

**CMC MARKETS PLC**

("CMC" or the "Group")

Results for the year ended 31 March 2025

**Underlying EBITDA of £103.4 million, up 12%, PBT of £84.5 million and advancing Web 3.0 strategy with launch of third vertical****Three vertical future state**

- CMC's success has been driven by a two vertical model, combining our Direct-to-Consumer (D2C) platform with our B2B institutional-grade Platform Technology as a Service (PTAS)
- The rise of Web 3.0 technologies, including decentralised finance and tokenisation represents a structural shift in global finance and is the future state
- In response, we are launching a third strategic vertical: Decentralised Finance (DeFi) and Web 3.0 capabilities, designed to position CMC at the forefront of the next generation of financial services
- Key initiatives already delivered include the launch of 24/7 crypto trading, enhanced digital asset treasury and payment capabilities, and the post-year-end acquisition of StrikeX, bringing native blockchain expertise and infrastructure in-house
- Our product pipeline is active and ambitious, with further expansion of 24/7 trading, the development of a multi-asset wallet, and tokenised access to financial products
- Three vertical model is the future of CMC, underpinning the next phase of growth and enabling us to become the go-to multi asset platform across Web 3.0 and Traditional Finance (TradFi)

**FY 2025 Financial Performance**

	FY 2025	FY 2024	Change
Net operating income (£m)	340.1	332.8	2%
Underlying EBITDA (£m)	103.4	92.7	12%
Profit before tax (£m)	84.5	63.3	33%
Profit before tax margin (%)	24.8	19.0	5.8ppts
Basic earnings per share (pence)	22.6	16.7	35%
Ordinary dividend per share (pence)	11.4	8.3	37%

*Net operating income represents total revenue net of commissions and levies. Profit before tax margin % is calculated as profit before tax as a percentage of net operating income.*

- Record net operating income of AU\$106.3 million (FY 2024: AU\$85.1 million) in Australian stockbroking, with double-digit growth in active clients and new accounts
- Interest income of £42.5 million (FY 2024: £35.0 million) is up 21%, driven in part by strong performance from our Treasury Management and Capital Markets division
- Underlying EBITDA up 12% year-on-year to £103.4 million (FY 2024: £92.7 million), reflecting strong underlying profitability alongside improved operating leverage
- Profit before tax of £84.5 million (FY 2024: £63.3 million), with margin of 24.8% (FY 2024: 19.0%) reflecting robust net operating income, disciplined cost management and lower one-off charges
- Operating expenses, excluding variable remuneration, were £230.2 million (FY 2024: £237.9 million) as the Group maintains a focus on delivering margin expansion
- Non-recurring charge of £4.3 million relating to customer remediation in Australia following an industry-wide review into margin netting – provision expected to be fully utilised in FY 2026
- Final dividend of 8.3 pence per share (FY 2024: 7.3 pence) taking dividend for the full year to 11.4 pence per share (FY 2024: 8.3 pence), up 37% year-on-year

## ***FY 2025 Operational and Strategic Highlights***

- Major agreements with Revolut and ASB Bank have solidified CMC's role as a premier technology partner in banking and fintech, with Revolut set to expand into new geographies in FY 2026 - paving the way for even greater global reach
- Launch of 24/7 crypto trading has unlocked an additional 104 trading days per year, supporting vision of round-the-clock market access and strengthening position in digital asset infrastructure
- UK Cash ISA product is performing strongly, attracting record levels of client inflows and enhancing our D2C investment offering
- Significantly expanded our product set, now offering listed and fractional futures and options
- Established new Bermuda office, expanding trading, investment, and digital asset services, and growing our global footprint
- CMC CapX, our capital markets platform launched in 2022, has rapidly become a leading force in UK public market fundraising, whilst also building a robust presence in private capital markets
- Reinforced leadership team with several senior hires, bringing further expertise to drive the next phase of our growth
- Post-period end acquired majority 51% stake in StrikeX, cementing CMC's position as a leader in blockchain technology and tokenised financial products, supporting the development of our third vertical

## ***Outlook***

- The rollout of our three vertical model across D2C, PTAS, and DeFi positions the Group to capture opportunities across both traditional and decentralised financial markets
- Our strategic vision remains firmly on track, with continued investment in digital assets, multi-asset trading, and global platform expansion underpinning long-term growth
- CMC remains self-funded, enabling disciplined investment in technology, international scale, and next-generation financial products, without reliance on external capital
- Recent trading conditions have also been supportive, providing good momentum into FY 2026
- This strategy, anchored by our robust D2C and PTAS verticals, and strengthened by ongoing investment in DeFi, will drive sustained operational performance and long-term value creation for shareholders

## ***CEO Statement***

Under my leadership, and particularly since our IPO in 2016, CMC has had a clear, focused strategy for growth as a technology-driven, multi-asset, multi-platform, financial services provider - delivering results today, whilst investing for the future and shaping the industry of tomorrow.

