



## US Acquisitions

Plus500 to acquire Cunningham Commodities LLC. ("Cunningham") and Cunningham Trading Systems LLC. ("CTS")



# Plus500 Vision: “Enabling simplified, universal access to financial markets”

Vision and strategy supported by healthy balance sheet and track record of innovation

Driven by continued investment to scale our technology



through best-in-class technology



through global scale  
with localised service



through broad product range

# Our long term revenue opportunities



CFD offering in new & existing markets



New trading products, including futures  
*Cunningham and CTS*



New financial products



Deeper customer engagement



# Plus500 as a multi-asset FINTECH GROUP

Structure of Plus500 in 5 years



“Evolving from a technology company solely focused on CFDs to a **multi-asset FINTECH GROUP**”

New Monetisation and Retention Technologies

## Acquisition overview

### + Companies to be acquired

- + Cunningham Commodities LLC, Futures Commission Merchant - with a scarce and valuable licence
- + Cunningham Trading Systems LLC - technology trading platform provider

### + Acquisition details

- + Consideration of approx. US\$30m to be funded from Plus500's existing cash balances and paid on completion, subject to certain adjustments
- + Expected earnings accretive in the first full year
- + Expected to close during Q3 2021
- + Subject to receipt of certain regulatory approvals and other closing conditions

### + Ensures further progress in Plus500's transition towards becoming a global, multi-asset fintech group over time

### + Major growth opportunity to expand geographic footprint and product offering

- + Delivers immediate access to, and license to operate in, sizable and growing US futures market
- + Expands Plus500's product offering to include futures and options on futures



CUNNINGHAM COMMODITIES, LLC.



Plus500



# Revolutionising access to futures markets through a simplified cutting-edge technology platform

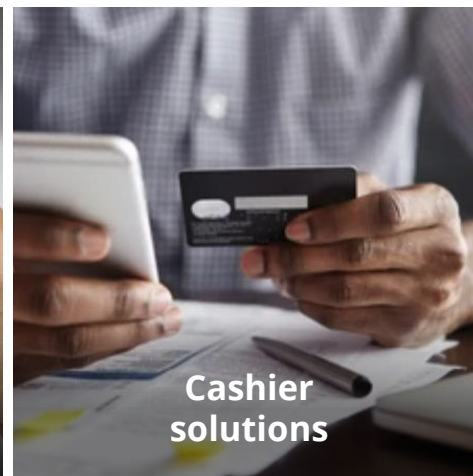
Acquisition fully aligned with Plus500 Vision



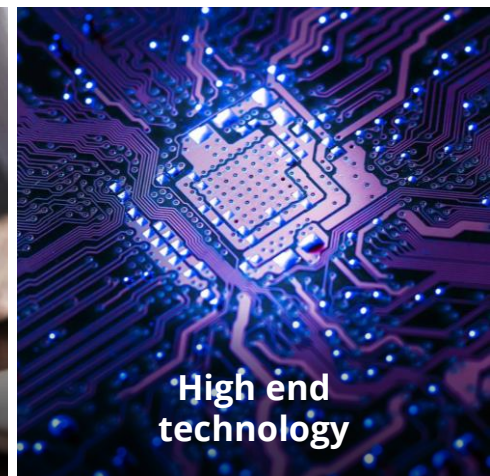
Omni-Channel trading platform



enabling broader marketing reach with optimised ROI



enabling greater opportunity to fund customer accounts



in the regulatory area

# New trading products

## Expansion into US futures and options on futures

### Major global market opportunity

\$2.1bn addressable market (estimated Global futures and options on futures retail revenue)

### Strong market growth in the US

84% growth in retail trading volumes in futures & options on futures in US since 2017

### Futures & options on futures cover a wide range of asset classes for investors to access

Including commodities, indices, currencies, interest rates and crypto

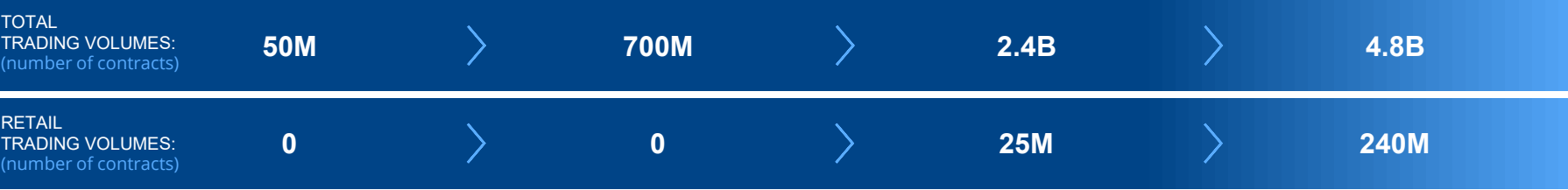
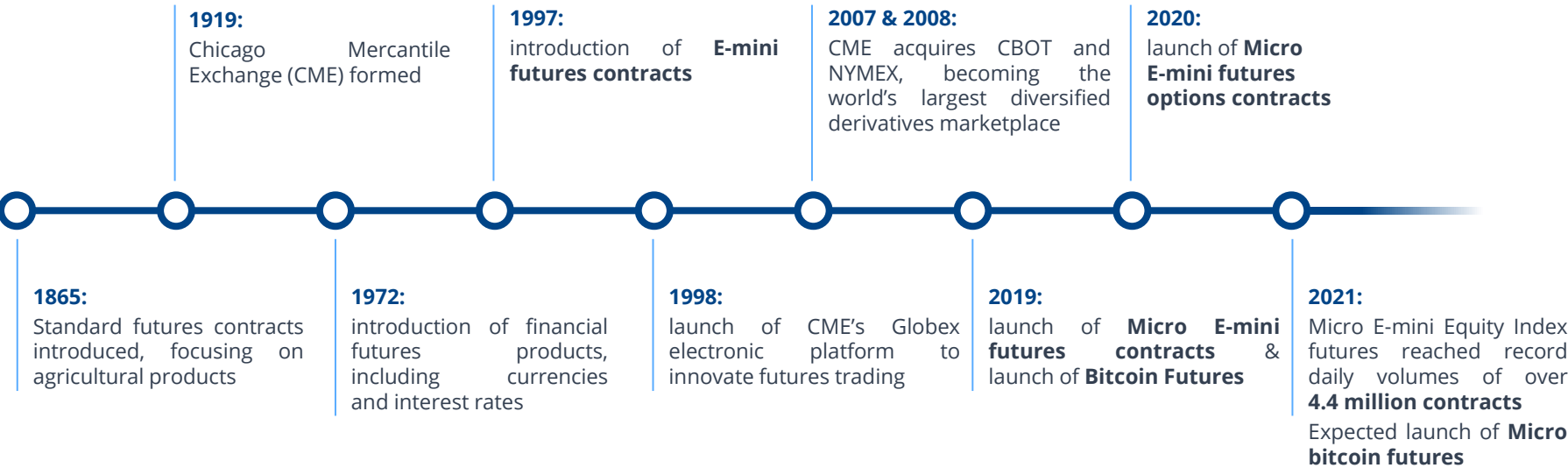
### Retail investor audience relatively under-penetrated but growing in the US

