and overall book level and book level VaR. VaR production and monitoring for this business started in 2024 and the VaR as at 31st December 2024 was less than \$0.5m.

Market Risk for the EMEA Securities Financing desk is monitored and regulated through limits based on FX Delta, DV01, notional and tenor level.

**Market risk management in the Market Making segment**

VaR, risk sensitivity limits and stress testing are used to assess market risk associated with the Metals, Agriculture, Energy and CSC business, with equities and businesses within Capital Markets in the Market Making segment. Those parts of the Capital Markets business within Market Making which exhibit market risk are the Equity Market Making desk, Frontier FX, Interest Rate Swaps and Delta One Total Return Futures.

For the Metals, Agriculture, Energy and CSC business, the VaR as at 31 December 2024 was less than \$4.0m (2023: less than \$2.5m) and the average monthly VaR for the year ended 31 December 2024 was less than \$3.0m (2023: less than \$2.5m).

Market Risk for the Equity Market Making business is systematically monitored and regulated through limits based on net-delta at the stock, book and overall portfolio levels, with triggers in place for monitoring gross long/short exposures. Additionally, a VaR limit is implemented to oversee and manage the desk activities. The VaR at 31 December 2024 was less than \$0.5m (2023: less than \$0.5m).

Market Risk for the Frontier FX desk is monitored and regulated through limits based on FX Delta at the currency and tenor level and overall book level VaR. VaR production and monitoring for this business started in 2024 and the VaR as at 31st December 2024 was less than \$0.5m.

Market Risk for the Interest Rate Swaps desk is systematically monitored and regulated through limits based on PV01 at the currency, tenor and overall book level and book level VaR. VaR production and monitoring for this business started in 2024 and the VaR as at 31 December 2024 was less than \$0.5m.

Market Risk on The Delta One Total Return Futures desk, launched this year, is managed both by risk sensitivity analysis (delta and dividend) to remain within the agreed limits. The delta and dividend exposure of the desk at 31 December 2024 was less than \$0.5m.

**27 FINANCIAL INSTRUMENTS (CONTINUED)****(f) Financial risk management objectives (continued)****Market risk management in the Hedging and Investment Solutions segment**

The Hedging and Investment Solutions segment offers bespoke hedging solutions in the form of customised OTC derivatives and includes the structured notes issuance program. The market risk profile of the business is managed via risk sensitivities according to the prevailing risk factors of issued products and hedges. This is monitored and controlled daily on a net risk profile for each desk and supported by additional stress concentration and scenario-based analyses. Sensitivity analysis measures the impact of individual market factor movements on specific instruments or portfolios, including the key risks per asset class as follows:

- Commodity risk
- Equity risk
- Foreign exchange risk
- Interest rate risk
- Credit spread risk
- Crypto currency risk

Risk sensitivity limits together with scenario stresses are used to manage the market risk for the Hedging and Investment Solutions segment given the inherent complexity of its products. The products traded within this segment gives rise to a number of different market risk exposures, commonly known as the “greeks”, e.g. delta, gamma, vega. Within each asset class, and in aggregate across the segment, the market risks are captured, measured, monitored and limited within the risk limits agreed with the Market Risk function.

The net equity market risk exposure to customised OTC derivatives, which includes structured notes issuance, within Hedging and Investment Solutions, including hedges, using the delta measure for the year ending 31 December 2024 was less than \$8.5m (2023: less than \$0.5m). Risks on other asset classes are small.

Sensitivity measures are used to monitor the market risk positions within each risk type, and granular risk limits are set for each desk with consideration for market liquidity, customer demand and capital constraints among other factors.

Risk sensitivity calculations are made using a dedicated Risk Engine, whose models have been validated. They are calculated by altering a risk factor and repricing all products to observe the profit and loss impact of the change.

The Company issues products on cryptocurrencies, primarily Bitcoin and Ethereum. There are residual exposures in four other cryptocurrencies, driven from two structured notes previously issued. The exposures to cryptocurrencies are detailed in note 20.

***Foreign currency risk***

The Group’s policy is to minimise volatility as a result of foreign currency exposure. We monitor net exposure in foreign currencies on a daily basis and buy or sell currency to minimise the exposure. We also enter into hedges for material future dated non-USD commitments through the use of derivative instruments, which may be designated as cash flow hedge relationships in accordance with the Group’s accounting policy.

**Cash flow hedge**

The associated gains and losses on derivatives that are used to hedge GBP commitments are recognised in other comprehensive income and will be recycled when the anticipated commitments take place and included in the initial cost of the hedged commitments.

## NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

## 27 FINANCIAL INSTRUMENTS (CONTINUED)

## (f) Financial risk management objectives (continued)

The following table details the foreign currency forward contracts, held within derivatives on the statement of financial position, that are designated in cash flow hedging relationships:

