



BEST-IN-CLASS
TECHNOLOGY
TO ENABLE
ACCESS TO
FINANCIAL
OPPORTUNITIES

WELCOME

Plus500 delivered excellent results in 2022, driven by our unique proprietary technology, which underpins our on-going ability to attract and retain higher value customers over the long term. We are in an extremely exciting position, with multiple potential growth opportunities available, particularly in the US futures market, which will continue to drive our development as a global multi-asset fintech group.

With further organic investments and targeted acquisitions, we are confident that Plus500 is well-positioned to deliver sustainable growth over the medium to long-term.

David Zruia

Chief Executive Officer

Plus500 Ltd. ("Plus500", the "Company" or, together with its subsidiaries, the "Group") is a global multi-asset fintech group operating proprietary technology-based trading platforms.

2022 Key Achievements

Excellent performance achieved, driving strong revenue and EBITDA growth:

- + Powered by the Group's proven business model and market-leading proprietary technology
- + Evidenced by Plus500's on-going ability to attract and retain higher value, long-term customers, with over 24 million worldwide customers registered on its trading platforms since inception

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

- + New B2B business line with major revenue opportunity, based on a new strategic position developed by the Group as market infrastructure provider, delivering execution, clearing and brokerage services for institutional clients
- + Full clearing firm memberships of the CME Group exchanges and the Minneapolis Grain Exchange (MGEX) obtained

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

- + 'TradeSniper', an intuitive new proprietary trading platform, launched in Q3 2022
- + 'TradeSniper' provides a highly differentiated, technology-based proposition for Plus500 in the US futures retail market

Further delivery against global strategic growth opportunities:

- + Further roll-out of 'Plus500 Invest', the Group's proprietary share dealing platform
- + Access to substantial Japanese retail trading market, through acquisition of a regulated entity in Japan

- + New regulatory licence obtained in Estonia, to act as additional foundation to Plus500's OTC¹ business in Europe
- + New regulatory licence from the Dubai Financial Services Authority ("DFSA") in the high growth market of the UAE obtained in Q1 2023

Plus500's reinforced financial position enables continued investment in growth:

- + High level of cash balances maintained, with no debts or loans since the Company's inception
- + Continued strong Operating cash conversion² of 112% (FY 2021: 99%)

Continued focus on key ESG priorities:

- + Further expansion of the range of the Board of Directors' (the "Board") experience and continued diversification of its gender composition
- + Continued focus on customer care and protection, with launch of the Group's Trading Academy
- + Launch of '+Insights', Plus500's new big-data, analytical tool designed to provide OTC customers with access to key trends

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

- + Share buyback programmes in respect of FY 2022 of \$180.2m
- + Dividend payments in respect of FY 2022 of \$90.0m
- + A total of approximately \$1.7 billion returned to shareholders since Plus500's IPO in 2013, through dividends and share buybacks

2022 Financial Highlights

Revenue

\$832.6m

EBITDA

\$453.8m

EBITDA Margin

55%

Cash balance at year end

\$930.2m

2022 Operational Highlights

New Customers³

106,549

Active Customers⁴

280,769

ARPU⁵

\$2,966

AUAC⁶

\$1,481

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All charts and graphs contained in this Annual Report are graphical representations of the underlying data to which each chart or graph relates and have been included to aid interpretation of such data and are therefore included for illustrative purposes only.

1. 'Over-the-Counter' products, namely CFDs ('Contracts for Difference').
2. Cash generated from operations / EBITDA.
3. Customers depositing for the first time.

4. Customers who made at least one real money trade during the period.
5. Average Revenue Per User.
6. Average User Acquisition Cost.

A GLOBAL MULTI-ASSET FINTECH GROUP

Plus500 is a global multi-asset fintech group operating proprietary technology-based trading platforms, and is a constituent of the FTSE 250 index, with a premium listing on the Main Market of the London Stock Exchange (symbol: PLUS). Plus500 offers customers a range of trading products, including OTC, share dealing, as well as futures and options on futures.

50+

Countries where customers can access Plus500's products

500+

Employees globally

24+ million

Registered customers on Plus500's platforms since inception

Our purpose

Enabling trusted and intuitive access to financial opportunities

Across financial instruments

Through a broad range of innovative products

Across countries

Through global scale with localised services

Across devices, platforms and systems

Through best-in-class technology

 [Read more on pages 4 – 9](#)

Our strategy

Well positioned to access a range of significant growth opportunities

Plus500's strategy is 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

 [Read more on pages 10 – 13](#)

Our values

Technology driven

Our state-of-the-art proprietary technology enables our product leadership and agility

Strive for excellence

We do not compromise on the quality of our products or on the talent of our people

Customer-centric approach

Our customers are at the centre of every decision we make, to ensure we deliver best-in-class service

Committed to operating sustainably and responsibly

We are focused on carrying out a range of sustainability initiatives to deliver tangible value for our stakeholders

 [Read more on pages 28 – 32](#)

To find out more about our Group visit:
www.plus500.com

Our Global position



Global operations

Plus500 global operations are managed by highly skilled and experienced local management teams.

Plus500 licences

The Group's portfolio of 12 regulatory licences is an increasingly valuable asset.

Our competitive advantages and differentiators

Our technology

Powers our products, operations, marketing and our approach to risk management

- + Proprietary, wholly owned, managed and operated by Plus500
- + Drives our customer-centric approach
- + Continued significant investment in R&D to drive on-going innovation
- + Supports our continued alignment with relevant global regulatory standards and best practice

Our track record

Strong financial performance since IPO in 2013

- + c.25% compound annual revenue growth rate
- + Flexible cost base with average annual EBITDA margin of c.57%
- + Reinforced financial position, with a strong balance sheet, high levels of cash generation and debt-free since inception
- + Approximately \$1.7 billion returned to shareholders in dividends and share buybacks

Our leadership, people and culture

Technological expertise embedded across the business

- + Highly skilled leadership team with long-standing technological experience
- + Strong track record in attracting and retaining the best technology talent in Israel, the "start-up nation"
- + Entrepreneurial, high performance culture, with customers at the centre

Our agile business model

Ensuring a customer-centric approach

- + Unique edge in attracting and retaining customers through multiple marketing channels
- + Proven business model serving customers globally for over a decade
- + Strong global brand and reputation
- + Best-in-class customer experience
- + Highly focused on customer care and protection

WELL PLACED FOR FUTURE GROWTH



We achieved further success in FY 2022 delivering against our strategic roadmap. This was primarily driven by our impressive and dynamic management team, capably supported by our highly talented people around the world

Prof. Jacob A. Frenkel
Chair

Revenue

\$832.6m

2022 \$832.6m

2021 \$718.7m

Total shareholder returns in respect of FY 2022,
including dividends and share buybacks

\$270.2m

2022 \$270.2m

2021 \$200.2m

FY 2022 was another excellent year for Plus500 and I remain proud and privileged to be leading the Board as its Chair. This is an extremely exciting time for Plus500 – the fundamentals of our business are strong, we have a reinforced financial position and there are a number of substantial strategic growth opportunities available to us.

I am particularly excited about the significant growth opportunities in the US futures market.

Furthermore, I am confident that my long-standing experience and expertise in the US financial and capital markets will help to support our management team in executing against our strategic objectives in the US.

To this end, we achieved further success in FY 2022 in delivering against our strategic roadmap. This was primarily driven by our impressive and dynamic management team, capably supported by our highly talented people around the world.

Our outstanding performance during the year was of course supported by our powerful and customer-centric proprietary technology, which remains one of our key differentiators. In addition, there was further diversification and enhancement of our Board during the year and we continue to act as a solid foundation and support our management team as they continue to deliver against our commercial, financial and operational goals.

I remain very excited and optimistic about the future for Plus500, given our progress over the years, during which time we have consistently delivered against all key metrics. This gives me confidence that we can continue to achieve our ambition of ensuring that Plus500 remains well placed to access a range of substantial growth opportunities going forward.

Excellent operational performance in FY 2022, driving growth and building on our strong track record

The Group delivered an excellent operational and financial performance in FY 2022, driving further growth. As well as producing operational and financial growth, we continued to deliver attractive returns to shareholders during the year.

Against a challenging macro-economic environment, Plus500's balance sheet remains extremely robust, with the Group continuing to hold no debt or loans since inception and with cash balances as at 31 December 2022 increasing to \$930.2m.

The Group's reinforced financial position will continue to fund Plus500's investment in future growth, through organic investments and targeted acquisitions and will enable further attractive returns to be delivered to shareholders, through share buybacks and dividend distributions, as reflected in the highly scaled returns of over 70% of FY 2022 net profits to shareholders.

We also made significant strategic progress during the year, in particular by developing a substantial and growing position in the futures market in the US, supported by our best-in-class technology and robust financial position.

We have two major strategic growth opportunities in that market, on which we made excellent progress during FY 2022. Firstly, we enhanced our position as a market infrastructure provider, delivering brokerage-execution and clearing services for institutional clients. Secondly, we launched a new B2C proprietary trading platform tailored for the sizeable US retail trading market.

Elsewhere, we gained initial access to the substantial Japanese trading market, through an acquisition during FY 2022 and we continue to target several new potential markets to expand our existing OTC product offering.

To this end, in February 2023, we obtained a regulatory licence in the significant and high growth market of the United Arab Emirates. Our strategic and operational success during the year ensured we continued to develop our already strong financial track record.

The growth outlook for Plus500

Based on our significant strategic, operational and financial progress over recent years, and our reinforced financial position, the Board remains confident about the Group's future prospects, with Plus500 remaining well positioned to access a range of significant opportunities to grow and diversify its revenue streams, geographic footprint and business model. These growth opportunities will be accessed by our on-going investment in developing our position as a global multi-asset fintech group, in particular through further organic investments in technology, innovation and people and by actively targeting additional acquisitions.

Further developments in corporate stewardship and investor engagement during the year

The range of the Board's experience, knowledge and expertise continues to broaden, with further diversification of its gender composition achieved during the year. The representation of women on the Board remains well ahead of the 40% target set by the "FTSE Women Leaders review" framework and surpasses the new FCA diversity target that at least 40% of the Board are women, as currently female representation on Plus500's Board is 50%. There were several changes to the composition of the Board and its Committees during the year. In March 2022, Prof. Varda Liberman, a renowned international expert in the field of decision-making and behavioural economics, was appointed as an Independent Non-Executive Director. In June 2022, Daniel King, our long-serving director, completed his maximum nine-year tenure as an Independent Non-Executive Director and External Director. Subsequently, Anne Grim became a member of the Nomination Committee and Chair of the Remuneration Committee, and Steve Baldwin became Chair of the ESG Committee. Additionally, David Zruia became a member of the ESG Committee.

To further diversify the composition of Board Committees, additional rotations came into effect in Q1 2023, with Prof. Varda Liberman, a member of the Regulatory & Risk Committee, becoming its Chair, and also replacing Sigalia Heifetz as a member of the Remuneration Committee.

Our investment case

Our purpose is being delivered by a clear investment case



1

Consistent track record of growth and delivery, supported by our long-term, high value customer base



2

Proprietary technology is Plus500's key differentiator and enabler



3

Diversified product portfolio and geographic footprint



4

Growth supported by organic investments and targeted acquisitions



5

Reinforced financial position



6

Major growth opportunities available to drive shareholder value

We continued to place great emphasis on shareholder engagement in FY 2022. Our management team and I hosted Plus500's first ever Capital Markets Day in September 2022, where we provided information on key elements of Plus500's investment case, business model and major growth opportunities, and addressed questions from our shareholders. A recording of the event is available on the Group's new Investor Relations website, launched last year (investors.plus500.com).

Continued focus on key ESG priorities

We remain focused on a number of important ESG priorities, including customer care and protection, which are outlined in more detail on pages 28 to 32 of this Annual Report.

As a technology-based business, our carbon footprint is relatively minimal and we remain committed to ensuring that this continues to be the case. We are also committed to providing detailed disclosure on our environmental impact and, on pages 33 to 37, we include for the first time a comprehensive report on our alignment to the Task Force on Climate-Related Financial Disclosures ("TCFD").

On employee welfare, well-being and development, Plus500 operates an entrepreneurial and high-performance organisational culture globally to empower on-going improvements in employee development, attraction and retention, through training, learning, community engagement, welfare, wellbeing and career progression. We also remain very active supporting a number of stakeholders in the local communities in which we operate and we continue to make both financial and in-kind donations to these communities and to a variety of charitable organisations supporting these communities.

The Board continues to monitor and review the Group's culture, values and performance primarily through regular discussions with our Executive Directors, senior management and their teams. This engagement is driven by Steve Baldwin, one of our Independent Non-Executive Directors, in his role as a workforce engagement representative on the Board.

This helps to provide a channel through which our employees worldwide can share their views and thoughts directly to the Board, to help inform the Board's approach to supporting on-going improvements in our organisational culture and values.

To that end, I would like to take this opportunity, on behalf of the Board, to pass on our appreciation to our talented and enthusiastic people for their continued hard work and dedication in helping to drive Plus500's continued outstanding performance.

Regulatory compliance remains a major area of Board and management focus

The Group maintains a highly robust, customer-centric approach to compliance, supported by our expertise in the relevant global regulatory standards and our teams' long-standing relationships with the regulators in the markets and industries in which we operate. We also have the technological

skills and capabilities to ensure that we can efficiently react with speed to any regulatory changes that occur. This approach has continued to deliver consistent results and has helped to support our performance since Plus500's inception.

With an established global regulatory network, managed by our regulated subsidiaries and coordinated centrally, the Group remains well positioned to cater for the regulatory framework across the markets in which we operate. As at the date of this Annual Report, the Group holds 12 regulatory licences (three of which were obtained during FY 2022 and Q1 2023) and, this portfolio of licences is an increasingly valuable asset for the Group, given its scarcity and the growing complexity of obtaining new licences.

Continued delivery of attractive returns to shareholders

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. To this end, the Company returned \$270.2m to shareholders in relation to FY 2022, including \$180.2m in share buybacks and \$90.0m in dividends.

The announced share buyback programmes in respect of FY 2022 include a final buyback programme to purchase up to \$42.4m of the Company's shares and a special buyback programme to purchase up to \$27.6m of the Company's shares, which are currently underway. We also conducted a share buyback programme of \$60.2m, announced on 17 August 2022, and a special buyback programme of \$50.0m, announced on 13 April 2022, both of which completed. Total dividends in respect of FY 2022 amount to \$90.0m, comprising of a final dividend of \$20.0m, a special dividend of \$10.0m, and an interim dividend of \$60.0m (paid in November 2022).

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

I look forward to reporting on the Group's further progress in next year's Annual Report.



Prof. Jacob A. Frenkel

Chair of the Board

22 March 2023

Q&A with the Chief Executive Officer

DELIVERING FOR CUSTOMERS THROUGH OUR TECHNOLOGY



The outlook for our business is extremely exciting and our prospects are highly compelling, particularly as we continue to further develop and differentiate our strategic position as a global multi-asset fintech group

David Zruia
Chief Executive Officer



Can you outline Plus500's purpose and strategy?

A. Our purpose, which we remained focused on during FY 2022, is to enable trusted and intuitive access to financial opportunities for our customers, across a wide range of financial products, geographies and devices. This is being driven by our continued development as a global multi-asset fintech group, supported by organic investments and targeted acquisitions.

The rationale for this purpose and strategy is that, by expanding our product range from our historic single-product focus, we can meet more of our customers' needs, diversify our revenue base, broaden our geographic footprint and drive higher customer retention.

This will be achieved by successfully delivering against our strategic roadmap of:

- + Launching new products;
- + Entering new markets;
- + Expanding our offering in existing markets; and
- + Deepening engagement with our customers.



What are Plus500's major growth opportunities in the US?

A. We are extremely excited about our growth prospects in the substantial US futures market, having established a strong and growing position in that market, supported by our best-in-class technology and our robust financial position.

In the US, we are targeting several significant growth opportunities and, to this end, we made excellent progress in 2022. This progress was supported by our new partnership with the NBA Chicago Bulls, announced during the year, which will drive brand awareness for Plus500, both in the attractive US market and globally.

We also developed a new B2B line of business and a strategic position as a market infrastructure provider, with a view to delivering brokerage-execution and clearing services for institutional clients. Our future progress in the institutional market will be driven by our operational capabilities, proprietary technology and our robust financial position. Our proposition in this new line of business is further strengthened by our position as a full clearing member of the CME Group exchanges and the Minneapolis Grain Exchange (MGEX), which were achieved during the year.

In Q3 2022, we launched a new B2C proprietary trading platform – 'TradeSniper', an intuitive futures trading platform specifically tailored for the sizeable US retail trading market. Like our OTC product offering, 'TradeSniper' has been developed with a customer-centric approach, including a number of embedded features designed to help support and protect customers while offering them a fully holistic solution of onboarding, depositing and trading, with new payment methods. All of these features are now available for the first time for customers in the US futures market.



Where else did Plus500 make strategic progress in FY 2022?

A. We made excellent progress in launching new products and entering new markets during the year.

For example, in FY 2022 we gained initial access to a brand new and exciting market for Plus500 – Japan. This was achieved through the completion of an acquisition of a regulated entity during the year, for which integration plans are progressing well.

Over time, this will enable us to access the substantial Japanese trading market, where we will apply our considerable technological capabilities and financial strength to build our market position locally.

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



Can you talk about Plus500's success in further deepening customer engagement during the year?

A. In line with our plan to incrementally invest approximately \$50m in our R&D capability between FY 2021 and FY 2023, we continue to invest in product development to further deepen customer engagement, including through on-going recruitment at our R&D centres in Israel.

We now have a latent base of over 24 million registered customers on our trading platforms worldwide since inception, which can be accessed through a number of new retention technologies, products, tools and innovations.

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



Can you discuss Plus500's operational and financial performance during FY 2022?

A. Our strong operational and financial performance last year was fundamentally driven by our proven business model, our market-leading proprietary technology and our on-going ability to attract and retain higher value, long-term customers.

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

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

ARPU reached a record annual level of \$2,966 in FY 2022. Customer deposits remained high with average deposit per Active Customer also achieving a record annual level of approximately \$8,000, highlighting the continued strong level of confidence that customers have in Plus500 and the resilience of our trading platforms. Total customer deposits in FY 2022 amounted to \$2.3 billion.

We onboarded a total of 106,549 New Customers during the year and the number of Active Customers remained robust at 280,769. This was supported by continued investment in our diversified marketing approach, which included our sophisticated proprietary marketing technology and a range of strategic initiatives and advertising campaigns to drive customer retention, monetisation and activation.

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

We are in an extremely exciting strategic and commercial position, with multiple potential growth opportunities available, particularly in the US futures market.



Finally, in your view, what is the outlook for Plus500?

A. The outlook for our business is extremely exciting and our prospects are highly compelling, particularly as we continue to further develop and differentiate our strategic position as a global multi-asset fintech group.

We are in an extremely exciting strategic and commercial position, with multiple potential growth opportunities available, particularly in the US futures market, which will continue to drive our growth as a global multi-asset fintech group. With further organic investments and targeted acquisitions, we are confident that Plus500 remains well-positioned to deliver sustainable growth over the medium to long-term.

My confidence and optimism about the outlook for Plus500 is also driven by the dedication and talent of all our people around the world. I am extremely grateful for their hard work and commitment, which continues to ensure that Plus500 remains in an excellent position to deliver sustainable future growth.

David Zruia
Chief Executive Officer
22 March 2023

OUR PURPOSE, STRATEGY AND KEY DIFFERENTIATORS

Plus500's differentiators ensure that it is well positioned to continue diversifying its revenue streams, product range and geographic footprint.

Our purpose is to enable trusted and intuitive access to financial opportunities for our customers, across a wide range of financial instruments, geographies and devices. This strengthens our position as a global multi-asset fintech group and is supported by four key differentiators.

1



Our powerful proprietary technology

Our proprietary technology remains our fundamental competitive advantage, enabling Plus500 to respond with agility to customer requirements, fast-emerging market developments and regulatory changes. It has taken many years to develop this technology, enabling Plus500 to build a long track record of innovation and a market-leading technological capability.

Customers using Plus500's OTC platform through mobile or tablet devices, generated

85%+

of the Group's OTC revenue in FY 2022

 Read more on pages 14-15

2



Our long track record

We have built a long track record of financial performance, with approximately 25% CAGR in revenue since the IPO year, and an average EBITDA margin of 57% over that time. We have remained debt free since inception and have continued to be highly cash generative since that time.

Shareholder returns of

\$1.7 billion

since IPO in 2013

 Read more on pages 38 – 40



3



Our leadership, people and culture

Our operating track record and technology development are a testament to the quality of our people. We have fostered a high-performance organisational culture, reflecting Israel's technology-based and innovative environment. This has been led by a highly skilled management team, with specialist expertise and experience in technology.

Our people

500+
at the end of FY 2022



Read more on pages 28 – 32

4



Our agile business model

Our agile, customer-centric business model, with its unique edge in attracting and retaining customers through multiple channels, strong brand, and continued focus on customer care and protection, has ensured that we have consistently driven an attractive marketing Return on Investment ("ROI") over time.

Registered customers on our platforms globally, since inception

24+ million



Read more on pages 22 – 23

Significant progress made in the US futures market

Plus500 continues to make strong progress against its strategic roadmap, particularly in developing a compelling proposition in the US futures market.

In the substantial futures market in the US, Plus500 has established a strong and growing position, which remains supported by Plus500's best-in-class technology and its reinforced financial position.

Plus500 made excellent progress in FY 2022 in targeting a number of substantial growth opportunities in the US futures market. This progress was supported by increased brand awareness of Plus500 in the US through the Group's new partnership with the NBA Chicago Bulls.

During FY 2022, the Group established a new B2B line of business and a strategic position as a market infrastructure provider. This new business line will drive Plus500 in delivering brokerage-execution and clearing services for institutional clients. Plus500's operational capabilities, proprietary technology and the Group's robust financial position will help to drive the Group's future progress with institutional clients in the US futures market. In addition, Plus500's proposition as a market infrastructure provider is strengthened by its position as a full clearing member of the CME Group exchanges and the Minneapolis Grain Exchange (MGEX), both of which were achieved during FY 2022.

Also during FY 2022, Plus500 launched 'TradeSniper', an intuitive proprietary B2C futures trading platform tailored for the sizeable and latent US retail trading market. This platform has been developed with a customer-centric approach, with a number of embedded features designed to help support and protect customers.

'TradeSniper' offers a highly differentiated, technology-based proposition for Plus500 in the US futures retail trading market, with high levels of automation and technological integration. This allows 'TradeSniper' to provide customers with a fully holistic solution, including many features that are available for the first time for US futures market retail customers.

Plus500 will continue to allocate the appropriate financial, operational and human resources to maximise these significant opportunities in the US over the medium term.



E-micro GBP/USD

1.2294

Buy

+0.07%



1.2296

Sell

E-mini Crude Oil

109800

Buy

+2.04%



109825

Sell

PLUS500'S MARKET-LEADING PROPRIETARY TECHNOLOGY CAPABILITY

Supporting the customer journey across our technology stack

Our technology powers our operations and trading platforms, and is supported by an industry-leading, full stack R&D team. We have continuously driven technological innovation to provide our customers with a best-in-class experience. Consequently, our technology stack supports our customers through every step of their journey with Plus500.

Marketing

Our technology efficiently ensures our online marketing campaigns achieve an attractive return-on-investment. The marketing technology includes artificial intelligence characteristics and its optimisation process is made as a result of its big data capabilities.

Operations

Once a customer has decided independently to open an account on our platforms, the operational element of our technology is initiated. At that point, customers go through a stringent, rigorous verification and on-boarding process, in accordance with the applicable regulation, supported by 24/7 localised customer care and a best-in-class payment processing service, utilising a range of possible payment methods for our customers. This is all achieved "behind the scenes", ensuring the customer experience remains efficient and seamless.

Product

The on-going product experience is a critical element of the customer journey. This element of the customer experience includes a range of educational and training tools, which is continuously updated and upgraded, through new features, new analysis tools, new products and new financial instruments. All of these dynamics ensure that we can drive customer retention and value over time.

Systems infrastructure

The customer journey is supported and secured by a robust systems infrastructure, with a powerful proprietary CRM platform, cyber security and anti-fraud protection features and a robust risk management framework. These elements are a crucial part of our wholly owned and managed technology. Our scalable and reliable systems architecture also facilitates the customer journey.

Innovating our product through our proprietary technology in FY 2022

We offer our customers a range of trading products, including our market-leading and long-standing OTC product offering across many countries around the world, our new and exciting products in share dealing in various European markets and futures and options on futures in the US.

Through our OTC product portfolio, we offer over 2,500 different underlying global financial instruments for customers using our products across more than 50 countries and in 30 languages.

During FY 2022, our proprietary share dealing platform, 'Plus500 Invest', was launched in Europe on Android and iOS mobile apps. This product helps to drive the expansion of our product range and geographic footprint, as well as improving customer retention and further diversifying our revenue base.

In line with our plan to incrementally invest approximately \$50 million in our R&D capability between FY 2021 and FY 2023, we continue to invest in product development and innovations to further deepen customer engagement, including through continued recruitment at our R&D centres in Israel.

These new innovations include '+Insights', launched during the year on our OTC trading platform.

82%+

of customer trades on Plus500's OTC platform took place on mobile or tablet devices in FY 2022

2,500+

different underlying OTC financial instruments

INNOVATING OUR PRODUCT THROUGH OUR PROPRIETARY TECHNOLOGY

Supporting proprietary technologies

CRM

Marketing Machine

Retention Machine

Localisation

Cashier-Payments

Trading & Risk Management

Education

Analytical Tools

A focused trading experience for customers



Our core product offering, available across over 2,500 underlying financial instruments internationally



Plus500's intuitive proprietary futures trading platform specifically tailored for the sizeable US retail trading market



Our big-data, analytical tool designed to provide OTC customers with access to real-time and historical trends, based on our registered customer base



Plus500's proprietary share dealing platform, available in mobile applications across European markets



Our educational portal for customers, which includes training videos, an eBook, relevant news alerts and detailed FAQ on key trading dynamics



24+ million registered customers

The recent launch of Plus500's '+Insights' further enhances our best-in-class experience for customers

As a consequence of the Group's substantial market position and high levels of trading volumes on its platforms, Plus500 is able to utilise its unique proprietary data to generate dedicated tools and content to empower its customers around the world.

To this end, in November 2022, Plus500 launched '+Insights', a new big-data, analytical tool designed to provide customers with access to real-time and historical trends, based on the Group's registered customer base. Plus500's '+Insights' is available on the Group's OTC trading platform as a complementary service for customers across its web app, iOS and Android offerings.

The launch of '+Insights' is the latest innovation in Plus500's long track record of product development and technological advancement.

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

By using aggregated and anonymous big-data, which is fundamentally based on key real-time and historic trends across the trading community, customers are now able to view never-before-seen key data points and information, to enhance their trading activities subject to their own independent discretion.

This information is uniquely segmented by the selected core measurement and customisable filters to provide a unique, tailored experience for customers.



A MULTI-DIMENSIONAL MARKETING APPROACH

OTC Revenue split by customer tenure in FY 2022

Customers trading with Plus500 for more than 1 year

87%



A clear and focused marketing approach

Plus500's marketing approach is multi-dimensional and diverse, fundamentally driven by our technology. With the support of key strategic partners, we manage multiple marketing initiatives in paid search and organic search, as well as running numerous content marketing and PR campaigns. Plus500 is a leader within the marketing technology space and our superior technology is continuously optimised to deliver consistent improvement in our results.

Our marketing technology – a key differentiator

Our unique and wholly-owned marketing technology remains a fundamental driver to our performance. We continue to invest in this technology, through targeted and efficient marketing technology initiatives, including big data and AI. This helps us to drive customer acquisition, activation, retention and long-term monetisation. In this way, we are able to drive customer retention and cohort value over the long term.

Our marketing technology is efficient, scalable and agile, with all data fully segmented from top to bottom, ensuring that we are able to achieve our objective of driving volumes while at the same time maintaining a high ROI.

Diverse and highly skilled marketing team

Plus500's marketing technology success is delivered thanks to our marketing team, which is comprised of data-driven and highly skilled technologists and engineers.

We have dedicated teams with a specific focus on key areas such as search engines, social media, creative design and data analytics. Importantly, all these teams are constantly collaborating and communicating with each other, ensuring a consistent, joined-up approach for every marketing initiative we develop.

Technology also focused on customer retention

Our marketing technology is also focused on customer retention. Our retention approach is based on tailored communications at scale and we use a range of measurement techniques in developing our retention campaigns, including A/B testing and control group methodology. This helps to fine-tune segmentation strategies and campaign management and planning.

We also share with customers targeted news flow in areas where they have shown interest in the past and we look to reduce churn by notifications around potential trading insights and ideas. '+Insights' is another, even more sophisticated tool, in this regard, as well as our Premium Service for customers.

Key market trends and Plus500's strong market position

Our approach to marketing is aligned to a key trend in the global trading industry of continued digitalisation, which is driving further accessibility to online channels by customers. To illustrate this, and to highlight Plus500's continued market leadership and focus on innovation in the mobile and tablet space, over 85% of the Group's OTC revenue in FY 2022 was generated from customers which utilised Plus500's OTC platform on mobile or tablet devices (FY 2021: over 83%), with over 82% of OTC customer trades taking place on mobile or tablet devices in FY 2022 (FY 2021: over 79%).

During the year, Plus500 maintained its market-leading positions in key strategic markets and was ranked as the number one OTC provider in the UK¹, Germany² and Spain³ for its OTC product offering.

1. By total number of primary customer relationships. Investment Trends 2022 UK Leverage Trading Report.

2. By total number of customer relationships. Investment Trends 2022 Germany Leveraged Trading Report.

3. By total number of customer relationships. Investment Trends 2022 Spain Leveraged Trading Report.

Our global partnership with the NBA Chicago Bulls

During FY 2022 we established a multi-year global partnership with the NBA Chicago Bulls to drive awareness in the US and globally.



In October 2022, Plus500 announced a major multi-year agreement to become an official global partner of the Chicago Bulls, the iconic NBA team and one of the most well known sports franchises in the world.

The Plus500 logo is the first ever to feature exclusively on the front of the team's warmup shooting shirts and jackets. Plus500 has access to branding rights as the "Official Global Online Trading Partner" of the Chicago Bulls, marking the official formation of a truly unique partnership that sees an inter-connectivity of sports and digital trading platforms.

By leading with its customer-centric approach, Plus500 is already delivering intuitive and accessible trading products. The partnership includes various marketing elements, community initiatives, social media content, events and more, to drive brand awareness and build on the core synergies that both brands have in common: innovation, culture and success.

It also emphasises Plus500's ambitions to develop its global footprint by entering new markets, and specifically the Group's connection with the city of Chicago – the heart of the US futures industry and where Plus500's US operations are located.

The sponsorship of the Chicago Bulls coincides with Plus500's continued expansion and appetite to launch new products for different types of customers, resulting in a dedicated effort to establish a strong and growing position in the US futures market, which it sees as a significant opportunity for long-term growth.

Driving operational excellence

Our proprietary technology-based operational capabilities form the foundation from which the Group can execute on its global strategic roadmap.

Delivered by our technology

Our operational systems and processes, powered by our proprietary technology and managed by our talented people, have always been fully developed in-house. This differentiates Plus500 from its competitors, many of which aggregate a range of processes and systems from different suppliers, which are not always directly connected. Our integration-based, inter-connected approach provides our customers with a seamless experience across all elements of their journey.

Our mission within our operational team is to create the environment for the execution of the Group's strategy by providing the operational capacity for resources, internal efficiency and a customer-centric approach. This is based on an agile operational model, which enables us to scale up at speed, a large pool of highly skilled, experienced and committed operational employees and a high performance culture which is focused on tangible deliverables and outputs.

These factors ensure that, as an operational team, we are consistently delivering best-in-class customer experience and efficient internal processes, particularly to support our operating teams around the world in achieving a consistent global product and service for customers.

Delivered by our people

Our organisational structure ensures our operational team is completely focused on constantly driving efficiency. Across the team, we share and develop knowledge, collaborating between sub-teams, and thereby always improving the way we work.

This helps us to optimise our processes and functions and allows us to scale up quickly to support our trading platforms when they need to cater for higher volumes at short notice.

Ultimately, our culture helps to attract, retain and drive the quality of our employees, which ensures that customers are always receiving a best-in-class experience.



Creating operational consistency through systems and processes

Our consistent operational platform is used as a foundation from which our global business can manage its day-to-day activities and deliver growth. We have developed an internal knowledge hub, to support our global subsidiaries, with all the relevant information they require housed in one place. This is constantly updated with the latest regulatory and compliance framework requirements and is used as a guidebook for daily usage across the Group's internal teams.

Looking ahead, we are creating a foundation for the new subsidiaries that have been set up over the last year or so, including the US, Japan, Estonia and the UAE.

Best-in-class customer support

Our customer support team maintains a consistent focus on cutting-edge localised customer care on a 24/7 basis. This is delivered through email, live chat and WhatsApp in multiple languages. There are dedicated teams for trading, payments and Premium Service. The teams are all directly connected to each other to ensure all customer queries are dealt with quickly and efficiently. We also have an educational team which trains our internal teams on matters of customer service.

CREATING VALUE THROUGH OUR BUSINESS MODEL

Resources and relationships

Financial position and capacity

The Group has built a strong financial track record, maintaining a debt-free balance sheet since inception, with a lean and flexible cost structure and consistently high levels of cash generation.



Read more on pages 38 – 40

Corporate reputation

Plus500 is a FTSE 250 company with a Premium Listing on the London Stock Exchange. The Group has a long track record of strong operational and financial performance, supported by its market-leading and technology based trading platforms.



Read more on pages 1 – 9

Regulators

The Group ensures that it remains in compliance with relevant global regulatory standards.



Read more on pages 26 – 27

People

The Group attracts and retains talented people to drive on-going optimisation and management of its technology platforms and its ability to attract and retain customers.



Read more on pages 28 – 32

Technology

Plus500 operates its robust and agile trading platforms which are based on its proprietary technology.



Read more on pages 28 – 32

Service Providers

Plus500 has strong and strategic relationships with a range of service providers to support its commercial efforts and business initiatives.



Read more on pages 26 – 27

How we create and maximise value

Responding to customer requirements...

Customer-centric approach

Embedded in the Group's culture, ensuring a best-in-class customer experience, enabled by on-going technological development of Plus500's trading platforms.

Further automation across the industry

Greater accessibility to digital channels by customers.

Aligned to relevant regulatory requirements

Enables continued customer care and protection, through educational and training features.

With a clear purpose and strategy...

Our purpose is to enable trusted and intuitive access to financial opportunities for our customers, across an increasingly broad range of financial instruments, countries and devices, to drive our continued progress as a global multi-asset fintech group.

Supported by...

Comprehensive risk management

Proprietary OTC risk management system that incorporates real-time functionality risk management systems and trading threshold triggers to reduce risk.

Sound governance

Plus500's Board is comprised of a diversified and highly experienced group of individuals with extensive knowledge across multiple disciplines, in particular financial services and technology.

Our robust and scalable business model creates value for our stakeholders

Value created in FY 2022

Revenue

\$832.6m

Basic earnings per share

\$3.81

EBITDA

\$453.8m

Operating cash conversion

112%

Shareholder returns

\$270.2m

Customer deposits

\$2.3bn

Key Stakeholders

People

Plus500 offers rewarding and interesting professional opportunities for our people to achieve long-term development and career progression.

Customers

Customers enjoy highly rated, robust and scalable, user-friendly trading platforms, which are tailored for mobile usage. Intuitive navigation and consistency minimises the learning curve between devices and improves user experience.

Shareholders and investors

Plus500 has delivered attractive returns through ordinary and special dividends and share buybacks. Total returns in dividends and share buybacks since IPO in 2013 amount to approximately \$1.7 billion.

Regulators

The Group engages with regulators to ensure the integrity of the industry remains robust, contributing to round table discussions within the industry and holding regular dialogue with global and regional regulators.

Service providers

The cooperation and collaboration of the Company with its service providers delivers value and synergy.

Society

Helping the communities in which we operate with monetary and in-kind donations and support.

MEASURING OUR PERFORMANCE

Our KPIs are used to benchmark the Group’s performance and its ability to drive ROI over time.

Financial KPIs

Revenue
\$832.6m



What it is
The Group’s revenue is the income it generates through Customer Income¹ and Customer Trading Performance².

Why we measure it
Revenue is a measure of the Group’s ability to maximise the strength of its technology, representing the total income generated from customer usage of the Group’s trading platforms in the relevant financial period.

 [Read more on pages 38 – 40](#)

EBITDA
\$453.8m



What it is
EBITDA is defined as earnings before interest, tax, depreciation and amortisation.

Why we measure it
EBITDA is a measure of the Group’s profitability and can be used to directly compare the Group’s profitability to that of other companies and other sectors.

 [Read more on pages 38 – 40](#)

1. 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)
2. Gains/losses on customers’ trading positions

Non-financial KPIs

ARPU

\$2,966

2022

\$2,966

2021

\$1,764

What it is

ARPU is calculated by dividing the revenue by the number of Active Customers in the relevant period.

Why we measure it

This measure helps to provide an understanding of the average revenue we are generating on a customer-by-customer basis. This helps us to identify and optimise our customer acquisition strategies to deliver an attractive return-on-investment over time.



Read more on pages 38 – 40

AUAC

\$1,481

2022

\$1,481

2021

\$877

What it is

AUAC shows the average cost of attracting a new customer and is calculated by dividing our total marketing expenses by the number of New Customers in the relevant period.

Why we measure it

AUAC is a reflection of the marketing cost of recruiting New Customers in the relevant period.



Read more on pages 38 – 40

Active Customers

280,769

2022

280,769

2021

407,374

What it is

Active Customers are customers who made at least one trade using real money (rather than trading through a demo account) on one of our trading platforms in the relevant period.

Why we measure it

This measure reflects the level of customer activity on the trading platforms during the relevant period. It is an indicator of how successful the Group is in attracting and retaining customers, with a view to delivering sustainable revenue and profits.



Read more on pages 7 – 9

New Customers

106,549

2022

106,549

2021

196,336

What it is

New Customers are customers who have deposited into their trading account for the first time.

Why we measure it

This metric tracks the number of New Customers the Group attracts. This helps us to understand the success of our technological capabilities and effectiveness of marketing initiatives.



Read more on pages 7 – 9

ENGAGING WITH OUR STAKEHOLDERS

The Group aims to develop long-lasting and valuable relationships with its key stakeholders through open and consistent engagement and communication. The feedback and insights of the Group's key stakeholders are taken into consideration as part of the Board's discussions and decision-making processes.

Customers



Why we engage

We aim to ensure that Plus500 continues to provide a consistent, best-in-class service to our customers and that we continue to listen to our customers about their requirements and interests. This approach helps Plus500 to retain existing customers and attract new customers. In addition, we aim to ensure our customer care and protection is maintained, through educational tools and risk management features.

How we engage

We engage with customers through an omni-channel customer-centric approach. We provide 24/7 customer support, which is available in multiple languages across a number of channels.

We also provide customers with a range of educational and training tools to support them with their trading activities, including the launch of the Plus500 Trading Academy in FY 2022. In addition, a free demo account is available for our OTC and 'TradeSniper' customers.

In addition, we conduct customer surveys to better understand their views on Plus500's service, so that we can continue to innovate and develop our products, based on customer feedback. As an example, in FY 2022, based on customer feedback, the Group launched '+Insights', a big-data, analytical tool designed to provide its OTC customers with access to real-time and historical trends, based on the Group's registered customer base.

