MARΞX

MAREX ANNOUNCES 2023 INTERIM RESULTS

Strong growth delivered in first half, positive outlook for full year performance

Marex Group plc ('Marex' or the 'Group'), the diversified global financial services platform, announces strong results for the six months to 30 June 2023 (the 'period'). The Group has been transformed by ongoing investments in organic growth and selective acquisitions, enabling us to increase our market share and deliver very strong growth in revenue and profitability in the first half of the year. The increasing scale of the Group's global and diversified franchise, post the ED&F Man Capital Markets acquisition which closed in the second half of 2022, has resulted in improved margins and materially higher ROE.

	H1 2023	H1 2022	Change
Revenue ($m)	**1,191.3**	**670.3**	**78%**
Net Revenue ($m)[1]	618.9	332.9	86%
Profit before tax ($m)	**120.2**	**55.4**	**117%**
Adjusted Operating PBT ($m)[1]	124.5	59.0	111%
Adjusted Operating PBT margin[1]	20%	18%	200 bps
Return on Equity (ROE)	**28%**	**18%**	**1000 bps**
Total Capital Ratio	**278%**	**211%**	**6700 bps**
Full time employees (average number)	1,831	1,145	60%

1 - Alternative Performance Measures, see pages 3 and 4 for reconciliations to reported results

H1 2023 Highlights

- **Scalable platform delivering strong growth** driven by increased client activity and benefit of higher interest rates, resulting in improved operating margins and returns
  - Total trades executed up 166% to 59 million and contracts cleared up 203% to 312 million
  - Total client assets up 48% to $11.8 billion at June 2023 from $8.0 billion at June 2022
- **Prudent capital and liquidity management;** continued growth in our capital base from strong profitability in the period, funding sources further diversified with successful €300 million inaugural senior debt issuance in January
- **Recently acquired ED&F Man Capital Markets business performing strongly**
  - The integration continues to progress as planned, with key milestones around system integration delivered and clients benefiting from our expanded global footprint
- **Further investment in Marex's environmentals offering** which generated strong revenue growth as clients look to Marex to help them navigate the energy transition
- **Positive outlook** for the Group, well positioned for future growth with an expanded global footprint, growing capital base and client-centric growth strategy

Ian Lowitt, Marex CEO, commented:

"We have delivered exceptionally strong performance in the first half of 2023, reflecting the strength and scalability of the diversified global platform we have built, which provides our growing client base with essential market connectivity and quality service. I am very proud of what the Marex team have delivered, both operationally and commercially so far this year. Our goal is to build a diversified global platform which allows us to do more business with each of our clients, and our improving margins and returns demonstrate the effectiveness of these platform economics.

The integration of ED&F Man Capital Markets, a strategically important acquisition, is progressing well. We have delivered several important integration milestones which will enable us to improve the efficiency of our operations as we continue to expand our global footprint. The business is delivering performance ahead of our expectations, and has transformed the scale and scope of the Group which will allow us to continue delivering on our track record of nine successive years of Operating PBT growth.

The outlook for Marex remains very positive. We are set to have another exceptional year in 2023. I am confident that we can continue to deliver sustainable growth and build an even more diversified, resilient and dynamic firm."

CEO Review

Delivering exceptional performance

We have reported very strong revenue and profit growth driven by a successful combination of organic growth in the legacy Marex business and inorganic growth, following our acquisition of ED&F Man Capital Markets.

It is clear that the significant investments we have made in recent years have built a resilient and truly scalable platform. This is illustrated by our ability to process a significant increase in levels of client activity on the platform this year, with total trades executed up 166% period-on-period. We now have a truly global cross asset clearing offering and have continued to add important new client relationships, with the number of contracts cleared for clients up 203% in the first 6 months of 2023. We are now in the top 10 largest futures commission merchant ('FCM') by client assets in the US and enjoy top 10 market shares on many of the largest exchanges.

At the same time, we are building a track record of balancing investment for growth and maintaining a robust capital position whilst delivering improving margins and returns.

We have strengthened our executive management team to reflect the increased scale of our global franchise, with the addition of Rob Irvin, who joins us from HSBC as Chief Financial Officer and Graham Francis, who joins us from TP ICAP as Chief Operating Officer.

ED&F Man Capital Markets integration on-track

We completed the acquisition of the ED&F Man Capital Markets business across the UK, US, the Middle East and Australia in Q4 2022 and the integration is progressing well. We have welcomed over 400 former ED&F Man Capital Markets employees to the Group and I am pleased with how well they have embraced our culture, which emphasises agility, collaboration and client service.

