

**Plus500** IT'S TRADING WITH A PLUS

# CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

30 JUNE 2022



**Plus500 LTD.**

CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

(Unaudited)

30 JUNE 2022

**Plus500 LTD.**

**CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**

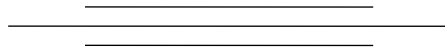
(Unaudited)

30 JUNE 2022

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The amounts are presented in U.S. dollars (\$) in millions.





## Review Report of Interim Financial Information

### Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of Plus500 Ltd. and its subsidiaries (the "Group") as of 30 June 2022 and the related condensed consolidated statement of comprehensive income, changes in equity and cash flows for the six-month period then ended. Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") as issued by the International Accounting Standards Board. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

### Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of interim financial information performed by the independent auditor of the entity'. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34 as issued by the International Accounting Standards Board.

Tel Aviv, Israel  
August 17, 2022

Kesselman & Kesselman  
Certified Public Accountants (Isr.)  
A member firm of PricewaterhouseCoopers International Limited

**Plus500 LTD.**  
**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022 (UNAUDITED)**

	<b>Note</b>	<b>Six months ended 30 June</b>		<b>Year ended</b>
		<b>2022</b>	<b>2021</b>	<b>31 December</b>
		<b>(Unaudited)</b>		<b>2021</b>
		<b>(Audited)</b>		
<b>U.S. dollars in millions</b>				
<b>TRADING INCOME</b>	4	511.4	346.2	718.7
Selling and marketing expenses	5	169.5	131.4	279.8
Administrative and general expenses	6	38.3	28.4	54.3
<b>OPERATING PROFIT</b>		303.6	186.4	384.6
Financial income		17.1	5.5	10.4
Financial expenses		8.1	3.2	8.6
<b>FINANCIAL INCOME, NET</b>		9.0	2.3	1.8
<b>PROFIT BEFORE INCOME TAX</b>		312.6	188.7	386.4
<b>INCOME TAX EXPENSE</b>	8	68.5	23.6	75.8
<b>PROFIT AND COMPREHENSIVE INCOME FOR THE PERIOD</b>		<u>244.1</u>	<u>165.1</u>	<u>310.6</u>
<b>Basic earnings per share (In U.S. dollars)</b>	9	<u>2.46</u>	<u>1.62</u>	<u>3.06</u>
<b>Diluted earnings per share (In U.S. dollars)</b>	9	<u>2.43</u>	<u>1.61</u>	<u>3.05</u>

The accompanying notes are an integral part of the condensed consolidated interim financial information.

**Plus500 LTD.**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**30 JUNE 2022 (UNAUDITED)**

	Note	As of		As of
		30 June		31 December
		2022	2021	2021
		(Unaudited)		(Audited)
U.S. dollars in millions				
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment		2.5	2.7	2.6
Goodwill and other intangible assets, net	15	39.9	-	28.0
Right of use assets		5.0	7.2	5.6
Long term other receivables		4.7	2.3	4.4
<b>Total non-current assets</b>		<b>52.1</b>	<b>12.2</b>	<b>40.6</b>
<b>Current assets</b>				
Income tax receivable		-	4.2	-
Other receivables and others		24.9	31.1	32.7
Cash and cash equivalents		995.5	722.5	749.5
<b>Total current assets</b>		<b>1,020.4</b>	<b>757.8</b>	<b>782.2</b>
<b>TOTAL ASSETS</b>		<b>1,072.5</b>	<b>770.0</b>	<b>822.8</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Lease liabilities (net of current maturities)		3.0	6.1	4.2
Share based compensation		1.0	4.1	0.3
Deferred tax liability		7.9	-	-
<b>Total non-current liabilities</b>		<b>11.9</b>	<b>10.2</b>	<b>4.5</b>
<b>Current liabilities</b>				
Dividend	10	59.9	84.9	-
Share based compensation		7.0	5.4	7.3
Income tax payable		114.6	32.6	89.9
Other payables		59.1	19.1	41.7
Service suppliers		12.7	18.3	15.5
Current maturities of lease liabilities		2.0	1.9	2.0
Trade payables – due to clients	12	7.0	0.5	0.6
<b>Total current liabilities</b>		<b>262.3</b>	<b>162.7</b>	<b>157.0</b>
<b>TOTAL LIABILITIES</b>		<b>274.2</b>	<b>172.9</b>	<b>161.5</b>
<b>EQUITY</b>				
Ordinary shares		0.3	0.3	0.3
Share premium		22.2	22.2	22.2
Cost of Company's shares held by the Company	11	(258.9)	(186.8)	(207.5)
Retained earnings		1,034.7	761.4	846.3
<b>Total equity</b>		<b>798.3</b>	<b>597.1</b>	<b>661.3</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>1,072.5</b>	<b>770.0</b>	<b>822.8</b>

