

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

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**20 February 2024**

**Preliminary Unaudited Results  
for the year ended 31 December 2023**

Select Account Mode



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20 February 2024

**Plus500 Ltd.**

**("Plus500", the "Company" or together with its subsidiaries the "Group")**

**Preliminary Results for the year ended 31 December 2023**

***FY 2023 results significantly ahead of market expectations***

***Significant additional shareholder returns of \$175m announced today***

Plus500, a global multi-asset fintech group operating proprietary technology-based trading platforms, today announces its preliminary unaudited results for the year ended 31 December 2023.

**David Zruia, Chief Executive Officer of Plus500, commented:**

“Three years ago, Plus500 presented its new strategic plan to become a global, multi-asset fintech group, by expanding into new markets, developing new products and deepening relationships with customers.

2023 saw further progress against all three strategic objectives: we expanded our US futures businesses, launched a new retail FX OTC trading platform in Japan and extended our portfolio of global regulatory licences to 13. We expanded our core product offering to include a share dealing platform, and a new line of business offering futures and options on futures. Our efforts to deepen customer relationships were enhanced by our market-leading technology, and we now have over 26 million customers registered on our platforms. During the period, we achieved a record high average deposit per active customer reflecting our on-going focus on higher value customers and the intuitive nature and reliability of our market-leading technology.

All of this strategic progress has led to our FY 2023 results being significantly ahead of market expectations and today we are pleased to announce additional shareholder returns of \$175.0m, comprising \$100.0m in new share buyback programmes and \$75.0m of dividends.”

**Financial highlights**

	<b>H2 2023*</b>	H2 2022*	<i>Change %</i>	<b>FY 2023*</b>	FY 2022	<i>Change %</i>
Revenue	\$357.7m	\$321.2m	11%	\$726.2m	\$832.6m	(13%)
EBITDA <sup>1</sup>	\$166.4m	\$148.5m	12%	\$340.5m	\$453.8m	(25%)
EBITDA Margin %	47%	46%	2%	47%	55%	(15%)
Cash balance at period end	\$906.7m	\$930.2m	(3%)	\$906.7m	\$930.2m	(3%)

*\*Unaudited*

**Robust financial performance enabled by Plus500's strong market position**

- Group revenue was \$726.2m, comprising trading income of \$674.3m and interest income of \$51.9m
- EBITDA was \$340.5m, with an EBITDA margin of 47%
- Basic Earnings Per Share (EPS) was \$3.17
- 70% of the Group's costs were variable in nature (FY 2022: 70%) providing it with a significant competitive advantage, and highlighting Plus500's lean and flexible business model
- The Company's balance sheet remained extremely strong with cash balances of \$906.7m as at 31 December 2023 with no loans or debt

**Significant shareholder returns of \$175.0m announced today**

- New shareholder returns of \$175.0m announced today, in line with the Group's clear and disciplined capital allocation framework, reflecting its enduring financial strength and the Company's Board of Directors (the "Board") continued confidence in its prospects
- These shareholder returns comprise new share buyback programmes of \$100.0m, as well as total dividends of \$75.0m
- During FY 2023, Plus500 announced approximately \$350m of total shareholder returns, comprising share buyback programmes of \$257.5m, including \$127.5m through the repurchase of shares executed on 13 June 2023, and total dividends of \$90.0m

<sup>1</sup> EBITDA - Revenue (trading income and interest income) minus operating expenses plus depreciation and amortisation

- Since the commencement of Plus500's initial share buyback programme in 2017 and up to 31 December 2023, the Company has purchased 36,651,165 ordinary shares, amounting to a total of \$0.6bn, excluding the amount announced today, at an average share price of £13.52

### Operational highlights

	H2 2023	H2 2022	Change %	FY 2023	FY 2022	Change %
New Customers <sup>2</sup>	40,495	49,274	(18%)	90,944	106,549	(15%)
Active Customers <sup>3</sup>	158,846	177,946	(11%)	233,037	280,769	(17%)
AUAC <sup>4</sup>	\$1,487	\$1,527	(3%)	\$1,489	\$1,481	1%
ARPU <sup>5</sup>	\$2,252	\$1,805	25%	\$3,116	\$2,966	5%

