

Plus500

INVESTORS PRESENTATION



* Illustrative numbers



R&D



Marketing



Compliance



Operations

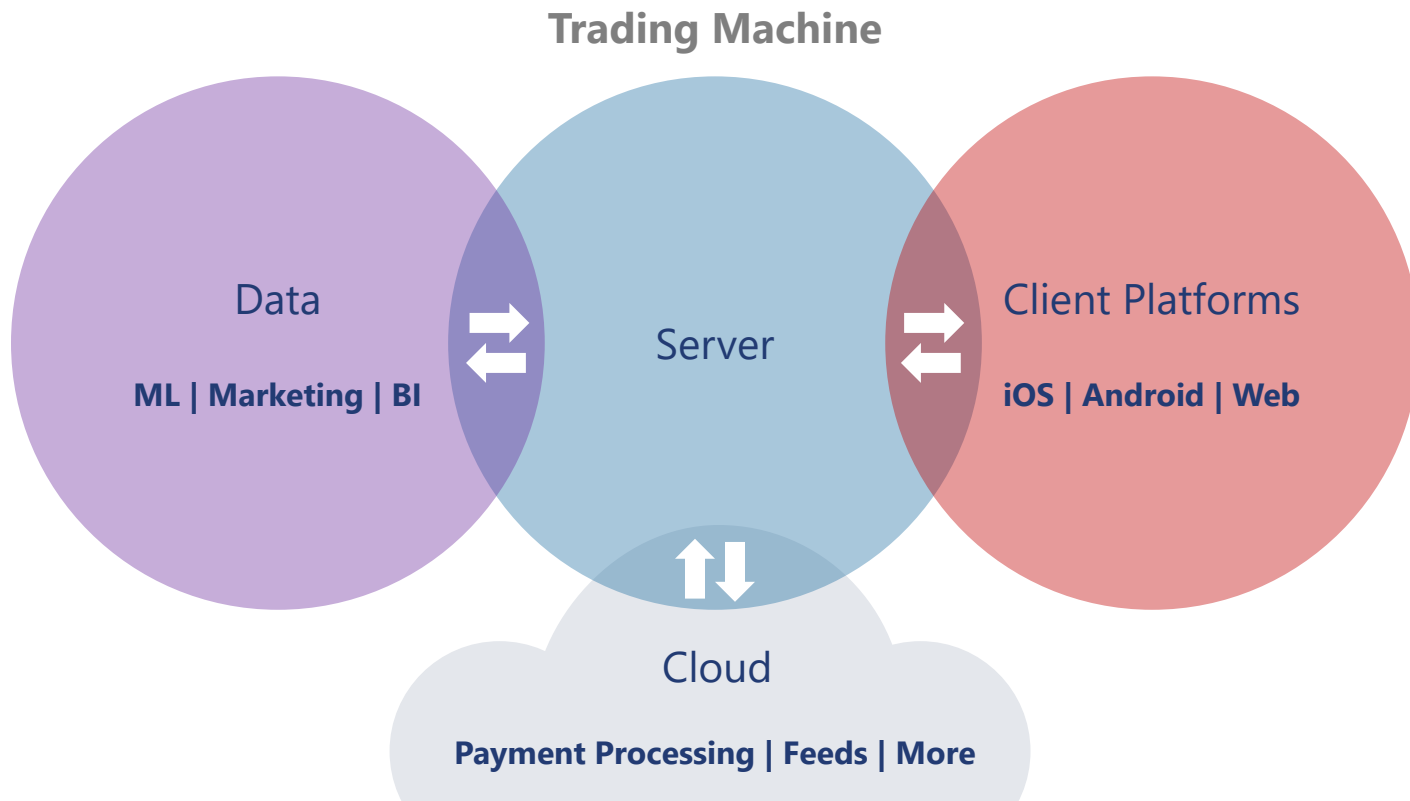


Plus500 R&D THEMES





30K FEET TECHNICAL OVERVIEW





INFRASTRUCTURE OVERVIEW

- World leading infrastructure providers:
 - Rackspace Managed Hosting – Provider for over half of the Fortune 100
 - Verizon's Edgecast Delivery Network
- Robust
- Scalable
- Fast
- Secure

Delivery Network





PRODUCT UPDATE

- ✚ Added over 100 CFD Instruments since 2017:
Xiaomi was available and traded the platform within minutes from the IPO
- ✚ Economic Calendar in the website and platform
- ✚ One Click Registration with Google / Facebook
- ✚ Advanced Client Communication System
 - ✚ Focused communication and retention campaigns
 - ✚ Personalized communication
 - ✚ Auditable
- ✚ ML Based app store rating triggering



REGULATION UPDATE

■ Implemented MiFID II / MiFIR rules

■ Implemented GDPR compliance

Right to erasure ▼

Select

Right of access

Right to erasure

Right to object

Right to rectification

Right to restriction of processing

Right to data portability

Other data protection enquiry

■ Implemented ESMA CFD Rules

■ Implemented Elective Professional Trading Accounts

Professional Account

[Learn More](#)



OUTLOOK

- Focus on the high frequency high volume traders and keep it simple
- Bring more value to users:
 - Best in class mobile charts
 - Decision supporting features
 - Education Platform
- Mobile Web app providing instant experience
- New appealing CFD instruments:
 - More options CFDs
 - Leveraged CFDs
- Support business expansion to new markets
- Hire the best people!



R&D



Marketing



Compliance



Operations

ONLINE MARKETING

- Marketing Machine- Data Driven Marketing
- Google as main channel
- Bing as source for high quality users
- Social Facebook, Twitter & Instagram- strong online presence
- YouTube - Video can bring performance
- New Channels:
 - Apple Search Ads
 - ASO & SEO
 - Social: Snapchat, Pinterest



MARKETING PARTNERSHIPS

- Best Affiliates Program
 - High ROI
 - Long term relationships
 - High growth potential
 - Comparison sites
- Offline
 - Atlético Madrid & Brumbies Sponsorships
 - TV, Newspapers & Outdoor

