

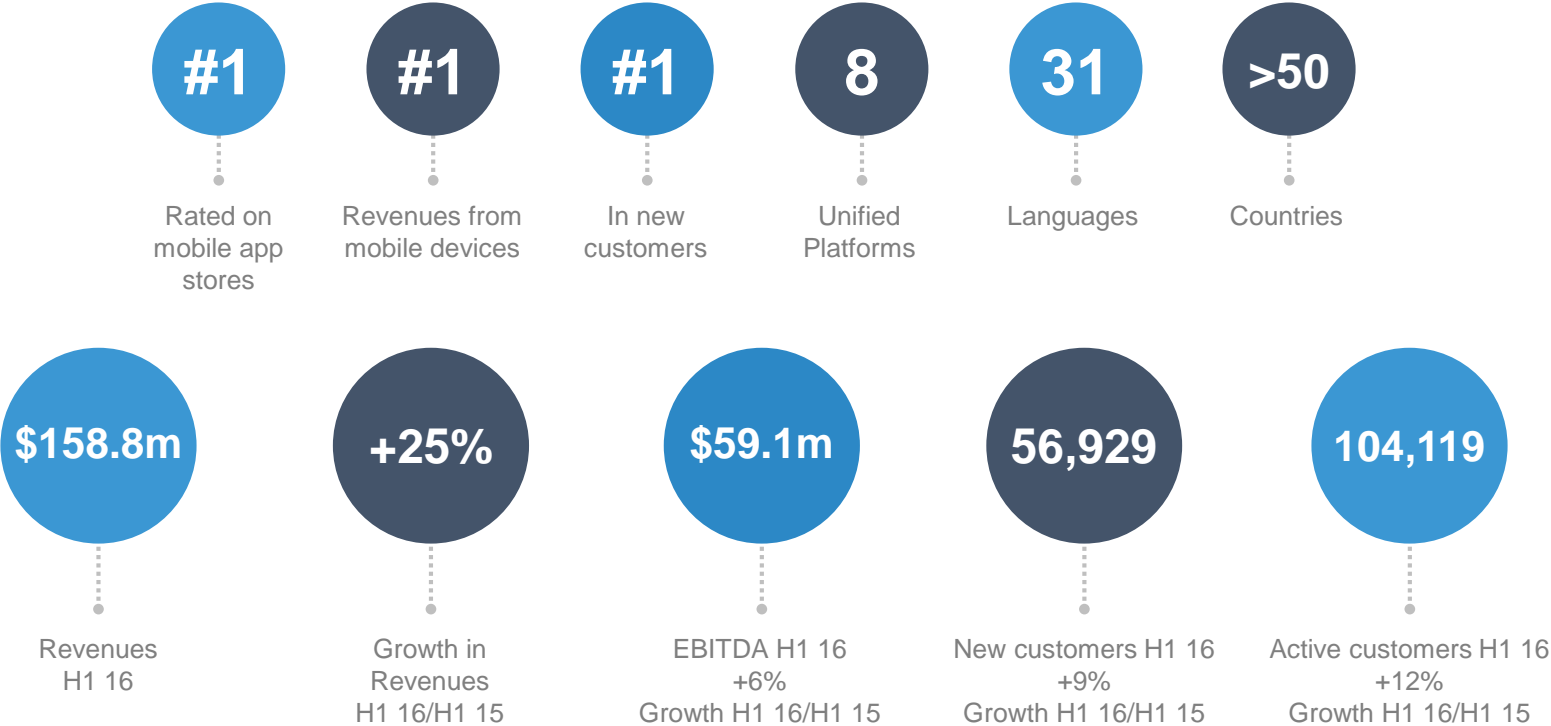
Plus500

Results for the first six months ended 30 June 2016
London Stock Exchange Symbol: PLUS



Strong KPIs H1 2016 – record HY results

Plus500 in numbers:



H1 2016 Operational Highlights

- Increase in new customers a record for six months and substantially ahead of expectations:
 - Temporarily suppressed EBITDA margins and ARPU due to extra costs being incurred prior to revenues
 - Additional customers expected to benefit revenues and margins going forward
 - Excluding extra acquisition costs for new customers in excess of market expectations, EBITDA margins were over 50%
- Plus500 is the second largest CFD provider in the UK*: market share increased as a result of improved brand and product awareness
- Product innovation continued: mobile and tablet adoption have continued to grow and now represent 68% of all customers
- Dividend policy maintained at 60% pay-out ratio with payment of special dividends at the end of the year if appropriate and flexibility to buyback shares
- Transformed regulation and compliance over the last year – appointment of Penny Judd, ex Nomura and UBS Head of Compliance as NED
- Positive impact of EU Referendum with record daily signups and new customers

* Source: Investment Trends 2015 UK Leveraged Trading report



**Business
Overview**



**Regulatory &
Risk Management**



**Financial
Overview**



Outlook



Key Business Model Strengths

- ✦ Self-developed, user friendly and robust trading platform
 - Proprietary in-house developed technology
- ✦ Analytics driven, returns focused customer acquisition model
 - Proprietary “Marketing Machine” and affiliate programme
- ✦ Strong international brand
- ✦ Differentiated user experience
 - Customers cannot lose more than they deposit
- ✦ Significant investment in enhanced regulatory compliance procedures
- ✦ Effective, comprehensive risk management capabilities
- ✦ Attractive financial profile with significant operational flexibility and an ongoing focus on returning capital to shareholders