### Strategic progress in new markets

- Strong progress made in the US futures market, as evidenced by the increase in new customers in both B2B (Institutional) and B2C (Retail) businesses, as well as through additional memberships being secured with the Futures Industry Association (FIA) and Eurex
- In Japan, the Group launched a localised trading platform for retail traders which is gaining good traction
- During 2023, Plus500 added two new licences, in the UAE and the Bahamas, bringing the global portfolio of regulatory licences to 13

### New products and technology underpinning the Group's growth

- Launched 'Plus500 Futures', a new proprietary trading platform designed for the US retail market to trade in futures, bringing innovative trading solutions to the futures market
- Plus500 rolled out AI and big data models to develop new retention technologies supported by enhanced customer engagement methodologies

### Significant resources committed to improving customer retention

- Significant customer progress was demonstrated during FY 2023 with a record ARPU achieved of \$3,116 (FY 2022: \$2,966)
- Customer deposits increased to \$2.4 billion (FY 2022: \$2.3 billion), with the average deposit per Active Customer growing to a record high of approximately \$10,300 (FY 2022: approximately \$8,000)
- In FY 2023, over 87% of the Group's OTC revenue was generated from customers trading on mobile or tablet devices (FY 2022: over 85%). This highlights Plus500's industry leadership when it comes to mobile-first services and its relentless focus on innovation

### Outlook

- Given Plus500's significant strategic, operational, and financial progress over recent years, and the Group's robust financial position, the Board remains confident about the Group's future prospects

### For further details

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<sup>2</sup> New Customers - Customers depositing for the first time

<sup>3</sup> Active Customers - Customers who made at least one real money trade during the period

<sup>4</sup> AUAC - Average User Acquisition Cost

<sup>5</sup> ARPU - Average Revenue Per User

## 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/plus500/65ba5db777117a0c005e4656/rtjwzz>. The audiocast can also be accessed by dialling +44 20 3 936 2999 and using the following access code: 725869. 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, the UAE and the Bahamas 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 60 countries and in 30 languages.

Plus500's trading platforms are accessible from multiple operating systems (iOS, Android and Windows) 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).

*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 2023**

### **Introduction**

Three years ago, Plus500 formulated its new strategic roadmap to become a global, multi-asset fintech group supported by its proprietary technology and robust financial position. The strategic roadmap included targets to expand into new markets, develop new products (including non-OTC products), services and features, and to deepen relationships with its customers. Since then, Plus500 has evolved from being a technology company with a leading OTC proprietary offering, to a diversified, multi-asset global business, offering a wide range of technologies which provides access to various financial trading products and services in the futures and options on futures markets, as well as the Group's share dealing platform.

The Group also continued to enhance its existing OTC offering by harnessing its market-leading technology and expertise in AI and big data models to improve its customer retention efforts.

After more than a decade as a highly successful publicly listed company on the London Stock Exchange, Plus500 has responsibly extended its footprint through a number of bolt-on acquisitions, deploying capital to acquire businesses in the US futures market and in the Japanese retail OTC market, providing the Group with an established position in these strategic, high-growth regions.

In the US, Plus500's B2B (Institutional) business experienced significant growth across FY 2023 and 'Plus500 Futures', its retail trading platform, which was launched in 2023, has experienced good levels of traction with retail traders. The speed with which both the B2B (Institutional) and B2C (Retail) businesses have developed reflects the innovative and agile nature of the Group's operational and technological capabilities. In addition, the Group has developed enhanced trading platforms based on new technological solutions for these businesses and provides optimised service support, risk management and other solutions.

In Japan, the Group has developed an OTC FX localised proprietary trading platform for retail traders, which went live in September 2023 and is progressing well.

### **Focus on higher value customers and customer retention is providing attractive returns to stakeholders**

The Group now has more than 26 million customers registered on its platforms globally, reflecting its continued focus on higher value customers and the strengths of its intuitive trading platforms.