STUDIO

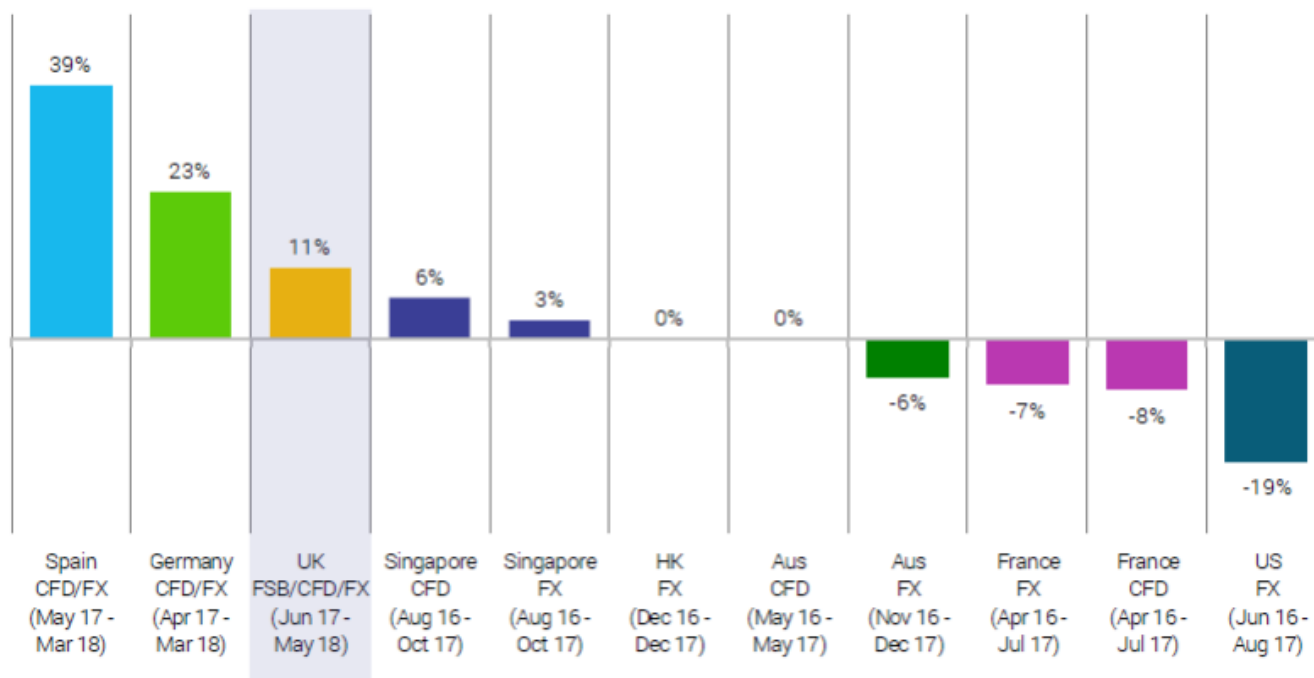




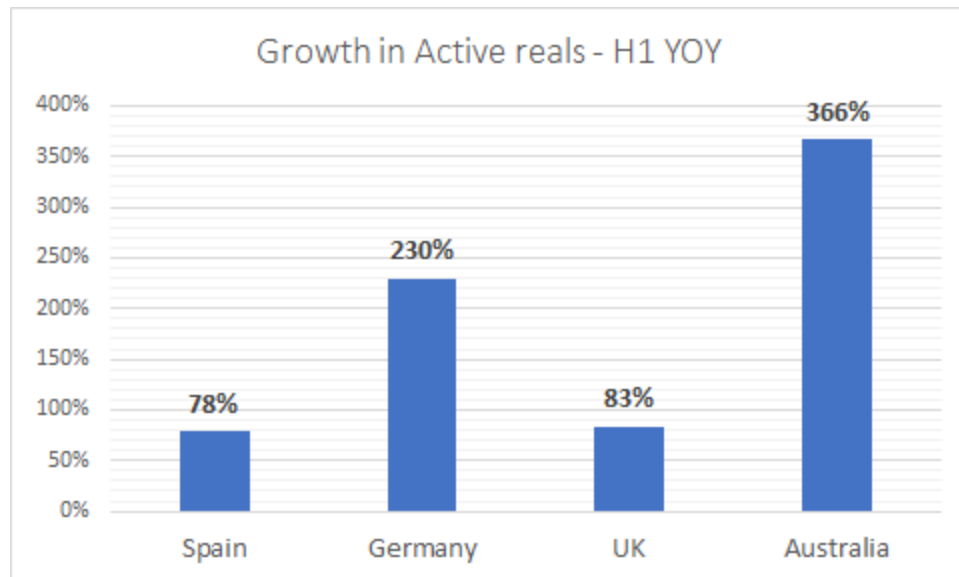
#1 UK CFD Broker
#1 Germany CFD
Broker
#1 Spain CFD Broker

By total number of client relationships. Investment Trends 2018 UK, Germany and Spain CFD & FX Reports

Annual growth rate (number of active traders) - International comparison

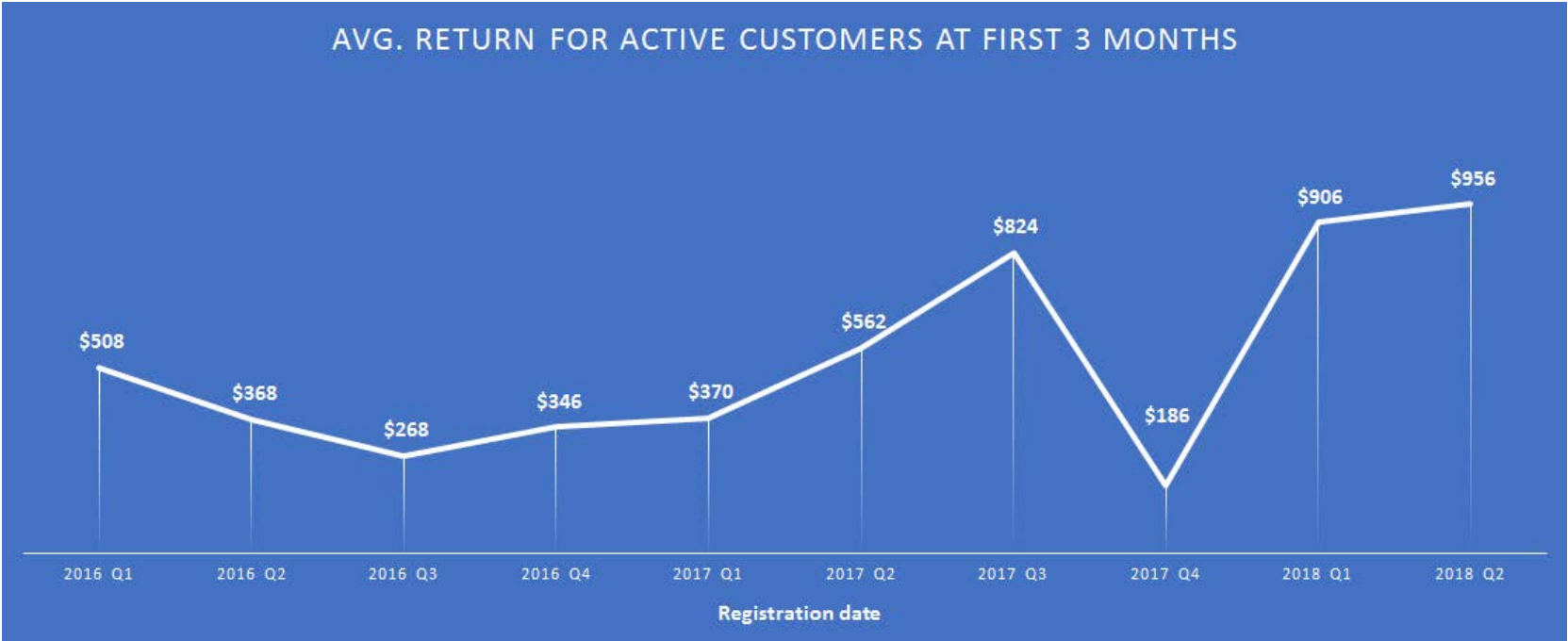


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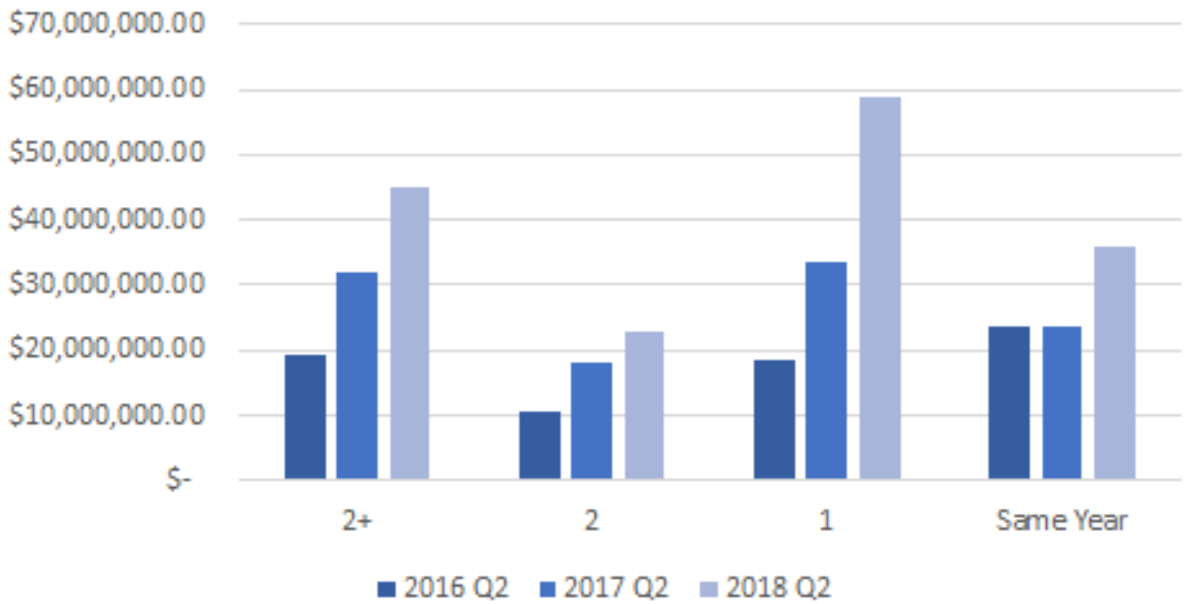


