

21 April 2021

Plus500 Ltd.
("Plus500", "the Company" or together with its subsidiaries "the Group")
Acquisition

Plus500 continues transition towards becoming a global multi-asset fintech group with first entry into the United States ("US") futures & options on futures market

Plus500, a leading technology platform for trading Contracts for Difference ("CFDs") internationally, today announces that it has conditionally agreed to acquire all of the membership interests of Cunningham Commodities LLC. ("Cunningham"), a regulated Futures Commission Merchant ("FCM"), and Cunningham Trading Systems LLC. ("CTS"), a technology trading platform provider, operating in the futures and options on futures market in the US (together "the Acquisition").

Compelling strategic rationale

The Acquisition represents a major growth opportunity for Plus500, allowing the Company to instantly expand its geographic footprint and product offering in the significantly growing, but under-penetrated, US retail trading market in futures and options on futures. The Acquisition is expected to:

- Deliver a substantial opportunity for Plus500 to leverage its best-in-class technology to enable market access to the millions of US retail investors looking for new trading opportunities;
- Ensure immediate access to, and the requisite licenses to operate in, the sizable and growing US market, where the Company does not currently operate or have a presence;
- Expand Plus500's product offering into the US, with the Group entering the growing futures and options on futures market for the first time, diversifying its sources of revenue;
- Represent another step in Plus500's transition towards becoming a global, multi-asset fintech group; and
- Align with the Group's strategy of accessing future growth through organic investment in its technology as well as targeted bolt-on acquisitions.

Plus500 intends to apply its considerable financial and technological strength, as well as its substantial technological marketing expertise and resources, to scale and develop the acquired businesses over time, with a view to delivering long term shareholder value.

The Acquisition consideration of approximately US\$30m will be funded from Plus500's existing cash balances and paid on completion, subject to certain adjustments. Portions of the consideration are to be held in escrow for two years from completion of the Acquisition, for retention purposes.

For the year ending 31 December 2020, Cunningham generated gross revenue of approximately US\$19m and profit before tax of approximately US\$0.6m, with gross assets of approximately US\$70m, and brings with it a scarce and valuable license to operate in the futures and options on futures market in the US.

The Acquisition is expected to be earnings accretive in its first full year and is expected to be completed during Q3 2021, subject to the receipt of certain regulatory approvals and other closing conditions.

Cunningham and CTS – regulated FCM and Futures technology platform

Based in Illinois, and established in 1982, Cunningham is registered as an FCM with the Commodity Futures Trading Commission ("CFTC"), is a member of National Futures Association ("NFA") and is a clearing member of the Chicago Board of Trade, Division of CME Group, Inc. ("CBOT").

Cunningham has a long-standing track record in the US futures and options on futures market, including strong relationships with direct customers, introducing brokers and futures exchanges, including the Chicago Mercantile Exchange (“CME”), the Intercontinental Exchange (“ICE”) and Eurex.

CTS is a software company which has developed and operates T4, a sophisticated technology platform recognised by the leading futures exchanges which supports Cunningham and other FCMs to help their customers to trade futures and options on futures contracts.

Cunningham and CTS are operated by highly experienced management teams, led by their respective founders, Bill Cunningham, Andrew Busby and Nate Ostrye, who will continue to lead the businesses following completion of the Acquisition.

Leveraging Plus500’s best-in-class technology to deliver long term future growth of Cunningham:

It is intended that Plus500’s planned integration of Cunningham and CTS will leverage the following elements of Plus500’s best-in-class technology to scale CTS’s proprietary technology platform, enabling the future growth and development of Cunningham’s FCM business over the long term:

- Market-leading technological expertise;
- Robust system architecture;
- Proprietary marketing technologies, ROI-driven to drive further growth;
- Risk management capability;
- Diverse payment processing technologies and partnerships;
- Ability to manage service delivery to a mass audience; and
- Expertise in scaling operations to support platform growth.

US futures and options on futures market – major growth opportunity

The futures and options on futures market in the US represents a major growth opportunity for Plus500, particularly as a result of an increasing focus on futures exchanges in catering for retail investment in recent years. Since 2017, there has been an 84% growth in retail trading volumes in the US futures and options on futures market, with the retail market now estimated to be worth c.US\$2bn globally¹.

The US retail investor base is expanding, with growth in the futures and options on futures market being driven by substantial investment flows from equity markets. While the market continues to be predominantly driven by institutional investors, it is being disrupted by an increasing proportion of retail investment, due to a greater level of access, improved affordability and a strong reputation, with a number of leading, blue chip investment banks facilitating retail investor trading. Growth is being further driven by initiatives introduced by futures exchanges, such as the CME, with the recent introduction of Micro E-mini contracts, enabling traders with a more cost-efficient way to gain access to the growing futures market.

