cmc markets

Results presentation

Year ended 31 March 2022

9 June 2022

LORD CRUDDAS
Chief Executive Officer

EUAN MARSHALL
Chief Financial Officer

DAVID FINEBERG
Deputy Chief Executive Officer

MATTHEW LEWIS
Head of APAC & Canada

2022 highlights: repositioning for next phase of growth

Record performance outside pandemic restrictions and new growth initiatives on track

- Net operating income of £282 million (2021: £410 million), a record performance outside of pandemic restrictions
- Launching new strategy to grow net operating income by 30% over next three years
- Operating expenses increased by 2% to £188 million, driven by higher personnel costs to support ongoing strategic initiatives
- Profit before tax of £92 million (2021: £224 million)
- £30 million share buyback commenced on 15th March
- Final dividend of 8.88p, resulting in total dividend for the year of 12.38p

Investing to diversify and accelerate growth

Our core three-year initiatives

2023 will be a year of **investment in strategic initiatives**, which aim to deliver future revenue growth for the Group and **further diversification** - particularly into the **institutional** and **non-leveraged** markets.

- Investment in strategic initiatives
- Further diversification of revenue mix
- Further diversification of client mix
- Accelerate growth over the medium term

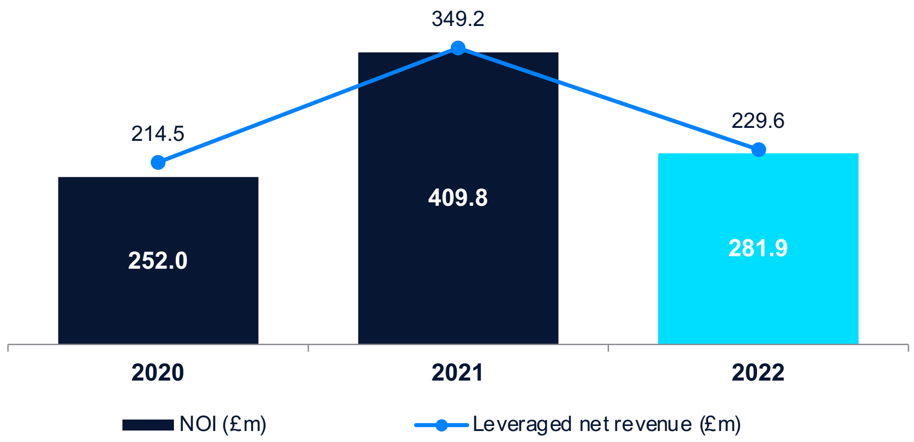
Financial performance

Euan Marshall, CFO

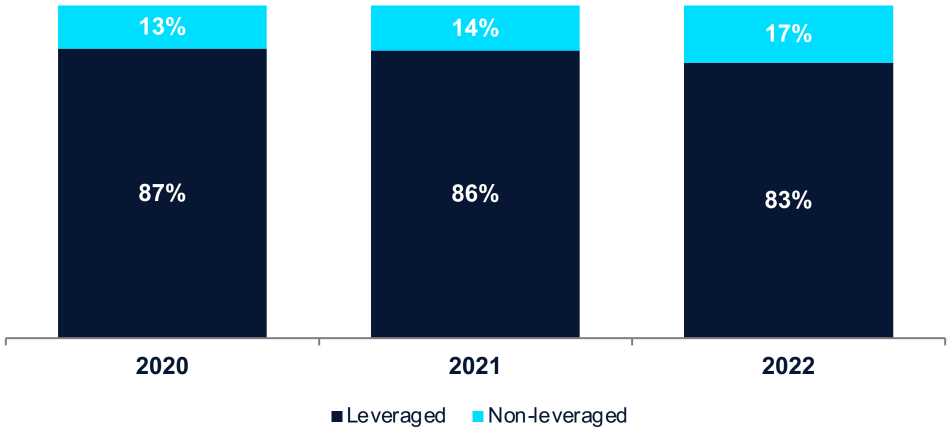
KPIs

Record net operating income outside of pandemic-driven periods

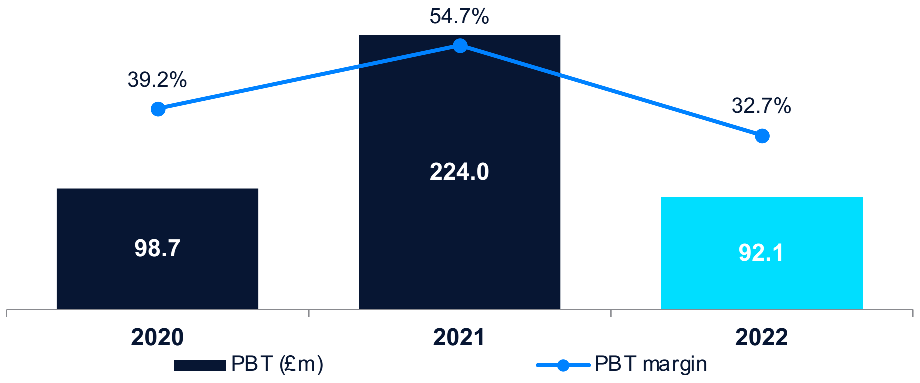
Net operating income[1] (£m)



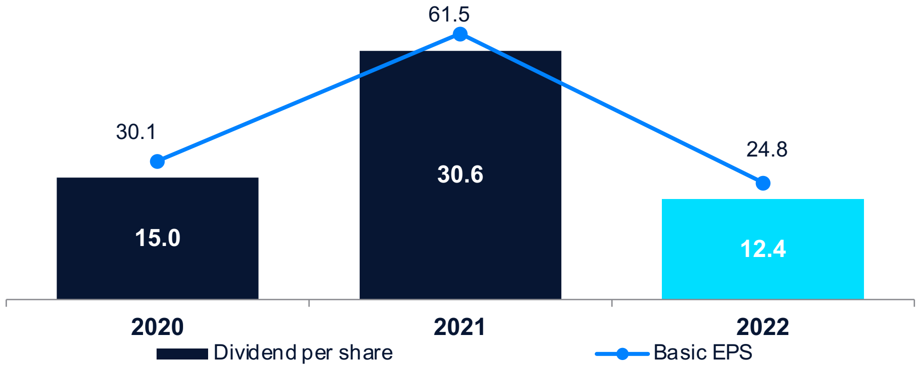
Net trading revenue mix



Profit / (loss) before tax (£m and margin)



Basic earnings per share (pence)



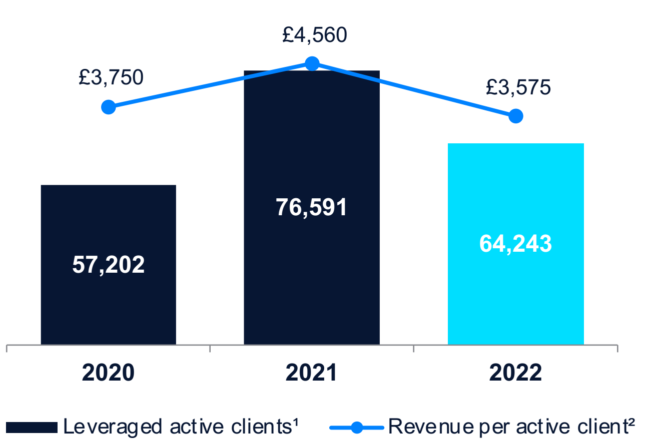
1. Net operating income represents total revenue net of introducing partner commissions and spread betting levies.

KPIs

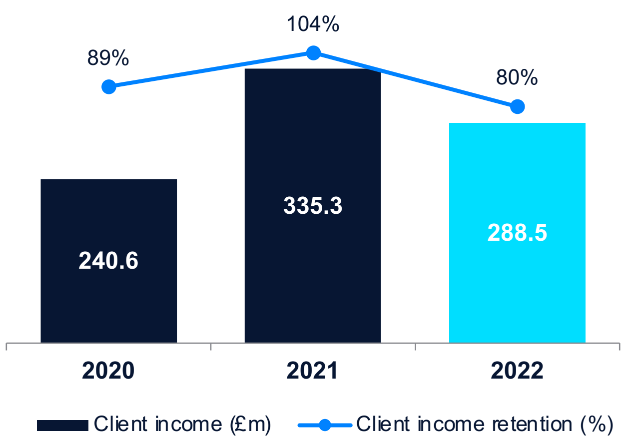
Leveraged and non-leveraged business lines

Leveraged

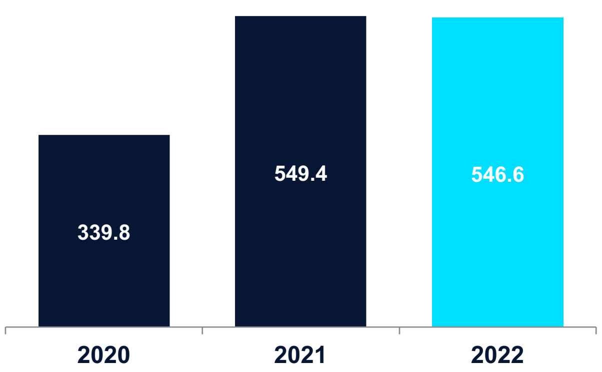
Active clients[1] and revenue per active client[2] (RPC)



Gross client income[3] (£m) and retention (%)

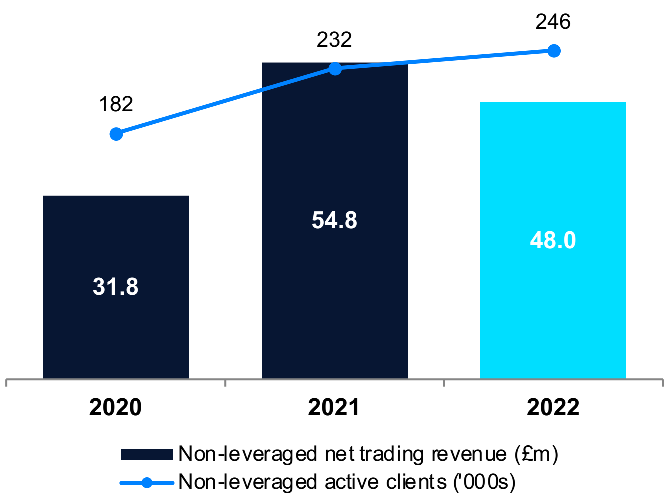


Client money (AUM) (£m)