Strong Product Platform

CFD products

2,250 CFD products



Platform and Devices

Supporting 31 languages in more than 50 countries



Trading Platform

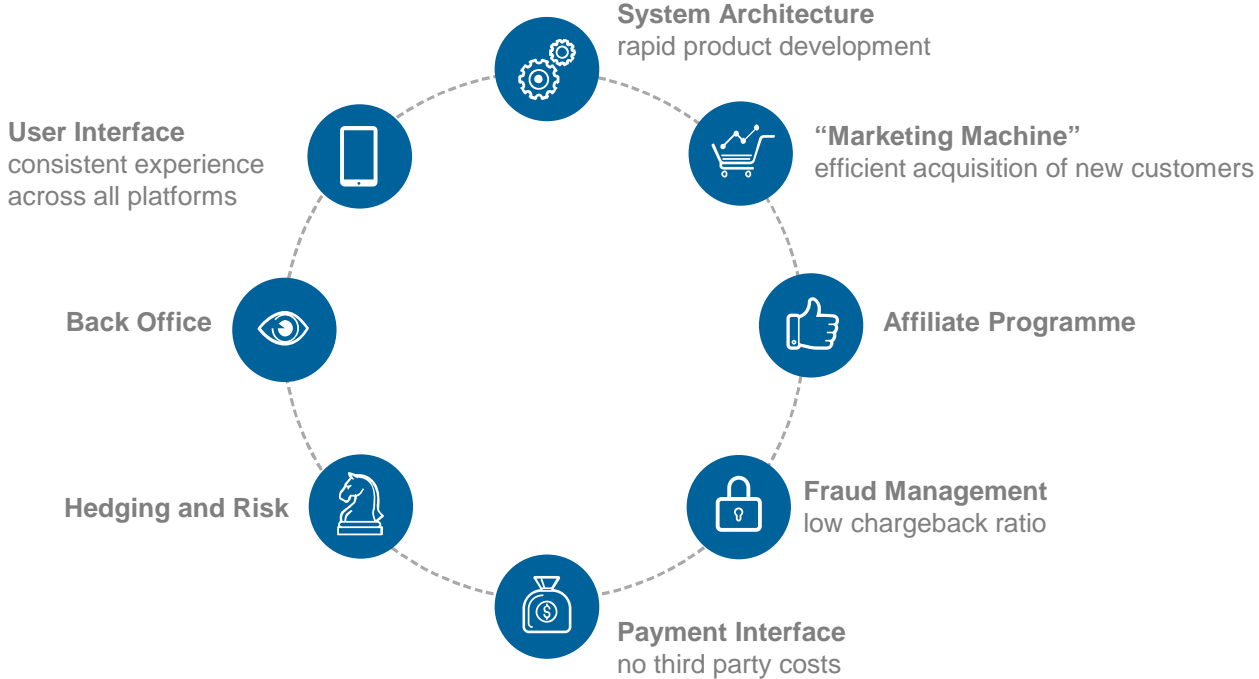
Retail customers only

Most Popular	Shares	Commodities	Indices	Forex	Options
Gold	1339.73	Buy	1339.23	Short	0.03%
EUR/USD	1.13118	Buy	1.13110	Sell	-0.10%
Oil	47.74	Buy	47.71	Short	0.66%
Germany 30	10587.29	Buy	10586.21	Short	0.74%
USD/JPY	100.211	Buy	100.196	Sell	-0.09%
Put 2130 USA 500	1.90	Buy	1.76	Short	-25.61%
Silver	18.924	Buy	18.903	Short	0.13%
VXX Volatility	36.28	Buy	36.08	Short	-0.25%



Market Leading Technology

Proprietary technology, developed in-house: key differentiator and flexible advantage



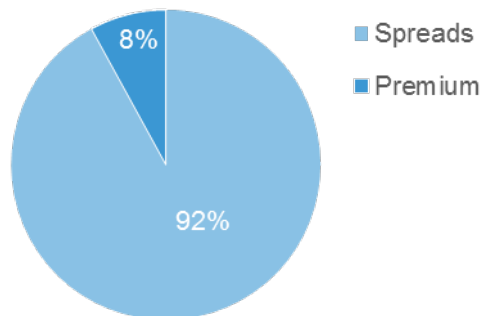


Flexible Business Model

Revenue Split

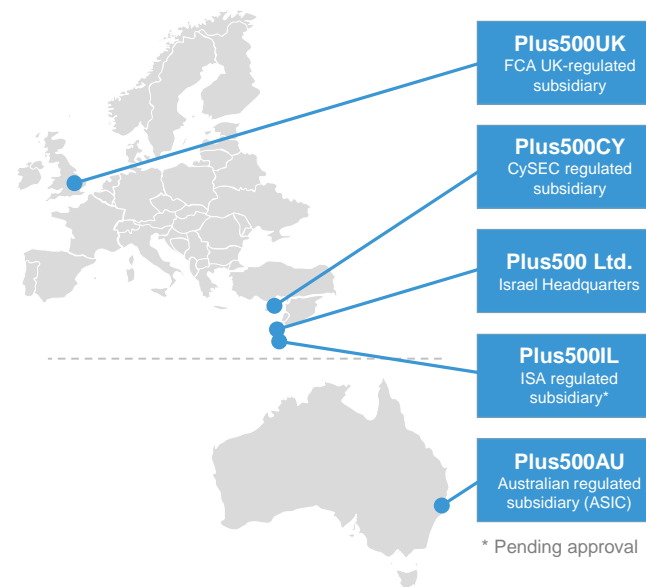
- Dealing Spreads**
Difference between the buy price and the sell price of a CFD
- Overnight Premiums**
Charges on open customer positions held overnight
- Market Positions**
Principal gains (offset by losses) on customers' trading positions

Revenues FY 2015



- Trade Time**
Median trade time is less than 1 hour
- Market PL**
Revenues from Market PL was nil in FY 2015 and only 1% in 2014