CUSTOMER VALUE INCREASES OVER TIME

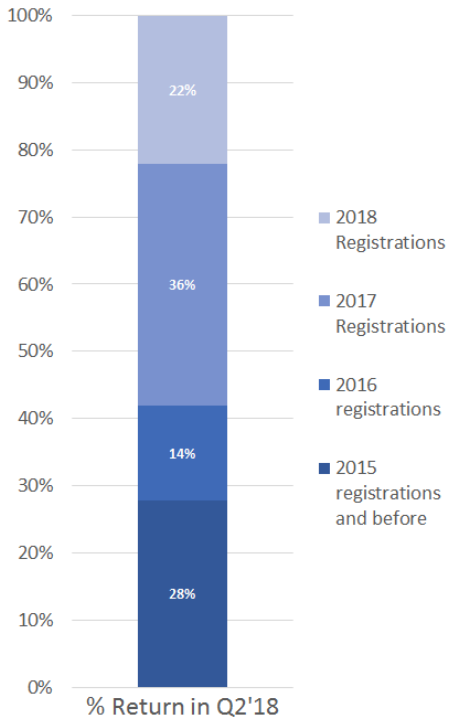




Q2's Revenues by Customer Age



Revenues in Q2'18



MITIGATION OF COMPETITION

✚ Bids Optimization

CTR has increased by 60%

✚ Leverage the leadership position:
Plus500 is #1 CFD platform in UK,
Germany & Spain

✚ Innovative ads

Plus500 Trading: Trade Smartly | 0 Commissions | [plus500.de](https://www.plus500.de)

Ad www.plus500.de/ ▼

Stop wasting money on commissions, switch to **Plus500!** CFDs, capital is at risk. Free Demo Account. 10 Years of Experience. **Trade Anywhere. No Commissions. Real-Time Quotes. Technical Analysis Tools. On Mobile & Tablet. Listed on the LSE. Risk Management Tools. 24/7 Support.**

[UK 100 CFDs](#) - avg US\$0,02 - Spread (June 2018) · More ▼

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Trade with No Commissions! *avg. Q4 2017. CFDs service. Capital at risk. Free Demo Account. 24/7 Customer Support. Free Mobile App. Guaranteed stop. 0 Commissions. Client Money Protection. Start with AU\$200. Over 2000+ Instruments. Award Winning App. User friendly Mobile app.

[Germany 30 CFDs](#) - avg USD 1.21 - Spread (June 2018) · More ▼

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Ad www.plus500.de/ ▼

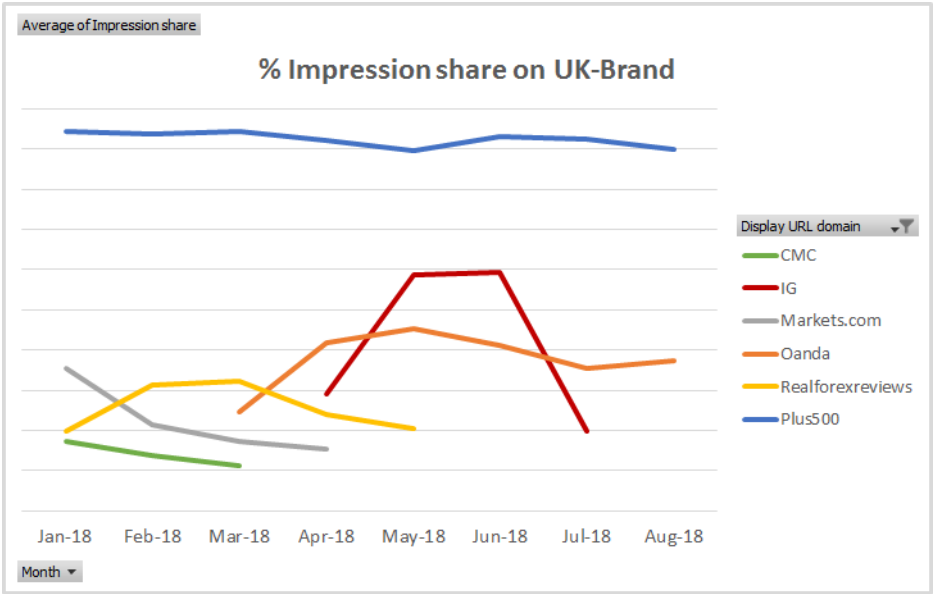
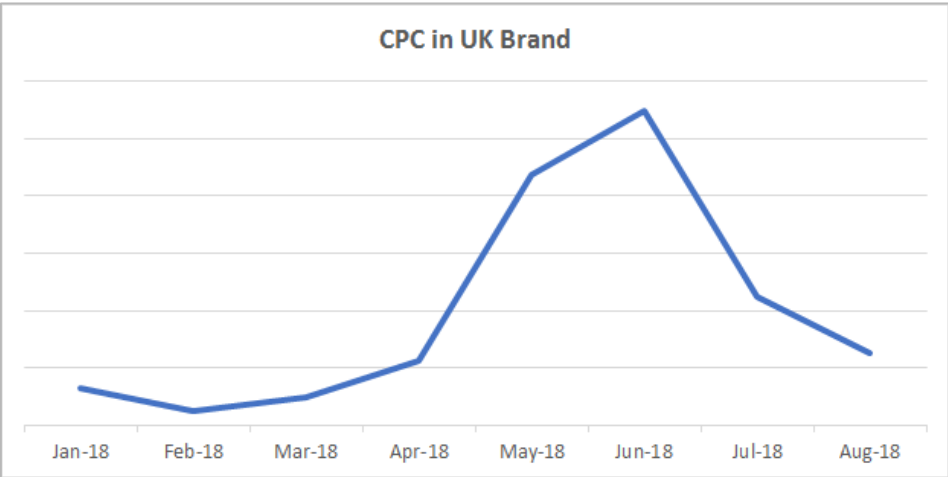
Enjoy a free demo account! *Investment Trends 2018. CFDs, capital is at risk. On Mobile & Tablet. Tight Spreads. Real-Time Quotes. Listed on the LSE. Technical Analysis Tools. Risk Management Tools. Award Winning Platform. No Commissions. 24/7 Support. 10 Years of Experience.

[Germany 30 CFDs](#) - avg US\$1,21 - Spread (June 2018) · More ▼



COMPETITION

Competition increased over April to June - “Bids Battle” on “Plus500” search term





RETENTION CAMPAIGNS

You're almost there – 3 final steps to get started



Continue Your Journey

Follow these 3 simple steps to kickstart your trading experience with Plus500:



Submit Short Questionnaire

To understand if CFD trading is appropriate for you.



Verify Your Account

Validate your personal details directly from the platform.



Make Your First Deposit

We don't charge any deposit or trading commissions.

Get Started

Don't settle for anything less - Trade with Spain's No.1 CFD Platform!



Proud to Be Spain's Leading CFD Platform

Now's the time to join the millions of people around the world who have chosen to trade with Plus500, and who are enjoying the many benefits we have to offer.



Get Started

Can you capitalise on the Turkish lira crisis?