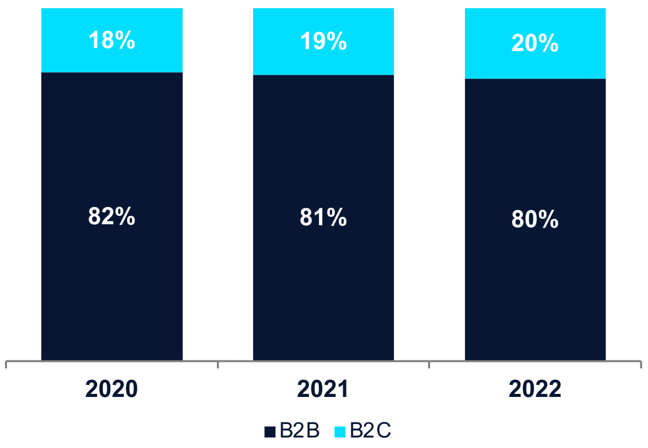


Non-leveraged

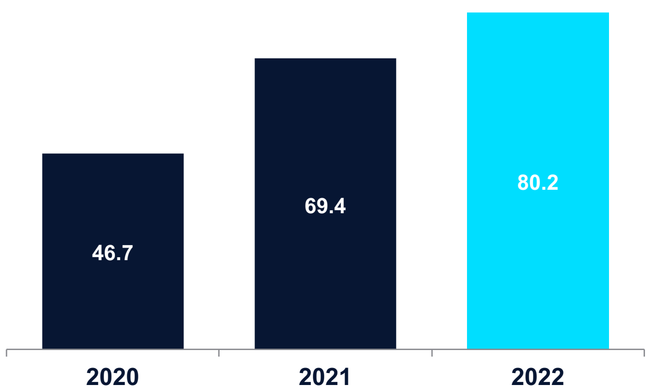
Net revenue (£m) and active clients ('000s)



Net trading revenue: B2C and B2B mix



Assets under administration (AUD bn)



1. Active clients represent those individual clients who have traded with or held CFD or spread bet positions with CMC Markets on at least one occasion during the period.
2. Revenue per active client represents total trading revenue from CFD and spread bet active clients after deducting rebates and levies.
3. CFD gross client income represents spreads, financing and commissions charged to clients (client transaction costs) before rebates and levies. See slide 12 for further detail.

Income statement

Sustained performance following exceptional prior year

Group (£m)	2022	2021	YoY %
Leveraged net trading revenue	229.6	349.2	(34%)
Non-leveraged net trading revenue	48.0	54.8	(12%)
Interest income	0.8	0.7	12%
Sundry income	3.5	5.1	(30%)
Net operating income[1]	**281.9**	**409.8**	**(31%)**
Operating expenses (excl. variable remuneration)	(173.1)	(167.8)	(3%)
Variable remuneration[2]	(14.5)	(16.2)	10%
Finance costs	(2.2)	(1.8)	(24%)
Profit before taxation	**92.1**	**224.0**	**(59%)**
PBT margin	32.7%	54.7%	
Tax	(20.1)	(45.9)	56%
Profit after tax	**72.0**	**178.1**	**(60%)**
Profit before taxation	**92.1**	**224.0**	**(59%)**
Leveraged	76.0	200.7	(62%)
Non-leveraged	16.1	23.3	(32%)

Net operating income

- Net operating income of £281.9m was a record outside of an exceptional prior year comparative
- 34% (£119.6m) decrease in leveraged net trading revenue
  - Gross CFD client income down 14% or £46.8m, with the prior year containing periods of heightened client trading activity market volatility
  - Client income retention fell from the exceptional levels seen in prior year, back in line with guidance at 80%
- Non-leveraged net trading revenue down £6.8m (12%), driven by lower net brokerage revenue
- Decrease in sundry income due to non-recurring items in the prior year

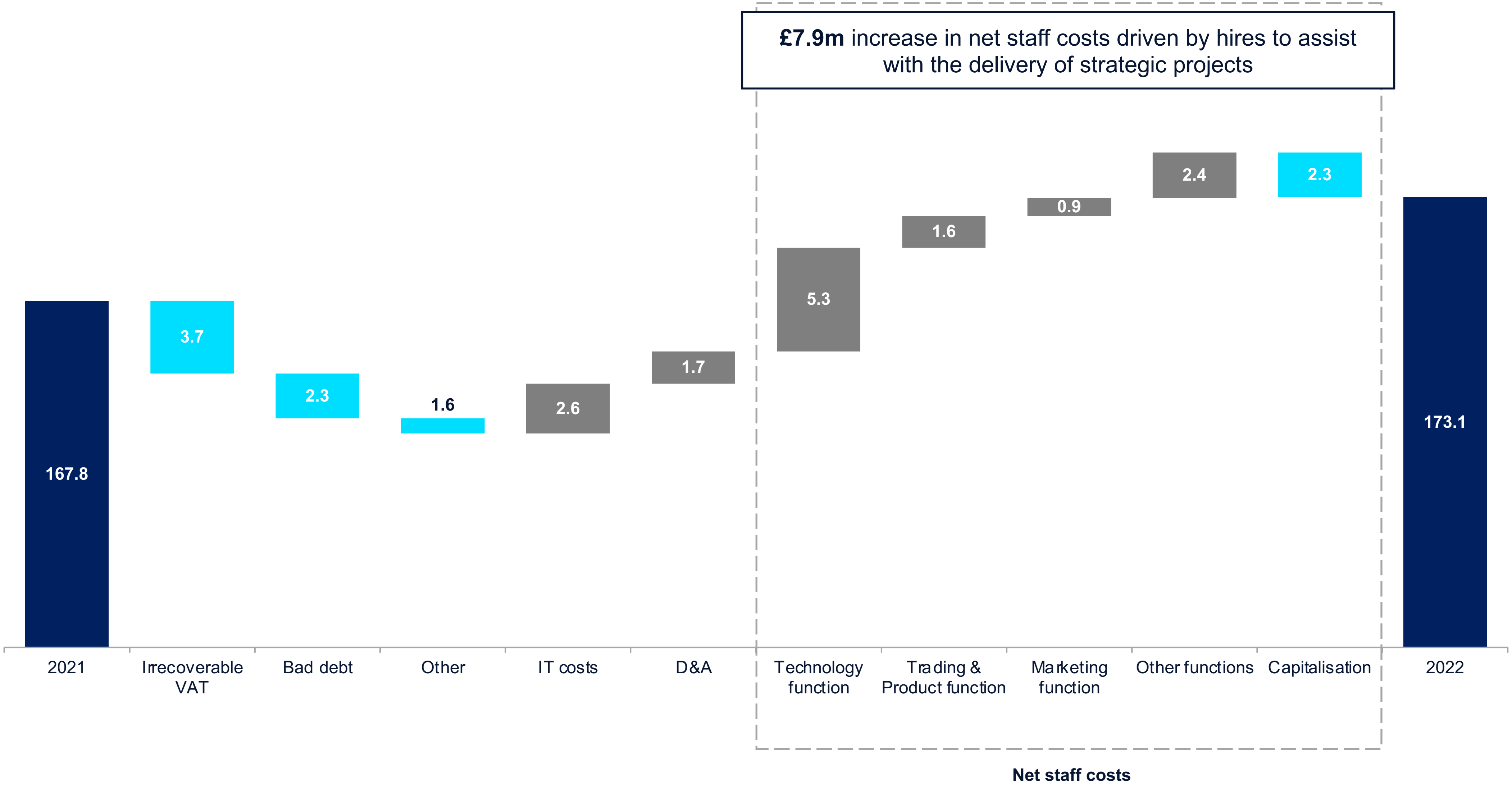
Operating expenses

- Increase in operating expenses (excluding variable remuneration) driven by investment in headcount to support the delivery of strategic projects
- Lower variable remuneration reflects Group financial performance against a strong comparative

1. Net operating income represents total revenue net of introducing partner commissions and spread betting levies.
2. Includes share based payments

Operating cost[1] bridge

Higher costs driven by investment in headcount to deliver growth strategy



1. Excluding variable remuneration

Liquidity and regulatory capital

Strong liquidity position retained

Regulatory capital Group (£m)	2022	2021
Core Equity Tier 1 Capital[1]	344.5	339.8
Less: intangibles and deferred tax assets[2]	(33.0)	(16.7)
Capital Resources	**311.5**	**323.1**
Own funds requirements[3] ("OFR")	63.6	84.2
Total OFR ratio %[4]	**489%**	**384%**

Regulatory Capital

- **CET1** broadly flat due to inclusion of profit for the year, offset by share buyback programme and interim and proposed dividends
- **Intangibles** deduction has increased mainly due to the acquisition of the ANZ Share Investing client base

Liquidity

- **Own funds** of £369.9m are in line with prior year
- **Blocked cash** increase has largely been driven by cash committed to the share buyback programme
- **Broker margin requirements** have fallen significantly in recent months, though remain above pre-pandemic levels

Total available liquidity Group (£m)	2022	2021
Own funds	**369.9**	**370.4**
Non-segregated client and partner funds	44.1	30.7
Available syndicated facility	55.0	55.0
Total available liquidity	**469.0**	**456.1**

Net available liquidity Group (£m)	2022	2021
Total available liquidity	**469.0**	**456.1**
Blocked cash[5]	(103.1)	(75.4)
Initial margin requirement at broker	(120.0)	(170.1)
Net available liquidity	**245.9**	**210.6**

1. Core Equity Tier 1 capital – total audited capital resources and verified profits as at the end of the financial period, less foreseeable dividends
2. In accordance with IFPR, all deferred tax assets must be fully deducted from CET1 capital.
3. The minimum capital requirement in accordance with MIDIFPRU 4.3.
4. The OFR ration represents CET1 capital as a percentage of OFR.
5. Blocked cash relates to cash needed to support regulatory and overseas subsidiaries operational requirements, as well as cash committed to purchase shares under the buyback programme.