A new Premium Service was also introduced, including 24/7 premium customer support and access to a dedicated team of client managers, to support customers. This service also includes access to premium educational webinars, weekly analysis and tailored emails and educational materials on trading.

Key focus areas

- + Consistent level of service delivery;
- + Continued 24/7 customer service availability;
- + Further expansion of range of educational and training tools;
- + Provision of negative balance protection and other embedded risk management features, to ensure customer care and protection is maintained; and
- + On-going customer surveys to ensure we remain cognisant of customer requirements and ideas.

People



Why we engage

Organisational culture and employee welfare and well-being are critical in ensuring that our services are delivered, through the ongoing development of our technology by our people, on a consistent, long-term basis. With this in mind, the Group regards its talented and committed people around the world as its key asset to enable its technology and services.

How we engage

The Group undertakes regular evaluation processes for our people and provides competitive reward packages to attract and retain high quality people. We encourage our people to participate in training, learning and development, and make them aware of possible career progression opportunities within the Group.

We provide our people with a dynamic work environment, with high quality office facilities, including a number of new offices opened during the year, and the opportunity to engage in a number of social activities and community engagement programmes.

One of our Non-Executive Directors, Steve Baldwin, is the workforce engagement representative on the Board who provides a channel through which our people can share their views directly to the Board, informing the Board's approach to supporting improvements in organisational culture.

Key focus areas

- + Consistent internal communication on developments within the Group and across our industry;
- + Continued opportunities for training, learning, development and career progression; and
- + Continued communication of people matters to the Board.

Regulators



Why we engage

Regulatory oversight is an integral part of the Group's business, as its regulated subsidiaries retain operating licences and are supervised by various regulators around the world. Regulatory compliance procedures are constantly reviewed and enhanced, with a culture of compliance embedded within the business, including open and constructive communications with relevant regulatory bodies.

How we engage

The Group communicates with regulators on an on-going, constructive and open basis and participates in a number of regulators' co-ordination groups. In addition, we contribute to public consultations issued by regulators on relevant industry matters.

Key focus areas

- + Continued monitoring of, and compliance with, appropriate laws, relevant regulatory standards and industry best practices;
- + Rapid implementation of regulatory changes, driven by our proprietary technology; and
- + On-going communication with, and support of, regulators in current markets where the Group is operating and in jurisdictions where the Group may operate in the future.

Investors



Why we engage

Plus500 aims to provide fair, balanced and understandable information to investors and shareholders, to ensure their continued support of the Company. Maintaining a close connection to its shareholders through clear and transparent dialogue continues to be a major focus for Plus500. The Company continues to seek ways in which to enhance its relationship with investors.

How we engage

An open dialogue with investors is achieved through meetings, results presentations, Capital Markets Day events, conference attendance and group meetings, such as the Annual General Meeting. In addition, the Company produces a variety of investor-focused materials, including annual reports, news published on the Regulatory News Service and investor presentations. These are available on our dedicated Investor Relations website (investors.plus500.com).

Key focus areas

- + On-going transparent dialogue with investors;
- + Open lines of communication for shareholders;
- + Regular collection of investor feedback and dissemination to the Board; and
- + Executive management participation in investor-focused events and activities.

Communities



Why we engage

Engagement with local communities is important from social welfare and sustainability perspectives and, with this in mind, the Group continues to support its local communities.

How we engage

The Group participates in a number of projects to support and assist local communities and charities. These include on-going monetary contributions and the provision of resources and equipment to a number of charities, non-profit organisations, community centres and disadvantaged families in local communities.

The Group also maintains strategic partnerships and alliances with community partners, including our on-going collaboration with top tier academic institutions, for example the 'Technion – Israel Institute of Technology', through which we participate in several innovation and entrepreneurship initiatives.

Key focus areas

- + Continued financial donations;
- + On-going supply and provision of resources and equipment;
- + Further employee engagement in local community projects; and
- + Continued focus on strategic partnerships with top tier academic institutions.

Service Providers



Why we engage

Plus500 works with various service providers, including processors, marketing partners and sports sponsorship partners, who support the Group with various activities.

How we engage

We build strong partnerships with service providers through an open dialogue to ensure we can develop long-term valuable relationships.

Our relationships with our service providers include the on-going review and monitoring of their performance levels, to ensure that the Group is achieving quality and value from its partnerships. Ultimately, this helps to build mutually beneficial relationships with our service providers.

Key focus areas

- + On-going dialogue with our service providers;
- + Continued fair treatment of service providers in our dealings with them; and
- + Consistent focus on innovation and new initiatives to help deliver enhanced value from service provider partnerships.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

During FY 2022, the Group remained focused on its key priorities in the areas of Environmental, Social and Governance (“ESG”) in particular customer care and protection as well as employee well-being, welfare and development.

Introduction

The Group remains committed to operating responsibly and sustainably in all aspects of its business, carrying out a range of ESG initiatives to deliver tangible value for its stakeholders.

The Group's core ESG values are:

- + Creating long-term value for our stakeholders;
- + Putting our customers first by leading the industry in which we operate and by delivering innovative and high quality products;
- + Maintaining a dynamic and creative work environment for our people around the world, which promotes diversity and equal opportunity, protects human rights and eliminates discrimination; and
- + Minimising any impact of the Group's operations on the environment.

Plus500's key ESG priorities are:

- + customer care and protection;
- + organisational culture;
- + cyber security;
- + systems infrastructure; and
- + leadership and governance.

This section of the Annual Report outlines the Group's progress in each of these areas in FY 2022, as well as providing comprehensive disclosure in relation to the Task Force on Climate-related Financial Disclosures (TCFD) on pages 33 to 37.

Plus500 continues to take steps to mitigate the risks associated with each of these priority areas, supported by on-going engagement with key stakeholders. The Key Stakeholder Relationships and Risk Management Framework sections on pages 26 to 27 and 41 to 45 of this Annual Report outline how the Group is mitigating these risks in more detail.

Leadership and governance

Plus500 makes significant effort to remain in compliance with all relevant governance requirements, in particular ensuring the appropriate Board composition and diversity, and maintaining a remuneration policy for Directors and executives which is aligned to the long-term interests of shareholders.

In addition, the Board remains aware that it must continue to attract and retain high quality Board membership and executive management leadership, to ensure the Group continues to deliver a consistently strong operational performance and achieve its strategic objectives.

More details on the Board's approach to governance, covering each of these priority areas, can be found in the Governance section of this Annual Report, on pages 48 to 51, with biographies of each Board member on pages 52 to 55.

Customer care and protection

Customer care and protection, in particular ensuring customers remain protected from, and well informed of, the inherent risks involved with trading, remains a high priority for the Group, in line with global regulatory requirements in this area. This is not only a specific priority for Plus500, but also for the entire industry as a whole.

Measures such as negative balance protection and maintenance margin protection on the Group's OTC trading platform remain crucial in ensuring customers are well protected, having been embedded in Plus500's technology since its inception, and now integrated across many regulatory regimes around the world.

In addition, a free demo account is available on an unlimited basis for the Group's OTC and 'TradeSniper' customers, while sophisticated risk management tools are provided free of charge for customers to manage leveraged exposure, including measures such as stop losses.

The Group continued to develop its range of educational and training tools and features on its platforms in FY 2022, including the launch of a Trading Academy portal, which includes training videos, an eBook, relevant news alerts and detailed FAQ on key trading dynamics. In the Group's US operation, there also remains a focus on the training and educational materials for customers, with Plus500 launching a range of educational content for customers during the year. In addition, the Group continues to ensure that risk warnings are prominent on its trading platforms and marketing materials and provides appropriate risk disclosures in line with applicable regulatory requirements.



Furthermore, the Group's continued investment in its ESG framework and clear focus on customer education and training is evidenced by the launch of '+Insights', which was developed by the Company based on feedback from customers. This new tool demonstrates Plus500's on-going focus on customer care and delivering on customer requirements, to provide a best-in-class experience for Plus500 customers.

The Group maintains a highly robust, customer-centric approach to compliance, supported by its expertise in the applicable global regulatory standards and its long-standing relationships with the regulators in the markets and industries in which it operates. The Company also has the technological skills and capabilities to ensure that it can efficiently react with speed to any regulatory changes that occur.

Organisational culture

Plus500 operates an entrepreneurial and high-performance organisational culture to empower on-going improvements in employee development, attraction and retention, through training, learning, community engagement, welfare, wellbeing and career development. This ultimately ensures the delivery of a consistent level of high quality products and services for customers.

Employee development

The Group's headquarters and R&D centres are in Israel, a major global hub for technology and innovation, where there is a skilled and educated workforce which is highly trained in all elements of technological development. Plus500 has fostered an entrepreneurial and high-performance organisational culture that reflects Israel's technology-based environment. The Group aims to replicate this cultural mindset in each of its global subsidiaries, as has been the case historically.

This has created a working environment which empowers on-going improvements in employee development, through training, learning and career progression. This includes Group-subsidised training programmes for employees to enhance their understanding of a number of commercial areas, including technology and marketing. The Group also runs a programme which involves a series of expert lectures for employees to broaden their knowledge outside of their day-to-day roles.

Furthermore, the Group carries out annual performance evaluations for all employees, to help continue their development and meet their career aspirations at Plus500.

The Group is committed to fair wages for all employees and enables them to participate in its success through competitive reward packages, alongside share-related benefits that are linked to the financial and operational performance of Plus500.





Plus500's people come from diverse backgrounds and the Group ensures that all employees, both prospective and current, are given access to equal opportunities.

Employee health, safety and well-being

The Group is particularly dedicated to the health, safety and wellbeing of its people and aims to continue to provide them with optimal working conditions to support a healthy, safe and balanced working environment.

Employees at the Group's headquarters are encouraged to make use of Plus500's office facilities, resources and events, including organised social activities, lectures, access to a private gym, yoga and pilates classes, team retreats, a varied library, a fully equipped kitchen, meal vouchers and other benefits.

Furthermore, to help drive even greater employee satisfaction, the Group provides gifts and merchandise to employees at its headquarters to celebrate such events as public holidays and employees' birthdays and weddings. The Group also holds annual employee events, with various departments arranging regular "family days" and team events across its global operations. There were no employee fatalities in FY 2022, nor in any of the prior two fiscal years.

The Group's approach to equal opportunity, protecting human rights and employee diversity

Plus500 is committed to maintaining high ethical standards and protecting human rights across its operations and supply chain. The Company's Human Rights and Modern Slavery Statement pursuant to Section 54 of the UK Modern Slavery Act 2015, can be found on the Company's website. In FY 2022, the Group continued to monitor and track potential human rights and modern slavery issues, as part of its overall compliance risk management programme. It was found that there were no incidences of modern slavery or human rights abuses across the Group's operations.

The Group is committed to equal opportunity in employment and to creating, managing, valuing and promoting diversity and eliminating discrimination in its workforce. The Group maintains an Equality, Diversity and Inclusion Policy with respect to candidate selection processes, hiring, promotion, compensation, training and assignment of responsibilities, termination or any other aspect of the employment relationship.

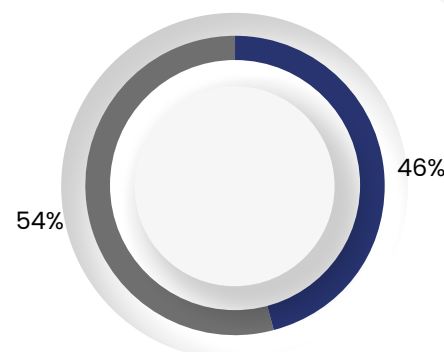
The Group is also committed to equality and fairness to all and does not provide less favourable facilities or treatment on the grounds of characteristics such as age, disability, gender, gender reassignment, marriage and civil partnership, pregnancy or maternity, race, ethnic origin, colour, nationality, national origin, religion or belief, sex or sexual orientation, educational, professional, cultural and social-economic backgrounds, political opinion, sensitive medical conditions and trade union membership.

Plus500's people come from diverse backgrounds and the Group ensures that all employees, both prospective and current, are given access to equal opportunities. All employees, whether they are part-time, full-time or temporary, will be treated fairly and with respect.



Gender equality: all employees

521 total



The Group is committed to achieving the purpose of its Equality, Diversity and Inclusion Policy by:

- + Creating a secure and positive working environment:
 - + free of bullying, harassment, victimisation and unlawful discrimination in which individual differences and the contributions of all staff are recognised and valued.
 - + that promotes, and encourages all staff to treat everyone with dignity and respect.
 - + that promotes equality, diversity and inclusion. This includes training managers and all other staff about their rights and responsibilities under this policy throughout the period of their employment.
- + Not tolerating, and taking seriously, complaints of any form of intimidation, bullying, harassment, victimisation or unlawful discrimination by staff, customers, suppliers, visitors, the public and any others in the course of the Group's work activities and to take appropriate action where breaches of this policy arise.
- + Making training, development and progression opportunities available to all staff, who will be helped and encouraged to develop their full potential, so their talents and resources can be fully utilised to maximise the efficiency of the organisation.
- + Encouraging anyone who feels they have been subject to any form of discrimination raised in this policy, or otherwise, to raise their concerns in a timely manner so the Group can take appropriate action.
- + Reviewing the Group's employment practices and procedures when necessary to ensure fairness is maintained at all times and to ensure that they take account of any changes in any relevant local law.

The Equality, Diversity and Inclusion Policy is monitored and reviewed annually by the Board, with the assistance of the Nomination Committee and the ESG Committee, to ensure that equality, diversity and inclusion are continually promoted in the workplace.

The Group's organisational culture and mindset has helped to drive employee attraction and retention and has ultimately led to the Group's innovation and technological excellence.

More information on Equality, Diversity and Inclusion Policy can be found on page 65 of this Annual Report. This policy can also be found on the Company's website.

Gender equality

The Group is committed to the progression of its talented women, with female representation across the Group remaining relatively strong. Plus500's gender diversity statistics as at 31 December 2022 were as follows:

	Female	Male	Total
Board	4 (50%)	4 (50%)	8
Senior management	14 (38%)	23 (62%)	37
All employees	240 (46%)	281 (54%)	521

Senior management in the table above includes executive management and the first layer of management below. During FY 2022, gender diversity at Board level was further improved through the appointment of Prof. Varda Liberman as an Independent Non-Executive Director.

This appointment not only continues to diversify the Board's gender composition, but also further expands the range of the Board's expertise, knowledge and experience. Plus500 believes that diversity across the Board and the Group is an important element in maintaining competitive advantage and effective governance, as well as mitigating the risk of a "group think" culture. As at the date of this Annual Report, female representation on the Board comprised 50% (four female Directors out of eight Directors).

Information and data security

Ensuring that the Group's technology remains highly secure and immune from breaches of privacy, particularly around personal information and data, is another key priority area.

The Group's corporate IT and information and data security as well as the specialist cyber security team, which reports to the Group's Chief Operating Officer, is responsible for information and data security matters relating to Plus500's offices and employee devices, as well as running an on-going employee security awareness programmes.

Product and customer data security is led by a team reporting to the Group's Chief Technology Officer. This team ensures the Group's systems across all layers (from infrastructure to applications, products and data) and across all environments (for example production and development) are kept highly secure.

Our ESG Approach continued

As a result of the rigorous systems and processes established by these teams, there were no security or data breaches across the Group's platforms during FY 2022, nor in FY 2021. In addition, no customers were affected by data breaches in FY 2022, nor in the previous two fiscal years.

The Group's IT infrastructure production environment is hosted by a third party supplier, which is certified under ISO/IEC 27001, ISO 14001, ISO 18001 and ISO 9001 compliance certifications.

Systems infrastructure

Maintaining a robust systems infrastructure, with embedded risk management features and in-built redundancy, remains crucial to ensure that Plus500 customers receive a consistent level of service. This is supported by continued investment by the Group in the development of its technology.

The Company continues to invest in its systems architecture, to support customer requirements. Google Cloud Services provides additional flexibility, security and scale to the platforms, additional server capacity and redundancy, as well as enhanced data analysis, data processing and business intelligence capabilities. This supports the Company's main data centres, which host its trading platforms and major network equipment.

The strength of the Company's IT infrastructure has ensured that the core platform has consistently delivered the capacity to support significant volumes, including the multiple volume spikes which have rapidly, and sometimes instantly, arisen on demand in recent years.

Anti-bribery and corruption

As a company listed on the Main Market of the London Stock Exchange in the UK, Plus500 is subject to the UK Bribery Act 2010 and, as a company incorporated in Israel, it is also subject to anti-bribery and anti-corruption regulation under applicable Israeli law.

Plus500 operates a zero-tolerance approach to bribery and corruption. The Group's Anti-Bribery Policy ensures it conducts all business in an honest and ethical manner whilst acting professionally and fairly with integrity in business dealings and relationships.

This policy applies to all individuals working for Plus500, at all levels and grades, as well as consultants, contractors, trainees, seconded staff, homeworkers, casual workers and agency staff, volunteers, interns, agents, sponsors, or any other person associated with Plus500, or any of its subsidiaries or their employees, wherever located. This policy covers:

- + Bribes;
- + Gifts, hospitality and expenses;
- + Facilitation payments;
- + Third-party suppliers or agents;
- + Client entertainment and benefits;
- + Money laundering;
- + Obstruction of justice;
- + Political contributions; and
- + Charitable contributions.

The prevention, detection and reporting of bribery and other forms of corruption are the responsibility of all employees of the Group. All individuals are required to avoid any activity that might lead to, or suggest, a breach of this policy and to raise any concern, should they have any, in this regard to the Company Secretary, who shall keep these concerns strictly confidential. Internal control systems and procedures are subject to regular audits to provide assurance that they are effective in countering bribery and corruption.

Training on the Anti-Bribery Policy forms part of the introduction process for all of the Group's new recruits. All of the Group's employees receive relevant training on how to implement and adhere to all aspects of the policy.

The Anti-Bribery Policy and its implementation is reviewed on a regular basis, and annually at Board level, to ensure that Plus500 conducts all of its business in an honest and ethical manner.

Plus500 prohibits donations, whether in cash or in kind, and involvement of any kind in support of any political parties or candidates. In addition, to avoid criminal offence and to protect the Group's reputation, it is important that the Group does not become involved with third-party criminal activities. To this end, the Group continues to ensure that it does not receive funds relating to criminal activities which could be associated with money laundering (the activity of taking the proceeds of criminal activity, and disguising the origin, identity and destination of this illicit money through a series of transactions).

Community engagement

The Group encourages its people to get involved and contribute to their local communities. Workforce social initiatives are supported by Plus500's Donations Committee comprised of workforce volunteers, which oversees the planning and performance of relevant activities, with meetings occurring on a quarterly basis. The CEO, VP of Human Resources and the Company Secretary are also members of this Committee.

During FY 2022, supervised by the Group's Donations Committee, the Group made cash donations to various community projects and non-profit organisations in Israel, including to women and children at risk, holocaust survivors, as well as to a youth support programme and a number of education support and enrichment programmes for deprived and vulnerable children in local communities. In addition, the Group donated IT equipment and clothing to various charities and local community initiatives.

Plus500 maintains strategic partnerships and alliances with community partners, such as the on-going collaboration with top tier academic institutions like the 'Technion – Israel Institute of Technology', participating in innovation and entrepreneurship initiatives.

The Group aims to carry out new employee-volunteer community initiatives during paid working hours in the local community going forward, and to expand the level of in-kind contributions.

Report on the Task Force on Climate-Related Financial Disclosures (TCFD)

MINIMISING OUR ENVIRONMENTAL IMPACT

The Group is committed to managing its environmental impact, which results from the energy usage relating to the maintenance of the Group's IT infrastructure and the operation of its network of offices around the world. As a technology business, Plus500 does not carry out any industrial activity, is not involved in anything which would emit environmentally harmful substances and has a relatively low environmental impact. However, the Group aims to ensure that it conducts appropriate and necessary actions to minimise the impact of its infrastructure and operations on the environment, with commitments to:

- + Protect the environment;
- + Reduce waste as well as water, energy and resource use;
- + Monitor the Group's environmental performance;
- + Provide environmental training for employees; and
- + Ensure that office services are sourced from providers that share these commitments.

Plus500 received no environmental fines or penalties in FY 2022, or in the prior two fiscal years.

Emissions reporting

The tables below outline the Group's energy and emissions output over the last two years, particularly in relation to Scope 2 emissions, which have been calculated using a location-based calculation method based on the Greenhouse Gas Protocol (the Group does not emit any Scope 1 emissions, given the nature of its business).

The two factors within the Group's business with the most significant potential environmental impact, in relation to emissions, are:

- + The maintenance of Plus500's technology infrastructure, in particular the management of the various data centres and servers that are owned or leased by the Group around the world; and
- + The Group's global office network.

In FY 2022, electricity consumption and expenditure increased compared to FY 2021 mainly due to the expansion of the Group with the additions of local operations in the US, Japan and Estonia and the opening of the R&D site in Tel Aviv resulting in a higher number of employees and offices around the world, to support the growth of the business.

The Group is on track to meet its commitment of becoming carbon negative and net zero for Scope 1 and Scope 2 emissions by 2030. This commitment will be supported by a number of activities, including looking for opportunities to improve the efficiency and performance of its servers and third-party data centres. The Group continues to investigate ways to measure its Scope 3 emissions and, when finalised, the Group will report on these Scope 3 emissions, including them in future disclosure and, potentially, incorporating them into the Group's emissions targets.

The Group has adopted an Environmental Policy, which can be found on the Company's website.

Emmissions table

	FY22			FY21		
	UK	Global (excl UK)	Group Total	UK	Global (excl UK)	Group Total
Energy consumption (kWh)						
Total Group energy consumption (kWh)	40,354	687,320	727,674	39,706	535,670	575,376
	FY22			FY21		
	UK	Global (excl UK)	Group Total	UK	Global (excl UK)	Group Total
GHG Emissions (tCO₂e)						
Total Scope 1 (tCO ₂ e)	0	0	0	0	0	0
Total Scope 2 (tCO ₂ e)	7.8	292.1	299.9	7.6	227.5	235.1
Total Scope 1 & 2 (tCO ₂ e)	7.8	292.1	299.9	7.6	227.5	235.1
Intensity measure (Group turnover \$m)			832.6			718.7
GHG Emissions Intensity Ratio (per Group turnover \$m)			0.36			0.33

Report on the Task Force on Climate-Related Financial Disclosures (TCFD) continued

In 2022, the Group continued making progress towards its climate strategy. The following pages cover Plus500's governance of climate change, the integration with overall risk management, strategy in managing climate-related issues and opportunities, and the metrics to measure progress towards our targets. In recognition of Listing Rule 9.8.6R(8), the following pages set out the Group's climate-related financial disclosures, consistent with the TCFD Recommendations and Recommended Disclosures as detailed in "Recommendations of the Task Force on Climate-related Financial Disclosures",

2017, with use of additional guidance set out in the Company's TCFD 2021 Annex as part of the 2021 Annual Report, "Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures".

The Group has a net zero target for Scope 1 and Scope 2 emissions by 2030 or earlier and in turn recognises the requirement to develop a transition plan inclusive of value chain emissions, consistent with the UK Government's net zero commitment.

Recommendation	Recommended disclosures (outlined in various pages throughout this Annual Report)
Governance Disclose the organisation's governance around climate-related risks and opportunities	a) Describe the Board's oversight of climate-related risks and opportunities b) Describe management's role in assessing and managing climate-related risks and opportunities
Strategy Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning where such information is material	a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario
Risk Management Disclose how the organisation identifies, assesses and manages climate-related risks	a) Describe the organisation's processes for identifying and assessing climate-related risks b) Describe the organisation's processes for managing climate-related risks c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management
Metrics and Targets Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material	a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets

Governance

Board level

At Plus500, the Board has overall responsibility for climate change management, including oversight of climate-related risks and opportunities, as with all matters which impact the strategy, risk management, vision and direction of the Group. ESG matters, including climate change, are discussed more than once a year at Board meetings and the Board receives regular training on sustainability issues that have the potential to impact the businesses, including climate change.

The Board is supported and informed on climate-related issues via the ESG Committee, which ensures that any potential impacts of climate change are incorporated into the review of Group strategy, business plans and risk management. The ESG Committee was established in 2020 and is chaired by Steve Baldwin, an Independent Non-Executive Director. The ESG Committee monitors progress against the Group's ESG approach and priority areas, and is responsible for externally reporting these elements.

The ESG Committee meets at least twice a year, as outlined in the ESG Committee Terms of Reference, and provides updates to the Board at least annually. In 2022, the ESG Committee met three times.

Progress against the Group's net zero targets and its climate-related risks and opportunities is monitored and overseen by the Board, based on information (progress and metrics as outlined below) received from the ESG Committee.

Management level

As a member of Plus500's ESG Committee, David Zruia, the Group CEO is responsible for management-level climate change oversight. The ESG Committee receives input from executive management but is predominantly supported by the Company's internal ESG working group. The ESG working group was established in FY 2021 to assist the ESG Committee in monitoring and reviewing ESG risks and opportunities. The ESG working group comprises of the Company Secretary and Head of Investor Relations, who work with a specialist ESG consultancy for external guidance.

The ESG Committee receives reports on ESG risks, including climate-related risks, identified through the Group's Risk Management Framework and, with support from the ESG working group, determines the nature and potential impact of climate-related risks and opportunities facing the Group in achieving its purpose and strategic objectives. The ESG Committee subsequently advises the Board, when necessary, on current and future strategies regarding climate-related risks and opportunities.

Risk management

Plus500's climate-related risk management is integrated into the Group's overall risk management framework. All climate-related risks are assessed in the same manner as other Group risks, so that their relative significance is comparable. The Group's Risk Register categorises all existing and emerging risks, including climate-related risks, with the register covering the likelihood of the risk occurring and the degree of the potential impact. Climate-related risks and opportunities relevant to the Group were identified with the help of external consultants, CEN-ESG, in collaboration with senior management. All risks are assessed on a 5x5 matrix incorporating an assessment of both impact and likelihood, which allows for the prioritisation of risks.

Risk impact (materiality) is defined by the table below.

Risk likelihood is defined under five categories: Slight, Not Likely, Likely, Highly Likely and Expected.

Risk mitigation factors for all risks, including climate-related, are included in the Risk Register and this combined view determines the approach for managing climate-related risks (e.g., mitigation, accept or control). ESG-related risks are reviewed annually to reflect new and developing areas in the operating environment which might impact business strategy and to include the on-going refinement and quantification of risks over time. Internally, the cost of mitigation is described (where possible) along with an explanation of how this is derived. The Regulatory & Risk Committee meets at least three times a year, with all Board members receiving Risk & Compliance reports on a monthly basis.

Strategy

Time horizons for the climate-related risk assessment have been chosen on the basis that they encompass our emissions reduction targets and as climate change impacts tend to materialise in the longer term; short- (0 to 3 years), medium- (2025-2030), or long-term (2031-2040). Climate change has had observable effects on the environment and at Plus500 we realise climate change may present both risks and opportunities to the business.

As an asset-light technological business, Plus500's overall climate risk exposure is limited. For example, our only potential physical risk exposure identified using a geo-spatial tool (flood risk in Haifa, Israel) is considered to be extremely limited and very unlikely in reality, and is mitigated by established home working procedures, insurance recovery in the event of natural disasters. Transition risks were analysed, but deemed limited.

Impact	Minor	Low	Medium	High	Critical
Financial impact	X < \$9m 1% from cash	\$9m < X < \$20m	\$20m < X < \$40m	\$40m < X < \$60m	15% from EBITDA (\$65m) or 10% cash (\$90m)

Report on the Task Force on Climate-Related Financial Disclosures (TCFD) continued

The Group has used scenario analysis to improve understanding of how different climate outcomes may affect the behaviour of risks, and thereby improve the resilience of the business to climate change. Three climate-related scenarios have been selected, looking forward to our long-term time horizon of 2040:

- + Net Zero 2050 (NZE)¹ outlining a pathway for the global energy sector to achieve net zero CO₂ emissions by 2050, which limits the global temperatures rise to 1.5°C by 2100, with 50% probability. This scenario is included as it informs decarbonisation pathways used by the Science-Based Targets initiative (“SBTi”).
- + Stated Policies (STEPS)¹ outlining a combination of physical and transitions risk impacts as temperatures rise by 2.5°C by 2100, with 50% probability. This scenario is included as it represents a midway path with the trajectory implied by today’s policy settings.
- + RCP 8.5² where global temperatures rise between 4.1-4.8°C by 2100. This scenario is included for its extreme physical climate risks as the global response to mitigating climate change is limited.

The Group has analysed and quantified how each climate-related risk and opportunity behaves under the three scenarios in line with definitions for risk impact outlined above. When taken in aggregate, the conclusion is that the Group’s exposure, risk mitigation strategies, strategy, disclosure and ambition provide financial resilience and strategic robustness to climate change with the Group’s overall climate-related risk

exposure being “Minor”. A fundamental change to the business strategy or financial planning resulting from the impact of climate change is not likely to be required through to 2040 and there are no effects of climate-related matters reflected in judgements and estimates applied in the financial statements as a result. The Group will continue to develop this analysis as new data is made available both internally and externally and the Group will continue to monitor climate exposures and action plans through the Group’s risk management framework. The opportunities identified continue to be developed in line with the Company’s strategy and objectives.

Risks

Two key climate-related risks have been identified:

1. Risk to Plus500 not meeting its Scope 1 and 2 Net Zero and Carbon Negative Targets

Plus500 has clear targets associated with climate change and a continual obligation to report to external stakeholders to provide evidence of the Group’s on-going commitment to this area. However some aspects of the delivery against this plan are reliant on third parties. At present the only source of operational emissions for the Group are within Scope 2 (electricity purchased), where the ability to decarbonise electricity supply may be hindered by the pace of renewable energy adoption by the Group offices’ landlords. The location of some sites may have more limited options for renewable energy. Failure to meet the defined net zero targets may cause reputational damage, dissuade potential investors, or result in greater costs due to the introduction of carbon pricing.

Risk	Risk to Plus500 not meeting Scope 1 and 2 Net Zero and Carbon Negative Targets	Carbon pricing in the value chain
Type	Transition (market and reputation)	Transition (current and emerging regulation)
Area	Own operations	Upstream
Primary potential financial impact	Potential impact on revenue and/or cost of capital	Higher costs associated with energy and other inputs
Time horizon	Medium/Long term	Medium term
Likelihood	Not likely	Highly likely
Impact	Minor	Minor
Location or service most impacted	Group	Purchased goods & services

1. IEA (2022), “World Energy Outlook 2022”, IEA, Paris.
2. IPCC, 2014: “Climate Change 2014: Synthesis Report. Contribution of Working Groups I, II and III to the Fifth Assessment Report of the Intergovernmental Panel on Climate Change”.

The following table below estimates the residual emissions for Plus500 based on the Group's 2022 emissions, after factoring in forecast electricity grid decarbonisation and the successful completion of the Group's near term target of reducing Scope 1 and 2 emissions to net zero by 2030. Results are shown under both STEPS and NZE scenarios projected out to 2040. The resulting emissions balance thus requires direct action from Plus500 or indirect action from third parties. Even with extreme carbon pricing of \$200 per ton, the overall impact would be minor.

The Group typically operates with short-term leases, making it feasible to move operations in areas where it is difficult to find renewable energy contracts with landlords.

	Scenario	Plus500 Scope 2 residual emissions (tCO ₂ e)		
		2022	2030	2040
STEPS	No internal action (grid decarbonisation only)	299.9	224.5	153.4
	Net Zero by 2030 ³	299.9	0	0
NZE	No internal action (grid decarbonisation only)	299.9	123.8	0
	Net Zero by 2030 ³	299.9	0	0

OPPORTUNITIES

Two key climate-related opportunities have been identified:

Opportunity	1. Energy Savings	2. Renewable Energy
Type	Resource efficiency	Energy source
Primary potential financial impact	Decreased costs	Decreased costs
Time horizon	Medium term	Medium term
Likelihood	Highly likely	Expected
Impact	Minor	Minor
Location	Group	Group
KPI	Total Group energy consumption (kWh)	Proportion of global electricity from renewable sources (%)

1) Energy savings

Decreasing energy consumption and increased energy efficiency may decrease outgoing costs and mitigate against the cost of future carbon pricing. This will have the emergent benefit of further mitigating the impact of Risk 1 outlined above. As the Group's offices are leased, the strategy to realise this opportunity will partly involve engagement with landlords to introduce energy saving measures. Implementing best practice in energy management in current offices will also be a factor in reducing consumption. Alternatively, the business has the opportunity to move to more energy efficient locations at the time of lease renewal.

2) Renewable energy

Transitioning to renewable energy sources (self-generation or power purchase agreements) can help in reducing market-based Scope 2 emissions to zero. As office locations are not owned, the most likely route for the Group is to negotiate with landlords for the supply of renewable energy. Given the typically short-term nature of the Group's leases and energy requirements of a services-based business, investment in self-generation would likely be unfeasible.

2. Carbon pricing in the value chain

The cost of carbon and the number of countries adopting carbon price mechanisms is expected to rise as businesses are made more accountable for their energy use and carbon emissions. As Plus500's suppliers come under carbon pricing mechanisms this could result in suppliers passing on the added cost from the carbon tax. The following table shows the International Energy Agency's ("IEA") forecasts for carbon pricing under NZE and STEPS scenarios. Whilst quantification is reliant on a full Scope 3 footprint analysis, Plus500's current assessment of this risk is minor.

	Carbon Price estimates (US\$/t)	
	2030	2040
Scenario – STEPS		
UK*	90	98
Scenario – NZE		
UK*	140	205

* Used as Global estimate.

Metrics and targets

Plus500 has a clear target to be net zero for Scope 1 and Scope 2 emissions by 2030 or earlier, which is in line with the UK government's commitment to net zero by 2050. The Group reports its Scope 1 and 2 greenhouse gas emissions, calculated in line with the Greenhouse Gas Protocol and discloses total energy consumption. In line with the risk and opportunities identified, the Group has also initiated an internal reporting process to understand the proportion of global electricity from renewable sources.

Whilst acknowledging the TCFD recommendations to integrate an internal carbon price into Group processes, the risk assessment process has highlighted that at this point, climate-related risks are financially immaterial to Plus500 and therefore deemed unnecessary to implement. However, it may be used in assessing any future large capital expenditure and investment activities.

Additional metrics that monitor the climate-related risks and opportunities, such as upstream and downstream Scope 3 emissions, are being considered for future reporting.

3. Based on a 100% reduction from 2022 as the base year of which Scope 2, location-based emissions from purchased electricity was 299.9 tCO₂e.

WELL POSITIONED FOR GROWTH



Plus500 delivered another outstanding performance in FY 2022, as our business continues to execute on its strategy of entering new geographies and expanding our product offering, through on-going organic investments and targeted acquisitions

Elad Even-Chen
Chief Financial Officer

Revenue

\$832.6m

(FY 2021: \$718.7m) 16% Growth

EBITDA

\$453.8m

(FY 2021: \$387.1m) 17% Growth

EBITDA margin

55%

(FY 2021: 54%)

Operating cash conversion

112%

(FY 2021: 99%)

FY 2022 was another outstanding year for Plus500 and I am delighted with our operational progress, commercial successes and the financial performance that we delivered during the year. In our 10th anniversary year as a publicly listed entity on the London Stock Exchange, Plus500 has built a very substantial track record of consistently delivering against all operational and financial KPIs. This track record and our subsequent reinforced financial position ensured an excellent performance in FY 2022, against a challenging macro-economic environment.

Plus500 continues to hold no debt or loans, has a flexible and lean cost base which is predominantly weighted to variable costs and financial expenses which have a relatively low exposure to the current macro inflationary environment. This financially responsible culture and approach, embedded within the Group since inception, continues to enable Plus500's focused strategic investments and, ultimately, its strong financial performance.

With strong financial foundations in place in place, the Group can continue to execute on its strategy of entering new geographies and expanding our product offering, through on-going organic investments and targeted acquisitions.

Business development

The Group made great progress in business development during the year through pursuing a range of potential growth opportunities. Major achievements included obtaining a new regulatory licence in Estonia to strengthen the Group's OTC offering in Europe, supported by the establishment of a new local subsidiary.

In March 2022, the Company completed an acquisition of a local regulated firm in Japan, representing a major growth opportunity for Plus500, through immediate access to the substantial Japanese retail trading market.

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

The business development team made further progress during the year in exploring a number of other growth initiatives, including advancing the Group's position with several other potential regulatory licence applications and acquisition targets.

In addition, continued progress was made during the year in further advancing a number of significant strategic growth opportunities in the US futures market.

Revenue, EBITDA, net profit and earnings per share

The Group generated total revenue in FY 2022 of \$832.6m, representing a 16% increase year-on-year (FY 2021: \$718.7m). EBITDA for FY 2022 increased by 17% to \$453.8m (FY 2021: \$387.1m). EBITDA margin increased during FY 2022 to 55% (FY 2021: 54%). Net profit in FY 2022 increased by 19% to \$370.4m (FY 2021: \$310.6m) and basic earnings per share increased by 25% to \$3.81 (FY 2021: \$3.06).

Cost base

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

Our cost base remains well managed and very flexible, given it is heavily weighted towards variable costs. Plus500's financial position remains very strong, with cash balances of over \$930m at year end, and without debts or loans.

Variable costs remain positively correlated to enhanced performance and higher volumes. In FY 2022, 70% of the Group's costs were variable (FY 2021: 72%), with Plus500 maintaining a flexible and controlled cost base.

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

Investing in long-term, high value customers

Plus500 continued to invest in strategic markets to attract higher value customers for the long term. As a result, AUAC was \$1,481 in FY 2022 (FY 2021: \$877). We continue to expect that AUAC will rise steadily over time, as our customer profile further shifts to higher value, long-term customers and as we invest in attracting customers to the new trading products in our portfolio and targeting additional high value customers in strategic geographies.

As a result of this on-going investment, long-term customer loyalty significantly increased during the year, with 87% of FY 2022 OTC revenue derived from customers trading with Plus500 for more than a year, 40% for more than three years and 24% for more than five years.

Net financial income

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

Corporate tax

In January 2022, the Company's status as a Preferred Technological Enterprise ("PTE"), as accredited by the Israeli Tax Authority ("ITA") under the tax regime in Israel, was extended for the financial years 2022, 2023, 2024, 2025 and 2026, subject to the Company complying with the conditions of the Law for the Encouragement of Capital Investments, 5719-1959 ("Investment Law"). 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%. For further information, see notes 3 and 10 to the Consolidated Financial Statements.

Balance sheet and cash generation

As at the end of FY 2022, total assets were \$1,010.0m (FY 2021: \$822.8m) with equity of \$780.5m, representing approximately 77% of the balance sheet, with no debt or loans.

The Group remains highly cash generative, supported by the relatively low levels of capital expenditure as a result of its automation and technological capabilities, with cash generated from operations during the year of \$506.8m (FY 2021: \$383.0m) and 112% operating cash conversion achieved (FY 2021: 99%). As a result, with the Group remaining debt-free, the cash and cash equivalents balance at the end of FY 2022 was \$930.2m (FY 2021: \$749.5m).

Presentation of currencies

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

Shareholder returns

Since its IPO in 2013, Plus500 has returned approximately \$1.7 billion to shareholders, through dividends and share buybacks.