We have delivered several key integration milestones, including the consolidation of office space in London and New York, and the integration of key trading and reporting systems. These actions will allow us to continue to improve our operating efficiency and we will continue to review our operations, such as rationalising our legal entity structure, to reduce complexity.

This is a very exciting time for Marex. I'd like to thank all our teams for their hard work and commitment to delivering on this integration whilst maintaining the high standards our clients expect.

Strategic Growth Initiatives

We maintained our focus on our strategic initiatives during the first half of the year, as we further expand our product offering and global footprint to diversify our business, underpinning our future growth.

The Group has further invested in its environmental products offering to support our clients in the transition to a lower carbon economy. We continued to see robust demand from our clients for this product offering, with revenue from our environmentals offering up 67% period-on-period in the first half of 2023 compared to 2022. We also announced in July that we had acquired Global Metals Network ('GMN'), the recycled metals market maker based in Hong Kong. GMN serves high-quality clients predominantly based across Asia and brings further regional expertise and coverage to our existing offering in recycled metals.

We continue to see the benefits of our geographic expansion strategy. In the first half of the year, our enlarged US franchise delivered strong Net Revenue growth in both the legacy Marex business and from the ED&F Capital Markets acquisition, and contributed over 40% of Group Adjusted Operating PBT. Net Revenue was up 89% period-on-period in the APAC region, where we are excited to be expanding our clearing offering in the second half of the year to capture significant future growth opportunities we see there.

We are building out our coverage of the energy and financial securities markets in the Middle East. Whilst still a relatively modest part of the Group, our Net Revenue is growing each month and we now have over 40 employees in the region servicing our growing client base.

We also completed the acquisition of OTCex in the period. This bolt-on acquisition further expands our capabilities in the financial markets, increasing our distribution in equities and fixed income products, particularly in continental Europe and the Middle East. These operations are highly complementary to the ED&F Man Capital Market business and collectively give us a global reach as we look to establish our Clearing and Agency and Execution services to a growing client base in the financial markets.

Positive Outlook

The outlook for Marex remains very positive and we are set to have another strong year in 2023. We remain focused on our strategic growth initiatives and I am confident that we can continue to deliver sustainable growth and build an even more diversified, resilient and dynamic firm.

Looking ahead, the full year effect of recent acquisitions, combined with the normalisation of interest rates will support a materially higher level of revenue and profitability for the Group for the full year. This will enable us to continue to build our capital base to support future growth as well as delivering strong returns to our investors.

Financial Review

Marex has delivered another period of strong performance, driven by a combination of growth in the legacy Marex business and the benefits of the ED&F Man Capital Markets acquisition, which has increased client activity on our global platform. This performance has been delivered in an environment of more normalised markets conditions in the financial and commodity markets compared to the exceptional volatility seen in the comparative period, as well as higher interest rates.

Income Statement

Our unaudited reported results are prepared in accordance with IFRS, however we also present alternative performance measures (non-GAAP financial measures). These include Net Revenue, Adjusted Operating PBT, Adjusted Operating PAT and Adjusted Return on Equity which we use to assess period on period performance and quantify items which management believes to be significant. The results of our businesses are presented on an adjusted basis below, which is consistent with how we manage and assess performance.

	H1 2023 $m	H1 2022 $m	Change
Revenue	**1,191.3**	**670.3**	**78%**
Cost of trade, net interest income and bad debts	(572.4)	(337.4)	70%
Net Revenue	**618.9**	**332.9**	**86%**
Front office costs	(334.6)	(197.1)	70%
Control and support costs	(159.8)	(76.8)	108%
Adjusted Operating PBT	**124.5**	**59.0**	**111%**
Tax on Adjusted Operating PBT	(30.4)	(12.3)	147%
Adjusted Operating PAT	**94.1**	46.7	**101%**
Adjusted Return on Equity (ROE)	**29%**	**19%**	**1000 bps**

Net Revenue increased 86% period-on-period, primarily driven by higher commissions in both the Clearing and Agency and Execution segments as a result of increased client volumes on our platform, along with higher interest income due to the combination of higher interest rates and client balances in the period.

The Group benefits from interest and investment income on the significant cash and highly liquid asset balances which are held as collateral against client positions and from Marex ('House') liquidity balances. This benefit is primarily seen in our Clearing business as we transact directly with the exchange on behalf of our clients who provide margin to us against open positions.

Front office costs represent staff, systems and infrastructure costs associated with running our revenue generating operations. These costs increased 70% to $334.6 million, largely as result of the ED&F Man Capital Markets acquisition. Control and support costs include staff and property-related costs, along with professional fees and other administrative expenses associated with the support functions. These costs increased 108% to $159.8 million, again reflecting the impact of recent acquisitions resulting in higher headcount in our key control and support functions, as well as ongoing investment.

