

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

**14 February 2023**

**Preliminary Unaudited Results  
for the year ended 31 December 2022**



\*For illustrative purposes

**Plus500**

**Plus500 Ltd.****("Plus500", the "Company" or together with its subsidiaries the "Group")****Preliminary Unaudited Results for the year ended 31 December 2022***Another excellent performance in FY 2022, driving growth and reinforcing our financial position**Additional \$100m shareholder returns announced today,**increasing returns to shareholders in respect of FY 2022 to more than \$270m*

Plus500, a global multi-asset fintech group operating proprietary technology-based trading platforms, today announces its unaudited preliminary results for the year ended 31 December 2022.

**Financial Highlights:**

|                          | <b>FY 2022*</b> | FY 2021  | <i>Change %</i> |
|--------------------------|-----------------|----------|-----------------|
| Revenue                  | \$832.6m        | \$718.7m | 16%             |
| EBITDA                   | \$453.8m        | \$387.1m | 17%             |
| EBITDA Margin %          | 55%             | 54%      | 2%              |
| Cash balance at year end | \$930.2m        | \$749.5m | 24%             |

*\*Unaudited***Key Headlines:**

**Excellent performance achieved, well ahead of market expectations<sup>1</sup> at the beginning of FY 2022, driving strong revenue and EBITDA growth:**

- Powered by the Group's proven business model and market-leading proprietary technology
- Plus500's on-going ability to attract and retain higher value, long term customers evidenced by:
  - 87% of OTC<sup>2</sup> revenue derived from Group's customers trading for more than a year
  - Consistently strong levels of Customer Income<sup>3</sup>
  - Record annual ARPU<sup>4</sup> achieved during the year
- The Group reached another major commercial milestone, with over 24 million worldwide customers now registered on its trading platforms since inception, providing significant potential value for Plus500 over time, through utilisation of new proprietary retention, activation and monetisation technologies
- Customer deposits increased to \$2.3 billion (FY 2021: \$2.1 billion), with average deposit per Active Customer<sup>5</sup> growing to a record high of approximately \$8,000 (FY 2021: approximately \$5,000), highlighting on-going customer loyalty and confidence in Plus500
- In FY 2022, over 85% of the Group's OTC revenue was generated from customers which used Plus500's OTC platform on mobile or tablet devices and over 82% of OTC customer trades took place on mobile or tablet devices

**Significant progress made in accessing the substantial institutional opportunity in the US futures market:**

- New B2B business line with major revenue opportunity – in addition to Plus500's long-standing proprietary B2C technologies and offering, the Group has established a new commercial model, business vertical and strategic position developed by the Group as market infrastructure provider, delivering execution, clearing and brokerage services for institutional clients
- Outstanding achievement in FY 2022 in becoming a full clearing firm member of the CME Group exchanges and the Minneapolis Grain Exchange (MGEX). This extensive range of clearing capabilities will help to deliver the substantial potential opportunity for Plus500 in the US futures market

**Major headway achieved in accessing the sizeable and growing US futures retail trading market:**

- 'TradeSniper', an intuitive new proprietary trading platform, launched in Q3 2022
- Provides a highly differentiated, technology-based proposition for Plus500 in the futures retail market
- 'TradeSniper' enables a fully holistic solution for onboarding, depositing and trading, as well as new payment methods – these features are now available for the first time for customers in the US futures market

<sup>1</sup> Market expectations based on compiled analysts' consensus forecasts at the beginning of FY 2022

<sup>2</sup> OTC ('Over-the-Counter') products, namely CFDs ('Contracts for Difference')

<sup>3</sup> Customer Income – Revenue from OTC Customer Income (customer spreads and overnight charges) and Non-OTC Customer Income (commissions from the Group's futures and options on futures operation and from 'Plus500 Invest', the Group's share dealing platform)

<sup>4</sup> ARPU – Average Revenue Per User

<sup>5</sup> Active Customers – Customers who made at least one real money trade during the period

**Further delivery against global strategic growth opportunities:**

- Access to the substantial Japanese retail trading market, through acquisition of a regulated entity in Japan
  - Integration on track, with further additions made to high quality local management team
- In February 2023, obtained new regulatory licence from the Dubai Financial Services Authority (DFSA) in the high growth market of the UAE
- Obtained new regulatory licence in Estonia, to act as an additional foundation to the Group's business across Europe in its OTC product offering
- 'Plus500 Invest', the Group's proprietary share dealing platform, rolled out in mobile applications and in new countries across Europe, with new equities added to this product offering

**On-going development and enhancement of the Group's marketing approach:**

- Continued investment in Plus500's diversified marketing approach to drive brand awareness in key markets, supported by long-standing and valuable global marketing and advertising partners
- Further optimisation in the performance of the Company's proprietary marketing technologies
- New technological retention initiatives developed and launched, including premium service, demonstrating the Group's continued focus on high value customers
- Launch of major global advertising campaign, featuring actor Kiefer Sutherland
- Multi-year global partnership established with the NBA Chicago Bulls

**Significant advances in a number of key areas of product development – in particular '+Insights' launch:**

- '+Insights' is Plus500's big-data, analytical tool designed to provide its OTC customers with access to real-time and historical trends, based on the Group's registered customer base
- Enables customers to view previously undisclosed and uniquely filtered data points and information
- Provides a unique, tailored experience for customers – available as a complementary service for OTC customers across Plus500's web app, iOS and Android applications

**Plus500's reinforced financial position enables continued investment in growth and shareholder returns:**

- Cash balances of \$930.2m as at 31 December 2022 (31 December 2021: \$749.5m)
- No debts or loans since the Company's inception
- Continued strong Operating cash conversion<sup>6</sup> in FY 2022 of 112% (FY 2021: 99%)

**Continued focus and improvements on governance, sustainability, social responsibility and investor engagement:**

- New Independent Non-Executive Director appointed, further expanding the range of the Board's experience and expertise and diversifying its gender composition, leading to 50% female representation within the Board
- Adopted enhanced level of disclosure relating to the Group's approach to various ESG matters, including a detailed TCFD<sup>7</sup> report to be embedded within Plus500's Annual Report for FY 2022
- Continued focus on customer care and protection, also through the launch of Plus500's Trading Academy and '+Insights'
- Entrepreneurial and high-performance organisational culture drives further improvements of employee development, attraction and retention, through training, learning, community engagement, welfare, wellbeing and career progression
- Capital Markets Day was hosted by the Company's Chair of the Board and management team in September 2022, providing information on key elements of Plus500's investment case, business model and major growth opportunities for the Group