**David Zruia**

Chief Executive Officer

**Elad Even-Chen**

Group Chief Financial Officer

**Prof. Jacob A. Frenkel**

Non-Executive Director and Chairman

Date of approval of the condensed consolidated interim financial information by the Company's Board of Directors: 17 August 2022

Registered Company number (Israel): 514142140

**The accompanying notes are an integral part of the condensed consolidated interim financial information.**

Plus500 LTD.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022 (UNAUDITED)

	Ordinary shares	Share premium	Cost of Company's shares held by the Company	Retained earnings	Total
	U.S. dollars in millions				
<b>BALANCE AT 1 JANUARY 2022 (audited)</b>	0.3	22.2	(207.5)	846.3	661.3
<b>CHANGES DURING THE SIX MONTHS ENDED 30 JUNE 2022 (unaudited):</b>					
Profit and comprehensive income for the period	-	-	-	244.1	244.1
Share based compensation	-	-	-	4.5	4.5
<b>TRANSACTION WITH SHAREHOLDERS:</b>					
Dividend	-	-	-	(59.9)	(59.9)
Issue of treasury shares to settle equity share based compensations	-	-	0.3	(0.3)	-
Acquisition of treasury shares	-	-	(51.7)	-	(51.7)
<b>BALANCE AT 30 JUNE 2022 (unaudited)</b>	<u>0.3</u>	<u>22.2</u>	<u>(258.9)</u>	<u>1,034.7</u>	<u>798.3</u>
<b>BALANCE AT 1 JANUARY 2021 (audited)</b>	0.3	22.2	(145.7)	678.8	555.6
<b>CHANGES DURING THE SIX MONTHS ENDED 30 JUNE 2021 (unaudited):</b>					
Profit and comprehensive income for the period	-	-	-	165.1	165.1
Share based compensation	-	-	-	3.8	3.8
<b>TRANSACTION WITH SHAREHOLDERS:</b>					
Dividend	-	-	-	(84.9)	(84.9)
Issue of treasury shares to settle equity share based compensations	-	-	1.4	(1.4)	-
Acquisition of treasury shares	-	-	(42.5)	-	(42.5)
<b>BALANCE AT 30 JUNE 2021 (unaudited)</b>	<u>0.3</u>	<u>22.2</u>	<u>(186.8)</u>	<u>761.4</u>	<u>597.1</u>
<b>BALANCE AT 1 JANUARY 2021 (audited)</b>	0.3	22.2	(145.7)	678.8	555.6
<b>CHANGES DURING THE YEAR ENDED 31 DECEMBER 2021 (audited):</b>					
Profit and comprehensive income for the year	-	-	-	310.6	310.6
Share based compensation	-	-	-	4.9	4.9
<b>TRANSACTION WITH SHAREHOLDERS:</b>					
Dividend	-	-	-	(144.9)	(144.9)
Issue of treasury shares to settle equity share based compensations	-	-	3.1	(3.1)	-
Acquisition of treasury shares	-	-	(64.9)	-	(64.9)
<b>BALANCE AT 31 DECEMBER 2021 (audited)</b>	<u>0.3</u>	<u>22.2</u>	<u>(207.5)</u>	<u>846.3</u>	<u>661.3</u>

The accompanying notes are an integral part of the condensed consolidated interim financial information.