International Footprint



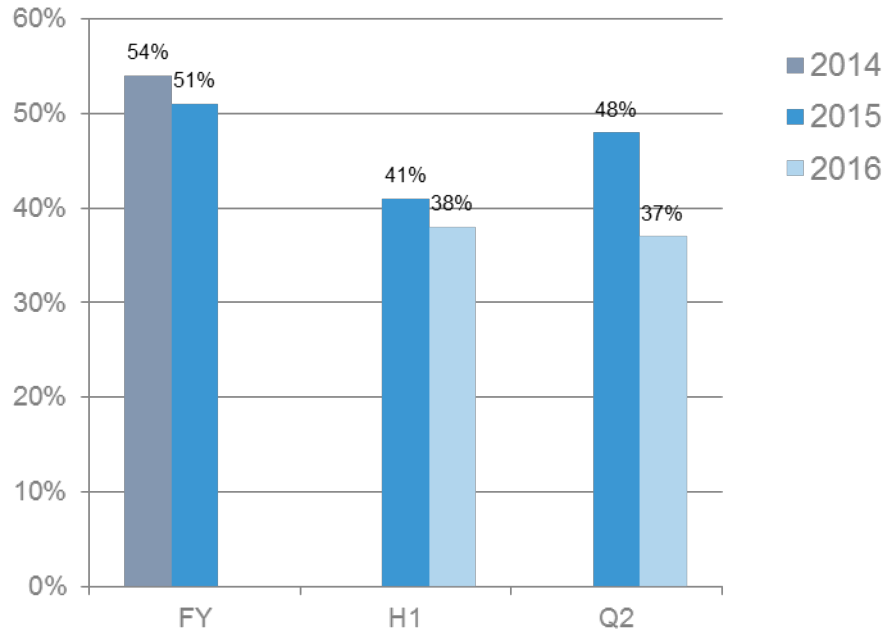
- Quality of Earnings**
Vast majority of revenues from regulated markets

* Pending approval

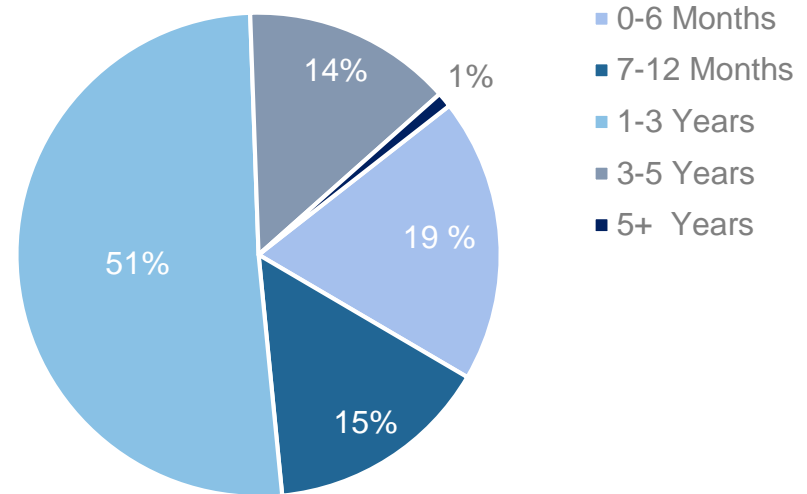


Analysis of customer churn

Churn



Revenue split by client tenure



66% of Group's revenues come from customers who trade for more than one year

Increased focus on customer retention initiatives reduces churn

$$\text{Churn} = \frac{[(\text{Active customers (T)} + \text{New customers (T+1)}) - \text{Active customers (T+1)}]}{\text{Active customers (T)}}$$



New and active customer KPIs

	H1 2016	H1 2015	2015	
New Customers	56,929	52,217	84,858	
% Growth H1 2016/H1 2015	9%		28%	% Growth FY 2015/FY 2014
AUAC	1,328	1,033	1,227	
% Growth H1 2016/H1 2015	29%		33%	% Growth FY 2015/FY 2014
Active Customers	104,119	93,267	136,540	
% Growth H1 2016/H1 2015	12%		29%	% Growth FY 2015/FY 2014
ARPU	1,525	1,362	2,019	
% Growth H1 2016/H1 2015	12%		(7%)	% Growth FY 2015/FY 2014

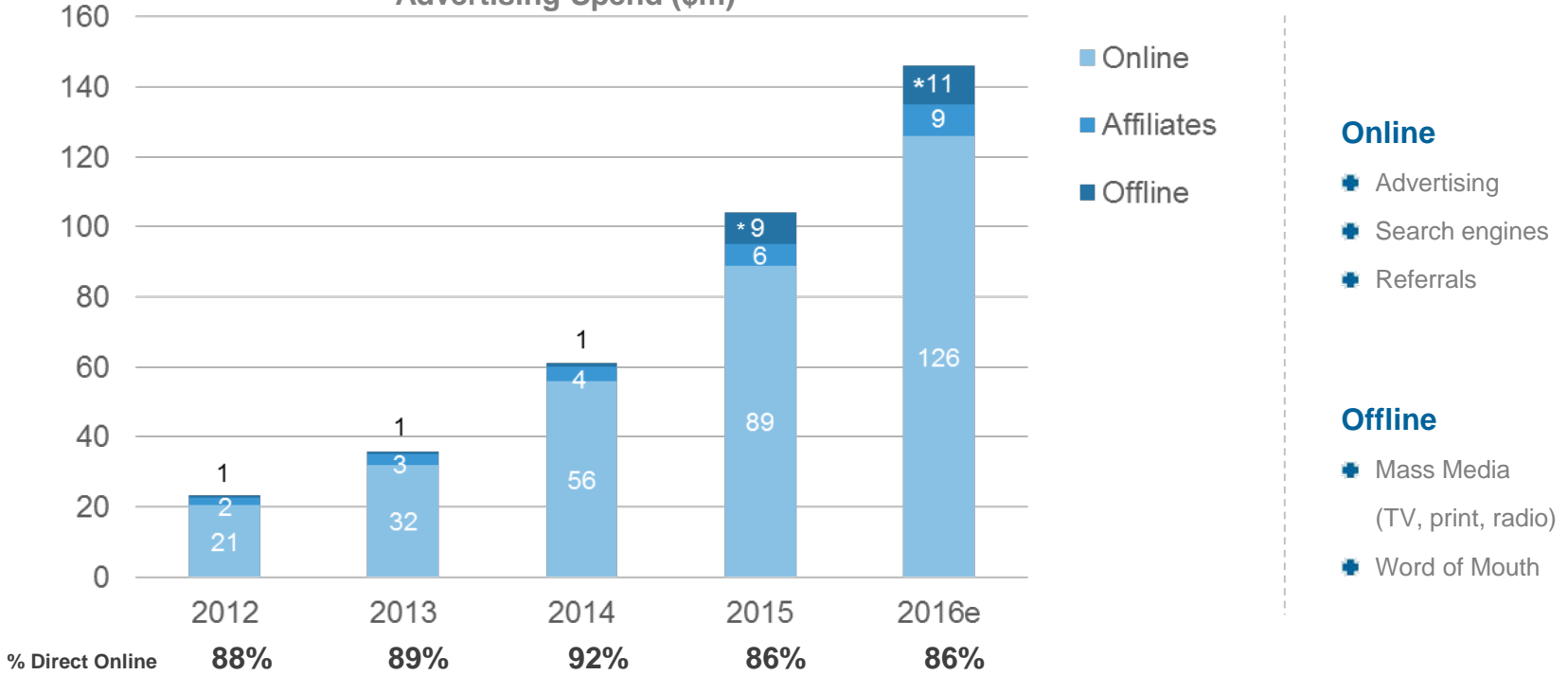
- Consistent growth in new customers
- Higher AUAC as marketing spend focused on higher value customer set
- Significant growth expected in ARPU in 2016 due to improved branding and retention initiatives



