

Plus500 Ltd.

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

Q3 2023 Trading Update

Plus500, a global multi-asset fintech group operating proprietary technology-based trading platforms, today issues the following trading update for the three months period ended 30 September 2023¹.

David Zruia, Chief Executive Officer of Plus500, commented:

"I am pleased to announce that Plus500 continued to perform well during the third quarter of 2023, driven by our focus on higher-value customer acquisition, geographic expansion and product innovation, despite lower volatility and trading volumes across the global financial markets. The Group continues to make good progress against its strategic plans with the expansion into the US, Japan and the UAE markets.

Our consistent good performance is enabled, supported and progressed by our market-leading, proprietary technology which is developed and maintained entirely by our highly experienced teams. As a diversified, global business with a clear and proven strategy, Plus500 is well positioned to continue delivering strong results and attractive returns to its shareholders."

Operational highlights:

- Plus500 continued to execute against its strategic objectives during the period with further geographic expansion and product innovation
- Major milestone reached in Japan with the launch of a new proprietary trading platform tailored specifically for the Japanese retail market
- Launched 'Plus500 Futures', an intuitive new B2C futures trading platform in the US, supported by proprietary technology
- The Company's board of directors (the "Board") anticipates that revenue and EBITDA² for FY 2023 will be in-line with recently upgraded market expectations³, driven by execution against the strategic plan

Financial highlights:

- Group revenue, comprising trading income of \$153.7m and interest income of \$14.4m, increased by 5% to \$168.1m in Q3 2023 versus \$160.6m in Q2 2023
- Customer Income⁴, a key measure of the Group's underlying performance, increased by 5% to \$153.6m in Q3 2023 compared to \$146.5m in Q2 2023
- EBITDA increased by 10% to \$80.3m in Q3 2023, with an EBITDA margin of 48%, compared to \$73.2m and 46% in Q2 2023
- The average deposit per Active Customer⁵ for Q3 2023 increased by 18% to approximately \$5,250 versus approximately \$4,450 in Q2 2023

Strategic progress

The Group continued to make good progress against its strategic plan during the period. The aim is to continue developing the Group's position as a global multi-asset fintech group, expanding its position in the US market and continuing to invest in its market leading technology. During the period, good progress was made with growing the US B2B and B2C businesses, and through the successful launch of a localised trading platform tailored for the Japanese retail market.

Further optimisation of Plus500's growing position in the substantial US futures market

Two years after its acquisitions, Plus500 has completed the integration of the US businesses it acquired and has established a new B2B business with superior technological capabilities not previously available within the Group. The Group has also developed and launched 'Plus500 Futures' during the period, a futures trading platform designed for retail clients. Furthermore, since the acquisition of the US businesses, the Group has secured additional clearing memberships and extended its offering in the US futures market, while growing the number of clients within its US B2B and B2C businesses. All of these efforts are supported by the Group's capital resources and its high-calibre workforce.

¹ All figures for the period ended 30 September 2023 and 30 September 2022 included in this announcement are unaudited

² EBITDA - Revenue (trading income and interest income) minus operating expenses plus depreciation and amortisation

³ Market expectations based on compiled analysts' consensus forecasts, which can be found on the Investor Relations section of the Company's website. As of 23 October 2023, consensus forecasts for FY 2023 Revenue and EBITDA are \$645m and \$300m, respectively

⁴ 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)

⁵ Active Customer - Customer who made at least one real money trade during the period

US B2B Opportunity

The Group has continued to establish itself as a provider of market infrastructure services for institutional customers in the US futures market, including brokerage-execution and clearing services via its memberships with the CME Group. This includes being a full clearing member of the CME Group, as well as the Minneapolis Grain Exchange (MGEX). During the third quarter of FY 2023, the Group made good progress against its strategic objectives in this market, including onboarding additional Introducing Brokers, working to increase the number of clearing memberships and recruiting new customers.

US B2C Opportunity

Alongside its B2B business in the US, Plus500 has recently launched 'Plus500 Futures', a futures trading platform tailored specifically for retail customers, which is designed to be intuitive and easy to use. The platform has a unique operational and technological edge, providing a fully holistic solution of onboarding, depositing and trading in futures contracts. 'Plus500 Futures' also features advanced risk management tools such as auto-liquidation, and is available on iOS, Android and web. All of these features are enabled by Plus500's market-leading technology and engineering expertise. Following its launch during the period, the platform gained good levels of traction in the market, enabling expansion of its customer base.