	2024			
	Average forward rates (\$/£)	Foreign currency \$m	Notional value £m	Fair value assets \$m
<b>Outstanding contracts</b>				
Derivative assets designated as cash flow hedges				
Less than 3 months	1.2451	5.6	4.5	—
3 to 6 months	1.2502	24.4	19.5	—
6 to 12 months	1.2472	11.2	9.0	0.1
		<u>41.2</u>	<u>33.0</u>	<u>0.1</u>
	2024			
	Average forward rates (\$/£)	Foreign currency \$m	Notional value £m	Fair value liabilities \$m
<b>Outstanding contracts</b>				
Derivative liabilities designated as cash flow hedges				
Less than 3 months	1.2723	58.2	45.8	0.9
3 to 6 months	1.2729	19.1	15.0	0.3
6 to 12 months	1.2732	37.9	29.8	0.7
		<u>115.2</u>	<u>90.6</u>	<u>1.9</u>
	2023			
	Average forward rates (\$/£)	Foreign currency \$m	Notional value £m	Fair value assets \$m
<b>Outstanding contracts</b>				
Derivative assets designated as cash flow hedges				
Less than 3 months	1.2293	28.9	23.5	1.3
3 to 6 months	1.2301	14.7	12.0	0.6
6 to 12 months	1.2303	29.4	23.9	1.2
		<u>73.0</u>	<u>59.4</u>	<u>3.1</u>
	2023			
	Average forward rates (\$/£)	Foreign currency \$m	Notional value £m	Fair value liabilities \$m
<b>Outstanding contracts</b>				
Derivative liabilities designated as cash flow hedges				
Less than 3 months	1.2912	3.9	3.0	(0.1)
3 to 6 months	1.2986	3.9	3.0	—
6 to 12 months	1.2856	7.7	6.0	(0.1)
		<u>15.5</u>	<u>12.0</u>	<u>(0.2)</u>

As at 31 December 2024, the aggregate amount of gains/(losses) under foreign exchange forward contracts deferred in the cash flow hedge reserve relating to the exposure on these anticipated future commitments is a loss of \$1.8m (2023: \$2.9m gain). It is anticipated that these commitments will become due monthly over the course of the next twelve months, at which time the amount deferred in equity will be recycled to profit and loss.

As at 31 December 2024 no ineffectiveness (2023: \$nil) has been recognised in profit and loss arising from the hedging of these future dated GBP commitments.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

**27 FINANCIAL INSTRUMENTS (CONTINUED)**

**(f) Financial risk management objectives (continued)**

*Interest rate risk*

The Company is exposed to interest rate risk on cash, investments, derivatives, client balances and bank borrowings. The main interest rate risk is derived from interest-bearing deposits in which the Group invests surplus funds and bank borrowings, although the Group's exposure to interest rate fluctuations is limited through the offset that exists between the bulk of its interest-bearing assets and interest-bearing liabilities. Since the return paid on client liabilities is generally reset to prevailing market interest rates on an overnight basis, the Company is only exposed for the time it takes to reset its investments which are held at rates fixed for a maturity which does not exceed three months, with the exception of US Treasuries, which have a maturity of up to two years.

The Company's risk management strategy is to reduce the volatility in the Company's interest receipts owing to changes in the short term reference rate for the Company's short term deposits. As such, management monitors the reference rates to ensure that any adverse changes in the reference rate does not adversely affect the Company's earnings. During 2024, to hedge against future perceived interest rate headwinds, the Company entered into a series of interest rate swaps in USD and EUR to ensure a smoother profile of interest rate returns. The Company has designated certain interest rate swaps as hedging instruments and the associated gains and losses on the interest rate swaps hedging future interest cash flows are recognised in other comprehensive income. The following table details the interest rate swap contracts (within derivatives on the statement of financial position) that are designated in hedging relationships:

	2024	
	Notional value \$m	Net Amount Presented \$m
<b>Outstanding contracts</b>		
<b>Derivative assets designated as cash flow hedges</b>		
Up to 6 months	45.7	0.1
6 to 12 months	120.7	0.1
1 to 5 years	145.0	1.3
	<u>311.4</u>	<u>1.5</u>
	2024	
	Notional value \$m	Net Amount Presented \$m
<b>Outstanding contracts</b>		
<b>Derivative liabilities designated as cash flow hedges</b>		
Up to 6 months	—	—
6 to 12 months	25.0	
1 to 5 years	1,000.0	8.3
	<u>1,025.0</u>	<u>8.3</u>

The interest rate movements are monitored for potential impact to net interest income ('NII') continuously. The Company is sensitive to movements in short term rates, as changes to the rate will require a rebalancing of any fixed rate exposure. The Company considers that short term rates include rates that reference periods between overnight and three months on the basis that these are the most common fixing periods for interest rate products. The interest rate exposure is managed using a variety of instruments and are exposed to material changes in the short term rates as these are likely to reflect fixing periods during which floating rate exposure is effectively fixed until the next fixing date is reached. Analysis of recent changes to short term rates suggest that movements are usually within a 100bps range; this is based on a review of Fed Funds rate moves over a rolling three month period between January 2022 and September 2024 and as such, the Company has considered a movement of 100bps to be an extreme scenario over a three month period.

**(f) Financial risk management objectives (continued)*****Interest rate risk (continued)***

The Company has modelled the interest rate sensitivity to include the impact of rate movements on the income earned on average investment balances offset with expenses paid on interest bearing liabilities and debt funding. This reflects the proportion of client assets which are interest bearing and the average balances of our debt funding. The sensitivity analysis has been determined based on the exposure at the reporting date and does not include effects that may arise from increased margin calls at exchanges, changes in client behaviour or related management actions.

It is estimated, that as at 31 December 2024, if the relevant short term interest rates had been 100bps higher, NII on interest-bearing financial assets and financial liabilities for the year ended 31 December 2024 would decrease by \$5m (2023: \$12m increase). If the short-term interest rates had been 100bps lower, NII for interest-bearing financial assets and financial liabilities for the year ended 31 December 2024 would increase by \$5m (2023: \$12m decrease). This impact relates solely to NII and does not include the impact of compensation or taxes which would reduce the impact on profit after tax.

***Concentration risk***

To mitigate the concentration of credit risk exposure to a particular single customer, counterparty or group of affiliated customers or counterparties, the Company monitors these exposures carefully and ensures that these remain within pre-defined limits. Large exposure limits are determined in accordance with appropriate regulatory rules.

Further concentration risk controls are in place to limit exposure to clients or counterparties within single countries of origin and operation through specific country credit risk limits as set by the Group Board Risk Committee.