Significant Investment in Marketing

Focus remains online but Plus500 will continue to explore offline opportunities

Advertising Spend (\$m)



Online

- Advertising
- Search engines
- Referrals

Offline

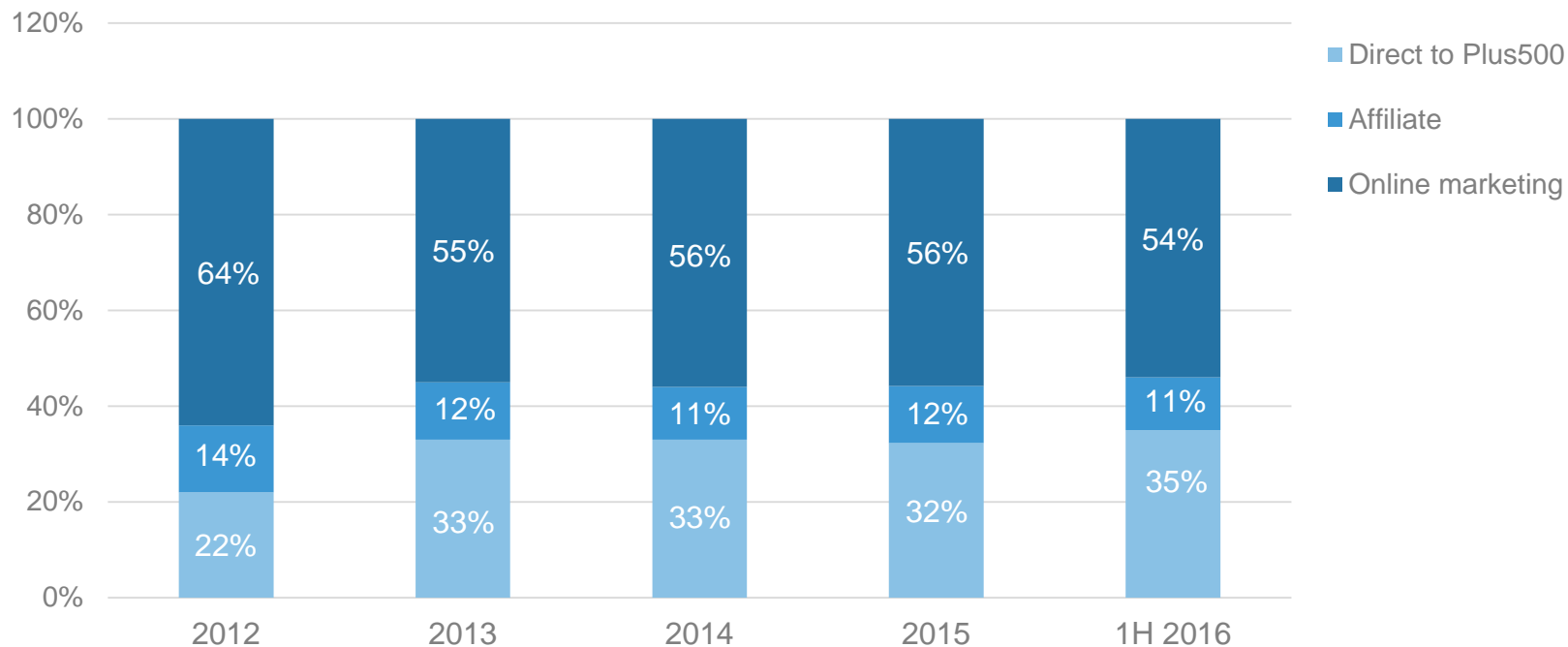
- Mass Media (TV, print, radio)
- Word of Mouth