Client trading and regulation

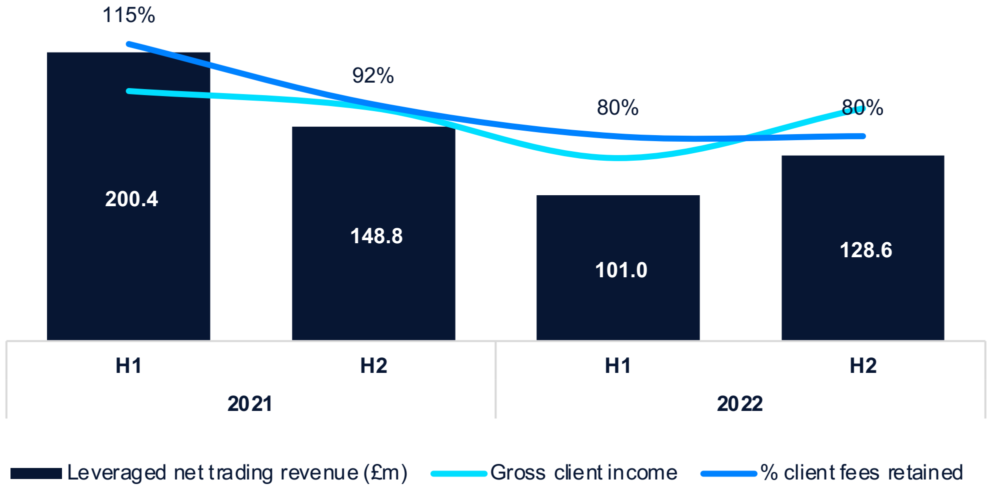
David Fineberg, Deputy CEO

Leveraged net trading revenue

Gross client income well in excess of pre-pandemic levels

£m	2021 H1	2021 H2	FY21	2022 H1	2022 H2	FY22
Leveraged gross client income[1]	173.6	161.7	335.3	127.0	161.5	288.5
Rebates and levies	(10.1)	(10.7)	(20.8)	(8.3)	(12.3)	(20.6)
Leveraged net client income	**163.5**	**151.0**	**314.5**	**118.7**	**149.2**	**267.9**
Risk management gains / (losses)	46.9	9.9	56.8	(9.0)	(4.1)	(13.1)
Hedging costs	(10.0)	(12.1)	(22.1)	(8.7)	(16.5)	(25.2)
Leveraged net trading revenue	**200.4**	**148.8**	**349.2**	**101.0**	**128.6**	**229.6**
% client income retained	*115%*	*92%*	*104%*	*80%*	*80%*	*80%*

% variance (FY22 vs)	FY21	FY20
Leveraged gross client income[1]	(14%)	20%
Rebates and levies	1%	(24%)
Leveraged net client income	**(15%)**	**20%**
Risk management gains / (losses)	(123%)	(196%)
Hedging costs	(14%)	(8%)
Leveraged net trading revenue	**(34%)**	**7%**



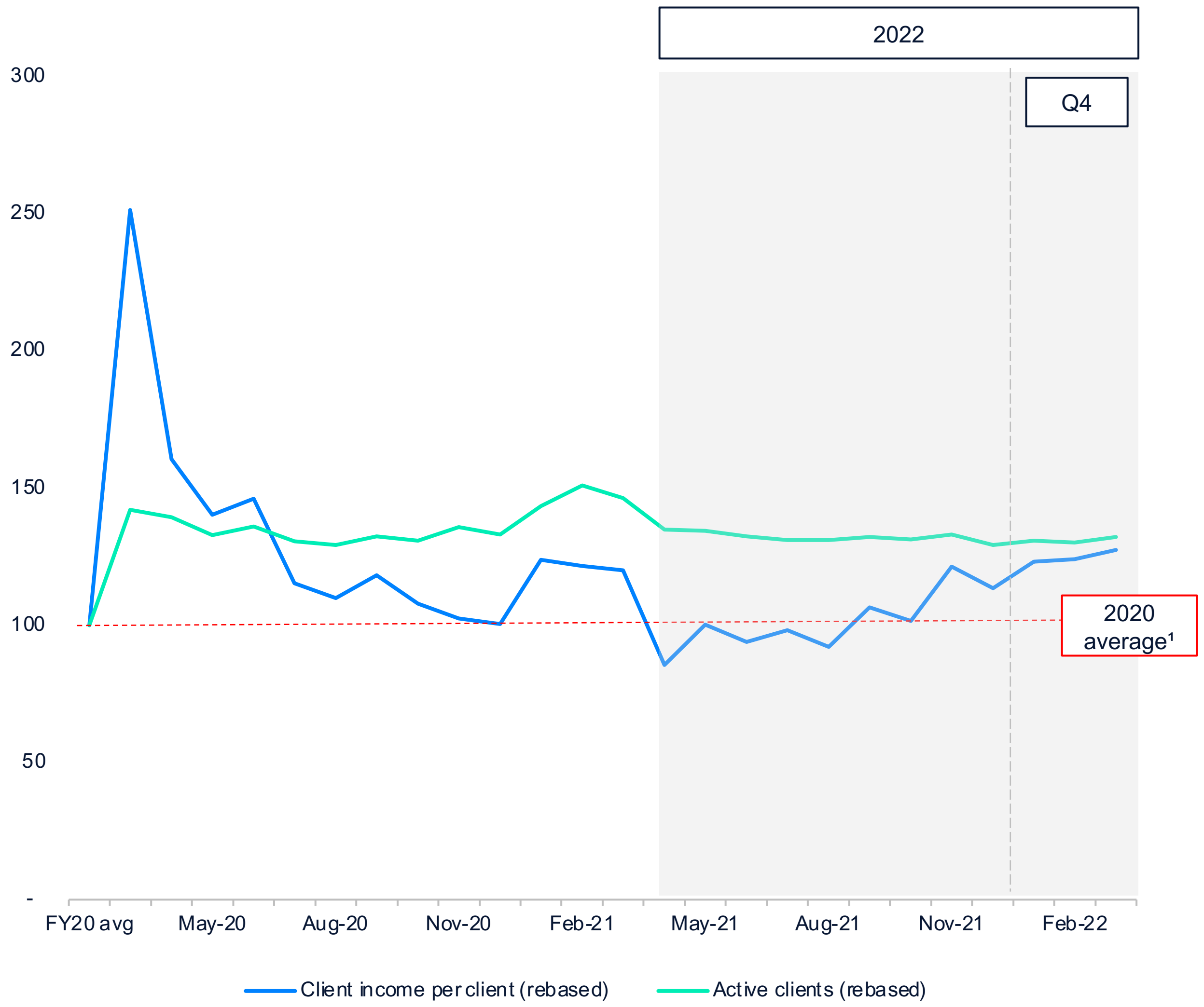
- 34% decrease in leveraged net trading revenue to £229.6m driven by a combination of:
  - 14% fall in gross client income, with a strong prior year comparative driven by heightened activity in light of the coronavirus pandemic
  - Normalisation of risk management performance compared to exceptional client income retention in 2021
- Larger active client base has led to a sustained increase in gross client income, which was c.£105 million per half year before the pandemic

1. Client income refers to spreads, financing and commissions charged to clients. Includes binary products.

CMC

Retail client trading trends

Sustained higher active client base



- After periods of extreme volatility at the start of the pandemic, **gross client income per retail client** has returned to more normalised levels during the year
  - H2 2022 has seen an increase in client income per client, particularly during Q4 as geopolitical tensions rose
- We have sustained our larger active client base, with **monthly active retail clients** consistently around a third higher than pre-pandemic levels
- Clients onboarded since the start of the pandemic continue to display similar characteristics to historical cohorts
  - Gross client income per client is in line with historical cohorts
- ASIC regulatory measures introduced in Apr-21. The impact on client trading behaviour has been as expected.

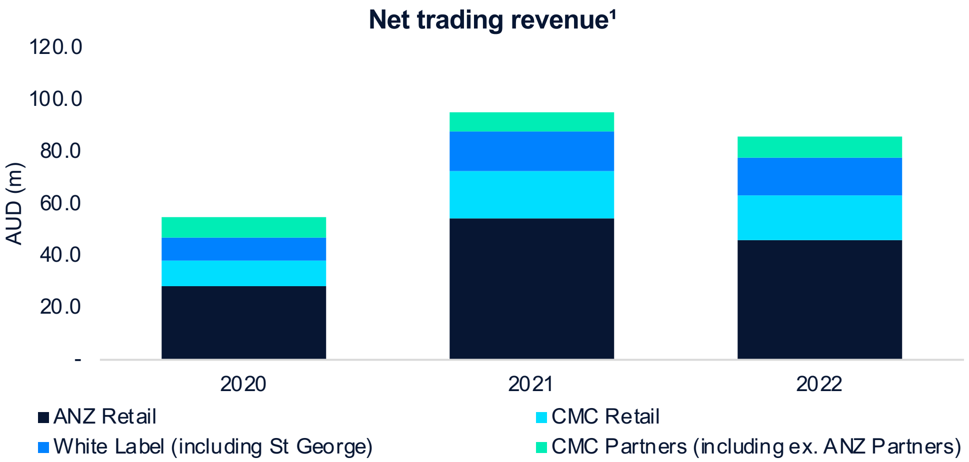
1. Data rebased to monthly average for the 2020 financial year, excluding March 2020 outlier