As a result of the Net Revenue and cost trends, Adjusted Operating PBT increased 111% to $124.5 million and margin improved to 20% in the period, from 18% in 2022 demonstrating the scalability of our platform. Adjusted Operating PAT increased 101% period-on-period to $94.1 million and Adjusted Return on Equity improved significantly to 29%.

	H1 2023 $m	H1 2022 $m	Change
Net interest income	**60.0**	(3.5)	n.m.

The increase in net interest income in the period reflects the combination of higher interest rates, with an average Fed Funds rate of 4.75% in H1 2023 compared to 0.45% in the prior period, and a significant increase in client balances. Total client assets increased by 48% to $11.8 billion at 30 June 2023, compared to $8.0 billion at 30 June 2022, which includes both segregated balances and non-segregated funds. Total client balances have declined during the period compared to 31 December 2022 as a result of lower margin requirements at exchanges, however, these lower margin requirements have supported increased client activity levels in other areas of our business, particularly our energy Agency and Execution business.

Financial Review

Non-operating items

On a reported basis, Profit before tax increased 117% period-on-period to $120.2 million in 2023. This includes the impact of non-operating items, primarily fees payable to private equity ownership. The Group's effective tax rate increased period-on-period at 24.5% in 2023 (2022: 20.9%) reflecting changes to the UK corporation tax rate and increased taxation payable in the US due to significant growth in our operations in North America, which has a higher effective tax rate.

	H1 2023 $m	H1 2022 $m
Adjusted Operating PBT	**124.5**	**59.0**
Owner fees	(3.4)	(1.6)
Other non-operating costs	(0.9)	(2.0)
Profit before tax (reported)	**120.2**	**55.4**
Tax	(29.4)	(11.6)
Profit after tax (reported)	**90.8**	**43.8**

n.m. not meaningful

Segmental Performance

Net Revenue	**H1 2023 $m**	H1 2022 $m	Change
Clearing	183.0	64.4	184%
Agency and Execution	268.2	114.3	135%
Market Making	80.0	101.4	(21%)
Hedging and Investment Solutions	63.3	43.8	45%
Corporate	24.4	9.0	171%
Total	**618.9**	**332.9**	**86%**

– **Clearing** – provides on exchange Clearing services across the full range of energy, commodity and financial markets. We act as principal for our clients, providing direct access to over 57 exchanges globally.
  - Net Revenue increased 184% to $183.0 million (H1 2022: $64.4 million) due to a combination of the ED&F Man Capital Markets acquisition which completed in the fourth quarter of 2022, the benefit of higher net interest income and organic growth.
  - Client activity on our platform increased significantly in the first half of 2023 compared to the prior period, as a result of the increased client base from the ED&F Man Capital Markets acquisition and some significant new clients brought onto the platform. The number of contracts cleared was up by 203% to 312 million.

– **Agency and Execution** – provides essential liquidity and execution services to our clients primarily in the energy and financial securities markets.
  - Net Revenue increased 135% to $268.2 million (H1 2022: $114.3 million). This reflected positive market conditions in the energy markets, investments we have made and the benefit of recent acquisitions significantly increasing our operating capabilities in financial securities.
  - In Energy, lower absolute price levels and volatility in our core European energy markets supported increased activity levels. Energy revenues increased 43% to $101 million in the first half of 2023 (H1 2022: $70.9 million) The actions taken to restructure this business during 2022 have also benefited performance with improved productivity also contributing to improved revenues and profitability compared to the prior period. Securities Net Revenue increased 289% to $166.3 million (H1 2022: $42.7 million) as a result of the benefit of ED&F Man Capital Markets acquisition in the fourth quarter of 2022 and OTCex in February 2023, both of which significantly increase our capabilities in equities, fixed income, rates and FX markets.

– **Market Making** – provides direct liquidity to clients across a variety of products primarily in the energy, metals and agriculture markets.
  - Net Revenue decreased 21% to $80.0 million (H1 2022: $101.4 million) as market conditions in the energy and commodity markets normalised in the first half of the year, with lower levels of volatility and client activity compared to the exceptional conditions seen in the prior period. This was particularly evident in energy and metals markets, whilst our agriculture franchise saw increased market activity and higher Net Revenue in the first half of 2023.

– **Hedging and Investment Solutions** – provides high quality bespoke hedging and investment solutions to our clients.
  - The business performed well during the first half of 2023, with continued demand for our commodity hedging solutions, combined with a recovery in investor appetite increasing demand for our investment solutions (structured notes), which resulted in 45% Net Revenue growth to $63.3 million (H1 2022: $43.8 million).