Trade With The Trend

Amid the Turkish Financial Crisis, We've Added Two New TRY Pairs

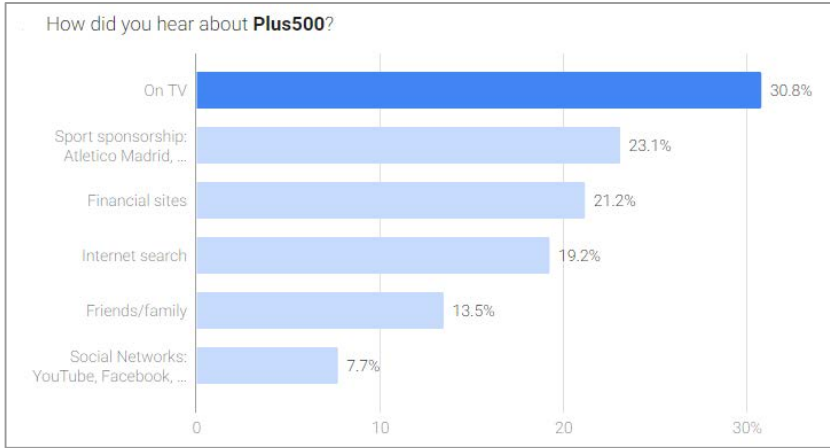
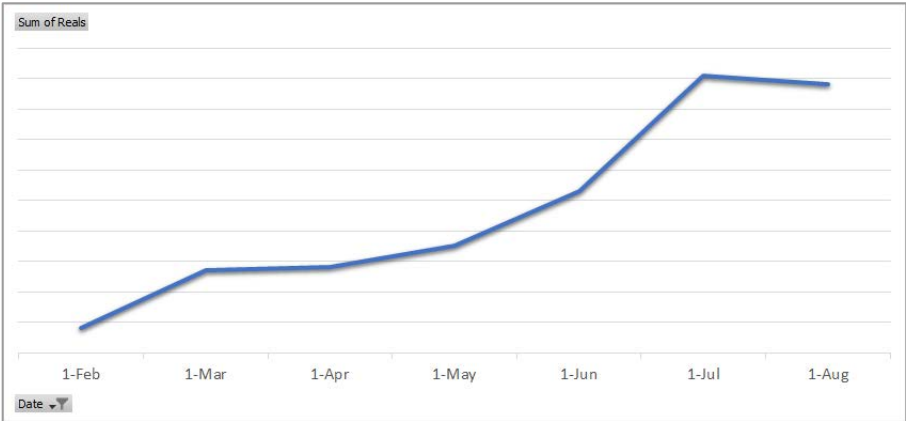


Turkey's lira is in the spotlight for many traders as it undergoes a period of extreme volatility, losing 20% of its value against the US dollar on Friday, and close to 50% since the start of the year. Due to the increased demand, we have now added two more Turkish lira forex pairs: **GBP/TRY** and **TRY/JPY**.

Trade USD/TRY

SINGAPORE

- Increase traffic in all channels while Reg/Real conversion continues to improve
- Adding Offline activity on TV



Plus500
Lights up
Singapore

Get up to
\$888
Bonus

Start Trading >

* When depositing S\$3,000. T&Cs apply. CFD Service. Your capital is at risk.

WHAT'S NEXT?

- We keep ruling Online
- High Focus on Retention - Engine for improving conversion & LTV
- Expanding Affiliates & Media Buying Capabilities



R&D



Marketing

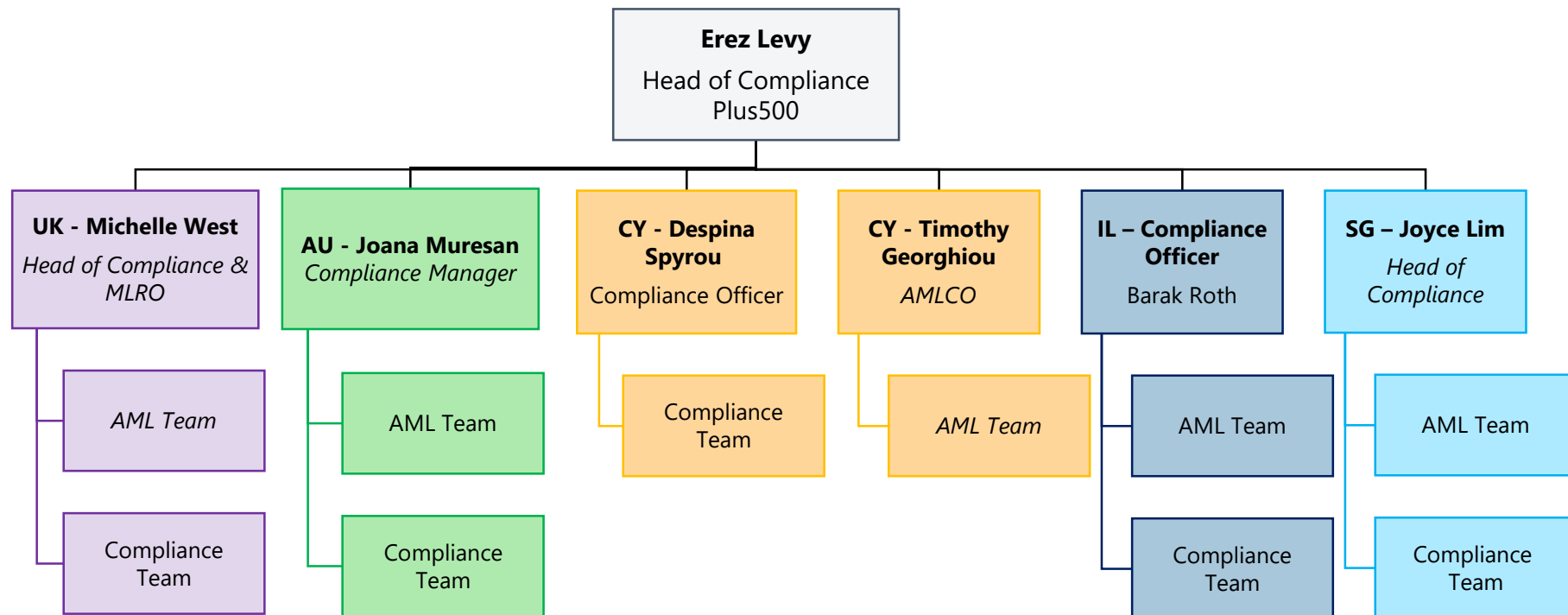


Compliance



Operations

COMPLIANCE ORGANISATIONAL CHART



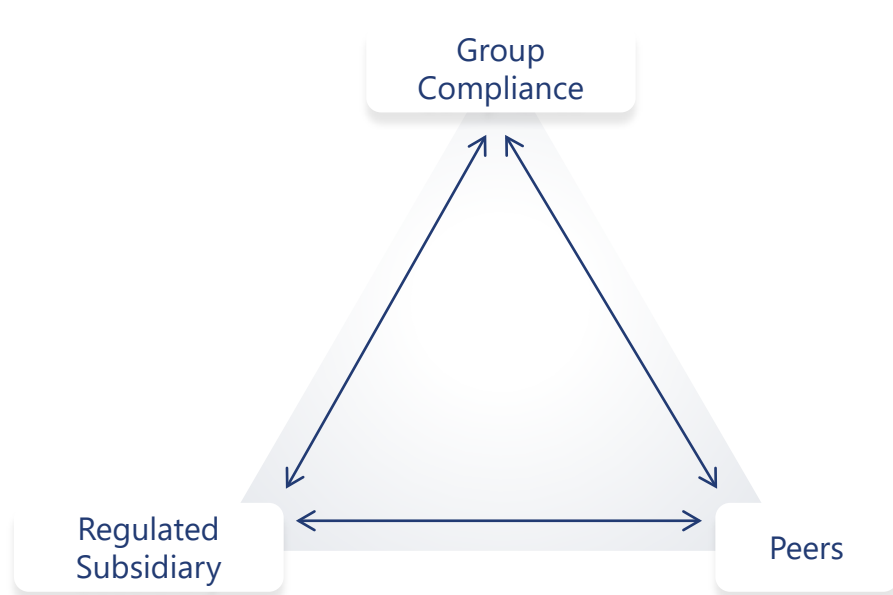


Plus500 GROUP COMPLIANCE

The principles

- Support growth responsibly
- If it is not simple, it simply won't be
- Focus on the same to make a better difference
- Organisational knowledge centre

