Results for the twelve months ended 31 December 2019

London Stock Exchange symbol: PLUS

* Illustrative figures
**FY 2019 Highlights**

**Financial Performance**

<table>
<thead>
<tr>
<th></th>
<th>H2 2019</th>
<th>H1 2019</th>
<th>H2 2018</th>
<th>FY 2019</th>
<th>FY 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue ($m)</td>
<td>206.5</td>
<td>148.0</td>
<td>254.9</td>
<td>354.5</td>
<td>720.4</td>
</tr>
<tr>
<td>Operating Expenses ($m)</td>
<td>80.9</td>
<td>83.5</td>
<td>98.3</td>
<td>164.4</td>
<td>215.1</td>
</tr>
<tr>
<td>EBITDA ($m)</td>
<td>126.7</td>
<td>65.6</td>
<td>157.0</td>
<td>192.3</td>
<td>506.0</td>
</tr>
<tr>
<td>EBITDA Margin</td>
<td>61%</td>
<td>44%</td>
<td>62%</td>
<td>54%</td>
<td>70%</td>
</tr>
<tr>
<td>EPS ($)</td>
<td>0.9</td>
<td>0.45</td>
<td>1.03</td>
<td>1.35</td>
<td>3.33</td>
</tr>
</tbody>
</table>

**Financial Summary**

- Robust performance across all key metrics in H2 2019 vs. H1 2019, mainly driven by more volatile market conditions:
  - H2 2019 Revenues up 40% to $206.5 million (H1 2019: $148.0 million)
  - H2 2019 EBITDA up 93% to $126.7 million (H1 2019: $65.6 million)
  - H2 2019 Net Profit up 94% to $100.1 million (H1 2019: $51.6 million)
  - High cash conversion of 88% in 2019
The Company’s dividend policy is to return at least 60% of net profits to its shareholders through a combination of dividends and share buybacks, with at least 50% by way of dividends.

100% of FY 2019 Net Profit ($151.7 million) proposed to be distributed to shareholders.

Total shareholder returns of $919 million since IPO in 2013 ($823 million in cash dividends and $96 million in share buyback programmes).
**Operational Highlights**

- Average of approximately 3 million customer trades executed per month in FY 2019
- Average deposit per Active Customer increased 19% year on year at $5,116 (FY 2018: $4,284)
- Continued investment in innovation and technology throughout the entire customer journey
- Increased focus on our core markets and continued expansion of global presence:
  - Successfully retained leading industry positions in core markets
  - New securities dealer licence received by the Financial Services Authority in the Seychelles
- The Group’s mobile and tablet offering continues to be very popular with customers:
  - Represented over 80% of total revenues in 2019 (FY 2018: 77%)
  - 75% of all customer trades were completed on a mobile device (FY 2018: 73%)
- AUAC\(^1\) increased 12% year on year at $1,046 (FY 2018: $934), with 6% reduction in H2 2019 vs. H1 2019
- ARPU\(^2\) for FY 2019 was $1,775 (FY 2018: $2,365), with 39% increase in H2 2019 vs. H1 2019

\(^1\)AUAC – Average User Acquisition Cost
\(^2\)ARPU – Average Revenue Per User
### Revenues Breakdown