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 investments 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 Company returned \$270.2m to shareholders in relation to FY 2022, comprised of \$180.2m in share buybacks and \$90.0m in dividends. The announced share buyback programmes in respect of FY 2022 include a final buyback programme to purchase up to \$42.4m of the Company's shares and a special buyback programme to purchase up to \$27.6m of the Company's shares, which are currently underway. We also conducted a share buyback programme of \$60.2m, announced on 17 August 2022, and a special buyback programme of \$50.0m, announced on 13 April 2022, both of which completed. These share buyback programmes emphasise the Board's continued confidence in the prospects for Plus500 and reflect the robust financial position of the Group. Total dividends for FY 2022 of \$90.0m, (\$0.9472 per share), comprise a final dividend for FY 2022 of \$20.0m, a

special dividend of \$10.0m, and an interim dividend of \$60.0m. The interim dividend was distributed to shareholders in November 2022. The final and special dividends had an ex-dividend date of 23 February 2023, with a record date of 24 February 2023, and a payment date of 11 July 2023.

Group Tax Policy

The Group actively seeks to comply with both the spirit and the letter of all relevant taxation laws and regulations where it operates, and it is committed to a transparent and open approach to reporting on tax. The Group's policy is to file all tax returns on time, and to pay tax as it falls due. The Group has a low risk tolerance for uncertain tax positions in the jurisdictions in which it operates and does not undertake any aggressive or unreasonable tax planning schemes for the purpose of tax avoidance, and broadly aims to align tax payments to revenue generation. The Group does not knowingly help others avoid their tax obligations.

During FY 2020, Plus500 Ltd became one of the first companies to receive approval from both the ITA and the Israeli Innovation Authority ("IIA") under the new tax regime in Israel, recognising the Company as a PTE and as "an enterprise which promotes innovation". At the beginning of July 2020, Plus500 Ltd received an approval from the IIA that together with the tax ruling received from the ITA in May 2019, recognises Plus500 Ltd as a PTE. In January 2022, the Company's status as a PTE, as accredited by the ITA under the tax regime in Israel, has been extended for the financial years 2022, 2023, 2024, 2025 and 2026. 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% subject to the Company complying with the conditions of the Investment Law. See also note 3 and note 10 to the Consolidated Financial Statements.

All intra-group transactions are required to be priced on an arm's length basis in accordance with the Group's internal transfer pricing policies which reflect internationally accepted transfer pricing standards and local tax laws, approved by leading international accounting firms as well. Taxation is a regular agenda item for the Audit Committee, which meets at least four times a year, and reports to the Board. Tax compliance risks are managed through the Group's Governance Framework, overseen by its Audit Committee, and supported by the Chief Financial Officer.



Elad Even-Chen
Chief Financial Officer
22 March 2023

Risk Management Framework

A RIGOROUS RISK FRAMEWORK

Assessing and managing our risks

The Group maintains a robust, customer-centric approach to the management and control of risks, which is fully embedded within the Group's technology and its day-to-day operating procedures.

Furthermore, the Group has a comprehensive risk mitigation plan, which helps to control exposures and provide robust solutions. This plan includes a range of measures, such as, corporate policies, operating rules, systematic reporting, external audits, internal audits, self-assessment and continuous monitoring by the Regulatory & Risk Committee, the Board and the executive management.

Risk governance framework

The financial, market and regulatory environments in which Plus500 operates inherently expose it to a number of strategic, financial, operational, regulatory and ESG-related risks. The Group recognises the importance of understanding and managing these risks and has determined levels of risk that it believes are efficient. Policies and procedures have been developed within a robust risk management framework that attempts to minimise various risks, including market risk.

The Group aims to ensure its risk exposures are aligned with its risk appetite across its product portfolio. This is supported by real-time monitoring technology which is embedded in the Group's platforms. The Group continues to test a more holistic, automated hedging capability and will provide information on this approach, if and when it is implemented.

This overall approach aligns the Group's interests with its customers, with a particular focus on customer care and protection and customer experience, helping to deliver a more stable revenue stream over time, given the consequently lower level of top line volatility. The Group continues to expect that revenue contribution from Customer Trading Performance will be broadly neutral over time.

Plus500 has a low customer concentration and therefore does not rely on trading activity from a small number of very large customers – the largest customer in FY 2022 contributed less than 1% of total Group revenue.

Plus500 monitors trading levels and exposure limits (for example by customer, instrument and asset class), and credit risk is limited by having all OTC customers' accounts pre-funded. The Group also offers negative balance protection and a margin close-out policy to all of its OTC customers on a global basis.

Governance

The role of the Board

The Board is ultimately responsible for the risk strategy, having developed a Risk Governance Framework, which is regularly reviewed and assessed by the Board, particularly with regards to principal and emerging risks.

The Board believes that the robust, technology-driven risk management systems of the Group are a key competitive strength and an important factor in its revenue generation. The implementation of the risk strategy is delegated to management under the more detailed supervision of the Regulatory & Risk Committee.

The role of the Regulatory & Risk Committee

The Regulatory & Risk Committee receives updates from management on risk, compliance and regulatory issues and reviews the related internal systems. This Committee also receives monthly reporting packages relating to risk and compliance.

The Regulatory & Risk Committee is responsible for reviewing relationships with the regulatory authorities and reviewing the adequacy and quality of the Group's systems and procedures for compliance with relevant regulatory requirements where the Group is regulated and in other jurisdictions where the Group has a significant market presence. The Regulatory & Risk Committee also has responsibility for reviewing the Group's most significant risks to the achievement of strategic objectives and reviewing the Group's risk management policy.

Lines of defence

Within the Risk Governance Framework, three lines of defence are created through:

- + Front-line risk management processes
- + Regulatory compliance
- + Independent assurance provided by internal audit

First line of defence

The first line of defence consists of front-line risk management processes operated by management within the day-to-day trading activities of the Group's business.

There are three elements to the management of day-to-day trading risk:

a. Financial Risk Limitation Policies

The Group has developed proprietary risk management systems that incorporate various real-time financial risk limits.

Risk Management Framework continued

b. Trading Limits

i. Customer limits

Monetary limits are placed on a customer's:

- (a) Exposure to any single instrument;
- (b) Aggregate open positions as a whole; and
- (c) Aggregate deposit amounts.

Customer limits are determined with reference to, amongst other things, a customer's credit score, trading history, location and other due diligence results.

ii. Group limits

Monetary limits are also placed on the Group's exposure to individual instruments. These limits are set according to, amongst other things, the asset class, the size, the liquidity and the beta (volatility) of the underlying instrument. In each case, when these limits are reached on the OTC trading platform, it automatically ceases to accept trades from the relevant individual or on the underlying instrument until exposure levels fall below the relevant threshold(s) or threshold(s) are reviewed and amended.

c. Hedging

To further manage risk, the Group has a hedging approach in place, including targeted hedging in certain circumstances. This approach would, in extremis, mitigate exposure of the Group as a whole beyond certain thresholds.

Second line of defence

A strong compliance function is in place in all of the Group's regulated subsidiaries. The Board continues to develop the Group's compliance policies in line with each of the regulatory environments in which the Group's product offerings are available.

Third line of defence

The third line of defence, independent assurance, is provided by internal audit.

The role of the internal auditor is to examine, among other things, the Company's compliance with relevant law and orderly business procedures. In accordance with the Israeli Companies Law 5759-1999 (the "Companies Law"), the internal auditor is appointed by the Board on the recommendation of the Audit Committee, which also oversees the internal auditor's work plan, monitors its activities and assesses its performance. Pursuant to the Companies Law, the internal auditor may not be: (1) a person who holds more than 5% of the Company's outstanding shares or voting rights; (2) a person who has the power to appoint a Director or the Chief Executive Officer of the Company; (3) an officer or Director of the Company; or (4) a member of the Company's independent accounting firm, or anyone on its behalf.

In January 2022, following receipt of recommendation from the Audit Committee, the Board appointed Kost Forer Gabbay & Kasierer ("EY Israel"), a member firm of Ernst & Young as the Company's internal auditor as of FY 2022, replacing Brightman Almagor Zohar & Co. (Deloitte Israel), a member firm of Deloitte Touche Tohmatsu Limited.

Compliance with relevant regulations is also provided by local advisors in the main territories that the Group operates in, and advice on the regulatory regime is considered when planning new licence applications or sourcing acquisitions.

Internal controls

The Board has overall responsibility for the Group's systems of internal control and for monitoring their effectiveness. Although no system of internal control can provide absolute assurance against material misstatement or loss, the Group's systems are designed to provide the Board with reasonable assurance that issues are identified on a timely basis and dealt with appropriately.

The Group's key internal financial control procedures include:

- + A review by the Board of actual results compared with budget and forecasts;
- + Reviews by the Board of year-end forecasts;
- + The establishment of procedures for acquisitions, capital expenditure and expenditure incurred in the ordinary course of business;
- + The appraisal and approval of proposed acquisitions outside of the ordinary course of business by the Board;
- + The detailed budgeting and monitoring of costs incurred in the development of new products;
- + A review of day-to-day management controls and test of operating effectiveness of key controls;
- + An annual review of the internal controls system;
- + A regular review of risk limits, with a view to conducting targeted hedging to reduce market risk, as and when appropriate;
- + The reporting to, and review by, the Board on changes in legislation, regulatory requirements and practices within the sector, as well as accounting, regulatory and legal developments pertinent to the Group; and
- + The appointment of experienced and suitably qualified staff to take responsibility for key business functions to ensure maintenance of high standards of performance.

Risk assessment and review

The Board confirms that it has completed a robust assessment of the Company's principal and emerging risks. The Board continues to assess emerging risks but has not identified any emerging risks that were not already captured as principal risks through the Group's comprehensive risk assessment process, carried out in FY 2022, in accordance with Provision 28 of the UK Corporate Governance Code 2018 (the "Code"). Principal risks are considered those that would threaten its business model, future performance, solvency or liquidity. These are outlined below and further details of financial risks and their management are set out in note 26 to the Consolidated Financial Statements.

The comprehensive risk assessment process identified certain risks which were narrowed down into major risks monitored by the executive management and the Regulatory & Risk Committee, then further consolidated into ten principal risks closely monitored by the Board. The annual and on-going elements of the Group's risk management processes are controlled by an established risk identification, assessment and monitoring process.

Throughout FY 2022 and up to the date of this Annual Report, the Board has reviewed the effectiveness of the Group's internal controls system. As a result of this review, the Board considers that the measures that have been, or are, planned to be implemented, complement the Group's risk management framework and are appropriate to the Group's circumstances. The measures cover all controls, including financial and operational controls and compliance with relevant laws and regulations.

RISK	DESCRIPTION	MANAGEMENT AND MITIGATION
BUSINESS AND STRATEGIC RISKS		
Legal and jurisdictional risk	The risk that changes in the legal and regulatory frameworks in which the Group currently operates could adversely affect its performance	+ Diversification of jurisdictions in which the Group's product offerings are available + On-going monitoring of legal and regulatory developments and taking necessary actions to remain in compliance
Regulatory risk	Regulatory changes could result in one or more of the Group's product offerings becoming less profitable, restrictions on the products marketing, or a ban on the product offerings in one or more of the jurisdictions in which the Group operates	+ On-going monitoring of market and regulatory sentiment, developments and advice from compliance functions on actual and possible future changes and taking remedial action + Maintaining an open and robust dialogue with regulators + Continuing to make efforts and investment to diversify the Group's product portfolio and broaden its geographic footprint
Customer care and protection risk	The risk that a lack of customer care and protection could negatively impact customer welfare, particularly in relation to compliance with relevant regulations on these issues	+ Continued efforts to educate and inform customers of the inherent potential risks involved in trading, through required risk disclosures, educational features and by offering an unlimited and free demo account for OTC and 'TradeSniper' customers + Negative balance protection has been an on-going feature of the Plus500 OTC platform since inception. This guarantees that maximum losses of all customers are limited to the amount of their deposits + Other risk management features, including margin close-out policy, are also embedded within Plus500's technology + Launch of Trading Academy to educate and inform customers + Assessment of potential customers prior to and during the completion of the on-boarding process
FINANCIAL RISKS		
Business risk	The risk of a commercially adverse impact on the business resulting from: + The Group's strategic decision-making failing to seize business opportunities or react to changes in the market. This risk may result in damage or loss, financial or otherwise, to the Group as a whole + The risk that a third-party organisation on which the Group relies significantly will inadequately provide or fail to deliver its outsourced activities or contractual obligations to the standard required	+ Robust governance, challenge and oversight + Managing the Group in line with the agreed strategy, policies and risk appetite and periodic reviews of such assumptions compared to developments in the markets, business and regulation + Developing redundancies for material services provided by third parties by having secondary providers and alert systems, as well as automated processes to operate redundancies + Due diligence performed on service providers + Service level agreements in place and regular monitoring of performance + Input from best-in-class advisors involved in decision-making processes of strategic developments and initiatives

Risk Management Framework continued

RISK	DESCRIPTION	MANAGEMENT AND MITIGATION
FINANCIAL RISKS continued		
Market risk	The risk of exposure to the market. Market risk is mainly comprised of the following factors: + Price movements + Foreign currency exposures	+ The Group manages market risk by steering/balancing natural hedge and the Group risk tolerance. Market risk is mitigated by: + The Group's proprietary technology platforms which enable real-time position monitoring and alerts to help the Group to constantly manage market exposure and adjust its controls + Defining daily/weekly/monthly Group market risk limits for each financial market or instrument + If predetermined limits are exceeded, the Group takes appropriate actions to reduce exposure + Targeted hedging is conducted on a limited basis, as appropriate
Credit risk	The risk of clients or counterparties failing to fulfil contractual obligations and/or settlements resulting in financial loss, specifically: Client credit risk: Leveraged trading in the OTC business can result in client trading losses exceeding available funds in their account (mainly due to sharp market movements); such losses are absorbed by the Group (negative balance protection has always been offered to all the Group's OTC customers, in all markets and across all underlying assets) Institutional credit risk: The risk that financial counterparties will not meet their obligations, risking both client and Group assets	Client Credit Risk: The Group has a "no-credit" policy in which OTC customers can only fund their accounts from their own resources, with all accounts being pre-funded. OTC customers can set a wide range of loss risk mitigation tools such as alerts and stops features Institutional Credit Risk: The Group engages only with prominent, high ranked and well-established financial institutions for the holding of its own assets and in order to meet its regulatory obligations to safeguard client money in segregated accounts. The Group periodically reviews its engagements with such financial institutions to make sure they continue to operate within the applicable standards and also diversify the Group's assets across those financial institutions to reduce risk
Liquidity risk	The risk that there is insufficient available liquidity to meet the financial liabilities of the Group	The Group utilises liquidity forecasts to identify potential risks. These forecasts incorporate the impact of all applicable liquidity regulations in force in each jurisdiction and other hindrances to the free movement of liquidity around the Group. Key issues affecting the Group's liquidity are discussed with the Board
OPERATIONAL RISKS		
Operational risk	The risk of enduring losses resulting from inadequate or failed internal processes due to people, failed technology deployment, adoption and innovation, external events (such as natural disasters, major utilities or infrastructure failure etc.), or the inability to attract and maintain competent staff which the Group requires for operational purposes	+ Business and regulatory sign-off of processes and procedures to ensure business efficiency and regulatory compliance + Invest in system development to improve process automation + Monitoring, quality checks and robust analysis of performance to identify errors, inefficiencies, underlying causes and mitigation plans + Centralised operations – to enable rapid implementation of business innovation, adjustments to business and regulatory changes, monitoring and maintaining high standards, and cost-efficient structure + Centralised technical operations, to ensure Group-wide monitoring, issue handling and analysis

RISK	DESCRIPTION	MANAGEMENT AND MITIGATION
OPERATIONAL RISKS continued		
		+ Unified IT strategy focused on performance and growth + Continuous development efforts towards operational risk framework to ensure risk recognition and timely control + Recruitment of highly competent employees and developed employee retention programmes, with enhanced staff training and oversight + Additional support through Google Cloud services, providing further flexibility, security and scale to our platforms + The Group has a clear business continuity plan, ensuring quick recovery and cover for both IT and operational aspects (connectivity, Distributed DoS Attacks, unresponsiveness of server etc., as well as external events have an emergency plan and contacts in place)
Information and data security risk	The risk of loss of technology services caused by network disruption and loss of systems, data and failure to restore services of a third party in a timely manner resulting in the Group's inability to offer its services The risk of loss or misuse of individuals' personal information provided to the Group	+ Operate multi-layered delivery, security and mitigation solution + Continuous investment in increased functionality, scalability, capacity and responsiveness of systems to monitor, react and prevent cyber attacks + Continuous real-time monitoring of incoming and outgoing network activity + Constant monitoring of systems performance and controls + Selective software design methodologies and testing regimes + A robust Group IT policy sets out strategic, stability, security and performance standards as well as backup processes to enable service availability in the event of failures + Privacy as culture – creating awareness among employees of privacy-related matters including proper use of personal information, protection of such information and loss prevention + Dedicated cyber security training for all global employees and the Board + Robust privacy oriented compliance programme to ensure compliance with relevant data privacy regulations
Climate-related risk	Complete or partial prevention of maintaining the Group's on-going operations and the provisions of services to its customers (e.g., due to office premises unavailability, systems connectivity downtime, datacentre disaster, etc.) as a result of a natural disaster (e.g., earthquake, flood), fire or any other external factors	+ Plus500 has a Disaster Recovery site supported by a database which is updated in real time + The Group's headquarters are equipped with an emergency generator that would be automatically activated in the event of a power outage and has facility uninterruptable power supply units that would be automatically activated if the emergency generator fails + "Work From Home" mode – all employees are assigned with equipment and connectivity, so that there will not be any interruptions to working activity in the event of office unavailability

GOING CONCERN AND VIABILITY STATEMENT

Going Concern

Having given due consideration to the nature of the Group's business, the Group's budget, liquidity resources and cash flow forecasts for the period of three years ending 31 December 2025, taking into account the Group's anticipated investment commitments and working capital requirements, the Board considers that the Company and the Group as a whole are a going concern and the Consolidated Financial Statements are prepared on that basis.

This treatment reflects the reasonable expectation that the Group has adequate resources to continue in business for over a period of at least 12 months from the date of approval of the Consolidated Financial Statements and the consideration of the various risks set out on pages 43 to 45 and the financial risks described in note 26 to the Consolidated Financial Statements.

Viability Statement

In accordance with Provision 31 of the Code, the Board has considered the Group's current financial position and future prospects, its strategy, risk appetite and the potential impact of the principal risks and how these are managed and has a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the three-year assessment ending 31 December 2025.

The Directors confirm that they have performed a robust assessment of the principal risks facing the Group as detailed on pages 43 to 45 including those that will threaten its business model, future performance and liquidity.

In reaching this conclusion, both the prospects and viability considerations have been assessed:

Prospects

- + The Group's current financial position is outlined in the Strategic Report.
- + The Group's business model: despite regulatory changes in a number of jurisdictions, the core of the current strategy remains in place and continues to demonstrate sufficient cash generation to support operations. In addition, we believe the Group will continue to be viable beyond the three years as mentioned above, in accordance with our business model.
- + Assessment of prospects and assumptions: conservative expectations of future business prospects through delivery of the Group strategy as presented to the Board through the budget approval process. The annual budget approval process consists of a detailed bottom-up process with a twelve month outlook which involves input from all relevant functional and regional heads. The process includes a collection of resource assumptions required to deliver the Group strategy and associated revenue impacts with consideration of key risks. This is used in conjunction with external assumptions such as, a region-by-region review of the regulatory environment and incorporation of any anticipated regulatory changes as outlined in the Strategic Report, to revenue modelling, market volatility, interest rates and industry growth which materially impact the business. The budget is used to set targets across the Group.

The budgeting process also covers liquidity and capital planning and, in addition to the granular budget, a three-year outlook is prepared using assumptions on industry growth, the effects of regulatory changes, revenue growth from strategic initiatives and cost growth required to support initiatives. The budget was reviewed by the Board in October 2022 and in December 2022 and received final approval in December 2022.

- + On-going review and monitoring of risks: these are outlined in the Group's principal risks and uncertainties on pages 43 to 45 of this report and are monitored monthly by management, with review and challenge from the Regulatory & Risk Committee. Based on the various scenarios tested, the Company has sufficient liquidity and headroom to operate its business.

Viability

Scenario stress testing of available liquidity and capital adequacy are central to understanding the Group's viability. This testing replicates adverse market conditions and regulatory change, and is therefore considered in the Group's Individual Capital Adequacy Assessment Process and Individual Liquidity Adequacy Assessment documents, which are shared with our regulators on request. The results of the scenario stress testing showed that, due to the robust nature of the business, the Group would be able to withstand these scenarios, both in isolation and combined scenarios, over the financial planning period by taking management actions that have been identified.

The Board has considered that three years is an appropriate period over which to provide a viability statement, as this is the longest period over which the Board reviews the success of strategic opportunities. This timeline is also aligned with the period over which internal stress testing occurs. The Board has no reason to believe that the Group will not be viable over a longer period, but given the uncertainty involved, in particular of regulatory changes, the Board believes this period presents the readers of the Annual Report with a reasonable degree of confidence.

The Group also monitors performance against predefined budget expectations and risk indicators, along with strategic progress updates, allowing management action to be taken where required, including the assessment of new opportunities.

GOVERNANCE



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GOVERNANCE IN NUMBERS

In numbers

8
Board members

6
Board Committees:
Audit, Remuneration, Nomination, ESG, Regulatory &
Risk and Disclosure

50%
Female representation on the Board

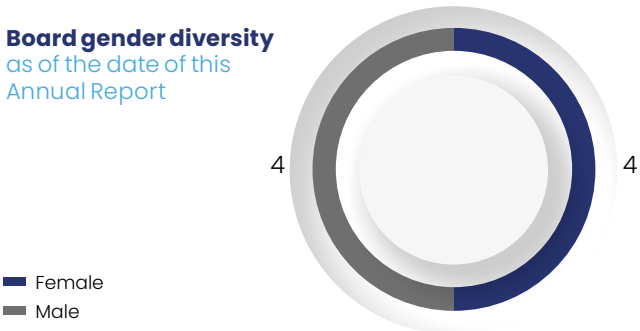
Corporate governance remained a key priority area for the Group. During the last two years, we have strengthened our governance framework and continued to diversify our Board. These efforts have ensured Plus500 has a solid governance foundation from which to deliver on its strategic roadmap and drive further value for our shareholders going forward.

Key activities of the Board in 2022

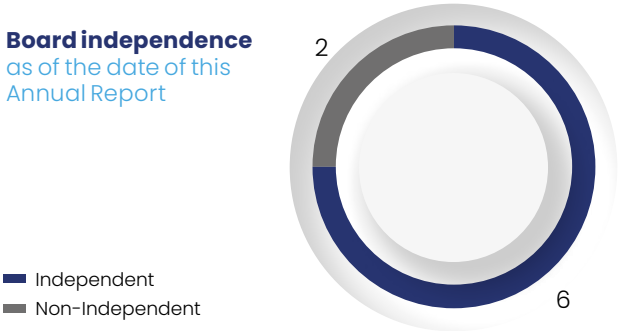
- + Strategic discussions relating to developing the Group's position in the US futures market, in line with the Group strategy to evolve into a multi-asset fintech group and expand the Group's geographic footprint and product offering.
- + Review, discussions and approval of trading updates and results announcements.
- + Conduct of an independent third-party effectiveness evaluation of the Board and its Audit Committee.
- + Review of monthly updates including CEO and CFO reviews, financial performance and business development updates and risk and regulatory compliance reports.
- + Monitoring and reviewing the Group's culture, values and performance, through regular discussions with the Executive Directors, senior management and their teams and through the workforce engagement representative on the Board who held round table sessions with employees.

 Read more about key activities of the Board on page 56

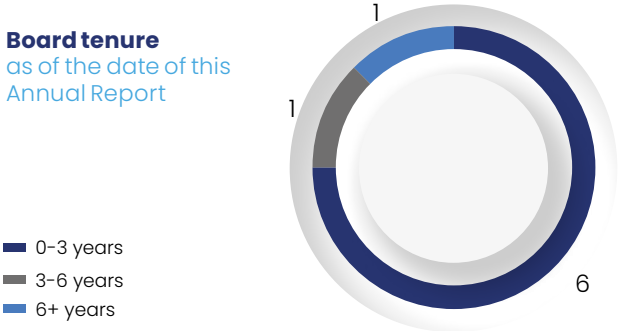
Board gender diversity
as of the date of this
Annual Report



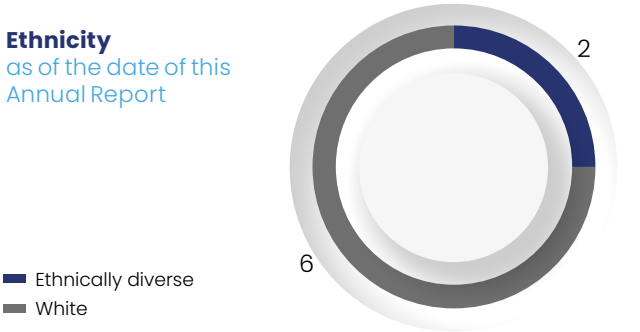
Board independence
as of the date of this
Annual Report



Board tenure
as of the date of this
Annual Report

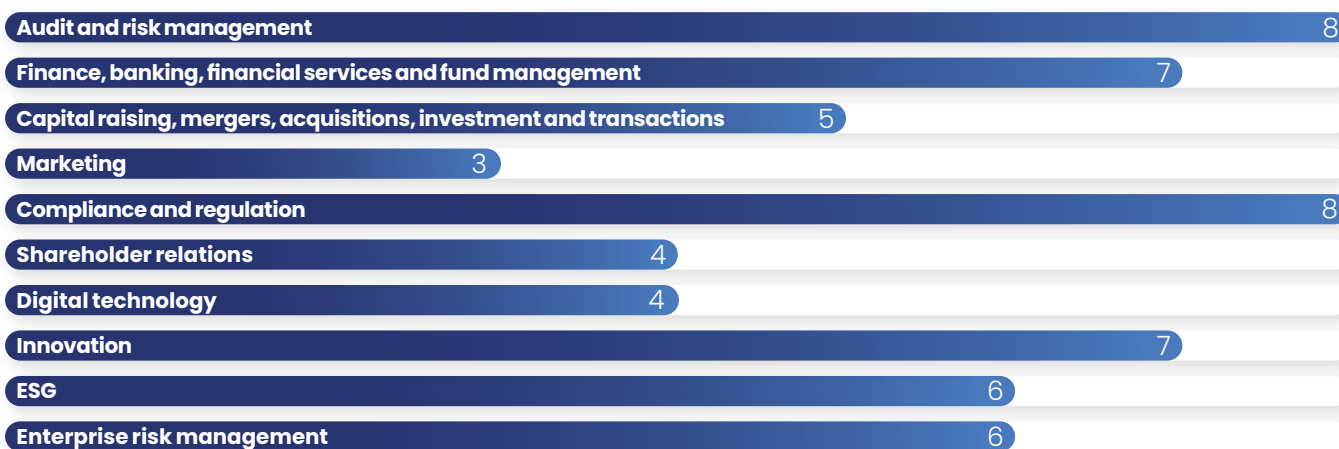


Ethnicity
as of the date of this
Annual Report



Board skills and experience

Number of Board members with the relevant skills and experience



Board attendance

The Board met on eleven occasions in 2022 to review, formulate and approve the Group's strategy, budgets and corporate actions and to oversee the Group's progress towards its goals. The Board also holds regular conference calls to update the members on operational, financial and other business matters.

Board changes

Prof. Varda Liberman (Independent Non-Executive Director) was appointed in March 2022.

Daniel King (Independent Non-Executive Director) stepped down in June 2022, after completing his maximum nine-year tenure.



Nomination Committee Report page 62

Board training and development

All Board members are given updates, on a regular basis, on changes and developments in the business and the environment in which the Group operates, in order to further develop the Board's understanding and awareness of the business and its future prospects.

During the year, Board members attended training sessions on various areas including accounting and UK reporting, M&A, GDPR, prevention of corruption and bribery, Plus500 trading platforms and products, ESG and UK regulation.



Read more on page 60

In line with Plus500's development as a global multi-asset fintech group, and in order to appropriately govern and manage the business as it seeks to achieve significant future growth, a further comprehensive Board training plan was adopted, to be initiated in 2023.

CHAIR'S INTRODUCTION TO GOVERNANCE



Corporate governance remained a key focus area for the Board during the year, as well as our activities in the area of sustainability

Prof. Jacob A. Frenkel
Chair of the Board

Dear shareholder

In my second year as Chair of Plus500, and after continuing to review and assess all aspects of our business, including corporate governance, as well as our activities in the area of sustainability, I would like to take this opportunity to give you an overview of the work of the Board during 2022.

Corporate governance remained a key focus area for the Board during the year, as well as our activities in the area of sustainability. This year we have managed to further diversify the composition of the Board, in line with the Code and the recommendations of the FTSE Women Leaders Review and the new Listing Rules on gender equality in leadership positions. I am delighted that, as announced on 18 March 2022, Prof. Varda Liberman has been appointed as an Independent Non-Executive Director. I would like to take this opportunity to welcome Prof. Liberman once again to our Board, and I am certain that this appointment will further expand the skill set of our Board.

In June 2022, our long-serving Independent Non-Executive Director and External Director, Daniel King, completed his maximum nine-year term under the provisions of the Companies Law and consequently stepped down from the Board.

I would also like to take the opportunity to thank Daniel, who has been with Plus500 since its IPO in 2013, whose expertise working with technology businesses, many of which are based in Israel, has been invaluable in helping to navigate the Board and the business through various challenges and to help optimise the opportunities that have arisen during his tenure. In addition, his leadership, contribution and commitment as Chair of the Remuneration and ESG Committees have been extremely appreciated. We wish Daniel all the best.

In 2022, we dedicated considerable time to evaluating the effectiveness of the work of our Board and its Audit Committee, and undertook an independent third-party review by Nasdaq

Governance Solutions, in accordance with Provision 21 of the Code, which requires FTSE 350 companies to have an externally facilitated board evaluation at least once every three years. The evaluation process included personal questionnaires, one-on-one follow up interviews with Board members and the Company Secretary, alongside Board meeting observance. A detailed report on the results was presented to the Board in December 2022. This was a valuable exercise which resulted in a number of important recommendations which will be implemented during the course of 2023. In parallel, we have continued to implement the feedback and insights derived from our 2021 internal Board evaluation.

During the year, I met with a number of our major shareholders to ask for feedback on the Company's approach to governance, its strategic priorities and its operational and financial performance. In addition, I participated in the Company's Capital Markets Day, held in September 2022, with key members of our senior management team. Shareholder engagement is extremely important and I will continue to meet regularly with key investors, as will other of our Board members, to ensure we keep representing investors' interests.

As detailed below, and as detailed further in the independent reports by each of our Board Committees' chairs, our Committees have continued to assist the Board with reviewing, monitoring and promoting high standards of corporate governance. Also, during 2022 and Q1 2023 we approved several rotations to the Committees' compositions, including rotations of some chair roles, following changes made to the composition of the Board as a whole, as mentioned above.

The Nomination Committee, chaired by Steve Baldwin, continues to review the skills that we need while always considering diversity and the need for independent thinking and challenge.

The Committee will also continue to review the size of the Board to confirm that it is appropriate and has a good mix of skills, experience and knowledge and the ability to maintain appropriate oversight of the executive team and provide constructive challenge and support. During 2022, significant effort by the Nomination Committee ensured a further diversification of the composition of the Board, with the appointment of Prof. Varda Liberman as an additional Non-Executive Director, following the appointments of Ms. Tami Gottlieb and Ms. Sigalia Heifetz as Non-Executive Directors in 2021. As a result, the Board has 50% female representation as of the date of this Annual Report. The Committee also discussed and considered ethnic diversity and concluded that the Board is sufficiently diverse also from that perspective, given the mixed ethnic background of two of our Board members.

Our oversight of principal and emerging risks including business, strategic, financial and operational challenges facing the Group continues. The Regulatory & Risk Committee, led by its recently appointed chair, Prof. Varda Liberman, reviews these risks and receives assurance from management and the Group's various advisors as to how they are understood and mitigated to the level of risk acceptable to the Board. In 2022, the Committee has monitored upcoming regulatory changes that have arisen during the year.

The Audit Committee, led by its chair, Tami Gottlieb, continues its work overseeing the internal controls of the business, the internal audit plan and its implementation, as well as approvals of certain transactions as required under the Companies Law. During 2022, significant effort by the Audit Committee took place in the process to replace the Company's internal auditors with more tech-oriented, internal auditors, who are familiar with the Group's business and operations, as the Group continues to expand its product offerings and geographic footprint. It also works closely with our external auditors and oversees the production of the Consolidated Financial Statements. The Audit Committee also went through an independent third-party evaluation of its effectiveness.

Also in 2022 the Board has continued to develop and strengthen Plus500's ESG framework, alongside its ESG Committee, to assess the Group's priorities and risks in the area of ESG. Chaired by its new chair, Steve Baldwin, who replaced Daniel King in the second half of 2022, and supported by our ESG internal working group, alongside external ESG advisors, the Committee updated its Environmental Policy, supported by an extensive gap analysis, to help us become aligned with the Task Force on Climate-Related Financial Disclosures ("TCFD") recommendations. Further details can be found in our ESG Report and in the Report of the ESG Committee.

The Remuneration Committee, led by its new chair, Anne Grim, who replaced Daniel King in the second half of 2022, continues to monitor all areas of remuneration, including Non-Executive Directors' remuneration and Executive Directors' remuneration, and ensured continued alignment with the Company's approved Remuneration Policy for Directors and Executives, as further detailed in the Remuneration Committee Report.

The following Governance Report describes the activities of the Board and its Committees during 2022 in more detail.

The Board has operated very efficiently during 2022. Given that our Board is extremely diverse, and its members are based in various international locations, the vast majority of Board meetings were held as hybrid sessions (which is a mixture of in-person and virtual attendance), with some Board and Committee meetings being held on a full in-person basis in Israel. The Board held a number of meetings during the year to assess the Group's strategy and its progress against this strategy, as well as reviewing key operational elements of the business. The Board remains very supportive of executive

management in developing the Group's strategic position as a global multi-asset fintech group, through a clear focus on delivering growth, supported also by organic investments and targeted acquisitions. This strategy is key to the Group's future success and has continued to drive the diversification of the Group's revenue streams, product range, geographic footprint and enabled the Group's reinforced financial position. This is evident in the significant progress made in 2022 in the US futures market, in the significant advances in a number of key areas of product development and in the continued enhancement of the Group's geographic footprint and marketing approach.

Finally, and on behalf of the Board, I would like to reiterate our deep gratitude to all of our management and talented employees across our operations worldwide, for their dedicated work and excellent contribution to the Group's culture, performance and great achievements during the year.

I look forward to reporting on the Board's further progress in next year's Annual Report.



Prof. Jacob A. Frenkel

Chair of the Board

22 March 2023

UK Corporate Governance Code Compliance Statement

As a Main Market listed company, and with respect to 2022, Plus500 is required to comply with the principles and provisions of the UK Corporate Governance Code 2018 (the "Code") (a copy of which can be found on the website of the Financial Reporting Council: www.frc.org.uk), or otherwise explain its reasons for non-compliance.

The following statement is therefore made in respect of the year ended 31 December 2022 in compliance with this requirement. The following sections of this report explain how the principles of the Code were applied and provide cross-references to other sections of the report and/or the Company's website (www.plus500.com) where more detailed descriptions are available.

As a company incorporated in Israel, Plus500 is subject to mandatory corporate governance requirements under the Companies Law. Accordingly, there are areas where Plus500 could not comply with the provisions of the Code which may be in contradiction to the Companies Law's provisions, that must prevail.

For the financial year ended 31 December 2022, the Company has complied with the provisions of the Code, other than in respect of the directors' re-election mechanism (Provision 18 of the Code) and in relation to pay ratios and pay gaps (Provision 41 of the Code). While the Code recommends the submission of all directors for re-election annually, the Companies Law requires that a public company must have at least two External Directors who meet certain statutory requirements of independence. The Company's External Directors as of the date of this Annual Report are Anne Grim and Tami Gottlieb. The External Directors, as prescribed by the mandatory requirements of the Companies Law, must be elected for three-year terms and not annually as the Code recommends.

Plus500 is not required to compile gender pay gaps and pay ratios under the Israeli legislation, whereas companies incorporated in the United Kingdom are required to do so under UK legislation.

BOARD OF DIRECTORS

As at the date of this Annual Report



Prof. Jacob A. Frenkel
Chair

The role of the Board

The Board is responsible to shareholders for effective direction and control of the Company, for promoting its long-term success and determining the Group’s strategy, vision and culture. In order to lead the development of the Company’s strategy, the Board is provided with timely and comprehensive information that enables it to effectively review and monitor the performance of the Company and to ensure it is in line with its objectives for achieving its strategic goals.

Committee Membership Key:

N	Nomination
A	Audit
RR	Regulatory & Risk
R	Remuneration
E	ESG
D	Disclosure
●	Chair of the Committee

Tenure: 2 years
(Appointed May 2021)

Prof. Jacob A. Frenkel is a Non-Executive Director and Chair of the Board.

Prof. Frenkel is a renowned global economist and illustrious business leader, with significant experience developed over many years of leadership. He is Chairman Emeritus of the Group of Thirty (G-30), and Chairman of BrainStorm Cell Therapeutics Inc., a NASDAQ-listed biotechnology company.

Prof. Frenkel served as Chairman of JPMorgan Chase International (2009–2020), Chairman and CEO of the G-30 (2001–2011), Chairman of the Board of Trustees of the G-30 (2012–2022), Vice Chairman of American International Group, Inc. (2004–2009), Chairman of Merrill Lynch International (2000–2004), Chairman of the Board of the Inter-American Development Bank (1995–1996) and Vice Chairman of the Board of the European Bank for Reconstruction and Development (1999–2000). He also served as Chairman of the Board of Governors of Tel Aviv University (2013–2021).

Prior to this he served two terms as the Governor of the Bank of Israel (1991–2000), as the Economic Counsellor and Director of Research at the International Monetary Fund (1987–1991) having previously been Professor of Economics and the David Rockefeller Professor of International Economics at the University of Chicago (1973–1987).

He is a Laureate of the Israel Prize in Economics and is a recipient of several Honorary Doctoral Degrees and other decorations and awards. He is an Honorary Member of the American Academy of Arts and Sciences, a Fellow of the Econometric Society, a Fellow of the International Economic Association, a Senior Advisor of Temasek International Advisors, a member of the Competitive Markets Advisory Council of the CME Group, a Global Member of the Trilateral Commission, a former member of the Economic Advisory Panel of the Federal Reserve Bank of New York, a member of the G20 Eminent Persons Group on Global Financial Governance, and a member of the G20 High Level Independent Panel on Financing of the Global Commons for Pandemic Preparedness and Response.

Prof. Frenkel holds a BA in economics and political science from the Hebrew University of Jerusalem, and an M.A. and Ph.D. in economics from the University of Chicago.



David Zruia



Elad Even-Chen

Changes to the Board during 2022

- + Prof. Varda Liberman joined the Board on 18 March 2022.
- + Daniel King stepped down from the Board on 19 June 2022 (after completing his maximum nine-year tenure).

David Zruia

Chief Executive Officer and Director

Tenure: 3 years
(Appointed April 2020)

David Zruia is the Chief Executive Officer.

David joined Plus500's leadership team in 2010 as a senior manager in the Group's marketing department. In that role, David was instrumental in establishing Plus500's technology-based marketing capabilities and in building awareness of, and recognition for, the Plus500 brand in key strategic markets around the world, through a broad range of marketing initiatives and activities.