Customer deposits in FY 2023 stood at \$2.4 billion and the average deposit per Active Customer rose to a record high of approximately \$10,300 versus approximately \$8,000 a year earlier. This progress demonstrates the successful nature of the Group's strategic decision to focus on attracting and retaining higher value customers, as well as the intuitive nature and reliability of its market-leading technology.

### **Good progress made in the US futures market in both B2B (Institutional) and B2C (Retail) businesses**

The opportunities available to Plus500 in the US futures market are substantial and the Group is focused on delivering real value to shareholders through its expansion efforts in this market. The US futures market is sizeable and Plus500's technology-driven value proposition is unlocking a material, multi-year earnings opportunity through new and growing lines of business, spanning both B2B (Institutional) and B2C (Retail) channels.

In an industry that has undergone little technological change in recent years, the Group has developed additional technological capabilities for institutional customers and launched a unique trading platform for retail customers. Plus500 now operates in the futures market at a structural advantage thanks to its high-quality technology, enabling superior customer service, attractive commercial terms and other innovative operational capabilities new to this market.

The Group's US futures business performed well during FY 2023, growing revenue and customer numbers year-on-year. The Group is focused on continuing this positive momentum in the US and will launch new technologies to support its already enhanced customer offerings to drive revenue and profit growth.

### ***New memberships secured from Eurex Clearing AG (Eurex) and the Futures Industry Association (FIA)***

The Group is now a provider of market infrastructure services, including brokerage-execution and clearing services for institutional customers in the US futures market. During 2023, the business worked to increase the number of clearing memberships it possesses with other international clearing houses and will continue to do so.

Since the acquisitions of Cunningham Commodities, a regulated Futures Commission Merchant (FCM) and Cunningham Trading Systems, a technology trading platform provider, the Group has secured full clearing memberships with the CME Group exchanges, as well as with the Minneapolis Grain Exchange (MGEX).

In addition, the Group has recently secured a clearing membership of Eurex Clearing AG, the clearing house for the entire suite of products traded at Eurex Exchange, the leading European derivatives exchange and one of the largest futures and options markets globally. This significant milestone followed the recent receipt of a primary membership of the Futures Industry Association (FIA), the leading global trade organisation for futures, options and centrally cleared derivatives markets.

Obtaining further clearing memberships will enable Plus500 to expand its network and customer services further and, subsequently, drive revenue growth.

### ***US B2B (Institutional) Opportunity***

Good progress was made during the year in increasing the number of onboarded Introducing Brokers (“IBs”) and institutional clients, and efforts to onboard further IBs will continue during 2024. Additionally, new technologies dedicated to the needs of the B2B (Institutional) line of business are expected to be launched later this year.

### ***US B2C (Retail) Opportunity***

The launch of ‘Plus500 Futures’ during the period marked a significant strategic step for the Group in the US futures retail market, a market with compelling long-term growth characteristics. Plus500 is proud to offer an omni set solution enabling customers to be onboarded, deposit and trade with a seamless and unified experience across all elements of the customer journey. This significant milestone was enabled by Plus500’s technological expertise and innovative approach. ‘Plus500 Futures’ is live and already benefitting from the full support of Plus500’s sophisticated proprietary marketing technology, as well as other offline marketing initiatives such as the Chicago Bulls sponsorship. In 2024, the Group will continue to invest and support the ‘Plus500 Futures’ platform by expanding its product offering with new innovative features.

### **Plus500’s proprietary platform in Japan went live and is gaining good traction**

Launched in September 2023, Plus500’s localised trading platform catering to the Japanese retail market, one of the largest retail investor markets globally, is gaining good traction. The platform’s initial offering includes approximately 50 FX OTC pairings, and the Group aims to enhance its local product range with additional asset classes and new trading products. The Group recognises the significance of available opportunities within the Japanese market and will continue to allocate its financial and technological resources in order to maximise this opportunity.

### **Global portfolio of regulatory licences increased to 13**

In 2023, Plus500 obtained two new regulatory licences, in the UAE and the Bahamas, which together take the Group’s global portfolio of regulatory licences to 13. This global portfolio provides a significant source of competitive advantage and inherent value for Plus500, both in a monetary and operational sense.