<table>
<thead>
<tr>
<th>Region</th>
<th>H2 19</th>
<th>H1 19</th>
<th>% Change</th>
<th>FY 19</th>
<th>FY 18</th>
<th>% Change</th>
<th>H2 19</th>
<th>H1 19</th>
<th>% Change</th>
<th>FY 19</th>
<th>FY 18</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>UK</td>
<td>22.4</td>
<td>16.2</td>
<td>38%</td>
<td>38.6</td>
<td>100.5</td>
<td>(62%)</td>
<td>1,100</td>
<td>730</td>
<td>51%</td>
<td>1,256</td>
<td>2,199</td>
<td>(43%)</td>
</tr>
<tr>
<td>EEA (exc. UK)</td>
<td>89.7</td>
<td>61.2</td>
<td>47%</td>
<td>150.9</td>
<td>384.7</td>
<td>(61%)</td>
<td>1,093</td>
<td>747</td>
<td>46%</td>
<td>1,334</td>
<td>2,154</td>
<td>(38%)</td>
</tr>
<tr>
<td>Australia</td>
<td>28.6</td>
<td>22.6</td>
<td>27%</td>
<td>51.2</td>
<td>84.8</td>
<td>(40%)</td>
<td>2,060</td>
<td>1,652</td>
<td>25%</td>
<td>2,506</td>
<td>2,371</td>
<td>6%</td>
</tr>
<tr>
<td>ROW&lt;sup&gt;2&lt;/sup&gt;</td>
<td>65.8</td>
<td>48.0</td>
<td>37%</td>
<td>113.8</td>
<td>150.4</td>
<td>(24%)</td>
<td>2,552</td>
<td>2,011</td>
<td>27%</td>
<td>3,207</td>
<td>3,374</td>
<td>(5%)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>206.5</strong></td>
<td><strong>148.0</strong></td>
<td><strong>40%</strong></td>
<td><strong>354.5</strong></td>
<td><strong>720.4</strong></td>
<td><strong>(51%)</strong></td>
<td><strong>1,453</strong></td>
<td><strong>1,044</strong></td>
<td><strong>39%</strong></td>
<td><strong>1,775</strong></td>
<td><strong>2,365</strong></td>
<td><strong>(25%)</strong></td>
</tr>
</tbody>
</table>

- **H2 2019** strong performance across all regions
- **Significant increase in ARPU levels in H2 2019**
- **Plus500 continues to focus on recruitment of high value customers**

<sup>1</sup> ARPU – Average Revenue per User  
<sup>2</sup> ROW – Rest of World
## Active Customers and New Customers KPIs

<table>
<thead>
<tr>
<th></th>
<th>Active Customers¹</th>
<th></th>
<th>New Customers²</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>H2 19</td>
<td>H1 19</td>
<td>% Change</td>
<td>FY 19</td>
</tr>
<tr>
<td>UK</td>
<td>20,366</td>
<td>22,141</td>
<td>(8%)</td>
<td>30,716</td>
</tr>
<tr>
<td>EEA (exc. UK)</td>
<td>82,039</td>
<td>82,025</td>
<td>0.02%</td>
<td>113,096</td>
</tr>
<tr>
<td>Australia</td>
<td>13,872</td>
<td>13,673</td>
<td>1%</td>
<td>20,418</td>
</tr>
<tr>
<td>ROW</td>
<td>25,797</td>
<td>23,853</td>
<td>8%</td>
<td>35,490</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>142,074</strong></td>
<td><strong>141,692</strong></td>
<td><strong>0.3%</strong></td>
<td><strong>199,720</strong></td>
</tr>
</tbody>
</table>

### Business Performance

- **Strong set of KPIs in FY 2019 following exceptional market conditions observed in FY 2018**
- **Slight improvement in Active Customers in H2 2019 compared to H1 2019, reflecting successful measures to improve churn rate**
- **As profile of customers shifts to higher value customers, average lifetime value of New Customers is expected to remain at an attractive level and AUAC is expected to rise steadily**

¹ Active Customers - Customers who made at least one real money trade during the period
² New Customers - Customers depositing for the first time during the period
### Business Performance