Majority of c.65 US FCMs mainly focused on institutional investors

5% of Futures contracts in US have retail origin

Retail investors represent a substantial opportunity as evidenced by Micro E-mini contract volumes hitting record trading levels, having only launched in 2019

# US futures market: a history of innovation





# US futures market

Growing US retail investor interest presents a major opportunity...

- ✦ A growing market, driven by flow of investment from equities
- ✦ Strong reputation, with blue chip investment banks providing facilitating trading
- ✦ Market being disrupted by increasing retail investment
- ✦ Introduction by Exchanges of Micro E-mini contracts - to enable greater accessibility of retail investors
- ✦ Enables more affordable intra-day margin trading
- ✦ Consequent increase in accessibility for retail investors

...to further  
improve accessibility  
and simplicity for  
retail investors

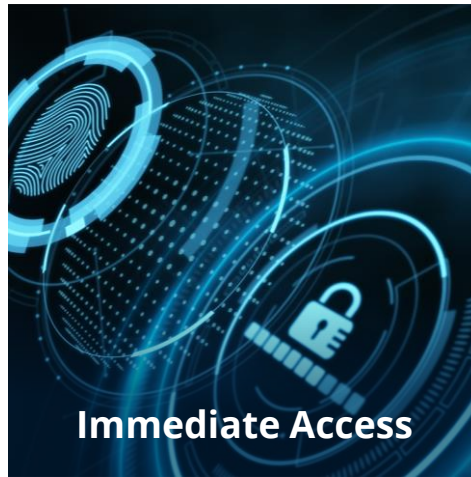
# Acquisition rationale for Plus500

## Strategic alignment



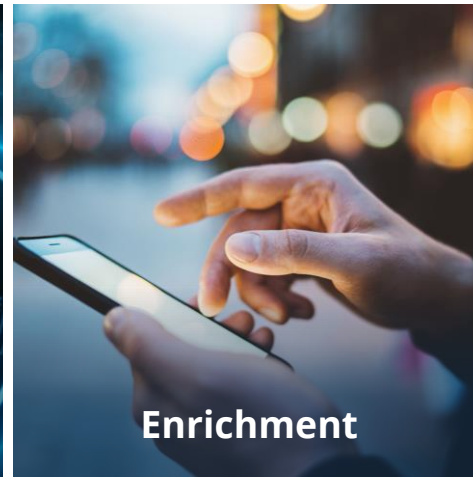
### Acceleration

Enables acceleration of Plus500's growth strategy



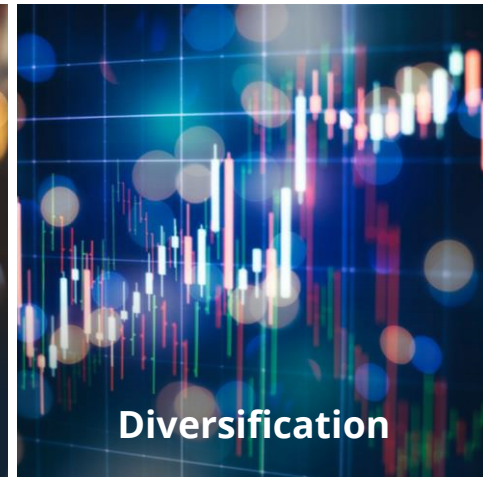
### Immediate Access

Delivers immediate access to new market and new products



### Enrichment

Enables enrichment of experience for customers



### Diversification

Drives diversification of business model

# Application of Plus500's best-in-class technology to Cunningham's platform

Technology leverage is the key value driver

- + 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
- + Overall ability to manage service delivery to a mass audience
- + Scalable operations to support growth

Plus500 will be able to offer simple trading futures for mass retail audience by leveraging our technology-based capabilities



# Delivering long term value

Benefits for shareholders



## Revenue diversification

Through an enhanced product portfolio



## Technology leverage

Implementing Plus500 technology platform to enhance Acquisition's customer offering



## Talent acquisition

Highly skilled workforce – with experience of US market and regulatory framework



## Competitive differentiation

By ensuring Plus500's service offering remains attractive for customers



## Geographic expansion

Plus500's first step into US market



## Further scale

Continued development of Plus500's global trading platform