**Further substantial returns delivered to shareholders, reaching \$270.2m, representing 73% of FY 2022 net profits:**

- Includes distribution of final and special share buybacks and dividends announced today of \$100.0m
- Share buyback programmes in respect of FY 2022 of \$180.2m, comprising:
  - Final buyback programme, announced today, to purchase up to \$42.4m of the Company's shares
  - Special buyback programme, announced today, to purchase up to \$27.6m of the Company's shares
  - Interim buyback programme of \$60.2m, announced on 17 August 2022, of which \$53.0m has been completed as at 13 February 2023
  - Special buyback programme of \$50.0m, announced on 13 April 2022, and fully completed
- Dividend payments in respect of FY 2022 of \$90.0m (\$0.9472 per share), comprising:
  - Final dividend of \$20.0m, \$0.2156 per share, announced today, to be distributed in July 2023
  - Special dividend of \$10.0m, \$0.1078 per share, announced today, to be distributed in July 2023
  - Interim dividend of \$60.0m, \$0.6238 per share, distributed in November 2022

<sup>6</sup> Operating cash conversion – Cash generated from operations / EBITDA

<sup>7</sup> TCFD – Task Force on Climate-related Financial Disclosures

- Company policy is to return at least 50% of net profits to shareholders through share buyback programmes and dividends on a half-yearly basis, with at least 50% of this distribution being made by way of share buybacks. The Board will also consider executing special share buyback programmes, or other distributions, on a half yearly basis

**The Board remains confident about the Group’s future prospects:**

- Board’s confidence based on Plus500’s reinforced financial position and its significant progress against key strategic objectives over recent years
  - Highlighted by the Group generating accumulated EBITDA of approximately \$1.4 billion since new strategic roadmap initiated in FY 2020, to evolve into a global multi-asset fintech group
- The Board continues to expect that Plus500 will deliver sustainable growth over the medium to long term
- For FY 2023, the Board expects Plus500’s performance to be in line with current market expectations<sup>8</sup>

**David Zruia, Chief Executive Officer, commented:**

“Plus500 continues to outperform, delivering an excellent set of results in 2022, well ahead of market expectations at the beginning of the year. Our performance was again driven by Plus500’s unique proprietary technology stack proposition, which underpins our on-going ability to attract and retain higher value customers over the long term. We are in an extremely exciting strategic and commercial position, with multiple potential growth opportunities available, particularly in the US futures market, which will continue to drive our growth as a global multi-asset fintech group. With further organic investments and targeted acquisitions, we are confident that Plus500 remains well-positioned to deliver sustainable growth over the medium to long-term.”

**For further details**

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**Investor and analyst audiocast:**

Plus500 will host an audiocast for investors and analysts at 9.00 a.m. UK time today, which can be accessed via the following link: <https://www.investis-live.com/plus500/63c6964dd426f40c0030a657/gdvju>. The audiocast can also be accessed by dialing +44 20 3 936 2999 and using the following access code: 796658. The presentation materials and a recording of the audiocast will be available at <https://investors.plus500.com/Reports/Presentation>.

**About Plus500**

Plus500 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 Group retains operating licences and is regulated in the United Kingdom, Australia, Cyprus, Israel, New Zealand, South Africa, Singapore, the Seychelles, the United States, Estonia, Japan and the UAE and through its OTC product portfolio, offers more than 2,500 different underlying global financial instruments, comprising equities, indices, commodities, options, ETFs, foreign exchange and cryptocurrencies. Customers of the Group can trade its OTC products in more than 50 countries and in 30 languages. Plus500 does not permit customers located in the US to trade its OTC products. Plus500 does not utilise cold calling techniques and does not offer binary options. Plus500’s trading platforms are accessible from multiple operating systems (Windows, iOS and Android) and web browsers. Customer care is and has always been integral to Plus500, as such, OTC customers cannot be subject to negative balances. A free demo account is available on an unlimited basis for OTC trading platform users and sophisticated risk management tools are provided free of charge to manage leveraged exposure and stop losses to help customers protect profits, while limiting capital losses. Plus500 shares have a premium listing on the Main Market of the London Stock Exchange (symbol: PLUS) and are a constituent of the FTSE 250 index. [www.plus500.com](http://www.plus500.com).

<sup>8</sup> Market expectations based on compiled analysts’ consensus forecasts, which can be found on the Investor Relations section of the Company’s website. As at 14 February 2023, consensus forecasts for FY 2023 revenue and EBITDA are \$605.1m and \$270.7m, respectively.

*The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulation ("MAR"). Upon the publication of this announcement via Regulatory Information Service ("RIS"), this inside information is now considered to be in the public domain.*

### **Forward looking statements**

This announcement contains statements that are or may be forward-looking statements. All statements other than statements of historical facts included in this announcement may be forward-looking statements, including statements that relate to the Group's future prospects, developments and strategies. The Company does not accept any responsibility for the accuracy or completeness of any information reported by the press or other media, nor the fairness or appropriateness of any forecasts, views or opinions expressed by the press or other media regarding the Group. The Company makes no representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication. Forward-looking statements are identified by their use of terms and phrases such as "believe", "targets", "expects", "aim", "anticipate", "project", "would", "could", "envisage", "estimate", "intend", "may", "plan", "will" or the negative of those, variations or comparable expressions, including references to assumptions. The forward-looking statements in this announcement are based on current expectations and are subject to known and unknown risks and uncertainties that could cause actual results, performance and achievements to differ materially from any results, performance or achievements expressed or implied by such forward-looking statements. Factors that may cause actual results to differ materially from those expressed or implied by such forward looking statements include, but are not limited to, those described in the Risk Management Framework section of the Company's most recent Annual Report. These forward-looking statements are based on numerous assumptions regarding the present and future business strategies of the Group and the environment in which it is and will operate in the future. All subsequent oral or written forward-looking statements attributed to the Company or any persons acting on its behalf are expressly qualified in their entirety by the cautionary statement above. Each forward-looking statement speaks only as at the date of this announcement. Except as required by law, regulatory requirement, the Listing Rules and the Disclosure Guidance and Transparency Rules, neither the Company nor any other party intends to update or revise these forward-looking statements, whether as a result of new information, future events or otherwise.