**Plus500 LTD.**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022 (UNAUDITED)**

	Note	Six months ended 30 June		Year ended 31 December
		2022	2021	2021
		(Unaudited)		(Audited)
U.S. dollars in millions				
<b>OPERATING ACTIVITIES:</b>				
Cash generated from operations	13	344.9	163.4	383.0
Income tax received (paid), net		(32.9)	7.9	16.3
Interest received, net		2.2	4.1	6.2
Net cash flows provided by operating activities		<u>314.2</u>	<u>175.4</u>	<u>405.5</u>
<b>INVESTING ACTIVITIES:</b>				
Acquisition of subsidiaries, net of cash acquired	15	(4.6)	-	(32.5)
Purchase of property, plant and equipment		(0.3)	(0.5)	(0.8)
Net cash flows used in investing activities		<u>(4.9)</u>	<u>(0.5)</u>	<u>(33.3)</u>
<b>FINANCING ACTIVITIES:</b>				
Dividend paid to equity holders of the Company		-	-	(144.9)
Payment of principal in respect of leases liabilities		(1.1)	(1.0)	(2.0)
Acquisition of treasury shares	11	(51.7)	(42.5)	(64.9)
Net cash flows used in financing activities		<u>(52.8)</u>	<u>(43.5)</u>	<u>(211.8)</u>
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>		256.5	131.4	160.4
<b>BALANCE OF CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>		749.5	593.9	593.9
Gains (losses) from effects of exchange rate changes on cash and cash equivalents		(10.5)	(2.8)	(4.8)
<b>BALANCE OF CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>		<u>995.5</u>	<u>722.5</u>	<u>749.5</u>

The accompanying notes are an integral part of the condensed consolidated interim financial information.



## NOTE 1 – GENERAL INFORMATION

### Information on activities

Plus500 Ltd. (the “Company”) and its subsidiaries (the “Group”) is a global multi-asset fintech group operating proprietary technology-based trading platforms. Plus500 offers customers a range of trading products, including OTC (“Over-the-Counter” products, namely Contracts for Difference (CFDs)), share dealing, as well as futures and options on futures. The Company has developed and operates an online and mobile trading platform within the OTC sector, enabling its international customer base of individual customers to trade OTC products on over 2,500 underlying financial instruments internationally.

The Group’s offering is available internationally with main market presence in the UK, Australia, the US, the European Economic Area (“EEA”) and the Middle East and has customers located in more than 50 countries worldwide. The Group operates through operating subsidiaries regulated by the Financial Conduct Authority (“FCA”) in the UK, the Australian Securities and Investments Commission (“ASIC”) in Australia, the Cyprus Securities and Exchange Commission (“CySEC”) in Cyprus, the Israel Securities Authority (“ISA”) in Israel, the Financial Markets Authority (“FMA”) in New Zealand, the Financial Sector Conduct Authority (“FSCA”) in South Africa, the Monetary Authority of Singapore (“MAS”) in Singapore, the Financial Services Authority (“FSA”) in the Seychelles, the Commodities Futures Trading Commission (“CFTC”) in the US, the Estonian Financial Supervision Authority (“EFSA”) in Estonia and the Financial Services Agency (“FSA”) in Japan.

The Company also has a subsidiary in Bulgaria which provides operational services to the Group.

The Company has been listed since 2013 on the London Stock Exchange. Since 2018, Plus500 Ltd. has been a FTSE 250 listed entity, following the Company’s shares being admitted to the premium listing segment of the Official List and to trading on the London Stock Exchange Main Market for listed securities.

The Group operates in three operating sectors: OTC-CFD trading; share dealing; and futures and options on futures. The Group presents its operation as one operating segment.

