Annual Results for the twelve months ended 31 December 2014
London Stock Exchange Symbol: PLUS
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Plus500 has developed and operates an online trading platform for retail customers to trade Contracts For Difference (CFDs) in more than 50 countries.

Proprietary technology platform is user friendly, robust, scalable and easily accessible to new customers.

Customer acquisition via online marketing.

Plus500 in numbers:

- #1 Rated on mobile app stores
- >50 Countries
- 31 Languages
- $228.9m Revenues FY 2014
- +99% Growth in Revenues FY 14/FY 13
- 63.6% FY 2014 EBITDA Margin
- $145.4m EBITDA FY 14
- +89% Growth in EPS FY 14/FY13
- 60% Dividend policy
Results Summary

- FY 2014 Active Customers* increased 24% to 105,976 (FY 2013: 85,795)
- FY 2014 New Customers** increased 17% to 66,553 (FY 2013: 56,819)
- Ongoing strengthening in Plus500’s market position with further expansion in Europe
- Significant increase in smartphone and tablet users accessing Plus500’s trading platform
- Continued strong cash generation allows dividend policy increase from 50% to 60%
- Expansion into Australia continues to gather very positive momentum
- Board remains confident of continued growth in 2015 and beyond

*Active Customers: Customers who made at least one real money trade during the period.
** New Customers: Customers depositing for the first time ever during the period.
Products

**CFD products**

- **2,000** CFD products

**Platform and Devices**

- Supporting **31** languages in more than **50** countries

**Trading Platform**

- Retail customers only

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### Most Popular Products

<table>
<thead>
<tr>
<th>Product</th>
<th>Shares</th>
<th>CFD Product</th>
<th>Indices</th>
<th>Forex</th>
<th>ETFs</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>UK 100</td>
<td>6018.00</td>
<td>Buy</td>
<td>6018.50</td>
<td>Short</td>
<td>-0.63%</td>
<td></td>
</tr>
<tr>
<td>Perseus</td>
<td>0.52</td>
<td>Buy</td>
<td>0.50</td>
<td>Short</td>
<td>-25.37%</td>
<td></td>
</tr>
<tr>
<td>GBP/USD</td>
<td>1.5457</td>
<td>Buy</td>
<td>1.5453</td>
<td>Sell</td>
<td>0.14%</td>
<td></td>
</tr>
<tr>
<td>USD/JPY</td>
<td>97.50</td>
<td>Buy</td>
<td>97.48</td>
<td>Sell</td>
<td>-0.24%</td>
<td></td>
</tr>
<tr>
<td>Bitcoin / USD</td>
<td>105.27</td>
<td>Buy</td>
<td>103.84</td>
<td>Sell</td>
<td>1.53%</td>
<td></td>
</tr>
<tr>
<td>Tesla Motors</td>
<td>101.65</td>
<td>Buy</td>
<td>101.45</td>
<td>Short</td>
<td>2.75%</td>
<td></td>
</tr>
<tr>
<td>Apple</td>
<td>402.46</td>
<td>Buy</td>
<td>401.36</td>
<td>Short</td>
<td>-2.67%</td>
<td></td>
</tr>
<tr>
<td>Kazakhmys</td>
<td>234.83</td>
<td>Buy</td>
<td>232.98</td>
<td>Short</td>
<td>-13.77%</td>
<td></td>
</tr>
</tbody>
</table>
**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**
  Gains (offset by losses) on customers’ trading positions, acting as principal

**Revenues FY 2014**

- **Spreads 87%**
- **Premium 12%**
- **Market 1%**

**International Footprint**

- **Plus500UK**
  FCA UK-regulated subsidiary
- **Plus500 Ltd.**
  Israel Headquarters
- **Plus500CY**
  CySEC regulated subsidiary
- **Plus500AU**
  Australian regulated subsidiary (ASIC)

**Trade Time**

Median trade time is 1 hour

**Quality of Earnings**

Vast majority of revenues from regulated markets

**Revenue Split**

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  Difference between the buy price and the sell price of a CFD
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  Australian regulated subsidiary (ASIC)

**Trade Time**

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**Quality of Earnings**

Vast majority of revenues from regulated markets
Proprietary technology, developed in-house: key differentiator and flexible advantage
Marketing infrastructure: online is key

Online advertising

Using our proprietary automated marketing platform ensures that spending is efficient with a demonstrable return on investment

The “Marketing Machine”

- 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

Total marketing investment in $m

<table>
<thead>
<tr>
<th>Year</th>
<th>Investment ($m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>11.9</td>
</tr>
<tr>
<td>2011</td>
<td>19.8</td>
</tr>
<tr>
<td>2012</td>
<td>23.0</td>
</tr>
<tr>
<td>2013</td>
<td>35.9</td>
</tr>
<tr>
<td>2014</td>
<td>61.3</td>
</tr>
</tbody>
</table>

Source: Google
A large international affiliates program
Over 5,000 active affiliates who advertise Plus500
Paid on success only
Easy-to-access and use affiliates’ portal of marketing collateral
Fully automated online analysis and reward platform
Localised marketing tools for affiliates
Attractive revenue proposition for affiliates
Increased activity offline to strengthen the Plus500 brand

- Continue with targeted campaigns
- Official sponsor of Atlético Madrid FC
- Eurosport TV ads