## Review of FY 2022 results

### Excellent operational and financial performance by Plus500

The Group delivered an excellent operational and financial performance in FY 2022, delivering further growth, well ahead of market expectations related to Plus500's financial performance at the start of the year, following several upgrades to these market expectations throughout the year. Plus500's market-leading proprietary technology, which is fully inter-connected across its operations, systems architecture, product and marketing capabilities, remains the key growth enabler of the Group's strong performance. In addition, as well as producing operational and financial growth, the Group continued to deliver an attractive return of capital to shareholders during the year.

FY 2022 performance was achieved despite lower levels of activity across the financial markets towards the end of the year, which were affected, as expected, by the 2022 FIFA World Cup, and consistent with previous World Cup tournaments. Plus500's strong performance during the year was fundamentally driven by the Group's proven business model, its market-leading proprietary technology and its on-going ability to attract and retain higher value, long term customers.

Against a challenging macro-economic environment, Plus500's balance sheet remains extremely robust, with the Group continuing to hold no debt or loans since inception and with cash balances as at 31 December 2022 increasing to \$930.2m (31 December 2021: \$749.5m). The Group's reinforced financial position will continue to fund Plus500's investment in future growth, through organic investments and targeted acquisitions and will enable further attractive returns to be delivered to shareholders, through share buybacks and dividend payments, as reflected in the highly scaled distribution of over 70% of FY 2022 net profits to shareholders.

During the year, Plus500 maintained its market-leading positions in key strategic markets and was ranked as the number one OTC provider in the UK<sup>9</sup>, Germany<sup>10</sup> and Spain<sup>11</sup> for its OTC product offering.

To highlight Plus500's continued market leadership and focus on innovation in the mobile and tablet space, over 85% of the Group's OTC revenue in FY 2022 was generated from customers which utilised Plus500's OTC platform on mobile or tablet devices (FY 2021: over 83%), with over 82% of OTC customer trades taking place on mobile or tablet devices in FY 2022 (FY 2021: over 79%).

Since the Company's IPO year in 2013, Plus500 has delivered revenue CAGR of approximately 25%, EBITDA margins averaging 57% and high levels of cash generation and conversion. The Group's excellent performance in FY 2022 further builds on this track record, ensuring Plus500 remains well positioned to access significant opportunities to further grow and diversify its revenue streams, geographic footprint and business model.

### Significant strategic progress made in FY 2022

Plus500 made strong continued progress against its strategic roadmap in FY 2022, with the objective of further developing its position as a global multi-asset fintech group.

*Launching new trading and financial products – significant progress made in the US and initial access was made to Japan*

Plus500 has established a strong and growing position in the substantial futures and options on futures market in the US, supported by the Group's best-in-class technology and its robust financial position. In that market, the Group is targeting several significant growth opportunities and, to this end, made excellent progress in FY 2022. This progress was supported also by the Group's new partnership with the NBA Chicago Bulls, announced during the year, which will drive brand awareness for Plus500, both in the attractive US market and globally.

The Group also developed a new B2B line of business and a strategic position as a market infrastructure provider, with a view to delivering brokerage-execution and clearing services for institutional clients. The Group's future progress in the institutional market will be driven by Plus500's operational capabilities, proprietary technology and the Group's robust financial position.

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<sup>9</sup> By total number of primary customer relationships. Investment Trends 2022 UK Leverage Trading Report

<sup>10</sup> By total number of customer relationships. Investment Trends 2022 Germany Leveraged Trading Report

<sup>11</sup> By total number of customer relationships. Investment Trends 2022 Spain Leveraged Trading Report

Furthermore, the Group's proposition in this new line of business is further strengthened by its position as a full clearing member of the CME Group exchanges and the Minneapolis Grain Exchange (MGEX), which were achieved during the year.

In Q3 2022, Plus500 launched a new B2C proprietary trading platform – 'TradeSniper', an intuitive proprietary futures trading platform specifically tailored for the sizeable and latent US retail trading market. Like Plus500's OTC product offering, 'TradeSniper' has been developed with a customer-centric approach, including a number of embedded features designed to help support and protect customers, including a free and unlimited demo account. This platform provides a highly differentiated, technology-based proposition for Plus500 in the US futures retail trading market, with high levels of automation and technological integration. This enables 'TradeSniper' to offer customers a fully holistic solution of onboarding, depositing and trading, with new payment methods. All of these features are now available for the first time for customers in the US futures market, as a result of 'TradeSniper's unique proposition.

The Group will continue to allocate the appropriate financial, operational and human resources to maximise these significant opportunities in the US over the medium term.

In FY 2022, Plus500 completed the acquisition of a regulated entity in Japan, for which integration plans are progressing well. Over time, this will enable the Group to access the substantial Japanese trading market, where Plus500 will apply its considerable technological capabilities and financial strength to build locally its market position.

The Group's proprietary share dealing platform, 'Plus500 Invest', was launched in Europe on Android and iOS mobile apps during the year. This product further drives the expansion of the Group's product range and geographic footprint, as well as improves customer retention and diversifies Plus500's revenue base.

#### *Continued success in expanding Plus500's core product offering in new and existing markets*

The Group continues to target a number of new potential markets to expand its existing OTC product offering and is seeking a number of potential new operating licences, either organically or via acquisitions. In FY 2022, the Group obtained a new regulatory licence in Estonia, which will act as an additional foundation to the Group's business across Europe in its OTC product offering.

In February 2023, the Group obtained a licence in the United Arab Emirates, granted by the Dubai Financial Services Authority (DFSA), offering a major potential growth opportunity for Plus500, by allowing the Group to expand its offering to customers in a significant and high growth market.