The address of the Company’s principal offices is Building 25, Matam, Haifa 3190500, Israel.

## NOTE 2 – BASIS OF PREPARATION

### Basis of accounting and accounting policies

These condensed consolidated interim financial information for the six month period ended 30 June 2022 have been prepared in accordance with IAS 34 - ‘Interim financial reporting’ as issued by the International Accounting Standards Board. The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2021, which have been prepared in accordance with IFRS. This condensed consolidated interim financial information is reviewed and not audited.

### Going concern

The Group has considerable financial resources, a broad range of financial instruments and a substantial active customer base which is geographically diversified. As a consequence, the Company’s Board of Directors (the “Board”) believes that the Group is well placed to manage its business risks in the context of the current economic outlook. Accordingly, the Board has a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Board therefore continues to adopt the going concern basis in preparing this condensed consolidated interim financial information.

Plus500 LTD.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (continued)

**NOTE 3 – ACCOUNTING POLICIES**

Significant accounting policies and computation methods used in preparing the condensed consolidated interim financial information are consistent with those used in preparing the 2021 annual financial statements, except for the following:

Income tax in interim periods is recognised based on management’s best estimate of the annual income tax rate expected (see note 8).

**NOTE 4 – TRADING INCOME**

The trading income attributed to geographical areas according to the location of the customer is as follows:

	Six months ended 30 June		Year ended 31 December
	2022	2021	2021
	(Unaudited)		(Audited)
	U.S. dollars in millions		
European Economic Area (EEA)	234.0	159.5	329.0
United Kingdom	66.8	42.5	88.9
Australia	40.5	32.5	61.6
Rest of the World	170.1	111.7	239.2
	<u>511.4</u>	<u>346.2</u>	<u>718.7</u>

**NOTE 5 – SELLING AND MARKETING EXPENSES**

	Six months ended 30 June		Year ended 31 December
	2022	2021	2021
	(Unaudited)		(Audited)
	U.S. dollars in millions		
Payroll and related expenses	11.7	9.6	21.4
Variable Bonuses	9.8	5.1	8.8
Share based compensation	2.0	2.9	4.0
Commissions to media buying	7.0	11.4	20.7
Advertising and technology costs	75.5	73.8	151.4
Commissions to processing companies	23.7	22.0	40.8
Server and data feeds commissions	8.4	4.7	11.7
Other	31.4	1.9	21.0
	<u>169.5</u>	<u>131.4</u>	<u>279.8</u>

Plus500 LTD.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (continued)

**NOTE 6 – ADMINISTRATIVE AND GENERAL EXPENSES**

	Six months ended 30 June		Year ended 31 December
	2022	2021	2021
	(Unaudited)		(Audited)
	U.S. dollars in millions		
Payroll and related expenses	8.0	5.0	11.6
Variable Bonuses	6.1	4.1	5.4
Share based compensation	5.2	5.1	7.7
Professional and regulatory fees	12.6	9.4	18.5
Depreciation and amortisation	1.7	1.2	2.5
Other	4.7	3.6	8.6
	<u>38.3</u>	<u>28.4</u>	<u>54.3</u>

**NOTE 7 – OPERATING EXPENSES**

The presentation below reflects the breakdown of operating expenses by nature of expense:

	Six months ended 30 June		Year ended 31 December
	2022	2021	2021
	(Unaudited)		(Audited)
	U.S. dollars in millions		
Employee benefits and other related expenses	42.8	31.8	58.9
IT and technology costs	26.6	15.3	38.2
Commissions to processing companies	23.7	22.0	40.8
Advertising, marketing and commissions to media buying	64.3	74.6	145.6
Professional and regulatory fees	12.6	9.4	18.5
Depreciation and amortisation	1.7	1.2	2.5
Other	36.1	5.5	29.6
	<u>207.8</u>	<u>159.8</u>	<u>334.1</u>

In the year ended 31 December 2021 and the six months periods ended 30 June 2022 and 30 June 2021, IT and technology costs, together with additional allocated other technological related costs, were \$58.4 million, \$33.3 million and \$22.5 million, respectively.

