

XTX Holdings (UK) Limited (the “Group”)

Strategic report

For the year ended 31 December 2023

The board of directors (“the Board”) is committed to ethical business conduct and expects the highest standards of integrity to be followed by the Directors and all employees. The Directors are satisfied that they have acted in accordance with their S.172(1) duty and have taken decisions likely to promote the success of the Group for the benefit of its members as a whole, having regard (amongst other matters) to factors (a) to (f) of S.172(1) of the Companies Act. The Chair of the Board reminded the Board, as a standing agenda item, at each Board meeting of their S.172(1) duty and that it should be a consideration for any decisions that they take. Discussed below are some examples of how the Board have had regard to the matters set out in sections 172(1)(a)-(f) when discharging their section 172 duties.

The Board’s primary objective is promoting the success of the Group in the interests of its stakeholders. The Group aims to use its leading technology to help promote more fair and efficient financial markets.

The Board regularly assesses the effectiveness of the Group’s governance arrangements and its long term value creation strategies. In arriving at these decisions the Board has assessed the likely consequences of any decision in the long term, the need to foster the Group’s business relationships with suppliers, and other counterparties, the impact of the broader Group’s operations on the broader community and the desirability of the Group maintaining a reputation for high standards of business conduct.

Shareholders

The Board ensures that shareholder views are understood prior to decision-making. It therefore considers other companies in the wider Group to be important stakeholders and gives consideration to any operational or financial interaction between them. The Group complies with the treasury policy of the XTX Holdings group (the “wider Group”) which seeks to optimise the capital base of the wider Group entities.

Suppliers

The Board promotes a policy of paying the suppliers of the Group with no undue delays in order to foster the Group’s business relationships with suppliers. The Group continued to improve the accounts payable process during the year to ensure greater reliability, efficiency and transparency of the Group’s payment processes. The Group’s standard payment terms are 30 days from the date the invoice was received. According to the published payment practices data for the Group’s main UK subsidiaries for 2023, the average time taken to pay third party suppliers was 16.2 days (2022: 27 days).

Regulators and market standards:

The Group takes an open and co-operative approach with the relevant regulators of the Group’s principal trading subsidiaries. The Group continued to participate in various industry initiatives to

improve governance and market conduct behaviour including participating in various regulatory working groups. In respect of the Global FX Code, the Group has signed a Statement of Commitment adhering to the FX and metals Global Codes and is committed to conducting its foreign exchange market activities in a manner consistent with the principles of the Code. When taking decisions, the Board consider the views of industry codes, regulators, exchanges and counterparties.

The wider community

The Board is also keen to support the wider communities in which the Group operates. The Group has donated £56.6m to charities and good causes in the year ending 31 December 2023 (2022: £44.0m), establishing the Group as a major donor in the UK and globally. This includes an on-going philanthropy programme, plus a series of fast grants during times of crisis, such as the Covid pandemic and the Ukraine war, where the Group donated over £24m to causes including £15111 to establish an 'Academic Sanctuaries Fund' which is supporting displaced students and researchers alongside some universities.

One of the philanthropic priorities is maths and science education and the Group aim to support more students to progress to degrees, PhDs and highly-skilled careers, especially those from disadvantaged backgrounds. In 2023, the Group set-up a £7m 'Maths Excellence Fund' focused on supporting attainment and progression in maths from ages 11 to 18 in the UK and increasing the number of students on track to succeed in A-level maths and beyond.

The Board is also focused on the Group's environmental impact and has introduced a carbon removal programme for employees as well as pledging to remove our CO2 emissions and avoid energy usage from fossil fuels.

Future outlook

The Board remains focused on ensuring the business _delivers on managing risks, building sustainability and developing an appropriate framework for growth. The Group is expected to continue to trade profitably to support organic growth. The Board is continually assessing the changing market and regulatory landscape to ensure it can evolve and adapt to changes in counterparty and operational demands. The directors do not anticipate further changes in the Group's core activities in the foreseeable future.