He was appointed as the Group Chief Operations Officer in 2013 and led the establishment and management of the operational division of the Group, including the implementation and development of 'KYC' processes, payments processing, back-office services, customer support and risk management.

In April 2020, David was appointed as Chief Executive Officer of Plus500. Since that time, under his leadership, Plus500 has developed a new strategic roadmap, which has been designed to diversify and grow the business as a global multi-asset fintech group. As part of the new strategic roadmap, Plus500 has conducted its first ever acquisitions, in the US and Japan, thereby expanding the Group's global footprint, broadening its product range and enabling access to a number of significant future growth opportunities for Plus500.

David holds a B.Sc. in Industrial Engineering and Management from the Technion – Israel Institute of Technology.

Elad Even-Chen

Group Chief Financial Officer and Director

Tenure: 7 years
(Appointed June 2016)

Elad Even-Chen is the Chief Financial Officer of the Group and Vice President of Business Development.

Elad joined the Group in 2011 and his responsibilities cover a broad range of finance, business, corporate and strategic functions.

Elad established the business development department which he is leading and managing. The business development department is responsible for the Group's strategic investments and expansion plans into new and existing markets, through receipt of new regulatory licences across the globe, including by targeting and executing acquisitions.

Elad has played a key role in driving the Group's strategic and financial performance and its business expansion in recent years, into new markets and new product areas.

Elad leads the Group's financial divisions and also oversees the financial performance, including treasury, consolidated financial statements and tax matters.

Elad has an extensive corporate finance, legal and regulatory background. Over the last 12 years he has held a number of positions within the Group also acting as Company Secretary, Head of Risk Management and Head of IR.

Elad is a certified accountant in Israel and, prior to joining the Group, was a senior associate at KPMG.

Elad holds a BA in Accounting and Economics from Tel Aviv University, an LL.B from the College of Management and an MBA (specialising in Financial Management) from Tel Aviv University.



Anne Grim
Senior Independent Non-Executive Director and External Director

Tenure: 2.5 years
(Appointed September 2020)

Anne Grim is a Non-Executive Director, the Senior Independent Director and Chair of the Remuneration Committee.

Anne is an experienced executive turned advisor, consultant and board member with more than 30 years in senior financial services leadership roles at Barclays, Wells Fargo, American Express, Mastercard and most recently as Chief Customer Officer at Fidelity International, prior to embarking on her Board portfolio career. Her expertise is in customer experience, strategic planning and execution, technology innovation and business transformation.

Anne is an independent non-executive board member for Insight Investment, where she chairs Insight Investment Fund Management Ltd and the Insight Investment Strategic Technology Committee; Metro Bank PLC; and Openwork Holdings Ltd. where she chairs the Risk and Compliance Committee.

Anne holds a BA in Mathematics and Computer Science and an MBA in Strategic Management and Finance, both from the University of Illinois.



Steve Baldwin
Independent Non-Executive Director

Tenure: 6 years
(Appointed June 2017)

Steve Baldwin is a Non-Executive Director and Chair of the Nomination and ESG Committees.

Steve is currently the Chair of TruFin plc and is also a Non-Executive Director of The Edinburgh Investment Trust PLC. Steve has an extensive corporate finance background and held the position of Head of European Equity Capital Markets and Corporate Broking at Macquarie Capital until 2015 when he decided to pursue a non-executive career.

Prior to joining Macquarie Capital, Steve was a Corporate Finance Director at JP Morgan Cazenove for ten years and previously a Vice President of Corporate Finance at UBS.

Steve qualified as a Chartered Accountant at Coopers & Lybrand after graduating with a BA in Zoology from St Catherine's College, Oxford University.

Committee Membership Key:

- N** Nomination
- A** Audit
- RR** Regulatory & Risk
- R** Remuneration
- E** ESG
- D** Disclosure
- Chair of the Committee

**Tami Gottlieb****Tami Gottlieb**

Independent Non-Executive Director and External Director

Tenure: 2 years
(Appointed March 2021)

Tami Gottlieb is a Non-Executive Director and Chair of the Audit Committee.

Tami has a long track record in the financial services industry in Israel and is currently an External Director at Bank Leumi Le-Israel – one of Israel's two largest commercial banks, where she is the Chair of the Audit and Financial Reports Committees and a member of the Remuneration and Business & Credit & Resources Committees, having previously been on the Technology Committee and on the Risk Management Committee.

Tami Gottlieb is also an Independent Director at Novolog (Pharm-Up 1966) Ltd, an External Director at Extell Limited and a Director at Emilia Development (O.F.G) Ltd. She is also a founder and Co-Managing Director of Harvest Capital Markets Ltd, a wealth management and corporate finance boutique firm.

Tami holds a BA in International Relations from the Hebrew University of Jerusalem and an MA in Economics from Indiana University.

**Sigalia Heifetz****Sigalia Heifetz**

Independent Non-Executive Director

Tenure: 2 years
(Appointed February 2021)

Sigalia Heifetz is a Non-Executive Director.

Sigalia holds non-executive directorships at a number of leading Israel-based corporations across a range of sectors and industries, including Neshet Israel Cement Enterprises Ltd, Clal Biotechnology Industries Ltd, RHI Magnesita N.V, Maman Cargo Terminals and Handling Ltd, Tamar Petroleum Ltd, Mashav Initiating & Development Ltd and Vesta Investments and Management Ltd.

She also previously held non-executive positions at Bet Shemesh Engines Ltd and Hadera Paper, prior to which she was an audit partner at accountancy firm BDO. She also served as a non-executive director at Golf & Co Ltd.

Sigalia holds a BA in Accounting and Economics from Tel Aviv University and an Executive MBA from INSEAD and Tsinghua University.

**Prof. Varda Liberman****Prof. Varda Liberman**

Independent Non-Executive Director

Tenure: 1 year
(Appointed March 2022)

Prof. Varda Liberman is a Non-Executive Director and Chair of the Regulatory & Risk Committee.

Prof. Liberman is an internationally renowned expert in the field of decision-making and behavioural economics. In this capacity, she provides consulting and workshops in key elements of managerial decision-making and risk management to senior managements in organisations across a range of sectors, including healthcare, banking, investment, technology, the judicial system and the Israeli Defence Forces.

Prof. Liberman is the Rector of Reichman University (IDC Herzliya) in Israel, and one of its founders and leaders. She is a professor of the business school of Reichman University, a visiting researcher at Stanford University, and the author of several books and many scientific articles. Over the years, she has held a variety of managerial positions at the Reichman University, among them heading the mathematics and statistics studies, leading the decision-making area in the business school, and founding and heading the MBA programme in Healthcare Innovation.

Prof. Liberman holds a B.Sc. in Mathematics and Statistics, an M.Sc. in Mathematics and a Ph.D. in Mathematics, all from Tel Aviv University.

GOVERNANCE REPORT

The Board

The Board maintains full control and direction over appropriate strategic, financial, organisational and compliance issues. The Company's organisational structure has clearly defined lines of authority, responsibility and accountability, which are reviewed regularly. The annual budget and forecasts are reviewed by the Board prior to their approval. This includes the identification and assessment of the business risks inherent in the Group and the online financial trading industry as a whole, along with associated financial and regulatory risks. At least annually, and on other occasions as necessary, the Company's senior Executives are invited to attend meetings of the Board in order to present and discuss various matters relating to their functions and areas of responsibilities.

Board activities during the year

The Board agrees at the end of each year the annual calendar and forward meeting agenda for the following year, and additionally meets at such other times as required. The matters accepted by the Board for consideration at Board meetings are: business strategy, operational highlights and current trading, budget and financial performance, governance, sustainability, organisational culture and risk and regulation. This is further detailed in the schedule of matters specifically reserved for decision by the full Board members, which can be found on the Company's website: www.plus500.com.

Board activity in 2022

Strategy	+ During 2022 the Board discussed on-going actions to be taken to further develop its strategic roadmap for the coming years, as set out on pages 10-11. + The Board held strategic discussions relating to developing Plus500's position in the US futures market, in line with the strategy to evolve into a multi-asset fintech group and expanding the Group's geographic footprint. + The Board approved an acquisition of a regulated firm in Japan, in line with its strategy to expand its geographic footprint.
Business, operational highlights and current trading	The Board received monthly updates including CEO and CFO reviews, financial performance and business development updates and risk and compliance reports.
Quarterly forecasts and budget	Updates were provided and discussed on a monthly and quarterly basis. Discussions on the 2023 budget were held in October and December 2022 with final approval received in December 2022.

Financial performance	The Board reviewed and approved the on-going trading updates and results announcements. The Board considered and approved the Consolidated Financial Statements and the Annual Report.
People, governance, risk and regulation	The Board received updates and conducted discussions about regulatory developments and emerging risks. It also received training and briefings on regulation, in addition to on-going updates on compliance and risk matters.
Whistleblowing	The Board reviewed and approved the Group's Whistleblowing Policy, as it does on an annual basis, and received an update by the Whistleblowing Supervisor that no complaints were received in 2022.
Culture and values	The Board continued to monitor and review the Group's culture, values and performance primarily through regular discussions with the Executive Directors, senior management and their teams. In addition, Steve Baldwin, in his role as the workforce engagement representative on the Board, held round table sessions with employees from various departments of the Company.
Shareholder returns	The Board approved share buyback programmes and declared the payment of dividends during the year, in line with the Company's most recent shareholder returns policy.
Independent third-party Board evaluation	An external effectiveness evaluation of the Board and the Audit Committee has been conducted and a discussion was held to address the recommendations provided, as further detailed on pages 59-60.
Other	+ Review of monthly reporting decks on risk and compliance; + Receiving on-going updates from Board Committees' chairs; + Board training sessions on various topics, including: accounting and UK reporting, M&A, Plus500 trading platforms and products, GDPR and ESG; + Annual review and approval of Human Rights and Modern Slavery Statement; and + Annual review and approval of Company's policies and procedures.

Board Committees

The Board has appointed six principal committees to which certain aspects of the Board's work are delegated, in order to assist the Board in carrying out its responsibilities and as required under the Companies Law. Each committee has adopted its own terms of reference, approved by the Board, and establishes an annual plan. The full terms of reference of the Board's committees are available on the Company's website. The chair of each committee provides regular updates to the Board on the matters discussed at the committee's meetings and provides the committee's recommendations to the Board when required.

A brief description of the main roles of each of the Board Committees is set out below.

Nomination Committee

The Nomination Committee has been delegated responsibility for the oversight of appointments to the Board and the senior management team. The Committee's responsibilities, main activities and priorities for the next reporting cycle are set out on pages 62–65.

Audit Committee

The Audit Committee has been delegated responsibility for ensuring the financial performance of the Group is properly reported on and reviewed and the monitoring of the external auditor, the internal auditor and oversight of internal controls. The Committee's responsibilities, main activities and priorities for the next reporting cycle are set out on pages 66–72.

Regulatory & Risk Committee

The Regulatory & Risk Committee has been delegated responsibility for the monitoring and oversight of risk management and mitigation and the approval of risk appetite. The Committee's responsibilities, main activities and priorities for the next reporting cycle are set out on pages 73–75.

ESG Committee

The ESG Committee has been delegated responsibility for considering the adequacy of the Group's ESG policies and processes. The Committee's responsibilities, main activities and priorities for the next reporting cycle are set out on pages 76–78.

Remuneration Committee

The Remuneration Committee has been delegated responsibility for determining, within the agreed terms of reference and in accordance with the Companies Law, the Group's policy on the remuneration packages of the Company's Chief Executive Officer and Chief Financial Officer, the Chair and other Non-Executive Directors, the Company Secretary and other senior Executives and the Company's remuneration policy. The Committee's responsibilities, main activities and priorities for the next reporting cycle are set out on pages 79–84.

Disclosure Committee

The Disclosure Committee assists the Board in fulfilling its obligation to make timely and accurate disclosure of all information that is required to be disclosed to meet legal and regulatory requirements and obligations under the UK Market Abuse Regulations and the Disclosure Guidance and Transparency Rules of the FCA, including the requirement for the Company to establish and maintain adequate procedures, systems and controls to enable it to comply with these obligations. Whenever necessary, the Committee meets to discuss the content of announcements proposed to be released to the London Stock Exchange and approve their content.

Operation of the Board

The Board is responsible for the effective direction and control of the Group. The Board is also responsible for the overall strategy and financial performance of the Group and has a formal schedule of matters reserved for its approval. The schedule of matters covers key strategic, financial and operational matters including:

- + Approval of the Group's strategic objectives;
- + Approval of the annual operating and capital expenditure budgets of the Group, and any material changes to them;
- + Changes to the Group's capital structure, management and control structure;
- + Contracts which are material, strategically or by reason of size, entered into by the Company in the ordinary course of business; and
- + Recommended appointments to the Board.

The Company Secretary, Hila Barak, is responsible for ensuring that the Company complies with the statutory and regulatory requirements and maintains high standards of corporate governance. She supports and works closely with the Chair of the Board, the Senior Independent Director, the Chief Executive Officer and the Board Committees, chairs in setting agendas for meetings of the Board and its committees. She also supports the transfer of timely and accurate information flow from and to the Board and the management of the Company. Hila Barak is a certified lawyer in Israel since 2012 and joined Plus500 in 2020 after years of experience in corporate and securities law, being an associate with one of the leading law firms in Israel. Hila holds an LLB (Magna Cum Laude), BA in Social Science and an Executive MBA, all from the University of Haifa. All Board members have access to the advice and services of the Company Secretary. Both the appointment and removal of the Company Secretary are a matter for the Board as a whole.

Board effectiveness

The Board holds its meetings in accordance with its scheduled calendar. Each Board meeting is preceded by a clear agenda and any relevant information is provided to the Board members in advance of the meeting. The Board met on eleven occasions in 2022 to review, formulate and approve the Group's strategy, budgets and corporate actions and to oversee the Group's progress towards its strategic goals. The Board also holds regular conference calls to update the members on operational and other business matters. A summary of the key activities of the Board in 2022 is set out on page 56.

Where Board members have concerns, which cannot be resolved, about the running of the Company or a proposed action, they may request that their concerns are recorded in the Board minutes. An agreed procedure exists for Board members in the furtherance of their duties to take independent professional advice.

Induction of newly appointed Board members

Whenever there is a necessity to add a new Non-Executive Director to the Board, the Nomination Committee operates an orderly procedure for identifying the relevant skills, knowledge and experience which are required. As part of this process, the Nomination Committee takes into consideration various parameters, including the existing skill set on the Board as well as diversity aspects. Where a potential candidate is identified, the Nomination Committee recommends the appointment to the Board. If approved by the Board, it recommends the appointment to the Company's shareholders.

Newly appointed Board members are made aware of their responsibilities through the Company Secretary. The Company has accordingly implemented an internal induction plan for newly appointed Board members which provides them with training sessions via internal meetings, presentations and discussions. These are conducted by the Company's advisors (such as legal advisors), the senior management and other relevant persons in order to enable greater awareness and understanding of the Company's business and the legal and business environment in which it operates. Moreover, the induction plan includes provision of various documents and reports, such as constitutional documents, organisational chart and Group structure, previous Board minutes, Group's policies as well as PR and IR materials.

Chair of the Board

The Chair of the Board, Prof. Jacob A. Frenkel, is responsible for leading the Board and ensuring its effectiveness, by setting the relevant agenda and providing sufficient time for constructive discussions in which the Board has the ability to challenge the discussed items. The Chair is responsible for creating the open and engaging atmosphere that enables the healthy and constructive discussions of the Board. The Chair is also responsible for ensuring effective communication between Executive and Non-Executive Directors, shareholders and between other major stakeholders and the Board.

Chief Executive Officer

The Chief Executive Officer, David Zruia, acts as the main point of communication between the Board and management and is responsible for the day-to-day running of the business and implementation of strategy.

Chief Financial Officer

The Chief Financial Officer, Elad Even-Chen, is responsible for covering a broad range of finance, business, corporate and strategic functions, such as monitoring the operational and financial results, overseeing liquidity, managing the financial reporting of the Group and developing the Group's strategy into new and existing markets.

Non-Executive Directors

Collectively, the Non-Executive Directors bring a valuable range of expertise in assisting the Company to achieve its strategic goals. The effectiveness of the Board benefits from the following skills, expertise and experience offered by the current members of the Board: financial services, finance and accounting, governance and regulatory, research and development, ESG, risk and regulation, marketing, innovation, technology and other financial expertise.

Senior Independent Director

The Senior Independent Director, Anne Grim, acts as a sounding board for the Chair, providing him with support in the delivery of his objectives and leading the evaluation of the Chair on behalf of the other Board members. As a Senior Independent Director, Anne Grim may also take responsibility for an orderly succession process for the Chair, and is a member of the Nomination Committee and also serves on several other Board Committees. She is available to meet with shareholders if they have concerns which are not being addressed through the usual channels of the Chair, the Chief Executives or the Investor Relations team.

Board composition

As of the date of this Annual Report, the Board comprises two Executive Directors (who constitute 25% of the Board): David Zruia and Elad Even-Chen, and six Non-Executive Directors (who constitute 75% of the Board): Prof. Jacob A. Frenkel (Chair of the Board), Anne Grim (Senior Independent Non-Executive Director), Steve Baldwin, Sigalia Heifetz, Tami Gottlieb and Prof. Varda Liberman. Prof. Frenkel was independent on appointment (and still is), in accordance with the requirements of the Code.

In accordance with the Companies Law, the Board must have at least two external directors who meet certain statutory requirements of independence (the "External Directors"). Following Daniel King's completion of his maximum nine-year tenure in June 2022, the Company's External Directors are Anne Grim and Tami Gottlieb. Under the Companies Law, the term of office of an External Director is three years, which can be extended for two additional three-year terms. External Directors are elected by shareholders subject to a special majority and may be removed from office only in limited cases. The Board is therefore fully aligned with the provisions of the Companies Law. In addition, any committee of the Board to which the Board delegated one or more of its responsibilities must include at least one External Director and the Audit Committee and Remuneration Committee must each include all of the External Directors (including an External Director serving as the chair of the Audit Committee and Remuneration Committee). A majority of the members of the Audit Committee must comply with the Director independence requirements, while the majority of the members of the Remuneration Committee must be External Directors and its other members must be remunerated in the same manner as the External Directors.

Board attendance in FY 2022

Details of the number of scheduled Board meetings and individual attendance at these meetings are set out in the Board attendance table below. Where Board members are unable to attend meetings, for any reason, they are encouraged to share with the Chair in advance their views on the agenda items to be discussed at the meetings.

	SCHEDULED MEETINGS ELIGIBLE TO ATTEND	SCHEDULED MEETINGS ATTENDED
Chair of the Board		
Prof. Jacob A. Frenkel	11	11 (100%)
Executive Directors		
David Zruia	11	11 (100%)
Elad Even-Chen	11	11 (100%)
Senior Independent Non-Executive, External Director		
Anne Grim	11	11 (100%)
Independent Non-Executive, External Director		
Tami Gottlieb	11	11 (100%)
Independent Non-Executive Directors		
Steve Baldwin	11	11 (100%)
Sigalia Heifetz	11	8 (72%)
Prof. Varda Liberman ¹	8	8 (100%)
Past Independent Non-Executive Director		
Daniel King ²	5	5 (100%)

1. Prof. Varda Liberman was appointed on 18 March 2022.

2. Daniel King stepped down from the Board on 19 June 2022.

Election of Board members

Following recommendations from the Nomination Committee and a review by the Chair of the Board, the Board considers that all Board members continue to be effective, remain committed to their roles and have sufficient time available to perform their duties. Information with respect to their re-election will be set out in the 2023 Notice of AGM to be circulated by the Company to all shareholders in due course.

Independence of Non-Executive Directors and time commitment

Each of the Non-Executive Directors is considered to be independent of management and is considered by the Board to be free from any business or other relationships that could compromise their independence. Their role is to effectively advise and challenge management, and to monitor management's success in delivering the strategy agreed by the Board. The Chair and the Non-Executive Directors held discussions and met during the year, without the Executive Directors' presence, in order to review and monitor management performance. Also, during the year, the Non-Executive Directors, led by the Senior Independent Director, met twice without the Chair's presence, in order to, among other things, evaluate his performance.

Each Board member is aware of the need to allocate sufficient time to the Company in order to fulfil their responsibilities and is notified of all scheduled Board and Board Committee meetings. None of the Non-Executive Directors hold any directorships in any FTSE 100 company.

Conflicts of interest

The Company has procedures for the disclosure and review of any conflicts of interest, or potential conflicts of interest, which may arise in relation to Board members. The Board members are asked to disclose any conflict of interests at each scheduled Board meeting and are aware of their responsibilities to avoid conflict of interests and to disclose any conflict or potential conflict of interest to the Board. A Board member who has a personal interest in a matter that is considered at a meeting of the Board, the Audit Committee or the Remuneration Committee shall not attend that meeting (unless the chair of the Board, the Audit Committee or the Remuneration Committee, as the case may be, determines that such person's presence at the meeting is required for presentation of the relevant transaction) or vote on that matter, unless a majority of the respective forum has a personal interest in the matter as well. If a majority of the Board has a personal interest in the transaction, then shareholders' approval is also required.

The authorisation of a conflict matter, and the terms of authorisation, may be reviewed at any time by the Board. The Board considers that these procedures are operating effectively. There have been no matters arising requiring assessment by the Board as a potential conflict during this year.

Board evaluation

In accordance with Provision 21 of the Code, and as a FTSE 250 company, Plus500 is required to conduct an externally facilitated evaluation of the Board every three years, with the previous externally facilitated evaluation taking place in 2019 by Genius Board. Therefore, in 2022, Plus500 engaged Nasdaq Governance Solutions to facilitate the external evaluation of the Board and Audit Committee and the final reports (one for the Board and one for the Audit Committee) were presented by Nasdaq Governance Solutions at the December 2022 Board meeting.

The evaluation comprised completion of written questionnaires via a secure digital platform, individual interviews conducted by Nasdaq Governance Solutions' experts with Board members and with the Company Secretary and observance of the October Board and Audit Committee meetings.

The questionnaires were developed by Nasdaq Governance Solutions, taking into consideration the findings of the 2019 external evaluation, the findings of the 2020 and 2021 internal evaluations, and in accordance with the guidance from the Financial Reporting Council on Board Effectiveness.

Nasdaq Governance Solutions' experts discussed the feedback received from the completed questionnaires and the individual interviews with the Chair of the Board and the Chair of the Audit Committee, for the respective evaluations. The final reports on the feedback, comments and suggestions received were circulated to the Board, and were presented by Nasdaq Governance Solutions and discussed by the Board and the Audit Committee, at their meetings held in December 2022.

The Board evaluation covered various aspects of Board performance including:

- + Board culture and accountability
- + Board composition and director engagement
- + Strategy and performance oversight
- + Audit, risk and internal controls
- + Board's relationship to management
- + Board meetings and administration
- + Remuneration, talent management and succession planning

The findings determined that the Board had higher degrees of effectiveness, inter alia, in relation to the following:

- + High levels of engagement and a collegiate, collaborative and professional environment among Board members and management
- + Oversight of the setting and implementation of strategy
- + The Board Chair is viewed by Board members as a credible, disciplined and inclusive leader
- + Board administration
- + The Board's skills, knowledge and experience profile, supported by strong onboarding and on-going training initiatives
- + A diligent approach to employee engagement and strategic HR matters, supported by a designated employee "champion" on the Board

Opportunities for improved effectiveness were also identified, alongside some focus areas for 2023 and topics for Board training and education. To strengthen its effectiveness, the Board, supported by the Company Secretary, is evaluating the findings from the external evaluation and with the help of the actions identified in the report will address and strengthen different focus areas arising from the external evaluation.

Board training and development

All Board members are given updates, on a regular basis, on changes and developments in the business and the environment in which the Group operates, in order to further develop the Board's understanding and awareness of the business and its future prospects.

The Company Secretary and the Company's advisors provide updates to the Board on relevant legislative and regulatory corporate governance-related changes, on an on-going basis.

During the year, Board members attended training sessions on various areas including accounting and UK reporting, M&A, GDPR, prevention of corruption and bribery, Plus500 trading platforms and products, ESG and UK regulation.

In line with Plus500's development as a global multi-asset fintech group, and in order to appropriately govern and manage the business as it seeks to achieve significant future growth, a further comprehensive Board training plan was adopted, to be initiated in 2023.

This training plan was designed and tailored for Plus500 and the specific commercial dynamics of the business, and was developed in alignment with the recommendations received as part of the independent third party evaluation which took place in 2022.

Ensuring that the Annual Report is fair, balanced and understandable

In relation to the Annual Report and the Consolidated Financial Statements for the year ended 31 December 2022, the Board, in conjunction with the Audit Committee, have sought to ensure that the Annual Report is fair, balanced and understandable. The Board considers that, taken as a whole, the Annual Report is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Company's position, performance, business model and strategy.

In September 2022, the Company held its first ever Capital Markets Day with the Chair of the Board and key members of Plus500's senior management team.

The Company continues to encourage the engagement of both institutional and private investors. During the year, investor meetings were conducted on an in-person basis, while others were conducted through virtual channels, including conference calls and video conferences. The Chief Executive Officer, David Zruia, and Chief Financial Officer, Elad Even-Chen, met regularly with institutional investors, particularly with regard to the issuance of half and full year results. They were accompanied at these meetings by the Company's Head of Investor Relations, who manages Plus500's relationships and communications with the investment community. The Chair of the Board also met regularly with key investors during the year.

Communication with private individuals is maintained through the Annual General Meeting and any Extraordinary General Meeting, the Company's annual and interim reports and the scheduled, or otherwise required, trading updates. The Chairs of the Audit, Remuneration, Nomination, Regulatory & Risk and ESG Committees are available to answer questions at the Company's Annual General Meetings. In addition, further details on the strategy and performance of the Company can be found on the new Investor Relations website, which includes copies of the Company's regulatory news, financial statements, investor presentations and other reports.

Regular updates are provided to the Board on meetings with shareholders and analysts, as well as on brokers' opinions. Non-Executive Directors are available to meet major shareholders, as required. Investors are also encouraged to contact the Company's Head of Investor Relations at: ir@Plus500.com.

Shareholder Engagement

SHAREHOLDER ENGAGEMENT

Major interests in shares

As at 21 March 2023, being the latest practicable date before the approval of this Annual Report, the Company is aware of the following persons who, directly or indirectly, were interested in 3% or more of the Company's capital or voting rights:

FUND MANAGER	NUMBER OF SHARES	%
Odey Asset Management	7,949,563	8.67
BlackRock Inc	5,688,646	6.20
Schroder Investment Management	5,542,590	6.04
The Vanguard Group, Inc	4,277,506	4.66

2022 Annual General Meeting

The 2022 Annual General Meeting was held on 3 May 2022 as a hybrid meeting, given that many of the Board members are based in international locations, and with travel restrictions still in place in certain geographies at that time. This facilitated an effective participation by shareholders from various jurisdictions.

All resolutions proposed at the 2022 AGM were duly passed by shareholders by means of a poll vote (excluding a non-binding advisory vote on the Directors' Remuneration Report).

The Board also noted that two resolutions passed at the 2022 AGM had more than 20% of votes cast against them. These resolutions related to the re-election of one of the Board's Independent Non-Executive Directors and an allotment of shares to the Chair of the Board. Since the AGM results, members of the Board have engaged with several shareholders and shareholder advisory bodies to understand their perspective on these resolutions, and on the Group's overall framework for governance and remuneration. As a result, the Board believes it understands the rationale regarding the votes cast against these resolutions and where appropriate will take these views into consideration in its approach to these areas in the future.

All the other resolutions which were duly passed at the AGM, had at least 80% of votes cast in favour, with a number of these resolutions relating to remuneration increases of the Chair and the Independent Non-Executive Directors. This demonstrates shareholders' overall on-going recognition of the importance of providing appropriate incentives to attract and retain high quality individuals to the Board whose stewardship is helping to drive the value of Plus500's business as the Group successfully continues to deliver against its strategic objectives.

The Board remains fully committed to achieving the highest governance standards and will continue to engage regularly with shareholders and to consider their views in its decision-making.

2023 Annual General Meeting

The Company's 2023 Annual General Meeting is scheduled to be held at 10.00am UK time on 2 May 2023 at Liberum Capital Limited, Level 12, Ropemaker Place, 25 Ropemaker Street, London EC2Y 9LY UK.

Details of all resolutions to be proposed at the 2023 Annual General Meeting will be included in the Notice of the 2023 Annual General Meeting to be circulated by the Company to all shareholders in due course.

REPORT OF THE NOMINATION COMMITTEE



We aspire to promote diversity, equality and inclusion and I am pleased that these are also reflected in our Board, with an equal representation of female and male Board members

Steve Baldwin

Chair of the Nomination Committee

Committee attendance in FY 2022

Details of the number of scheduled Committee meetings and individual attendance at these meetings are set out in the Committee attendance table below.

	Scheduled meetings eligible to attend	Scheduled meetings attended
Steve Baldwin (Chair)	2	2 (100%)
Prof. Jacob A. Frenkel	2	2 (100%)
Anne Grim ¹	1	1 (100%)

Past member

Daniel King ²	1	1 (100%)
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1. Anne Grim was appointed as a member of the Committee on 19 June 2022.

2. Daniel King stepped down from the Committee (and from the Board) on 19 June 2022.

Dear shareholder

As the Chair of the Nomination Committee, I am pleased to have this opportunity to give you an overview of the work of the Committee during 2022.

The Board is committed to evaluating and reviewing its structure, size and composition on a continual basis, including its balance of skills, knowledge, experience and diversity (including gender and ethnic diversity) while factoring in the Company's strategy, risk appetite and future development. The Nomination Committee reviews and assesses Board composition on behalf of the Board and recommends the appointment of new Board members. In reviewing Board composition, the Nomination Committee considers the benefits of all aspects of diversity. I am glad that in 2022 the Committee continued to assist the Board in this regard.

During the year, the Committee continued to undertake a review of the broader composition of the Board, following the appointments of three Independent Non-Executive Directors during 2021.

The Committee identified a need to add an additional Independent Non-Executive Director in 2022 to increase the Board's talent diversity. Furthermore, the Committee was mindful that Daniel King, our long-serving Independent Non-Executive Director and External Director had served since the Company's IPO in 2013, and after completing his third (and last) three-year term, he was not eligible under the Companies Law for re-election in 2022. Following a further search process, and as announced on 18 March 2022, Prof. Varda Liberman was appointed as an Independent Non-Executive Director.

Prof. Liberman, as all other new Board members, has gone through an extensive induction process, as further described on page 57.

The Board is committed to diversity of gender, ethnicity, background, nationality and professional experience. I am delighted that our Board composition was again diversified during FY 2022 by the addition of Prof. Varda Liberman as an Independent Non-Executive Director, in addition to Ms. Sigalia Heifetz, Ms. Tami Gottlieb and Prof. Jacob A. Frenkel, all of them Independent Non-Executive Directors appointed in 2021.

These appointments have increased the gender diversity on the Board, and have ensured that the Company increases its talent diversity. As a result of the appointments of Non-Executive Directors made over the last two years, I am pleased to report that, as of the date of this Annual Report, the Board meets the diversity targets set out in the FCA Listing Rules with 50% female Board members, including one of the senior Board positions being held by a woman (Ms. Anne Grim as the Senior Independent Director).

Ethnic diversity was also considered and discussed at the Committee. I am pleased that our Board is diverse from an ethnic perspective as well, in line with the FCA Listing Rules, with 25% of Board members (two Board members out of eight Board members) from a minority ethnic background.

According to the evaluation carried out by the Board, all Non-Executive Directors are considered to be independent in character and judgement and no cross-directorships exist between any of the Board members.

Due to the enhanced role of the Nomination Committee set out in the Code, we are continuing to develop our programme of activity accordingly. Throughout 2022, the Nomination Committee dedicated time to review and discuss succession planning across the business, in order to ensure, among other things, that there is a good pipeline of female successors to many of the senior management roles throughout the business. Also, the Nomination Committee assured that all

Committee composition

The Nomination Committee comprises Steve Baldwin (as Chair), Prof. Jacob A. Frenkel and Anne Grim. The Code recommends that a majority of the members of a nomination committee should be Independent Non-Executive Directors. The Board considers Steve Baldwin, Jacob Frenkel and Anne Grim to be independent for the purposes of the Code. Anne Grim, the Senior Independent Director and External Director, replaced Daniel King as a member of the Nomination Committee as of June 2022. Details of the skills and experience of the Nomination Committee members are set out on pages 52-55 of this Annual Report.

immediate successors are already being developed in accordance with the Company's training programme which is in place.

We aspire to promote diversity, equality and inclusion and I am pleased that these are also reflected in our Board, with an equal representation of female and male Board members.

The Committee will continue this year to ensure that there is a strong talent pipeline with the necessary set of skills and expertise, whilst considering female representation and other diversity pillars as part of this process.

I look forward to reporting on the Nomination Committee's further progress in next year's Annual Report.



Steve Baldwin

Chair of the Nomination Committee
22 March 2023

Report of the Nomination Committee continued

Committee responsibilities and activities

The Nomination Committee has responsibility for reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board, considering succession planning and ensuring diversity at Board-level. The other key governance mandates pursuant to the written terms of reference of the Nomination Committee (which are available on the Company's website) are as follows:

- + To oversee succession planning for Board members and other senior Executives, taking into account the challenges and opportunities facing the Company;
- + To identify, and nominate for the approval of the Board, candidates to fill Board vacancies (including External Directors' vacancies);
- + To make recommendations concerning the continuation in office of any Board member at any time, including the suspension or termination of service; and
- + To prepare a description of the role and capabilities required for a particular appointment.

The Nomination Committee meets not less than twice a year and at such other times as required. The Nomination Committee takes into account the challenges and opportunities the Group is facing and which skills and expertise are therefore needed on the Board and its Committees in the future, whilst remaining committed to diversity of gender, ethnicity, background, nationality and professional experience and developing a talent pipeline reflective of this diversity.

A summary of the major activities and decisions of the Committee in 2022 is set out below:

Board composition and time commitment	+ Re-election of Board members; + Review of core skills and experience of the Board and the independence of the Non-Executive Directors; + Appointment of one Independent Non-Executive Director; + Rotations of some members of the committees; + Appointment of new Chairs of the Remuneration, ESG and Regulatory & Risk Committees (in Q1 2023); and + Review of time commitment of the Non-Executive Directors.
Succession planning	+ Review tenure of the Board members; + Review of the Company's written succession plan; and + Foster the development of talented employees throughout the business.

Diversity	+ Review and amend the Equality, Diversity and Inclusion Policy, in line with the Code and the 40% target for female board representation set out in the FCA's Listing Rules; + Review of gender diversity on the Board, and increase the level of female representation on the Board; and + Review of ethnic diversity on the Board
Governance	+ Review of the Committee's terms of reference in light of the Code and the Companies Law; and + Review of 2022 Nomination Committee Report which is included within this Annual Report.

Following the activities of the Committee in 2022, the Committee is confident that each Board member brings a unique set of skills and experience which enables the Board to be reflective of a diverse and varying range of perspectives and opinions and enables the Company to achieve its strategy and targets going forward.

The Committee believes that each Board member's contribution is important to the Company's long-term sustainable success.

Priorities for FY 2023

In the coming year the Committee will continue to focus on key themes such as diversity and succession planning and ensuring a diverse talent pipeline throughout the Group.

Equality, Diversity and Inclusion

- Our policy on equality, diversity and inclusion commits to:
- + Ensuring that the selection and appointment process for employees and Board members includes a diverse range of candidates;
 - + Ensuring that no unlawful discrimination, unfavourable or less favourable facilities or treatment occurs at any stage in the selection process on the grounds of age, disability, gender, gender reassignment, marriage and civil partnership, pregnancy or maternity, race, ethnic origin, colour, nationality, national origin, religion or belief, sex or sexual orientation, educational, professional, cultural and socio-economic backgrounds, political opinion, sensitive medical conditions and trade union membership;
 - + Disclosing statistics on gender diversity in this Annual Report as further detailed in page 31; and
 - + Reviewing the Equality, Diversity and Inclusion Policy from time to time to ensure that it complies with relevant local laws and continuing to disclose the policy in the Annual Report.

The Board has taken significant steps to increase gender diversity. All Board appointments are made objectively, based on an individual's skills and expertise and consistent with the Equality, Diversity and Inclusion Policy.

Equality, Diversity and Inclusion Policy

Objectives	Progress updates
Ensuring the selection and appointment process for employees and Board members includes a diverse range of candidates	Review employees and Board members' recruitment procedure which includes, among others, a non-discriminatory selection process, allowing the recruitment of a diverse workforce.
Ensuring that no unlawful discrimination occurs at any stage in the selection process on the grounds of age, disability, gender reassignment, marriage and civil partnership, maternity, pregnancy, race, religion or belief, gender or sexual orientation, ethnicity, country of origin, nationality and cultural background	Review employees and Board members' recruitment procedures which include non-discriminatory selection process, at all stages of the selection process.

Objectives	Progress updates
Improve gender diversity at Board and senior management level	One female Non-Executive Director was appointed in March 2022. One female manager was promoted to senior management position in January 2022.
Reviewing the Equality, Diversity and Inclusion Policy	The Committee has reviewed and approved the updated Equality, Diversity and Inclusion Policy, a copy of which is available on the Company's website.

Succession planning

The Committee spent time in 2022 considering the important matter of succession planning across the business and reviewed the written Succession Planning Procedure. In order to ensure minimal business disruption in the event of any unexpected senior management or Board departures, the Committee is committed to continue developing plans for identifying appropriate successors in the short, medium and long term, whilst also having regard to the importance of diversity throughout the Group.

Due to the size of the Group, it is not always possible to identify internal successors for all roles throughout the business. Nevertheless, the Committee has reviewed plans for the succession of senior management roles throughout the business and has identified appropriate candidates as potential successors (both immediate successors and long-term successors).

Relevant skills and experience on the Board

	JACOBA. FRENKEL	DAVID ZRUJA	ELADEVEN-CHEN	STEVE BALDWIN	ANNE GRIM	SIGALIA HEIFETZ	TAMI GOTTLIB	VARDA LIBERMAN
Audit and risk management	NED	ED	ED	NED	NED	NED	NED	NED
Finance, banking, financial services and fund management	NED		ED	NED	NED	NED	NED	NED
Capital raising, mergers, acquisitions, investment and transactions	NED		ED	NED		NED	NED	
Marketing		ED			NED			NED
Compliance & regulation	NED	ED	ED	NED	NED	NED	NED	NED
Shareholder relations	NED	ED	ED	NED				
Digital technology		ED			NED		NED	NED
Innovation	NED	ED	ED		NED	NED	NED	NED
ESG		ED	ED	NED	NED		NED	NED
Enterprise risk management	NED		ED	NED	NED		NED	NED

ED Executive Director NED Non-Executive Director

REPORT OF THE AUDIT COMMITTEE



The Audit Committee functions very efficiently, supported by a number of consistent and professional processes that form the basis of the Committee's monitoring and review framework

Tami Gottlieb

Chair of the Audit Committee

Committee attendance in FY 2022

Details of the number of scheduled Committee meetings and individual attendance at these meetings are set out in the Committee attendance table below.

	Scheduled meetings eligible to attend	Scheduled meetings attended
Tami Gottlieb (Chair)	7	7 (100%)
Steve Baldwin	7	7 (100%)
Anne Grim	7	7 (100%)
Prof. Varda Liberman ¹	5	5 (100%)

Past member

Daniel King ²	4	3 (75%)
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1. Varda Liberman was appointed as a member of the Committee on 18 March 2022.