The largest concentration of cash balances as at 31 December 2024 was 52% (2023: 52%) to a UK-based, AA- rated global banking group (2023: UK-based, AA rated global banking group).

The largest concentration of exposures to exchanges, clearing houses and other counterparties as at 31 December 2024 was 27% to ICE (2023: 66% to ICE and 31% to the LME).

The largest concentration of exposures to treasury instruments at 31 December 2024 was to the United States Government as 100% (2023: 100%) of the instruments are issued by the US Government or a US Government sponsored enterprise.

***Liquidity risk***

The Company defines liquidity risk as the failure to meet its day-to-day capital and cash flow requirements. Liquidity risk is assessed and managed under the Individual Capital and Risk Assessment (ICARA) and Liquidity Risk Framework. To mitigate liquidity risk, the Company has implemented robust cash management policies and procedures that monitor liquidity daily to ensure that the Company has sufficient resources to meet its margin requirement at clearing houses and third party brokers. In the event of a liquidity issue arising, the Company has recourse to existing global cash resources, after which support can be provided by the Group.

There are strict guidelines followed in relation to products and tenor into which excess liquidity can be invested. Excess liquidity is invested in highly liquid instruments, such as cash deposits with financial institutions for a period of less than 3 months and US Treasuries with a maturity of up to 2 years.

The financial liabilities are based upon rates set on a daily basis, apart from the financing of the warrant positions and the credit facility where the rates are set for the term of the loan. For assets not marked-to-market, there is no material difference between the carrying value and fair value.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

## 27 FINANCIAL INSTRUMENTS (CONTINUED)

## (f) Financial risk management objectives (continued)

*Liquidity risk exposures*

The following table details the Company's contractual maturity for non-derivative liabilities. Debt securities are presented discounted based on the first call dates.

	<b>On demand \$m</b>	<b>Less than 3 months \$m</b>	<b>3 to 12 months \$m</b>	<b>1 to 5 years \$m</b>	<b>Greater than 5 years \$m</b>	<b>Total \$m</b>
Amounts due to exchanges, clearing houses and other counterparties	1,451.7	150.5	3.0	—	—	1,605.2
Amounts due to group undertakings	766.6	—	—	—	—	766.6
Subordinated loan payable	—	—	—	—	—	—
Other creditors	1.2	6.7	—	—	—	7.9
Debt securities	—	854.1	430.2	177.1	16.9	1,478.3
Repurchase agreements	—	123.7	—	—	—	123.7
Short securities	—	1.6	—	—	—	1.6
Stock lending	—	225.5	—	—	—	225.5
<b>31 December 2024</b>	<b>2,219.5</b>	<b>1,362.1</b>	<b>433.2</b>	<b>177.1</b>	<b>16.9</b>	<b>4,208.8</b>
	<b>On demand \$m</b>	<b>Less than 3 months \$m</b>	<b>3 to 12 months \$m</b>	<b>1 to 5 years \$m</b>	<b>Greater than 5 years \$m</b>	<b>Total \$m</b>
Amounts due to exchanges, clearing houses and other counterparties <sup>1</sup>	1,355.6	—	—	—	—	1,355.6
Amounts due to group undertakings	718.9	—	—	—	—	718.9
Subordinated loan payable	—	—	—	49.6	—	49.6
Other creditors	—	6.9	—	—	—	6.9
Debt securities	—	250.2	528.2	199.8	—	978.2
<b>31 December 2023</b>	<b>2,074.5</b>	<b>257.1</b>	<b>528.2</b>	<b>249.4</b>	<b>—</b>	<b>3,109.2</b>

1. The 2023 balance for Amounts due to exchanges, clearing houses and other counterparties has been restated to better reflect the nature of the balance. As at 31 December 2023, \$1,309.1m has been reclassified from trade payables to amounts due to exchanges, clearing houses and other counterparties.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

## 27 FINANCIAL INSTRUMENTS (CONTINUED)

## (f) Financial risk management objectives (continued)

Liquidity risk (continued)

Shown below is the Company's contractual maturity for non-derivative financial assets:

	<b>On demand \$m</b>	<b>Less than 3 months \$m</b>	<b>3 to 12 months \$m</b>	<b>1 to 5 years \$m</b>	<b>Total \$m</b>
Cash and cash equivalents	1,496.9	—	—	—	1,496.9
Equity instruments	5.5	213.7	—	—	219.2
Treasury instruments	125.6	79.1	94.7	98.1	397.5
Fixed income securities	—	12.6	—	—	12.6
Trade debtors	5.7	6.1	—	—	11.8
Amounts due from exchanges, clearing houses and other counterparties	1,898.0	—	—	—	1,898.0
Amounts due from group undertaking	160.7	—	—	—	160.7
Default funds and deposits	—	188.6	—	—	188.6
Loans receivable	—	—	0.1	—	0.1
Other debtors	0.4	20.4	—	0.3	21.1
Stock borrowing	108.0	—	—	—	108.0
<b>31 December 2024</b>	<b>3,800.8</b>	<b>520.5</b>	<b>94.8</b>	<b>98.4</b>	<b>4,514.5</b>

	<b>On demand \$m</b>	<b>Less than 3 months \$m</b>	<b>3 to 12 months \$m</b>	<b>1 to 5 years \$m</b>	<b>Total \$m</b>
Cash and cash equivalents	776.9	—	—	—	776.9
Equity instruments	5.7	5.8	—	—	11.5
Treasury instruments	—	386.2	—	—	386.2
Trade debtors	—	8.0	—	—	8.0
Amounts due from exchanges, clearing houses and other counterparties	1,339.2	—	—	—	1,339.2
Amounts due from group undertakings	509.2	—	—	—	509.2
Default funds and deposits	—	98.1	—	—	98.1
Loans receivable	—	—	0.4	—	0.4
Other debtors	20.5	—	—	0.1	20.6
<b>31 December 2023</b>	<b>2,651.5</b>	<b>498.1</b>	<b>0.4</b>	<b>0.1</b>	<b>3,150.1</b>