* Due to Atletico Madrid sponsorship deal



Growing brand awareness increases efficiency

New Customers acquisition by marketing channel

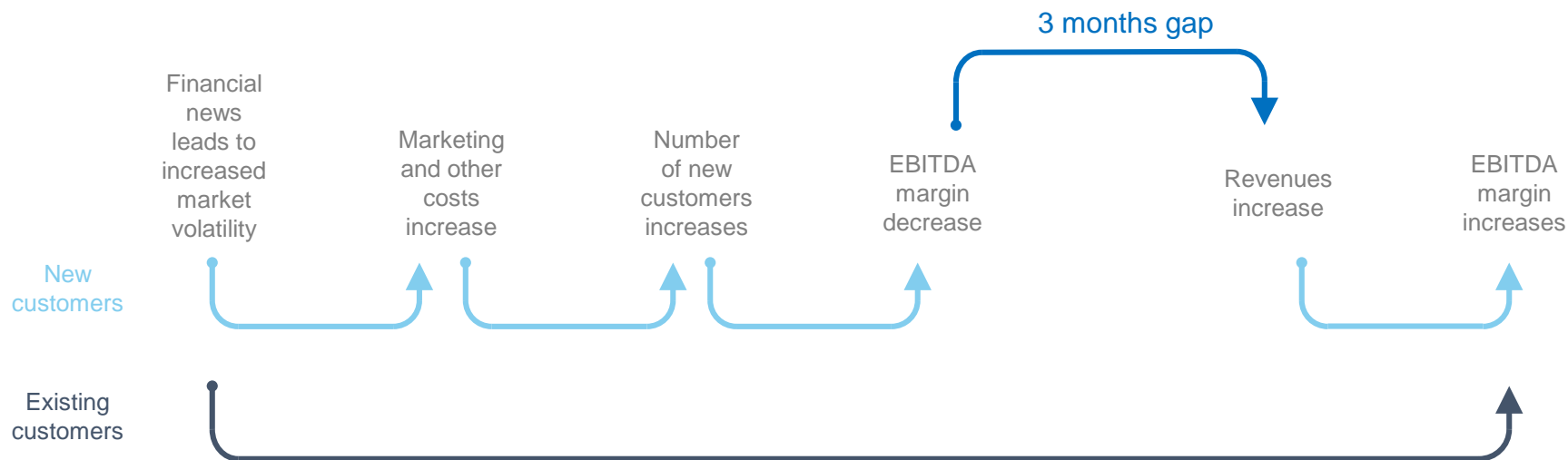


■ Increased brand recognition



Marketing costs impact

Marketing costs are being expensed immediately when customers are onboarded. Revenues start to be generated with a lag of approx. 3 months





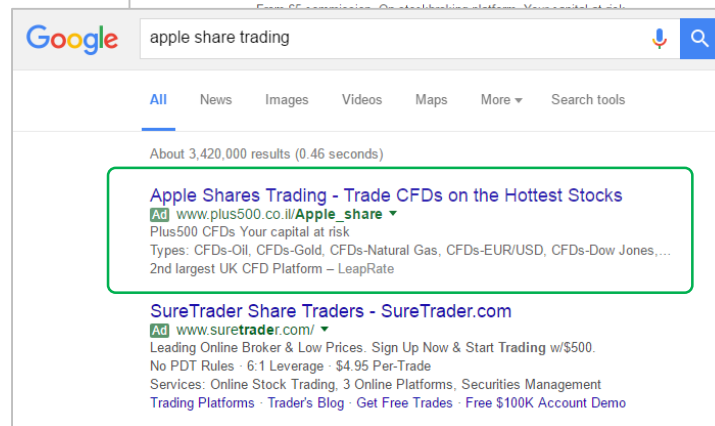
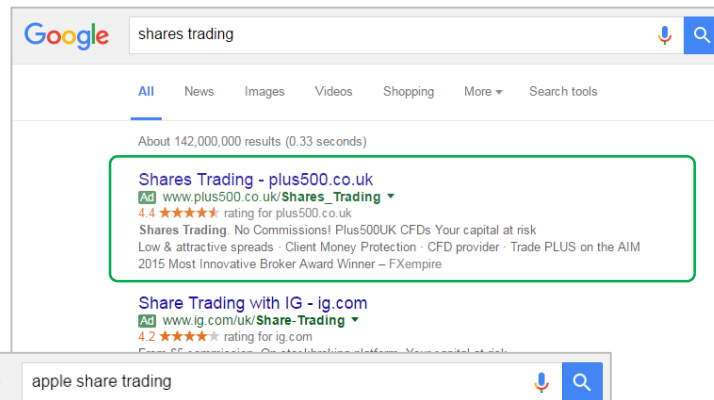
Marketing infrastructure: Online is key

Online advertising

The use of our proprietary automated marketing platform ensures that spending is efficient with a demonstrable return on investment.

Online advertising

- Focus is online
- Measurable
- Learns from experience
- Flexible spending
- Context-specific advertising
- Defined ROI from spend
- Accumulated knowledge is a barrier to entry and competitive advantage



Source: Google



Marketing infrastructure: Affiliates programme

+500Affiliates

The Plus500 affiliate program

- A large international affiliates programme
- Over 2,000 active affiliates who advertise Plus500
- Paid on success only
- Easy-to-access and use affiliates' portal as marketing collateral
- Fully automated online analysis and reward platform
- All Affiliates are subject to AML/CTF procedures
- Localised marketing tools for affiliates
- Attractive revenue proposition for affiliates