2. Daniel King stepped down from the Committee (and from the Board) on 19 June 2022.

Dear shareholder

I am pleased to take this opportunity to give you an overview of the work of the Committee during 2022. The Audit Committee performs a key role in the Group's governance framework, in assessing internal controls across the Group and ensuring the integrity of the Group's financial results.

Priorities for the Audit Committee during the year included financial reporting and the associated assurance of these reports, replacement of our internal auditors and an independent third-party evaluation of the Committee's performance and effectiveness. The Audit Committee functions very efficiently, supported by a number of consistent and professional processes that form the basis of the Committee's monitoring and review framework.

In January 2022, we concluded that given the increase in the scope of business of the Group and the diversification of its portfolio and geographical scope, it would be in the Company's best interests to replace our internal auditors. As a result, and after due process, conducted in accordance with the provisions of the Companies Law, the Audit Committee recommended to the Board to appoint EY as our new internal auditors, as of FY 2022, and the Board adopted this recommendation. EY's team is risk-oriented, professional and familiar with the Group's business and operations. Since being appointed, the EY team has carried out an extensive risk assessment, which was presented to the Committee at its October 2022 meeting. Also, a multi-year internal audit plan was approved by the Audit Committee, including a specific work plan for FY 2023.

In March 2022 we welcomed Prof. Varda Liberman as a member of the Committee and in June 2022 we thanked Daniel King, our long-serving director and a member of the Audit Committee over the past nine years, who ended his maximum tenure under the provisions of the Companies Law.

The Committee also reviewed a list of non-audit services provided this year by the Company's external auditors and approved the audit plan for 2023. Related party transactions were also reviewed and monitored by the Committee on a semi-annual basis and the Committee members held two closed sessions with its internal and external auditors only, in order to evaluate and assess management's effectiveness.

During the year, an independent third-party evaluation of the Audit Committee was carried out by Nasdaq Governance Solutions in order to assess the Committee's performance and effectiveness. The results of the evaluation were good and the Committee will implement several recommendations derived from this evaluation in the course of 2023.

I look forward to reporting on the Audit Committee's progress going forward, in next year's Annual Report.



Tami Gottlieb

Chair of the Audit Committee
22 March 2023

Committee composition

The Code recommends that an Audit Committee should include at least three members who are Independent Non-Executive Directors, and that at least one member should have recent and relevant financial experience. The Companies Law requires that an Audit Committee consist of at least three Directors qualified to serve as members of an audit committee under the Companies Law, including all External Directors, and must be comprised of a majority of Board members meeting certain independence criteria of the Companies Law. The Chair of the audit committee must be an External Director.

The Audit Committee is chaired by Tami Gottlieb and its other members are Steve Baldwin, Anne Grim and Prof. Varda Liberman (appointed as of March 2022). All of the members are therefore Independent Non-Executive Directors under the Code and meet the criteria for independence under the Companies Law. Tami Gottlieb and Anne Grim are considered External Directors under the Companies Law.

The Board considers that Tami Gottlieb has recent and relevant financial experience in accordance with the requirements of the Code. All of the Committee members have relevant diversified financial services experience. Details of the skills and experience of the Audit Committee members are set out on pages 52–55.

Report of the Audit Committee continued

Committee responsibilities and activities

The Audit Committee is responsible for ensuring that the financial performance of the Group is properly reported on and reviewed. The other main key governance mandates pursuant to the written terms of reference of the Audit Committee (which are available on the Company's website) are, among others, as follows:

- + To monitor the integrity and adequacy of the Consolidated Financial Statements of the Group (including annual and interim accounts and results announcements);
- + To monitor the adequacy and effectiveness of the Company's internal financial controls and internal control and risk management systems;
- + To advise on the appointment of the Company's external auditor and on their remuneration; and
- + To monitor and review the effectiveness of the Company's internal audit function.

In addition, under the Companies Law, the Audit Committee is required to monitor deficiencies in the business management of the Company, including by consulting with the internal auditor and independent accountants, to review, classify and approve related party transactions and extraordinary transactions, to review the internal auditor's audit plan, to oversee the performance of the Company's internal auditor and the internal control functions and to establish and monitor whistleblower procedures.

The Audit Committee meets not less than four times a year at appropriate intervals in the financial reporting and audit cycle and otherwise as required. The Audit Committee met seven times during 2022. The internal and external auditors have the right to attend meetings. The relevant Executive Directors, the Company's legal advisors and other persons may, by invitation from the Chair of the Audit Committee, attend meetings.

As recommended under the Companies Law, an Audit Committee should hold at least once a year a meeting to consider any defects in the Company's business administration, with the presence of the internal and external auditors, and without the presence of officers in the company who are not members of the Audit Committee. Our Audit Committee members have followed this recommendation, and as a matter of enhanced best practice, it meets privately twice a year with its external auditor and the internal auditor to discuss these issues.

A summary of the major activities and decisions of the Committee in 2022 is set out below:

Financial performance review	Review of the financial performance and review of the Consolidated Financial Statements of the Group twice a year.
Replacement of internal auditors	Replacement of the Company's internal auditors after due process, conducted in accordance with the provisions of the Companies Law.
Risk assessment review and internal audit plan	Review of findings of the risk assessment conducted by the Company's new internal auditor EY Israel and subsequent adoption of a multi-year internal audit plan including a specific internal audit plan for FY 2023.
External audit review	Review progress on implementing external audit recommendations. Monitor and review the effectiveness, independence and objectivity of the external audit function.
Risk control	Assist the Board in the monitoring of the Group's internal controls and risk management systems and their effectiveness.
2022 external Committee evaluation	Discussion and assessment of the 2022 independent third-party Audit Committee evaluation findings.
Governance	+ Review of the Committee's terms of reference in light of the Code and the Companies Law. + Review of 2022 Audit Committee Report which is included within this Annual Report.

Significant accounting and financial judgements in 2022

The Committee considered a number of significant accounting and financial judgements and estimates, which were discussed with the external auditors in the planning stage of the audit, and received the external auditor's confirmation that no additional matters have arisen which require the Committee's attention.

The significant judgements considered were: revenue recognition, uncertain tax positions, the control environment, compliance with laws and regulations. Also, the committee considered the appropriateness of the going concern basis of the Consolidated Financial Statements and the level of cash required within the business to satisfy both external regulatory requirements and the Group's market risk management.

External auditor

It is the responsibility of the Audit Committee to keep under review the scope and effectiveness of the external auditor. This includes recommending the appointment and/or reappointment of the external auditor to the Board (and to shareholders) and reviewing the scope of the audit, approving the audit fee and, on an annual basis, satisfying itself that the auditor is independent and objective. The external auditor is engaged to express an opinion on the Consolidated Financial Statements. The external auditor conducts the audit according to the audit plan which includes different audit procedures like confirmations, testing samples and discussing with management the reporting of operational results and the financial status of the Group, to the extent necessary to express their audit opinion.

Performance and effectiveness of the external auditor

Kesselman & Kesselman, a member firm of PricewaterhouseCoopers International Limited, was appointed as the Company's external auditor in 2013 and has been retained since then to perform audit and audit-related work on the Company, and other local offices of PricewaterhouseCoopers perform audit and audit-related work on the majority of the Company's subsidiaries. The Committee assesses the auditor's independence, effectiveness and objectivity at least on an annual basis, through closed sessions and enquiries by the Committee members.

The Audit Committee monitors the nature and extent of non-audit work undertaken by the auditors. Given the non-audit work undertaken by the external auditor and the Committee's oversight of its work, the Committee is satisfied that the independence and objectivity of the external auditor was adequately safeguarded throughout 2022. Nevertheless, the external auditor's independence and objectivity is kept under on-going review and is a standing item on the agenda for the Audit Committee.

In addition, the Audit Committee monitors annually the cost of non-audit work undertaken by the external auditor. The Audit Committee considers that it is in a position to take action if at any time it believes there is a risk of the auditor's independence and objectivity being undermined through the award of this task.

Having assessed the external auditor's effectiveness and independence during 2022, the Audit Committee concluded that the auditor has demonstrated professional scepticism and judgement and that the audit process as a whole has been conducted robustly and that the team selected to undertake the audit has done so thoroughly and professionally.

Audit tender process

In FY 2022, the external audit engagement partner was rotated.

The Committee has noted the tendering and rotation provisions in the EU Audit Directive and Regulation, which state that there should be a public tender every ten years and rotation of auditors at least every twenty years. The Committee also confirms compliance with the provisions of the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014.

To that effect, the Company intends to conduct a formal tender process for audit services during the financial year ended 2023. The Audit Committee considers this timing to be in the best interest of the Company and following this process, a recommendation will be made to the shareholders at the 2024 AGM for the appointment of the selected auditors.

Non-audit services

The Company maintains a Non-Audit Services Policy in order to ensure that the provision of non-audit services do not impair the external auditor's independence or objectivity. During 2022, Kesselman & Kesselman, a member firm of PricewaterhouseCoopers International Limited, and other local offices of PricewaterhouseCoopers, provided non-audit services, such as tax assessments and advice and regulatory reporting requirements, which totalled \$0.8m (including assurance-related services of \$0.3m). The assurance-related services include mainly local regulatory reporting requirements for the regulated subsidiaries which are linked directly with the external auditor's services. In addition, part of the non-audit services in the amount of \$0.5m are related to tax assessments which are provided by the external auditor according to common practice in specific territories.

The non-audit services fee constitutes 57% of the fees payable to the external auditor in 2022.

Overview of the Non-Audit Services Policy

Under the policy, all services provided by the external auditor (other than the audit itself) are regarded as non-audit services. The policy draws a distinction between permitted services (which could be provided subject to conditions set by the Committee) and prohibited services. The type of non-audit services deemed to be permitted include assurance work on non-financial data, tax services including tax advisory and reporting best practice.

The Committee has provided pre-approval which allows management to appoint the external auditor to conduct permitted non-audit services if they fall below a set fee level. The Committee reviews the pre-approval limit on an annual basis and it is currently set at \$50,000. Any non-audit service provided by the external auditor is reported to the Board. In the event that the provision of non-audit services would exceed \$50,000, the Committee would request Board approval.

Report of the Audit Committee continued

KEY FINANCIAL REPORTING AND SIGNIFICANT FINANCIAL JUDGEMENTS		HOW THE ISSUE WAS ADDRESSED BY THE AUDIT COMMITTEE
Revenue recognition	The recognition of revenue is a key matter to be reviewed, monitored and tested	+ The Audit Committee held meetings, among others, with the operation, R&D and risk teams to verify compliance of revenue recognition from all related aspects such as: IT general controls, access to programs and supporting data, program changes and computer operations for the platform and for the ERP system. + The Audit Committee discussed this matter with the external auditor at the planning and conclusion phases of the audit. + The Audit Committee concluded that the revenue recognition process is appropriate and controls are effective and are appropriately disclosed in the Consolidated Financial Statements.
Uncertain tax positions	The Audit Committee is responsible for the adequacy of the uncertain tax positions	+ The Audit Committee held meetings, amongst others, with management and tax advisors to assist in assessing the technical aspect of the Group's tax positions, including understanding the correspondence with the different tax authorities and reviewing other third parties' advice obtained by management. + The Audit Committee discussed this matter with the external auditor through the process of the audit, and received periodical updates during the year. + The Audit Committee concluded that the provision for uncertain tax positions is reasonable.
Review and assessment of the control environment	The Audit Committee has the ultimate responsibility for the supervision of the control environment. A key role of the Committee is to provide oversight and reassurance to the Board with regard to the integrity of the Company's financial reporting, internal control policies and procedures for the identification, assessment and reporting of risk	+ The Audit Committee reviewed and approved a multi-year internal audit plan, as well as a specific internal audit plan for FY 2023, following an extensive risk assessment process conducted by EY, the Company's new internal auditors. The Audit Committee discussed key findings with management and reviewed the implementation of all internal audit report recommendations brought forward from previous years. In addition, the Committee reviewed key audit risk topics as presented by the Company's internal auditors. + Management is responsible for establishing and maintaining adequate internal control over financial reporting. Under the supervision of the Audit Committee and with management participation, including the Chief Executive Officer and the Chief Financial Officer, the Audit Committee evaluated the effectiveness of the Company's internal control over financial reporting. In making this evaluation, which included planning and scoping, design assessment of the risks and controls, and controls effectiveness assessment (testing), the Audit Committee and the management have concluded that, as of 31 December 2022, the internal control over financial reporting is effective.
Review and assessment of compliance with laws and regulations	A key risk to the business is the fact that the Group's business is subject to various laws and regulations in different jurisdictions according to its activities	+ The Committee, in conjunction with the work of the Regulatory & Risk Committee, reviewed regulatory and compliance reports prepared by the Risk and Compliance teams, to ensure compliance with local regulations in the geographic and business areas the Group operates in. + The Committee considers the grid of audits and regulatory assessments and reviews their findings. The relevant aspects of such assessments to the Committee's work are discussed and assessed by the Committee. + Based on discussions with management and discussions held in the Regulatory & Risk Committee, the Audit Committee came to the conclusion that the Group is compliant with the required regulations.

KEY FINANCIAL REPORTING AND SIGNIFICANT FINANCIAL JUDGEMENTS	HOW THE ISSUE WAS ADDRESSED BY THE AUDIT COMMITTEE
Review and assessment of the appropriateness of the going concern basis of the Financial Statements and long-term viability	Going concern and viability are key matters for the operations of the Group + The Audit Committee has reviewed the assessment setting out the key assumptions related to the nature of the Group's business, budget reports and cash flow forecasts for the period of three years ending 31 December 2025, taking into account the Group's anticipated investment commitments and working capital requirements. + These reports detailed the impact of outcomes of stress tests after applying multiple scenarios to determine how the Group is able to cope with deterioration in the liquidity profile or capital position. + The Audit Committee recommended the Going Concern and Viability Statement to the Board for approval.
Review and assessment of the level of cash required within the business to satisfy both external regulatory requirements and the Group's attitude to market risk	The Group requires a level of cash to ensure that it can operate its trading platforms and maintain sufficient cash in its regulated entities to satisfy regulatory and operational needs + The Audit Committee reviews on an on-going basis the level of cash required from a regulatory, operational and risk perspective. + The Audit Committee concluded that the cash amounts held are sufficient for all the above-mentioned perspectives.

Internal auditor

Pursuant to the Companies Law, the Board must appoint an internal auditor recommended by the Audit Committee. An internal auditor may not be:

- + a person who holds more than 5% of the Company's outstanding shares or voting rights;
- + a person who has the power to appoint a Board member or the Chief Executive Officer of the Company;
- + an officer or Board member of the Company; or
- + a member of the Company's independent accounting firm, or anyone on its behalf.

The role of the internal auditor is to examine, among other things, the Company's compliance with applicable laws and orderly business procedures. The Audit Committee is required to oversee the activities and to assess the performance of the internal auditor, as well as to review the internal auditor's work plan, and the Committee has done so in FY 2022.

Following a review by the Audit Committee, the Committee came to the conclusion that, given the increase in the scope of business of the Group and the diversification of its portfolio and geographical scope, it would be in the Company's best interests to replace the Company's internal auditors. Subsequently, and after due process, conducted in accordance with the provisions of the Companies Law, the Audit Committee decided to appoint Kost Forer Gabbay & Kasierer (EY Israel), a member firm of Ernst & Young, as the Company's new internal auditors, as of FY 2022. During 2022, EY Israel performed an extensive risk assessment, which was presented to the Committee at its October 2022 meeting. The Committee concluded that the internal audit function was an effective provider of assurance over the Company's risks and that the Company had the controls and appropriate resources as required.

Based on the findings of the risk assessment conducted by EY Israel, a multi-year internal audit plan, including a specific internal audit plan for FY 2023, was approved by the Committee.

Fair, balanced and understandable

The Audit Committee undertakes a duty to consider whether the 2022 Annual Report and Consolidated Financial Statements taken as a whole, are fair, balanced and understandable, while final determination lies within the responsibilities of the Board. The Audit Committee, on behalf of the Board, also assesses whether there is enough information in the Annual Report and Consolidated Financial Statements necessary for shareholders to evaluate the financial position, performance, governance, business model and strategy of the Group.

The process

The Committee reviews the Consolidated Financial Statements and recommends their approval by the Board.

During the drafting process of the 2022 Annual Report and Consolidated Financial Statements, the Committee was given the opportunity to comment and provide feedback on the drafts. The Committee also considers whether the content provided in the report has illustrated the whole picture for the year.

The Committee then evaluated whether the report is consistent throughout, with a clear layout and linkage to the different front and back sections, and whether it is presented in a logical manner to the shareholders.

Conclusion

Following the review, it was the Committee's opinion that the 2022 Annual Report and Consolidated Financial Statements are representative of the year and, taken as a whole, present a fair, balanced and understandable overview and provides the information necessary for shareholders to assess the financial position, governance, performance, business model and strategy of the Group.

Report of the Audit Committee continued

Whistleblowing Policy

The Group operates a Whistleblowing Policy which encourages all individuals within the Group (including employees, partners, consultants, contractors, suppliers, customers and other third parties) to feel confident to voice concerns internally in a responsible, anonymous, confidential and effective manner when they discover information which they believe shows serious malpractice or impropriety, and to question and act upon those concerns. It provides a method of properly addressing bona fide concerns of such individuals, while offering whistleblowers protection from victimisation, harassment or disciplinary proceedings. Such anonymous reporting can be undertaken 24/7 in local languages. This policy and its implementation are reviewed on a regular basis, and annually by the Audit Committee and the Board. The Audit Committee reports to the Board on the effectiveness of the Group's whistleblowing mechanism and on any matter that arises as a result of it. The current Whistleblowing Policy supervisor is Steve Baldwin, who replaced Daniel King upon his tenure ending in June 2022. No whistleblowing complaints were received in 2022.

Audit Committee evaluation

In 2022, the Company engaged Nasdaq Governance Solutions to facilitate the external evaluation of the Board and the Audit Committee.

The Audit Committee evaluation comprised completion of written questionnaires via a secure digital platform, individual interviews conducted by Nasdaq Governance Solutions' experts with Audit Committee members and observance of one Audit Committee meeting.

The observations and recommendations from the evaluation were discussed with the Chair of the Audit Committee and the final evaluation report was presented by Nasdaq Governance Solutions in December 2022.

The Audit Committee evaluation covered various aspects of the Committee performance including:

- + Committee culture
- + Committee composition and structure
- + Committee meetings, information and resources
- + Committee role, including oversight of financial reporting, internal audit and external audit functions

The evaluation determined that the Audit Committee had high degrees of effectiveness, inter alia, in relation to the following:

- + Committee engagement with internal and external auditors
- + Committee's management of the process to replace the internal auditors
- + Committee leadership – the Chair being viewed by the members as an excellent and inclusive leader

Opportunities for improved effectiveness were also identified, alongside some focus areas for 2023. To strengthen its effectiveness, the Audit Committee, supported by the Company Secretary, is evaluating the findings from the external evaluation and, with the help of the actions identified in the report, will address and strengthen different focus areas arising from the external evaluation.

Report of the Regulatory & Risk Committee

REPORT OF THE REGULATORY
& RISK COMMITTEE

The Committee has monitored upcoming regulatory changes that have arisen during 2022 which are applicable to the Group's operations

Prof. Varda Liberman

Chair of the Regulatory & Risk Committee

Committee attendance in FY 2022

Details of the number of scheduled Committee meetings and individual attendance at these meetings are set out in the Committee attendance table below.

	Scheduled meetings eligible to attend	Scheduled meetings attended
Prof. Varda Liberman (Chair) ¹	3	3 (100%)
Elad Even-Chen	3	3 (100%)
Tami Gottlieb	3	3 (100%)
Prof. Jacob A. Frenkel	3	3 (100%)
Sigalia Heifetz	3	3 (100%)

1. Prof. Varda Liberman was appointed as a member of the Committee on 18 March 2022 and serves as the Chair of the Committee as of 14 February 2023.

Dear shareholder

I am privileged to have been appointed recently as Chair of the Regulatory & Risk Committee, after serving as a member of the Committee since the day I joined the Board, in March 2022. I would like to take this opportunity to thank Sigalia Heifetz, my predecessor, for her dedication in leading the Regulatory & Risk Committee in the past two years.

Regulatory compliance and risk management underpin the integrity of our business model and the continued delivery of our strategy. The Regulatory & Risk Committee receives regular reports on both compliance and risk and challenges the performance in these areas. It also receives AML reports and internal audit reports relating to the Group's regulated entities, and other reports on specific areas where more detailed testing is felt appropriate. These are described more fully in the following report.

In addition, we undertook a robust assessment of the principal risks facing the Group and updated its internal risk matrix accordingly. We have also monitored new areas of regulatory compliance such as emerging risks and developments in securities markets regulation.

As the Group has continued to develop its position as a global multi-asset fintech group, by launching new products and extending its geographic footprint, the Committee continued to monitor the main trading-related risks of the Group. On a monthly basis, the Committee is provided with detailed risk reports covering, inter alia, system exposures, performance analysis, risk mitigation and VaR analysis.

Report of the Regulatory & Risk Committee continued

The Committee and the Board have received reports in relation to the new trading products launched by the Group in 2021 and 2022 – share dealing through 'Plus500 Invest' and futures and options on futures, including 'TradeSniper', our intuitive new proprietary trading platform for US futures retail traders. In 2022, the Committee monitored regulatory changes that arose during the year, which are applicable to the Group's operations.

The Group's portfolio of regulatory licences is an increasingly valuable asset, given their scarcity and the growing complexity of obtaining new licences. I am pleased that during 2022 and Q1 2023 this portfolio of regulatory licences was further strengthened.

The regulatory licence granted in Estonia in February 2022 will further support the Group's business across European markets in its core product offering. The acquisition of a regulated firm in Japan, completed in March 2022, represents a major growth opportunity for the Group, through an immediate presence in the substantial retail trading market in Japan.

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

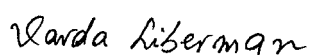
During the year, the Committee invited representatives from the Group's subsidiaries such as CEOs and Risk & Compliance officers to present to the Committee the main risk and compliance issues related to their operations. In-depth discussions were held by the Committee in relation to the risks associated with the Group's US operation, as well as an overview of the other Group's operations. The Committee will continue to host subsidiaries' representatives in the course of FY 2023. In 2022, the Committee members (and the Board as a whole) participated in regulatory training by the Company's external legal advisors and the Group's Chief Regulation Officer.

Our priorities for the coming year will be to continue to monitor regulatory changes and to enhance the risk assessment and monitoring within the business in the face of changing regulatory and market conditions.

More specifically, we will continue to assess, and seek to enhance, our approach to risk management, which is based on ensuring our risk exposures are aligned with our risk appetite across our product portfolio.

From a regulatory and compliance perspective, with a global regulatory network already well established, the Committee believes that the Group remains well positioned for potential future changes to the regulatory environment across the markets in which it operates.

I look forward to reporting on the Regulatory & Risk Committee's further progress in next year's Annual Report.



Prof. Varda Liberman
Chair of the Regulatory & Risk Committee
22 March 2023

Committee responsibilities and activities

The Regulatory & Risk Committee meets not less than three times a year and otherwise as required. The Regulatory & Risk Committee receives monthly updates from management on risk, compliance, AML and regulatory issues and reviews the related internal reports. The Regulatory & Risk Committee has responsibility for providing oversight with respect to current and potential future risk exposures of the Group and for overseeing and monitoring the Group's compliance with applicable laws, regulations and orders as required. Its activities include reviewing relationships with regulatory authorities such as: 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) and National Futures Association (NFA) 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 other regulatory authorities, as appropriate, in jurisdictions where the Group has a significant operation. The Committee is also responsible for reviewing risk assessment programmes and internal controls.

The Regulatory & Risk Committee is responsible for reviewing the Group's most significant risks to the achievement of strategic objectives and any emerging risks, reviewing the Group's Risk Management Policy and ensuring that the Company's ethics are being adhered to. The other key governance mandates, pursuant to the written terms of reference of the Regulatory & Risk Committee (which are available on the Company's website), are as follows:

- + To oversee and advise the Board on current and emerging risk exposures of the Company and future risk strategy;
- + To keep under review the adequacy and effectiveness of the Company's internal financial controls and internal control and risk management strategy and systems;
- + To review the Group's capability to identify and manage new risk types;
- + To review the most significant risks to the achievement of strategic objectives;
- + To review incident reports to monitor incidents and remedial activity; and
- + To consider and approve the remit of the risk management function and ensure that it has adequate resources and appropriate access to information to enable it to perform its function effectively and in accordance with the relevant professional standards.

A summary of the major activities and decisions of the Committee in 2022 is set out below.

Regulatory and compliance review	+ Periodic regulatory, compliance and AML reports review. + Oversee the implementation of new regulatory requirements. + Monitor and assess the Group's relationships with regulatory authorities.
Licence application review	+ Review licence applications prepared during the period.
Risk review and assessment	+ Review periodic risk reports, including VaR reports and performance analysis reports. + Review risk assessment programmes and internal risk management controls. + Review emerging and principal risks for the period and the Company's risk register. + Review and assess current approach to hedging as well as possible options for future approaches in this area. + Review risks associated with the Group's new operations.
Regulatory training	+ Participated in regulatory training by the Company's external legal advisors and the Group's Chief Regulation Officer.
Governance	+ Review of the Committee's terms of reference. + Review of 2022 Regulatory & Risk Committee Report which is included within this Annual Report. + Review of 2022 Risk Management Framework which is included within this Annual Report.
Climate Change	+ Review of 2022 TCFD Report which is included within this Annual Report.

Committee composition

The Regulatory & Risk Committee is chaired by Prof. Varda Liberman (appointed as a member in March 2022 and as Chair in February 2023), succeeding Sigalia Heifetz as Chair. The other members are Elad Even-Chen, Tami Gottlieb, Sigalia Heifetz and Prof. Jacob A. Frenkel. According to the Committee's terms of reference (which are available on the Company's website) the Committee shall comprise at least three members, the activities of the Committee should involve participation by the Chair of the Audit Committee (Tami Gottlieb) and the Group Chief Financial Officer (Elad Even-Chen) should be a member of the Committee. Details of the skills and experience of the Regulatory & Risk Committee members can be found on pages 52-55.

REPORT OF THE ESG COMMITTEE



ESG continues to be a critical element of organisational culture, operations, reporting and disclosure and is now, more than ever before, a highly prevalent theme across global capital markets

Steve Baldwin
Chair of the ESG Committee

Committee attendance in FY 2022

Details of the number of scheduled Committee meetings and individual attendance at these meetings are set out in the Committee attendance table below.

	Scheduled meetings eligible to attend	Scheduled meetings attended
Steve Baldwin (Chair) ¹	3	3 (100%)
Anne Grim	3	3 (100%)
David Zruia ²	2	2 (100%)
Past member		
Daniel King ³	1	1 (100%)

1. Steve Baldwin was appointed as Chair of the Committee on 19 June 2022.
2. David Zruia was appointed as a member of the Committee on 1 August 2022.
3. Daniel King (previous Chair of the Committee) stepped down from the Committee (and from the Board) on 19 June 2022.

Dear shareholder

Having served as a member of the ESG Committee since its establishment in 2020, I am honoured to have been also appointed as Chair of the Committee as of June 2022. I would like to thank Daniel King, my predecessor, for his continuous efforts in establishing, shaping and guiding the work of the Committee, and for his dedication and focus on ensuring that the Committee has a clear framework from which to operate. I would also like to welcome our CEO, David Zruia, who was appointed as a member of the Committee as of August 2022.

ESG continues to be a critical element of organisational culture, operations, reporting and disclosure and is now, more than ever before, a highly prevalent theme across global capital markets. This has been driven by growing public pressure, increasing regulator engagement and investors integrating ESG into their investment analysis. In this dynamic and complex environment, ESG issues can have a direct impact on a company's competitive advantage and operational performance. Furthermore, investors, naturally, are seeking more understanding and detail about how companies are managed in this regard.

Being established for more than two years now, the ESG Committee, as well as the Board and the entire Group, remain committed to developing our ESG strategy, and will continue to broaden the disclosure on ESG matters in order to ensure key stakeholders have a clear and comprehensive understanding of the Group's activities in these areas.

I am pleased to provide an overview of the work carried out by the ESG Committee in 2022, as well as its objectives and priorities for the coming year.

A comprehensive materiality assessment carried out in 2021 identified several ESG priority areas for Plus500 – namely, customer care and protection, organisational culture, cyber security, systems infrastructure and leadership and governance. Our commercial and operational approach and progress during 2022 in each of the areas can be found in this Annual Report, in particular in the ESG section on pages 28–32. With the assessment laying the foundations of the Group’s approach in this area, the Committee made strong progress during the year to develop Plus500’s position in ESG, in particular by refreshing our reporting and disclosure, in line with the latest regulatory and disclosure requirements, as exemplified in various sections of this Annual Report.

The Company supports the recommendations published by the TCFD and during 2021 and 2022, the Committee worked with a specialist ESG consultant, which conducted a rigorous gap analysis and assessment of the Group’s ESG reporting and disclosure, against its UK-listed peer group and a range of US-listed fintech groups. This assessment has helped to provide a foundation for the Group’s on-going approach to ESG reporting and disclosure going forward.

More specifically, conclusions from this assessment have helped to inform the Group’s detailed reporting and disclosure against the TCFD recommendations, which includes the reporting of our Scope 1 and Scope 2 emissions data. This information, including the Group’s future plans to continue to align itself to the TCFD recommendations, is outlined in the TCFD section on pages 33–37 of this Annual Report.

Also during the year, the Committee and the Board continued to review Plus500’s Environmental Policy, which is available on the Company’s website. The Group remains committed to managing its environmental impact, consistently aiming to ensure that it conducts appropriate and necessary actions to minimise the impact of its operations on the environment. The Group has made various commitments, including, to protect the environment, to reduce waste as well as water, energy and resource use, to monitor the Group’s environmental performance and to ensure that office services are sourced from providers that share these commitments.

The Committee reviewed the Donations & Volunteering Procedure and received a report from the Company’s Donations Committee detailing the type and amounts of donations made during 2022 and 2021 (both monetary and in-kind donations), the profile of charitable and non-profit organisations which received the donations and future charitable initiatives.

The Committee continued to be mindful of the various diversity aspects, and monitored, in conjunction with the Nomination Committee, that our Board is sufficiently diverse from both gender and ethnic perspectives, and also reviewed gender diversity as part of the Group’s succession planning. In depth discussions were held in the Committee during the course of 2022, with key focus on social aspects, such as customers’ satisfaction and employee welfare and wellbeing.

I look forward to reporting on the ESG Committee’s further progress in next year’s Annual Report.



Steve Baldwin

Chair of the ESG Committee

22 March 2023

Committee composition

The ESG Committee is chaired by Steve Baldwin. The other members are Anne Grim and David Zruia (as of August 2022). According to the Committee’s written terms of reference (which are available on the Company’s website) the Committee shall comprise at least three members, a majority of the members of the Committee should be Independent Non-Executive Directors (Steve Baldwin and Anne Grim) and at least one member shall be an External Director (Anne Grim). Details of the skills and experience of the ESG Committee members can be found on pages 52–55.

Committee responsibilities and activities

The overall responsibilities of the ESG Committee are to assess the following pillars:

- + Environmental: the Group's impact on the natural environment and its adaptation to climate change including greenhouse gas emissions, energy consumption, generation and use of renewable energy, biodiversity and habitat, impact on water resources and the status of water bodies, pollution, resource efficiency, the reduction and management of waste, and the environmental impact of the Group's supply chain;
- + Social: the Group's interactions with employees, commercial counterparties, stakeholders and the communities in which it operates and the role of the Group in society, workplace policies (for example, employee relations and engagement, diversity, non-discrimination and equality of treatment, health and safety and well-being), ethical procurement, any social or community projects undertaken by the Group, social aspects of the supply chain, community and stakeholder engagement or partnerships; and
- + Governance: the ethical conduct of the Group's business including its business ethics policies, code of ethics and counterparty due diligence.

The other key governance mandates, pursuant to the written terms of reference of the ESG Committee (which are available on the Company's website), are as follows:

- + To ensure that sufficient focus and resource is given to implementing, monitoring and managing the Company's ESG policies and processes and that these remain effective;
- + To ensure that the Board's ethics are being adhered to and the Company continues its commitment to issues concerning social responsibility; and
- + To consider the adequacy of the Group's ESG policies and processes by reviewing reports prepared by management on:
 - + review of any key learnings from internal or external reviews and investigations of any marketing, advertising campaigns and promotional activities which have had a significant negative impact on the brand or image of the Group;
 - + diversity in the workplace;
 - + security and health and safety in respect of the Group's employees and premises;
 - + charitable donations and pro bono programmes; and
 - + the Company's impact on the environment.

A summary of the major activities and decisions of the Committee in 2022 is set out below:

Reports and policies review	+ Periodic review of ESG reports. + Review of succession planning (from a gender diversity perspective). + Review of Donations & Volunteering Procedure.
Diversity review	+ Review of gender diversity on the Board. + Review of ethnic diversity on the Board.
Review of policies	+ Review of the Company's Environmental Policy and Equality, Diversity and Inclusion Policy.
Donations and community initiatives review	+ Review type and amounts of donations made during 2021-2022 (both monetary and in-kind donations), profile of charitable and/or non-profit organisations which received the donations and future charitable initiatives.
Customer satisfaction	+ In depth review of customer feedback in 2022, presented by the Group Head of Customer Support.
Employees welfare & wellbeing	+ In depth review of employees' welfare, wellbeing and development, presented by the Group VP HR.
Materiality assessment	+ Review of, and feedback on, detailed materiality assessment. + Discussion and agreement on key priority areas emanating from this assessment, including an approach on future reporting and disclosure in each of these areas.
Gap analysis	+ Working with a specialist ESG consultant to conduct gap analysis of the Group's ESG reporting and disclosure, compared to our UK-listed peer groups and US-listed fintech groups. + Discussed and agreed approach for Group's ESG reporting and disclosure, based on the findings of this analysis.
TCFD reporting	+ Working with a specialist ESG consultant to prepare detailed reporting and disclosure against the TCFD recommendations, which includes the reporting of our Scope 1 and Scope 2 emissions data (see page 33 of this Annual Report).
Governance	+ Appointment of new Committee Chair and new Committee member. + Review of the Committee's terms of reference. + Review of 2022 ESG Report which is included within this Annual Report. + Review of 2022 ESG Committee Report which is included within this Annual Report.

Report of the Remuneration Committee

REPORT OF THE REMUNERATION COMMITTEE



Our 2022 Remuneration Report has further evolved, as we continue to provide clearer and more transparent disclosures more closely aligned to UK best practice

Anne Grim

Chair of the Remuneration Committee

Committee attendance in FY 2022

Details of the number of scheduled Committee meetings and individual attendance at these meetings are set out in the Committee attendance table below.

	Scheduled meetings eligible to attend	Scheduled meetings attended
Anne Grim (Chair) ¹	3	3 (100%)
Tami Gottlieb	3	3 (100%)
Past members		
Sigalia Heifetz ²	3	3 (100%)
Daniel King ³	1	1 (100%)

1. Anne Grim was appointed as Chair of the Committee on 19 June 2022.
2. Sigalia Heifetz stepped down from the Committee on 14 February 2023.
3. Daniel King (previous Chair of the Committee) stepped down from the Committee (and from the Board) on 19 June 2022.

Prof. Varda Liberman was appointed as a member of the Committee in February 2023, therefore she is not included in the Committee's attendance table in FY 2022.

Dear shareholder

I am privileged to have been appointed as Chair of the Committee as of June 2022, after serving as a member of the Committee for over two years now, replacing Daniel King who completed his maximum nine-year tenure. I would like to thank Daniel for his tremendous efforts in designing and guiding the work of the Committee during the past years and for his endless dedication to ensure that the Committee has a solid framework from which to evolve.

Accordingly, as the new Chair of the Remuneration Committee, and on behalf of the Board, I am pleased to present the Remuneration Committee Report for FY 2022.

Plus500 is a corporate entity incorporated in Israel and is therefore not legally required to comply with the requirements applicable to a UK incorporated company. The Directors' Remuneration Report, which will be put to shareholders' vote (as a non-binding advisory vote) at our 2023 AGM, has been prepared once again with a view to the standards for a UK company, while making required adjustments in order to conform with the requirements under the Israeli law pertaining to remuneration, and best market practice in the Israeli hi-tech environment.

Our Directors' Remuneration Report provides a short overview of remuneration paid in respect of performance in 2022.

In accordance with the provisions of the Companies Law, shareholders' approval will be sought for our Remuneration Policy once every three years or earlier if a change to policy is

Report of the Remuneration Committee continued

required, as was sought in 2021 for the years 2021, 2022 and 2023 and which was approved at the 2021 AGM held on 4 May 2021 with excellent support of over 94% of the votes. Shareholders will also be aware that as an Israeli company we are required to obtain shareholder approval to the remuneration packages for our Executive Directors. If changes are made to the annual remuneration packages, shareholders' approval will be sought.

Our 2022 Remuneration Report has further evolved, as we continue to provide clearer and more transparent disclosures more closely aligned to UK best practice and the UK Directors' Remuneration Reporting Regulations.

Business performance

The Group delivered an excellent operational and financial performance in FY 2022, delivering further growth and building on its long-term track record of performance since the IPO in 2013. Plus500 made outstanding progress against its strategic roadmap this year, with the objective of further developing its position as a global multi-asset fintech group and in terms of its operational performance, the Group delivered strong operational delivery across all key metrics during 2022.

Plus500's financial performance in FY 2022 was also exceptional, reinforcing the Group's financial position, delivering further outstanding revenue and EBITDA growth, well ahead of market expectations related to Plus500's financial performance at the start of the year, following several upgrades to these market expectations throughout the year.

2022 operation of policy

2022 was a year of excellent financial and operational performance and the annual bonus targets were met in full with bonus payable to David Zruia of \$1,531,000 and Elad Even-Chen of \$1,531,000. As a result of their leadership, hard work and commitment, the Group delivered an excellent operational and financial performance in FY 2022, well ahead of market expectations. In addition, Plus500 outperformed against a number of strategic objectives, including the delivery of the major milestones:

- + Access to the substantial Japanese retail trading market achieved, through acquisition of a regulated entity in Japan
- + New regulatory licence obtained in Estonia, to act as an additional foundation to the Group's business across Europe in its OTC product offering
- + New technological retention initiatives developed and launched, including premium service, demonstrating the Group's continued focus on high value customers
- + Launch of 'Insights', Plus500's big-data, analytical tool designed to provide its OTC customers with access to real-time and historical trends
- + Major commercial milestone, with over 24 million worldwide customers now registered on its trading platforms since inception
- + Over \$270m delivered in shareholder returns through dividends and share buybacks (compared to over \$200m in FY 2021), which equates to 73% of the Group's net profits in FY 2022
- + 33% increase in Plus500's share price from 1 January 2022 to 31 December 2022

Full details of the remuneration payable for 2022 performance and performance against targets is set out in the Annual Report on Remuneration. The Remuneration Committee comprehensively assessed Executive Management's performance against these targets and, given Executive Management's substantial commitment in leading and delivering Plus500's outstanding strategic, operational and financial performance during FY 2022, determined that these targets were met in full. Furthermore, the Committee is comfortable that the remuneration paid for 2022 is aligned to the strong performance in the year and investor returns, particularly in the context of a challenging macro-economic environment and the impact of on-going uncertainty on international capital markets.