Triangular Communication Scheme

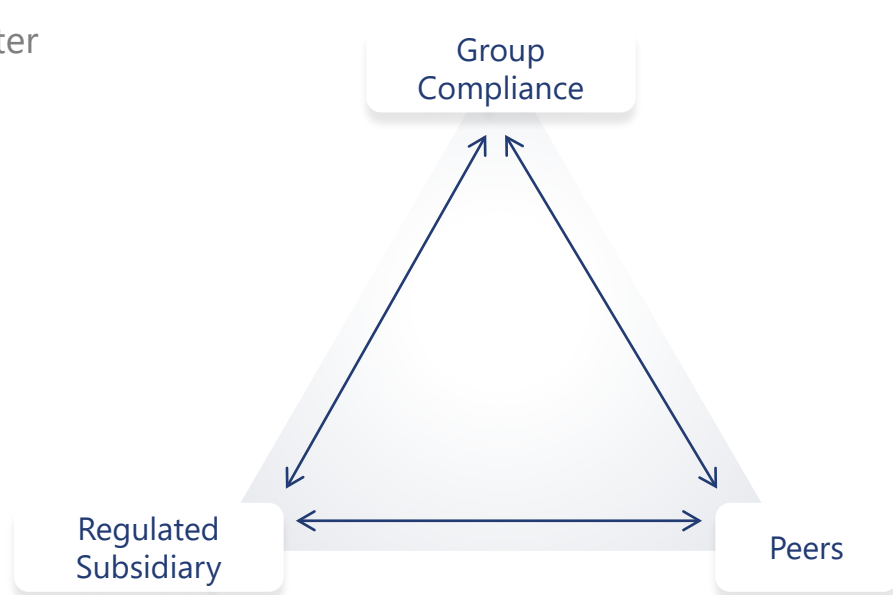


Plus500 GROUP COMPLIANCE

The principles (cont.)

- Support growth responsibly
 - enable business initiatives within the parameter
 - balance between regulation and business
- If it is not simple, it simply won't be
 - simple procedures, processes and policies
 - simple requirements = simple solutions

Triangular Communication Scheme

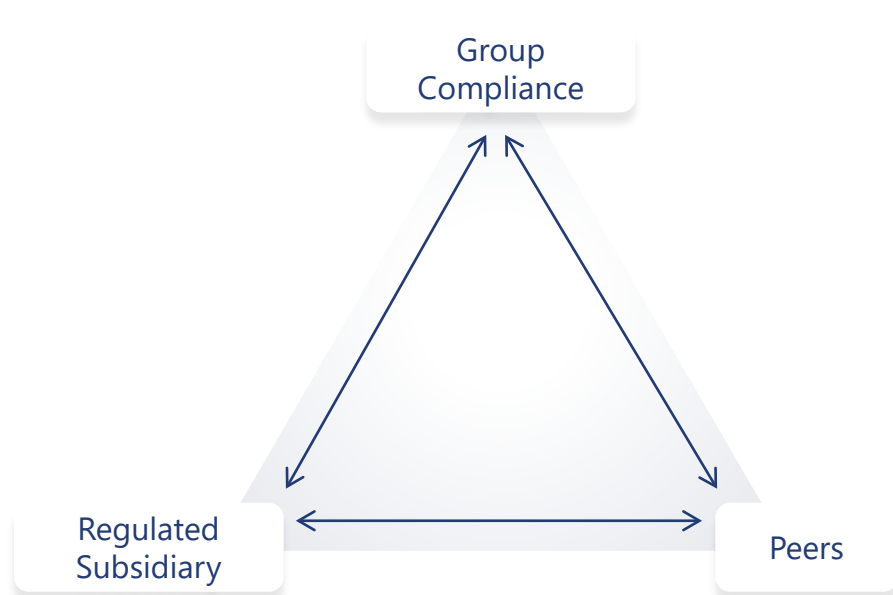


Plus500 GROUP COMPLIANCE

The principles (cont.)

- Focus on the same to make a better difference
 - learn from peer experience
 - solutions transferring
- Organisational knowledge centre
 - HQ as knowledge centre
 - central data repository
 - Group level project management

Triangular Communication Scheme



Plus500 GROUP COMPLIANCE

- 2018 Main Regulatory Projects
 - MiFID II
 - GDPR
 - ESMA Intervention Measures
 - Elective Professional Clients



ESMA PRODUCT INTERVENTION MEASURES

5 main restrictions on CFDs are in effect since 1 August 2018

- ✚ Negative Balance Protection
- ✚ 50% account based margin close-out rule
- ✚ No incentives
- ✚ New reduced margin levels:
 - ✚ 1:30 on major forex
 - ✚ 1:20 on major equity indices, minor forex, gold
 - ✚ 1:10 on minor equity indices, commodities
 - ✚ 1:5 on shares or others
 - ✚ 1:2 on cryptocurrencies

ESMA PRODUCT INTERVENTION MEASURES

5 main restrictions on CFDs are in effect since 1 August 2018 (cont.)

- New standardized risk warnings:
 - Long version (website)
 - Short version (banners, mobile apps, emails)

Plus500
World's Trading Machine

Trading Instruments Tools Company Start Trading Login English

Trade the UK's Most Popular:
UK 100, Bitcoin, GBP/USD &
EUR/GBP with our CFD Service

Reliable, Simple, Innovative.
Join millions who have already traded with Plus500.

Start Trading Now
or try a FREE Demo Account

Professional Account Learn More

CFDs are complex instruments and come with a high risk of losing money rapidly due to leverage. 80.6% of retail investor accounts lose money when trading CFDs with this provider. You should consider whether you understand how CFDs work and whether you can afford to take the high risk of losing your money.

Plus500

TOP8

Start Now >

80.6% of retail investor accounts lose money when trading CFDs with this provider. You should consider whether you can afford to take the high risk of losing your money.

Plus500
Trading Platform
Stocks, Forex,
Commodities & More

Start Now!

80.6% of retail investor accounts lose money when trading CFDs with this provider. You should consider whether you can afford to take the high risk of losing your money.

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EPC COMPLIANCE DEVELOPMENTS

Enhancing our customer due diligence process following ESMA's Q&A

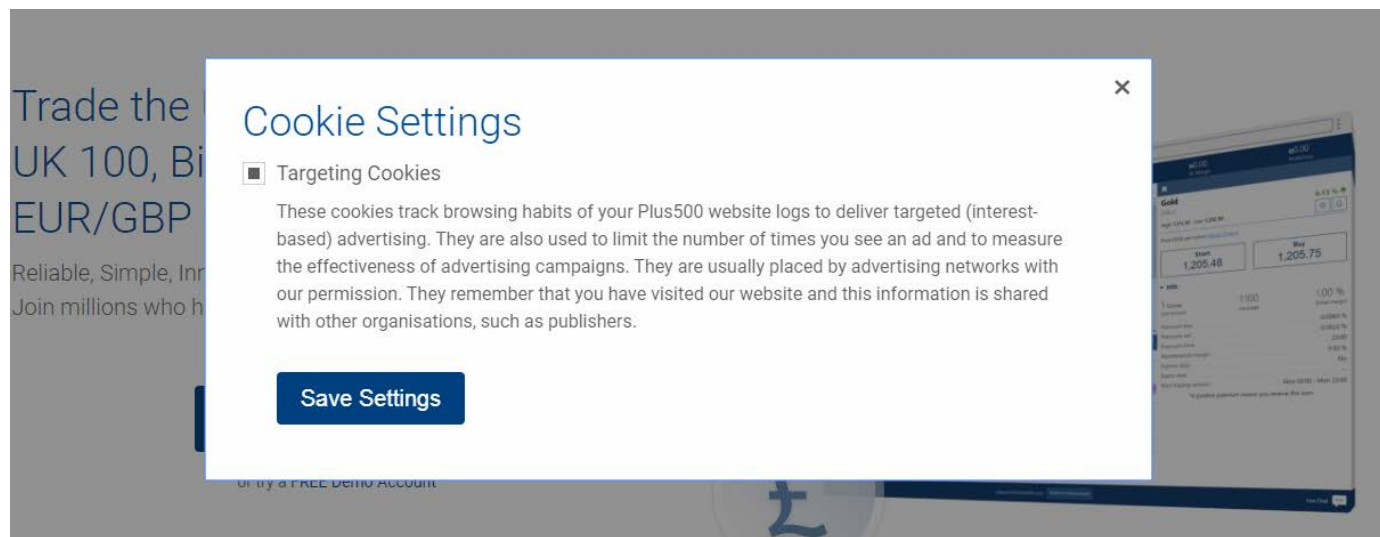
- ✚ **Qualitative test** – pass Appropriateness or Knowledge + Experience
- ✚ **Quantitative test**
 - ✚ documents requirement
 - ✚ conflicts resolution (with the qualitative test)
 - ✚ Further information requirements



[EPC video](#)

GDPR IN Plus500

- **Transparency** – updated privacy and cookie policies



- **Consent** – collecting consents for targeted marketing – complying with the highest standard

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Accept



GDPR IN Plus500 (cont.)