Financial Review

Balance Sheet

Our balance sheet comprises high-quality liquid assets which underpin client activity on the Marex platform.

Total assets increased slightly to $16.3 billion as at 30 June 2023 compared to 31 December 2022 ($15.7 billion). Total equity increased to $735.2 million as at 30 June 2023 (31 December 2022: $677.7 million) due to Profit after tax of $90.8 million, partly offset by the payment of ordinary dividends of $24.5 million and AT1 coupon of $6.6 million paid in the period.

Goodwill increased by $15.6 million during the period which is associated with the acquisition of the OTCex Group on 1 February 2023.

The Group successfully completed a Euro Medium-Term Notes ('EMTN') issuance, with a €300 million unsecured nominal fixed rate senior 5-year notes issued by Marex Group plc on 26 January 2023. The notes pay 8.375% coupon annually, have a maturity date of 2 February 2028 and have been assigned a BBB- rating by S&P.

	30 June 2023 $m	31 December 2022 $m	2023 v 2022 Change
Cash and Liquid Assets	3,940.0	3,629.8	9%
Trade Receivables	4,765.8	4,685.2	2%
Reverse Repurchase Agreements	3,341.9	4,346.0	(23%)
Securities	3,329.0	2,304.6	44%
Other Assets	735.4	601.2	22%
Goodwill and Intangibles	192.3	177.1	9%
Total Assets	16,304.4	15,743.9	4%
Trade Payables	(6,573.8)	(6,647.6)	(1%)
Repurchase Agreements	(3,275.3)	(4,381.4)	(25%)
Securities	(3,328.1)	(2,383.7)	40%
Debt Securities	(1,923.3)	(1,308.7)	47%
Other Liabilities	(468.7)	(344.8)	36%
Total Liabilities	(15,569.2)	(15,066.2)	3%
Total Equity	**735.2**	**677.7**	**8%**

Capital and Liquidity

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

	30 June 2023 $m	31 December 2022 $m
Total available liquid resources	1,431.9	797.6
Liquidity headroom	820.9	530.3

Group liquidity resources consist of cash and high-quality liquid assets that can be quickly converted to meet immediate and short-term obligations. The resources include non-segregated cash, unencumbered US Treasuries, and balances at exchanges in excess of house margin requirements. The Group also includes any undrawn portion of its committed Revolving Credit Facility ('RCF') in its liquidity sources.

The Group maintains a $150 million unsecured and committed revolving credit facility provided by four 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 facility was refinanced on 30 June 2023 and has a renewal date of 30 June 2026. The facility remained undrawn as at 30 June 2023.

Financial Review

Capital and Liquidity (continued)

Marex continues to maintain a robust capital position. Core Tier 1 Capital at 30 June 2023 includes the unaudited profit for the period and deductions for goodwill associated with the OTCex Group acquisition ($15.6 million) and the dividend paid to shareholders ($24.5 million). The increase in K-factor requirement since the year end is primarily associated with the acquisition of the OTCex Group.

The total capital ratio as at 30 June 2023 is 278% (31 December 2022: 266%) and the liquidity headroom is $820.9 million (31 December 2022: $530.3 million). The Core Tier 1 Capital balance and total capital ratio as at 30 June 2023 have been calculated with the inclusion of unaudited profits for the period to present a better comparison to the audited year end numbers (31 December 2022).

The following table summarises the Group's capital position:

	30 June 2023 $m	31 December 2022 $m
Core equity Tier 1 Capital	426.3	383.3
Additional Tier 1 Capital (net of issuance costs)	97.6	97.6
Tier 2 Capital	3.6	4.1
Total Capital resources	**527.5**	**485.0**
K-factor requirement	189.5	165.3
Own Funds Requirement[1]	189.5	182.6
Total capital ratio[2]	**278%**	**266%**

[1] Own Funds Requirement presented as Own Funds Threshold Requirement ('OFTR') based on the latest ICARA process

[2] The ratio expresses the Group's total capital as a percentage of Own Funds Requirement

Condensed Consolidated Income Statement
for the six months ended 30 June 2023

	Six months ended 30 June 2023 (unaudited) $m	Six months ended 30 June 2022 (unaudited) $m	Year ended 31 December 2022 $m
Revenue	**1,191.3**	670.3	1,344.4
Operating expenses	**(1,152.1)**	(625.0)	(1,326.3)
Finance income	**107.4**	15.4	106.2
Finance expense	**(29.9)**	(5.3)	(22.6)
Operating profit	**116.7**	55.4	101.7
Impairment of goodwill	**—**	—	(53.9)
Other income	**3.5**	—	74.4
Other expense	**—**	—	(0.6)
Profit before taxation	**120.2**	55.4	121.6
Tax	**(29.4)**	(11.6)	(23.4)
Profit after taxation	**90.8**	43.8	98.2
Earnings per share			
Basic (cents per share)	**0.78**	0.40	0.84