Both assets and liabilities are included to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

## 27 FINANCIAL INSTRUMENTS (CONTINUED)

## (f) Financial risk management objectives (continued)

Liquidity risk (continued)

The following table details the Company's expected contractual maturity for derivative financial assets and derivative financial liabilities:

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Greater than 5 years	Total
<b>Derivative instruments</b>	<b>\$m</b>	<b>\$m</b>	<b>\$m</b>	<b>\$m</b>	<b>\$m</b>	<b>\$'000</b>
Assets	—	373.6	190.2	481.4	10.6	1,055.8
Liabilities	—	(348.8)	(161.3)	(238.7)	(17.1)	(765.9)
<b>31 December 2024</b>	<b>—</b>	<b>24.8</b>	<b>28.9</b>	<b>242.7</b>	<b>(6.5)</b>	<b>289.9</b>
	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Greater than 5 years	Total
<b>Derivative instruments (Restated<sup>1</sup>)</b>	<b>\$m</b>	<b>\$m</b>	<b>\$m</b>	<b>\$m</b>	<b>\$m</b>	<b>\$m</b>
Assets	—	227.5	139.8	277.7	4.3	649.3
Liabilities	—	(223.4)	(108.5)	(75.9)	(1.8)	(409.6)
<b>31 December 2023</b>	<b>—</b>	<b>4.1</b>	<b>31.3</b>	<b>201.8</b>	<b>2.5</b>	<b>239.7</b>

1) Refer to note [3\(b\)](#) and note [29](#) for the 2023 balances that have been restated.

The derivative asset and liability do not meet the offsetting criteria in IAS 32, but the Company has the right of offset in the case of default, insolvency or bankruptcy. Consequently, the gross amount of the derivative asset of \$1,055.8m (2023: \$649.3m) and gross amount of the derivative liability of \$765.9m (2023: \$409.6m) are presented separately in the Company's statement of financial position.

**27 FINANCIAL INSTRUMENTS (CONTINUED)****(f) Financial risk management objectives (continued)**Fair value measurement

The information set out below provides information about how the Company determines fair values of various financial assets and financial liabilities.

Management assessed that the fair values of treasury instruments, stock borrowing, reverse repurchase agreements, amounts due from exchanges, clearing houses and other counterparties, cash and short term deposits, trade receivables, repurchase agreements, stock lending and trade and other payables approximate their carrying value amounts largely due to the short-term maturities of these instruments.

The following methods and assumptions were used to estimate the Level 2 fair values:

- the fair values of the debt securities takes the price quotations at the reporting date and compares them against internal quantitative models that require the use of multiple market inputs including commodities prices, interest and foreign exchange rates to generate a continuous yield or pricing curves and volatility factors, which are used to value the position.
- the fair value of non-listed investments relates to the Company's holding of seats and membership of the exchanges and is based upon the latest trading price.
- the Company enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Interest rate swaps, foreign exchange forward contracts and commodity forward contracts are valued using valuation techniques, which employ the use of market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates curves of the underlying commodity. Some derivative contracts are fully cash collateralised, thereby eliminating both counterparty risk and the Company's own non-performance risk.

Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data. Some of the Company's derivative financial instruments are priced using quantitative models that require the use of multiple market inputs including commodity prices, interest and foreign exchange rates to generate continuous yield or pricing curves and volatility factors in addition to unobservable inputs, which are used to value the position and therefore qualify as Level 3 financial assets.

Own credit

Under IFRS 9, changes in fair value related to own credit risk for other financial liabilities designated at fair value through profit and loss are recognised in other comprehensive income. The changes in own credit risk recognised in other comprehensive income are subsequently transferred within equity to retained earnings in the same period as the underlying position matures or terminates. The Company determines its own credit spread regularly based on a model using observable market inputs.

Management estimates the own credit spread through using market observable credit spreads and paid credit spreads for public distributed products of the Company. The estimated own credit sensitivity to a 1 basis point move in credit spread is \$0.2m (2023: \$0.2m). Hence an increase in own credit spread of 1 basis point will lead to a charge of \$0.2m (2023: \$0.1m) recognised in other comprehensive income.

## 27 FINANCIAL INSTRUMENTS (CONTINUED)

## (f) Financial risk management objectives (continued)

Fair value measurement (continued)

The following table shows an analysis of the financial assets and liabilities recorded at fair value shown in accordance with the fair value hierarchy.

	Level 1 \$m	Level 2 \$m	Level 3 \$m	Total \$m
<b>Financial assets – FVTPL:</b>				
Equity instruments	219.2	—	—	219.2
Derivative instruments	—	1,053.5	0.7	1,054.2
Amounts due from exchanges, clearing houses and other counterparties	—	51.9	—	51.9
<b>Financial assets – FVTOCI:</b>				
Investments	2.0	3.4	—	5.4
Derivative instruments	—	1.6	—	1.6
<b>Financial liabilities – FVTPL:</b>				
Derivative instruments	—	(756.0)	(0.1)	(756.1)
Debt securities	—	(1,473.5)	(4.7)	(1,478.2)
Amounts due to exchanges, clearing houses and other counterparties	—	65.1	—	65.1
<b>Financial liabilities – FVTOCI:</b>				
Derivative instruments	—	(9.8)	—	(9.8)
<b>At 31 December 2024</b>	<b>221.2</b>	<b>(1,063.8)</b>	<b>(4.1)</b>	<b>(846.7)</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