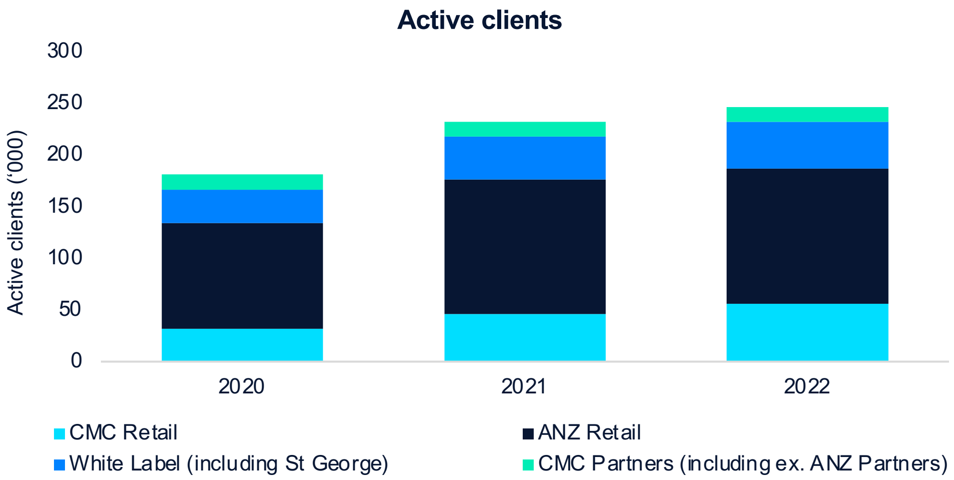
APAC non-leveraged update

Matthew Lewis, Head of APAC & Canada

CMC Invest Australia update

Record active clients and AuA





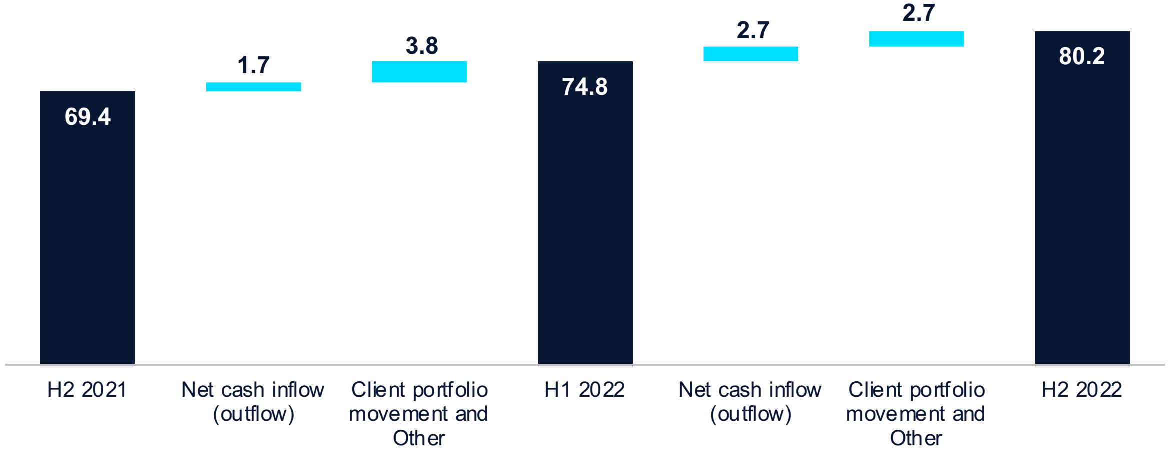
- Non-leveraged trading net revenue is 12% (£6.8m) lower year-on-year, however up 51% vs pre-pandemic normalised levels
  - Brokerage revenue down 13% against prior year
  - FX revenue down 4%
- Active clients up 6% year-on-year, another record year
- Record AuA at AUD $80.2bn
- Second largest retail stockbroker, and largest white label provider in Australia
- Market conditions continued to be favourable throughout the period with:
  - Market growth
  - Increased client engagement

1. Represents revenue received from brokerage and FX spread on client trades, less rebates

CMC Invest Australia update

Continued expansion of product and geography

AuA movement (AUD $bn)



- The business continues to expand and invest in its market leading offering:
  - Extended hours US trading
  - Mobile and iPad App (iOS and Android)
  - Commenced complete UX redesign
  - Model investment portfolios launched
  - Simplified competitive retail pricing
- Looking ahead to 2023, we see further value and growth in:
  - Continuous improvement of our product offering through platform enhancements including:
    - Further UX redesign
    - Customer journey upgrades
  - ANZ client migration
  - New physical cryptocurrency offering
  - Launching CMC Invest in Singapore

ANZ Share Investing ("ANZSI") acquisition

CMC acquires over 500,000 clients with assets in excess of $43 billion

CMC INVEST

Over 500,000 ANZ Share Investing clients

Assets in excess of AUD$43 billion

ANZ

- Client transition is on track and on budget. It is anticipated to finish by the end of 2023
- Post transition, CMC will be able to offer clients:
  - Attractive pricing
  - Products:
    - Mobile and iPad app
    - Education
    - Trading strategies
    - Opportunity to trade CFDs and physical cryptocurrencies
  - End-to-end ownership of customer journey
  - Any new features/enhancements rolled out in future

CMC

CMC Invest Singapore

5 in 10 Singaporeans hold equity investments with a further c.20% looking to enter the market[1]

CMC INVEST Singapore

TAM: c.1.5m

342,000 online investors

White labels opportunities & c.20,000 financial advisers

Opportunity:

- More than half (52%) the population over the age of 16 have an investment in stock or equities. This equates to roughly 1.5 million people[2]
- Market size: 342,000 online investors[3]
- B2B:
    - White label opportunities
    - c.20,000 financial advisors[4]
    - Family offices
- Expansion into wider Asia

Offering:

- Lift and shift of existing full-feature Australian CMC Invest web platform, iOS and Android apps plus client journey localisation

Timelines:

- We plan to release towards the end of FY23

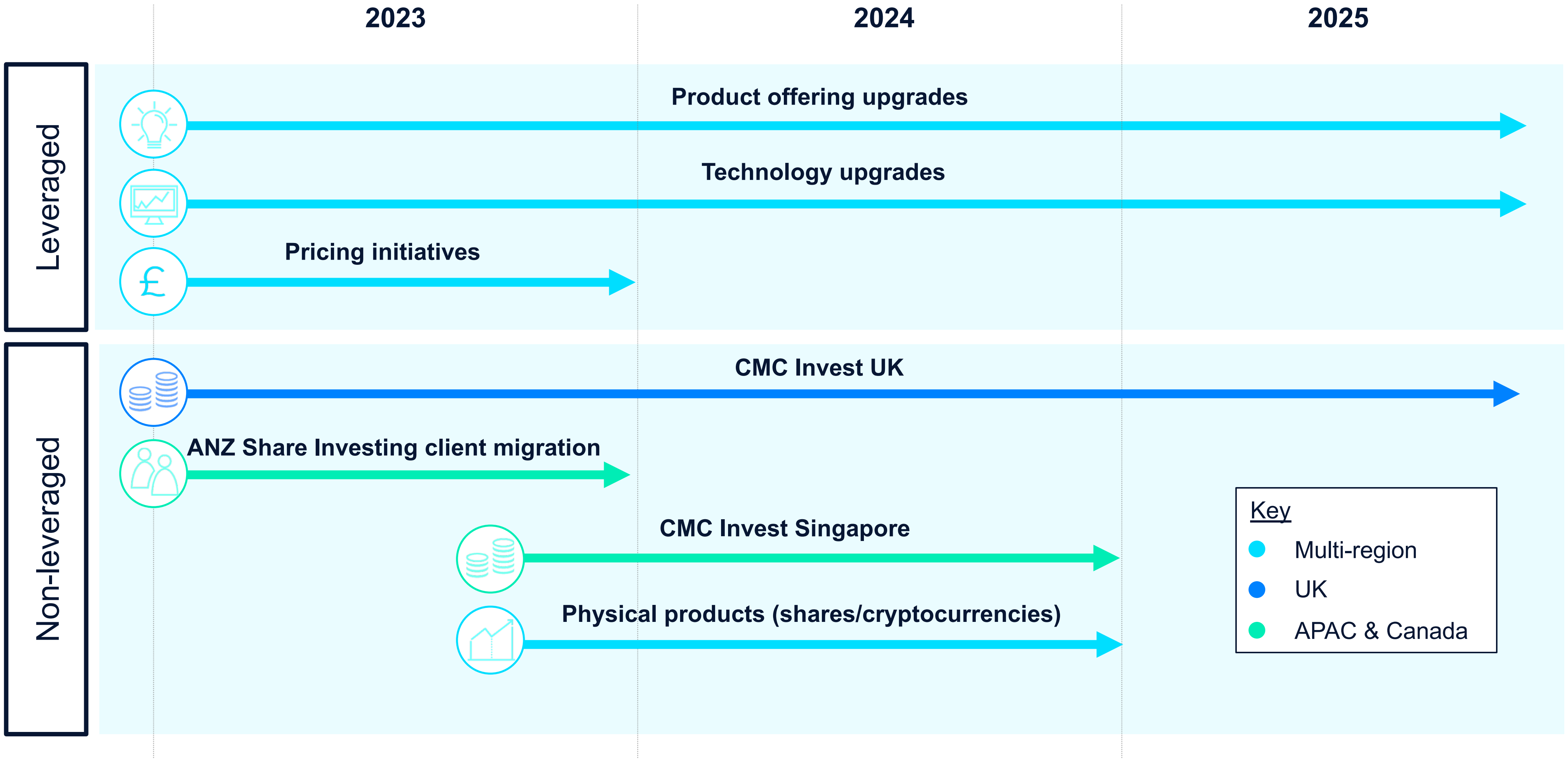
[1] https://sbr.com.sg/news/chart-day-5-in-10-singaporeans-have-investments-in-stock-market
[2] https://www.finder.com/sg/investing-statistics
[3] Investment Trends: 2021 Second Half Australia Online Investing Report
[4] https://www.businesstimes.com.sg/banking-finance/financial-advisers-get-1-year-reprieve-from-zero-sales-fees