- ✚ **Data subjects requests** – implemented a fully automated requests submission system, as well as an operational workflow to handle such requests (extended to all operators)
- ✚ **Legal Documents** – documenting, registering and amending contracts. Constantly monitoring our compliance status
- ✚ **Training sessions**



R&D



Marketing



Compliance



Operations



MAIN RESPONSIBILITIES

- Customer application verifications
- Customer service
- Backoffice
- Payment processing
- Anti Fraud
- Content & Creative
- HR
- IT helpdesk
- Global group administration

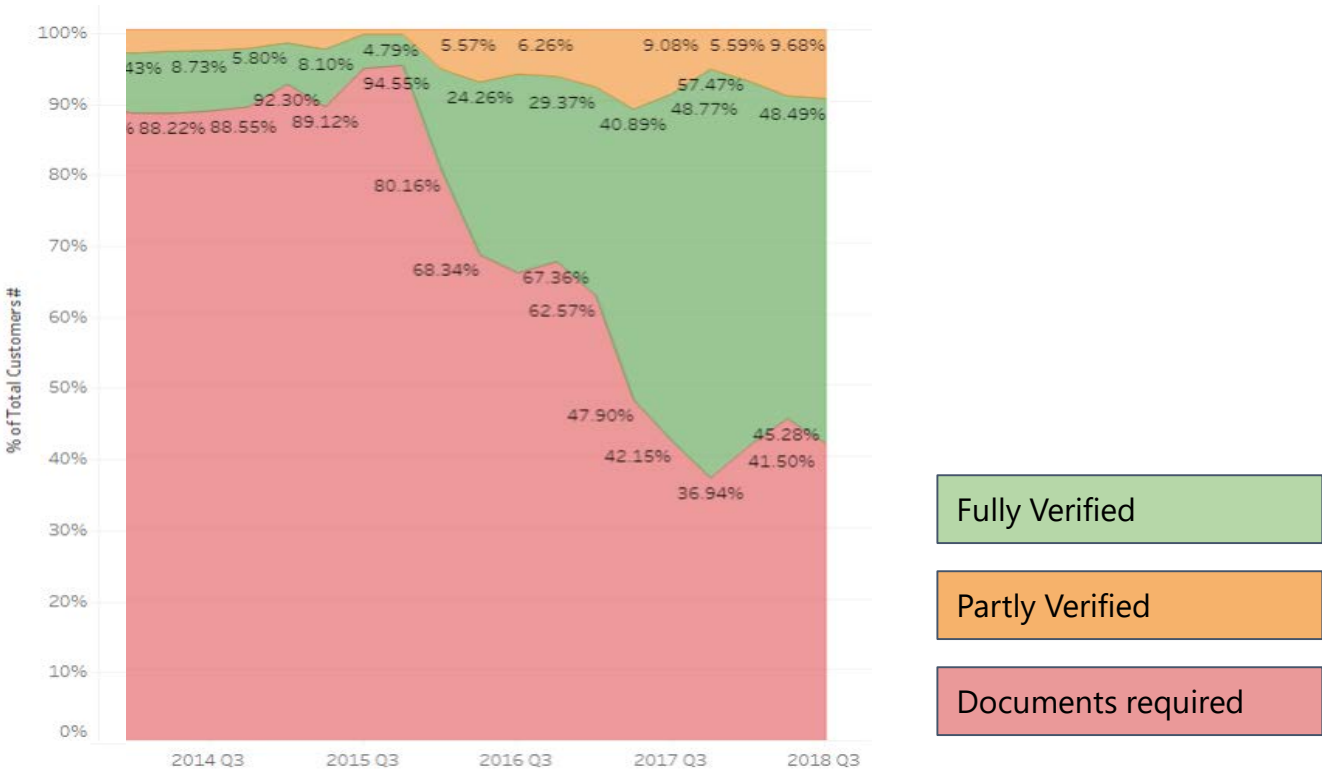


CUSTOMER VERIFICATIONS - EIC

- ✚ Verify customers KYC details (identity and address)
- ✚ Use of multiple providers for optimization
- ✚ Enabled for customer from 12 countries (Main markets)
- ✚ Fully monitored from compliance perspective



EIC SUCCESS RATE





CUSTOMER VERIFICATIONS

- Manual verification of documents:
 - Operated from three different locations for full efficiency and scalability
 - Median review time of documents in Q2 2018: 2.55 minutes
- Photo ID auto approval mechanism is implemented to assist during workloads
 - Pay methods verifications:
 - Automatically using API where possible
 - Pay methods documents review and verifications - PCI environment