The UAE represents a significant and growing market for the Group and its business in this region is fully operational and developing quickly. The Group’s customer base in the UAE is growing and Plus500’s localised offering is benefitting from a greater understanding of this particular market. The Group will continue to develop its localised offering tailored for the UAE market.

Building on its success of securing new regulatory licences, the Group will continue to target new regulatory licences globally, in 2024 and beyond, to support its strategic objective of entering new markets and offering new products. The Group’s experience in obtaining new regulatory licences leaves it extremely well positioned to execute successfully against this objective.

### **Plus500 remains committed to sustainability and inclusive access to financial trading products**

Plus500’s objective is to provide trusted and intuitive access to financial products. It seeks to achieve this by offering a broad range of financial products, aligning its global scale with locally tailored offering, all of which are powered by a best-in-class proprietary technology stack.

Enabling customers to access the financial markets through the Group's intuitive, secure and user-friendly platforms forms a core part of Plus500's purpose-led mission, as is the Group's focus on customer care and best in class service. The Group has greatly enhanced its educational content available to its customers, including the launch of an innovative Trading Academy portal and '+Insights', a big-data, analytical tool designed to provide access to real time and historical trends, based on the Group's registered customer base. Plus500 also provides customers with greater technological solutions which enable more established customer experience and retention benefits.

### **Operational and trading overview**

In terms of operational performance during FY 2023, the Group delivered a strong performance in its key metrics despite lower trading volumes in the global financial markets, supported by its on-going focus on attracting and retaining higher value customers.

Customer retention has improved in recent years, with 88% of FY 2023 OTC revenue being derived from customers trading with Plus500 for more than a year (FY 2022: 87%), 59% from customers trading for more than three years (FY 2022: 40%) and 29% for more than five years (FY 2022: 24%), highlighting the increasing loyalty of its customers and their confidence in the Plus500 trading platforms. In addition, over 87% of OTC revenue was generated through mobile or tablet devices (FY 2022: over 85%), highlighting the strength of the Group's mobile offerings.

ARPU reached a record annual level of \$3,116 in FY 2023 (FY 2022: \$2,966), which highlights the depth of the Group's product offering and the quality of its intuitive trading platforms.

In addition, customer deposits continued to grow, with the average deposit per Active Customer also reaching a record annual level of approximately \$10,300 (FY 2022: approximately \$8,000), 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 2023 increased to \$2.4 billion (FY 2022: \$2.3 billion).

With continued investment in strategic markets to attract higher value customers for the long term, AUAC was \$1,489 in FY 2023 (FY 2022: \$1,481). 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 90,944 New Customers during the year (FY 2022: 106,549). This was underpinned by the 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.

The number of Active Customers during FY 2023 remained robust at 233,037 (FY 2022: 280,769) thanks to the Group's customer retention, monetisation and activation technological capabilities.

### **Financial Overview**

Plus500 delivered another strong financial performance in FY 2023, during which it continued to execute against its strategic objectives whilst generating significant cash flows and attractive returns for shareholders.

Revenue in FY 2023 was \$726.2m (FY 2022: \$832.6m), comprising trading income of \$674.3m and interest income of \$51.9m. EBITDA for FY 2023 was \$340.5m (FY 2022: \$453.8m) with an EBITDA margin of 47% (FY 2022: 55%). This robust performance in FY 2023 was achieved despite lower levels of trading activity seen across the global financial markets during the year. Against this challenging macro-economic environment, Plus500 was still able to report on financial results for FY 2023 ahead of market expectations<sup>6</sup>.

Customer Income<sup>7</sup> was \$600.1m during FY 2023 (FY 2022: \$639.6m) and Customer Trading Performance<sup>8</sup> was \$74.2m (FY 2022: \$193.0m). The Group expects that the contribution from Customer Trading Performance will be broadly neutral over time.

Net profit in FY 2023 was \$271.4m (FY 2022: \$370.4m) and basic earnings per share was \$3.17 (FY 2022: \$3.81).