### Key Financial Indicators ($m)

<table>
<thead>
<tr>
<th>Cost Category</th>
<th>FY 2019</th>
<th>FY 2018</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advertising and marketing costs</td>
<td>95.6</td>
<td>125.4</td>
<td>(24%)</td>
</tr>
<tr>
<td>Processing costs</td>
<td>15.8</td>
<td>20.1</td>
<td>(21%)</td>
</tr>
<tr>
<td>Payroll and related expenses</td>
<td>22.6</td>
<td>22.1</td>
<td>2%</td>
</tr>
<tr>
<td>Variable bonuses</td>
<td>5.2</td>
<td>13.0</td>
<td>(60%)</td>
</tr>
<tr>
<td>Share-based compensation</td>
<td>3.7</td>
<td>8.9</td>
<td>(58%)</td>
</tr>
<tr>
<td>IT &amp; data feeds costs</td>
<td>7.2</td>
<td>6.9</td>
<td>4%</td>
</tr>
<tr>
<td>Legal, professional and regulatory fees</td>
<td>5.8</td>
<td>8.2</td>
<td>(29%)</td>
</tr>
<tr>
<td>Office expenses</td>
<td>2.8</td>
<td>5.0</td>
<td>(44%)</td>
</tr>
<tr>
<td>Other costs</td>
<td>5.7</td>
<td>5.5</td>
<td>4%</td>
</tr>
<tr>
<td><strong>Total costs</strong></td>
<td><strong>164.4</strong></td>
<td><strong>215.1</strong></td>
<td><strong>(24%)</strong></td>
</tr>
</tbody>
</table>

### Lean Cost Structure ($m)

- Large proportion of variable costs provides flexibility to deliver enhanced EBITDA margins
- Highly-targeted and effective marketing investment

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1 Variable – advertising and marketing costs, processing costs and variable bonuses
Revenue Split by Customer Tenure

- The Group continued to invest in technological retention initiatives to enhance the overall customer experience.
- 73% of FY 2019 revenue derived from customers who have traded for more than one year (FY 2018: 73%)
- 27% of FY 2019 revenue derived from customers who have traded for more than three years (FY 2018: 20%)
- 11% of customers in FY 2019 have traded with the Group for *more than five years*, a significant increase from 2% in 2016.

![Revenue Split by Customer Tenure Charts](image_url)
High Return on Marketing Investment

Marketing Spend per Year and by Channel ($m)

- **Total marketing spend of $104 million in 2015, $125 million in 2016 and $117 million in 2017**
- **2019 continued focus on online, with the vast majority of spend allocated to online channels, where the Group’s targeted efficient marketing algorithms can produce high levels of return**
Business Performance

High Return on Marketing Investment

Cumulative Return - 2015 Registrations ($m)
2015 marketing spend of $104 million generated returns of $332 million

Cumulative Return - 2016 Registrations ($m)
2016 marketing spend of $125 million generated returns of $360 million

Cumulative Return - 2017 Registrations ($m)
2017 marketing spend of $117 million generated returns of $496 million
Approach to Customer Execution

Plus500 acts as principal to the customer trade (like its peers)

- Plus500 has no 'opinion' on direction of market movements
- The Group's market exposure is dictated by customers’ views of market trading opportunities
- Company’s risk management framework ensures risk exposures are limited
- Risk is effectively managed by a combination of real-time monitoring technology, predefined limits (e.g. by customer, instrument and asset class) and internal offsetting techniques
- All customers are treated equally
- Plus500 has a symmetrical risk approach around customers’ trading performance:
  - While it may fluctuate over the short term, performance is considered over a longer timeframe which tends to be broadly neutral over time
  - Customer Income\(^1\) accounted for approximately 99% of revenues over the past six years

\(^1\) Customer Income - Revenue from customer spreads and overnight charges
Churn Rates 2017-2019

Retention efforts to enable increased customers’ lifetime

- 31% churn in H2 2019, aided by continued focus on technological retention initiatives
- Broadened product offering, accompanied with rapid response to market events and focused campaigns
- Enhanced platform capabilities (charts, indicators, drawing tools) appeal to more sophisticated traders and reduce churn
- Best-in-class customer service and improved communication with customers

Analysis of Customer Churn

Churn = \[\frac{(Active\ Customers\ (T) + New\ Customers\ (T+1)) - Active\ Customers\ (T+1)}{Active\ Customers\ (T)}\]
Operational Progress