Start Trading

Main Sponsor Of Club Atletico De Madrid
CFD Service, Your capital is at risk

Trade Gold With Plus500

- > 0 Commissions
- > High Leverage
- > Free Demo

START NOW

CFD Service
Your capital is at risk **Plus500**

Plus500 CFD Service

CFD INSTRUMENTS
YOU MAY LIKE TO TRADE

€ / \$ DAX30 Oil

Start Trading

Get £20 to Trade

Illustrative prices
Your capital is at risk | T&Cs apply

Plus500 + Illustrative Prices

EUR / USD

1.2569▲ 1.2571▲

SELL BUY

Trade Online Now

CFD Service
Your Capital is at Risk

Trade Stocks Apple Buy Sell

CFD Service
Your capital is at risk **Plus500**

+500Affiliates JOIN NOW ▶

Most Profitable Affiliate Program **Plus500**



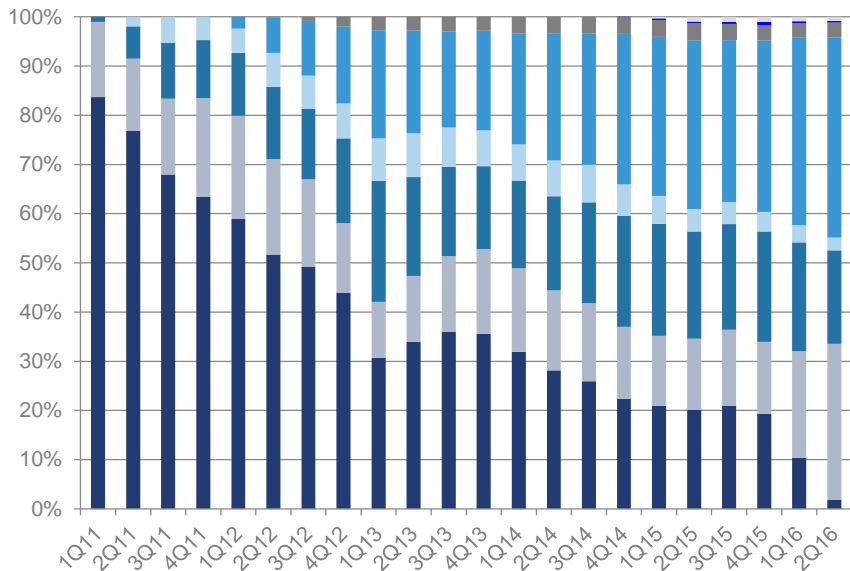
Mobile – a key growth driver

- ✚ Key driver of market growth
- ✚ Mobile is a key access point for retail customers
- ✚ GUI developed for mobile, consistent with other platforms
- ✚ Features and portfolio of instruments on par with PC version
- ✚ Key acquisition channel for Plus500
- ✚ Successfully launched a dedicated app for iOS 9, Android, Surface tablets, Windows Phone, and Apple Watch
- ✚ Majority of revenues and new sign ups from mobile

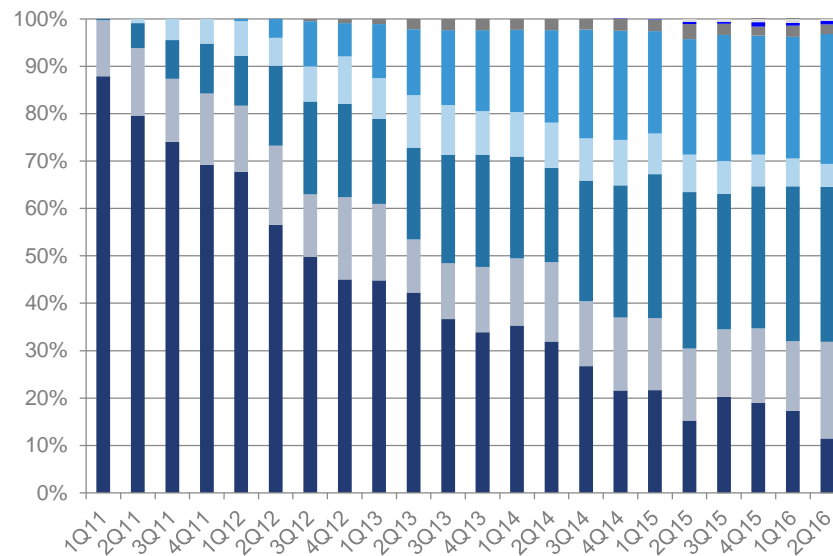


Mobile revenues and sign ups by device

Number of Signups by Device



Revenues by Device



- Windows
- Web
- iPhone
- iPad
- Android
- AndroidTablet
- WindowsApp
- WindowsPhone
- AppleWatch

- Windows
- Web
- iPhone
- iPad
- Android
- AndroidTablet
- WindowsApp
- WindowsPhone
- AppleWatch



**Business
Overview**



**Regulatory &
Risk Management**



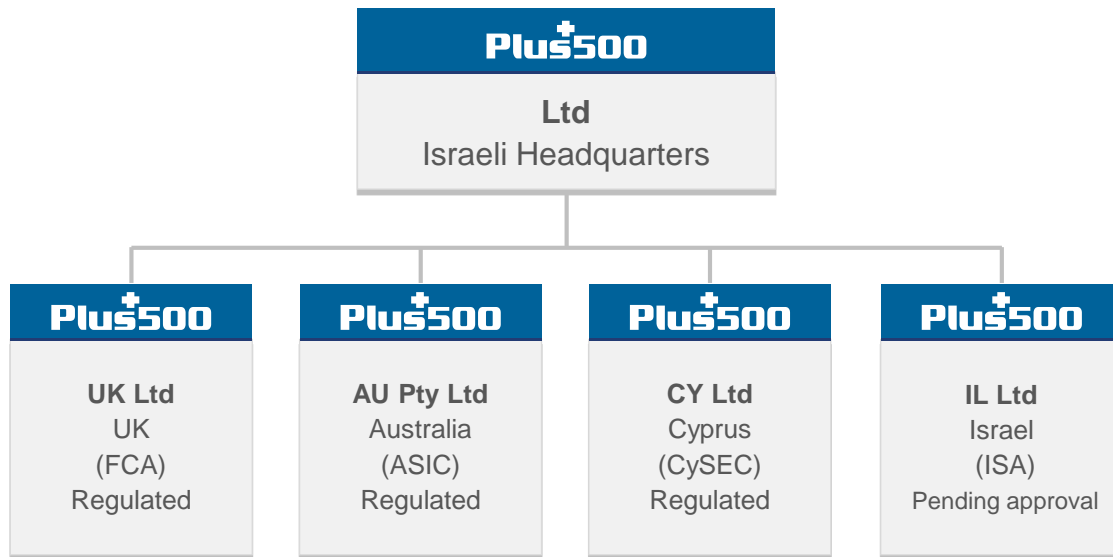
**Financial
Overview**



Outlook



Regulation framework



- ✚ All EEA customers facilitated via “passporting mechanism”
- ✚ Periodic FCA, CySEC, ASIC and ISA visits, ongoing dialogue maintained
- ✚ Regulatory burden increasing, although this increases barriers to entry

Client Take-On

- ✚ FCA / CySEC / ASIC / ISA rules set out client take-on requirements
- ✚ Client money treated the same across jurisdictions and kept in segregated accounts.
- ✚ Customers must self-certify their understanding of the risks
- ✚ Marketing carries appropriate risk warnings
- ✚ Risk-based approach in line with regulations



Commitment to regulatory, compliance and risk best practice

- ✚ Continuing focus on, and investment in, best practice
- ✚ Global compliance team consists of c. 150 permanent staff
- ✚ UK team led by local UK based staff with significant experience and relationship skills
- ✚ Enhanced day to day relationship with the FCA
- ✚ No current regulatory restrictions in any of the Group's regulated markets
- ✚ Board and governance changes:
 - Appointment of Penelope Judd – ex UKLA and UBS and Nomura Head of Compliance
 - Initiation of new Risk and Compliance committee and a Disclosure committee