Condensed Consolidated Statement of Other Comprehensive Income
for the six months ended 30 June 2023

	Six months ended 30 June 2023 (unaudited) $m	Six months ended 30 June 2022 (unaudited) $m	Year ended 31 December 2022 $m
Profit after taxation	**90.8**	43.8	98.2
Other comprehensive income			
Items that may be reclassified subsequently to profit and loss when specific conditions are met:			
(Loss) / gain on cash flow hedge reserve	**(3.6)**	(4.2)	2.7
Deferred tax on cash flow hedge reserve	**0.7**	—	(0.5)
Interest rate swap	**—**	(7.7)	—
Items that will not be recycled to profit and loss:			
Change in fair value due to own credit risk	**8.7**	3.7	(4.0)
Deferred tax on change in own credit risk	**(2.5)**	—	1.2
Gain / (loss) on revaluation of investments	**0.3**	(0.5)	(0.6)
Deferred tax on revaluation of investments	**(0.1)**	0.1	0.3
Other movements	**0.2**	0.2	—
Other comprehensive income / (loss), net of tax	**3.7**	(8.4)	(0.9)
Total comprehensive income	**94.5**	35.4	97.3

All operations are continuing for the current and prior periods.

Condensed Consolidated Statement of Financial Position

as at 30 June 2023

	Notes	**30 June 2023 (unaudited) $m**	30 June 2022 (unaudited) $m	31 December 2022 $m
Assets				
Non-current assets				
Goodwill		**171.1**	211.0	155.5
Intangible assets		**21.2**	18.1	21.6
Property, software and equipment		**16.8**	7.9	15.8
Right-of-use asset		**43.5**	12.8	33.7
Investments		**16.2**	8.4	16.4
Investment in associate		**—**	5.6	5.6
Deferred tax		**6.3**	—	7.6
Treasury instruments (unpledged)		**—**	15.0	—
Treasury instruments (pledged as collateral)		**294.5**	460.7	133.5
Financial institution notes		**—**	1.1	—
Total non-current assets		**569.6**	740.6	389.7
Current assets				
Inventory		**42.4**	34.0	35.8
Trade and other receivables	4	**4,765.8**	2,434.2	4,685.2
Cash and cash equivalents		**1,652.3**	859.4	910.1
Equity instruments		**392.1**	257.4	410.0
Derivative instruments		**590.5**	196.9	480.8
Stock borrowing		**2,936.9**	—	1,894.6
Treasury instruments (unpledged)		**—**	59.0	247.6
Treasury instruments (pledged as collateral)		**1,993.2**	2,376.8	2,338.6
Reverse repurchase agreements		**3,341.9**	144.3	4,346.0
Corporation tax		**19.7**	5.6	5.5
Total current assets		**15,734.8**	6,367.6	15,354.2
Total assets		**16,304.4**	7,108.2	15,743.9

Condensed Consolidated Statement of Financial Position
as at 30 June 2023 (continued)

	Notes	**30 June 2023 (unaudited) $m**	30 June 2022 (unaudited) $m	31 December 2022 $m
Liabilities				
Current liabilities				
Repurchase agreements	5	**3,275.3**	150.8	4,381.4
Derivative instruments		**400.3**	1,309.7	294.3
Short securities		**1,624.0**	—	986.8
Trade and other payables	7	**6,573.8**	3,985.3	6,647.6
Stock lending		**1,704.1**	—	1,396.9
Corporation tax		**12.1**	4.2	8.9
Short-term borrowings	5	**—**	—	148.7
Debt securities	6	**810.9**	463.6	435.0
Lease liability		**8.7**	4.7	6.8
Provisions		**1.4**	0.4	2.6
Total current liabilities		**14,410.6**	5,918.7	14,309.0
Non-current liabilities				
Lease liability		**46.2**	12.6	32.1
Debt securities	6	**1,112.4**	565.2	725.0
Deferred tax liability		**—**	0.1	0.1
Total non-current liabilities		**1,158.6**	577.9	757.2
Total liabilities		**15,569.2**	6,496.6	15,066.2
Total net assets		**735.2**	611.6	677.7
Equity				
Share capital		**0.1**	0.1	0.1
Share premium		**134.3**	134.3	134.3
Retained earnings		**522.4**	397.5	455.3
Revaluation reserve		**(12.8)**	3.1	(3.7)
Additional Tier 1 capital (AT1)		**97.6**	97.6	97.6
Own shares		**(12.1)**	(6.0)	(7.9)
Cash flow hedge reserve		**5.7**	(12.8)	1.6
Other reserve		**—**	(2.2)	0.4
Total equity		**735.2**	611.6	677.7