#### *Further substantial investment made in R&D to accelerate initiatives designed to deepen customer relationships*

In line with the Company's plan to incrementally invest approximately \$50m in its R&D capability between FY 2021 and FY 2023, the Company continues to invest in product development to further deepen customer engagement, including through continued recruitment at the Company's R&D centres in Israel. Plus500 now has a latent base of over 24 million registered customers on its trading platforms worldwide since inception, which can be targeted by the Group through a number of new retention technologies, products, tools and innovations for customers.

These new innovations include '+Insights', which was launched during the year on the Group's OTC trading platform as a complementary service for customers across its web app, iOS and Android applications. '+Insights' is a new proprietary big-data, analytical tool designed to provide customers with access to real-time and historical trends, based on the Group's registered customer base. '+Insights' enables customers to view previously undisclosed key data points and information which is uniquely segmented by the selected core measurement and customisable filters, providing a unique, tailored experience for customers.

Plus500 will continue to make organic investments in its proprietary technology and actively target acquisitions, to drive further growth and value for its shareholders.

#### **Strong operational delivery**

In terms of operational performance during FY 2022, the Group delivered across all key metrics a strong operational delivery, supported by its on-going focus on attracting and retaining high value, long term customers.

Long term customer loyalty increased to an extraordinary position, with 87% of FY 2022 OTC revenue derived from customers trading with Plus500 for more than a year (FY 2021: 79%), 40% for more than three years (FY 2021: 35%) and 24% for more than five years (FY 2021: 16%).

Highlighting the long-term value creation being delivered by Plus500's business model, the cumulative average revenue from OTC Active Customers who first started trading with Plus500 during 2016 was approximately \$5,000 as at the end of FY 2022, reflecting the long-term, sustainable value of the Group's customer base.

ARPU reached record annual level of \$2,966 in FY 2022 (FY 2021: \$1,764), including \$968 in Q4 2022 (Q4 2021: \$937). Customer deposits remained high with average deposit per Active Customer also achieving a record annual level of approximately \$8,000 (FY 2021: approximately \$5,000), highlighting the continued strong level of confidence that customers have in Plus500 and the resilience of the Group's trading platforms. Total customer deposits in FY 2022 increased to \$2.3 billion (FY 2021: \$2.1 billion).

With continued investment in strategic markets to attract higher value customers for the long term, AUAC<sup>12</sup> was \$1,481 in FY 2022 (FY 2021: \$877), including \$1,462 in Q4 2022 (Q4 2021: \$1,502). The Group continues to expect that AUAC will rise steadily over time, as the Group's customer profile further shifts to higher value, long term customers and as the Group invests in attracting customers to the new trading products in its portfolio and targeting additional high value customers in strategic geographies.

The Group onboarded a total of 106,549 New Customers<sup>13</sup> during the year (FY 2021: 196,336), including 25,527 New Customers onboarded in Q4 2022 (Q4 2021: 33,187).

The Group's number of Active Customers during FY 2022 remained robust at 280,769 (FY 2021: 407,374), including 130,865 in Q4 2022 (Q4 2021: 171,922). This was supported by continued investment in the Group's diversified marketing approach, which included its sophisticated proprietary marketing technology and a range of strategic initiatives and advertising campaigns to drive customer retention, monetisation and activation.

These initiatives included, among others, the launch of a major bespoke global advertising campaign, featuring actor Kiefer Sutherland, to build brand awareness in key strategic markets. This international advertising campaign, the first in Plus500's history, is embedded across the Group's social media networks and other online and offline marketing channels. The next phase of the campaign has been initiated in Q1 2023, specifically focusing on the launch and development of '+Insights'.

### **Financial outperformance**

Plus500's financial performance in FY 2022 was exceptional, reinforcing the Group's financial position with cash balances increasing to \$930.2m as at 31 December 2022 (31 December 2021: \$749.5m).

The Group continues to manage its financial position, balance sheet and cost base in a responsible manner, measuring the performance of its financial position against a range of internal benchmarks and KPIs. The Group continues to hold no debt or loans, has a flexible and lean cost base which is predominantly weighted to variable costs and financial expenses which have a relatively low exposure to the current macro inflationary environment. This financially responsible culture and approach, embedded within the Group since inception, continues to enable Plus500's focused strategic investments and, ultimately, its strong financial performance.

The Group generated total revenue in FY 2022 of \$832.6m, representing a 16% increase year-on-year (FY 2021: \$718.7m), including revenue of \$126.7m in Q4 2022 (Q4 2021: \$161.1m). EBITDA for FY 2022 increased by 17% to \$453.8m (FY 2021: \$387.1m), including \$46.7m in Q4 2022 (Q4 2021: \$70.9m). EBITDA margin increased during FY 2022 to 55% (FY 2021: 54%).

Net profit in FY 2022 increased by 19% to \$370.4m (FY 2021: \$310.6m) and basic earnings per share increased by 25% to \$3.81 (FY 2021: \$3.06).

Customer Income, a key measure of the Group's underlying performance, was strong during FY 2022 at \$639.6m (FY 2021: \$702.8m), including \$150.4m in Q4 2022 (Q4 2021: \$166.7m). Customer Trading Performance<sup>14</sup> was \$193.0m during FY 2022 (FY 2021: \$15.9m), including \$(23.7m) in Q4 2022 (Q4 2021: \$(5.6m)). The Company continues to expect that the contribution from Customer Trading Performance will be broadly neutral over time.

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<sup>12</sup> AUAC – Average User Acquisition Cost

<sup>13</sup> New Customers – Customers depositing for the first time

<sup>14</sup> Customer Trading Performance – gains/losses on customers' trading positions



The Group's cost base remained well contained supported by the fact that its cost base continues positively to be heavily weighted towards variable costs, which is a key financial strength in an uncertain and dynamic economic environment. Furthermore, in the face of an extremely volatile foreign exchange environment in FY 2022, the Group's management of currency risk continued to be efficient and dynamic.

Variable costs remain positively correlated to enhanced performance and higher volumes. During FY 2022, 70% of the Group's costs were variable (FY 2021: 72%), with the Group maintaining a flexible and well controlled cost base.