Recent industry developments

Regulators

- ✦ “Dear CEO” letter (FCA) – Plus500UK was not included in the sample of ten firms that were reviewed in the “Dear CEO” letter from the FCA
- ✦ ESMA Q&A document (EU) – to promote common supervisory approaches and practices in the application of MiFID
- ✦ AMF (France) – issue new marketing guidelines
- ✦ FSMA (Belgium) – issue new regulation for leveraged products

Market volatility

- ✦ Brexit – no adverse impact, record spreads were recorded, double a typical trading day’s activity, and most new customers (1,600) achieved in a single day





Trading platform integrated with risk management

Market Risk

Spread of customers acts as a natural risk-mitigation:

-• No dominant customers

Real-time monitoring of exposure limits by:

-• Individual clients
-• Individual instruments
-• Total Company exposure
-• Significant degree of automation

When limits are reached, no further trades accepted

Hedging would be undertaken if market movement breach the Group's risk appetite limits

Monitoring of instrument level correlations and volatility

Credit Risk

Automated real-time close-out policy to minimise unfunded customer losses

Surplus Capital

Plus500 continues to maintain significant reserves

Risk Management Advisory



Segregated Customer Accounts held by





**Business
Overview**



**Regulatory &
Risk Management**



**Financial
Overview**



Outlook



Income Statement

Key Financial Indicators – Income Statement (\$'000):

	H1 2016	H1 2015	FY 2015	H1 16/H1 15 Growth
Trading income (net)	158,772	127,026	275,651	25%
Selling and marketing expenses	91,488	63,655	125,413	44%
Administrative and general expenses	8,355	7,966	17,647	5%
Capital loss from realization of fixed assets	-	109	109	
EBITDA	59,123	55,527	132,874	6%
Financing expenses - net	420	3,157	4,598	-87%
Tax expense	14,009	11,522	31,317	22%
Net profit	44,500	40,617	96,567	10%

- Record H1 revenues driven by active customers.
- Increase in selling and marketing as a result of significant customer acquisition.
- Record H1 EBITDA of \$59.1m.



Balance sheet remains strong

Key Financial Indicators – Balance Sheet: (\$'000):

	H1 2016	H1 2015	FY 2015	H1 16/H1 15 Growth
Cash and cash equivalents	96,176	95,533	156,535	0.7%
Other Current Assets	17,966	17,777	10,169	1%
Total Current Assets	114,142	113,310	166,704	0.7%
Non Current Assets	3,441	2,296	2,266	50%
Total Assets	117,583	115,606	168,970	2%
Current Liabilities	27,027	29,138	51,102	-7%
Non Current Liabilities	598	396	214	51%
Total Liabilities	27,625	29,534	51,316	-6%
Equity	89,958	86,072	117,654	5%

- Increase in cash balance despite payment of \$96.6m dividend in 2015.
- Cash balances held on deposit at Barclays Plc, Credit Suisse and Bank Leumi.
- Client money held with Barclays, Credit Suisse and Commonwealth.



Lean cost structure

Key Financial Indicators: (\$,000):

	H1 2016	H1 2015	FY 2015	H1 16/H1 15 Growth
Salaries	6,647	5,465	11,645	22%
Advertising and marketing costs	75,616	53,934	103,760	40%
Processing costs	7,780	5,072	10,683	53%
IT and data feeds costs	2,315	1,588	3,337	46%
Legal, professional and regulatory fees	2,015	2,980	7,051	-32%
Office expenses	1,377	958	1,888	44%
Other costs	2,716	1,397	4,279	94%
Share-based compensation	1,377	227	417	507%
Total costs	99,843	71,621	143,060	39%

Healthy and efficient cost base – “Advertising and marketing costs” and “Processing costs” represent 84% of total H1 2016 expenses.



Strong cash generation funds attractive dividend

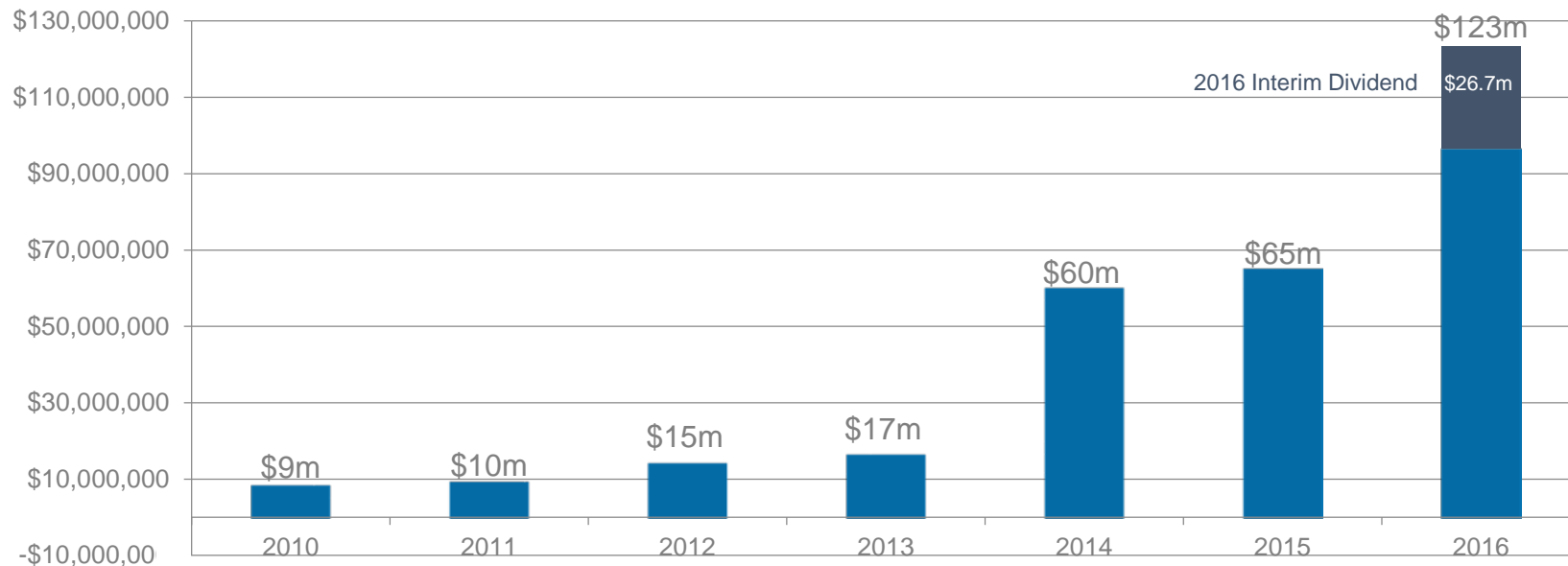
Key Financial Indicators – Cash Flow: (\$,000):