Strategic update

Lord Cruddas, CEO

Seven core strategic initiatives

Summary of initiatives driving growth for three-year plan

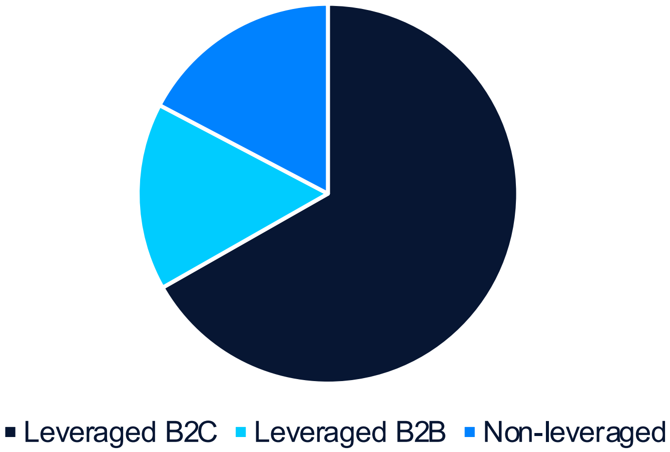


Repositioning CMC

Significant benefits of diversification of revenue streams, customer base and geography

Operational risk reduction Reduced risk of regulatory change	Opportunity for greater geographical coverage	Plays to CMC's technology strengths and disruption capabilities	Reduces volatility in earnings to drive higher market multiple	Increases product offering across multiple asset classes; enhance wallet share.	Non-leveraged wealth management growth trend at >2x that of leveraged sector

2022 Net operating income mix

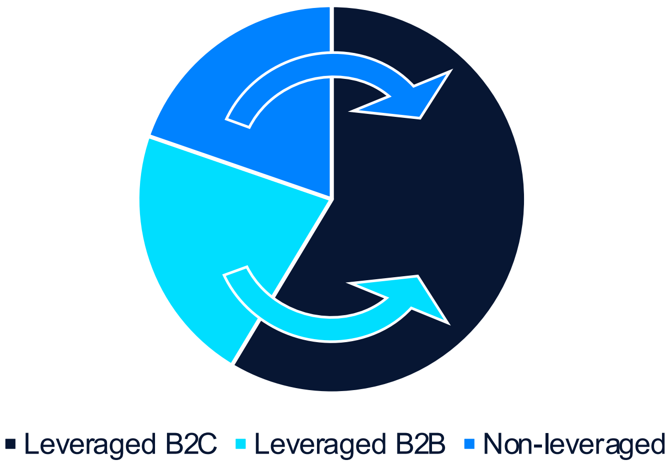


Invest

Diversify

Grow

2025 Net operating income mix



Three-year targets

30% growth in net operating income

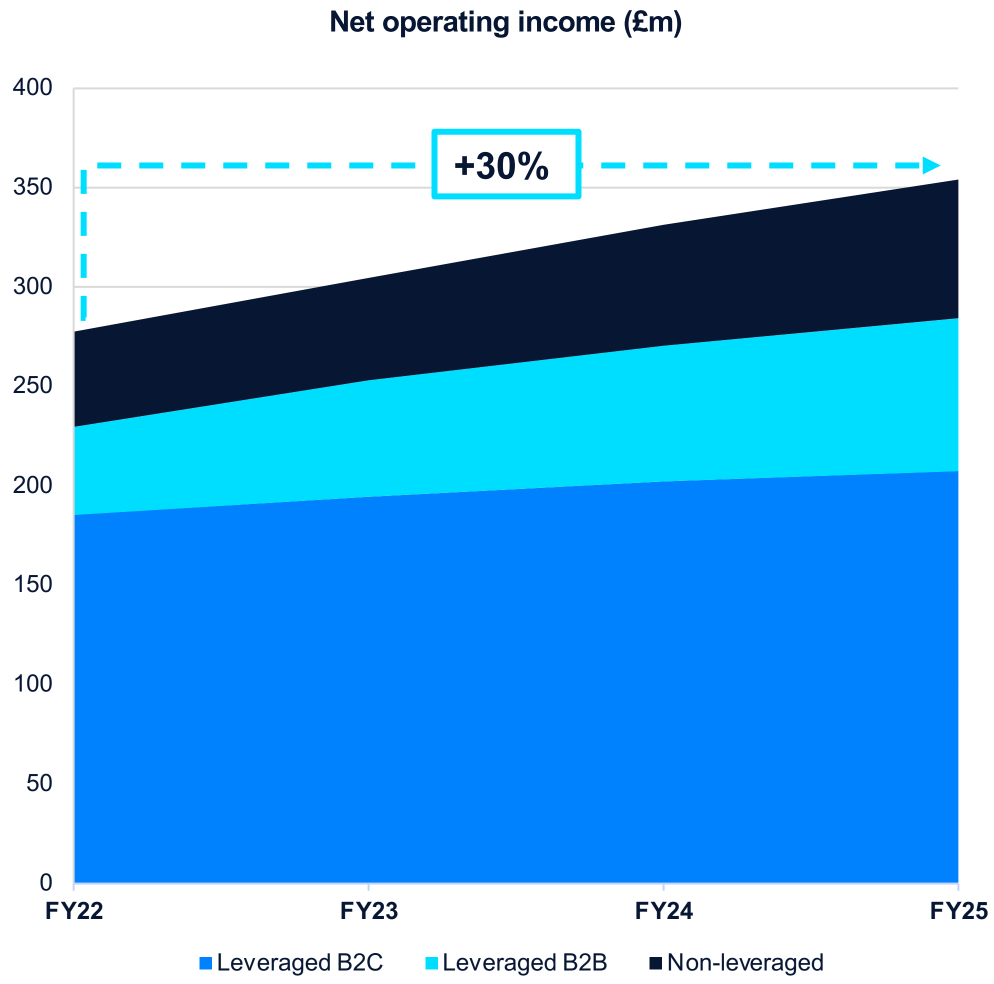
Major areas of growth in the next three years will be the **leveraged B2B** and **non-leveraged** businesses, in line with the Group's strategy of long term diversification and higher growth

This will be achieved through:

- Institutional B2B expansion
- Marketing
- New geographies
  - Stockbroking offering in Singapore (2023)
  - Institutional growth in the Middle East
- Physical cryptocurrencies in Australia (2023)

Enhanced underlying growth: Increased investment across the Group will drive net operating income growth over the next three years by 30%

PBT margin expected to increase from 2024



Institutional ("B2B") growth trends

Marked growth opportunity ahead

Where we are now:

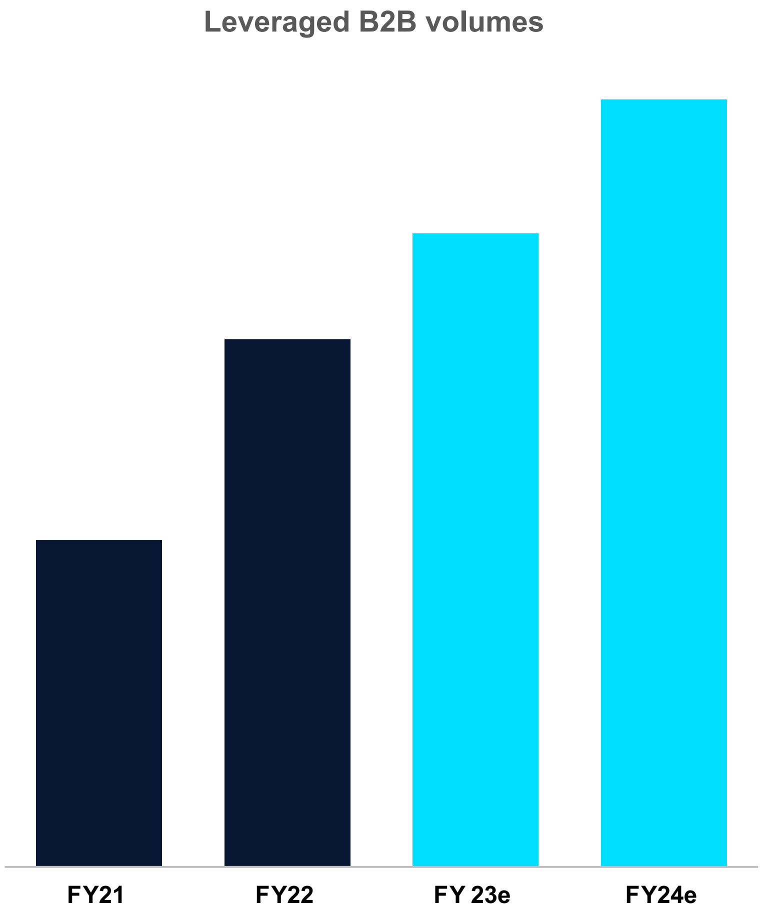
- Leveraged B2B volumes up 60% year-on-year from existing product
- Expecting 20% CAGR in B2B volumes going forward

2023 objectives:

- Position CMC Connect as a full-service fintech solution and non-bank liquidity provider
- New products; Spot FX (launched Q4 2022), FX give ups, ECN connectivity (Electronic Communication Network) enhancements
- Drive brand and product awareness across all channels and distribution channels

2024 objectives:

- Unification of all asset classes on all platforms and APIs
- Development of partner stockbroking options
- New products (cash equities, FX products, cryptocurrencies)
- Accelerate growth in the FX market with marketing strategy to build client groups across increasing geographies