- Key campaigns from 2014
  - Roland Garros
  - US open
  - Tour de France
  - Snooker world championship
The Plus500 brand

United Kingdom  Italy  Germany  Spain

(Data from Google Trends web searches, June 2010 – Feb 15, 2015)
Mobile as a key growth driver
Risk management

**Financial risk management is key to the business**

**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

When limits are reached, no further trades accepted

Hedging undertaken if market movement breach the limits

**Credit Risk**

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

**Surplus Capital**

Plus500 continues to maintain significant reserves
All EEA customers facilitated via “passporting mechanism”
Periodic FCA visits, ongoing dialogue maintained
Regulatory burden increasing, although this increases barriers to entry

Client Take-On

- FCA / CySEC / ASIC rules set out client take-on requirements
- Client money treated the same across jurisdictions
- Customers must self-certify their understanding of the risks
- All marketing carries appropriate risk warnings
- KYC / AML process fully compliant, recently enhanced and in line with peers
- Risk-based approach in line with regulations
## FY 2014: best performance yet

### Key Financial Indicators – Income Statement ($’000):

<table>
<thead>
<tr>
<th></th>
<th>Twelve months ended December 31</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2014</td>
</tr>
<tr>
<td>Trading income (net)</td>
<td>228,865</td>
</tr>
<tr>
<td>Selling and marketing expenses</td>
<td>75,170</td>
</tr>
<tr>
<td>Administrative and general expenses</td>
<td>8,373</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>145,444</td>
</tr>
<tr>
<td>Financing expenses (income) - net</td>
<td>7,203</td>
</tr>
<tr>
<td>Tax expense</td>
<td>35,667</td>
</tr>
<tr>
<td><strong>Net profit</strong></td>
<td>102,452</td>
</tr>
<tr>
<td>Earnings per share ($)</td>
<td>0.89</td>
</tr>
<tr>
<td>Dividend per share ($)</td>
<td>0.80</td>
</tr>
</tbody>
</table>
Growing cash balances

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

<table>
<thead>
<tr>
<th></th>
<th>Twelve months ended December 31</th>
<th>FY14/FY13 Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating activities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash generated from operations</td>
<td>141,259</td>
<td>66,991</td>
</tr>
<tr>
<td>Income tax paid - net</td>
<td>(22,407)</td>
<td>(9,894)</td>
</tr>
<tr>
<td><strong>Net cash provided by operating activities</strong></td>
<td>118,852</td>
<td>57,097</td>
</tr>
<tr>
<td><strong>Net cash used in investing activities</strong></td>
<td>-1,305</td>
<td>-92</td>
</tr>
<tr>
<td><strong>Financing activities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dividend Paid</td>
<td>-60,006</td>
<td>-16,810</td>
</tr>
<tr>
<td>Shares issued (net)</td>
<td>-</td>
<td>21,074</td>
</tr>
<tr>
<td><strong>Net cash used in financing activities</strong></td>
<td>-60,006</td>
<td>4,264</td>
</tr>
<tr>
<td>Exchange gain on cash and cash equivalents</td>
<td>-2,485</td>
<td>353</td>
</tr>
<tr>
<td><strong>Cash and Cash Equivalents, End of Period</strong></td>
<td><strong>139,164</strong></td>
<td><strong>84,108</strong></td>
</tr>
</tbody>
</table>
Balance sheet strengthened

**Key Financial Indicators – Balance Sheet: ($’000):**

<table>
<thead>
<tr>
<th></th>
<th>Twelve months ended December 31</th>
<th>FY 14/FY 13</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2014</td>
<td>2013</td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>140,201</td>
<td>85,285</td>
<td>64%</td>
</tr>
<tr>
<td>Other Current Assets</td>
<td>3,996</td>
<td>3,454</td>
<td>16%</td>
</tr>
<tr>
<td>Total Current Assets</td>
<td>144,197</td>
<td>88,739</td>
<td>62%</td>
</tr>
<tr>
<td>Non Current Assets</td>
<td>2,109</td>
<td>1,354</td>
<td>56%</td>
</tr>
<tr>
<td>Total Assets</td>
<td>146,306</td>
<td>90,093</td>
<td>62%</td>
</tr>
<tr>
<td>Current Liabilities</td>
<td>35,677</td>
<td>22,079</td>
<td>62%</td>
</tr>
<tr>
<td>Non Current Liabilities</td>
<td>169</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Equity</td>
<td>110,460</td>
<td>68,014</td>
<td>62%</td>
</tr>
</tbody>
</table>

Cash balances held on deposit at Barclays Plc, Credit Suisse, Bank Leumi.

Client money held with Barclays Plc, Credit Suisse, Commonwealth.
Client base continues to grow fast

Europe and Australia are among our fastest growing markets

We remain the top rated app in our field (February 2015)

Significant growth in FY 2014 in all KPIs

- New Accounts: Number of customers depositing for the first time ever
- Active Accounts: Number of customers who made at least one real money trade during the period
Significant growth expected in ARPU in 2015 due to improved branding and retention initiatives.
Outlook

- Focus on organic growth
- Expand mobile offering through support of new devices such as Windows Phone and Surface tablets
- Continue to expand online marketing spending in the same cost effective manner
- Increase the number of instruments available to trade
- Add new licenses across new geographies
- Improve customer service through additional native language support and quicker response times
Contact details

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