

Trading Update

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Plus500 Limited

01 May 2018

1 May 2018

Plus500 Ltd.
("Plus500" or "the Company")

Trading Update for the three months ended 31 March 2018

Exceptional record performance in Q1 2018

Plus500, a leading online service provider for individual customers to trade CFDs internationally, is pleased to announce the following trading update for the three months ended 31 March 2018.

- Record revenues and earnings:
 - Q1 2018 revenues were \$297.3m, an increase of 284% compared to the same period last year;
 - EBITDA¹ margin has continued to be strong, resulting in an EBITDA of \$237.3m for the period;
 - Q1 2018 revenues represented 68% of FY2017 revenues as a whole;
 - Q1 EBITDA represented over 90% of FY2017 EBITDA as a whole;
 - Q1 2018 revenues were over 120% higher than previous record quarter.
- Operational KPIs:
 - 218,187 Active Customers², a 204% increase compared to Q1 2017;
 - 72,960 New Customers³, reflecting the Group's competitive advantage to react quickly to dynamic market developments, and market volatility;
 - AUAC⁴ decreased by 45% compared to Q1 2017 due to continued efficiency in marketing spend;
 - ARPU⁵ increased by 26% due to an increased level of customers' activity.
- Continued expansion of global presence with new Commodity Broker's Licence issued to Plus500SG Pte. Ltd. in Singapore and grant of a Financial Services Provider Licence to Plus500SA Pty. Ltd in South Africa.
- Key customer and revenues metrics for the three months ended 31 March 2018 were as follows:

	Q1 2018*	Q1 2017*	Growth	FY 2017
Revenues	\$297.3m	\$77.5m	284%	\$437.2m
EBITDA	\$237.3m	\$45.8m	418%	\$259.2m
New Customers	72,960	22,210	228%	246,946
Active Customers	218,187	71,827	204%	317,175
ARPU	\$1,363	\$1,080	26%	\$1,379
AUAC	\$502	\$907	(45%)	\$474

*Unaudited

- ¹ Earnings before Interest, Tax, Depreciation and Amortization
² Customers who made at least one real money trade during the period
³ Customers depositing for the first time ever during the period
⁴ Average New User Acquisition Cost
⁵ Average Revenue Per Active User

The increase in revenues was derived from the significant increase in New and Active Customers. As stated in the Company's preliminary results issued in February 2018, there was significant customer growth in the fourth quarter of 2017, which continued in Q1 of this year, thereby contributing more fully to revenues. ARPU benefitted from the same trends and from relatively volatile markets which encouraged trading activity.

The decrease in AUAC reflected interest in cryptocurrencies as in the previous quarter. Since the end of February this interest has subsided. There have also been revised policies for marketing activity through certain online channels that may reduce customer acquisition. We expect both of these to cause a return to AUAC and sign-ups at more normal levels.

Regulation

On 27 March 2018, the European Securities and Markets Authority (ESMA) and the Financial Conduct Authority (FCA) outlined the regulatory changes ESMA proposes to implement in the coming weeks. Plus500 is already aligned with many of the proposed regulatory changes, as outlined in the subsequent announcement made by the Company in March, which the Board believes will enhance the CFD trading landscape and create a more level playing field.

We have commenced the process of looking at whether our experienced traders, who represent a significant proportion of our revenue, could be reclassified as professional investors. This would permit them to trade at higher leverage and partially mitigate the impact of the ESMA changes.

Outlook

The very strong start to the year, which was referred to in our preliminary announcement of 14 February 2018, resulted from a period of relatively volatile markets and high levels of interest in the Company's cryptocurrency CFDs offering, and in turn encouraged high levels of New Customer sign ups and record trading in Q1 2018. We have since seen market conditions return to more normal levels in the last two months. As such we do not expect such an exceptional performance to be repeated in the remainder of the year.

We have yet to see the impact of ESMA's proposed changes and our performance could be further impacted by the rate at which customers opt to be reclassified as professional investors. The Board will continue to assess the potential impact of these changes on future years performance once all changes are fully operational. The Board believes that Plus500's highly flexible business model, relatively low cost base and global diversification with seven licenses in different jurisdictions, five of which are outside Europe, provides confidence in the Company's future prospects.

As a consequence, the Board has increased its expectations for the Group's financial performance for the year.

Asaf Elimelech, Chief Executive Officer of Plus500, commented:

"We are pleased to announce another record period in terms of revenues and profits; the results for this quarter reflect our competitive advantages and focus on serving our customers' trading needs.

Having a flexible business model and a lean cost structure, enables us to optimise our performance as necessary despite the recently announced regulatory changes. Having the industry leading framework enables us to be confident about the future."

Enquiries

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About Plus500

Plus500 operates an online trading platform for individual customers to trade CFDs internationally over more than 2,200 different underlying global financial instruments comprising equities, indices, commodities, options, ETFs,

cryptocurrencies and foreign exchange. Individual customers of Plus500 can trade CFDs in more than 50 countries and in 32 languages. The trading platform is also accessible from multiple operating systems (Windows, smartphones (iOS, Android and Windows Phone), tablets (iOS, Android and Surface), and web browsers).

Plus500 retains operating licences and is regulated in the United Kingdom, Australia, Cyprus, Israel, New Zealand, South Africa and Singapore. Customer care is integral to Plus500: customers cannot be subject to negative balances and there are no commissions on trades. Plus500 does not utilise cold calling techniques and does not offer binary options. A free demo account is available on an unlimited basis for platform users and sophisticated risk management tools are provided free of charge to manage your leveraged exposure and stop losses to help customers protect profits and limit capital losses.

www.plus500.com

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