The futures and options on futures market in the US is highly regulated, under the Commodity Exchange Act (“CEA”), which subjects FCMs to the rules and regulations of the NFA and the CFTC, as well as of the various exchanges on which customers trade.

David Zruia, Chief Executive Officer of Plus500, commented:

“We are delighted to announce Plus500’s first acquisition and first entry into the US market. With a combination of Plus500’s best-in-class technology and Cunningham’s and CTS’s existing infrastructure, we expect to develop and scale the business in the growing US market and deliver long term shareholder value.

“The acquisition represents an important strategic step for Plus500 as we continue to transition into a global, multi-asset fintech group. Our long-term ambition is to enable simplified, universal access to financial markets, and I’m excited that we have taken a further step toward achieving this today.”

¹ Source: CME, CBOT, NYMEX, ICE, FIA and internal estimates. All figures are approximate

Bill Cunningham, Andrew Busby and Nate Ostrye, the founders of Cunningham and CTS, commented:

"We are very pleased to become part of Plus500, given its focus on technology and innovation and its strong track record of growth, as we look to grow and enhance Cunningham and CTS over time. We are looking forward to a successful future together as we take the businesses to the next level of their development."

For further details

Plus500 Ltd

Elad Even-Chen, Chief Financial Officer

+972 4 8189503

Rob Gurner, Head of Investor Relations

+44 7825 189088

ir@Plus500.com

MHP Communications (for non-US-based media)

+44 20 3128 8570

Reg Hoare, Rachel Mann, Pete Lambie

Plus500@mhpc.com

Prosek (for US-based media)

+1 212 279 3115

David Wells, John Perilli, Forrest Gitlin

pro-plus500@prosek.com

About Plus500

Plus500 operates a proprietary technology platform for individual customers to trade CFDs internationally. The Group offers more than 2,500 different underlying global financial instruments, comprising equities, indices, commodities, options, ETFs, foreign exchange and cryptocurrencies. Customers of Plus500 can trade CFDs in more than 50 countries and in 32 languages. The trading platform is accessible from multiple operating systems (Windows, iOS, Android and Surface) and web browsers. Plus500 retains operating licences and is regulated in the United Kingdom, Australia, Cyprus, Israel, New Zealand, South Africa, Singapore and the Seychelles. Plus500 does not permit individuals located in the US to trade CFDs on Plus500's platform.

Customer care is and has always been integral to Plus500, as such, customers cannot be subject to negative balances. A free demo account is available on an unlimited basis for platform users and sophisticated risk management tools are provided free of charge to manage leveraged exposure, and stop losses to help customers protect profits, while limiting capital losses. Plus500 does not utilise cold calling techniques and does not offer binary options. Plus500 shares have a premium listing on the Main Market of the London Stock Exchange (symbol: PLUS) and are a constituent of the FTSE 250 index. www.plus500.com

This announcement contains inside information for the purposes of Article 7 of Regulation (EU) No 596/2014 which is part of UK law by virtue of the European Union (Withdrawal) Act 2018.

Forward looking statements

This announcement contains statements that are or may be forward-looking statements. All statements other than statements of historical facts included in this announcement may be forward-looking statements, including statements that relate to the Company's future prospects, developments and strategies. The Company does not accept any responsibility for the accuracy or completeness of any information reported by the press or other media, nor the fairness or appropriateness of any forecasts, views or opinions expressed by the press or other media regarding the Group. The Company makes no representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication.

Forward-looking statements are identified by their use of terms and phrases such as "believe", "targets", "expects", "aim", "anticipate", "projects", "would", "could", "envisage", "estimate", "intend", "may", "plan", "will" or the negative of those, variations or comparable expressions, including references to assumptions. The forward-looking statements in this announcement are based on current expectations and are subject to known and unknown risks and uncertainties that could cause actual results, performance and achievements to differ materially from any results, performance or achievements expressed or implied by such forward-looking statements. Factors that may cause actual results to differ materially from those expressed or implied by such forward looking statements include, but are not limited to, those described in the risk factors in the Company's

Annual Report and Accounts. These forward-looking statements are based on numerous assumptions regarding the present and future business strategies of such entity and the environment in which each will operate in the future. All subsequent oral or written forward-looking statements attributed to the Company or any persons acting on its behalf are expressly qualified in their entirety by the cautionary statement above. Each forward-looking statement speaks only as at the date of this announcement. Except as required by law, regulatory requirement, the Listing Rules and the Disclosure Guidance and Transparency Rules, neither the Company nor any other party intends to update or revise these forward-looking statements, whether as a result of new information, future events or otherwise.