**NOTE 8 – INCOME TAX EXPENSES**

**Law for the Encouragement of Capital Investments, 5719-1959**

The Law for the Encouragement of Capital Investments, 5719-1959, generally referred to as the “Investment Law”, provides certain incentives for capital investments in production facilities (or other eligible assets) by “Industrial Enterprises” (as defined under the Investment Law).

**New Tax benefits under the 2017 Amendment that became effective on 1 January 2017 (the "2017 Amendment")**

The 2017 Amendment was enacted as part of the Economic Efficiency Law that was published on 29 December 2016, and is effective as of 1 January 2017. The 2017 Amendment provides new tax benefits, as described below, and is in addition to the other existing tax beneficial programmes under the Investment Law.

The 2017 Amendment provides that a technology company satisfying certain conditions will qualify as a Preferred Technological Enterprise (“PTE”) and will thereby enjoy a reduced corporate tax rate of 12% on income that qualifies as Preferred Technology Income, as defined in the Investment Law.

Dividends distributed by a PTE, paid out of Preferred Technology Income, are generally subject to withholding tax at source at the rate of 20% or such lower rate as may be provided in an applicable tax treaty (subject to the receipt in advance of a valid certificate from the Israel Tax Authority (“ITA”) allowing for a reduced tax rate).

a. Company taxation in Israel

The full corporate tax rate in Israel for the years 2022 and 2021 is 23%.

Under the 2017 Amendment, provided the conditions stipulated therein are met, technological income derived by Preferred Companies from “Preferred Technological Enterprise” (as defined in the 2017 Amendment), would be subject to reduced corporate tax rates of 12%.

A Preferred Company distributing dividends from technological income derived from its PTE would generally subject the recipient to a 20% tax (or lower, if so provided under an applicable tax treaty).

At the beginning of July 2020, the Company received an approval from the Israeli Innovation Authority (“IIA”) that together with the tax ruling received from the ITA in May 2019, recognises the Company as a PTE for the years 2017, 2018 and 2019. Accordingly, the applicable tax rate for the preferred technological income of a PTE for these years was 12%. The Company is also considered as PTE for the years 2020 and 2021. As a result, the Company’s corporate tax rate for the years 2021 and 2020 is 12%.

In January 2022, the Company’s status as a PTE, as accredited by the ITA under the tax regime in Israel, has been extended for the years 2022, 2023, 2024, 2025 and 2026, subject to the Company complying with the conditions of the Law for the Encouragement of Capital Investments. Consequently, the Company’s corporate tax rate for each of these years will be reduced from 23% to 12% and the withholding tax rate applicable for dividends will be reduced from 25% to 20%, subject to the receipt in advance of a valid certificate from the ITA allowing for a reduced tax rate.

Plus500 LTD.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (continued)

**NOTE 8 – INCOME TAX EXPENSES** (continued)

In January 2021, the Company received approximately \$30.0 million rebates (including interest) reflecting the reduced tax rate for FY 2017 and in August 2021, the Company received approximately \$37.2 million in tax rebates (including interest) reflecting the reduced tax rate for FY 2019.

b. Tax assessments

The Company has final tax assessments up to the year 2019.