PAYMENTS PROCESSING - SUPPORTED PAY METHODS



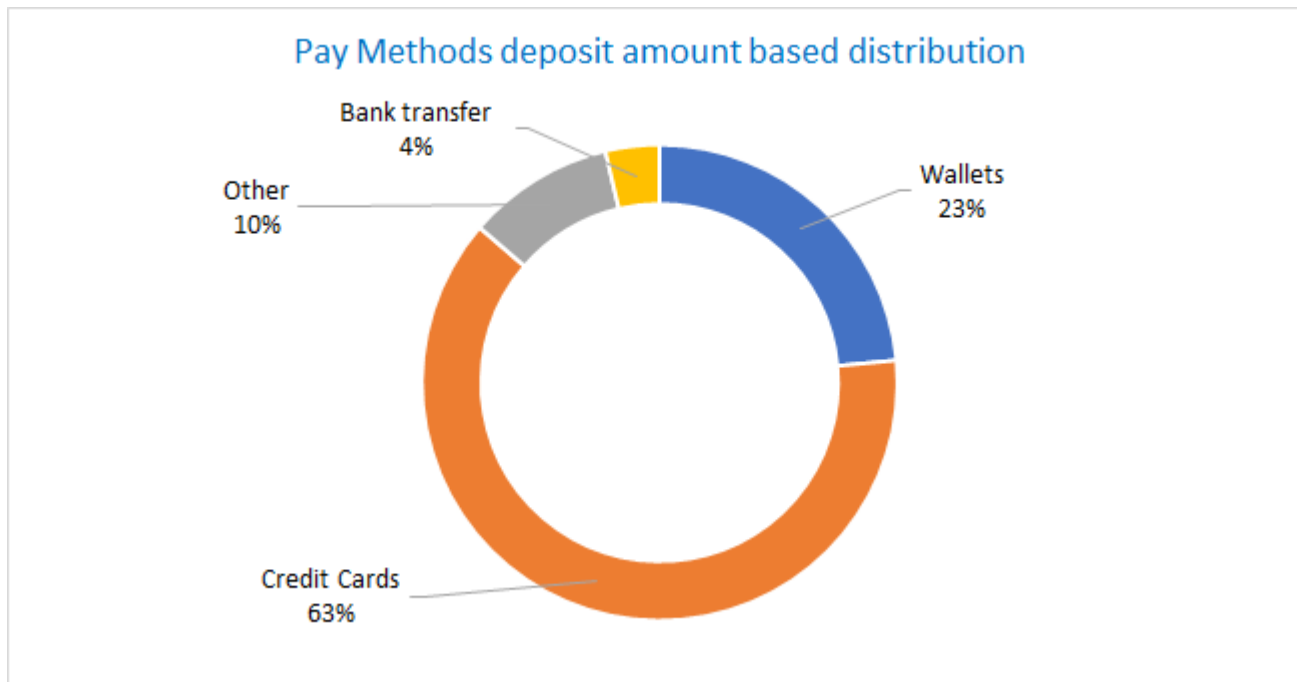
NEW



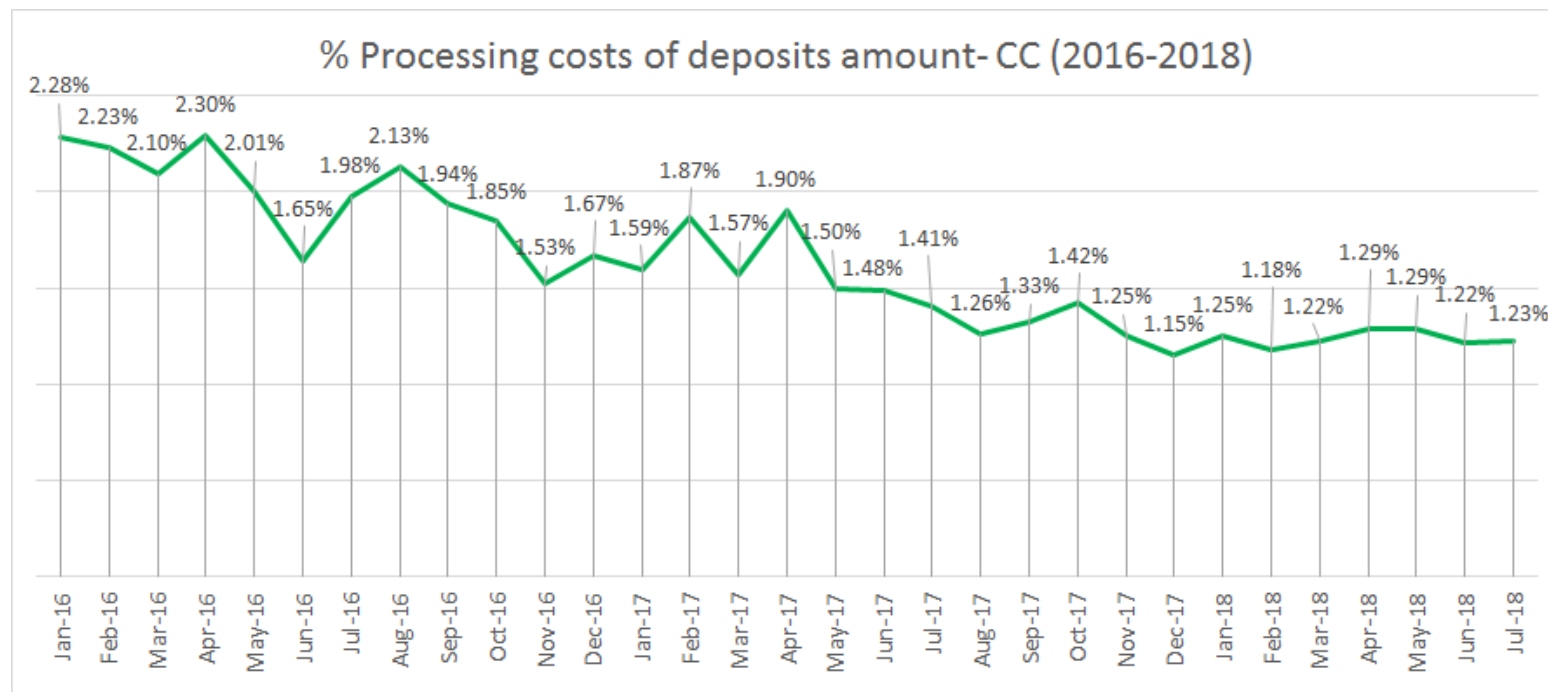
PAYMENTS PROCESSING

- Fully self developed cashier and processing mechanism
- Integrated to many payment processors for optimization
- Moved to tokenization methodology
- Second CC processing retrial with a different provider to increase success rates
- Domestic processing to reduce costs where possible
- Implemented PayPal's one click solution
- Smart transaction route to reduce costs
- Improved the bank transfers funds allocations process

PAYMENTS PROCESSING

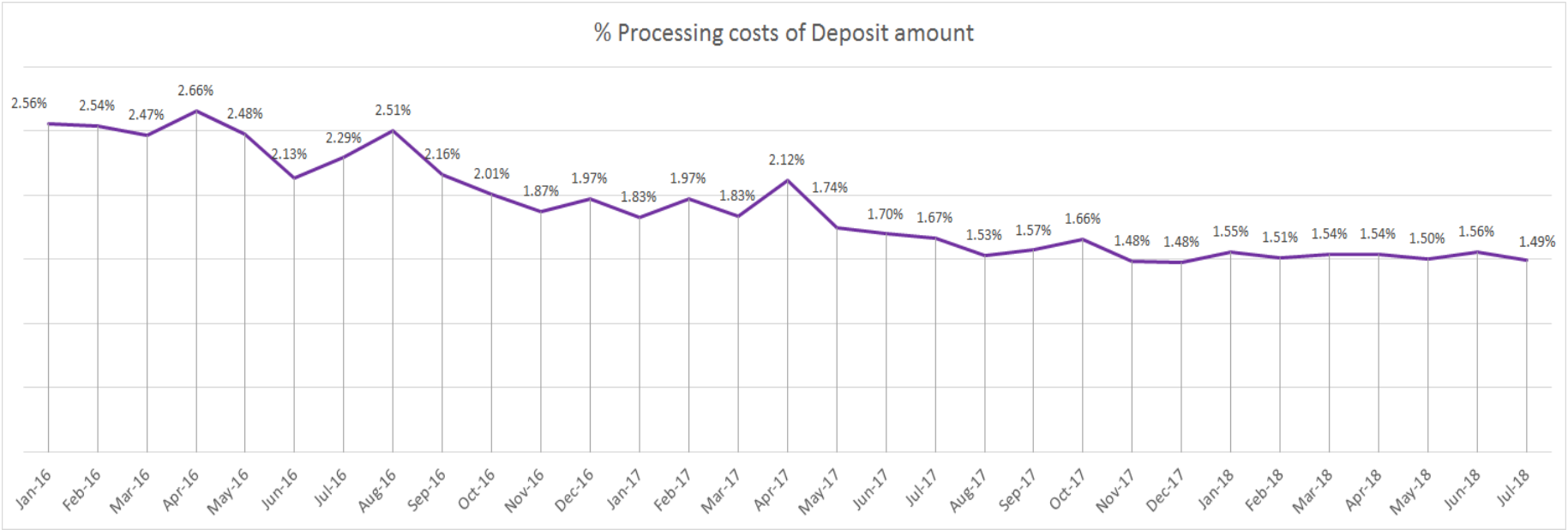


PAYMENTS PROCESSING





PAYMENTS PROCESSING





WITHDRAWALS PROCESSING

- Auto approve withdrawals to speed withdrawals handling times while reducing risks
- Daily manual approval of withdrawals with higher AML/Fraud risk
- Dedicated transactions support team to provide immediate answers to customers in payments processing related issues -
New

WITHDRAWALS PROCESSING



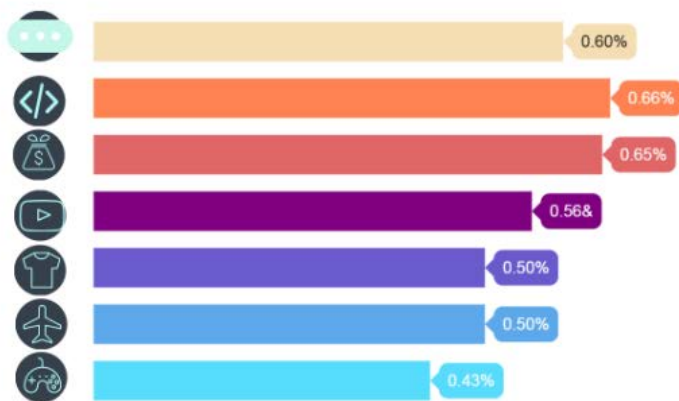


ANTI FRAUD

- ✦ Trust levels (system limits) mechanism
- ✦ Suspicious activity monitoring:
 - ✦ Monitoring reports
 - ✦ Escalation from AML and backoffice
 - ✦ Anti Fraud alerts
- ✦ Hedge abusing:
 - ✦ Automated system monitoring.
 - ✦ Daily reports
- ✦ Chargebacks >>