Total SG&A expenses were \$382.2m during FY 2022 (FY 2021: \$334.1m), the major elements of which were marketing technological investment of \$157.8m (FY 2021: \$172.1m), commissions to processing companies of \$44.9m (FY 2021: \$40.8m) and payroll and related expenses of \$40.5m (FY 2021: \$33.0m).

Financial income, net, for FY 2022 was \$23.9m (FY 2021: \$1.8m), mainly as a result of developments in the global interest rate environment and its positive impact on the Group's cash balances. In addition, in order to manage the exposure between the US dollar, as the functional currency of the Group, to the other range of currencies applicable to the Group's operations, a substantial proportion of the Group's cash is held in US dollar, to reduce the impact on financial exposure. This approach also enabled the Group's strong financial income performance.

As at the end of FY 2022, total assets were \$1,010.0m (FY 2021: \$822.8m) with equity of \$780.5m, representing approximately 77% of the balance sheet.

The Group remains highly cash generative, supported by the relatively low levels of capital expenditure as a result of its automation and technological capabilities, with cash generated from operations during the year of \$506.8m (FY 2021: \$383.0m) and 112% Operating cash conversion achieved in 2022 (FY 2021: 99%).

As a result, with the Group remaining debt-free, cash and cash equivalents balance at the end of FY 2022 was \$930.2m (FY 2021: \$749.5m).

These levels of cash generation and cash balances enable Plus500 to continue delivering significant levels of shareholder returns. Total shareholder returns in respect of FY 2022 amounted to \$270.2m, representing 73% of FY 2022 net profits. These returns are comprised of share buyback programmes in the amount of \$180.2m and \$90.0m in dividends, as interim, final and special shareholder returns. These include the \$100.0m in shareholder returns declared today by the Board, including \$70.0m in final and special share buybacks and \$30.0m in final and special dividends.

*The consolidated financial statements are presented in US dollars, which is the Company's functional and presentation currency. Foreign currency transactions and balances in currencies different from the US dollar are translated into the US dollar using the exchange rates prevailing on the dates of the transactions or at the balance sheet date.*

### **Continued focus on key sustainability priorities**

The Group remains focused on its key priorities of customer care and protection, as well as employee welfare and development.

Plus500 ensures a high degree of care and protection for its customers, with measures such as negative balance protection and maintenance margin, embedded for all customers on the Group's OTC trading platform. In addition, a free demo account is available on an unlimited basis for the Group's OTC customers. The Group has a range of educational tools on its platforms, to help inform customers of the potential inherent risks involved in trading.

During the year, the Company launched a Trading Academy portal, which includes training videos, an eBook, relevant news alerts and detailed FAQ on key trading dynamics. In the Group's US operation, there also remains a focus on the training and educational materials for customers, with Plus500 launching a range of educational content for customers during the year.

The Group's continued investment in its ESG framework is evidenced by the launch of '+Insights', given it was developed by the Company based on feedback from customers. This new tool therefore demonstrates Plus500's ongoing focus on customer care and delivering on customer requirements, to ensure that a best-in-class experience is maintained for Plus500 customers.

Plus500 operates an entrepreneurial and high-performance organisational culture to empower on-going improvements in employee development, attraction and retention, through training, learning, community engagement, welfare, wellbeing and career development.

The Group remains very active supporting a number of stakeholders in the local communities in which it operates and continues to make both financial and in-kind donations to these communities and to a variety of charitable organisations supporting these communities.

As a technology-based business, Plus500 does not carry out any industrial activity and is not involved in anything which would emit environmentally harmful substances. However, the Group is committed to continuing to minimise its environmental impact, which results from the energy usage relating to the maintenance of the Group's IT infrastructure and the operation of its network of offices around the world.

Plus500's Annual Report for FY 2022, to be published in March 2023, will provide additional disclosure relating to the Group's approach to various ESG matters, including a detailed TCFD report.

### **Further developments in corporate stewardship and investor engagement during the year**

The range of the Board's experience, knowledge and expertise continues to broaden, with further diversification of its gender composition achieved during the year. The representation of women on the Board remains well ahead of the 33% target set by the "Hampton-Alexander Review on gender equality in leadership positions" framework and the FCA's diversity and inclusion requirements, as currently female representation within the Board is 50%.

There were several changes to the composition of the Board and its Committees during the year. In March 2022, Prof. Varda Liberman, a renowned international expert in the field of decision-making and behavioural economics, was appointed as an Independent Non-Executive Director. In June 2022, Daniel King, our long-serving director, completed his maximum nine-year tenure as an Independent Non-Executive Director and External Director. Subsequently, Anne Grim became a member of the Nomination Committee and Chair of the Remuneration Committee, and Steve Baldwin became Chair of the ESG Committee. Additionally, David Zruia became a member of the ESG Committee.

To further diversify the composition of Board Committees, the Board has considered additional rotations with an immediate effect, as follows: Prof. Varda Liberman, a member of the Regulatory & Risk Committee, will chair this Committee and will also become a member of the Remuneration Committee, replacing Sigalia Heifetz.

The Company's Chair of the Board and management team hosted a Capital Markets Day in September 2022, and provided information on key elements of Plus500's investment case, business model and major growth opportunities for the Group. A full recording of the event is available on the Group's new Investor Relations website, which was launched at the start of last year: <https://investors.plus500.com>.

### **Regulatory compliance remains a major area of management focus**

The Group maintains a highly robust, customer-centric approach to compliance, supported by its expertise in the applicable global regulatory standards and its long-standing relationships with the regulators in the markets and industries in which it operates. The Company also has the technological skills and capabilities to ensure that it can efficiently react with speed to any regulatory changes that occur. This approach has continued to deliver consistent results and has helped to support the Group's performance since Plus500's inception.

With an established global regulatory network, managed by its regulated subsidiaries and co-ordinated centrally, the Group remains well positioned to cater the regulatory framework across the markets in which it operates. The Group holds twelve regulatory licences and, this portfolio of licences is an increasingly valuable asset for the Group, given the scarcity and the growing complexity of obtaining new regulatory licences in this industry.

### **Plus500 continues to deliver significant returns to shareholders**

Since the Company's IPO in 2013, Plus500 has continued to deliver an attractive return of capital to shareholders of approximately \$1.7 billion through dividends and share buybacks (including returns in respect of FY 2022), having generated significant levels of cash from operations of approximately \$2.9 billion in that timeframe.