Continuous focus on innovation and technology throughout the entire customer journey:

- **Trading experience:**
  - Added analysis package to our WebTrader, iOS and Android platforms, including volume indicators, drawing tools and an extensive range of technical indicators
  - More than 100 new financial instruments, including some which were unique to Plus500’s trading platform
  - Upgraded WebApp platform interfaces

- **Support channels and back office systems:**
  - The first major CFD provider to successfully incorporate WhatsApp into its customer service offering
  - Proprietary technology provides smart routing optimisation between local payment processing companies
  - Introduction of additional alternative payment methods to increase variety and streamline the deposit process

- Marketing and customer acquisition process – proven marketing optimisation technology
Plus500 retained leading industry positions in core markets:

- No.1 CFD provider in the UK\(^1\)
- No.1 CFD provider in Spain\(^2\)
- No.1 CFD provider in Germany\(^3\)
- Australia’s best CFD mobile platform\(^4\)

Recent achievements also include:

- UK No. 1 for satisfaction for Online Chat Customer Service\(^1\)

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1. By total number of relationships with UK CFD traders. Investment Trends 2019 UK Leverage Trading Report
2. By total number of client relationships. Investment Trends 2019 Spain Leveraged Trading Report
Global Growth Opportunities

**Strategic**

- Expansion into new geographic regions leveraging the strong Plus500 international brand and capabilities
- Product extension enabled by further development of the current technology platform
- Retaining robust financial position while delivering attractive returns to shareholders
- Enhancing customer acquisition rates and improving retention levels
- Increase growth rates by improving brand awareness globally through marketing activity
- Value-adding targeted acquisitions
Global Strong and Robust Regulatory Framework
During the year, and as anticipated, the majority of EU-member states adopted national product intervention measures relating to CFDs reflecting the ESMA product intervention measures which came into force in August 2018.

ASIC in Australia released a consultation paper which sets out ASIC’s proposals to impose certain restrictions on the sale and marketing of CFDs to retail customers. It is anticipated that final product intervention orders will come into force during 2020.

The UK left the EU on 31 January 2020 and is now in a transition period until 31 December 2020 in which EU law will continue to apply. Plus500 remains well prepared for various scenarios, supported by the Group’s separate EU licence in Cyprus.

Plus500 will continue to offer CFDs in accordance with applicable laws, regulations and industry best practice.
### Income Statement

#### Key Financial Indicators – Income Statement ($m)

<table>
<thead>
<tr>
<th></th>
<th>H2 2019</th>
<th>H1 2019</th>
<th>FY 2019</th>
<th>FY 2018</th>
<th>FY 19/FY 18</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Trading Income</strong></td>
<td>206.5</td>
<td>148.0</td>
<td>354.5</td>
<td>720.4</td>
<td>(51%)</td>
</tr>
<tr>
<td><strong>Selling and Marketing Expenses</strong></td>
<td>67.7</td>
<td>71.2</td>
<td>138.9</td>
<td>175.9</td>
<td>(21%)</td>
</tr>
<tr>
<td><strong>Administrative and General Expenses</strong></td>
<td>13.2</td>
<td>12.3</td>
<td>25.5</td>
<td>39.2</td>
<td>(35%)</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>126.7</td>
<td>65.6</td>
<td>192.3</td>
<td>506.0</td>
<td>(62%)</td>
</tr>
<tr>
<td><strong>EBITDA Margin</strong></td>
<td>61%</td>
<td>44%</td>
<td>54%</td>
<td>70%</td>
<td>(23%)</td>
</tr>
<tr>
<td><strong>Financing Expenses, Net</strong></td>
<td>0.2</td>
<td>0.6</td>
<td>0.8</td>
<td>2.3</td>
<td>(65%)</td>
</tr>
<tr>
<td><strong>Tax Expenses</strong></td>
<td>25.3</td>
<td>12.3</td>
<td>37.6</td>
<td>124.0</td>
<td>(70%)</td>
</tr>
<tr>
<td><strong>Net Profit</strong></td>
<td>100.1</td>
<td>51.6</td>
<td>151.7</td>
<td>379.0</td>
<td>(60%)</td>
</tr>
</tbody>
</table>