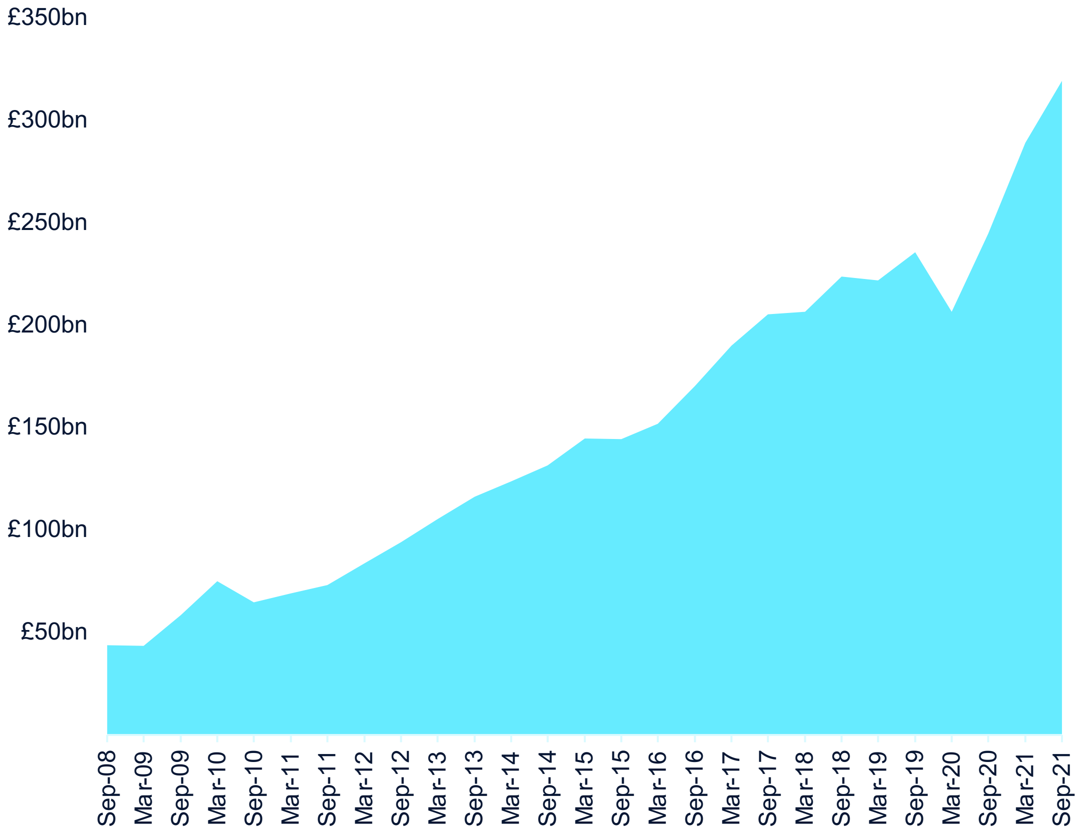


Market size and structure of UK D2C opportunity

Direct platform AuA growth has grown >15% p.a. since 2008

- UK direct platform AuA increased by 30% for the year to Sept 2021 to c.£320bn, and has grown by over 600% since 2008
- First time investors remain focused on shares, which they understand better than funds
- Consolidation through M&A activity: heightened competition and consolidation in the sector is expected
- Key challenges include converting first-time investors into long-term clients. Important to evolve interactions with customers, and improve their own capabilities in an increasingly digital world
- Ownership of own technology is a significant differentiator
- **CMC Invest UK is well positioned to capture long-term growth opportunity**

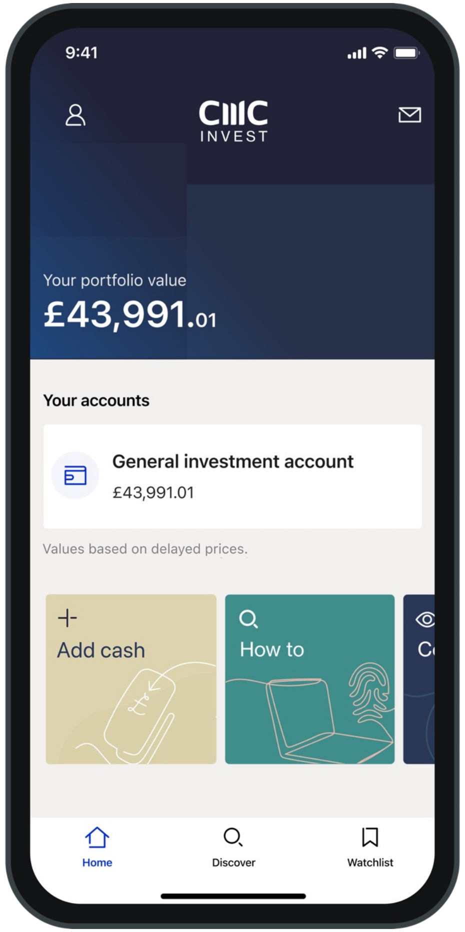
UK D2C Platform AuA[1]

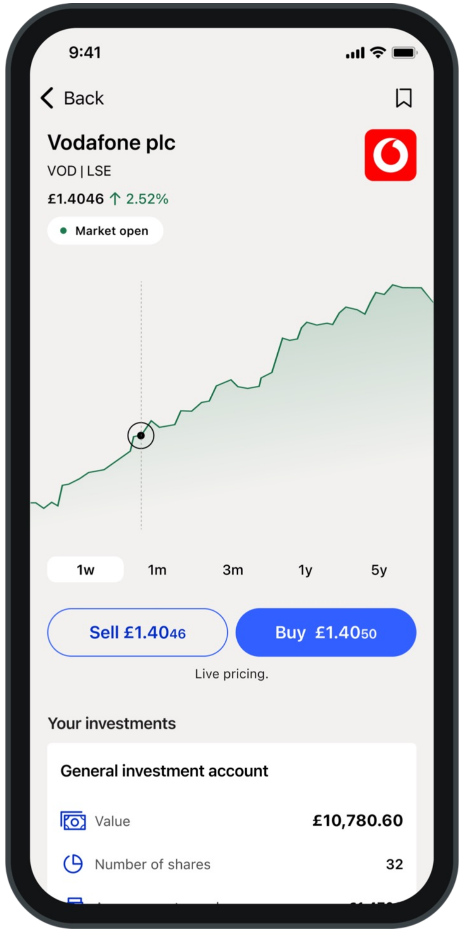


1. Source: Platforum, September 2021

CMC Invest: UK non-leveraged platform

Diversification of income streams towards non-leveraged





- Looking to the year ahead, we will continue to develop the UK platform offering:
  - New simplified onboarding journey
  - ISAs / Tax wrappers
  - Further UX upgrades
  - Adding multi-currency accounts, funds and increasing product offering
- Our platform developments are progressing well:
  - Started with internal testing
  - Will be rolling out to our existing client base in due course

Financial outlook and Sustainability

Euan Marshall, CFO

Financial outlook

Investing for future growth

Increased investment in 2023 to support future growth. The greatest proportion of investment is focused on growth delivery, namely;

- **Marketing**: Developing our customer base and promoting new products and services.
    - New marketing initiatives in both leveraged and specifically around UK non-leveraged platforms. Target to build on growth in client base over past two years
- **Recruitment and product development**:
    - Opening a new development technology hub in Manchester
    - Expansion in Singapore

Cost inflation and regulatory fees:

- Cost inflation mainly seen through wage costs
- UK regulatory fees materially higher due to correlation with 2021 record revenue

Financial outlook

Building for ongoing revenue growth over the next three years

- **Net operating income**
  - Solid platform for growth with ongoing confidence in the underlying quality and longevity of the existing leveraged and non-leveraged client base
  - Initiatives will be delivering additional revenue from 2023 onwards
  - Targeting three-year growth of 30% in net operating income vs 2022
- **2023 operating costs:** Expected to rise to in the region of £205 million excluding variable remuneration mainly through greater investment in strategic initiatives
- **PBT margin:** Expected to improve from 2024 onwards
- **Tax:** Effective tax rate expected to be in the region of 21%
- **Financial strength:** The Group continues to have a strong balance sheet and net available liquidity position, providing the opportunity to continue investing in new opportunities, including the institutional business, UK and Singapore non-leveraged business and the integration of the ANZ Bank client base into the Australian non-leveraged business
- **Dividend:** Policy remains to pay a total dividend of 50% of profit after tax

Our Tomorrow:
Taking a positive position

We empower our people and clients with the means to invest in a positive tomorrow

Providing responsible and innovative technological solutions that protect, educate and inspire our people and clients to invest for the future, to unite with the global capital markets shift towards a sustainable future

Q&A

Appendices

Appendix 1

Selected KPIs by half year

Leveraged gross client income (£m)

	2020			2021			2022		
	H1	H2	Full year	H1	H2	Full year	H1	H2	Full year
UK	37.4	49.0	86.4	63.3	59.9	123.2	47.6	59.5	107.1
Europe	17.1	26.5	43.6	28.3	25.4	53.7	20.6	30.5	51.1
APAC & Canada	49.0	61.6	110.6	82.0	76.4	158.4	58.8	71.5	130.3
Total	**103.5**	**137.1**	**240.6**	**173.6**	**161.7**	**335.3**	**127.0**	**161.5**	**288.5**

Leveraged net trading revenue[1] (£m)

	2020			2021			2022		
	H1	H2	Full year	H1	H2	Full year	H1	H2	Full year
UK	29.7	37.4	67.1	66.4	55.6	122.0	34.5	44.3	78.8
Europe	15.9	27.6	43.5	38.7	26.1	64.8	18.6	25.1	43.7
APAC & Canada	39.5	64.4	103.9	95.3	67.1	162.4	47.9	59.2	107.1
Total	**85.1**	**129.4**	**214.5**	**200.4**	**148.8**	**349.2**	**101.0**	**128.6**	**229.6**

Active clients[2]

	2020			2021			2022		
	H1	H2	Full year	H1	H2	Full year	H1	H2	Full year
UK	9,259	12.009	13,883	14,871	15,921	20,077	13,590	13,117	16,264
Europe	13,865	16,487	18,347	17,191	16,593	20,280	13,664	13,465	15,747
APAC & Canada	18,479	21,319	24,972	27,020	28,799	36,234	26,580	25,998	32,232
Total	**41,603**	**49,815**	**57,202**	**59,082**	**61,313**	**76,591**	**53,834**	**52,580**	**64,243**

1. Leveraged net revenue represents total trading revenue generated from CFD and spread bet clients after the impact of Rebates & Levies. Geographic segmentation is according to location of office which on-boards client, rather than client place of residence.
2. Active clients represent those individual clients who have traded with or held CFD or spread bet positions with CMC Markets on at least one occasion during the preceding 6 months for half year figures and 12 months for full year.