Increase in fees (as of 1 January 2022) for the Chair of the Board and the Non-Executive Directors

Given the long-standing experience, high calibre and value creation being delivered by the Chair of the Board and its Non-Executive Directors, the Remuneration Committee proposed to increase the remuneration of the Chair of the Board and the remuneration of each of the Board's Non-Executive Directors. As explained by the Remuneration Committee and the Board, during FY 2021 and Q1 2022, the Group has significantly expanded its international operations, making an initial entry in the US for the first time, through two acquisitions, and by establishing a new operation in Europe through a new licence in Estonia and in Asia, through an acquisition in Japan. In addition, the Group is expected to establish further new operations in additional geographies over the next year and into the future.

With the expanded, and expanding, global operations of the Group, additional time, availability and attention is required of the Non-Executive Directors. The Remuneration Committee therefore believes the remuneration increase which was proposed is commensurate with the increased attention and time required of the Non-Executive Directors. Also, the proposed level of remuneration was appropriate and in line with US Non-Executive remuneration, which is relevant as several of the Board's Non-Executive Directors are either based in the US or spend a significant amount of time there.

When proposing the increase in the remuneration of Prof. Frenkel as Chair of the Board, the Remuneration Committee took into account Prof. Frenkel's more than 40 years of experience in global economics and in leading and advising major multi-national financial organisations and high-profile public sector institutions. In particular, the Committee was minded that Prof. Frenkel has significant, long-standing experience in the US financial, futures and capital markets, with a long track record of engaging with regulators and major government agencies and institutions in the US and around the world.

Accordingly, and given his significant leadership and contribution to Board meetings, Prof. Frenkel is proving to be a significant asset to the Company in crafting its strategic objectives and advancing the development of its operations. With all of this in mind, the Remuneration Committee suggested that the increase in Prof. Frenkel's remuneration was appropriate for the level of value that he is providing, and will continue to provide, for the Group and its shareholders.

The abovementioned increases in fees for the Chair of the Board and the Non-Executive Directors were brought for shareholders approval at the 2022 AGM held on 3 May 2022. Further details of these proposed changes can be found in the Notice of the 2022 Annual General Meeting, published on 23 March 2022.

I would like to thank our investors who were supportive and approved these changes. I am grateful for the engagement, feedback and support we have received from our shareholders.

Proposed increase in fees (as of 1 January 2023) for the Chair of the Board and the Non-Executive Directors

In light of the business performance outlined above, and given that with the expanded, and expanding, global operations of the Group, additional time, availability and attention are required from the Chair of the Board and the other Non-Executive Directors. Therefore, the Remuneration Committee proposes to moderately increase the remuneration of Prof. Frenkel as Chair of the Board and to moderately increase the remuneration of each of the Board's Non-Executive Directors, all effective as of 1 January 2023.

Further details of these proposed changes can be found in the Notice of the 2023 Annual General Meeting, to be circulated by the Company to all shareholders in due course.

Rationale for proposed increase in remuneration of Non-Executive Directors and Chair of the Board

The Remuneration Committee believes the remuneration enhancements being proposed are commensurate with the increased attention and time required of the Chair and the Non-Executive Directors to take account of an expanded and more globally diversified business. Furthermore, the Remuneration Committee believes that the enhancements are appropriate for the level of value that the Chair and Non-Executive Directors are providing, and will continue to provide, for the Group and its shareholders. In addition, the proposed enhancements are aligned with US Non-Executive remuneration, which is relevant and appropriate, as explained above.

Next steps

The Remuneration Committee believes that it is in the best interests of the Company and its shareholders to approve the resolutions related to the items outlined above at the Company's 2023 AGM.

Concluding remarks

Since the 2022 AGM results, the Board engaged with various shareholder advisory bodies and a number of shareholders, taking into account their feedback.

The Board always takes the outcome of shareholder votes seriously and, going forward, will continue its engagement and dialogue with shareholders and their representatives and will continue to consider related shareholder feedback, with a view to implementing this feedback, as appropriate.

All the resolutions put to the 2022 AGM were approved by the requisite majority with the exception of the non-binding advisory resolution to approve the Directors' Remuneration Report. In addition, two resolutions proposed at the 2022 AGM had more than 20% of votes cast against them. These resolutions related to the re-election of one of the Board's Independent Non-Executive Directors and an allotment of shares to the Chair of the Board.

Committee composition

The Code recommends a remuneration committee to consist of at least three members and that all of its members be Non-Executive Directors, independent in character and judgement and free from any relationship or circumstance which may, could or would be likely to, or appear to, affect their judgement.

The Companies Law requires a remuneration committee to consist of at least three members, and all of the External Directors must be members of the committee and constitute the majority thereof. The remaining members must qualify to serve as members of the Audit Committee as defined in the Companies Law and whose compensation is in accordance with the compensation requirements applicable to the External Directors. The Chair of the Remuneration Committee must be an External Director.

The Remuneration Committee comprises three Independent Non-Executive Directors: Anne Grim, Tami Gottlieb and Prof. Varda Liberman (appointed on 14 February 2023, replacing Sigalia Heifetz) and is chaired by Anne Grim (appointed as chair in June 2022, replacing Daniel King following his end of tenure). Anne Grim and Tami Gottlieb are External Directors under the Companies Law. Details of the skills and experience of the Remuneration Committee members can be found on pages 52-55.

Members of the Board engaged with several shareholders and shareholder advisory bodies to understand their perspective on the above-mentioned resolutions, and on the Group's overall framework for governance and remuneration. As a result, the Board believes it has a good understanding of the rationale regarding the votes cast against and where appropriate will take these views into consideration in the Group's future approach to these areas.

All other resolutions at the AGM were passed by a majority of at least 80% of votes cast in favour, with a number of these resolutions relating to remuneration increases of the Chair and the Independent Non-Executive Directors, as described above. This support demonstrates shareholders' overall on-going recognition of the importance of providing appropriate incentives to attract and retain high quality individuals to the Board whose stewardship is helping to drive the value of Plus500's business as the Group successfully continues to deliver against its strategic objectives.

The Board remains fully committed to achieving the highest governance standards and will continue to engage regularly with shareholders and to consider their views in its decision-making.

I look forward to reporting on the Remuneration Committee's further progress in next year's Annual Report.



Anne Grim
Chair of the Remuneration Committee
22 March 2023

Annual report on remuneration 2022

This section of the Annual Report describes the implementation of the Terms of Reference, Israeli law requirements and the provisions of the Code.

Committee responsibilities and activities

The Remuneration Committee meets not less than twice a year and at such other times as required. The Remuneration Committee has responsibility for determining, within the agreed terms of reference, the Companies Law provisions and subject to the Remuneration Policy of the Group, the Group's policy on the remuneration packages of the Company's Chief Executive Officer, Chief Financial Officer, the Chair of the Board and the other Non-Executive Directors, the Company Secretary and other senior Executives determined by the Committee.

The other key governance mandates of the Committee pursuant to the Companies Law and the written terms of reference of the Remuneration Committee (which are available on the Company's website) are as follows:

- + Reviewing the remuneration policy and approving a remuneration policy at least once in every three years;
- + In determining remuneration policies for the Company's senior management and/or individual remuneration packages of each Executive Director, the Chair of the Board and other designated senior Executives, the Remuneration Committee is required to give regard to the relevant legal and regulatory requirements, the provisions of the Companies Law, the provisions and recommendations of the Code and associated guidance;
- + Approving and determining the targets for any performance-related pay schemes; and
- + Reviewing the design of all share incentive plans for approval by the Board and (if required or deemed appropriate) the shareholders.

A summary of the major activities and decisions of the Committee in 2022 is set out below:

Base salary/ service fees	+ Executive Directors' remuneration review. + Review and approval of Chair's and Non-Executive Directors' fees and recommendations to the Company's shareholders.
Bonus	+ Review of the performance of the Chief Executive Officer and the Executive Directors compared to the targets previously set and approval of annual bonus awards for 2022 based on fulfilment of such performance targets.
Long Term Incentive Plans ("LTIPs")/ Restricted Share Units ("RSUs")	+ Review of Executive Directors' 2022 LTIP and RSU plans. + Review and approval of 2022 RSU grants to Executive employees.
Governance	+ Review of corporate governance and determining appropriate levels of disclosure for the 2022 Directors' Remuneration Report. + Review of 2022 AGM remuneration report results, and investor and shareholder advisory bodies' views on remuneration. + Review of the Committee's terms of reference in light of the Code and the Companies Law. + Review of 2022 Remuneration Committee Report which is included within this Annual Report. + Review of 2022 Directors' Remuneration Report which is included within this Annual Report.
Other	+ Review of remuneration consultant costs and appointment.

The Company Secretary ensures that the Remuneration Committee fulfils its duties under the Companies Law and its terms of reference and provides regular updates to the Remuneration Committee on relevant regulatory developments in the UK, information on Israeli market trends and compensation structures on a broader Group level.

Remuneration policy

Pursuant to the Companies Law, all public Israeli companies, including companies whose shares are only publicly listed outside of Israel, such as Plus500, are required to adopt a written remuneration policy for their Board members and Executives, which addresses certain items prescribed by the Companies Law. The adoption, amendment and restatement of the policy is to be recommended by the Remuneration Committee and approved by the Board and the Company's shareholders.

The Remuneration Policy was approved at the 2021 AGM on 4 May 2021, after a thorough and comprehensive review undertaken by the Committee, which included consultation with major shareholders and engagement with shareholder advisory bodies.

The Remuneration Policy and operation of policy for the years 2021, 2022 and 2023, provides some far-reaching changes from the previous policy and operation to ensure that we are making significant strides to align to the UK norm.

We have not made any changes to the Remuneration Policy that was approved at the 2021 AGM. Further details of the approved Remuneration Policy are included within our 2020 Annual Report, which can be found on the Company's website.

In accordance with the provisions of the Companies Law, shareholders' approval will be sought for our Remuneration Policy at least once in every three years.

Stakeholder engagement

Employees, customers and suppliers

The Board regularly communicates with and receives feedback from the Group's employees through a variety of channels. Steve Baldwin, as the designated Non-Executive Director dedicated to workforce engagement, meets on a yearly basis with the Group's workforce and at such meetings employees have the opportunity to share their views, including on executive and employee remuneration.

In addition, employees can contact Steve Baldwin directly on matters they wish to discuss with him or with the Board. Steve Baldwin also regularly communicates with the senior management who have connections with other stakeholders of the Company, such as customers and suppliers. Steve reports any key messages deriving from such conversations to the Board and ensures that such messages are considered as part of the Board's decision-making process. Plus500 holds regular employee workshops and briefings on a variety of topics and conducts round table discussions with its employees worldwide.

The Company seeks to consider and act on employee feedback and is committed to ensuring that its remuneration structures are supported by its employees. The Company is also continually working to develop best practice in line with the Code and is considering whether additional channels of employee communication are required in order to better develop employee engagement and foster stronger connections with its workforce.

Shareholders

The Chair of the Board and the Chair of the Remuneration Committee are in regular communication with shareholders of the Company on a variety of matters and are grateful for shareholders' engagement and feedback.

As mentioned, in developing the Company's Remuneration Policy, which was approved by over 94% of shareholders' votes cast at the 2021 AGM, the Committee consulted with major shareholders and engaged with other shareholder advisory bodies. Shareholders have also understood that as the Company is incorporated under the laws of the State of Israel, there is a small number of matters that are not fully aligned with UK investor expectations.

The Board always takes the outcome of shareholder votes seriously and, going forward, will continue its engagement and dialogue with shareholders and their representatives and will continue to consider related shareholder feedback, with a view to implementing this feedback, as appropriate.

Approach to recruitment and remuneration of Executive Directors

Plus500 believes that strong, effective leadership is fundamental to its continued growth and success in the future. This requires the ability to attract, retain, reward and motivate highly-skilled Executive Directors, with the competencies needed to excel in a rapidly changing marketplace and to continually motivate their employees.

When setting remuneration packages for new Executive Directors, pay will be set in line with the Remuneration Policy of the Company. Several factors will be considered, including: the geography in which the role competes or is recruited from; the candidate's experience and skills; the remuneration levels of other Executive Directors and colleagues in peer companies in Israel and in the international market; market standards and norms in the UK and the international markets.

If necessary, Executive Directors may be provided with contributions towards relocation expenses, housing, school fees etc., all in line with the practices within the relocated countries and the level of executive seniority.

Non-Executive Directors

Non-Executive Directors are appointed for a one-year term and are subject to re-election at each AGM. External Directors are appointed by shareholders at an EGM or AGM for a three-year term commencing on the date of their appointment by the shareholders. This term may be extended for up to two additional three-year terms subject to re-election by shareholders at an EGM or AGM. The term of office can be terminated by the Non-Executive Director with two months' written notice, or by the Company with immediate effect if the Non-Executive Director is not re-elected or is otherwise removed from office in accordance with the Articles. Notwithstanding, External Directors' service may be terminated by the Company only in such circumstances and manner provided under the Companies Law. Upon termination no additional payments are due.

Report of the Remuneration Committee continued

The table below details the date and period of appointment of each Non-Executive Director presiding

NAME	POSITION	DATE OF APPOINTMENT TO THE BOARD OF DIRECTORS	DATE OF RE-APPOINTMENT TO THE BOARD OF DIRECTORS	PERIOD OF APPOINTMENT
Prof. Jacob A. Frenkel	Independent Non-Executive Director and Chair	May 2021	May 2022	1 year
Anne Grim	Senior Independent Non-Executive Director and External Director	September 2020	N/A	3 years
Steve Baldwin	Independent Non-Executive Director	June 2017	May 2022	1 year
Sigalia Heifetz	Independent Non-Executive Director	February 2021	May 2022	1 year
Tami Gottlieb	Independent Non-Executive Director and External Director	March 2021	N/A	3 years
Prof. Varda Liberman	Independent Non-Executive Director	March 2022	May 2022	1 year

The table below details the date and period of appointment of each Executive Director presiding

NAME	POSITION	DATE OF APPOINTMENT TO THE BOARD OF DIRECTORS	DATE OF RE-APPOINTMENT TO THE BOARD OF DIRECTORS	PERIOD OF APPOINTMENT
David Zruia	Executive Director	April 2020	May 2022	1 year
Elad Even-Chen	Executive Director	June 2016	May 2022	1 year

Directors' Remuneration Report

ANNUAL REPORT ON REMUNERATION 2022

Introduction

This report sets out information about the remuneration of the Board members of the Company, for the year ended 31 December 2022.

Audited information – Directors' remuneration – 1 January 2022 to 31 December 2022

Single figure of remuneration

The detailed emoluments received by the Executive and Non-Executive Directors during the year ended 31 December 2022 are detailed below.

The information provided in the section and accompanying notes has been audited by Kesselman & Kesselman, a member firm of PricewaterhouseCoopers International Limited.

	BASE SALARY/ SERVICE FEES ¹		OTHER EXPENSES ²		TOTAL FIXED PAY		ANNUAL BONUS		LTIPs/RSUs		SHARE APPRECIATION RIGHTS		TOTAL VARIABLE PAY		TOTAL	
(US\$000)	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Executive Directors																
David Zruia	639	636	143	220	782	856	1,531	1,590	231	–	1,842	–	3,604	1,590	4,386	2,446
Elad Even-Chen	639	636	143	142	782	778	1,531	1,590	289	265	2,093	–	3,913	1,855	4,695	2,633
Non-Executive Directors																
Jacob A. Frenkel ³ (Chair)	705	472	–	–	705	472	–	–	–	–	–	–	–	–	705	472
Anne Grim	124	100	–	–	124	100	–	–	–	–	–	–	–	–	124	100
Steve Baldwin	124	103	–	–	124	103	–	–	–	–	–	–	–	–	124	103
Tami Gottlieb ⁴	124	84	–	–	124	84	–	–	–	–	–	–	–	–	124	84
Sigalia Heifetz ⁵	124	98	–	–	124	98	–	–	–	–	–	–	–	–	124	98
Varda Liberman ⁶	97	N/A	–	–	97	N/A	–	–	–	–	–	–	–	–	97	N/A
Past Non-Executive Director																
Daniel King ⁷	62	103	–	–	62	103	–	–	–	–	–	–	–	–	62	103

1. The remuneration terms comprised of a salary for David Zruia and service contract fees for Elad Even-Chen (the "base service fees").

2. Includes social and other contractual-related expenses.

3. Prof. Jacob A. Frenkel was appointed as a Non-Executive Director and Chair of the Board at the 2021 AGM held on 4 May 2021.

4. Tami Gottlieb was appointed as a Non-Executive Director and External Director on 16 March 2021.

5. Sigalia Heifetz was appointed as a Non-Executive Director on 4 February 2021.

6. Prof. Varda Liberman was appointed as a Non-Executive Director on 18 March 2022.

7. Daniel King stepped down from the Board on 19 June 2022.

General note: In line with the UK reporting regulations, LTIP and RSU awards shall be reported in the year that the performance period ends with the value of the award on grant date.

Directors' Remuneration Report continued

Commentary on the single figure table

Base salary, base service fees and social and other contractual related expenses

David Zruia's base salary in 2022 was ILS 2,060,000 as approved by the AGM on 4 May 2021. Elad Even-Chen's base service fees in 2022 was ILS 2,060,000 as approved by the AGM on 4 May 2021.

Annual Bonus

The 2022 annual bonus for the Executive Directors was determined based on the achievement of the performance measures and targets set out below:

FINANCIAL METRICS	WEIGHTING	OBJECTIVES	PERFORMANCE	ACHIEVEMENT (% OF MAXIMUM)
EPS	40%	EPS target to be set according to stretched external independent consensus. Achievement of an EPS growth rate. Target EPS threshold of \$1.91. Minimum threshold is 15% lower EPS from the target threshold EPS and the maximum payout is made for reaching a 15% increase from the target threshold, calculated on a linear basis.	Actual basic EPS for FY 2022 is \$3.81	100%
Revenue	20%	Revenue target to be set according to stretched external independent consensus. Achievement of revenue growth rate. Target revenue threshold of \$567.9m. Minimum threshold is 15% lower revenue from the target threshold revenue and the maximum payout is made for reaching a 15% increase from the target threshold, calculated on a linear basis.	Actual Revenue for FY 2022 is \$832.6m	100%
Total	60%			100%
NON-FINANCIAL METRICS	WEIGHTING	OBJECTIVES	PERFORMANCE	ACHIEVEMENT (% OF MAXIMUM)
Operational	40%	Achievement of operational targets comprise three equally weighted elements: Customers and Systems, Operations and Risk & Regulation	Parameters achieved for 2022	100%
Total	40%			100%

The Remuneration Committee comprehensively assessed Executive Management's performance against these stretching targets, which were set before the start of FY 2022. Given Executive Management's substantial commitment in leading and delivering Plus500's outstanding strategic, operational and financial performance during FY 2022, determined that these targets were met in full. Further details of the financial and non-financial KPIs are as follows:

Financial KPIs: the EPS and revenue targets applying to the performance-related Annual Bonus are reviewed annually, and the Remuneration Committee uses external market consensus as a basis to the threshold targets. This is the external market consensus of various analysts which cover the Company in their views towards the Company's performance. The Remuneration Committee believes that using the external market consensus as a basis to the threshold target allows for alignment between remuneration paid to Executive Directors and the market expectations. Thus, the Committee feels comfortable that such independent measures are sufficiently stretching.

The target performance related to the Annual Bonus requires meaningful improvement on the previous year's outcome, and for financial targets are typically in line with the top end of external market expectations. Plus500 FY 2021 EPS target of \$1.98, which was based on external market expectations, was driven by the significant positive impact of the COVID19 situation on the business in FY 2020. Plus500 FY 2022 EPS target of \$1.91, which was also based on external market expectations, took into consideration an assumption of the business coming back in FY 2022 to the run rate of its ordinary course of business, plus a stretched growth element. Therefore, the FY 2022 EPS target of \$1.91, was stretched and meaningfully higher than that of the previous year. Additionally, the actual outcome of FY 2022 EPS was meaningfully higher than the targeted external market expectations, as a result of the executive management's successful deployment against the Group's strategic roadmap.

EPS is a primary KPI and important underlying measure for Plus500, which helps investors compare the Group's performance to its peer group and the wider market. It takes into account the underlying performance, including revenue and profitability, of the business. Therefore, the Remuneration Committee believes EPS should be an important element in both the Annual Bonus and LTIP awards for executive management.

Non-financial KPIs: the operational KPIs outlined in the table above consist of:

- + Customer Experience and Systems Availability, measured by Customer Satisfaction Levels. The Group puts a great deal of focus on customer care and the Board believes that in order to enable continued future growth for Plus500, there should be an on-going focus on Customer Satisfaction levels, and customer engagement, measured quantitatively;
- + Development and implementation of new technologies to enable the expansion of the localised payment abilities, measured by level of functioning of various technology-based operational systems. In FY 2022, various payment methods and other technological solutions were developed internally to enable such new capabilities; and
- + Risk and Regulation, measured by KPIs related to the regulatory framework. As a Group which has various highly regulated wholly-owned subsidiaries, there are thresholds to be met in order to confirm there are appropriate and clear outcomes to the risk and regulatory framework. In FY 2022, such thresholds were fully met.

Further specific details of these targets and performance against them are not disclosed as the Board believes they are commercially sensitive. They will remain market sensitive because they are an integral part of our on-going business operations. The Remuneration Committee has provided as much information as it is able to, given the nature of the objectives, so that investors can be comfortable that the Remuneration Committee has used a thorough approach in setting the objectives and targets and measuring the outcome.

Based on the performance against these targets described above the Committee agreed the following 2022 bonus awards based on 100% of the maximum opportunity to present achievements and meeting targets.

2022 bonus awards (US\$000)

	CASH BONUS	BONUS ALLOCATED IN SHARES	TOTAL ANNUAL BONUS	MAXIMUM OPPORTUNITY AS PERCENTAGE OF ANNUAL SALARY/BASE SERVICE FEES*
David Zruia	1,021	510	1,531	250%
Elad Even-Chen	1,021	510	1,531	250%

* Percentage calculation based on annual employment/contractual agreements in ILS.

An amount equal to 33.33% of the Annual Bonus achieved was paid by way of allotment of ordinary shares of the Company on 31 December 2022. The number of ordinary shares allotted on the payment date was calculated based on the ordinary share price at 2 January 2022, as adjusted for shareholder returns. The allotted ordinary shares are subject to a post vesting holding period.

Legacy Share Appreciation Rights ("SARs")

SARs are a deferred cash settled award subject to providing continued service or employment over long-term periods and tied to the long-term performance of the Company's ordinary shares.

In respect of FY 2020 SARs granted on 31 December 2019, the remuneration package to David Zruia included SARs granted in December 2019 to be vested after three years in December 2022. The grant was fully vested on 31 December 2022 in the amount of \$1,842,000. The remuneration package to Elad Even-Chen included SARs granted in December 2019 to be vested after three years in December 2022. The grant was fully vested on 31 December 2022 in the amount of \$2,093,000.

In line with the rigorous changes which were implemented as part of the FY 2021 Remuneration Policy, it was agreed that SARs would no longer be awarded to Executive Directors. Instead, to ensure the policy's approach in relation to executive remuneration was fully aligned to UK best practice, Executive Directors would be awarded Long Term Incentive Plans, with long-term lock-up periods. Consequently, as of FY 2021 and FY 2022 there are no new SARs entitlements for Executive Directors.

Directors' Remuneration Report continued

2022 LTIP/RSUs Awards

Scheme interests awarded during the year ending 31 December 2022

Executive Directors were granted Long Term Incentive Plan ("LTIP") and Restricted Share Units ("RSUs") grants in respect of 2022 which will vest after three years to the extent performance targets and KPIs have been achieved, as summarised in the table below.

PERFORMANCE MEASURE	WEIGHTING	TARGETS	
		THRESHOLD (25% OF MAX)	MAXIMUM (100% OF MAX)
Relative TSR vs bespoke group	20%	Median	Median plus 10% p.a.
Relative TSR vs FTSE 250	10%	Median	Upper Quartile
EPS	30%	Subject to achieving EPS target to be set according to stretched external independent consensus	
Strategic	20%	Subject to achieving strategic objectives, as set by the Board and related to growth through M&A, new products and new markets	
Operational	20%	Subject to achieving operational objectives, as set by the Board and related to customer growth and people objectives	

Further details of a number of these performance measures outlined above are as follows:

EPS: the EPS target uses market consensus as a basis to the threshold targets. This is the external market consensus of various analysts which cover the Company in their views towards the Company's performance. The Remuneration Committee believes that using the external market consensus as a basis to the EPS target allows for alignment between remuneration paid to Executive Directors and the external market expectations. Thus, the Committee feels comfortable that such independent measures are sufficiently stretching. The target performance requires meaningful improvement, and financial targets are typically in line with the top end of external market expectations.

Operational: the operational objectives consist of integration of new business, regulation of new products, customer service and people. These objectives are measured by such factors as:

- + ESG targets, such as gender diversity, aligned to the Group's Equality, Diversity and Inclusion Policy. Measurable elements are in place in relation to gender diversity; and
- + a clear approach to recruitment, aligned to the Group's strategy in this area.

Strategic: the strategic objectives are based on development of the business as a global multi-asset fintech group and consist of launching new products and entering new geographic markets, which was achieved on a number of dimensions in FY 2022, including:

- + acquisition in Japan, including sign-off and closing of the acquisition transaction, developing and implementing an integration plan;
- + development of US business, including implementing an operational integration plan through development of new proprietary technologies such as the 'TradeSniper' platform for the US futures retail market and the establishment of a new B2B line of business for the institutional US futures market;
- + achievement of new regulatory licence and establishment of new subsidiary in Estonia;
- + plans in place for establishment of subsidiary in UAE (with regulatory licence obtained and operational in Q1 2023);
- + launch of a new mobile share dealing platform, 'Plus500 Invest', across Europe; and
- + launch of 'Insights', Plus500's proprietary new big-data analytic tool.

The exact KPIs for the LTIP strategic and operational metrics remain commercially sensitive at this time and/or contain or are based upon data that is not otherwise included in the Company's market guidance (such as the Group's expected profitability), and therefore will be retrospectively disclosed within the Annual Report in the Remuneration Report with performance against them. The TSR bespoke group companies are also considered to be commercially sensitive and will be retrospectively disclosed with performance against the targets in the annual audited accounts in the Remuneration Report with performance against them.

The details for the LTIPs and RSUs awards granted to each Executive Director are shown below.

	GRANT DATE	NUMBER OF SHARES GRANTED	FACE VALUE OF THE AWARD (USD)	VESTING DATE	MAXIMUM OPPORTUNITY AS PERCENTAGE OF ANNUAL SALARY/BASE SERVICE FEES ¹
David Zruia	2 January 2022	94,910	1,653,662	31 December 2024	250%
Elad Even-Chen	2 January 2022	94,910	1,653,662	31 December 2024	250%

1. Percentage calculation based on annual amounts of the contractual agreements in ILS.

General note: Face value of the award and the number of shares granted on grant date are calculated with reference to share price of 1,291 GBP pence and FX rate USD/ILS of 3.114.

The ordinary shares allotted on the vesting date, which are subject to a lock-up period, shall be subject to a two-year lock-up beginning on the vesting date.

On the vesting date the Company shall allot to the employee or service contractor, ordinary shares, subject to the service condition and achieving specific KPIs as described in the table above for each grant.

The number of ordinary shares allotted on the vesting date shall be calculated based on the ordinary share price at grant date as specified in the table above for each plan, as adjusted for shareholder returns. An amount equal to the applicable tax liability connected to the LTIPs, RSUs, SARs and annual bonus deferred in shares plans shall be added by way of gross-up and be paid in cash to fund the tax liability. The allotted ordinary shares will be transferred out of the treasury shares of the Company.

The 2020 LTIP and RSU Grants were subject to service condition as well as additional performance targets and KPIs. The 2020 LTIP and RSU Grants vested on 31 December 2022 and the Company issued 82,824 of its treasury shares.

FINANCIAL METRICS	WEIGHTING	OBJECTIVES	PERFORMANCE	ACHIEVEMENT (% OF MAXIMUM)
EPS	40%	Subject to achieving the three-year compounded annual EPS growth rate and calculated on a linear basis, with 30 per cent. payable upon achievement of 5 per cent. compounded annual EPS growth rate and 100 per cent. payable upon achievement of 12 per cent. compounded annual EPS growth rate	Actual basic EPS for FY 2022 is \$3.81, which represents 182% growth	100%
TSR	40%	Subject to achieving the three-year FTSE 250 TSR target and calculated on a linear basis, with 30 per cent. Payable upon achievement of median TSR for FTSE 250 and 100 per cent. Payable upon achievement of upper quartile TSR for FTSE 250	Actual TSR of 152% > FTSE 250 TSR upper quartile of 19%	100%
Total	80%			100%
NON-FINANCIAL METRICS	WEIGHTING	OBJECTIVES	PERFORMANCE	ACHIEVEMENT (% OF MAXIMUM)
HR	20%	Achievement against Board approved strategic plan, covering the following areas: + Employee attrition rates + Development of the R&D team	Parameters achieved for the period	100%
Total	20%			100%

The Committee carefully assessed performance against objectives set for the LTIP and RSU Grants and noting exceptionally strong performance against all of the objectives set, determined full achievement of the objectives.

The HR objectives are based on development of the R&D team and employee attrition rates. In line with the Company's plan to incrementally invest approximately \$50m in its R&D capability between FY 2021 and FY 2023, the Company continues to invest in product development to further deepen customer engagement, including through continued recruitment at the Company's R&D centres in Israel. The Group had a great success to retain its employees and to recruit new employees in order to support its strategic roadmap and as employee welfare and development is a key priority for the Group.

Directors' Remuneration Report continued

Payments to past Director and payments for loss of office

Non-Executive Director Daniel King stepped down from the Board on 19 June 2022. He was not entitled to and subsequently did not receive any payment for Loss of Office.

All amounts paid are set out in the single figure of remuneration table.

Further information on 2022 remuneration

Directors' shareholdings and share plan interests

Summary of Directors' shareholdings and share plan interests as at 31 December 2022¹.

	OUTSTANDING SCHEME INTERESTS AS AT 31/12/2022		BENEFICIAL OWNERSHIP IN SHARES		SHAREHOLDING REQUIREMENT (% OF SALARY/BASE SERVICE FEES)	CURRENT SHAREHOLDING AS AT 31/12/2022 (% OF SALARY/BASE SERVICE FEES)
	SUBJECT TO PERFORMANCE CONDITIONS	WITHOUT PERFORMANCE CONDITIONS	AS AT 1 JANUARY 2022	AS AT 31 DECEMBER 2022 ²		
Executive Directors						
David Zruia	175,766	–	46,031	101,748	200%	379%
Elad Even–Chen ³	223,107	20,078	184,075	321,074	200%	1,196%
Non–Executive Directors						
Jacob A. Frenkel	–	–	5,424	19,589	–	–
Anne Grim	–	–	–	–	–	–
Steve Baldwin	–	–	–	–	–	–
Tami Gottlieb	–	–	–	553	–	–
Sigalia Heifetz	–	–	–	–	–	–
Varda Liberman	–	–	N/A ⁴	–		
Past Non–Executive Director						
Daniel King	–	–	30,993	30,993 ⁵	–	

As of 31 December 2022, none of the presiding Board members held more than 0.34% in the Company's issued share capital.

1. As disclosed above, none of the Directors has any interest in the share capital of the Company or of any of its subsidiaries nor persons connected to the Directors (within the meaning of s.252 of the Companies Act) have any such interest, whether beneficial or non-beneficial.
2. As at 31 December 2022 and up to the date of this Annual Report.
3. The shares are registered in the name of Elad Even-Chen Consulting Services Ltd. or Elad Even-Chen.
4. Varda Liberman was appointed as a Non-Executive Director on 18 March 2022.
5. Daniel King shareholding as at date when stepped down from the Board on 19 June 2022.

General notes:

- (a) Outstanding scheme interest as at 31 December 2022 include 2022 and 2021 LTIP/RSU awards that have not vested, and vested deferred bonus for 2020.
- (b) Beneficial ownership in shares include all share plan interests together with any holdings of ordinary shares.
- (c) Current shareholding as at 31 December 2022 as a % of salary/base service fees were calculated based on share price as at 31 December 2022 and FX GBP/ILS as of that date.

Executive Director's service contract

Elad Even-Chen, an Executive Director, provides his consulting services to the Company pursuant to a service contract. The terms of his service contract are summarised below.

Elad Even-Chen – Chief Financial Officer

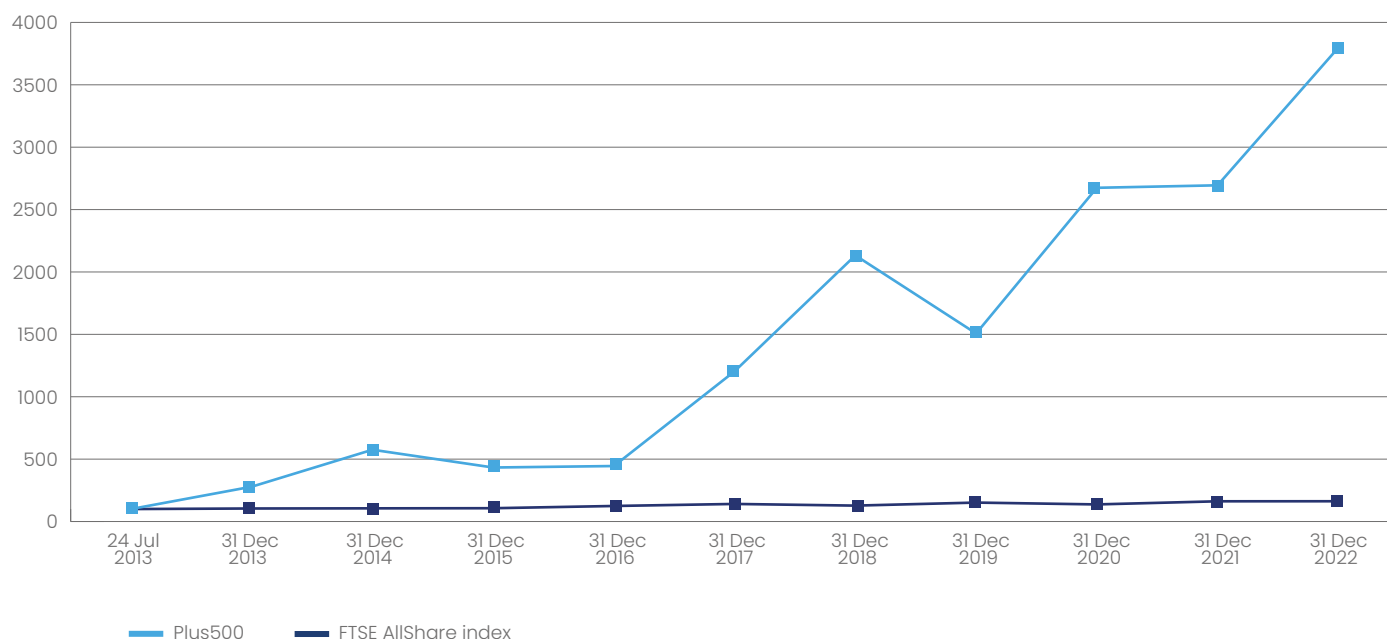
The consulting services of Elad Even-Chen are provided to the Company through Elad Even-Chen Consulting Services Ltd., pursuant to the service contract entered into by the parties. Elad Even-Chen Consulting Services Ltd. is also entitled to participate in a bonus, legacy SAR entitlements, LTIP schemes and other contractual-related expenses on terms decided by the Remuneration Committee for specific projects provided by the consultant.

Performance graph and table

Plus500 was admitted to the Alternative Investment Market of the London Stock Exchange on 24 July 2013. Following a period of sustained growth, the Company applied for Admission to the Main Market which became effective on 26 June 2018.

The chart below shows the TSR performance of £100 invested in Plus500 at IPO vs performance of the FTSE All Share index. As part of the Company's continued commitment to strengthen corporate governance, the reporting of Directors' remuneration in 2022 is being aligned to a greater extent with the regulations applicable to a UK incorporated company. This disclosure will be built up over the coming years in line with these requirements.

TSR performance of £100 invested in Plus500 at IPO vs performance of the FTSE All-Share index



	2022
CEO single figure total remuneration (\$000s)	4,386
Annual bonus achieved for 2022 (as % of maximum opportunity)	100%

Relative importance of the spend on pay

The following table sets out the change in shareholder returns and overall spend on pay in the years ended 31 December 2022 and 2021.

US\$ IN MILLIONS	2022	2021	PERCENTAGE CHANGE
Total gross employee and other related expenses pay	80.9	58.9	37%
Dividends	119.9	144.9	(17)%
Share buybacks	138.8	64.9	114%

Directors' Remuneration Report continued

Non-Executive Directors' letters of appointment

On their initial appointment, each of the Non-Executive Directors (who are not External Directors) signed a letter of appointment with the Company, for an initial period commencing upon the date of their appointment by the Board and ending on the date of the next AGM (and with respect to External Directors – ending on the date which is three years from the date of their appointment's approval by the Company's shareholders at an AGM/EGM).

The letters of appointment of Prof. Jacob A. Frenkel, Steve Baldwin, Sigalia Heifetz and Prof. Varda Liberman as Non-Executive Directors require them to retire and be subject to re-election at each Annual General Meeting in accordance with Provision 18 of the Code. The letters have been drafted such that renewed appointment will not necessitate a new letter of appointment. The appointments of Prof. Jacob A. Frenkel, Steve Baldwin, Sigalia Heifetz and Prof. Varda Liberman can be terminated by the Non-Executive Director with two months' written notice, or by the Company with immediate effect if the Non-Executive Director is not re-elected or is otherwise removed from office in accordance with the Articles.

As required under, and subject to the Companies Law, the appointments of Anne Grim and Tami Gottlieb as External Directors are for a period of three years from the date of appointment (which may be extended for up to two additional three-year terms). Daniel King was re-elected for a third and final three-year term effective from the 2019 AGM held in June 2019. Consequently, his nine-year term ended in June 2022. Anne Grim was elected for her first three-year term effective from the 2020 AGM held in September 2020. Tami Gottlieb was elected for her first three-year term effective from the 2021 EGM held in March 2021.

Each Non-Executive Director is expected to commit to a minimum of 24 days per year in fulfilling their duties as a director of the Company.

Other than the External Directors, there are no existing or proposed service contracts or consultancy agreements between any of the Directors and the Company which cannot be terminated by the Company within 12 months without payment of compensation.

Copies of the letters of appointment of the Chair and the other Non-Executive Directors of the Company are available for inspection at the Company's registered office during normal business hours.

The Chair and Non-Executive Directors do not participate in any long-term incentive or annual bonus schemes, nor do they accrue any pension entitlement. The Chair's and Non-Executive Directors' current remuneration is as detailed in the 2022 AGM Notice as published on 23 March 2022 and as approved by shareholders at the 2022 AGM held on 3 May 2022.

In addition, there are more stringent regulations around the exact roles of Non-Executive Directors. The Audit and Remuneration Committees' Chair must be External Directors who once appointed serve for three years (which may be extended for up to two additional three year terms). However, they are then restricted from becoming the Chair of the Board or holding any paid role at the Company for two years after they step down from the Board.

External board appointments

Where Board approval is given for a Board member to accept an outside non-executive directorship, the individual is entitled to retain any fees received. The Board assesses and confirms that such appointment will not have any material impact on the performance of the Director, and will not affect the Director's commitments and duties as a Director of the Company.