Launch of a new proprietary trading platform tailored specifically for the Japanese retail market

Plus500 established its strategic presence in the Japanese market via the acquisition of a local, regulated firm. The Group is proud to have successfully launched a new proprietary trading platform tailored specifically for the Japanese retail market. The new trading platform was launched in September 2023 and is fully operational, with an initial offering of OTC FX pairings. Over time, the Group will enhance its local offering to include additional asset classes and trading products.

Plus500 recognises Japan as a key strategic market and will apply the Group's financial and technological strengths to scale and develop its position within this market. As previously noted, the Group intends to allocate substantial financial and personnel resources in order to maximise the opportunity over the medium-term.

Significant progress made in the high-growth UAE market

The Group also continues to make good strategic progress in the UAE market following the grant of a regulatory licence from the Dubai Financial Services Authority (DFSA) in Q1 2023. The Group's customer base in this market is expanding, driven by operational improvements and a deeper understanding of local market requirements.

A new regulatory licence obtained in the Bahamas

In July 2023, the Group obtained a new regulatory licence from the Securities Commission of the Bahamas (SCB) which takes the Group's total to 13 regulatory licences globally and further establishes its position as a global fintech Group.

Trading overview

Plus500 continued to perform well during Q3 2023, despite lower volumes and volatility experienced across global financial markets during the period. This was driven by the strengths of the Group's market-leading proprietary technology and its ability to consistently attract and retain higher value customers over the long-term across a diverse range of markets, products and financial instruments.

As a result, revenue during the first nine months of FY 2023 was \$536.6m (YTD 2022: \$705.9m), including \$168.1m in Q3 2023 (Q2 2023: \$160.6m).

Customer Income, a key measure of the Group's underlying performance, remained robust at \$457.9m in the first nine months of FY 2023 (YTD 2022: \$489.2m) including \$153.6m in Q3 2023 (Q2 2023: \$146.5m, Q3 2022: \$149.4m). This consistent performance highlights the Group's on-going focus on customer engagement, as well as its continued investment in product development and retention initiatives.

Customer Trading Performance⁶ in the first nine months of FY 2023 stood at \$42.0m (YTD 2022: \$216.7m) including \$0.1m in Q3 2023 (Q2 2023: \$(8.2m), Q3 2022: \$45.1m). The Group continues to expect that the contribution from Customer Trading Performance will be broadly neutral over time.

EBITDA in the first nine months of FY 2023 was \$254.4m, with an EBITDA margin of 47% (YTD 2022: \$407.1m and 58%, respectively). This included EBITDA of \$80.3m and an EBITDA margin of 48% in Q3 2023 (Q2 2023: \$73.2m with an EBITDA margin of 46%).

Customer engagement and activity levels on Plus500's trading platforms remained robust, supported by the Group's on-going investments in its proprietary technological solutions for customer retention, monetisation and activation. The Group also invested significantly in various marketing initiatives during the period.

⁶ Customer Trading Performance - Gains/losses on customers' trading positions

The Group onboarded 20,640 New Customers⁷ during Q3 2023 (Q2 2023: 22,248) enabled by its diversified marketing approach, targeted technological marketing investment strategy and ongoing structural expansion efforts. This takes the total New Customers for the first nine months of FY 2023 to 71,089 (YTD 2022: 81,022).

The number of Active Customers during the first nine months of FY 2023 was at 205,343 (YTD 2022: 250,553), including 118,501 in Q3 2023 (Q2 2023: 122,833), driven by Plus500's focus on customer engagement initiatives and investments in product development.

ARPU⁸ remained robust at \$2,613 during the first nine months of FY 2023 (YTD 2022: \$2,817), including \$1,418 in Q3 2023 (Q2 2023: \$1,308), driven by the Group's strong revenue performance.