Condensed Consolidated Statement of the Changes in Equity and Movements in Reserves

for the six months ended 30 June 2023

	Share capital $m	Share premium $m	Retained earnings $m	Revaluation reserve $m	Additional (AT1) capital $m	Own shares $m	Cash flow hedge reserve $m	Other reserve $m	Total $m
At 1 January 2022	0.1	134.3	346.6	(0.3)	—	—	(0.6)	(2.4)	477.7
Profit for the period	—	—	98.2	—	—	—	—	—	98.2
Additional (AT1) capital	—	—	—	—	97.6	—	—	—	97.6
AT1 dividends paid	—	—	(6.6)	—	—	—	—	—	(6.6)
Treasury shares	—	—	—	—	—	(7.9)	—	—	(7.9)
Share-based payments	—	—	17.8	—	—	—	—	—	17.8
Loss on revaluation of investments	—	—	—	(0.6)	—	—	—	—	(0.6)
Deferred tax	—	—	—	1.2	—	—	(0.5)	0.3	1.0
Gain on cash flow hedge reserve	—	—	—	—	—	—	2.7	—	2.7
Change in fair value due to own credit risk	—	—	—	(4.0)	—	—	—	—	(4.0)
Other movements	—	—	(0.7)	—	—	—	—	2.5	1.8
At 31 December 2022	**0.1**	**134.3**	**455.3**	**(3.7)**	**97.6**	**(7.9)**	**1.6**	**0.4**	**677.7**
Profit for the period	**—**	**—**	**90.8**	**—**	**—**	**—**	**—**	**—**	**90.8**
Dividend paid	**—**	**—**	**(24.5)**	**—**	**—**	**—**	**—**	**—**	**(24.5)**
AT1 dividends paid	**—**	**—**	**(6.6)**	**—**	**—**	**—**	**—**	**—**	**(6.6)**
Treasury shares	**—**	**—**	**—**	**—**	**—**	**(4.2)**	**—**	**—**	**(4.2)**
Share-based payments	**—**	**—**	**7.1**	**—**	**—**	**—**	**—**	**—**	**7.1**
Loss on revaluation of investments	**—**	**—**	**—**	**(0.3)**	**—**	**—**	**—**	**—**	**(0.3)**
Deferred tax	**—**	**—**	**—**	**(0.1)**	**—**	**—**	**—**	**—**	**(0.1)**
Gain on cash flow hedge reserve	**—**	**—**	**—**	**—**	**—**	**—**	**3.6**	**—**	**3.6**
Change in fair value due to own credit risk	**—**	**—**	**—**	**(8.7)**	**—**	**—**	**—**	**—**	**(8.7)**
Other movements	**—**	**—**	**0.3**	**—**	**—**	**—**	**0.5**	**(0.4)**	**0.4**
At 30 June 2023 (unaudited)	**0.1**	**134.3**	**522.4**	**(12.8)**	**97.6**	**(12.1)**	**5.7**	**—**	**735.2**

Notes to the Interim Financial Statements
for the six months ended 30 June 2023

1 General Information

The condensed consolidated financial information for the six months ended 30 June 2023 for Marex Group plc (the 'Company') and its subsidiaries (the 'Group') should be read in conjunction with the statutory financial statements of Marex Group plc for the year ended 31 December 2022 (the '2022 Group Financial Statements') which were prepared in accordance with UK adopted International Financial Reporting Standards ('IFRSs').

The 2022 Group Financial Statements have been reported on by the Company's auditor, Deloitte LLP, and have been delivered to the Registrar of Companies. The report of the auditors on those financial statements was unqualified, did not draw attention to any matters by way of emphasis and did not contain statements under s498(2) or (3) of the Companies Act 2006.

The interim information, together with comparative information contained in this report for the period ended 30 June 2023, does not constitute statutory financial statements. These consolidated condensed financial statements are unaudited.

2 Basis of Preparation

(a) Basis of accounting

The condensed consolidated financial statements have been prepared on the historical cost basis, except for the revaluation of certain financial instruments. The consolidated financial information is rounded to the nearest $100k (expressed as $m), except where otherwise indicated.

The Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the going concern basis continues to be used in preparing the consolidated financial information.

(b) Basis of consolidation

The condensed consolidated financial information incorporates the financial information of the Company and entities controlled by the Company made up to each reporting period. Under IFRS 10 control is achieved where the Company exercises power over an entity, is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to use its power to affect the returns from the entity.

(c) Accounting policies

The accounting policies applied in the condensed consolidated financial information are the same as those applied in the Group's Consolidated Financial Statements as at and for the year ended 31 December 2022.

(d) Use of estimates and judgements

The preparation of condensed consolidated financial statements requires the use of certain significant accounting judgements. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the condensed consolidated financial statements are:

– Impairment of non-financial assets

The Group undertakes impairment testing for goodwill and non-financial assets with indefinite useful lives each year as at 30 September unless an event occurs which may lead to an impairment. Since no such event has been incurred in H1 2023 no impairment testing has been undertaken in H1 2023.

– Day 1 Profit and Loss ('P&L') deferral

The differences between the fair value (or model value) and the transaction price is referred to as Day 1 P&L. Significant unobservable market parameters are periodically used to determine the fair value at inception. Where significant unobservable parameters are used in the fair value, the difference between the transaction price and fair value is amortised over the life of the transaction and fully recognised when the inputs become observable or when the position is derecognised. The Group estimates these unobservable input parameters using market information and historical data.

– Own credit spread

The Group 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 Group.

– Business Combinations

The Group has recognised $15.6m as goodwill and other intangibles for the acquisition of the OTCex Group of companies. This and the net assets acquired are based on provisional numbers as a full purchase price allocation has yet to be done for this acquisition.

3 Business Combinations

Acquisition of OTCex group of companies

On 1 February 2023, the Group, through its subsidiaries, acquired the entire share capital of the OTCex Group, an international group of companies consisting of 7 entities and several branches. These entities were acquired for the consideration noted below. The OTCex Group acquisition enhances Marex's client offering and capabilities to serve clients.

	30 June 2023 (unaudited) $m
Cash consideration	**52.3**
Deferred consideration	**5.1**
Total consideration	**57.4**
Recognised amounts of identifiable net assets:	
Tangible fixed assets	**1.1**
Right-of-use-assets	**4.4**
Intangible assets	**0.6**
Cash and cash equivalents	**15.0**
Trade receivables	**22.4**
Margins with brokers, exchanges and clearing houses	**3.2**
Prepayments and accrued income	**7.6**
Other debtors	**32.6**
Trade and other payables	**(9.2)**
Lease liabilities	**(4.4)**
External loans	**(2.1)**
Other creditors	**(29.4)**
Total identifiable assets and liabilities	**41.8**
Goodwill and other intangibles	**15.6**

These numbers are provisional and a full purchase price allocation exercise will be undertaken in due course.

4 Trade and Other Receivables

	30 June 2023 (unaudited) $m	30 June 2022 (unaudited) $m	31 December 2022 $m
Amounts due from exchanges, clearing houses and other counterparties	**4,148.0**	2,039.7	4,046.7
Trade debtors	**166.3**	59.3	141.1
Default funds and deposits	**334.6**	208.0	352.7
Loans receivable	**11.9**	15.3	18.2
Other tax and social security taxes	**8.6**	7.1	7.3
Other debtors	**78.7**	94.8	103.5
Prepayments	**17.7**	10.0	15.7
	4,765.8	2,434.2	4,685.2

Included in the amounts due from exchanges, clearing houses and other counterparties are segregated balances of $3,052.2 million (31 December 2022: $2,474.3 million) and non-segregated balances of $1,095.8 million (31 December 2022: $1,572.4 million).

5 Short-Term Borrowings

(a) Loans and repurchase agreements

	30 June 2023 (unaudited) $m	30 June 2022 (unaudited) $m	31 December 2022 $m
Bank loans and credit facilities	**—**	—	148.7
Repurchase agreements	**3,275.3**	150.8	4,381.4
Borrowings at amortised cost	**3,275.3**	150.8	4,530.1

For the repurchase agreements, the collateral provided to the lenders is recorded as a financial instrument and totals $3.3 billion (31 December 2022: $4.3 billion).

(b) Secured credit agreements

The Group, through its regulated subsidiary, Marex Capital Markets Inc., has access to a $125.0 million uncommitted securities financing facility provided by a leading financial institution. There was no outstanding borrowing as at 30 June 2023 (31 December 2022: $8.0 million).

The Group, through one of its acquired ED&F Man Capital Markets entities, previously had a $85.0 million five year secured credit agreement with PGIM Private Capital, a division of PGIM Inc. The subsidiary repaid the loan and early termination costs in full during February 2023. As at 31 December 2022 the balance due on this loan was $80.8 million.