**27 FINANCIAL INSTRUMENTS (CONTINUED)**

**(f) Financial risk management objectives (continued)**

Fair value measurement (continued)

	Level 1 \$m	Level 2 \$m	Level 3 \$m	Total \$m
<b>Financial assets – FVTPL:</b>				
Equity instruments	11.5	—	—	11.5
Derivative instruments	—	645.1	0.7	645.8
Inventory	144.5	—	—	144.5
Amounts due from exchanges, clearing houses and other counterparties <sup>1</sup>	—	12.0	—	12.0
<b>Financial assets – FVTOCI:</b>				
Investments	1.8	3.0	—	4.8
Derivative instruments	—	3.5	—	3.5
<b>Financial liabilities – FVTPL:</b>				
Derivative instruments	—	(406.4)	(3.0)	(409.4)
Debt securities	—	(975.9)	(2.3)	(978.2)
Amounts due to exchanges, clearing houses and other counterparties <sup>1</sup>	—	105.2	—	105.2
<b>Financial liabilities – FVTOCI:</b>				
Derivative instruments	—	(0.2)	—	(0.2)
<b>At 31 December 2023</b>	<b>157.8</b>	<b>(613.7)</b>	<b>(4.6)</b>	<b>(460.5)</b>

1. The Group realigned the classification of the balances for receivables and payables from LME to reflect the underlying way that the assets are managed. These assets were previously disclosed as assets held at amortised cost, but have been adjusted to FVTPL.

The following table summarises the movements in the Level 3 balances during the period. Asset and liability transfers between Level 2 and Level 3 are primarily due to either an increase or decrease in observable market activity related to an input or a change in the significance of the unobservable input, with assets and liabilities classified as Level 3 if an unobservable input is deemed significant. Apart from those disclosed in the below table there were no transfers between levels during the year (2023: no transfers).

Reconciliation of Level 3 fair value measurements of financial assets

	2024 \$m	2023 \$m
<b>Balance at 1 January</b>	0.7	2.6
Purchases	—	—
Settlements	(0.6)	(2.4)
<b>Total gains or losses in the period recognised in the income statement:</b>		
Market making	0.4	0.5
Transfers into Level 3	0.2	—
<b>Balance at 31 December</b>	<b>0.7</b>	<b>0.7</b>

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**
**27 FINANCIAL INSTRUMENTS (CONTINUED)****(f) Financial risk management objectives (continued)**Reconciliation of Level 3 fair value measurements of financial liabilities

	<b>2024</b>	<b>2023</b>
	<b>\$m</b>	<b>\$m</b>
<b>Balance at 1 January</b>	5.3	4.8
Purchases	—	—
Settlements	(1.9)	(0.7)
<b>Total gains or losses in the period recognised in the income statement:</b>		
Market making	0.3	2.9
Transfers out of Level 3	1.2	<b>(4.0)</b>
Transfers into Level 3	(0.1)	<b>2.3</b>
<b>Balance at 31 December</b>	<b>4.8</b>	<b>5.3</b>

The Company's management believes, based on the valuation approach used for the calculation of fair values and the related controls, that the Level 3 fair values are appropriate. The impact of reasonably possible alternative assumptions from the unobservable input parameters shows no significant impact on the Company's net profit, comprehensive income or shareholder's equity.

**28 CLIENT MONEY**

As required by the UK FCA's Client Assets Sourcebook rules, the Company maintains certain balances on behalf of clients with banks, exchanges, clearing houses and brokers in segregated accounts. These amounts and the related liabilities to clients, whose recourse is limited to segregated accounts, are not included in the statement of financial position as the Company is not beneficially entitled thereto.

	<b>2024</b>	<b>2023</b>
	<b>\$m</b>	<b>\$m</b>
Segregated assets at banks (not recognised on the Company balance sheet)	1,955.2	1,481.3
Segregated assets at exchanges, clearing houses and other counterparties (not recognised on the Company balance sheet)	2,932.1	2,084.6
	<b>4,887.3</b>	<b>3,565.9</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

**29 RESTATEMENT**

The Company restated the statement of financial position as of 31 December 2023 to correct errors as follows.

**Restatement of statement of financial position as of 31 December 2023**

*Presentation of derivative instruments*

During the preparation of these financial statements, the Company noted an error in the presentation of derivative instruments on the statement of financial position as at 31 December 2023. The Company presented certain legs of derivative instruments separately within derivative instruments assets and derivative instruments liabilities; however they should have been presented as one unit of account.

The Company determined the misstatement in the financial position as at 31 December 2023 included in the statement of financial position as at 31 December 2023 in the 2023 Financial Statements was immaterial and did not require restatement of the previously issued financial statements. The error did not impact the income statement, statements of comprehensive income, changes in equity, and cash flows included in the 2023 Financial Statements. The restatement is summarised in the table below.

<b>31 December 2023</b>	<b>As reported</b>	<b>Adjustment</b>	<b>As restated</b>
	<b>\$m</b>	<b>\$m</b>	<b>\$m</b>
Derivative instruments - assets	787.8	(138.5)	649.3
Total current assets	3,738.2	(138.5)	3,599.7
Total assets	4,128.0	(138.5)	3,989.5
Derivative instruments - liabilities	548.1	(138.5)	409.6
Total current liabilities	3,534.1	(138.5)	3,395.6
Total liabilities	3,783.5	(138.5)	3,645.0

**Changes in presentation**

The following changes in the comparative period in the statement of financial position and accompanying notes have been made in order to conform to the current period presentation. These are voluntary changes in presentation to provide more useful information, and are not due to error.