	H1 2016	H1 2015	FY 2015
Operating activities: Cash generated from operations	56,298	47,620	128,133
Income tax paid - net	(19,502)	(21,467)	(42,658)
Net cash provided by operating activities	36,796	26,153	85,475
Net cash provided by (used in) investing activities	(1,388)	460	18
Financing activities: Dividend Paid	(96,564)	(65,005)	(65,005)
Net cash used in financing activities	(96,564)	(65,005)	(65,005)
Exchange gains (losses) on cash and cash equivalents	796	(5,239)	(3,155)
Cash and Cash Equivalents, End of Period	96,137	95,533	156,497

- Limited capex needs
- Low capital requirements
- High cash conversion available to pay dividend



Dividend payments driven by increasing profits



■ Dividend policy – 60% of net profit & a special dividend at the end of the year



**Business
Overview**



**Regulatory &
Risk Management**



**Financial
Overview**



Outlook



Outlook – confident of another successful year

- Strong start to Q3 2016 with increased number of new customers and active customers, revenues and EBITDA margin
- Focus on organic growth through continuing investment, innovation and brand building
- Focus on retention initiatives to drive customer lifetime and value
- Conclusion: more high value customers, an enhanced trading platform, more robust processes, more routes to market and a stronger brand
- The Board's expectations are unchanged - momentum is expected to continue, resulting in strong growth in 2016



Investment Summary

- ✦ Business model significantly differentiated from major peers
- ✦ Market leading in use of innovative technology and marketing techniques
- ✦ Low cost, low risk and low capital intensive financial model
- ✦ Highly cash generative – robust balance sheet
- ✦ Strong organic growth prospects on back of growing international brand
- ✦ Focus on shareholder returns through dividend policy and / or share buy backs

Disclaimer

The Presentation does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any shares or other securities of the Company, nor shall it (or any part of it), or the fact of its distribution, form the basis of, or be relied on in connection with or act as any inducement to enter into, any contract whatsoever relating to any securities.

The Presentation is being made, supplied and directed only at persons in member states of the European Economic Area who are qualified investors within the meaning of Article 2(1)(e) of the Prospectus Directive (Directive 2003/71/EC, as amended) and, additionally in the United Kingdom, to those qualified investors who (a) are persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (investment professionals) or (b) fall within Article 49(2)(a) to (d) of that Order (high net worth companies, unincorporated associations etc) (all such persons being "Relevant Persons"). Any person who is not a Relevant Person may not attend the Presentation and should not act or rely on this document or any of its contents. Any investment or investment activity to which the Presentation relates is available only to Relevant Persons and will be engaged in only with Relevant Persons.

The Presentation is provided for general information only and does not purport to contain all the information that may be required to evaluate the Company. The information in the Presentation is provided as at the date of the Presentation (unless stated otherwise) and is subject to updating, completion, revision and further verification. No reliance may be placed for any purpose whatever on the information or opinions contained or expressed in the Presentation or on the accuracy, completeness or fairness of such information and opinions.

To the extent permitted by law or regulation, no undertaking, representation or warranty or other assurance, express or implied, is made or given by or on behalf of the Company or any respective parent or subsidiary undertakings or the subsidiary undertakings of any such parent undertakings or any of their respective directors, officers, partners, employees, agents, affiliates, representatives or advisors, or any other person, as to the accuracy, completeness or fairness of the information or opinions contained in the Presentation. Save in the case of fraud, no responsibility or liability is accepted by any person for any errors, omissions or inaccuracies in such information or opinions or for any loss, cost or damage suffered or incurred, however arising, directly or indirectly, from any use of, as a result of the reliance on, or otherwise in connection with, the Presentation. In addition, no duty of care or otherwise is owed by any such person to recipients of the Presentation or any other person in relation to the Presentation.

Nothing in the Presentation is, or should be relied on as, a promise or representation as to the future. The Presentation includes certain statements, estimates and projections provided by the Company in relation to strategies, plans, intentions, expectations, objectives and anticipated future performance of the Company and its subsidiaries. By their nature, such statements, estimates and projections involve risk and uncertainty since they are based on various assumptions made by the Company concerning anticipated results which may or may not prove to be correct and because they may relate to events and depend on circumstances that may or may not occur in the future and may be beyond the Company's ability to control or predict. No representations or warranties of any kind are made by any person as to the accuracy of such statements, estimates or projections, or that any of the events expressed or implied in any such statements, estimates or projections will actually occur. The Company is not under any obligation, and expressly disclaims any intention, to update or revise any such statements, estimates or projections. No statement in the Presentation is intended as a profit forecast or a profit estimate.

The Presentation is confidential and should not be distributed, published or reproduced (in whole or in part) or disclosed by its recipients to any other person for any purpose, other than with the consent of the Company.

The Presentation does not constitute or form part of an offer or invitation to issue or sell, or the solicitation of an offer to subscribe or purchase, any securities to any person in any jurisdiction to whom or in which such offer or solicitation is unlawful, and, in particular, is not for distribution in or into Australia, Canada, Israel, Japan, the Republic of South Africa or the United States.