Below are the details of external Board memberships of the Company's Non-Executive Directors, in publicly listed companies, as of the date of this Annual Report:

Steve Baldwin is currently Chair of TruFin plc and a Non-Executive Director of The Edinburgh Investment Trust PLC.

Prof. Jacob A. Frenkel is currently the Chair of BrainStorm Cell Therapeutics Inc., a NASDAQ publicly listed biotechnology company.

Anne Grim is currently a Non-Executive Director of Metro Bank PLC and Insight Investment Management Ltd. (subsidiary of Bank of New York Mellon, a NYSE publicly listed company).

Sigalia Heifetz is currently a Non-Executive Director of RHI Magnesita N.V, Clal Biotechnology Industries Ltd, Maman – Cargo Terminals and Handling Ltd. and Tamar Petroleum Ltd.

Tami Gottlieb is currently an External Director of Bank Leumi Le-Israel, an External Director of Extell Limited, an Independent Director of Novo-log (Pharm-Up 1966) Ltd. and a Non-Executive Director of Emilia Development (O.F.G) Ltd.

Prof. Varda Liberman is currently an External Director of Cellcom Israel Ltd.

Non-Executive Director fees

The current annual fees for our presiding Non-Executive Directors are as follows:

NAME	ROLE	FEE
Jacob A. Frenkel	Chair	\$705,000
Anne Grim	NED & SID, External Director	\$124,000
Tami Gottlieb	NED, External Director	\$124,000
Steve Baldwin	NED	\$124,000
Sigalia Heifetz	NED	\$124,000
Varda Liberman	NED	\$124,000

For further details with respect to the structure of the remuneration paid to our Chair, please refer to our 2022 AGM Notice published on 23 March 2022.

External advisors

In 2022, the Committee appointed Ernst & Young Global Limited as an independent advisor to carry out a detailed benchmarking exercise in relation to an increase in the remuneration of Prof. Jacob A. Frenkel as an Independent Non-Executive Director and Chair of the Board and in relation to an increase in the remuneration of the other Independent Non-Executive Directors. These increases were voted on at the Company's 2022 AGM and received shareholders' support. The Remuneration Committee is satisfied that the advice provided by EY in relation to these remuneration matters is objective and independent.

In Q1 2023, the Committee appointed Pearl Meyer and Partners, LLC ("Pearl Meyer") as an independent advisor to carry out a detailed benchmarking exercise in relation to further evolving the Company's remuneration disclosures, including by further enhancing transparency and aligning them with UK best practice and shareholders' expectations. This will include adoption of a new Remuneration Policy for the years 2024-2026, and addressing other remuneration matters. Alongside the appointment of Pearl Meyer, the Company also worked with a compensation governance advisory firm in this regard. These remuneration matters will be voted on at the Company's 2023 AGM. The Remuneration Committee is satisfied that the advice provided by Pearl Meyer in relation to the remuneration matters is objective and independent.

Statement of voting on remuneration at 2022 annual general meeting

The table below shows votes cast by proxy at the AGM held on 3 May 2022 in respect of the Directors' remuneration.

AGM RESOLUTIONS	FOR	% VOTES CAST	AGAINST	% VOTES CAST	VOTE WITHHELD
Approve increase in fees to Anne Grim	50,067,752	82.2	10,842,765	17.8	5,000
Approve increase in fees to Tami Gottlieb	50,067,752	82.2	10,842,765	17.8	5,000
Approve increase in fees to Daniel King	50,067,752	82.2	10,842,765	17.8	5,000
Approve increase in fees to Steve Baldwin	50,067,752	82.2	10,842,765	17.8	5,000
Approve increase in fees to Sigalia Heifetz	50,067,752	82.2	10,842,765	17.8	5,000
Approve fees to Varda Liberman	50,067,752	82.2	10,842,765	17.8	5,000
Approve increase in the remuneration of Jacob A. Frenkel	51,112,544	83.91	9,797,973	16.09	5,000
Allotment of shares to Jacob A. Frenkel	45,361,405	74.47	15,554,112	25.53	–
Advisory vote – Approve the Directors' Remuneration Report	27,480,108	45.12	33,430,409	54.88	5,000

The following list shows the remuneration of the Company's six most highly compensated executives in 2022 (including two Executive Directors): Elad Even-Chen* US\$ 4,695,306; David Zruia* US\$ 4,386,109; Nir Zatz US\$ 3,172,604; Alon Cohen Naznin US\$ 1,413,668; Al Yaros US\$ 1,303,114; Dani Magner US\$ 1,120,429. (*For further disclosure refer to the single table on the Remuneration Report).

Directors' Remuneration Report continued

Implementation of policy in 2023

2023 Executive Directors' remuneration

During the past couple of years, the Remuneration Committee has continued its efforts to modify the remuneration arrangements of the Executive Directors to better align executive compensation with UK governance standards followed by Main Market-listed companies, and move further towards a structure in line with investor expectations and developments in best practice. The remuneration for Executive Directors for FY 2023 remains the same as it was in FY 2022.

The Company's remuneration policy was approved by the shareholders for the years FY 2021, FY 2022 and FY 2023 at the 2021 AGM and received over 94% approval. During FY 2023, a new Remuneration Policy for the years FY 2024, FY 2025 and FY 2026, will be brought for approval by shareholders. This proposed policy will include additional enhancements, in line with UK best practice.

This report has been approved by the Board of Directors of Plus500 Limited.

Signed on behalf of the Board



Anne Grim

Chair of the Remuneration Committee

22 March 2023

Directors' Report

DIRECTORS' REPORT

The Directors of Plus500 present their report for the year ended 31 December 2022. The Directors believe that the requisite components of this report are set out elsewhere in this Annual Report and/or on the Company's website (www.plus500.com). The table below sets out where the necessary disclosure can be found.

Directors	Directors that have served during the year and summaries of the current Directors' key skills and experience are set out on pages 52–55 and on page 65.
Results and shareholder returns	Results for the year ended 31 December 2022 are set out in the Financial and Business Review on pages 38–40 and the Consolidated Statement of Comprehensive Income on page 106. Information regarding the final and special dividends can be found in the Financial and Business Review on page 40. Dividend payments made during the year ended 31 December 2022 can be found in the notes to the Consolidated Financial Statements on page 124. During FY 2022, the Company executed its existing share buyback programmes, with 6,943,359 ordinary shares purchased during the year, amounting to a total of \$138.8m, at an average share price of £16.27.
Articles of Association	The Company's full Articles of Association can be found on the Company's website. https://cdn.plus500.com/media/Investors/ConstitutionalDocuments/ArticlesOfAssociation.pdf Any amendments made to the Articles of Association may be made by a special resolution of shareholders.
Share Capital	Details of the Company's share capital are set out in note 22 to the Consolidated Financial Statements on page 126. At the close of business on 21 March 2023, the Company had 91,731,052 ordinary shares in issue, and an additional 23,157,325 ordinary shares are held in treasury by the Company.
Authority to purchase own shares	The Company has authority to purchase its own shares.
Directors' interests	Details of the Directors' beneficial interests are set out in the Directors' Remuneration Report on page 90.
Directors' indemnities	The Company has given indemnities to each of the Directors in respect of any liability arising against them in connection with the Company's (and any associated company's) activities in the conduct of their duties. These indemnities are subject to the conditions set out in their indemnification agreements and remain in place at the date of this report.
Directors' and Officers' Liability Insurance	Directors' and Officers' Liability Insurance cover is in place at the date of this report. Cover is reviewed annually and the last renewal was carried out in October 2022.
Major interests in shares	Notifiable major shares interests of which the Company has been made aware are set out on page 61.
Political contributions	The Company did not make any donations to political organisations during the year.
Equality, Diversity and Inclusion Policy	In December 2022 the Company reapproved and published on its Equality, Diversity and Inclusion Policy. https://cdn.plus500.com/media/Investors/Docs/EqualityDiversityInclusionPolicy.pdf
Financial risk	Details of the Company's policies on financial risk management and the Company's exposure to market price risk, credit risk, liquidity risk and cash flow risk are outlined in note 26 to the Consolidated Financial Statements.
Research and Development	Details about the Company's future developments can be found in the Strategic Report on pages 7–9.
Auditors	A resolution to reappoint Kesselman & Kesselman, a member firm of PricewaterhouseCoopers International Limited as external auditors will be proposed at the 2023 Annual General Meeting.
Post balance sheet events	There have been no post balance sheet events.
Audit information	Each of the Directors at the date of the approval of this report confirms that: + so far as he/she is aware, there is no relevant audit information of which the Company's auditors are unaware; and + he/she has taken all the reasonable steps that he/she ought to have taken as a Director to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of the information.

Listing Rule 9.8.4R disclosures

The table below sets out where disclosures required in compliance with Listing Rule 9.8.4R are located.

Interest capitalised and tax relief	n/a
Publication of unaudited financial information	n/a
Details of long-term incentive schemes	Page 85 to 91
Waiver of emoluments by a Director	n/a
Waiver of future emoluments by a Director	n/a
Non pre-emptive issues of equity for cash	n/a
Non pre-emptive issues of equity for cash by major subsidiary undertakings	n/a
Parent company participation in a placing by a listed subsidiary	n/a
Contracts of significance	n/a
Provision of services by a controlling shareholder	n/a
Agreements with controlling shareholders	n/a
Shareholder waivers of dividends	n/a
Shareholder waivers of future dividends	n/a

The Directors' Report has been approved by the Board of Directors of Plus500 Ltd.

Signed on behalf of the Board



Elad Even-Chen
Chief Financial Officer
22 March 2023

Corporate Law

CORPORATE LAW

Mandatory bids, squeeze out and sell out rules relating to the Company's ordinary shares

As the Company is incorporated in Israel, it is subject to Israeli law and the City Code on Takeovers and Mergers (the "Takeover Code") will not apply to the Company. It shall be noted that the Company has incorporated in its Articles of Association provisions analogous to Rules 4, 5, 6 and 8 of the Takeover Code, as described below.

Mergers

The Companies Law permits merger transactions, provided that each party to the transaction obtains the approval of its board of directors and shareholders (excluding certain merger transactions which do not require the approval of the shareholders, as set forth in the Companies Law).

Pursuant to the Company's Articles of Association, the shareholders of the Company are required to approve the merger by the affirmative vote of a majority of the outstanding ordinary shares of the Company. In addition, pursuant to the Companies Law, for purposes of the shareholder vote of each party, the merger will not be deemed approved if a majority of the shares not held by the other party, or by any person who holds 25% or more of the shares or the right to appoint 25% or more of the directors of the other party, has voted against the merger.

The Companies Law requires the parties to a proposed merger to file a merger proposal with the Israeli Registrar of Companies, specifying certain terms of the transaction. Shares in one of the merging companies held by the other merging company or certain of its affiliates are disenfranchised for purposes of voting on the merger. A merging company must inform its creditors of the proposed merger. Any creditor may submit any request to the court in relation to the merger, and the court may: (1) order to delay or prevent the merger, if the court finds a reasonable concern that the surviving party will not be able to satisfy all its obligations, and (2) instruct orders to guarantee the creditors' rights. Moreover, a merger may not be completed until at least 50 days have passed from the time that the merger proposal was filed with the Israeli Registrar of Companies and at least 30 days have passed from the approval of the shareholders of each of the merging companies.

In addition, under certain circumstances, the provisions of the Companies Law that deal with "arrangements" between a company and its shareholders may be used to effect squeeze-out transactions in which the target company becomes a wholly-owned subsidiary of the acquirer. These provisions generally require that the merger be approved by a majority of the participating shareholders holding at least 75% of the shares voted on the matter, as well as 75% of each class of creditors. In addition to shareholder approval, court approval of the transaction is required.

Companies Law – Special tender offer

The Companies Law provides that an acquisition of shares of a public Israeli company must be made by means of a special tender offer if, as a result of the acquisition, the purchaser shall become a holder of 25% or more of the voting rights in the company. This rule does not apply if there is already another holder of at least 25% of the voting rights in the company.

Similarly, the Companies Law provides that an acquisition of shares in a public company must be made by means of a special tender offer if, as a result of the acquisition, the purchaser could become a holder of more than 45% of the voting rights in the company, if there is no other shareholder of the company who holds more than 45% of the voting rights in the company.

In addition, under the Companies Law, the entry by two or more shareholders into a shareholders' agreement, where such shareholders' agreement will result in such shareholders holding concert shares in a company in an amount exceeding the thresholds set out above, the Company may also be subject to the requirement to publish a special tender offer.

A special tender offer must be extended to all shareholders of a company but the offeror is not required to purchase shares representing more than 5% of the voting power attached to the company's outstanding shares, regardless of how many shares are tendered by shareholders. A special tender offer may be consummated only if at least 5% of the voting power attached to the company's outstanding shares will be acquired by the offeror and the number of shares tendered in the offer exceeds the number of shares whose holders objected to the offer.

If a special tender offer is accepted, then the purchaser or any person or entity controlling it or under common control with the purchaser or such controlling person or entity may not make a subsequent tender offer for the purchase of shares of the target company and may not enter into a merger with the target company for a period of one year from the date of the offer, unless the purchaser or such person or entity undertook to effect such an offer or merger in the initial special tender offer. Shares that are acquired in violation of this requirement to make a tender offer will be deemed Dormant Shares (as defined in the Companies Law) and will have no rights whatsoever for so long as they are held by the acquirer.

Companies Law – Full tender offer

Under the Companies Law, a person may not purchase shares of a public company if, following the purchase, the purchaser would hold more than 90% of the company's shares or of any class of shares, unless the purchaser makes a tender offer to purchase all of the target company's shares or all the shares of the particular class, as applicable. If, as a result of the tender offer, either:

- + The purchaser acquires more than 95% of the company's shares or a particular class of shares and a majority of the shareholders that did not have a Personal Interest accepted the offer; or
- + The purchaser acquires more than 98% of the company's shares or a particular class of shares.

Then, the Companies Law provides that the purchaser automatically acquires ownership of the remaining shares. However, if the purchaser is unable to purchase more than 95% or 98%, as applicable, of the company's shares or class of shares, the purchaser may not own more than 90% of the shares or class of shares of the target company.

Articles of Association – Anti-Takeover and prohibited acquisitions provisions

In addition to the tender offer rules applied by the Companies Law (as described above), offers are also subject to the takeover provisions incorporated in the Company's Articles of Association, which provisions refer to compliance with Rules 4, 5, 6 and 8 of the UK City Code on Takeovers.

Convening General Meetings by Directors and Shareholders and adding items to the agenda

According to the Companies Law, the board of directors of a public company shall convene an extraordinary general meeting at its own decision, and also on the demand of each of the following:

- + two directors or a quarter of the serving directors; or
- + one or more shareholders who have at least 5% of the issued share capital and at least 1% of the voting rights in the company, or one or more shareholders who have at least 5% of the voting rights in the company.

In addition, one or more shareholders with at least 1% of the voting rights at the general meeting may request that the board of directors include a subject on the agenda of a general meeting that will be convened in the future, on condition that the subject is suitable for discussion at a general meeting.

Directors' Responsibility Statement

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are responsible for preparing the Annual Report and the Consolidated Financial Statements in accordance with applicable law and regulations. The Companies Law requires the Directors to prepare Consolidated Financial Statements for each financial year. Under that law, the Directors have elected to prepare the Consolidated Financial Statements in accordance with International Financial Reporting Standards as issued by the IASB ("IFRS"). The Directors must not approve the Consolidated Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Comprehensive Income of the Group for that period. The Directors considered the information provided in the Annual Report and how it assists the Company's shareholders in understanding the Group's position, performance business model and strategy.

In preparing these Consolidated Financial Statements, the Directors are required to:

- + Present fairly the financial position, financial performance and cash flows of the Group;
- + Present information, including accounting policies, in a manner that provides relevant, reliable, consistent and understandable information;
- + Make judgements and accounting estimates that are reasonable;
- + State whether applicable IFRS have been followed, subject to any material departures disclosed and explained in the Consolidated Financial Statements;
- + Provide additional disclosures when compliance with the specific requirements in IFRS is insufficient to enable users to understand the impact of transactions, other events and conditions on the Group's financial position and financial performance;
- + Prepare the Consolidated Financial Statements on the going concern basis unless it is inappropriate to presume the Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and to disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the Consolidated Financial Statements comply with applicable law.

They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps in the prevention and detection of fraud and other irregularities.

Each of the Directors confirms that, to the best of each person's knowledge and belief:

- + The Group's Consolidated Financial Statements, which have been prepared in accordance with IFRS, give a true and fair view of the assets, liabilities, financial position and profit of the Group;
- + The Directors' Report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties that it faces.

The Directors consider that the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Group's position, performance, business model and strategy.

The Directors are also responsible for preparing the Directors' Report, Strategic Report, Corporate Governance Report and the Directors' Remuneration Report.

This report has been approved by the Board.

Signed on behalf of the Board



David Zruia
Chief Executive Officer
22 March 2023

FINANCIAL STATEMENTS



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For illustrative purposes

Independent Report of the Auditors

TO THE SHAREHOLDERS
OF PLUS500 LTD.Report on the audit of the
consolidated financial statements**Opinion**

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Plus500 Ltd. (the "Company") and its subsidiaries (the "Group") as at 31 December 2022 and its consolidated results of operations and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standards Board.

What we have audited

The Group's consolidated financial statements comprise:

- + The consolidated statement of financial position as at 31 December 2022;
- + The consolidated statement of comprehensive income for the year then ended;
- + The consolidated statement of changes in equity for the year then ended;
- + The consolidated statement of cash flows for the year then ended; and
- + The notes to the consolidated financial statements, which include a summary of significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants including International Independence Standards issued by the International Ethics Standards Board for Accountants ("IESBA Code"). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KEY AUDIT MATTER

HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER

REVENUE RECOGNITION

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 has developed and operates online trading platforms.

Trading income represents Customer Income, which mainly includes 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), and Customer Trading Performance, which includes gains/losses on customers' trading positions, arising on client trading activity.

In respect of trading income generated from OTC offering, the Group has developed and operates an online trading platform for trading OTCs. The computation of the revenue is carried out automatically by using its own developed platform which is an internal IT system (the "Platform").

The revenue is calculated based on several parameters. Part of the parameters that feed into that calculation are received from external quotation suppliers and others depend on internally developed program code within the Platform.

The revenue depends on a combination of the effective operation and accuracy of controls over, and access rights to, the Platform.

Our audit predominantly focused on the Group's control environment, including the IT environment. We tested key controls over the revenue process, from the acceptance of a new customer, through the trading activity to the revenue that is recorded in the Company's general ledger.

We tested the operating effectiveness of IT general controls, including: access to programmes and supporting data, program changes and computer operations for the Platform and for the ERP system. In addition, we tested program development controls over the ERP system.

We also tested, through a combination of controls and substantive testing techniques, the following:

- + Profit/loss calculations in respect of closed positions;
- + Calculation of the fair value adjustment of year-end positions held by clients and the calculation of the "open positions" report produced by the Platform;
- + Appropriate use of feeds the Group receives from its data suppliers to confirm the integrity of the feeds used to calculate the open/close position; and
- + Controls associated with cash reconciliations and reconciliations with external counterparties throughout the year including client deposits/withdrawals.

We agreed cash amounts of client deposits to external third-party evidence at the year-end by receiving independent confirmations from banks and other third-party providers. In addition, we tested the interface between the data of client money as presented in the Platform to the general ledger to ensure completeness and accuracy.

Finally, to address the risk that fraudulent adjustments or transactions had been entered into the trading platform, we read client activity reports and read a sample of client complaints.

No material issues noted.

KEY AUDIT MATTER

HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER

UNCERTAIN TAX PROVISIONS

As discussed in Note 3 and Note 10 to the consolidated financial statements, the Group operates in a multinational tax environment and is subject to tax laws, regulations and transfer pricing guidelines for intercompany transactions across several tax jurisdictions. Furthermore, the Company's tax years for 2022, 2021 and 2020 are yet to be assessed by the Israeli tax authorities. The subsidiaries of the Group have not yet been subject to tax assessments since their inception. The Group recognises tax provisions from uncertain tax positions when there is more likely than not a likelihood that the tax position will be sustained upon examination by the taxation authorities based on the technical merits of the position.

Auditing management's estimate of amounts related to tax provisions involves auditor judgement and challenging management because management's estimates are complex, judgemental and based on interpretations of tax laws, regulations and legal rulings.

Among the audit procedures we performed, we involved our tax specialists to assist us in assessing the technical merits of the Group's tax positions. This included assessing the Group's correspondence with the relevant tax authorities and evaluating income tax opinions or other third-party advice obtained by the Group. In addition, we evaluated the appropriateness of the Group's accounting for its tax positions. We analysed the Group's assumptions and data used to determine the amount of tax provision and tested the accuracy of the calculations. We also evaluated whether the Group's disclosures complied with the accounting framework.

No material issues noted.

Independent Report of the Auditors continued

Other information

The Directors are responsible for the other information, which includes reporting based on the Task Force on Climate-related Financial Disclosures (TCFD) recommendations. The other information comprises all of the information in the Annual Report (but does not include the consolidated financial statements and our auditor's report thereon).

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Based on the responsibilities described above and our work undertaken in the course of the audit, we have also agreed to report on certain matters as described below in accordance with the Listing Rules of the United Kingdom Financial Conduct Authority (FCA) as if the Company were a UK incorporated premium listed entity.

Corporate governance statement

Under the UK Corporate Governance Code 2018, we have reviewed the Directors' statements in relation to the going concern, longer-term viability and that part of the corporate governance statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code, which the Listing Rules of the Financial Conduct Authority specify for review by auditors of premium listed companies. Our additional responsibilities with respect to the corporate governance statement as other information are described in the Other information section of this report.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement, included within the Statement on Corporate Governance is materially consistent with the financial statements and our knowledge obtained during the audit:

- + The Directors' confirmation that they have carried out a robust assessment of the emerging and principal risks;
- + The disclosures in the Annual Report that describe those principal risks, what procedures are in place to identify emerging risks and an explanation of how these are being managed or mitigated;
- + The Directors' statement in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the Company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;

- + The Directors' explanation as to their assessment of the Company's prospects, the period this assessment covers and why the period is appropriate;
- + The Directors' statement as to whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of its assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions;
- + The Directors' statement that they consider the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for the members to assess the Company's position, performance, business model and strategy;
- + The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems; and
- + The section of the Annual Report describing the work of the Audit Committee.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- + Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- + Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- + Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- + Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- + Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
- + Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

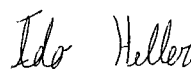
The engagement partner on the audit resulting in this independent auditor's report is Ido Heller.

Tel Aviv, Israel

Kesselman & Kesselman

Certified Public Accountants (Isr.)

A member firm of PricewaterhouseCoopers International Limited



Ido Heller

Partner

Tel Aviv, Israel

22 March 2023

Consolidated Statement of Comprehensive Income

US dollars in millions	Note	Year ended 31 December	
		2022	2021
Trading income	4	832.6	718.7
Selling and marketing expenses	5	302.1	279.8
Administrative and general expenses	6	80.1	54.3
Operating profit		450.4	384.6
Financial income		41.3	10.4
Financial expenses		17.4	8.6
Financial income, net		23.9	1.8
Profit before income tax		474.3	386.4
Income tax expense	10	103.9	75.8
Profit and comprehensive income for the year		370.4	310.6
Basic earnings per share (In US dollars)	11	3.81	3.06
Diluted earnings per share (In US dollars)	11	3.77	3.05

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated Statement of Financial Position

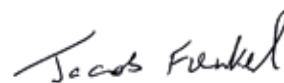
US dollars in millions		As of 31 December	
	Note	2022	2021
Assets			
Non-current assets			
Property, plant and equipment	15	2.6	2.6
Goodwill and other intangible assets, net	23	38.7	28.0
Right of use assets	20	5.6	5.6
Long term other receivables		5.8	4.4
Total non-current assets		52.7	40.6
Current assets			
Income tax receivable		0.2	–
Other receivables and others	14	26.9	32.7
Cash and cash equivalents	16	930.2	749.5
Total current assets		957.3	782.2
TOTAL ASSETS		1,010.0	822.8
Liabilities			
Non-current liabilities			
Lease liabilities (net of current maturities)	20	3.6	4.2
Share based compensation	9	–	0.3
Deferred tax liability		6.9	–
Total non-current liabilities		10.5	4.5
Current liabilities			
Share based compensation	9	6.3	7.3
Income tax payable		116.4	89.9
Other payables	17	72.2	41.7
Service suppliers	18	11.7	15.5
Current maturities of lease liabilities	20	2.0	2.0
Trade payables – due to clients	19	10.4	0.6
Total current liabilities		219.0	157.0
TOTAL LIABILITIES		229.5	161.5
Equity			
Ordinary shares	22	0.3	0.3
Share premium		22.2	22.2
Cost of Company’s shares held by the Company	12	(341.1)	(207.5)
Retained earnings		1,099.1	846.3
Totalequity		780.5	661.3
TOTAL LIABILITIES AND EQUITY		1,010.0	822.8



David Zruia
Chief Executive Officer



Elad Even-Chen
Group Chief Financial Officer



Jacob Frenkel
Non-Executive Director
and Chairman

Date of approval of the consolidated financial statements by the Company's Board of Directors: 22 March 2023.
The accompanying notes are an integral part of the consolidated financial statements.

Registered Company number (Israel): 514142140

Consolidated Statement of Changes in Equity

US dollars in millions	Ordinary shares	Share premium	Cost of Company's shares held by the Company	Retained earnings	Total
Balance at 1 January 2021	0.3	22.2	(145.7)	678.8	555.6
Changes during the year ended 31 December 2021					
Profit and comprehensive income for the year	–	–	–	310.6	310.6
Share based compensation	–	–	–	4.9	4.9
Transaction with shareholders:					
Dividend	–	–	–	(144.9)	(144.9)
Issue of treasury shares to settle equity share based compensation	–	–	3.1	(3.1)	–
Acquisition of treasury shares	–	–	(64.9)	–	(64.9)
Balance at 31 December 2021	0.3	22.2	(207.5)	846.3	661.3
Changes during the year ended 31 December 2022					
Profit and comprehensive income for the year	–	–	–	370.4	370.4
Share based compensation	–	–	–	7.5	7.5
Transaction with shareholders:					
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)
Balance at 31 December 2022	0.3	22.2	(341.1)	1,099.1	780.5

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated Statement of Cash Flows

US dollars in millions	Year ended 31 December	
	2022	2021
Operating activities:		
Cash generated from operations (see Note 27)	506.8	383.0
Income tax received (paid), net	(66.2)	16.3
Interest received, net	13.5	6.2
Net cash flows provided by operating activities	454.1	405.5
Investing activities:		
Acquisition of subsidiaries, net of cash acquired (see Note 24)	(4.6)	(32.5)
Purchase of property, plant and equipment	(0.8)	(0.8)
Net cash flows used in investing activities	(5.4)	(33.3)
Financing activities:		
Dividend paid to equity holders of the Company	(119.9)	(144.9)
Payment of principal in respect of lease liabilities	(2.3)	(2.0)
Acquisition of treasury shares	(138.8)	(64.9)
Net cash flows used in financing activities	(261.0)	(211.8)
Increase in cash and cash equivalents	187.7	160.4
Balance of cash and cash equivalents at beginning of the year	749.5	593.9
Losses from effects of exchange rate changes on cash and cash equivalents	(7.0)	(4.8)
Balance of cash and cash equivalents at end of the year	930.2	749.5

The accompanying notes are an integral part of the consolidated financial statements.

Notes to the Consolidated Financial Statements

NOTE 1 – GENERAL INFORMATION

Information on activities

Plus500 Ltd. (the “Company”) and its subsidiaries (the “Group”) is a global multi-asset fintech group operating proprietary technology-based trading platforms. Plus500 offers customers a range of trading products, including OTC (“Over-the-Counter” products, namely Contracts for Difference (CFDs)), share dealing, as well as futures and options on futures. The Company has developed and operates an online trading platform within the OTC sector, enabling its international customer base of individual customers to trade OTC products on over 2,500 underlying financial instruments internationally.

The Group’s offering is available internationally with main market presence in the UK, the European Economic Area (EEA), Australia, the US, and the Middle East and has customers located in more than 50 countries worldwide. The Group operates through operating subsidiaries regulated by the Financial Conduct Authority (“FCA”) in the UK, the Australian Securities and Investments Commission (“ASIC”) in Australia, the Cyprus Securities and Exchange Commission (“CySEC”) in Cyprus, the Israel Securities Authority (“ISA”) in Israel, the Financial Markets Authority (“FMA”) in New Zealand, the Financial Sector Conduct Authority (“FSCA”) in South Africa, the Monetary Authority of Singapore (“MAS”) in Singapore, the Financial Services Authority (“FSA”) in the Seychelles, the Commodities Futures Trading Commission (“CFTC”) in the US, the Estonian Financial Supervision Authority (“EFSA”) in Estonia, the Financial Services Agency (“FSA”) in Japan and the Dubai Financial Services Authority (“DFSA”) in the UAE.

The Company also has a subsidiary in Bulgaria which provides operational services to the Group.

The Company has been listed since 2013 on the London Stock Exchange. Since 2018, Plus500 Ltd. has been a FTSE 250 listed entity, following the Company’s shares being admitted to the premium listing segment of the Official List and to trading on the London Stock Exchange Main Market for listed securities.

The Group operates in three operating sectors: OTC trading; share dealing; and futures and options on futures. The Group presents its operation as one operating segment.

The address of the Company’s principal offices is Building 25, MATAM, Haifa 3190500, Israel.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of accounting and accounting policies

The Group’s consolidated financial information as of 31 December 2022 and 2021 and for each of the two years in the period ended on 31 December 2022 are in compliance with International Financial Reporting Standards that consist of standards and interpretations issued by the International Accounting Standard Board (“IFRSs”).

The significant accounting policies described below 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 consolidated financial statements.

c. Principles of consolidation

The Company, from an accounting perspective, controls the subsidiaries since it is exposed to, or has rights to, variable returns from its involvement with the entities and has the ability to affect those returns through its power over them.

- 1) The consolidated financial statements include the accounts of the Company and its subsidiaries.
- 2) Intercompany balances and transactions between the Group’s entities have been eliminated.
- 3) Accounting policies of the subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

d. Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of the Company’s ordinary shares in issue during the year, excluding ordinary shares purchased by the Company and held as treasury shares.

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume exercise of all potential dilutive ordinary shares. The instruments that are potentially dilutive ordinary shares are equity instruments granted to employees and service contractors (see Note 9). A calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company’s shares) based on the monetary value of the subscription rights attached to outstanding equity instruments. The number of ordinary shares calculated as above is compared with the number of ordinary shares that would have been issued assuming the exercise of the equity instruments (see also Note 11).

e. Segment reporting

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

As stated in Note 1 above, the Group operates in three operating sectors: OTC trading; share dealing; and futures and options on futures. For the years 2022 and 2021, the Group presents its operation as one operating segment.

f. Foreign currency translation

1) Functional and Presentation Currency

Items included in the financial information of each of the Group's entities are measured using the currency of the primary economic environment in which that entity operates (the "functional currency"). The consolidated financial statements are presented in US dollars ("USD"), which is the Group's functional and presentation currency.

2) Transactions and balances

Foreign currency transactions in currencies different from the functional currency ("foreign currency") are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured.

Gains and losses arising from translations in exchange rates are presented in the consolidated statement of comprehensive income among "financial income (expenses)"

g. Trading income

Trading income represents Customer Income, which includes revenue from OTC Customer Income (customer spreads and overnight charges), non-OTC Customer Income (commissions from the Group's futures and options on futures operation and from the Group's share dealing platform) and Customer Trading Performance, which includes gains/losses on customers' trading positions, arising on client trading activity, primarily in OTCs on shares, indices, ETFs, options, commodities, cryptocurrencies and foreign exchange. Open client positions are carried at fair value and gains and losses arising on this valuation are recognised as trading income, as well as gains and losses realised on positions that have closed.

h. Share based compensation

1) Cash settled

The Group operates a cash settled share based compensation plan, under which it receives services from employees and service contractors as consideration for Share Appreciation Rights ("SARs"). The fair value of the employees and service contractors received in exchange for the grant of the rights are recognised as an expense in the consolidated statement of comprehensive income. At the end of each reporting period, the Group evaluates the SARs based on their fair value as prorated over the period and the change in the prorated fair value is recognised in the consolidated statement of comprehensive income.

2) Equity settled

The Group operates equity settled share based compensation plans, under which it receives services from employees and service contractors as consideration for ordinary shares and Restricted Share Units ("RSUs"). The fair value of the services received by employees and service contractors in exchange for the grant of ordinary shares or RSUs are recognised as an expense in the consolidated statement of comprehensive income.

The fair value of equity settled share based compensation arrangements granted to employees and service contractors is recognised as employee benefit expenses and other related expenses applicable for the service contractors, with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the equity instruments granted:

- + including any market performance conditions (e.g. the Company's share price);
- + excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and continuing to be employed or rendering services to the entity over a specified time period); and
- + including the impact of any non-vesting conditions (e.g. the requirement for employees and service contractors to hold shares for a specific period of time).

The total expenses are recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the Group revises its estimates of the number of ordinary shares and RSUs that are expected to vest based on the non-market performance vesting and service conditions. The impact of the revision to original estimates, if any, in the consolidated statement of comprehensive income, is recognised with a corresponding adjustment to equity.

i. Treasury shares

Treasury shares are ordinary shares of the Company held by the Company and presented as a reduction of equity, at the consideration paid, including any incremental attributable costs, net of tax. Treasury shares do not have a right to receive dividends or to vote. The Board approves share buyback programmes. The share buyback programmes are funded from the Company's net cash balances. The ordinary shares are being purchased at fair value (see Note 12).

Notes to the Consolidated Financial Statements continued

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

j. Current income tax

Tax is recognised in the consolidated statement of comprehensive income.

The current income tax charge is calculated on the basis of the tax laws enacted at the statement of financial position date in countries where the Company and its subsidiaries operate and generate taxable income.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

k. Deferred income tax

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

The Group recognises deferred taxes on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

l. Property, plant and equipment

The cost of a property, plant and equipment item is recognised as an asset only if: (a) it is probable that the future economic benefits associated with the item will flow to the Group; and (b) the cost of the item can be measured reliably.

Property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items and only when the two criteria mentioned above for recognition as assets are met.

Depreciation is calculated using the straight-line method to allocate the cost of property, plant and equipment less their residual values over their estimated useful lives, as follows:

	Percentage of annual depreciation
Computers and office equipment	6–33
Leasehold improvements	10

Leasehold improvements are depreciated by the straight-line method over the terms of the lease (including reasonably assured options periods), or the estimated useful life (10 years) of the improvements, whichever is shorter.

The asset's residual value, the depreciation method and useful lives are reviewed, and adjusted if appropriate, at least once a year.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

m. Financial instruments

1) Classification

The Group classifies its financial assets in the following measurement categories according to IFRS 9:

- + Those to be measured subsequently at fair value through profit and loss, and
- + Those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will be recorded in the consolidated statement of comprehensive income.

Financial assets are classified as current if they are expected to mature within 12 months after the end of the reporting period, otherwise, they are classified as non-current.

2) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date, the date on which the Group commits to purchase or sell the assets. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

3) Measurement

At initial recognition, the Group measures a financial asset at its fair value and in the case of a financial asset not at fair value through profit or loss ("FVTPL"), plus transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in the consolidated statement of comprehensive income.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Details on how the fair value of financial instruments is determined are disclosed in Note 26.

n. Cash and cash equivalents

Cash and cash equivalents include cash on hand, short-term bank deposits and other highly liquid short-term investments, the original maturity of which does not exceed three months.

All of the regulated subsidiaries hold money on behalf of their clients in accordance with the client money rules required by the relevant regulatory framework. Such monies are classified as “segregated client funds” in accordance with the regulatory requirements. Segregated client funds comprise client funds held in segregated client money accounts.

Segregated client money accounts hold statutory trust status restricting the Group’s ability to control the monies and accordingly such amounts are not reflected as Group assets in the consolidated statement of financial position.

o. Dividends

Dividend distribution is recognised as a liability in the consolidated statement of financial position in the period which the dividends are approved by the Board.

p. Employee benefits and pension obligations

The Group operates various pension schemes. The schemes are generally funded through payments to insurance companies or trustee-administered pension funds.

The Group has defined contribution plans. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The Group pays contributions to publicly or privately administered pension insurance plans on a mandatory basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense commensurate with receipt from employees of the service in respect of which they are entitled for the contributions.

The Group recognises an accrual and an expense for bonuses for senior management based on formulae that take into consideration specific financial and non-financial measures and for other employees based on management decision.

q. Service suppliers

Service suppliers are obligations to pay for services that have been acquired in the ordinary course of business from suppliers. Service suppliers are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Service suppliers are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

r. Trade payables – due to clients

As part of its business, the Group receives from its customers deposits to secure their trading positions, held in segregated client money accounts.

Assets or liabilities resulting from profits or losses on open positions are carried at fair value. Amounts due from or to clients are netted against, or presented with, the deposit with the same counterparty where a legally enforceable netting agreement is in place and where it is anticipated that assets and liabilities will be netted on settlement.

“Trade payables – due to clients” represent balances with clients where the combination of customers’ deposits and the valuation of financial derivative open positions result in an amount payable by the Group.

“Trade payables – due to clients” are reported in the consolidated statement of financial position and classified as current liabilities as the demand is due within one year or less.

s. IFRS 16 – “Leases”

The Group’s leases include real estate lease agreements. At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for a consideration. The Group reassesses whether a contract is, or contains, a lease only if the terms and conditions of the contract are changed.

At the commencement date, the Group measures the lease liability at the present value of the lease payments that are not paid at that date, including, inter alia, the exercise price of the exercise option if the Group is reasonably certain to exercise that option. Simultaneously, the Group recognises a right of use asset in the amount of the lease liability.

The lease term is the non-cancellable period for which the Group has the right to use an underlying asset, together with both the periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the Group is reasonably certain to exercise that option.

Notes to the Consolidated Financial Statements continued

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

s. IFRS 16 – “Leases” continued

After the commencement date, the Group measures the right of use asset applying the cost model, less any accumulated depreciation and any accumulated impairment losses and adjusted for any remeasurement of the lease liability.

Assets are depreciated by the straight-line method over the estimated useful lives of the right of use assets or the lease period, whichever is shorter. The depreciation periods for the real estate leases by the Group is between one to five years.

Under IFRS 16 all leases are recognised as a right of use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the consolidated statement of comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Payments associated with short-term leases of real estate and all leases of low-value assets are recognised on a straight-line basis as an expense in the consolidated statement of comprehensive income. Short-term leases are leases with a lease term of 12 months or less without an exercise option.

t. Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises:

- + fair values of the assets transferred; and
- + liabilities incurred to the former owners of the acquired business

Identifiable assets acquired, and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

Over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in the consolidated statement of comprehensive income as a bargain purchase.

u. Intangible assets

1) Goodwill

Goodwill represents the surplus of the consideration that has been transferred for the acquisition of a subsidiary company, over the net amount of the identifiable assets and liabilities that have been acquired as at the time of the acquisition.

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes

2) Licence

A licence acquired in a business combination is recognised at fair value at the acquisition date. It has an indefinite useful life, is not subject to amortisation and is tested annually for impairment.