Fixed income securities are now presented separately in the statement of financial position owing to their homogeneous nature, distinguishing them from Treasury instruments, where they were previously presented.

To present trade and other receivables and payables with a homogenous group of financial assets and liabilities, the Company reclassified amounts from the separate categories “Amounts due from exchanges, clearing houses and other counterparties”, “Trade debtors”, “Default funds and deposits”, and “Other debtors”, to be included within the categories and “Loans receivable”; please see note [19](#) Trade and other receivables and note [28](#) Financial instruments.

The Company reclassified amounts from the separate categories “Amounts due to exchanges, clearing houses and other counterparties”, “Accruals”, “Other tax and social security taxes”, and “Other creditors”, to be included within the categories and “Trade payables”; please see note [22](#) Trade and other payables and note [28](#) Financial instruments.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

**30 RELATED PARTY TRANSACTIONS**

**(a) Parent and ultimate controlling party**

The immediate parent undertaking is Marex Group plc, a public limited company incorporated in England and Wales, in whose consolidated financial statements the Company's results are included. These consolidated financial statements are available from its registered office at 155 Bishopsgate, London, EC2M 3TQ.

**(b) Key Management Personnel**

The remuneration paid to key management personnel for their services to the Company was as follows:

	<b>2024</b>	<b>2023</b>
	<b>\$m</b>	<b>\$m</b>
Aggregate wages and salaries	24.8	17.9
Short-term monetary benefits	0.1	0.1
Defined contribution pension cost	0.1	0.1
Management incentive plan	8.7	14.1
	<b>33.7</b>	<b>32.2</b>

The remuneration of the highest paid director for their services to the Company was \$3.3m (2023: \$4.1m). The salaries, fees, bonuses and benefits in kind paid to Directors was \$6.2m (2023: \$4.1m). The amount awarded to Directors under the deferred bonus plan was \$9.1m (2023: \$2.7m). The defined pension contribution for Directors was less than \$0.1m (2023: less than \$0.1m). 1 Director (2023: 2 Directors) was a member of the main UK pension plan.

**(c) Transactions with entities having significant influence over the Company**

During the year, the Company received no consortium relief from entities that have significant influence over the Company (2023: \$26,144). The consortium relief payable balance at 31 December 2024 was \$nil (2023: \$nil).

## 30 RELATED PARTY TRANSACTIONS (CONTINUED)

## (d) Balances and transactions with other group undertakings

	Amounts owed from related parties 2024 \$m	Amounts owed from related parties 2023 \$m	Amounts owed to related parties 2024 \$m	Amounts owed to related parties 2023 \$m	Amounts included in operating profits 2024 \$m	Amounts included in operating profits 2023 \$m
Arfinco S.A.	—	—	(0.7)	(0.6)	(0.1)	(0.2)
Carlton Commodities 2004 LLP	—	—	(8.6)	(5.2)	—	—
Cowen and Company (Asia) Limited	0.1	—	—	—	—	—
CSC Commodities UK Limited	—	—	(0.4)	(35.9)	0.1	19.4
Eagle Energy Brokers LLC	0.1	—	—	(0.1)	—	—
Global Metals Network Limited	2.8	14.0	—	—	—	(0.1)
HPC Investment Partners France S.A	0.1	—	—	—	—	—
HPC Tel Aviv Limited	—	0.1	(0.3)	—	—	—
Marex Australia Pty Limited	—	—	(1.1)	(0.6)	3.6	0.9
Marex Brazil Participações Ltda	—	—	(0.9)	(0.7)	5.4	0.8
Marex Capital Markets Inc.	2.1	15.0	—	—	(33.7)	(22.1)
Marex Client Services Inc.	—	—	—	—	(0.1)	(0.1)
Marex Derivative Products Inc.	—	0.1	—	—	(0.1)	—
Marex Europe Holdings Limited	1.3	29.6	—	—	—	—
Marex France SAS	—	1.2	(0.4)	—	1.2	4.8
Marex Group plc	—	—	(654.4)	(558.8)	(18.4)	(0.4)
Marex HK Asia Limited	—	—	(1.2)	—	—	—
Marex Holdings Limited	0.1	0.1	—	—	—	—
Marex Hong Kong Limited	—	—	(2.2)	(5.8)	8.4	6.7
Marex International Holdings Limited	—	—	(0.2)	—	—	—
Marex MENA Limited	—	4.0	(4.6)	—	12.2	3.8

## 30 RELATED PARTY TRANSACTIONS (CONTINUED)

## (d) Balances and transactions with other group undertakings (continued)

	Amounts due from related parties 2024 \$m	Amounts due from related parties 2023 \$m	Amounts owed to related parties 2024 \$m	Amounts owed to related parties 2023 \$m	Amounts included in operating profits 2024 \$m	Amounts included in operating profits 2023 \$m
Marex Netherlands B.V.	0.2	2.1	—	—	0.1	0.1
Marex North America LLC	—	—	—	—	—	5.5
Marex North America Securities	—	0.1	—	—	—	(0.1)
Marex NZ Limited	0.4	—	—	—	—	—
Marex Prime Services Limited	0.9	—	—	—	(3.6)	—
Marex Professional Trading Services Inc.	—	—	(35.6)	—	0.1	—
Marex S.A	—	—	(22.6)	(9.3)	22.6	14.0
Marex Services Inc.	—	—	(0.4)	(1.1)	3.6	2.7
Marex Spectron Asia Pte Limited	0.7	0.1	—	—	10.3	10.2
Marex Spectron Europe Limited	1.9	—	—	(25.8)	(1.9)	(0.6)
Marex Spectron International Limited	—	—	(22.7)	(74.8)	(34.8)	(28.5)
Marex Spectron USA LLC	3.8	9.2	—	—	5.8	(2.3)
Marex Trading International Limited	—	28.9	(10.3)	—	(1.7)	(4.3)
Marquee Oil Broking Limited	—	—	—	(0.1)	—	—
MNA Holdings Inc.	—	47.9	—	—	—	—
Nanolytics Capital Advisors	—	—	—	(0.1)	—	—
OTCex Hong Kong Limited	6.4	3.4	—	—	(2.6)	—
Spectron Energy (Asia) Pte Limited	2.6	0.4	—	—	(1.2)	(2.5)
Spectron Energy Inc.	13.8	26.3	—	—	(0.8)	(0.7)
Spectron Services Limited	97.4	291.4	—	—	67.7	49.9
Starsupply Petroleum Europe B.V.	0.2	1.4	—	—	(0.2)	(0.1)