- Efficient cost structure reflecting a controlled cost base at all times
- Optimised effective tax rate
- Reduced FX impact on financial expenses due to continuous treasury optimisation
**Balance Sheet**
Key Financial Indicators – Balance Sheet ($m)

<table>
<thead>
<tr>
<th></th>
<th>FY 2019</th>
<th>FY 2018</th>
<th>FY 19/FY 18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Cash Equivalents</td>
<td>292.9</td>
<td>315.3</td>
<td>(7%)</td>
</tr>
<tr>
<td>Other Current Assets</td>
<td>14.7</td>
<td>12.8</td>
<td>15%</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td><strong>307.6</strong></td>
<td><strong>328.1</strong></td>
<td><strong>(6%)</strong></td>
</tr>
<tr>
<td>Non Current Assets</td>
<td>9.3</td>
<td>4.8</td>
<td>94%</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>316.9</strong></td>
<td><strong>332.9</strong></td>
<td><strong>(5%)</strong></td>
</tr>
<tr>
<td>Current Liabilities</td>
<td>28.7</td>
<td>51.9</td>
<td>(45%)</td>
</tr>
<tr>
<td>Non Current Liabilities</td>
<td>4.1</td>
<td>0.3</td>
<td>1,267%</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td><strong>32.8</strong></td>
<td><strong>52.2</strong></td>
<td><strong>(37%)</strong></td>
</tr>
<tr>
<td>Equity</td>
<td>284.1</td>
<td>280.7</td>
<td>1%</td>
</tr>
<tr>
<td><strong>Total Liabilities and Equity</strong></td>
<td><strong>316.9</strong></td>
<td><strong>332.9</strong></td>
<td><strong>(5%)</strong></td>
</tr>
</tbody>
</table>

- No debt and loans
- Client money held with reputable financial institutions
- Strong balance sheet with positive working capital has enabled Plus500 to withstand the period of recent change, continue to invest in the business for future growth, and to continue to make attractive shareholder returns
## Financial Overview

### Cash Flow

**Key Financial Indicators – Cash Flow ($m)**

<table>
<thead>
<tr>
<th></th>
<th>FY 2019</th>
<th>FY 2018</th>
<th>FY 19 / FY 18</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating Activities:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash generated from operations</td>
<td>170.1</td>
<td>495.0</td>
<td>(66%)</td>
</tr>
<tr>
<td>Interest received, net</td>
<td>4.8</td>
<td>3.8</td>
<td>26%</td>
</tr>
<tr>
<td>Income tax paid, net</td>
<td>(47.6)</td>
<td>(98.4)</td>
<td>(52%)</td>
</tr>
<tr>
<td>Net cash provided by operating activities</td>
<td>127.3</td>
<td>400.4</td>
<td>(68%)</td>
</tr>
<tr>
<td>Net cash used in investing activities</td>
<td>(0.1)</td>
<td>(0.7)</td>
<td>(86%)</td>
</tr>
<tr>
<td><strong>Financing Activities:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dividend Paid (<strong>/</strong>*)</td>
<td>(101.1)</td>
<td>(321.9)</td>
<td>(69%)</td>
</tr>
<tr>
<td>Payment of principal in respect of leases liability</td>
<td>(1.8)</td>
<td>-</td>
<td>NA</td>
</tr>
<tr>
<td>Acquisition of the Company’s shares by the Company ***</td>
<td>(47.2)</td>
<td>(2.3)</td>
<td>1952%</td>
</tr>
<tr>
<td>Net cash used in financing activities</td>
<td>(150.1)</td>
<td>(324.2)</td>
<td>(54%)</td>
</tr>
<tr>
<td>Gains (Losses) from exchange differences on cash and cash equivalents</td>
<td>0.5</td>
<td>(2.1)</td>
<td>(124%)</td>
</tr>
<tr>
<td>Balance of cash and cash equivalents at end of the year</td>
<td>292.9</td>
<td>315.3</td>
<td>(7%)</td>
</tr>
</tbody>
</table>