Today, CMC is the go-to business for multi-asset, investment products and platform technology built on two core verticals:

- **Platform Technology as a Service (PTAS):** Institutional-grade trading platform technology and execution services to (B2B and B2B2C) through our open API and white-label solutions, deriving higher turnover and profits through scale and distribution.
- **Direct to Consumer (D2C):** Offering a best-in-class multi-asset trading experience, incorporating platform technology, products, educational resources, liquidity and execution services.

This two vertical approach enables us to access a broad diverse global client base spanning institutional, professional, retail traders and investors, ensuring deep liquidity and varied revenue streams. Our global ambition is to provide 24/7 execution, liquidity, investing and trading access across multiple platforms.

However, Web 3.0 technologies, with its emphasis on decentralisation, user ownership, and transparency, is reshaping how financial products are structured, accessed, managed and traded, particularly through the influence of Decentralised Finance (DeFi), tokenisation, and blockchain-based systems. Web 3.0 is a natural extension of everything we already do – just more efficient, more accessible, and more scalable.

The advent of Web 3.0 technologies has necessitated the development of our third vertical: *DeFi functionality on blockchain networks*. This is a move that positions CMC to take advantage of the structural changes we are seeing in the financial ecosystem in the years to come.

## **Web 3.0 is the natural evolution for CMC and is driving the launch of our third vertical**

- **Always On: 24/7, Borderless, Timeless**
  - Web 3.0 markets don't sleep. They align with CMC's vision for continuous access across global multi-asset classes and enables seamless participation regardless of geography, time zone, or banking infrastructure.
- **Self-Custody & Digital Ownership**
  - Web 3.0 will empower our clients to own, manage and trade their assets directly, with no third-party custody required – integration of cold storage wallets and DeFi infrastructure will enable clients to hold assets safely and independently.
- **On-/Off-Ramp Infrastructure:**
  - Clients can fund and withdraw in digital currencies, enabling seamless access to Web 3.0 markets and unlocking borderless trading. In turn, this will create new spread-based revenue and supports CMC's role as a digital gateway.
- **One-Click Trading Across Chains**
  - Users can trade any asset, across any chain, with a single click. Our smart wallet will abstract away all the complexity – gas fees, bridging, routing – and delivers a clean, all-in net price.
- **Tokenisation of Everything**
  - From equities to real estate, tokenisation turns illiquid, inaccessible assets into tradeable, divisible tokens. This will enable fractional ownership, enhanced liquidity, and broader inclusion across both retail and institutional audiences.
- **Integrated Payments & Instant Settlement**
  - CMC's treasury model is crypto-native: digital asset settlement, on-chain clearing, and spread opportunities when converting between fiat and crypto. We are developing a single wallet that lets clients deposit, withdraw, and pay in crypto, fiat, or tokenised assets, seamlessly. One interface, fully integrated across on-chain and traditional rails.
- **Programmability & Smart Contracts**
  - Execution logic, yield strategies, and even fund access can be automated and auditable via smart contracts. This will reduce reliance on intermediaries, enhances transparency, and cuts cost-to-serve.

### **Web 3.0 is not optional – it is inevitable**

Web 3.0 will transform traditional investing products by introducing tokenised assets, DeFi platforms, and DeFi models that enhance accessibility, reduce costs and offer new opportunities. The convergence of Traditional Finance (TradFi) and DeFi looks to a future where hybrid models dominate, blending Web 3.0's innovation with traditional stability.

DeFi infrastructure is the tech stack that makes transparent, and permissionless financial services possible, supporting everything from centralised exchanges to yield farming. As the lines between asset classes and products blur, CMC will sit at the centre of this transformation – with technology that empowers, educates and unlocks value for clients and shareholders.

The advent of Web 3.0 is inevitable. With the launch of our third vertical and strategic investments in this space, CMC is positioned firmly at the heart of this major transformation.

### **DeFi and the three vertical future state**

For decades, CMC has been at the fore of innovation, pioneering online trading in the 1990's and now, we are leading the way once again with DeFi - unlocking the power of blockchain, tokenisation, and decentralised markets for our global client base.