(c) Subordinated facility

The Group, through one of its acquired ED&F Man Capital Markets entities, previously had a $55.0 million facility which was repaid and terminated during March 2023. As at 31 December 2022 the full amount of the facility was utilised. The borrowing was subordinated to the claims of general creditors, was covered by agreements approved by FINRA (a US regulatory body), and was included by the subsidiary for the purposes of computing net capital under the SEC's Uniform Net Capital Rule.

(d) Revolving credit facilities

On 30 June 2023, the Group refinanced its revolving credit facility on improved terms and conditions. The new RCF is committed up to $150.0 million (31 December 2022: $120.0 million) with a renewal date of 30 June 2026. The RCF contains certain financial and other covenants. Interest on the amount utilised is calculated as currency risk free rate plus a spread of 210 basis points plus a utilisation fee payable dependent on the percentage of utilisation. The maximum utilisation fee payable is 50 basis points. Interest on the unutilised portion is charged at a fixed percentage rate of 74 basis points. As at 30 June 2023, the facility was undrawn (31 December 2022: previous facility was undrawn).

The Group, through one of its acquired ED&F Man Capital Markets entities, has access to a $100.0 million 364-day committed credit facility arranged by a leading financial institution. Interest on the unutilised portion is charged at a fixed percentage rate of 50 basis points. There were no outstanding borrowings under this facility as at 30 June 2023 (31 December 2022: $nil). The credit facility agreement contains certain financial and other covenants.

6 Debt Securities

	30 June 2023 (unaudited) $m	30 June 2022 (unaudited) $m	31 December 2022 $m
Current - Debt securities	**810.9**	463.6	435.0
Non current - Debt securities	**1,112.4**	565.2	725.0
	1,923.3	1,028.8	1,160.0

Debt securities - Solutions	**1,589.3**	1,028.8	1,160.0
Debt securities - EMTN	**334.0**	—	—
	1,923.3	1,028.8	1,160.0

Solutions represent structured notes issued by the Group’s subsidiary Marex Financial (within the Solutions business unit) that offer investors returns that are linked to the performance of a variety of asset classes. The market risk associated with these instruments is economically hedged through holding cryptocurrencies, futures, options and equity instruments in the underlying products.

EMTN represent €300 million nominal fixed rate senior 5-year notes issued by the Company and represent unsecured obligations of the issuer. The notes were issued on 26 January 2023 and have a maturity date of 2 February 2028. The notes have been given a BBB- rating by S&P and pay 8.375% coupon annually.

7 Trade and Other Payables

	30 June 2023 (unaudited) $m	30 June 2022 (unaudited) $m	31 December 2022 $m
Trade payables	**6,034.8**	3,692.2	6,189.7
Amounts due to exchanges, clearing houses and other counterparties	**144.6**	146.9	180.0
Other tax and social security taxes	**10.7**	5.3	5.5
Other creditors	**61.5**	8.1	11.9
Accruals	**321.1**	131.6	259.5
Deferred income	**1.1**	1.2	1.0
	6,573.8	3,985.3	6,647.6

Included in trade payables and amounts due to exchanges, clearing houses and other counterparties are segregated balances of $4,829.1 million as at 30 June 2023 (31 December 2022: $4,715.5 million) and non-segregated balances of $1,350.3 million as at 30 June 2023 (31 December 2022: $1,654.2 million).

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

8 Client Money

As required by the UK FCA's Client Assets Sourcebook ('CASS') rules and the CFTC's client money rules, the Group maintains certain balances on behalf of clients with banks, exchanges, clearing houses and brokers in segregated accounts. Segregated assets governed by the UK FCA's CASS rules and the related liabilities to clients, whose recourse is limited to segregated accounts, are not included in the Group's balance sheet where the Group is not beneficially entitled thereto and does not share any of the risks or rewards of the assets. Excess Group cash placed in US segregated accounts to satisfy US regulations and securities held in US segregated accounts are recognised on the Group's balance sheet.

	30 June 2023 (unaudited) $m	30 June 2022 (unaudited) $m	31 December 2022 $m
Segregated assets at banks (not recognised)	**3,475.5**	2,150.6	4,447.4
Segregated assets at exchanges, clearing houses and other counterparties (not recognised)	**1,913.9**	1,942.0	3,442.8
Segregated assets at exchanges, clearing houses and other counterparties (recognised)	**5,083.6**	3,279.8	5,059.4
	10,473.0	7,372.4	12,949.6

MAREX