## 30 RELATED PARTY TRANSACTIONS (CONTINUED)

## (d) Balances and transactions with other group undertakings (continued)

	Amounts due from related parties 2024 \$m	Amounts due from related parties 2023 \$m	Amounts owed to related parties 2024 \$m	Amounts owed to related parties 2023 \$m	Amounts included in operating profits 2024 \$m	Amounts included in operating profits 2023 \$m
Tangent Trading Limited	12.4	7.3	—	—	(1.0)	(0.8)
Volatility Performance Fund S.A	0.1	2.2	—	—	—	—
Volcap Trading Partners Limited	13.3	22.2	—	—	(1.1)	1.9
X Change Financial Access LLC	—	2.1	—	—	(2.0)	(2.1)
Xeram CEEMA Limited	—	0.1	—	—	—	—
	<u>160.7</u>	<u>509.2</u>	<u>(766.6)</u>	<u>(718.9)</u>	<u>37.8</u>	<u>55.8</u>

All balances owed to and from related parties listed above are repayable on demand.

## (e) Share based payments

In connection with the IPO, in April 2024, the Group adopted the Global Omnibus Plan, which provides for the grant of share options, including incentive share options, conditional awards, restricted shares, share appreciation rights or any other share- or cash-based awards to eligible employees and non-employees. New awards are all granted within the terms of this plan.

The Group operates three equity-settled share-based remuneration schemes for Executive Directors and senior management. These are a deferred bonus plan, a retention long term incentive plan and an annual long term incentive plan. In addition there have been two new share-based payment schemes in 2024, the all employee award and a non executive directors' award. All are United Kingdom tax authority unapproved schemes. The cost of the service is calculated by reference to the fair value of shares at the grant date, the number of shares expected to vest under the schemes and the probability that the performance and the service conditions will be met. The cost of the service is recognised in the income statement over the period that the recipient provides service and there is a shared understanding of the terms and conditions of the arrangement. The recipient to whom these awards were granted must not depart from the Group, and such an action would require a forfeiture of some or all of the award depending on the conditions under which the employee were to leave.

**Deferred Bonus Plan**

Members of the scheme are awarded a fixed number of non-voting ordinary shares vesting in three equal tranches over the three years following the date of grant. As the awards are based on the employees' annual performance, the fair value has been expensed from the beginning of the year for which the bonus had been awarded. Prior to the IPO, the fair value of a share award at grant date was the final price approved by the Remuneration Committee and determined based on a multiple of earnings as at grant date with reference to comparable peer companies. Post IPO, the fair value of a share award is based on the Group's quoted share price at the date of the grant.

**30 RELATED PARTY TRANSACTIONS (CONTINUED)****(e) Share based payments (continued)****Retention Long Term Incentive Plan**

Members of the scheme are awarded a variable number of non-voting ordinary shares three years after the grant date. The number of shares awarded is determined by reference to a hurdle return on equity of the Group and to growth targets for the profit after tax of the Group over the three-year period. Prior to the IPO, the fair value of a share award at grant date was the final price approved by the Remuneration Committee and determined based on a multiple of earnings as at grant date with reference to comparable peer companies. Post IPO, the fair value of a share award is based on the Group's quoted share price at the date of the grant.

**Annual Long Term Incentive Plan**

Members of the scheme are awarded a variable number of non-voting ordinary shares three years after the grant date. The number of shares awarded is determined by reference to financial underpins; the first is a hurdle return on equity of the Group and the second underpin is growth targets for the adjusted profit before tax over the 3-year period. Prior to the IPO, the fair value of a share award at grant date was the final price approved by the Remuneration Committee and determined based on a multiple of earnings as at grant date with reference to comparable peer companies. Post IPO, the fair value of a share award is based on the Group's quoted share price at the date of the grant.

**All Employee Award**

As part of the IPO, members of the scheme have been awarded a fixed number of non-voting ordinary shares which vest three years after the grant date. The fair value of a share award is based on the Group's quoted share price at grant date.

**Non-Executive Directors' Award**

Members of the scheme are awarded a fixed number of non-voting ordinary shares which vest one year after the grant date. The fair value of a share award is based on the Group's quoted share price at grant date.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

**30 RELATED PARTY TRANSACTIONS (CONTINUED)**

**(e) Share based payments (continued)**

The charge for the year for the Company arising from share-based payment schemes was as follows:

	<b>2024</b>	<b>2023</b>
	<b>\$m</b>	<b>\$m</b>
Deferred Bonus Plan	12.8	9.3
Retention Long Term Incentive Plan	2.8	3.7
Annual Long Term Incentive Plan	4.2	1.7
All Employee Plan	0.3	—
Non-Executive Directors' Plan	0.1	—
<b>Total equity-settled share-based payments</b>	<b>20.2</b>	<b>14.7</b>

The movement on share awards was as follows:

	<b>2024</b>	<b>2023</b>
	<b>No.</b>	<b>No.</b>
Outstanding at the beginning of the year	6,137,081	4,211,665
Restatement following IPO	(2,781,021)	—
Granted during the year	1,417,088	2,153,195
Vested during the year	(388,848)	(227,779)
Forfeited during the year	(11,899)	—
Outstanding at the end of the year	<b>4,372,401</b>	<b>6,137,081</b>
Weighted average fair value of awards granted (\$)	<b>17.7</b>	<b>6.0</b>

For the purposes of the above disclosure the fair value of the awards granted during 2024 is assumed to be the final price approved by the Group Remuneration Committee.