Our strategic investment in StrikeX is a cornerstone of our vision. By securing a 51% controlling stake, completed in May 2025, we are not only accelerating our DeFi ambitions but also bringing native blockchain

talent directly in-house. StrikeX's expertise in tokenisation, DeFi wallet custody, and digital asset execution is matched by its team of blockchain innovators who are now part of the CMC family. This investment goes beyond technology – it strengthens our internal capabilities and enables us to build a bridge between traditional and decentralised financial ecosystems.

Web 3.0 is an ecosystem that never sleeps, and I firmly believe that the future of trading is 24/7, with round-the-clock market access becoming the new global standard. In FY 2025 we launched weekend crypto trading, adding an extra 104 trading days to our trading year. This is a central part of my broader vision for the business where clients can access global markets seamlessly, anywhere, anytime and without restriction. We are actively implementing 24/7 access for a wide range of asset classes, including major indices, commodities, and equities – a shift which represents a transformation in how financial markets are accessed and traded.

To further support our expansion, we are enhancing our Digital Asset Treasury & Payments infrastructure, which is now fully crypto-native. This enables real-time digital asset settlement and on-chain clearing. Our infrastructure also allows clients to deposit and withdraw in major digital currencies like USDT, BTC, and ETH, enhancing liquidity and facilitating borderless market access. This foundation is crucial for unlocking the full potential of DeFi and ensuring that CMC remains a gateway for digital assets on a global scale.

Looking further into the future, we are developing a Multi-Asset Wallet – a unified platform where clients can seamlessly manage both traditional and digital assets. This wallet will integrate cash, equities, crypto, ETFs, funds, and tokenised assets under one interface, offering real-time settlement, 24/7 access, and true market fluidity. At CMC we intend to deliver a single, secure gateway to the entire financial ecosystem, providing clients with unmatched accessibility and control over their investments.

The introduction of our third vertical – DeFi functionality – will mark a significant step forward. Whilst this will be transformational for the business; it is also a natural extension of everything we do, designed to be more efficient, accessible, and scalable. Alongside our established strengths in D2C and PTAS, DeFi represents the future of this business and the next exciting phase of our growth and development.

### **Embracing the financial revolution**

As we enter FY 2026, CMC stands as a well-capitalised, highly cash-generative business with the vision, technology, strategy, and leadership to deliver the next phase of growth. Our two vertical model has firmly established us as a leader in multi-asset trading and technology solutions. Now, with the introduction of our third vertical, in the form of DeFi functionality, I am positioning CMC to lead the next wave of innovation.

I have dedicated most of my life to ensuring that CMC remains at the forefront of financial technology and that commitment is stronger than ever - I am fully focused and energised on ensuring we stay ahead in a rapidly evolving financial landscape. I am, and always will be, 100% dedicated to this business and I have no plans to ever retire, or to sell any of my shares.

With my clear vision and the talented team around me, I am confident CMC will continue to cement its status as a global leader and world-class financial technology business in the years to come with me at the helm.

With all the opportunities ahead of us, I am more confident and excited than ever before.

*Lord Cruddas*

*5 June 2025*

**Webcast:**

An analyst and investor presentation will be held on 5 June 2025 at 9:00am UK time. Participants need to register using the link below.

[CMC Markets plc Full Year Results | SparkLive | LSEG](#)

**Forthcoming announcement dates:**

November 2025

HY 2026 Results

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**Forward looking statements**

This trading update may include statements that are forward looking in nature. Forward looking statements involve known and unknown risks, assumptions, uncertainties and other factors which may cause the actual results, performance or achievements of the Group to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. Except as required by the Listing Rules and applicable law, the Group undertakes no obligation to update, revise or change any forward-looking statements to reflect events or developments occurring after the date such statements are published.

**Notes to Editors**

CMC Markets Plc ("CMC"), whose shares are listed on the London Stock Exchange under the ticker CMCX (LEI: 213800VB75KAZBFH5U07), was established in 1989 and is now one of the world's leading online financial trading and investing businesses. The Company serves retail and institutional clients through regulated offices and branches in 12 countries with a significant presence in the UK, Australia, Germany and Singapore. CMC Markets offers an award-winning, online and mobile platform, enabling clients to trade and invest in over 12,000 financial instruments across shares, indices, foreign currencies, commodities and treasuries through contracts for difference ("CFDs"), financial spread bets (in the UK and Ireland only) and, in Australia, Singapore and the UK, access stockbroking services. More information is available at <https://www.cmcmarkets.com/group>.