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<sup>6</sup> Market expectations based on compiled analysts' consensus forecasts, as at 23 October 2023

<sup>7</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>8</sup> Customer Trading Performance - Gains/losses on customers' trading positions

For FY 2023, 70% of the Group's costs were variable in nature (FY 2022: 70%) providing it with a significant competitive advantage, and highlighting Plus500's lean and flexible business model. Such a business model provides the Group with a greater level of flexibility and agility to respond quickly to a range of possible market conditions and, where applicable, regulatory changes.

Total SG&A expenses were \$389.8m during FY 2023 (FY 2022: \$382.2m). The main elements were marketing technological investments of \$135.4m (FY 2022: \$157.8m), payment processing costs of \$40.0m (FY 2022: \$44.9m), employee benefits and other related expenses of \$94.3m (FY 2022: \$80.9m) and commissions and fees of \$31.2m (FY 2022: \$17.0m).

Net financial expenses (income) were \$0.2m in FY 2023 (FY 2022: (\$23.9m)), driven by FX gains and losses as the Group manages its exposure to a range of operating currencies versus the US dollar. A substantial portion of the Group's cash is held in US dollars in order to reduce the impact of currency movements on financial expenses over time.

As of 31 December 2023, total assets on the Group's balance sheet were \$1,004.7m (FY 2022: \$1,010.0m), with equity of \$699.8m, representing approximately 70% of the balance sheet.

The Group has remained debt-free since inception, and had a cash and cash equivalents balance at the end of FY 2023 of \$906.7m (FY 2022: \$930.2m). This robust financial position is supported on an on-going basis by the Group's technology-enabled business model and lean cost base which allow the Group to invest in its people and its capabilities with a focus on medium to long-term returns.

### **Plus500 continues to generate significant returns for shareholders**

Since the Company's IPO in 2013, Plus500 has continued to deliver attractive returns of capital to shareholders of approximately \$2.1 billion through dividends and share buybacks (including returns announced today), having generated significant levels of cash from operations of approximately \$3.2 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 announced in FY 2023**

The Company returned \$365.1m to shareholders in FY 2023, which included \$275.3m of share buybacks and \$89.8m in dividends.

Plus500 is announcing today additional shareholder returns of \$175.0m, comprising of share buyback programmes of \$100.0m and total dividends of \$75.0m. The \$100.0m share buyback programme, include a final buyback programme of \$31.0m and a special buyback programme of \$69.0m. These programmes will commence following the completion of the current share buyback programme of \$60.0m, which was announced on 14 August 2023.

The \$75.0m of additional dividends include a final dividend of \$31.0m, representing \$0.3911 per share, and a special dividend of \$44.0m, representing \$0.5551 per share, equating to a total dividend per share of \$0.9462. The final and special dividends have an ex-dividend date of 29 February 2024, with a record date of 1 March 2024, and a payment date of 11 July 2024. These new shareholder returns further emphasise the Board's continued confidence in the prospects for Plus500 and reflect the robust financial position of the Group. Total dividends paid during 2023 amounted to \$89.8m, representing \$1.0578 per share.



At 31 December 2023, the Company held in treasury a total of 35,170,337 ordinary shares, which were purchased since the commencement of Plus500's initial share buyback programmes in 2017, representing approximately 31% of the Company's issued share capital (the total treasury shares held by the Company comprise the shares purchased less issued treasury shares).

## **Outlook**

Based on Plus500's significant strategic, operational and financial progress over recent years, and the Group's robust financial position, the Board remains confident about the Group's future prospects.

Plus500's strategic roadmap is designed to position the Group for key growth opportunities, including new products, services and markets, the expansion of its OTC, futures and share dealing offerings and the deepening of its customer engagement and retention initiatives. 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 bolt-on acquisitions in selected markets and geographies.

For FY 2024, the Board expects Plus500's performance to be in-line with current market expectations<sup>9</sup> driven by the strength of its market position, deepening relationship with customers and successful diversification efforts in the US, Japan and UAE markets.

Over the medium-term, the Group is well placed to take advantage of the compelling growth opportunities in its end markets. Thanks to its proven business model, strong financial position and disciplined approach to capital allocation, the Group is focused on driving the sustainability of its revenues as it develops and invests in its position as a provider of market-leading B2C (Retail) and B2B (Institutional) infrastructure services in the US futures market.