### *Plus500's shareholder returns policy and the Board's capital allocation framework*

The Company's shareholder returns policy is to return at least 50% of net profits to shareholders through share buyback programmes and dividends, on a half yearly basis with at least 50% of this distribution being made by way of share buybacks. The Board will also consider executing special share buybacks, or other distributions, on a half yearly basis, dependent on fiscal year results as well as on investment and growth opportunities. This shareholder returns policy applies to net profits on a half-yearly basis and is based on a 23% corporate tax rate, for both interim and final distributions.

The Board has a clear capital allocation framework, based on an on-going assessment of the availability of excess capital going forward, to ensure there continues to be an optimal balance between shareholder returns, investments in future growth and in driving business continuity over the long term. In particular, and aligned to this framework, the Board will continue to ensure that appropriate levels of available capital are maintained for required working capital and other factors to drive future growth.

### *Shareholder returns related to FY 2022*

The Company returned \$270.2m to shareholders in relation to FY 2022, including \$180.2m in announced share buybacks and \$90.0m in declared dividends.

Total distribution of final and special share buybacks and dividends announced today in the amount of \$100.0m.

Announced share buyback programmes in respect of FY 2022 totalled \$180.2m. This includes two programmes announced today – a final buyback programme to purchase up to \$42.4m of the Company's shares and a special buyback programme to purchase up to \$27.6m of the Company's shares. These new programmes further emphasise the Board's continued confidence in the prospects for Plus500 and reflect the robust financial position of the Group. These programmes will commence following the completion of the current share buyback programme of \$60.2m, which was announced on 17 August 2022. The Company also completed a special buyback programme of \$50.0m, announced on 13 April 2022, during the course of FY 2022.

Total dividends declared in respect of FY 2022 amount to \$90.0m, representing \$0.9472 per share (total dividend for FY 2021: \$1.1916 per share). This includes a final dividend for FY 2022, declared today, of \$20.0m, representing \$0.2156 per share, a special dividend also declared today of \$10.0m, representing \$0.1078 per share, and an interim dividend of \$60.0m. The final and special dividends have an ex-dividend date of 23 February 2023, with a record date of 24 February 2023, and a payment date of 11 July 2023. The interim dividend was distributed to shareholders in November 2022.

At 31 December 2022, the Company held in treasury a total of 21,112,648 ordinary shares, which were purchased since the commencement of Plus500's initial share buyback programmes in 2017, representing 18.4% of the Company's issued share capital (the total treasury shares held by the Company comprise the shares purchased less issued treasury shares).

### **The Board remains confident about the Group's future prospects**

Based on Plus500's significant strategic, operational and financial progress over recent years, and the Group's reinforced financial position, the Board remains confident about the Group's future prospects, with Plus500 remaining well positioned to access a range of significant opportunities to grow and diversify its revenue streams, geographic footprint and business model.

These growth opportunities will be accessed by the Group's on-going investment in developing its position as a global multi-asset fintech group, in particular through further organic investments in technology, marketing and people, as well as by actively targeting additional acquisitions.

For FY 2023, the Board expects Plus500's performance to be in line with current market expectations<sup>15</sup> and continues to expect that the Group will deliver sustainable growth over the medium to long term.

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<sup>15</sup> Market expectations based on compiled analysts' consensus forecasts, which can be found on the Investor Relations section of the Company's website. As at 14 February 2023, consensus forecasts for FY 2023 revenue and EBITDA are \$605.1m and \$270.7m, respectively.

Plus500 LTD.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

|   | Note | Year ended<br>31 December |       |
|---|------|---------------------------|-------|
|   |      | 2022                      | 2021  |
| U.S. dollars in millions                            |      |                           |       |
| <b>TRADING INCOME</b>                               |      | 832.6                     | 718.7 |
| Selling and marketing expenses                      |      | 302.1                     | 279.8 |
| Administrative and general expenses                 |      | 80.1                      | 54.3  |
| <b>OPERATING PROFIT</b>                             |      | 450.4                     | 384.6 |
| Financial income                                    |      | 41.3                      | 10.4  |
| Financial expenses                                  |      | 17.4                      | 8.6   |
| <b>FINANCIAL INCOME, NET</b>                        |      | 23.9                      | 1.8   |
| <b>PROFIT BEFORE INCOME TAX</b>                     |      | 474.3                     | 386.4 |
| INCOME TAX EXPENSE                                  |      | 103.9                     | 75.8  |
| <b>PROFIT AND COMPREHENSIVE INCOME FOR THE YEAR</b> |      | 370.4                     | 310.6 |
| <b>Basic earnings per share</b> (in US dollars)     | 6    | 3.81                      | 3.06  |
| <b>Diluted earnings per share</b> (in US dollars)   | 6    | 3.77                      | 3.05  |