## FINANCIAL REVIEW

The significant investment made across our platforms over recent years, along with our institutional-first approach and focus on high-value retail clients, has resulted in continued strong financial performance across our businesses.

### Summary

FY 2025 was another year of strong results, with us reporting a statutory profit before tax of £84.5 million for FY 2025 – an increase of 33% from the £62.2 million we reported in FY 2024 – aided by increased interest income, reduced commissions and levies, and the non-recurrence of impairment charges on intangible assets.

Net operating income increased by 2% to £340.1 million (FY 2024: £332.8 million) but was impacted by periods of weaker trading revenue early in the second half of the year, which was partly offset by a rebound in performance towards the end of the year, in part as a result of a revised hedging strategy we implemented in late January as well as increased volatility. The slightly weakened trading performance was partially offset by strong stockbroking revenues, demonstrating the benefits of our dual-track investing and trading model, which will allow us to generate sustainable and reliable returns in all market conditions.

We close the year in a position of continued financial strength, with no debt, a strong capital base, and robust liquidity, underpinned by high cash generation. Our focus on delivering our strategic priorities positions us for sustained growth, enabling us to generate attractive returns for shareholders while delivering benefits to our wider stakeholders.

£m	FY 2025	FY 2024	Change %
Trading and investing revenue	313.3	320.1	(2%)
Other revenue	4.3	4.7	(9%)
Interest income	42.5	35.0	21%
Total revenue	360.1	359.8	—
Commissions and levies	(20.0)	(27.0)	(26%)
Net operating income	340.1	332.8	2%
Operating expenses	(250.0)	(254.9)	(2%)
Impairment of intangible assets	(0.5)	(12.3)	(96%)
Operating profit	89.6	65.6	37%
Loss on share of associate	(0.2)	(0.3)	(33%)
Impairment of associate	(2.3)	—	n/a
Finance costs	(2.6)	(2.0)	30%
Profit before taxation	84.5	63.3	33%
Taxation	(22.3)	(16.4)	36%
Profit after tax	62.2	46.9	33%
PBT margin	24.8%	19.0%	5.8ppts

## Net operating income

Net operating income increased by 2% to £340.1 million (FY 2024: £332.8 million). Trading net revenue continues to make up the majority of net operating income at 73% of the total, although is down year on year from 78% as we continue to benefit from the growth in our investing businesses, higher interest income and a reduction in commission and levies.

£m	FY 2025	FY 2024	Change %
Trading net revenue <sup>1</sup>	248.9	259.1	(4%)
Investing net revenue <sup>1</sup>	44.4	34.0	31%
Other revenue	4.3	4.7	(9%)
Interest income	42.5	35.0	21%
<b>Net operating income</b>	<b>340.1</b>	<b>332.8</b>	<b>2%</b>

<sup>1</sup> - Trading and investing net revenue represent trading and investing revenue after deducting commissions and levies.

## Trading performance

Our trading business continues to make up the majority of our revenue. The trading business consists of direct-to-consumer offering, which comprises of retail and professional traders as well as a business-to-business offering.

£m	FY 2025	FY 2024	Change %
Direct-to-consumer (D2C)	149.1	170.0	(12%)
Platform as a service (B2B and B2B2C)	99.8	89.1	12%
<b>Trading revenue</b>	<b>248.9</b>	<b>259.1</b>	<b>(4%)</b>

Where we use external hedges to manage client positions, these are netted against revenue in accordance with our accounting policy. Given our significant use of internal hedging, the net cost of hedging cannot be attributed to individual clients. Instead, these costs, along with other unallocatable expenses, have been proportionately allocated between customer types.

We have continued to focus on expanding our Platform-as-a-Service offering, including progress in our white-labelled proposition, most notably through our partnership with Revolut. In recent years, we have taken a more selective approach to direct-to-consumer trading, scaling back marketing investment in this area – particularly for retail clients – as we focused on more professional clients. However, looking ahead to FY 2026, we see strong potential to reaccelerate growth in the retail segment. This will be supported by key initiatives such as our new partnership with TradingView – the world's largest charting platform and social trading network, used by over 100 million traders and investors globally – as well as the launch of our Bermudan operation.