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<sup>9</sup> Market expectations based on compiled analysts' consensus forecasts, which can be found on the Investor Relations section of the Company's website. Consensus forecasts for FY 2024 revenue and EBITDA are \$653.8m and \$287.5m, respectively

**Plus500 LTD.**

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

	<b>Note</b>	<b>Year ended</b>	
		<b>31 December</b>	
		<b>2023</b>	<b>2022</b>
		<b>U.S. dollars in millions</b>	
Trading income		674.3	832.6
Interest income	2c	51.9	-
<b>REVENUE</b>		<b>726.2</b>	<b>832.6</b>
Selling and marketing expenses		296.9	302.1
Administrative and general expenses		92.9	80.1
<b>OPERATING PROFIT</b>		<b>336.4</b>	<b>450.4</b>
Financial income		6.9	41.3
Financial expenses		7.1	17.4
<b>FINANCIAL EXPENSES (INCOME), NET</b>		<b>0.2</b>	<b>(23.9)</b>
<b>PROFIT BEFORE INCOME TAX</b>		<b>336.2</b>	<b>474.3</b>
INCOME TAX EXPENSE		64.8	103.9
<b>PROFIT AND COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>271.4</b>	<b>370.4</b>
<b>Basic earnings per share</b> (In US dollars)	6	<b>3.17</b>	<b>3.81</b>
<b>Diluted earnings per share</b> (In US dollars)	6	<b>3.12</b>	<b>3.77</b>

Plus500 LTD.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

	Note	As of 31 December	
		2023	2022
		U.S. dollars in millions	
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		9.7	2.6
Goodwill and other intangible assets, net		38.3	38.7
Right of use assets		17.1	5.6
Long term other receivables		7.5	5.8
<b>Total non-current assets</b>		<b>72.6</b>	<b>52.7</b>
<b>Current assets</b>			
Income tax receivable		1.0	0.2
Other receivables and others		24.4	26.9
Cash and cash equivalents		906.7	930.2
<b>Total current assets</b>		<b>932.1</b>	<b>957.3</b>
<b>TOTAL ASSETS</b>		<b>1,004.7</b>	<b>1,010.0</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Lease liabilities (net of current maturities)		15.8	3.6
Deferred tax liability		6.9	6.9
<b>Total non-current liabilities</b>		<b>22.7</b>	<b>10.5</b>
<b>Current liabilities</b>			
Share based compensation		3.9	6.3
Income tax payable		142.2	116.4
Other payables		90.7	72.2
Service suppliers		12.6	11.7
Current maturities of lease liabilities		2.6	2.0
Trade payables – due to clients	7	30.2	10.4
<b>Total current liabilities</b>		<b>282.2</b>	<b>219.0</b>
<b>TOTAL LIABILITIES</b>		<b>304.9</b>	<b>229.5</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		(606.5)	(341.1)
Retained earnings		1,283.8	1,099.1
<b>Total equity</b>		<b>699.8</b>	<b>780.5</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>1,004.7</b>	<b>1,010.0</b>

Plus500 LTD.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

	Ordinary shares	Share premium	Cost of Company's shares held by the Company	Retained earnings	Total
	U.S. dollars in millions				
<b>BALANCE AT 1 JANUARY 2022</b>	0.3	22.2	(207.5)	846.3	661.3
<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>	0.3	22.2	(341.1)	1,099.1	780.5
<b>CHANGES DURING THE YEAR ENDED 31 DECEMBER 2023</b>					
Profit and comprehensive income for the year	-	-	-	271.4	271.4
Share based compensation	-	-	-	13.0	13.0
<b>TRANSACTION WITH SHAREHOLDERS:</b>					
Dividend	-	-	-	(89.8)	(89.8)
Issue of treasury shares to settle equity share based compensation	-	-	9.9	(9.9)	-
Acquisition of treasury shares	-	-	(275.3)	-	(275.3)
<b>BALANCE AT 31 DECEMBER 2023</b>	0.3	22.2	(606.5)	1,283.8	699.8