AUAC⁹ during the first nine months of FY 2023 was stable at of \$1,463 (YTD 2022: \$1,487), including \$1,398 in Q3 2023 (Q2 2023: \$1,627), driven by the Group's continued investments to attract high value, long term customers, through various marketing and retention initiatives including the Premium Service offering. With further investments expected to be made going forward, the Group continues to expect that AUAC will rise steadily over time.

Average deposit per Active Customer increased by 25% to approximately \$8,500 during the first nine months of FY 2023 (YTD 2022: approximately \$6,800) and approximately \$5,250 in Q3 2023 (Q2 2023: approximately \$4,450, Q3 2022: approximately \$3,900), highlighting customers' on-going loyalty and confidence in Plus500's technology, diverse product portfolio and excellent customer experience.

The Group remained debt-free and maintained strong financial position during the period, with cash balances above \$875m as of 30 September 2023 (30 June 2023: \$849.0m). A strong balance sheet, with no debt, is a key differentiator for Plus500 which enables it to invest in its long-term strategic objectives.

Financial Key Performance Indicators (unaudited):

	Q3 2023	Q2 2023	Change % (Q3 23 vs. Q2 23)	Q3 2022	Change % (Q3 23 vs. Q3 22)
Revenue (m)	\$168.1	\$160.6	5%	\$194.5	(14%)
EBITDA (m)	\$80.3	\$73.2	10%	\$101.8	(21%)
EBITDA Margin	48%	46%	4%	52%	(8%)

Operational Key Performance Indicators (unaudited):

	Q3 2023	Q2 2023	Change % (Q3 23 vs. Q2 23)	Q3 2022	Change % (Q3 23 vs. Q3 22)
ARPU	\$1,418	\$1,308	8%	\$1,445	(2%)
AUAC	\$1,398	\$1,627	(14%)	\$1,598	(13%)
New Customers	20,640	22,248	(7%)	23,747	(13%)
Active Customers	118,501	122,833	(4%)	134,657	(12%)

Shareholder returns

During Q3 2023, the Company repurchased a total of 1,641,458 shares, at an average price of £14.36, for a total cash consideration of \$29.8m. As of 30 September 2023, the remaining number of the Company's ordinary shares in issue was 80,664,453.

Reflecting its strong financial position, the Company expects to continue with its highly attractive and sustainable shareholder returns policy consisting of dividends and share buybacks. Since its IPO in 2013, Plus500 has returned approximately \$2bn to its shareholders, including approximately \$350m announced so far in FY 2023 which equates to c.25% of the Company's market capitalisation at the end of September 2023.

Outlook

The Board remains confident in the Group's outlook based on its strong competitive positioning, robust balance sheet and clearly stated strategic plans. Reflecting the ongoing improvement in attracting and retaining high-value, long-term customers, the Group anticipates that it will deliver revenue and EBITDA for FY 2023 that are in-line with recently upgraded market expectations¹⁰. Despite the lower market activity levels seen during the period, Plus500's ability to attract and retain higher value customers continued, enabled by its technology, broad product offering, innovative customer solutions and retention initiatives.

For the remainder of FY 2023 and beyond, the Group will continue to invest in its technology to ensure that its competitive advantages across customer acquisition, marketing and retention, as well as the progress in launching new products and entering new markets, is maintained. Over the medium-term, Plus500's strategy is

⁷ New Customers - Customers depositing for the first time

⁸ ARPU - Average Revenue Per User

⁹ AUAC - Average User Acquisition Cost

¹⁰ Market expectations based on compiled analysts' consensus forecasts, which can be found on the Investor Relations section of the Company's website. As of 23 October 2023, consensus forecasts for FY 2023 Revenue and EBITDA are \$645m and \$300m, respectively

to further develop its position as a global multi-asset fintech group by launching new products, entering new markets, expanding its offering in existing markets and deepening engagement with customers.

For further details

Plus500 Ltd.

Elad Even-Chen, Chief Financial Officer	+972 4 8189503
Owen Jones, Head of Investor Relations	+44 (0) 7551 654208
	ir@Plus500.com

Dentons Global Advisors

James Melville-Ross	+44 (0)20 7664 5095
James Styles	Plus500@dentonsglobaladvisors.com
Methuselah Tanyanyiwa	

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 50 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.

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.