Plus500 LTD.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

|   | Note | As of 31 December        |              |
|---|------|--------------------------|--------------|
|   |      | 2022                     | 2021         |
|   |      | U.S. dollars in millions |              |
| <b>ASSETS</b>                                 |      |                          |              |
| <b>Non-current assets</b>                     |      |                          |              |
| Property, plant and equipment                 |      | 2.6                      | 2.6          |
| Goodwill and other intangible assets, net     |      | 38.7                     | 28.0         |
| Right of use assets                           |      | 5.6                      | 5.6          |
| Long term other receivables                   |      | 5.8                      | 4.4          |
| <b>Total non-current assets</b>               |      | <b>52.7</b>              | <b>40.6</b>  |
| <b>Current assets</b>                         |      |                          |              |
| Income tax receivable                         |      | 0.2                      | -            |
| Other receivables and others                  |      | 26.9                     | 32.7         |
| Cash and cash equivalents                     |      | 930.2                    | 749.5        |
| <b>Total current assets</b>                   |      | <b>957.3</b>             | <b>782.2</b> |
| <b>TOTAL ASSETS</b>                           |      | <b>1,010.0</b>           | <b>822.8</b> |
| <b>LIABILITIES</b>                            |      |                          |              |
| <b>Non-current liabilities</b>                |      |                          |              |
| Lease liabilities (net of current maturities) |      | 3.6                      | 4.2          |
| Share based compensation                      |      | -                        | 0.3          |
| Deferred tax liability                        |      | 6.9                      | -            |
| <b>Total non-current liabilities</b>          |      | <b>10.5</b>              | <b>4.5</b>   |
| <b>Current liabilities</b>                    |      |                          |              |
| Share based compensation                      |      | 6.3                      | 7.3          |
| Income tax payable                            |      | 116.4                    | 89.9         |
| Other payables                                |      | 72.2                     | 41.7         |
| Service suppliers                             |      | 11.7                     | 15.5         |
| Current maturities of lease liabilities       |      | 2.0                      | 2.0          |
| Trade payables – due to clients               | 7    | 10.4                     | 0.6          |
| <b>Total current liabilities</b>              |      | <b>219.0</b>             | <b>157.0</b> |
| <b>TOTAL LIABILITIES</b>                      |      | <b>229.5</b>             | <b>161.5</b> |
| <b>EQUITY</b>                                 |      |                          |              |
| Ordinary shares                               | 4    | 0.3                      | 0.3          |
| Share premium                                 |      | 22.2                     | 22.2         |
| Cost of Company's shares held by the Company  |      | (341.1)                  | (207.5)      |
| Retained earnings                             |      | 1,099.1                  | 846.3        |
| <b>Total equity</b>                           |      | <b>780.5</b>             | <b>661.3</b> |
| <b>TOTAL LIABILITIES AND EQUITY</b>           |      | <b>1,010.0</b>           | <b>822.8</b> |

Plus500 LTD.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

|  | Ordinary<br>shares       | Share<br>premium | Cost of<br>Company's<br>shares held by<br>the Company | Retained<br>earnings | Total        |
|--|--------------------------|------------------|---|----------------------|--------------|
|  | U.S. dollars in millions |                  |   |                      |              |
| <b>BALANCE AT 1 JANUARY 2021</b>                                   | 0.3                      | 22.2             | (145.7)   | 678.8                | 555.6        |
| <b>CHANGES DURING THE YEAR ENDED 31 DECEMBER 2021</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 compensation | -                        | -                | 3.1   | (3.1)                | -            |
| Acquisition of treasury shares                                     | -                        | -                | (64.9)  | -                    | (64.9)       |
| <b>BALANCE AT 31 DECEMBER 2021</b>                                 | <u>0.3</u>               | <u>22.2</u>      | <u>(207.5)</u>  | <u>846.3</u>         | <u>661.3</u> |
| <b>CHANGES DURING THE YEAR ENDED 31 DECEMBER 2022</b>              |                          |                  |   |                      |              |
| Profit and comprehensive income for the year                       | -                        | -                | -   | 370.4                | 370.4        |
| Share based compensation   | -                        | -                | -   | 7.5                  | 7.5          |
| <b>TRANSACTION WITH SHAREHOLDERS:</b>                              |                          |                  |   |                      |              |
| Dividend   | -                        | -                | -   | (119.9)              | (119.9)      |
| Issue of treasury shares to settle equity share based compensation | -                        | -                | 5.2   | (5.2)                | -            |
| Acquisition of treasury shares                                     | -                        | -                | (138.8)   | -                    | (138.8)      |
| <b>BALANCE AT 31 DECEMBER 2022</b>                                 | <u>0.3</u>               | <u>22.2</u>      | <u>(341.1)</u>  | <u>1,099.1</u>       | <u>780.5</u> |

Plus500 LTD.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

|   | Year ended<br>31 December |                |
|---|---------------------------|----------------|
|   | 2022                      | 2021           |
|   | U.S. dollars in millions  |                |
| <b>OPERATING ACTIVITIES:</b>  |                           |                |
| Cash generated from operations (see Note 8)                               | 506.8                     | 383.0          |
| Income tax received (paid), net   | (66.2)                    | 16.3           |
| Interest received, net  | 13.5                      | 6.2            |
| Net cash flows provided by operating activities                           | <u>454.1</u>              | <u>405.5</u>   |
| <b>INVESTING ACTIVITIES:</b>  |                           |                |
| Acquisition of subsidiaries, net of cash acquired                         | (4.6)                     | (32.5)         |
| Purchase of property, plant and equipment                                 | (0.8)                     | (0.8)          |
| Net cash flows used in investing activities                               | <u>(5.4)</u>              | <u>(33.3)</u>  |
| <b>FINANCING ACTIVITIES:</b>  |                           |                |
| Dividend paid to equity holders of the Company                            | (119.9)                   | (144.9)        |
| Payment of principal in respect of lease liabilities                      | (2.3)                     | (2.0)          |
| Acquisition of treasury shares  | (138.8)                   | (64.9)         |
| Net cash flows used in financing activities                               | <u>(261.0)</u>            | <u>(211.8)</u> |
| <b>INCREASE IN CASH AND CASH EQUIVALENTS</b>                              | 187.7                     | 160.4          |
| <b>BALANCE OF CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>      | 749.5                     | 593.9          |
| Losses from effects of exchange rate changes on cash and cash equivalents | (7.0)                     | (4.8)          |
| <b>BALANCE OF CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>            | <u>930.2</u>              | <u>749.5</u>   |

## Plus500 LTD.

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

#### 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, the Financial Services Agency (“FSA”) in Japan and the Dubai Financial Services Authority (“DFSA”) in the UAE.

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.

#### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

##### a. Basis of accounting and accounting policies

The Group’s condensed consolidated financial information as of 31 December 2022 and 2021 and for each of the two years in the periods ended on 31 December 2022 are prepared in accordance with International Financial Reporting Standards (“IFRS”).

The significant accounting policies in this financial information have been applied consistently in relation to all the reporting periods, unless otherwise stated.

The financial information has been prepared under the historical cost convention, subject to adjustments in respect of revaluation of financial assets at fair value through profit or loss presented at fair value.

##### b. 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 these condensed consolidated financial statements.



## Plus500 LTD.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (continued)

### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### c. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments.