Our trading revenue is primarily driven by two factors: turnover – the total notional volume of client trades from which we earn spreads, fees and commissions – and client income retention, which reflects the proportion of this income that we convert into revenue. Our business model remains anchored in robust risk management. In the fourth quarter, we implemented a revised market risk appetite, increasing our overall risk tolerance following a detailed review. Under this updated framework, we continue to benefit from natural hedging, with external hedging now applied more selectively, targeting specific asset classes or exposures outside defined limits. This change is expected to be earnings-accretive by lowering hedging costs, though it may lead to increased earnings volatility.

## Investing performance

£m	FY 2025	FY 2024	Change %
Direct-to-consumer (D2C)	32.9	24.4	35%
Platform as a service (B2B and B2B2C)	11.5	9.6	20%
<b>Investing revenue</b>	<b>44.4</b>	<b>34.0</b>	<b>31%</b>

Our investing revenues continue to be dominated by our direct-to-consumer offering in Australia, where we are the country's second-largest operator, only behind CommSec (part of Commonwealth Bank). This is primarily delivered under the CMC Invest brand but also via a white-labelled offering.

FY 2025 was a year of record performance for our Invest business. Active investors increased to 238,656, up 13% year-on-year (31 March 2024: 211,576). Revenue growth was supported by strong momentum in international share and cryptocurrency trading. Whilst assets under administration were down 7% to £37.5 billion (31 March 2024: £40.5 billion), this was driven primarily by exchange rate movements. On a constant currency basis, assets under administration were down 1%.

During the year, we signed an agreement with ASB Bank, one of the largest banks in New Zealand, to provide a white-labelled investment offering. Although the platform is not expected to be fully operational until late FY 2026, the combination of ASB Bank's extensive customer base and our technological expertise is expected to strengthen our footprint in the Australia and New Zealand market and generate additional revenue.

Beyond Australia, we also operate direct retail investment offerings in Singapore (launched in 2023) and the UK (launched in 2022). While both currently contribute a small proportion of retail revenue, they are showing encouraging growth. These markets present attractive long-term opportunities, and we remain confident in their potential.

In the UK, the cash ISA product launched during the year has gained meaningful traction despite minimal marketing. By bringing customers onto the platform, we aim to highlight our broader investment proposition, including general investment accounts, stocks and shares ISAs, and self-invested personal pensions. Uptake of these products is expected to increase as interest rates decline.

### **Interest income**

Interest income accounted for 12% of total revenue in FY 2025, up from 10% in FY 2024, as we continued to benefit from high levels of client balances and improved the management of, and returns on, our own funds.

During the year, we focused on enhancing returns on our own balances through the newly established Treasury Management and Capital Markets Division, as interest rates began to ease from recent highs. This resulted in a 65% increase in income on own funds, rising to £18.5 million (FY 2024: £11.2 million). Given the reduction in interest rates during the year and the softer near-term outlook, this remains a priority area to ensure our balance sheet is delivering optimal returns.

Net interest income on client balances increased marginally to £24.0 million (FY 2024: £23.8 million), aided by continued high levels of segregated client balances which totalled £694.9 million as at 31 March 2025 (31 March 2024: £542.0 million), which are off balance sheet.

### **Operating expense**

Operating expenses decreased by 2% year-on-year to £250.0 million (FY 2024: £254.9 million), reflecting modest reductions in staff costs, occupational expenses and sales and marketing, which helped offset an increase in information technology costs. We continue to maintain a strong focus on cost discipline, ensuring operational leverage is maximised.

Staff costs remain the largest component of operating expenses. Including variable remuneration, staff costs declined by 4% to £113.7 million (FY 2024: £118.5 million). Fixed remuneration fell by 7% to £93.9 million (FY 2024: £101.5 million), reflecting the redundancies made at the end of the prior year. This reduction was partially offset by a 16% increase in variable remuneration, which rose to £19.8 million (FY 2024: £17.0 million), in line with improved performance outcomes.

We continue to manage headcount carefully, with the average number of employees over the year reducing to 1,068 (FY 2024: 1,181). This has been achieved while continuing to invest in key areas of the business. While the salary inflation pressures experienced in FY 2024 have eased, we continue to face cost headwinds, including the impact of changes to employer National Insurance contributions in the UK.

Non-staff costs declined slightly year-on-year. As a fintech business, information technology remains the largest component of our non-staff costs, which increased by 17% to £46.4 million (FY 2024: £39.7 million) as the Group continued to invest in enhancing and supporting its front- and back-office systems.

Sales and marketing expenses fell by 6% to £33.5 million (FY 2024: £35.6 million), reflecting a shift towards more targeted marketing campaigns. Looking ahead to FY 2026, we intend to increase marketing investment as part of our growth strategy, particularly in the retail segment.