Appendix 2

Non-leveraged KPIs

Net brokerage[1] (AUD m)

	2020			2021			2022		
	H1	H2	Full year	H1	H2	Full year	H1	H2	Full year
ANZ Retail	11.2	15.1	26.3	23.5	23.9	47.4	20.2	20.1	40.3
CMC Retail	4.3	5.2	9.5	7.6	7.3	14.9	6.9	6.5	13.4
White label (incl. ex-ANZ Partners)	3.8	4.6	8.4	6.5	6.6	13.1	6.1	6.1	12.2
CMC Partners	3.9	4.0	7.9	3.4	3.5	6.9	3.6	3.7	7.3
Total	**23.2**	**28.9**	**52.1**	**41.0**	**41.3**	**82.3**	**36.8**	**36.4**	**73.2**

Turnover (AUD m)

	2020			2021			2022		
	H1	H2	Full year	H1	H2	Full year	H1	H2	Full year
ANZ Retail	10,698	13,082	23,780	19,266	18,434	37,700	16,455	17,201	33.656
CMC Retail	3,022	3,550	6,572	4,945	5,263	10,208	4,996	4,955	9,951
White label (incl. ex-ANZ Partners)	3,607	4,292	7,899	6,255	4,907	11,162	5,534	5,802	11,336
CMC Partners	7,980	7,088	15,068	5,643	7,120	12,763	6,172	6,221	12,393
Total	**25,307**	**28,012**	**53,319**	**36,109**	**35,724**	**71,833**	**33,157**	**34,179**	**67,336**

Active clients ('000s)

	2020			2021			2022		
	H1	H2	Full year	H1	H2	Full year	H1	H2	Full year
ANZ Retail	66.1	80.1	102.8	95.0	100.2	130.1	100.0	96.0	130.9
CMC Retail	20.4	25.2	31.5	32.2	37.3	46.4	41.6	43.1	56.2
White label (incl. ex-ANZ Partners)	20.3	25.1	32.0	30.2	32.2	41.8	33.3	33.8	45.1
CMC Partners	11.7	11.1	15.3	10.9	10.6	14.0	10.9	10.2	13.9
Total	**118.5**	**141.5**	**181.6**	**168.3**	**180.3**	**232.1**	**185.8**	**183.1**	**246.1**

1. Figures represent net brokerage only and excludes other income that is included in non-leveraged net trading revenue, such as foreign exchange fees

Appendix 3

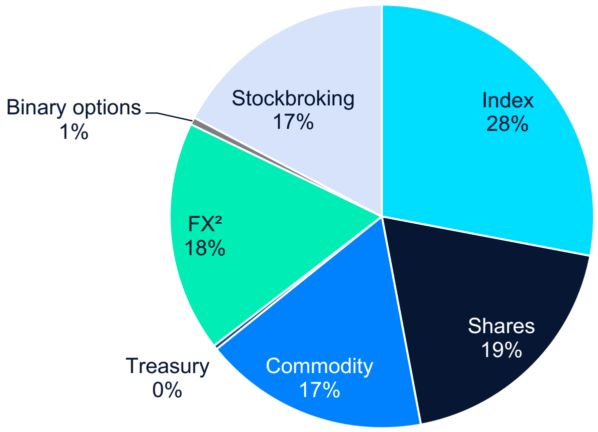
Institutional (“B2B”) and retail (“B2C”) revenue

	2022			2021			Growth (£m)			Growth (%)		
Net trading revenue (£m)	**B2C**	**B2B**	**Total**	**B2C**	**B2B**	**Total**	**B2C**	**B2B**	**Total**	**B2C**	**B2B**	**Total**
Leveraged net revenue	185.5	44.1	229.6	307.3	41.9	349.2	(121.8)	2.2	(119.6)	(40%)	5%	(34%)
Non-leveraged net revenue	9.6	38.4	48.0	10.4	44.4	54.8	(0.8)	(6.0)	(6.8)	(8%)	(14%)	(12%)
Net trading revenue	**195.1**	**82.5**	**277.6**	**317.7**	**86.3**	**404.0**	**(122.6)**	**(3.8)**	**(126.4)**	**(39%)**	**(4%)**	**(31%)**
% share of Group	**70%**	**30%**		**79%**	**21%**							

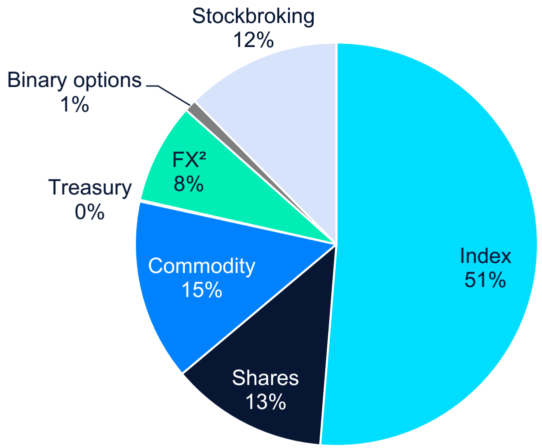
Appendix 4

Revenue composition

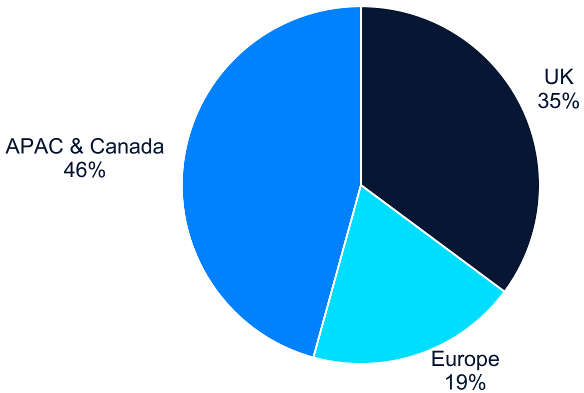
2022 leveraged and non-leveraged revenue[1] by asset class



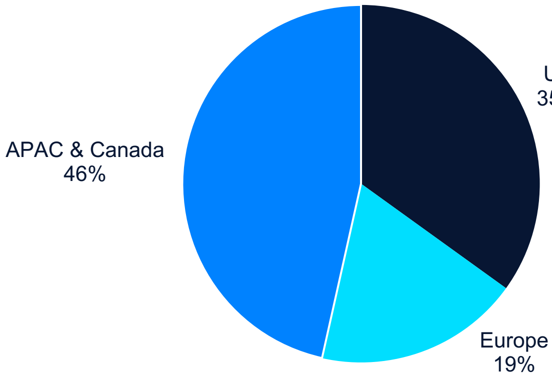
2021 leveraged and non-leveraged revenue[1] by asset class



2022 leveraged net revenue[3] by region



2021 leveraged net revenue[3] by region



1. Net revenue generated from CFD and spread bet active clients, including binary products, after the impact of introducing partner commissions and spread betting levies
2. FX includes cryptocurrencies
3. CFD and Stockbroking revenue represents total revenue after the impact of introducing partner commissions and spread betting levies. Geographic segmentation is according to location of office which on-boards client, rather than client place of residence.

Appendix 5

Income statement

Group (£m)	2022	2021	YoY %
Total revenue	**326.6**	**462.1**	**(29%)**
Rebates & levies	(44.7)	(52.3)	15%
Net operating income[1]	**281.9**	**409.8**	**(31%)**
Operating expenses	(187.6)	(184.0)	(2%)
Finance costs	(2.2)	(1.8)	(24%)
Profit before taxation	**92.1**	**224.0**	**(59%)**
Taxation	(20.1)	(45.9)	56%
Profit after tax	**72.0**	**178.1**	**(60%)**
Dividend per share (pence)	12.38	30.63	(60%)
Basic EPS (pence)	24.8	61.5	(60%)

1. Net operating income represents total revenue net of introducing partner commissions and spread betting levies

Appendix 6

Operating expenses breakdown

Group (£m)	2022	2021	YoY %
Net staff costs (excl. variable remuneration)	70.4	62.5	(13%)
IT costs	28.7	26.2	(10%)
Sales and marketing	27.3	30.4	10%
Premises	3.3	3.8	12%
Legal and professional fees	8.6	7.2	(18%)
Regulatory fees	5.6	5.0	(11%)
Depreciation and amortisation	12.9	11.2	(15%)
Other	16.3	21.5	22%
Operating expenses (excl. variable remuneration)	**173.1**	**167.8**	**(3%)**
Leveraged operating expenses[2]	141.8	138.0	(3%)
Non-leveraged operating expenses	31.3	29.8	(5%)
Variable remuneration[3]	14.5	16.2	10%
Finance costs	2.2	1.8	(24%)
Total costs	**189.8**	**185.8**	**(2%)**
Average headcount	**917**	**818**	**12%**
Average leveraged headcount[2]	701	627	12%
Average non-leveraged headcount	217	191	13%

- Operating expense[1] increase of £5.3m (3%) primarily driven by strategic investment
- **Net staff costs** increased by £7.9m (13%) due to:
    - Increase in salaries, largely due to a higher headcount to support the delivery of strategic projects
    - Offset by higher capitalisation of staff development costs
- Increase in **IT costs** driven by higher software maintenance and market data costs
- Lower **premises** costs (12% or £0.5m) due to the end of short-term leases in London, with new permanent space leased to accommodate additional headcount
- **Legal and professional costs** increased by 18% (£1.4m), primarily driven by consultancy and legal costs related to strategic projects
- Decrease in **other costs** increase primarily due to lower irrecoverable VAT
- Decrease in **variable remuneration** following exceptional Group financial performance in the prior period

1. Excluding variable remuneration
2. Includes operating costs (excluding variable remuneration) and headcount related to the development of the UK non-leveraged offering
3. Includes share based payments

CMC

Appendix 7
Balance sheet

Group (£m)		2022	2021	Variance %
Non-current assets	Intangible assets	30.3	10.3	194%
	Property, plant and equipment	24.9	26.1	(4%)
	Deferred tax assets	6.0	6.4	(5%)
	Financial investments	13.5	-	-
	Trade and other receivables	1.8	1.8	0%
	Total non-current assets	**76.5**	**44.6**	**72%**
Current assets	Trade and other receivables	156.9	127.2	23%
	Derivative financial instruments	2.4	3.2	(27%)
	Financial investments	14.5	28.1	(48%)
	Amounts due from brokers	196.1	253.9	(23%)
	Cash and cash equivalents	176.6	118.9	48%
	Other assets	13.4	-	-
	Current tax recoverable	-	1.7	(100%)
	Total current assets	**559.9**	**533.0**	**5%**
Current liabilities	Trade and other payables	215.8	152.3	42%
	Derivative financial instruments	2.4	3.1	(23%)
	Share buyback liability	27.3	-	-
	Borrowings	0.2	0.9	(80%)
	Lease liabilities	4.9	4.6	7%
	Current tax payable	0.4	-	-
	Short term provisions	0.4	1.9	(80%)
	Total current liabilities	**251.4**	**162.8**	**54%**
Non-current liabilities	Borrowings	-	0.2	(100%)
	Deferred tax liabilities	3.3	1.6	104%
	Lease liabilities	9.3	10.7	(14%)
	Long term provisions	2.1	1.8	17%
	Total non-current liabilities	**14.7**	**14.3**	**2%**
	Total equity	**370.3**	**400.5**	**(8%)**