ANTI FRAUD - CHARGEBACKS

Industry Averages for Chargeback Ratios



Financial services industry
average chargeback ratio:
0.65%

ALL INDUSTRIES Software Financial services Media & eContent Retail Travel Gaming

Source: <https://chargebacks911.com/chargeback-stats-2017/>

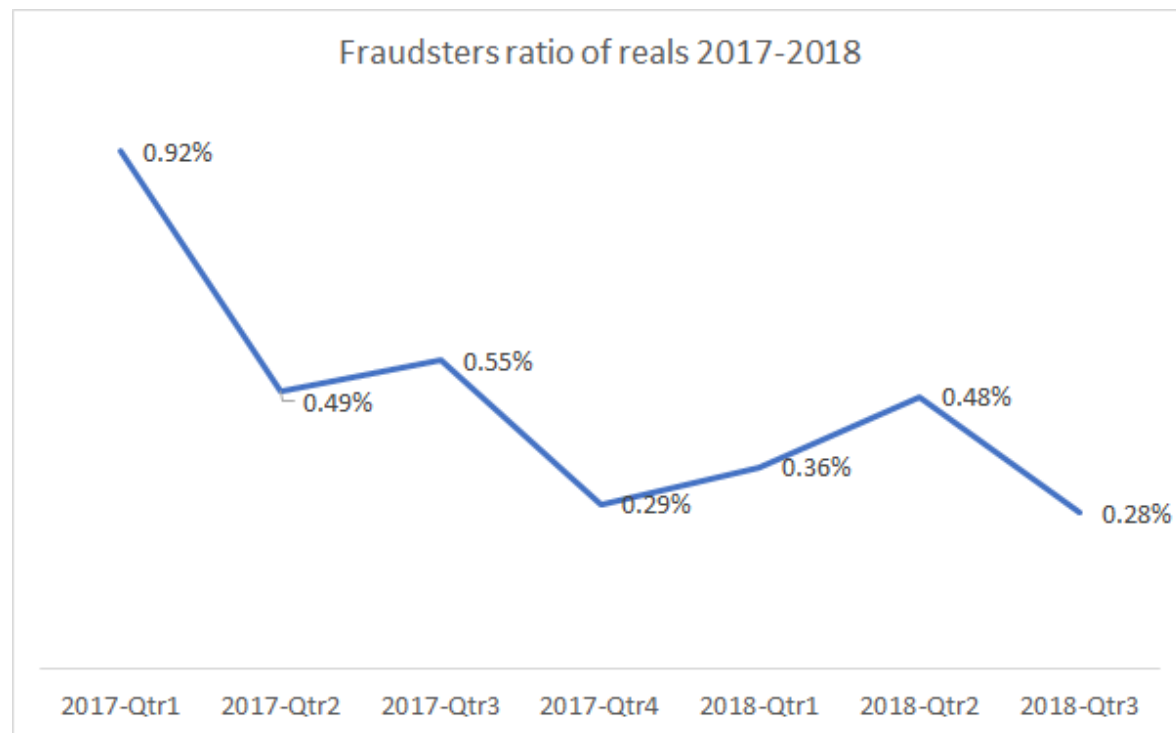


ANTI FRAUD - CHARGEBACKS

Plus500 group average chargeback ratio across all credit card processors:

Average- all processors	January	February	March	April	May	June	July	August	September	October	November	December	Yearly Average
2017	0.32%	0.22%	0.11%	0.11%	0.08%	0.37%	0.21%	0.20%	0.18%	0.34%	0.11%	0.15%	0.20%
2018	0.23%	0.28%	0.16%	0.16%	0.05%	0.27%	0.15%	0.16%					0.18%

ANTI FRAUD



CUSTOMER SERVICE

Native customer support in 16 languages over chat and email:



English



German



Dutch



Italian



Spanish



Chinese



Norwegian



French



Czech



Polish



Arabic



Hebrew



Danish



Portuguese



Slovakian



Bulgarian

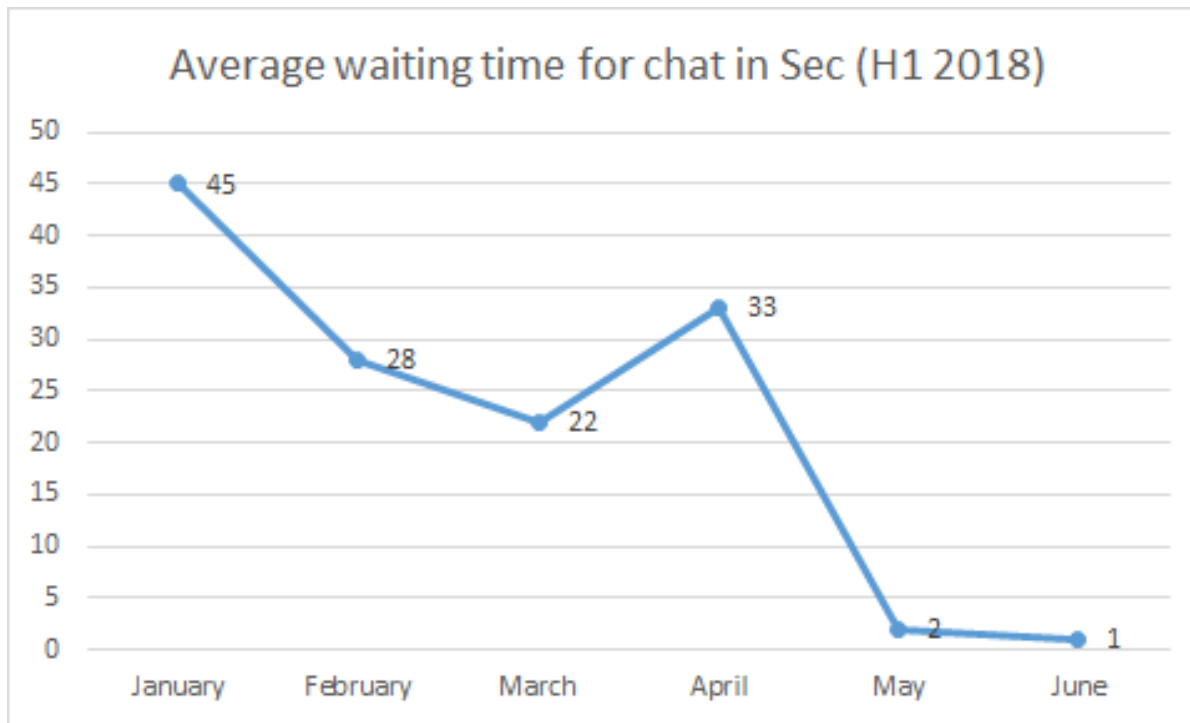


CUSTOMER SERVICE

- ✚ Email support is available in the above languages 24/7 and chat during day shifts
- ✚ Chat support is available 24/7 for the main languages (English, French, Italian, German, Spanish, Dutch)
- ✚ Proactive chat team - Engage customers when needed to enhance service provided
- ✚ Average customer satisfaction rate of 85.7% (H1 2018)
- ✚ Median response times of 8 minutes (Q2 2018) over the email, Improvement of 57% compared to Q2 2017



CUSTOMER SERVICE



FOS COMPLAINTS

	Complaints	Active customers
H1 2017	49	112,317
H2 2017	60	263,624
H1 2018	51	248,564

OPERATIONS IN NEW MARKETS

- ✚ Market research
- ✚ Localization
- ✚ Local and popular payment methods
- ✚ Onboarding and KYC design
- ✚ Operational processes
- ✚ Staff and administration
- ✚ Training
- ✚ Go live



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