As stated in Note 1 above, the Group operates in three operating sectors: OTC-CFD trading, share dealing and futures and options on futures. In the year 2022 the Group presents its operation as one operating segment.

### NOTE 3 - 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 ("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 Technology 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).

#### 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).

In May 2019, the Company obtained a tax ruling from the ITA and subject to the Company complying with the conditions stipulated by the tax ruling, which the Company met, and the Investment Law, the Company is considered as a PTE.

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 rates for the preferred technological income of a PTE for these years was 12%. The Company is also considered as PTE for the years 2021 and 2020. As a result, the Company's corporate tax rate for the years 2021 and 2020 was 12%.

## Plus500 LTD.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (continued)

### NOTE 3 - INCOME TAX EXPENSES (continued)

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 financial 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%.

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.

#### 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.

### NOTE 4 - SHARE CAPITAL

Composed of ordinary shares of NIS 0.01 par value, as follows:

|                       | Number of ordinary shares |              |
|-----------------------|---------------------------|--------------|
|                       | As of 31 December         |              |
|                       | 2022                      | 2021         |
| Authorised            | 300,000,000               | 300,000,000  |
| Issued and fully paid | 114,888,377               | 114,888,377  |
| Less treasury shares* | (21,112,648)              | (14,663,597) |
| Outstanding shares    | 93,775,729                | 100,224,780  |

\*Number of accumulated ordinary shares that were purchased by the Company as part of the share buyback programmes, less issue of treasury shares.

Plus500 LTD.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (continued)

NOTE 5 - DIVIDENDS

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

| <u>Date of declaration</u> | <u>Amount of dividend<br/>(US \$ in millions)*</u> | <u>Amount of dividend<br/>per share (US \$)</u> | <u>Date of payment to<br/>shareholders</u> |
|----------------------------|--|---|--|
| 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                               |
| 17 August 2022             | 60.0   | 0.6238  | 11 November 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.

NOTE 6 - 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 year.

|   | <u>Year ended 31 December</u> |             |
|---|-------------------------------|-------------|
|   | <u>2022</u>                   | <u>2021</u> |
| Profit attributable to equity holders of the Company (US dollars in millions) | 370.4                         | 310.6       |
| Weighted average number of ordinary shares in issue*:                         |                               |             |
| Basic   | 97,311,485                    | 101,456,641 |
| Dilutive effect of equity share based compensation                            | 943,047                       | 529,601     |
| Diluted   | 98,254,532                    | 101,986,242 |
| <b>Basic earnings per share</b> (In US dollars)                               | <u>3.81</u>                   | <u>3.06</u> |
| <b>Diluted earnings per share</b> (In US dollars)                             | <u>3.77</u>                   | <u>3.05</u> |

\*After weighting the effect of Company's share buyback programmes.

NOTE 7 - TRADE PAYABLES - DUE TO CLIENTS

|   | <u>As of 31 December</u>        |              |
|---|---------------------------------|--------------|
|   | <u>2022</u>                     | <u>2021</u>  |
|   | <u>U.S. dollars in millions</u> |              |
| Customers' deposits, net*                                       | 282.8                           | 350.6        |
| Segregated client funds   | (272.4)                         | (350.0)      |
|   | <u>10.4</u>                     | <u>0.6</u>   |
| <b>*Customers deposits, net are comprised of the following:</b> |                                 |              |
| Customers' deposits   | 411.5                           | 428.3        |
| Less- financial derivative open positions:                      |                                 |              |
| Gross amount of assets  | (139.0)                         | (130.4)      |
| Gross amount of liabilities                                     | 10.3                            | 52.7         |
|   | <u>282.8</u>                    | <u>350.6</u> |

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

Plus500 LTD.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (continued)

NOTE 8 - CASH GENERATED FROM OPERATIONS

|  | Year ended 31 December   |        |
|--|--------------------------|--------|
|  | 2022                     | 2021   |
|  | U.S. dollars in millions |        |
| <b>Cash generated from operating activities</b>                                  |                          |        |
| Net income for the year  | 370.4                    | 310.6  |
| <b>Adjustments required to reflect the cash flows from operating activities:</b> |                          |        |
| Depreciation and amortisation  | 1.4                      | 0.7    |
| Amortisation of right of use assets  | 2.0                      | 1.8    |
| Lease modification   | -                        | (0.2)  |
| Liability for share based compensation   | 11.9                     | 6.8    |
| Settlement of share based compensation   | (7.3)                    | (8.4)  |
| Equity share based compensation  | 7.5                      | 4.9    |
| Taxes on income  | 103.9                    | 75.8   |
| Interest expenses in respect of leases   | 0.1                      | 0.2    |
| Exchange differences in respect of leases  | (0.4)                    | -      |
| Interest income  | (13.5)                   | (6.2)  |
| Foreign exchange losses (gains) on operating activities                          | (4.5)                    | 4.3    |
|  | 101.1                    | 79.7   |
| <b>Operating changes in working capital:</b>                                     |                          |        |
| Decrease (increase) in other receivables and others                              | 5.2                      | (16.9) |
| Increase (decrease) in trade payables due to clients                             | 9.8                      | (0.4)  |
| Increase (decrease) in other payables  | 24.1                     | 17.3   |
| Increase (decrease) in service suppliers   | (3.8)                    | (7.3)  |
|  | 35.3                     | (7.3)  |
| <b>Cash generated from operations</b>  | 506.8                    | 383.0  |

NOTE 9 - SUBSEQUENT EVENTS

In February 2023, the Group obtained a licence in the United Arab Emirates, granted by the Dubai Financial Services Authority (DFSA).

On 14 February 2023, the Company declared a final dividend in an amount of \$20.0 million (\$0.2156 per share). The dividend record date is 24 February 2023 and it will be paid to the shareholders on 11 July 2023.

On 14 February 2023, the Company declared a special dividend in an amount of \$10.0 million (\$0.1078 per share). The dividend record date is 24 February 2023 and it will be paid to the shareholders on 11 July 2023.

On 14 February 2023, the Company declared the adoption of a share buyback programme to buy back up to \$70.0 million of the Company's ordinary shares, comprised of a final share buyback programme in the amount of \$42.4 million and a special share buyback programme in the amount of \$27.6 million.