The assessments of amounts of current and deferred taxes require the Group's management to take into consideration uncertainties that its tax position will be accepted and of incurring any additional tax expenses. This assessment is based on estimates and assumptions based on interpretation of tax laws and regulations, and the Group's past experience. It is possible that new information will become known in future periods that will cause the final tax outcome to be different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

c. Taxes on income included in the consolidated income statement for the reported periods

	<b>Six months ended 30 June</b>		<b>Year ended 31 December</b>
	<b>2022</b>	<b>2021</b>	<b>2021</b>
	<b>(Unaudited)</b>		<b>(Audited)</b>
	<b>U.S. dollars in millions</b>		
Current taxes:			
Current taxes in respect of current period's profit	66.9	24.3	77.6
Tax income in respect of previous years	0.5	-	0.5
	<u>67.4</u>	<u>24.3</u>	<u>78.1</u>
Deferred income taxes:			
Change of deferred tax assets	1.1	(0.7)	(2.3)
Taxes on income expenses	<u>68.5</u>	<u>23.6</u>	<u>75.8</u>

Plus500 LTD.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (continued)

**NOTE 9 – EARNINGS PER SHARE**

Earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

	Six months ended 30 June		Year ended 31 December
	2022	2021	2021
	(Unaudited)		(Audited)
Profit attributable to equity holders of the Company (U.S. dollars in millions)	244.1	165.1	310.6
Weighted average number of ordinary shares in issue*:			
Basic	99,265,601	102,053,983	101,456,641
Dilutive effect of equity share based compensation	1,204,619	710,962	529,601
Diluted	100,470,220	102,764,945	101,986,242
<b>Basic earnings per share</b> (In U.S. dollars)	2.46	1.62	3.06
<b>Diluted earnings per share</b> (In U.S. dollars)	2.43	1.61	3.05

\*After weighting the effect of Company's share buyback programmes (see note 11).

**NOTE 10 – DIVIDENDS**

The amounts of dividends and the amounts of dividends per share for the years 2022 and 2021 declared and distributed by the Board are as follows:

Date of declaration	Amount of dividend (US \$ in millions)*	Amount of dividend per share (US \$)	Date of payment to Shareholders
17 February 2021	84.9	0.8292	12 July 2021
17 August 2021	60.0	0.5921	11 November 2021
15 February 2022	59.9	0.5995	11 July 2022

\*Between the dividend announcement date and the record date of the dividend, the number of issued and outstanding ordinary shares of the Company decreased as a result of the repurchase by the Company of ordinary shares during such period and the classification of such repurchased ordinary shares as treasury shares that are not entitled to dividends. However, this did not affect the dividend per share as announced on the dividend announcement date.

Plus500 LTD.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (continued)

**NOTE 11 – COST OF COMPANY'S SHARES HELD BY THE COMPANY**

The Board approves share buyback programmes. The share buyback programmes are funded from the Company's net cash balances.

<u>Period</u>	<u>Number of ordinary shares purchased</u>	<u>Aggregate purchase amount (US \$ in millions)</u>	<u>Average price of shares purchased</u>
Year ended 31 December 2021	3,406,211	64.9	£13.90
Six months ended 30 June 2021	2,192,074	42.5	£14.14
Six months ended 30 June 2022	2,670,651	51.7	£14.98

During the six month period ended 30 June 2022, the Company issued a total of 14,165 of its treasury shares.

**NOTE 12 – TRADE PAYABLES - DUE TO CLIENTS**

	<u>As of 30 June</u>		<u>As of 31 December</u>
	<u>2022</u>	<u>2021</u>	<u>2021</u>
	<u>(Unaudited)</u>		<u>(Audited)</u>
	<u>U.S. dollars in millions</u>		
Customers' deposits, net*	274.6	413.5	350.6
Segregated client funds	(267.6)	(413.0)	(350.0)
	<u>7.0</u>	<u>0.5</u>	<u>0.6</u>
<b>*Customers' deposits, net are comprised of the following:</b>			
Customers' deposits	385.1	476.5	428.3
Less - financial derivative open positions:			
Gross amount of assets	(135.9)	(140.1)	(130.4)
Gross amount of liabilities	25.4	77.1	52.7
	<u>274.6</u>	<u>413.5</u>	<u>350.6</u>

\* The total amount of 'Trade payables - due to clients' includes bonuses to clients.