Operating expenses for FY 2025 include a one-off charge of £4.3 million relating to customer remediation in Australia, following an industry-wide regulatory review into margin netting. This provision is expected to be fully utilised in FY 2026, with affected customer accounts credited accordingly.

As we enter FY 2026, we will maintain a disciplined approach to cost management to ensure our operating model remains appropriately sized to support the business. Further opportunities are expected to emerge to reduce the underlying cost base, while continuing to invest in areas that support growth and drive operational efficiency. The focus will remain on both staff and non-staff costs, including ensuring we have the right talent in the right locations. This will include an expansion of offshore capabilities to reduce reliance on higher-cost locations. In parallel, we will look to rationalise non-staff expenditure through improved supplier negotiations, consolidation and a greater focus on value for money. These efficiencies will allow resources to be redirected into strategic growth areas.

### **Impairment of intangible assets**

Our impairment charge on intangible assets reduced significantly from £12.3 million in the prior year to £0.5 million in the current year, as the one-off charge previously recognised in relation to our CMC Invest platform did not recur.



## Investments in associate

In September 2024, we fully wrote down our investment in StrikeX, a customer-centric blockchain solutions business acquired in June 2023. This accounting adjustment reflected the ongoing financial performance of the investment and the continued operating losses incurred.

Despite this, we remain supportive of Strike X and its strategic objectives, and continue to see long-term value in its underlying technology as part of our decentralised finance build-out. In May 2025, we increased our shareholding in Strike X to 51% following an agreement with its existing shareholders. As a result, we assumed control of the business, allowing for deeper integration and strengthening its ability to leverage Strike X's blockchain capabilities as it develops crypto and tokenisation solutions.

## Taxation

Our total taxation for FY 2025 was £22.3 million (FY 2024: £16.5 million), which equates to an effective tax rate of 26.4%, up from 26.0% in FY 2024.

## Profitability and earnings

The combination of the above factors drove a 33% increase in profit before tax to £84.5 million (FY 2024: £63.3 million) and earnings per share (both basic and diluted) to 22.6 pence (FY 2024: 16.7 pence). This also translated to an increased profit before tax margin of 24.8% (FY 2024: 19.0%), as we continued to benefit from enhanced operational leverage.

## Financial position

£m	31 March 2025	31 March 2024	Change %
Fixed assets	53.2	57.5	(7%)
Trade and other receivables	147.7	164.8	(10%)
Financial investments	111.0	50.9	118%
Amounts due from brokers	140.0	228.9	(39%)
Cash and cash equivalents	247.7	160.3	55%
Other assets	32.4	54.5	(41%)
<b>Total assets</b>	<b>732.0</b>	<b>716.9</b>	<b>2%</b>
Trade and other payables	253.6	272.8	(7%)
Amount due to brokers	12.2	7.0	74%
Obligations under repurchase agreements	7.5	—	n/a
Lease liabilities	14.3	16.9	(15%)
Other liabilities	26.4	16.7	58%
<b>Total liabilities</b>	<b>314.0</b>	<b>313.4</b>	<b>—</b>
<b>Total equity</b>	<b>418.0</b>	<b>403.5</b>	<b>4%</b>
<b>Total equity and liabilities</b>	<b>732.0</b>	<b>716.9</b>	<b>2%</b>

Fixed assets declined by 7% since the year-end, reflecting our progression beyond the peak of our recent investment cycle. Amortisation and depreciation now exceed capitalised expenditure, although we continue to allocate resources to maintain and enhance our product and platform capabilities.

Financial investments increased by 118% to £111.0 million (31 March 2024: £50.9 million), driven by a rise in equity positions to support client trading activity and a strategic shift towards investment-grade corporate bonds, the majority of which are short-dated. This new investment strategy, developed by our Treasury Management and Capital Markets Division, aims to generate improved yields relative to traditional cash holdings and government securities.

Despite the increased allocation to financial investments, we also reported a 55% rise in cash and cash equivalents to £247.7 million (31 March 2024: £160.3 million), reflecting our strong cash generation and a reduction in amounts due from brokers as we undertook less external hedging.

Other assets decreased from £54.5 million to £32.4 million, primarily due to a £12.2 million reduction in crypto-assets. These had previously been used to hedge client positions but were disposed of following a revision to our hedging strategy.