Plus500 LTD.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

	Year ended 31 December	
	2023	2022
	U.S. dollars in millions	
<b>OPERATING ACTIVITIES:</b>		
Cash generated from operations (see Note 8)	336.6	506.8
Income tax paid, net	(39.6)	(66.2)
Interest received	51.9	13.5
Net cash flows provided by operating activities	<u>348.9</u>	<u>454.1</u>
<b>INVESTING ACTIVITIES:</b>		
Acquisition of subsidiaries, net of cash acquired	-	(4.6)
Purchase of property, plant and equipment	(8.2)	(0.8)
Net cash flows used in investing activities	<u>(8.2)</u>	<u>(5.4)</u>
<b>FINANCING ACTIVITIES:</b>		
Dividend paid to equity holders of the Company	(89.8)	(119.9)
Payment of principal in respect of lease liabilities	(2.7)	(2.3)
Acquisition of treasury shares	(275.3)	(138.8)
Net cash flows used in financing activities	<u>(367.8)</u>	<u>(261.0)</u>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(27.1)	187.7
<b>BALANCE OF CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>	930.2	749.5
Gains (Losses) from effects of exchange rate changes on cash and cash equivalents	3.6	(7.0)
<b>BALANCE OF CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	<u><u>906.7</u></u>	<u><u>930.2</u></u>

**NOTE 1 - GENERAL INFORMATION**

**Information on activities**

Plus500 Ltd. (the “Company” and together with 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 online trading platforms, 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, the European Economic Area (“EEA”), Australia, the US, and the Middle East and has customers located in more than 60 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, the Dubai Financial Services Authority (“DFSA”) in the UAE and the Securities Commission of the Bahamas (“SCB”) in the Bahamas.

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 offers trading products: OTC trading; share dealing; and futures and options on futures. The Group presents its operation as one operating segment.

**NOTE 2 - SUMMARY OF MATERIAL ACCOUNTING POLICIES**

**a. Basis of accounting and accounting policies**

The Group’s condensed consolidated financial information as of 31 December 2023 and 2022 and for each of the two years in the periods ended on 31 December 2023 are prepared in accordance with International Financial Reporting Standards (“IFRS”).

The material 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.

**NOTE 2 - SUMMARY OF MATERIAL ACCOUNTING POLICIES** (continued)

**c. Interest income**

During the year ended 31 December 2023, management has updated the accounting policy regarding the presentation of interest income. Accordingly, interest income is accrued based on the effective interest rate method, and is presented as part of the Group's revenue in the statement of comprehensive income. Previously, interest income was presented as part of financial income in the statement of comprehensive income. The voluntary change in accounting policy is intended to provide shareholders with better expression of its business activities and to enhance the comparability of its financial statements to its peers. The effect of this change on the consolidated financial statements in previous periods is not material for the consolidated financial statements as a whole.

**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 (the "2017 Amendment")**

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

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

Dividends distributed by a PTE, paid out of Preferred Technology Income, are generally subject to withholding tax at source at the rate of 20% or such lower rate as may be provided in an applicable tax treaty.

**Company taxation in Israel**

The full corporate tax rate in Israel for the years 2023 and 2022 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% withholding tax (or lower, if so provided under an applicable tax treaty).

At the beginning of July 2020, the Company received an approval from the Israeli Innovation Authority ("IIA") that together with the tax ruling received from the ITA in May 2019, recognises the Company as a PTE for the years 2017, 2018 and 2019. Accordingly, the applicable tax rate for the preferred technological income of a PTE for these years was 12%. The Company was also considered as PTE for the years 2020 and 2021. As a result, the Company's corporate tax rate for the years 2021 and 2020 was 12%, subject to the Company complying with the conditions of the Law for the Encouragement of Capital Investments.