**NOTE 13 – CASH GENERATED FROM OPERATIONS**

	Six months ended 30 June		Year ended 31 December
	2022	2021	2021
	(Unaudited)		(Audited)
U.S. dollars in millions			
<b>Cash generated from operating activities</b>			
Net income for the period	244.1	165.1	310.6
<b>Adjustments required to reflect the cash flows from operating activities:</b>			
Depreciation and amortisation	0.8	0.3	0.7
Amortisation of right of use assets	0.9	0.9	1.8
Lease modification	-	-	(0.2)
Liability for share based compensation	2.7	4.2	6.8
Settlement of share based compensation	(7.0)	(8.4)	(8.4)
Equity share based compensation	4.5	3.8	4.9
Taxes on income	68.5	23.6	75.8
Interest expenses in respect of leases	0.1	0.1	0.2
Exchange differences in respect of leases	(0.5)	(0.1)	-
Interest income	(2.2)	(4.1)	(6.2)
Foreign exchange losses (gains) on operating activities	0.7	2.9	4.3
	68.5	23.2	79.7
<b>Operating changes in working capital:</b>			
Decrease (increase) in other receivables and others	7.1	(21.0)	(16.9)
Increase (decrease) in trade payables due to clients	6.4	(0.5)	(0.4)
Increase (decrease) in other payables	21.6	0.8	17.3
Increase (decrease) in service suppliers	(2.8)	(4.2)	(7.3)
	32.3	(24.9)	(7.3)
<b>Cash generated from operations</b>	<b>344.9</b>	<b>163.4</b>	<b>383.0</b>

**Non-cash transactions**

On 15 February 2022, the Board declared a dividend in an amount of \$59.9 million (\$0.5995 per share). The dividend was paid to shareholders on 11 July 2022 (see note 10).

**NOTE 14 – FINANCIAL RISK MANAGEMENT**

Financial risks arising from financial instruments are analysed into market, credit, concentration and liquidity risks. The condensed interim financial information does not include all financial risk management information and disclosures required in the annual financial statements. Details of how these risks are managed are discussed in the financial risk management note of the 2021 annual financial statements.

Further to the mentioned above, there has not been a significant change in the Group's financial risk management processes or policies since year end 2021.



**NOTE 15 – ACQUISITIONS**

On 19 July 2021, Plus500US Inc., a wholly owned subsidiary of the Company, completed the acquisition of 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. The acquisition consideration was funded from the Company’s existing cash balances and was paid on completion. The measurement period for the acquisition ended on 19 July 2022.

The assets and liabilities recognised as a result of this acquisition are as follows:

	<u>U.S. dollars in millions</u>
Cash	0.5
Other receivables and others	6.0
Long-term other receivables	0.4
Service suppliers	(0.3)
Other payables	(1.6)
Deferred tax liability	(6.9)
Goodwill and other intangible assets	34.9
<b>Net assets acquired</b>	<u>33.0</u>

On 21 March 2022, the Company completed the acquisition of 100% of the issued and outstanding share capital of EZ Invest Securities, Co., Ltd. ("EZ Invest"). EZ Invest is licenced as a Type 1 Financial Instruments Business Operator, regulated by the Financial Services Agency (FSA) in Japan. The acquisition consideration was funded from the Company’s existing cash balances and was paid on completion.

The assets and liabilities recognised as a result of this acquisition are as follows:

	<u>U.S. dollars in millions</u>
Cash	0.2
Other receivables and others	0.7
Other payables	(0.5)
Deferred tax liability	(1.0)
Goodwill and other intangible assets	5.4
<b>Net assets acquired</b>	<u>4.8</u>

**NOTE 16 – SUBSEQUENT EVENTS**

On 17 August 2022 the Board declared an interim dividend in an amount of \$60.2 million (\$0.6238 per share). The dividend record date is 26 August 2022 and it will be paid to the shareholders on 11 November 2022.

On 17 August 2022, the Board approved a new programme to buy back an amount of up to \$60.2 million of the Company’s ordinary shares.