3) Customer relationships and technology

Customer relationships and technology acquired in a business combination are recognised at fair value at the acquisition date. They have a definite useful life of five years and are subsequently carried at cost less accumulated amortisation and impairment losses. The amortisation expenses are recognised as part of general and administrative expenses in the statement of comprehensive income.

v. Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

w. New International Financial Reporting Standards, Amendments to Standards and New Interpretations

New and amended standards adopted by the Group for the first time for the financial year beginning on or after 1 January 2023.

Definition of Material – Amendment to IAS 1 and IAS 8.

Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2.

The IASB amended IAS 1 to require entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information.

To support this amendment, the IASB also amended IFRS Practice Statement 2 Making Materiality Judgements to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

The Amendment to IAS 1 will be applied retrospectively to annual reporting periods commencing on 1 January 2023 or thereafter. The first-time application of the Amendment to IAS 1 is not expected to have a material effect on the Group's consolidated financial statements.

NOTE 3 – SIGNIFICANT ACCOUNTING ESTIMATES

Considering uncertain tax positions

The assessment of amounts of current and deferred taxes requires 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. See also Note 2j and Note 10.

Notes to the Consolidated Financial Statements continued

NOTE 4 – TRADING INCOME

The trading income attributed to geographical areas according to the location of the customer is as follows:

US dollars in millions	Year ended 31 December	
	2022	2021
European Economic Area (EEA)	372.9	329.0
United Kingdom	100.4	88.9
Australia	67.2	61.6
Rest of the World	292.1	239.2
	832.6	718.7

NOTE 5 – SELLING AND MARKETING EXPENSES

US dollars in millions	Year ended 31 December	
	2022	2021
Payroll and related expenses	24.2	21.4
Variable bonuses	8.6	8.8
Share based compensation	6.1	4.0
Commissions to media buying	13.5	20.7
Advertising and technology costs	144.3	151.4
Commissions to processing companies	44.9	40.8
Server and data feeds commissions	14.6	11.7
Other	45.9	21.0
	302.1	279.8

NOTE 6 – ADMINISTRATIVE AND GENERAL EXPENSES

US dollars in millions	Year ended 31 December	
	2022	2021
Payroll and related expenses	16.3	11.6
Variable bonuses	10.4	5.4
Share based compensation	15.3	7.7
Professional and regulatory fees	23.0	18.5
Depreciation and amortisation	3.4	2.5
Other	11.7	8.6
	80.1	54.3

NOTE 7 – OPERATING EXPENSES

The presentation below reflects the breakdown of operating expenses by nature of expense:

US dollars in millions	Year ended 31 December	
	2022	2021
Employee benefits and other related expenses	80.9	58.9
IT and technology costs	50.4	38.2
Commissions to processing companies	44.9	40.8
Advertising, marketing and commissions to media buying	122.0	145.6
Professional and regulatory fees	23.0	18.5
Depreciation and amortisation	3.4	2.5
Other	57.6	29.6
	382.2	334.1

In the years ended 31 December 2022 and 2021, IT and technology costs together with additional allocated other technological related costs were \$74.4 million and \$58.4 million, respectively.

NOTE 8 – AUDITORS' REMUNERATION

US dollars in millions	Year ended 31 December	
	2022	2021
Audit of Plus500 Ltd's consolidated financial statements	0.3	0.3
Audit of Plus500 Ltd's subsidiaries	0.3	0.3
Total audit fees	0.6	0.6
Other assurance related services	0.3	0.3
Tax compliance services	0.5	0.7
Total non-audit fees	0.8	1.0
Total fees	1.4	1.6

Notes to the Consolidated Financial Statements continued

NOTE 9 – SHARE BASED COMPENSATION

a. Cash settled share based compensation programmes

1) Background

The Group grants Share Appreciation Rights to selected employees and service contractors (the “Grant”).

The rights are settled in cash at the end of the period of two or three years following the Grant date for those who remain employed or continue to render services as service contractors by the Group.

The rights represent the total Grant amounts divided by the average closing price of the ordinary shares of the Company on the Main Market over the course of the 60 trading days immediately preceding the dates of the Grant (the “Share Price on Grant Date”).

As of the end of each period, the fair value of the rights is calculated by the total Grant amounts on grant date, multiplied by the average closing price of the ordinary shares of the Company on the Main Market over the course of the 60 trading days immediately preceding the end of each period (or the payout date) including shareholder returns paid between the grant date and the end of each period (or the vesting date) divided by the Share Price on Grant Date, as prorated over the period.

2) The following table specifies the dates of grants and the grant rights as of each date

Grant Date	Vesting Date	Share price	Number of rights granted*	Number of Employees
31 December 2019	31 December 2022	797.85	2,925	5
12 February 2020	12 February 2022	855.46	40	2
31 August 2020	31 August 2022	1,303.93	97	6
30 December 2020	30 December 2022	1,507.08	2,342	127
30 December 2020	30 December 2023	1,507.08	647	3
28 February 2021	28 February 2023	1,411.13	13	1
31 August 2021	31 August 2023	1,404.43	14	1
31 December 2021	31 December 2023	1,320.98	1,136	55
28 February 2022	28 February 2024	1,409.47	3	1
2 May 2022	2 May 2024	1,464.36	9	1
30 June 2022	30 June 2024	1,545.33	37	2

3) Cash settled share based compensation liability

US dollars in millions	As at 31 December	
	2022	2021
Current liability	6.3	7.3
Non-current liability	–	0.3
	6.3	7.6

4) Cash settled share based compensation expenses

US dollars in millions	Year ended 31 December	
	2022	2021
Selling and marketing expenses	3.2	4.0
Administrative and general expenses	8.7	2.8
	11.9	6.8

5) Cash settled share based compensation – number of rights outstanding

	Number of rights	
	2022	2021
Opening balance as at 1 January	5,672	8,768
Rights granted	49	1,163
Rights vested	(3,943)	(3,208)
Rights forfeited	(259)	(1,051)
Closing balance as at 31 December	1,519	5,672

During 2022 and 2021, 3,943 and 3,208 rights were vested in total amount of \$11.2 million and \$6.9 million, respectively. The average vesting price based on GBP pence per granted right was approximately \$2,843 and \$2,160, respectively.

b. Equity settled share based compensation programmes

Background

The Group grants long-term incentive plans ("LTIPs") to selected employees and service contractors (the "LTIP Grants"). In addition, the Group grants Restricted Stock Units ("RSUs") to selected employees located in Israel (the "RSUs Grants"). The Group also grants in respect of certain projects, bonuses with a partial deferred element settled in ordinary shares of the Company to selected service contractors and employees (the "Deferred Bonuses").

During 2022 and 2021, the Group recognised \$9.5 million and \$4.9 million, respectively, as expenses in respect of the equity share based compensation plans and Deferred Bonuses in the consolidated statement of comprehensive income with an increase in equity of \$7.5 million and \$4.9 million, respectively.

As of 31 December 2022 and 2021, retained earnings include an amount of \$5.8 million and \$3.5 million, respectively, in respect of the equity share based compensation and Deferred Bonuses plans.

1) LTIP Grants

The following table specifies the dates of LTIP Grants and the number of ordinary shares as of each date, as granted for employees and service contractors

Grant Date	Vesting Date	Share price (GBP)	Number of ordinary shares granted on grant date	Number of employees and service contractors
1 January 2020	31 December 2022	8.86	75,627	7
1 January 2021	31 December 2023	14.50	122,496	7
2 January 2022	31 December 2024	12.91	153,134	7

The 2020 LTIP Grants were vested on 31 December 2022 and the Company issued 177,386 of its treasury shares.

The 2022, 2021 and 2020 LTIP Grants are subject to service conditions and additional Key Performance Indicators ("KPIs"), measurements, including market and performance conditions.

During 2022 and 2021, 12,965 and nil ordinary shares in respect of LTIP Grants were forfeited, respectively.

The final number of ordinary shares to be allotted on the vesting date will be determined according to the share price at the grant date, less the accumulated amount of shareholder returns paid during the vesting period.

The fair value at grant date of the LTIP Grants is measured according to the value of the grant amount and expensed over the vesting period with a corresponding increase in equity, taking into account the best available estimate of the number of shares expected to vest under the service and performance conditions.

On the vesting date the Company shall allot to the employee or service contractor, ordinary shares, subject to the service condition and achieving specific KPIs for each grant.

Notes to the Consolidated Financial Statements continued

NOTE 9 – SHARE BASED COMPENSATION continued

b. Equity settled share based compensation programmes continued

The allotted ordinary shares will be transferred out of the treasury shares of the Company.

The ordinary shares allotted on the vesting date, which are subject to a lock-up period, shall be subject to a two-year lock-up beginning on the vesting date.

2) RSUs Grants

The following table specifies the dates of RSUs Grants and the number of units as of each date.

Grant Date	Vesting Date	Share price (GBP)	Number of RSUs granted	Number of employees
1 January 2020	31 December 2022	8.86	116,045	8
1 January 2021	31 December 2023	14.50	160,926	8
2 January 2022	31 December 2024	12.91	346,999	137
2 January 2022	31 December 2022	12.91	84,015	130
2 January 2022	31 December 2023	12.91	84,015	130
1 July 2022	30 June 2023	15.96	3,702	10
1 July 2022	30 June 2024	15.96	3,702	10
1 July 2022	30 June 2025	15.96	3,702	10

In respect of RSU Grants which were vested on 31 December 2022, the Company issued 175,272 of its treasury shares.

Each RSU represents the right to receive one ordinary share, par value of NIS 0.01 per share, subject to the terms and conditions of the grant as approved by the Board of Directors and in accordance with the provisions of the Capital Gain route under section 102 of the Israeli Tax Ordinance and regulations (the "102 Capital Gain route").

In respect of the RSUs granted, the employees are entitled to the RSUs upon completing the service period. Part of the RSUs granted include also KPIs with market and performance conditions.

During 2022 and 2021, 14,741 and 32,430 RSUs were forfeited, respectively.

The fair value at grant date of the RSUs Grants is measured according to the value of the grant amount and expensed over the vesting period with a corresponding increase in equity, taking into account the best available estimate of the number of RSUs expected to vest under the service and performance conditions.

On the vesting date, the employees shall be entitled to a cash payment equal to the aggregate shareholder returns that were payable in each grant vesting period with respect to the number of issued shares that were actually allotted to the employees on the vesting date with respect to the RSUs.

The allotted ordinary shares will be transferred out of the treasury shares of the Company. On the vesting date, the shares will be transferred to a trustee by the Company.

The ordinary shares allotted on the vesting date, which are subject to a lock-up period, shall be subject to a two-year lock-up beginning on the vesting date.

3) Deferred Bonus Grants

The following table specifies the dates of Deferred Bonuses Grants and the number of shares as of each grant date.

The employees and service providers are entitled to the Deferred Bonuses upon completing a service period of one year and subject to achieving additional KPIs.

The 2020 and 2019 Deferred Bonuses shall be paid in three equal instalments beginning on 31 December of the year after the vesting date, by way of allotment of ordinary shares of the Company. The number of ordinary shares allotted on any deferred payment date shall be calculated based on the ordinary share price on grant date, as adjusted for shareholder returns.

The 2022 and 2021 Deferred Bonuses were paid in one instalment on 31 December of the bonus year, by way of allotment of ordinary shares of the Company. The number of ordinary shares allotted on the deferred payment date was calculated based on the ordinary share price on grant date, as adjusted for shareholder returns.

Grant Date	Vesting Date	Share price (GBP)	Number of ordinary shares on grant date	Number of employees and service contractors
1 January 2021	31 December 2021	14.50	53,904	2
2 January 2022	31 December 2022	12.91	63,274	2

On 31 December 2022 and 2021, the Company issued a total of 127,485 and 88,276 of its treasury shares, in accordance with the Deferred Bonuses Grants, in respect of the grants for the years 2019, 2020, 2021 and 2022, as applicable.

The Company recognised the value of the issued shares on 31 December 2022 according to the fair value measured for each Grant on the grant date.

NOTE 10 – INCOME TAX EXPENSE

Law for the Encouragement of Capital Investments, 5719–1959

The Law for the Encouragement of Capital Investments, 5719–1959, generally referred to as the “Investment Law”, provides certain incentives for capital investments in production facilities (or other eligible assets) by “Industrial Enterprises” (as defined under the Investment Law).

New tax benefits under the 2017 Amendment that became effective on 1 January 2017 (“2017 Amendment”)

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

The 2017 Amendment provides that a technology company satisfying certain conditions will qualify as a Preferred 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.

a. Company taxation in Israel

The full corporate tax rate in Israel for the years 2022 and 2021 is 23%.

Under the 2017 Amendment, provided the conditions stipulated therein are met, technological income derived by Preferred Companies from “Preferred Technological Enterprise” (as defined in the 2017 Amendment), would be subject to reduced corporate tax rates of 12%.

A Preferred Company distributing dividends from technological income derived from its PTE would generally subject the recipient to a 20% tax (or lower, if so provided under an applicable tax treaty).

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

At the beginning of July 2020, the Company received an approval from the Israeli Innovation Authority (“IIA”) that together with the tax ruling received from the ITA in May 2019, recognises the Company as a PTE for the years 2017, 2018 and 2019. Accordingly, the applicable tax rate for the preferred technological income of a PTE for these years was 12%. The Company is also considered as PTE for the years 2021 and 2020. As a result, the Company’s corporate tax rate for the years 2021 and 2020 was 12%, 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 financial years 2022, 2023, 2024, 2025 and 2026, subject to the Company complying with the conditions of the Law for the Encouragement of Capital Investments. Consequently, the Company’s corporate tax rate for each of these years will be reduced from 23% to 12% and the withholding tax rate applicable for dividends will be reduced from 25% to 20%.

In January 2021, the Company received approximately \$30.0 million rebates (including interest) reflecting the reduced tax rate for FY 2017 and in August 2021, the Company received approximately \$37.2 million in tax rebates (including interest) reflecting the reduced tax rate for FY 2019.

Notes to the Consolidated Financial Statements continued

NOTE 10 – INCOME TAX EXPENSE continued

b. Tax assessments

The Company has final tax assessments up to the year 2019.

The assessments of amounts of current and deferred taxes require the Group's management to take into consideration uncertainties that its tax position will be accepted and of incurring any additional tax expenses. This assessment is based on estimates and assumptions based on interpretation of tax laws and regulations, and the Group's past experience. It is possible that new information will become known in future periods that will cause the final tax outcome to be different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

c Corporate taxation in subsidiaries

Subsidiary	Principal tax rate		Tax regulation
	2022	2021	
UK	19%	19%	Tax laws in United Kingdom
CY	12.5%	12.5%	Tax laws in Cyprus
AU	30%	30%	Tax laws in Australia

Other Group subsidiaries do not have significant taxable income and the overall effect of the income of those subsidiaries on the Group's tax expenses is immaterial.

d. Deferred income taxes

Deferred tax assets

The deferred income tax assets relate mainly to payroll and related expenses of the share based compensation plans (see Note 9). The deferred tax assets were computed in 2022 and 2021 at tax rates of 12% and 23%, respectively.

Deferred tax liability

The deferred tax liabilities are related to intangible assets recognised through business combination, see Note 24.

e. Taxes on income included in the consolidated income statements for the reported years

US dollars in millions	Year ended 31 December	
	2022	2021
Current taxes:		
Current taxes in respect of current year's profits	103.5	77.6
Tax income in respect of previous years	0.5	0.5
	104.0	78.1
Deferred income taxes:		
Change of deferred tax assets (see Note 10d)	(0.1)	(2.3)
Taxes on income expenses	103.9	75.8

f. Reconciliation of the theoretical tax expense

Following is a reconciliation of the theoretical tax expense, assuming all income is taxed at the regular corporate tax rate applicable to a company in Israel (see Note 10a) and the actual tax expense:

US dollars in millions	Year ended 31 December	
	2022	2021
Income before taxes on income, as reported in the consolidated income statement	474.3	386.4
Theoretical tax expense in respect of this year's income – at 23%	109.1	88.9
Less tax benefits arising from preferred technological income in respect of the current year	(14.5)	(4.3)
Decrease in taxes resulting from different tax rates applicable to foreign subsidiaries	(2.1)	(0.8)
Impact of change in tax rates on deferred tax balances and temporary differences	(2.3)	(2.8)
Increase (decrease) in taxes in respect of currency differences and expenses not deductible for tax purposes	13.2	(5.7)
Tax income in relation to previous years	0.5	0.5
Taxes on income for the reported year	103.9	75.8

NOTE 11 – 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.

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

*After weighting the effect of the Company's share buyback programmes. See Note 12.

NOTE 12 – COST OF COMPANY'S SHARES HELD BY THE COMPANY

The Board of Directors approves share buyback programmes. The share buyback programmes are funded from the Company's net cash balances.

Year ended 31 December	Number of ordinary shares purchased	Aggregate purchase amount (US \$ in millions)	Average price of shares purchased
2021	3,406,211	64.9	£13.90
2022	6,943,359	138.8	£16.27

During the years ended 31 December 2022 and 2021, the Company issued 494,308 and 179,537 of its treasury shares, respectively, in accordance with the various share based equity settled compensation grants.

During the period starting 1 January 2023 and up to 21 March 2023, as the latest practicable date before the signing date of the consolidated financial statements, the Company purchased an additional 2,044,677 ordinary shares (or 1.78%) in the capital of the Company for an aggregate purchase amount of \$45.0 million pursuant to these share buyback programmes. The ordinary shares were bought back at an average price of £18.28.

Notes to the Consolidated Financial Statements continued

NOTE 13 – DIVIDENDS

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

Date of declaration	Amount of dividend (US \$ in millions)*	Amount of dividend per share (US \$)	Date of payment to shareholders
17 February 2021	84.9	0.8292	12 July 2021
17 August 2021	60.0	0.5921	11 November 2021
15 February 2022	59.9	0.5995	11 July 2022
17 August 2022	60.0	0.6238	11 November 2022

On 14 February 2023, the Company declared a final dividend and a special dividend in the amounts of \$20.0 million and \$10.0 million, respectively (see Note 28).

* 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 14 – OTHER RECEIVABLES AND OTHERS

US dollars in millions	As of 31 December	
	2022	2021
Securities at fair value	6.0	18.2
Prepaid expenses	7.7	5.2
Other	13.2	9.3
	26.9	32.7

All the financial assets included among other receivables and others are for relatively short periods. Therefore, their fair values approximate or are similar to their carrying amounts.

NOTE 15 – PROPERTY, PLANT AND EQUIPMENT

Composition of assets, grouped by major classifications and changes therein in 2022 is as follows:

US dollars in millions	Computers, office equipment and others	Leasehold improvements	Total
Cost			
Balance at beginning of year	2.9	4.0	6.9
Additions	0.5	0.3	0.8
Balance at end of year	3.4	4.3	7.7
Accumulated depreciation			
Balance at beginning of year	2.0	2.3	4.3
Additions	0.4	0.4	0.8
Balance at end of year	2.4	2.7	5.1
Depreciated balance as of 31 December 2022	1.0	1.6	2.6
Depreciated balance as of 31 December 2021	0.9	1.7	2.6

NOTE 16 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents by currency of denomination:

US dollars in millions	As of 31 December	
	2022	2021
USD	781.9	728.0
EUR	176.8	181.2
GBP	73.2	68.1
AUD	45.7	54.0
NIS	31.0	20.8
Other	94.0	47.4
Gross cash and cash equivalents	1,202.6	1,099.5
Less: segregated client funds	(272.4)	(350.0)
Own cash and cash equivalents	930.2	749.5

NOTE 17 – OTHER PAYABLES

US dollars in millions	As of 31 December	
	2022	2021
Payroll and related expenses	36.2	24.6
Accrued expenses	34.7	16.4
Other	1.3	0.7
	72.2	41.7

The financial liabilities included among other payables are for relatively short periods. Therefore, their fair values approximate or are similar to their carrying amounts.

NOTE 18 – SERVICE SUPPLIERS

Service suppliers are comprised mainly of amounts due to advertising service suppliers, their fair values approximate or are similar to their carrying amounts.

NOTE 19 – TRADE PAYABLES – DUE TO CLIENTS

US dollars in millions	As of 31 December	
	2022	2021
Customers' deposits, net*	282.8	350.6
Segregated client funds	(272.4)	(350.0)
	10.4	0.6
*Customers deposits, net are comprised of the following:		
Customers' deposits	411.5	428.3
Less – financial derivative open positions:		
Gross amount of assets	(139.0)	(130.4)
Gross amount of liabilities	10.3	52.7
	282.8	350.6

* The total amount of 'Trade payables – due to clients' includes bonuses to clients

Notes to the Consolidated Financial Statements continued

NOTE 20 – LEASES

The Group has real estate lease agreements.

a) Right of use assets:

Real estate leases	US dollars in millions	
	2022	2021
At 1 January	5.6	6.0
Additions	2.0	2.7
Disposals	–	(0.6)
Modification	–	(0.7)
Amortisation	(2.0)	(1.8)
At 31 December	5.6	5.6

b) Lease liabilities:

Real estate leases	US dollars in millions	
	2022	2021
At 1 January	6.2	6.9
Additions	2.0	2.7
Disposals	–	(0.7)
Modification	–	(0.9)
Interest expense	0.1	0.2
Lease payments	(2.3)	(2.0)
Exchange differences	(0.4)	–
At 31 December	5.6	6.2

NOTE 21 – COMMITMENTS

- The Company and Club BSC Young Boys Betriebs AG (“BSC Young Boys”) entered into a sponsorship agreement on 2 June 2020 under which the Company is entitled to advertise and promote itself as the main sponsor of BSC Young Boys for the 2020/21, 2021/22 and 2022/23 seasons.
- The Company and Club Legia Waeszawa S.A (“Legia”) entered into a sponsorship agreement on 9 August 2020 under which the Company is entitled to advertise and promote itself as the main sponsor of Legia for the 2020/21, 2021/22 and 2022/23 seasons.
- The Company and Club Atalanta Bergamasca Calcio SPA (“Atalanta”) entered into a sponsorship agreement on 18 August 2020 under which the Company is entitled to advertise and promote itself as the main sponsor of Atalanta for the 2020/21, 2021/22 and 2022/23 seasons.
- The Company and the NBA’s Chicago Bulls entered on October 2022 into a multi-year sponsorship agreement to become an official global partner of the Chicago Bulls on under which the Company is entitled to advertise and promote itself.

NOTE 22 – SHARE CAPITAL

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

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

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

NOTE 23 – GOODWILL AND OTHER INTANGIBLE ASSETS, NET

Goodwill and other intangible assets, net as at 31 December 2022 comprises of Regulatory licence of \$28.6 million, Goodwill of \$8.6 million and Technology and Customer relationships, net of \$1.5 million.

The Goodwill and Regulatory licence recorded in the Company's accounts stems from the business combinations, see Note 24.

The recoverable amount of a cash generating unit is based on the calculation of the value in use. As part of these calculations, the Company used the pre-tax expected cash flows based on the cash generating unit's past results, its budget for the next year and the forecast for the following years. The recoverable amount of the cash generating unit was calculated by an external party and reviewed by Company's management. The valuation used a pre-tax discount rate of 20.5% and a terminal growth rate of 2%.

As of 31 December 2022, the recoverable amounts of the cash generating unit are higher than their carrying amounts, and it was not required to record impairment.

NOTE 24 – BUSINESS COMBINATION**USA business combination**

On 19 July 2021, Plus500US Inc., a wholly owned subsidiary of the Company, completed the acquisition of all of the membership interests of Cunningham Commodities LLC. ("Cunningham"), a regulated Futures Commission Merchant ("FCM"), and Cunningham Trading Systems LLC. ("CTS"), a technology trading platform provider, operating in the futures and options on futures market. The acquisition consideration was funded from the Company's existing cash balances and was paid on completion. The measurement period for the acquisition ended on 19 July 2022.

The assets and liabilities recognised as a result of this acquisition are as follows:

	US dollars in millions
Cash	0.5
Other receivables and others	6.0
Long term other receivables	0.4
Service suppliers	(0.3)
Other payables	(1.6)
Deferred tax liability	(6.9)
Goodwill and other intangible assets	34.9
Net assets acquired	33.0

Japan business combination

On 21 March 2022, the Company completed the acquisition of 100% of the issued and outstanding share capital of EZ Invest Securities, Co., Ltd. ("EZ Invest"). EZ Invest is licenced as a Type 1 Financial Instruments Business Operator, regulated by the Financial Services Agency (FSA) in Japan. The acquisition consideration was funded from the Company's existing cash balances and was paid on completion. Net assets acquired were \$4.8 million and comprised mainly of intangible assets of \$4.4 million. The measurement period for the acquisition ended on 21 March 2023.

Notes to the Consolidated Financial Statements continued

NOTE 25 – RELATED PARTIES AND KEY MANAGEMENT

a. Key management personnel definition:

The Directors and other members of management are classified as Persons Discharging Management Responsibility ("PDMR") in accordance with IAS 24 and the Market Abuse Regulation.

The Directors' Remuneration Report discusses all the benefits and share based compensations earned during the year and the preceding year by the Directors.

b. Company's liability in respect of related parties and key management services (part of other payable):

US dollars in millions	As at 31 December	
	2022	2021
Related party and key management liability	14.2	11.6

c. Expenses to related parties and key management:

US dollars in millions	Year ended 31 December	
	2022	2021
Payroll and related expenses and service fees (selling and marketing expenses)	6.7	6.6
Payroll and related expenses and service fees (administrative and general expenses)	14.7	10.0
Non-Executive Directors fees (administrative and general expenses)	1.4	1.1

The average number of key management personnel during the year was 20 (FY 2021: 21).

NOTE 26 – FINANCIAL RISK MANAGEMENT

The Group operates in the fields of OTC and share dealing, as well as futures and options on futures. In the field of OTC, the Group engages only with individual clients and offers OTC referenced to shares, indices, commodities, options, ETFs, cryptocurrencies and foreign exchange. In the field of share dealing, the Group engages only with individual clients and offers a wide range of financial instruments comprised of the world's most popular equities, listed on major exchanges worldwide. In the field of futures and options on futures, the Group engages through its subsidiary in the US which is an FCM that clears and executes futures contracts and options on futures contracts for customers.

The Group's activities expose it to a variety of financial risks: market risk (including currency risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

a. Market risk

Market risk is the risk that changes in market prices will affect the Group's income or the value of its holdings of financial instruments. This risk can be divided into market price risk and foreign currency risk, as described below.

The Group's market risk is managed on a Group-wide basis and exposure to market risk at any point in time depends primarily on short-term market conditions and the levels of client activity. The Group utilises market position limits for operational efficiency. Not all net client exposures are hedged and the Group may have a substantial net position in any of the financial markets in which it offers products. In 2021, the Group implemented targeted hedging, with a view to reducing market risk. This focused approach continues to be deployed in certain circumstances going forward, as and when appropriate.

The Group's OTC market risk policy incorporates a methodology for setting market position limits, consistent with the Group risk appetite, for each financial instrument in which the Group OTC clients can trade.

These limits are determined based on the Group OTC clients' trading levels, volatilities and the market liquidity of the underlying financial product or asset class. The limits represent the maximum long and short client exposure that the Group will hold without hedging the net OTC client exposure.

The Group's real-time OTC market position monitoring system is intended to allow it to continually monitor its OTC market exposure against these limits. If exposures exceed these limits, the Group either hedges or new OTC client positions are being offered in a smaller size and partially could be rejected under the Group's policy.

It is the approach of the Group to observe during the year the "natural" hedge arising from the Group's global OTC clients in order to reduce the Group's net market exposure.

The Group's exposure to market risk at any point in time depends primarily on short-term market conditions and client activities during the trading day. The exposure at each statement of financial position date may therefore not be representative of the market risk exposure faced by the Group over the year. The Group's exposure to market risk is determined by the exposure limits described above which change from time to time.

1. Market price risk

This is the risk that the fair value of a financial instrument fluctuates as a result of changes in market prices other than due to the effect of transactional foreign currency exposures risk.

The Group has market price risk as a result of its OTC trading activities on shares, indices, commodities, options, ETFs, cryptocurrencies and foreign exchange, part of which is naturally hedged as part of the overall market risk management. The exposure is monitored on a Group-wide basis.

OTC exposure limits are set by the risk department and management for each financial instrument, and also for groups of financial instruments where it is considered that their price movements are likely to be positively correlated. The exposures are being reviewed by the Regulatory & Risk Committee.

Daily profit on OTC closed positions:

US dollars in millions	2022	2021
Highest profit	32.7	16.0
Highest loss	(9.8)	(3.9)
Average	2.1	1.9

2. Foreign currency risk

Transactional foreign currency exposures represent financial assets or liabilities denominated in currencies other than the functional currency of the Group. Transaction exposures arise in the normal course of business.

Foreign currency risk is managed on a Group-wide basis, while the Group exposure to foreign currency risk is not considered by the Board of Directors to be significant. The Group monitors transactional foreign currency risks including currency statement of financial position exposures, equity, commodity, interest and other positions denominated in foreign currencies and trades on foreign currencies.

If the US dollar had strengthened by 3% as at 31 December 2022, in respect of balances denominated in other currencies, with all other variables unchanged, the exposure on income after taxes in respect of those balances would be a gain (loss) of \$0.2 million in respect of EUR, (\$0.3) million in respect of AUD, \$0.4 million in respect of GBP and (\$3.7) million in respect of NIS. The exposure in respect of balances denominated in other currencies is immaterial.

Notes to the Consolidated Financial Statements continued

NOTE 26 – FINANCIAL RISK MANAGEMENT continued

b. Credit risk

The Group operates a real-time mark-to-market OTC trading platform with customers' profits and losses being credited and debited automatically to their accounts.

Under the Group's policy, OTC customers cannot owe the Group funds when losing more than they have in their accounts, all OTC customer accounts are pre-funded.

OTC client credit risk – Client credit risk principally arises when a customer's total funds deposited (margin and free equity) are insufficient to cover any trading losses incurred. In particular, customer credit risk can arise where there are significant, sudden movements in the market (e.g. due to high general market volatility or specific volatility relating to an individual financial instrument in which a customer has an open position).

The Group's OTC offering is margin-traded. If the market moves adversely by more than the customer's maintenance margin, the Group is exposed to customer credit risk.

The principal types of OTC customer credit risk exposures are managed by monitoring all customer positions on a real-time basis. If customers' funds are below the required margin level, customers' positions are liquidated (margin call).

Institutional credit risk – The risk that financial counterparties will not meet their obligation, risking both client and the Group's assets.

The carrying amount of the Group's financial assets represents their maximum exposure to credit risk.

The Group has no material financial assets that are past due or impaired as at the reporting dates.

As of 31 December 2022 and 2021, counterparties holding the Group's cash and cash equivalents, credit cards, client funds and deposits, have credit ratings as follows:

Credit Rating*	2022	2021
AAA to A-	95%	94%
BBB+ to B-	2%	2%
Remaining counterparties	3%	4%

* The financial institutions were rated by the same third party.

As of 31 December 2022 the amounts held by the remaining counterparties are held in several counterparties worldwide. The balance in each of those counterparties does not exceed 2% (2021: 2%) of total cash and cash equivalents, credit cards, client funds and deposits.

The Group's largest credit exposure to any single bank as of 31 December 2022 was \$370.1 million or 31% of the exposure to all banks (2021: \$240.1 million or 22%).

c. Concentration risk

Concentration risk is defined as all risk exposures with a loss potential which is large enough to threaten the solvency or the financial position of the Group. In respect of financial risk, such exposures may be caused by credit risk, market risk, liquidity risk or a combination or interaction of those risks.

d. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations arising from its financial liabilities that are settled by delivering cash or other financial assets.

Liquidity risk is managed centrally and on a Group-wide basis. The Group's approach to managing liquidity is to ensure it will have sufficient liquidity to meet its financial liabilities when due, under both normal circumstances and stressed conditions.

The Group's approach is to ensure that there will be no material liquidity mismatches with regard to liquidity maturity profiles due to the very short-term nature of its financial assets and liabilities.

A result of this policy is that short-term liquidity "gaps" can potentially arise in periods of very high client activity or significant increases in global financial market levels.

The contractual maturity of the financial liabilities to service suppliers is generally up to two months.

e. Capital management

1) Plus500UK

The UK Subsidiary is regulated by the FCA.

The UK Subsidiary manages its capital resources on the basis of regulatory capital requirements and its own assessment of capital required to support all material risks throughout the business. The UK Subsidiary manages its regulatory capital through an Internal Capital Adequacy and Risk Assessment process (known as the ICARA) in accordance with guidelines and rules implemented by the FCA. Both assessments are compared with total available regulatory capital on a daily basis and monitored by the management of the Group.

As at 31 December 2022 and 2021, the UK Subsidiary had GBP 51.7 million and GBP 43.9 million, respectively, of eligible capital which is in excess of both its regulatory capital requirement and the internally measured capital requirement.

2) Plus500CY

The CY Subsidiary is regulated by CySEC.

The CY Subsidiary manages its capital resources on the basis of regulatory capital requirements ("Pillar 1") and its own assessment of capital required to support all material risks throughout the business ("Pillar 2"). The CY Subsidiary manages its regulatory capital through an Internal Capital Adequacy and Risk Assessment ("ICARA") process in accordance with guidelines and rules implemented by CySEC.

The CY Subsidiary monitors on a frequent basis its Pillar 1 capital requirements and ensures that its capital and liquidity position remains always above the minimum regulatory thresholds. As of 31 December 2022 and 2021, the CY Subsidiary held EUR 107.2 million and EUR 90.4 million, respectively, of eligible capital which is in excess of both its regulatory capital requirement (Pillar 1) and the internally measured capital requirement (Pillar 2).

As of the 26 June 2021, the capital adequacy and overall risk management requirements that applied to the CY Subsidiary under the Capital Requirements Regulation & Directive ("CRR & CRDIV") prudential framework, have been replaced by amended prudential rules. The Internal Capital Adequacy Assessment Process ("ICAAP") were replaced by ICARA.

As at 31 December 2022 and 2021, the CY Subsidiary's Pillar 1 Capital Adequacy ratio on a transitional basis was 253.1% and 174.1% respectively. Moreover, the CY Subsidiary is evaluating its overall risk profile and capital position through its ICARA process, which is performed at least on an annual basis.

3) Plus500AU

The AU Subsidiary is regulated by ASIC, FMA and FSCA.

The AU Subsidiary manages its capital resources on the basis of regulatory capital requirements and its own assessment of capital required to support all material risks. The AU Subsidiary manages its capital through its Net Tangible Assets ("NTA") assessment in accordance with rules and guidelines implemented by ASIC and FMA and Capital Liquidity assessment in accordance with rules and guidelines implemented by FSCA.

As at 31 December 2022 and 2021, the AU Subsidiary held AUD 43.8 million and AUD 38.2 million, respectively, of eligible capital, which is in excess of its NTA requirements from ASIC, FMA and FSCA.

Notes to the Consolidated Financial Statements continued

NOTE 26 – FINANCIAL RISK MANAGEMENT continued

e. Capital Management continued

4) Plus500SG

The SG Subsidiary is regulated by MAS.

The SG Subsidiary manages its capital resources on the basis of regulatory capital requirements and its own assessment of capital required to support all material risks. The SG Subsidiary manages its capital in accordance with rules and guidelines implemented by MAS.

As at 31 December 2022 and 2021, the SG Subsidiary held SGD 8.6 million and SGD 8.3 million, respectively, of eligible capital, which is in excess of its MAS requirements.

5) Plus500IL

The IL Subsidiary is regulated by ISA.

The IL Subsidiary manages its capital resources on the basis of regulatory capital requirements and its own assessment of capital required to support all material risks. The IL Subsidiary manages its capital in accordance with rules and guidelines implemented by ISA.

As at 31 December 2022 and 2021, the IL Subsidiary held NIS 35.8 million and NIS 34.8 million, respectively, of eligible capital, which is in excess of its ISA requirements.

6) Plus500SEY

The SEY Subsidiary is regulated by FSA.

The SEY Subsidiary manages its capital resources on the basis of regulatory capital requirements and its own assessment of capital required to support all material risks. The SEY Subsidiary manages its capital in accordance with rules and guidelines implemented by FSA.

As at 31 December 2022 and 2021, the SEY Subsidiary held sufficient levels of eligible capital, which is in excess of its FSA requirements.

7) Cunningham Commodities

Cunningham Commodities is a Futures Commission Merchant ("FCM") registered with the CFTC and is a member of the National Futures Association ("NFA").

As at 31 December 2022 and 2021, the Cunningham Commodities Subsidiary had a net capital of USD 86.1 million and USD 22.0 million, respectively, which is in excess of CFTC Regulation 1.17 and the minimum capital requirements of the CME Group Inc.

8) Plus500EE

The EE Subsidiary is regulated by EFSA.

The EE Subsidiary manages its capital resources on the basis of regulatory capital requirements and its own assessment of capital required to support all material risks. The EE Subsidiary manages its capital in accordance with rules and guidelines implemented by EFSA.

As at 31 December 2022, the EE Subsidiary held EUR 5.4 million of eligible capital, which is in excess of its EFSA requirements.

9) Plus500JP

The JP Subsidiary is regulated by FSA.

The JP Subsidiary manages its capital resources on the basis of regulatory capital requirements and its own assessment of capital required to support all material risks. The JP Subsidiary manages its capital in accordance with rules and guidelines implemented by FSA.

As at 31 December 2022, the JP Subsidiary held JPY 590.5 million, of eligible capital, which is in excess of its FSA requirements.

f. Other business risks

The Group's business is subject to various laws and regulations in different countries according to its activity and other countries from where the Company operates. Any regulatory actions, tax or legal challenges against the Group for non-compliance with any regulatory or legal requirement could result in significant fines, penalties, or other enforcement actions, increased costs of doing business through adverse judgement or settlement, reputational harm, the diversion of significant amounts of management time and operational resources, and could require changes in compliance requirements or limits on the Group's ability to expand its product offerings, or otherwise harm or have a material adverse effect on the Group's business.

g. Fair value estimation

Financial derivative open positions (offset from, or presented with, deposits from clients within "Trade payable – due to clients") (see also Note 19) are measured at fair value through profit or loss using valuation techniques. The said valuation techniques are based on inputs other than quoted prices in active markets that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. All significant inputs required for the fair value estimations of the said instruments are observable.

Specific valuation techniques used to value financial instruments are based on quoted market prices at the consolidated statement of financial position date and an additional predetermined amount (trading spread).

NOTE 27 – CASH GENERATED FROM OPERATIONS

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

Notes to the Consolidated Financial Statements continued

NOTE 28 – SUBSEQUENT EVENTS

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

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

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

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

FURTHER INFORMATION

Advisors

Sponsor and Joint Broker

Liberum Capital Limited

Ropemaker Place
25 Ropemaker Street
London EC2Y 9LY, UK

Joint Broker

Jefferies International Limited

100 Bishopsgate
London EC2N 4JL, UK

Independent Auditors

Kesselman & Kesselman, a member firm of PricewaterhouseCoopers International Limited

146 Derech Menachem
Begin Street
Tel Aviv 6492103,
Israel

Financial PR

Brunswick Group LLP

16 Lincoln's Inn Fields
London WC2A 3ED, UK

Legal Advisor (Israel)

Herzog, Fox & Neeman

Herzog Tower
6 Yitzhak Sadeh Street
Tel Aviv 6777504,
Israel

Legal Advisor (United Kingdom)

Bryan Cave Leighton Paisner LLP

Governor's House
5 Laurence Pountney Hill
London EC4R 0BR, UK

Depository

Link Market Services Trustees Limited

Central Square
29 Wellington Street
Leeds LS1 4DL, UK

Registrar

Link Market Services Limited

Central Square
29 Wellington Street
Leeds LS1 4DL, UK

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