**31 COUNTRY BY COUNTRY REPORTING**

This disclosure has been prepared in accordance with The Capital Requirements (Country by Country Reporting) Regulation 2013. The Company is regulated by the FCA on a solo basis and has only one unregulated subsidiary, Carlton Commodities 2004 LLP (the 'LLP'). The LLP is incorporated in England and Wales and its registered office is 155 Bishopsgate, London, EC2M 3TQ. The LLP's principal business activity is that of commodity and option trading.

For the year ended 31 December 2024 (consolidated basis):

<b>Legal entity on a consolidated basis</b>	<b>Employees</b>	<b>Revenue</b>	<b>Profit before tax</b>	<b>Taxation paid / (received)</b>	<b>Public subsidies received</b>
	<b>No.</b>	<b>\$m</b>	<b>\$m</b>	<b>\$m</b>	<b>\$m</b>
Marex Financial	908	602.0	126.9	30.5	-

For the year ended 31 December 2023 (consolidated basis):

	Employees	Revenue	Profit before tax	Taxation paid / (received)	Public subsidiaries received
Legal entity on a consolidated basis	No.	\$m	\$m	\$m	\$m
Marex Financial	704	481.8	121.7	29.1	-

## 32 EVENTS AFTER THE BALANCE SHEET DATE

No events have taken place between 31 December 2024 and the date of release of this report which would have a material impact on either the financial position or operating results of the Company. Our business and the markets in which we operate (in particular, commodities, such as energy, grain and metals) may experience volatility as a result of geopolitical events and market volatility. Management have therefore considered the impacts of the recent geopolitical and market volatility seen post 31 December 2024. Management have reviewed the Company's financial performance, to assess any material adverse impacts on the Company's performance and are comfortable the Company has adequate resources to satisfy its regulatory obligations and liabilities for the foreseeable future and that these events have not materially impacted the Company's performance.

## APPENDIX 1

### Non-IFRS measures

In addition to our results determined in accordance with IFRS Accounting Standards, we believe the following non-IFRS measures provide useful information both to management and investors in measuring our financial performance for the reasons outlined below. These measures may not be comparable to similarly titled measures presented by other companies, and they should not be construed as an alternative to other financial measures determined in accordance with IFRS Accounting Standards. The Group changed the labelling of its non-IFRS measures during 2024 to better align to the equivalent IFRS reported metric and enhance transparency and comparability.

#### Adjusted Profit Before Tax (formerly labelled Adjusted Operating Profit)

We define Adjusted Profit Before Tax as profit after tax adjusted for (i) tax, (ii) goodwill impairment charges, (iii) acquisition costs, (iv) bargain purchase gains, (v) owner fees, (vi) amortisation of acquired brands and customer lists, (vii) activities in relation to shareholders, (viii) employer tax on the vesting of Growth Shares, (ix) IPO preparation costs, (x) fair value of the cash settlement option on the Growth Shares and (xi) public offering of ordinary shares. Items (i) to (xi) are referred to as "Adjusting Items." Adjusted Profit Before Tax is the primary measure used by our management to evaluate and understand our underlying operations and business trends, forecast future results and determine future capital investment allocations. Adjusted Profit Before Tax is the measure used by our executive board to assess the financial performance of our business in relation to our trading performance. The most directly comparable IFRS Accounting Standards measure is profit after tax.

We believe Adjusted Profit Before Tax is a useful measure as it allows management to monitor our ongoing core operations and provides useful information to investors and analysts regarding the net results of the business. The core operations represent the primary trading operations of the business.

#### Adjusted Profit Before Tax Margin (formerly labelled Adjusted Operating Profit Margin)

We define Adjusted Profit Before Tax Margin as Adjusted Profit Before Tax (as defined above) divided by revenue. We believe that Adjusted Profit Before Tax Margin is a useful measure as it allows management to assess the profitability of our business in relation to revenue. The most directly comparable IFRS Accounting Standards measure is profit margin, which is profit after tax divided by revenue.

#### Adjusted Profit After Tax Attributable to Common Equity (formerly labelled Adjusted Operating Profit after Tax Attributable to Common Equity)

**Non-IFRS measures (CONTINUED)**

The following table reconciles: (1) Adjusted Profit Before Tax from the most directly comparable IFRS Accounting Standards measure, which is profit after tax, and (2) Adjusted Profit Before Tax Margin from the most directly comparable IFRS Accounting Standards measure, which is profit margin (which is profit after tax divided by revenue).

	<b>Year ended 31 December 2024</b>	<b>Year ended 31 December 2023</b>
	<b>\$m</b>	<b>\$m</b>
Profit After Tax	100.4	97.7
Taxation charge	26.5	24.0
Profit Before Tax	126.9	121.7
Activities relating to shareholders	2.4	2.5
Employer tax on vesting of the growth shares	2.3	0.0
Adjusted Profit Before Tax	131.6	124.2
Tax and the tax effect of adjusting items	(26.5)	(24.0)
Profit Margin	17%	21%
Adjusted Profit Before Tax Margin	22%	26%
Common Equity	406.4	335.9
Return on Equity	25%	29%