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

**Plus500 LTD.**

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

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

**Tax assessments**

The Company is currently subject to a tax audit in relation to 2020–2022 tax years. 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:

	<b>Number of ordinary shares</b>	
	<b>As of 31 December</b>	
	<b>2023</b>	<b>2022</b>
Authorised	300,000,000	300,000,000
Issued and fully paid	114,888,377	114,888,377
Less treasury shares*	(35,170,337)	(21,112,648)
Outstanding shares	79,718,040	93,775,729

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

**NOTE 5 - DIVIDENDS**

The amounts of dividends and the amounts of dividends per share for the years 2023 and 2022 declared and distributed by the Company’s Board of Directors are as follows:

<b>Date of declaration</b>	<b>Amount of dividend (US \$ in millions)*</b>	<b>Amount of dividend per share (US \$)</b>	<b>Date of payment to shareholders</b>
15 February 2022	59.9	0.5995	11 July 2022
17 August 2022	60.0	0.6238	11 November 2022
14 February 2023	29.9	0.3234	11 July 2023
14 August 2023	59.9	0.7344	9 November 2023

\*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.

	<b>Year ended 31 December</b>	
	<b>2023</b>	<b>2022</b>
Profit attributable to equity holders of the Company (US dollars in millions)	271.4	370.4
Weighted average number of ordinary shares in issue*:		
Basic	85,744,552	97,311,485
Dilutive effect of equity share based compensation	1,139,574	943,047
Diluted	86,884,126	98,254,532
<b>Basic earnings per share</b> (In US dollars)	3.17	3.81
<b>Diluted earnings per share</b> (In US dollars)	3.12	3.77

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

**NOTE 7 - TRADE PAYABLES - DUE TO CLIENTS**

	<b>As of 31 December</b>	
	<b>2023</b>	<b>2022</b>
<b>U.S. dollars in millions</b>		
Customers' deposits, net*	279.8	282.8
Segregated client funds	(249.6)	(272.4)
	30.2	10.4
<b>*Customers deposits, net, are comprised of the following:</b>		
Customers' deposits	409.4	411.5
Less - financial derivative open positions:		
Gross amount of assets	(148.4)	(139.0)
Gross amount of liabilities	18.8	10.3
	279.8	282.8

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

**NOTE 8 - CASH GENERATED FROM OPERATIONS**

	<b>Year ended 31 December</b>	
	<b>2023</b>	<b>2022</b>
	<b>U.S. dollars in millions</b>	
<b>Cash generated from operating activities</b>		
Net income for the year	271.4	370.4
<b>Adjustments required to reflect the cash flows from operating activities:</b>		
Depreciation and amortisation	1.5	1.4
Amortisation of right of use assets	2.6	2.0
Liability for share based compensation	2.7	11.9
Settlement of share based compensation	(10.9)	(7.3)
Equity share based compensation	13.0	7.5
Taxes on income	64.8	103.9
Interest expenses in respect of leases	0.7	0.1
Exchange differences in respect of leases	0.7	(0.4)
Interest income	(51.9)	(13.5)
Foreign exchange losses (gains) on operating activities	(5.4)	(4.5)
	<u>17.8</u>	<u>101.1</u>
<b>Operating changes in working capital:</b>		
Decrease (increase) in other receivables and others	2.4	5.2
Increase (decrease) in trade payables due to clients	19.8	9.8
Increase (decrease) in other payables	24.3	24.1
Increase (decrease) in service suppliers	0.9	(3.8)
	<u>47.4</u>	<u>35.3</u>
<b>Cash generated from operations</b>	<u>336.6</u>	<u>506.8</u>

**Non-cash transactions**

During the year ended 31 December 2023, \$14.1 million in right of use assets and lease liabilities were recognised.

**NOTE 9 - SUBSEQUENT EVENTS**

In January 2024, the Group obtained a clearing membership of Eurex Clearing AG.

On 20 February 2024, the Company declared a final dividend in an amount of \$31.0 million (\$0.3911 per share). The dividend record date is 1 March 2024 and it will be paid to the shareholders on 11 July 2024.

On 20 February 2024, the Company declared a special dividend in an amount of \$44.0 million (\$0.5551 per share). The dividend record date is 1 March 2024 and it will be paid to the shareholders on 11 July 2024.

On 20 February 2024, the Company declared the adoption of a share buyback programme to buy back up to \$100.0 million of the Company's ordinary shares, comprised of a final share buyback programme in the amount of \$31.0 million and a special share buyback programme in the amount of \$69.0 million.