## Regulatory capital

The Group and its UK-regulated subsidiaries fall within the scope of the FCA's Investment Firms Prudential Regime ("IFPR"), with the Group's German subsidiary, CMC Markets Germany GmbH, subject to the provisions of the Investment Firms Regulation and Directive ("IFR/IFD").

Our total capital resources increased to £363.7 million (2024: £340.1 million), with increases in retained earnings for the year being partly offset by the proposed final dividend distribution. At 31 March 2025, we had a total OFR ratio of 272% (2024: 312%). The decline in the OFR ratio was due to an increase in own fund requirements to £133.6 million (2024: £109.0 million). The following table summarises our capital adequacy position at the year-end.

### Group own funds resources and requirements

£m	31 March 2025	31 March 2024
Common equity tier 1 capital before regulatory adjustments <sup>1</sup>	412.4	383.1
Less: regulatory adjustments <sup>2</sup>	(48.7)	(43.0)
Common equity tier 1 capital after regulatory adjustments	363.7	340.1
Own funds requirements ("OFR") <sup>3</sup>	133.6	109.0
<b>Total OFR ratio (%)<sup>4</sup></b>	<b>272%</b>	<b>312%</b>

1 - Total audited CET1 capital resources as at the end of the financial year of £435.0 million, less proposed dividends. 2 - Regulatory adjustments include the deduction of deferred tax assets. Deferred tax assets are the net of assets and liabilities shown in note 8 of the financial statements. 3 - The minimum capital requirement in accordance with MIFIDPRU 4.3. 4 - The OFR ratio represents common equity tier 1 capital as a percentage of OFR. CMC Markets plc has no additional tier 1 or tier 2 capital.

## Liquidity and funding

### Funding

Our primary source of funding is equity, which includes our equity capital resources, retained profits and any unrealised gains or losses on open hedging positions.

We also receive title transfer funds ("TTFs") from professional clients and eligible counterparties (as defined in the FCA Handbook) under a title transfer collateral agreement ("TTCA"). Under these agreements, full ownership of such funds is unconditionally transferred to us. Clients are not required to sign a TTCA to be treated as a professional client; in these cases, funds remain segregated. We consider TTCAs to be an ancillary source of funding. All cash received from segregated clients is excluded.

In addition, we have access to a committed facility of up to £55.0 million, available to fund margins posted at brokers to support our trading activities. The facility consists of a one-year term facility of £27.5 million (2024: £27.5 million) and a three-year term facility of £27.5 million (2024: £27.5 million). The maximum amount available at any time is dependent upon initial margin requirements at brokers and margin received from clients. There was no drawdown on the facility as at 31 March 2025 (2024: £nil).

### Liquid assets

We have deployed our funding to support our business activities and to maintain appropriate buffers of liquid assets. Funds deployed to support the business primarily consist of margins maintained with our brokers to support trading activity, and "blocked cash" held in subsidiaries to meet local regulatory and exchange requirements. Liquid assets are held to meet future liquidity needs, serve as a contingency, and satisfy regulatory requirements.

Our Total Unencumbered Liquid Assets ("TULA") include cash and cash equivalents, funds in excess of margin requirements held with brokers, and financial investments after haircuts.

## Group funding sources and liquid assets

£m	31 March 2025	31 March 2024
Equity	418.0	403.5
Obligations under repurchase agreements	7.5	—
Own funds requirements ("OFR")	117.7	119.6
<b>Total Available Funding</b>	<b>543.2</b>	<b>523.1</b>
Less: non-current assets net of liabilities	(47.0)	(53.4)
Less: Other non-liquid assets net of liabilities	1.5	(29.6)
Less: blocked cash	(74.0)	(68.5)
Less: initial margin requirement at brokers	(92.2)	(184.7)
Less: hair cuts on financial investments	(29.1)	(4.6)
Less: Other encumbered financial investments	(8.8)	—
<b>Total Unencumbered Liquid Assets</b>	<b>293.6</b>	<b>182.3</b>

## Dividend

The Board has proposed a final dividend of 8.3 pence, in addition to the 3.1 pence we paid as an interim dividend, reflecting our policy of paying out 50% of full-year profit. We continue to maintain this policy based on our strong cash generation and our commitment to rewarding shareholders and returning excess capital as part of our capital allocation strategy. This approach is balanced with a focus on ensuring capital stability to support ongoing investment and regulatory requirements.

## Outlook

We enter FY 2026 from a position of continued strength, with strong capital and liquidity foundations, no debt, and a proven, diversified business model that allows us to generate consistent performance in a range of conditions.