Appendix 8

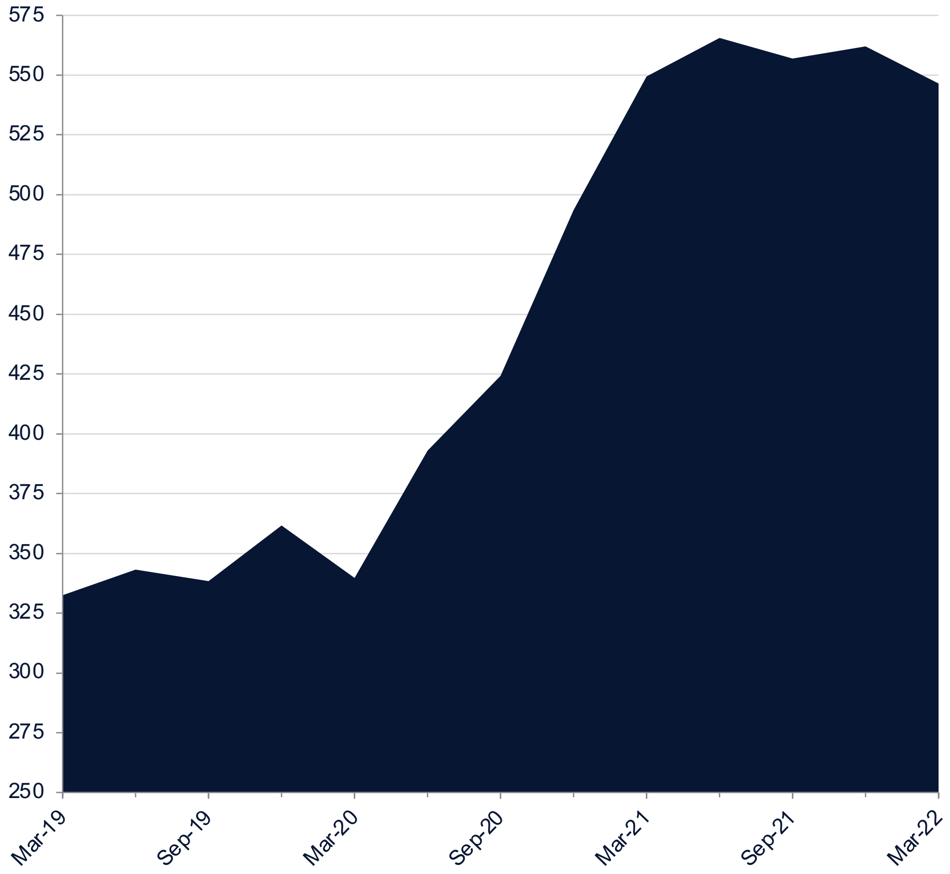
Own funds flow statement

Group (£m)	2022	2021	YoY %
Operating activities			
Profit before tax	**92.1**	**224.0**	**(59%)**
Adjustments for:			
Finance costs	2.2	1.8	24%
Depreciation and amortisation	12.9	11.2	15%
Other non-cash adjustments	(1.1)	(4.1)	72%
Tax paid	(14.7)	(33.6)	56%
Own funds generated from operating activities	**91.4**	**199.3**	**(54%)**
Movement in working capital	**18.5**	**13.9**	34%
(Outflow)/Inflow from investing activities			
Net Purchase of property, plant and equipment and intangible assets	(25.3)	(12.2)	(108%)
Other inflow/(outflow) from investing activities	(1.0)	(1.8)	43%
Outflow from financing activities			
Proceeds from the issue of ordinary shares	-	0.1	(100%)
Interest paid	(2.2)	(1.8)	(24%)
Share buyback	(3.0)	-	(100%)
Dividends paid	(72.6)	(62.1)	(17%)
Other inflow/(outflow) from financing activities	(7.7)	(7.3)	(6%)
Total inflow/(outflow) from investing and financing activities	**(111.8)**	**(85.1)**	(31%)
Increase/(decrease) in own funds	**(1.9)**	**128.1**	(101%)
Own funds at the beginning of the year	370.4	238.3	55%
Effect of foreign exchange rate changes	1.4	4.0	(65%)
Own funds at the end of the year	**369.9**	**370.4**	**0%**

Appendix 9

Client assets and prime broker requirements

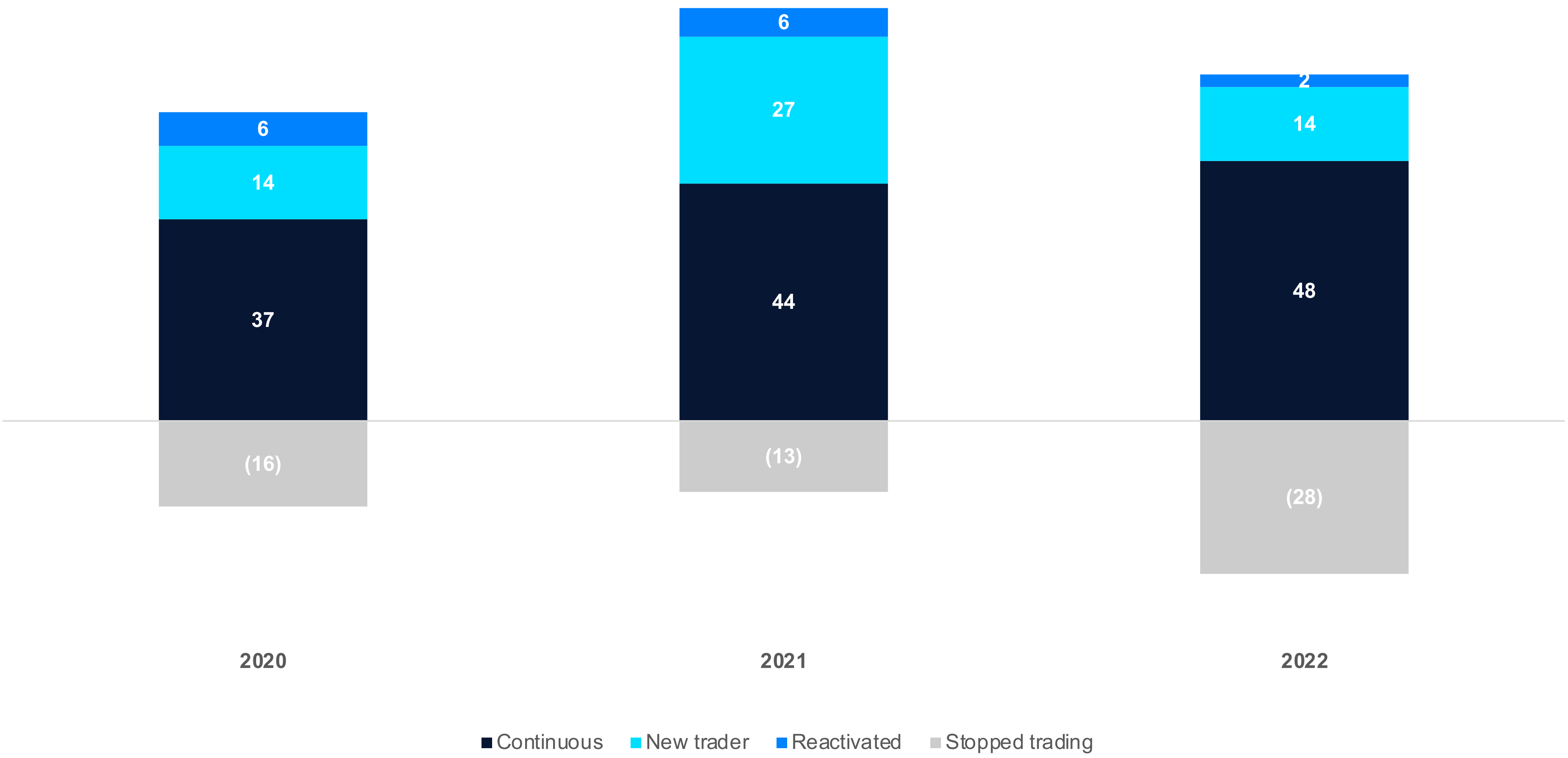
Client money (“AUM” - £m)



Broker margin requirements (£m)

Appendix 10

Yearly client churn ('000s)



Appendix 11

Summary of initiatives driving growth for three-year plan

	Initiative	Region / office	Description
Leveraged	Product offering upgrades	All	Delivering a technical solution which enhances our institutional offering through lower latency and additional products such as FX Spot and physicals.
Leveraged	Technology upgrades	Primarily APAC & Canada	Development of platform offering with aim of delivering stability and commercial improvements to enhance customer experience.
Leveraged	Enhanced pricing initiatives	UK APAC & Canada	Pricing initiatives to attract and retain high value clients, increasing lifetime and value.
Non-leveraged	CMC Invest UK	UK	Launch and further development of the UK stockbroking application. Releases during FY23 will offer GIAs, ISAs with general public launch expected in coming months.
Non-leveraged	ANZ client migration	Australia	Migration of ANZ Share Investing book to CMC. Investment in marketing and product awareness and trading volumes.
Non-leveraged	CMC Invest Singapore	Singapore	Development of local stockbroking platform in Singapore.
Non-leveraged	Physical equities and cryptos	All	Development of physical cryptocurrency product to be offered alongside existing stockbroking platform in Australia. Physical equities to be offered across all platforms

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