

Significant Risk Factors and Uncertainties

Risks Relating to the Legal and Regulatory Framework Applicable to the Industry in which the Group Operates

- The vast majority of the Group's revenue depends upon the maintenance of licences from regulators.
- Non-compliance with the regulatory framework of jurisdictions in which the Group's offering is available could adversely affect the Group's profitability and may result in the suspension, revocation or amendment of its licences and/or other enforcement action.
- Increased regulatory scrutiny of the industry in which the Group operates could adversely affect the Group's revenue, business and profitability.
- Changes to the EU regulatory framework and current and proposed EU regulations and directives could restrict the Group's business, and the implementation of necessary changes to comply with them could place a significant demand on the Group's resources.
- The Group is required to conduct "appropriateness tests" on customers.
- Operating online in different jurisdictions exposes the Group to a number of risks which may have a significant adverse effect on the Group's business and operations.
- The Group may not adequately discharge its obligations under anti-money laundering, anti-bribery and corruption and financial sanctions laws and regulations.
- Customer complaints may affect the Group's business and operations.
- The requirement to maintain regulatory capital may affect the Group's ability to distribute profits and/or restrict expansion which may affect the Group's ability to conduct its business and may reduce profitability.
- The Group may be held liable for the activities of its affiliates under the "500Affiliates" programme.
- Laws, regulations or rules in the jurisdictions where the Group operates, or where its offering is available, could result in customer agreements being deemed unenforceable as against the customer.
- The Group must comply with data protection and privacy laws and may be targeted by cybercriminals.
- Financial promotions regimes and other regulations may impact on the Group's ability to advertise.
- The Group is subject to rules regulating how it holds customer money.
- The Group is dependent on banks, credit card companies, payment processors and financial institutions for payment processing and cash holding.
- The introduction of a European Financial Transaction Tax ("EU FTT") could adversely affect the Group's profitability.
- Changes in tax law could adversely affect the Group's profitability.

Risks Relating to the Group's Trading Activities

- If the Group fails to attract New Customers and maintain its Active Customers, its growth may be impaired.
- The Group faces risks associated with the implementation of its business strategy.
- The Group faces significant competition.
- Reduction in trading volume and market activity and low market volatility could harm the Group's profitability.
- Political and economic events within the EEA may harm the Group's operations.
- Any significant decline in the market for CFDs could significantly harm the Group's business.
- Any significant decline in the cryptocurrency market could significantly harm the Group's business.

- The Group's customer, geographical and product sector focus could leave the Group exposed
- to certain concentration risks.
- The Group may suffer losses if its reputation is harmed.
- The Group depends on its senior management team, and if it is unable to retain its current personnel and hire qualified additional personnel, its ability to implement its growth strategy and compete in its industry could be harmed.
- Financial risk limitation policies, procedures and practices may not be effective and may leave the Group exposed to certain risks.
- Losses due to fraud and other misconduct by customers could have a material adverse effect on the Group's business.
- A reduction in the availability of credit and debit cards and alternative payment systems for customers of the Group's operations and/or complaints to credit and debit card providers and alternative payment system processors could damage the Group's business.
- The Group is exposed to litigation risk.

Risks Relating to the Group's Trading Systems

- Systems failures or delays could materially harm the Group's business.
- Network security breaches could result in the Group losing customers and being held criminally or civilly liable.
- In order to compete effectively, the Group must keep up with rapid technological changes and changes in its customers' requirements and preferences.
- The Group is partially dependent on third parties, including infrastructure suppliers, data providers and data sources, and online marketing service providers.
- The terms on which the Group has contracted with certain customers, affiliates and suppliers may not be standard.
- Any inability of the Group to protect or continue the current use of its proprietary intellectual property could adversely affect its business.

Risks Relating to the Group's Financial Condition

- A referendum held in the UK on 23 June 2016 resulted in a vote in favour of the UK leaving the EU ("Brexit") which could have a significant impact on the Group, the value of the Company's investments and the value of the Ordinary Shares.
- The Group's financial results may be adversely affected by currency fluctuations.
- The Group could be negatively affected by a significant macroeconomic or unexpected market event.
- The Group's insurance coverage may be inadequate to cover its losses in respect of claims made against the Group.

Risks Relating to the Group's Domicile and Operations in Israel

- Security, political and economic instability in the Middle East and Israel in particular may harm the Group's business.
- It may be difficult to enforce an English judgment against the Company or its officers and directors, to assert English securities laws claims in Israel or serve process on certain of the Company's officers and directors.
- The rights and responsibilities of the Company's shareholders are governed by Israeli law and differ in some respects from the rights and responsibilities of shareholders under English law.
- The Takeover Code does not apply.

Risks Relating to the Ordinary Shares and the DIs

- Suitability of the Ordinary Shares as an investment.
- Fluctuations in the price of the Ordinary Shares in response to a number of factors, some of which may be out of the Company's control.
- The Company cannot assure investors that it will make dividend payments in the future.
- Future sales of Ordinary Shares could depress the market price of the Ordinary Shares.
- If securities or industry analysts do not continue to publish research or reports about the Group's business, or if they downgrade their recommendations, the market price of the Ordinary Shares and their trading volume could decline.
- Holders of DIs must rely on the Depositary or the Custodian to exercise rights attaching to the underlying Ordinary Shares for the benefit of the DI holders.