- Strong cash generation
- Limited capex needs
- Low capital intensity
- High cash conversion, available for shareholder returns and market opportunities
- Significant shareholder return reflected within financing activities

* On August 2019 the Company declared an interim dividend in an amount of $30.9 million ($0.2734 per share), which was paid on 28 November 2019
** On February 2019 the Company declared a final dividend for the year ended 31 December 2018 in an amount of $70.2 million ($0.6191 per share), which was paid on 9 July 2019
*** During 2019 the Company purchased its own shares through two share buyback programmes ($6 million and $41.2 million)
Proprietary technology, developed in-house - key differentiator and flexible advantage

User Interface
consistent experience across all platforms

System Architecture
rapid product development

Back Office

“Marketing Machine”
efficient acquisition of new customers

Affiliate Programme

“Retention Machine”
efficient retention algorithms

Risk Management

Payment Interface
Fraud Management
low chargeback ratio

Consistent experience across all platforms

Efficient acquisition of new customers

Efficient retention algorithms

Business Model
Cutting-Edge Proprietary Technology

Plus500 is, at its core, a technology company

- Leadership in innovation and R&D is a key driver for growth:
  - Proprietary technology suite enables rapid response
  - Technology solutions replace manual interventions
  - Upgrading functionality and appearance to aid retention of, and appeal to, more sophisticated traders
  - Fully self developed cashier and processing mechanism with smart transaction route to reduce costs

- Plus500 excels at understanding customer requirements:
  - Upgraded WebApp platform interfaces for further user customisation, including introduction of the dark mode which gained popularity quickly
  - Enhanced customer onboarding experience
  - Monitoring and implementation of trending topics and customer requests
  - Introduction of new features, trading instruments and trading tools and support channels
* Illustrative figures
Encouraged by the momentum built through the year end – heightened levels of volatility in the financial markets due to global events

Customer trading patterns have now adjusted following the regulatory changes introduced in Europe last year

Customer retention metrics are improving and customer tenure is increasing, supporting lifetime values

Our flexible business model, optimised cost base and technological advantage will enable Plus500 to adjust rapidly to any future regulation, including the impact of any changes expected to be introduced in Australia during 2020

Plus500’s financial performance in 2020 will be dependent, among other things, on financial market conditions providing sufficient trading opportunities for customers

Looking forward we are confident of the prospects for the Group as we focus on further strengthening our customer offering and market positions, thereby delivering growth and further strong shareholder returns
Appendices
Revenue Split

- Customer Income
  Revenue from customer spreads and overnight charges

- Customer Trading Performance
  Gains/losses on customers’ trading positions

Rolling 6 Year Performance

- 89% Spreads
- 10% Overnight Charges
- 1% Customer Trading Performance

FY 19 Performance

<table>
<thead>
<tr>
<th>Amount ($m)</th>
<th># of negative revenue days</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-0.25</td>
<td>28</td>
</tr>
<tr>
<td>0.25-0.5</td>
<td>14</td>
</tr>
<tr>
<td>0.5-1.0</td>
<td>7</td>
</tr>
<tr>
<td>&gt;1.0</td>
<td>6</td>
</tr>
</tbody>
</table>

- Effective, comprehensive risk management capabilities – based on significant investment in personnel and processes
Minimising Downside Risk: 85% Positive Trading Days in 2019

In 2019 the Group made a positive revenue on approximately 85% of the trading days with remaining 15% of trading days showing mostly relatively immaterial negative revenue. The average daily loss in 2019 was less than $411K.