In trading, our revised risk appetite and hedging strategy are expected to enhance earnings efficiency, while renewed investment in retail – including our partnership with TradingView – will support growth in this segment.

In investing, we expect continued momentum in Australia and New Zealand, driven by scale, product innovation and new partnerships, including the upcoming ASB Bank launch. In the UK, the outlook remains encouraging, offering attractive long-term potential.

We will maintain tight cost control while continuing to invest in growth, operational efficiency and platform capability. Our strong balance sheet and active capital management give us flexibility to pursue opportunities while delivering value to shareholders.

## PRINCIPAL RISKS

Our Risk Management Framework provides a consistent approach to identifying, mitigating, and managing risks, which is essential to achieving our strategic objectives. Given the nature of our business and the financial, market and regulatory environments in which we operate, we are naturally exposed to strategic, financial and operational risks. While it is not possible to eliminate all risks, effective risk management ensures they are managed to an acceptable level.

To support the Board in discharging its risk oversight responsibilities, we have an Enterprise Risk Management (“ERM”) Framework in place. This framework aligns risk identification, mitigation and management with our risk appetite. It is regularly reviewed—along with our risk tooling and resources—to ensure it remains effective, in line with market practices and regulatory expectations.

### Governance and oversight

The Board, through the Group Risk Committee, is responsible for defining and overseeing our risk strategy. Key responsibilities include:

- Monitor, review and advise the Board on the Group’s overall risk appetite, tolerance and strategy alongside current and prospective risk exposures.
- Monitor and review the effectiveness of the Group’s risk management and internal control systems.
- Monitor the adequacy, effectiveness, design and implementation of the Group’s processes and procedures to manage risk and the internal control framework and carry out a review of its effectiveness.
- Monitor the ability of the Group’s risk management and internal control systems to identify the risk facing the Group and ensure that a robust assessment of the emerging and principal risks has been undertaken.

Risk management is a core responsibility of all colleagues, with oversight provided by Management and Board Committees, as well as the Group Risk and Compliance functions.

The ERM framework follows the Three Lines Model, ensuring clear risk ownership and accountability:

- First Line: Business teams manage and implement controls.
- Second Line: Group Risk and Compliance provide oversight and guidance.
- Third Line: Internal Audit provides independent assurance.

The Board has implemented a governance structure suited to an online financial services group, aligned with our strategic objectives and product offerings. This structure is regularly reviewed, with any changes requiring Board approval. Additionally, we conduct root cause analysis to enhance processes, improve resilience and embed strong corporate governance practices across the Group.

### Risk culture

We foster a risk culture that emphasises accountability and proactive risk management. Responsibility for managing risk sits with everyone across the Group.

Our second line of defence, led by the Risk Team, plays a key role in embedding this culture. Their responsibilities include communicating, educating and providing guidance on the ERM framework, and overseeing the Risk and Control Assessment (“RACA”) process, which forms the foundation of our bottom-up risk assessment.

The RACA process supports a comprehensive understanding of risks and controls at the operational and business process level. By enabling self-review of risks and controls, as well as the oversight and escalation of issues where necessary, it allows risk and control owners to identify any gaps in the risk environment and address control weaknesses.

### Risk appetite and principal risks

Our risk appetite defines the level and types of risks we are willing to accept in pursuit of our strategic objectives. This is assessed as part of our Risk Appetite Statement, which integrates risk tolerances across the organisation. Risk appetite is fundamental to effective risk, capital and liquidity management, ensuring appropriate risk control and positive client outcomes.

The Board oversees and considers the annual assessment of emerging and principal risks, which is conducted by senior management. This assessment evaluates the potential impact of these risks on the Group’s business model, performance, capital, and liquidity. These risks are monitored through key risk indicators (“KRIs”) and are linked to our risk appetite. We also consider reputational and regulatory implications, client impact and broader market effects.

Our principal risks are outlined in the following pages. These have been streamlined from the prior year to provide greater clarity and focus, while maintaining a comprehensive view of the key exposures facing the business.

## **Business and strategic risks | Risks arising from the nature of our business, strategy and operating model**

### *Emerging risks*

We see emerging trends from demographic and social shifts, including evolving customer expectations and behavioural trends. These include growing demand for self-directed investing, interest in digital assets such as crypto and increasing appetite for wealth management solutions. As part of our strategy, we aim to design and deliver products that are aligned to these changes while ensuring they are appropriately governed, risk-managed and commercially viable.

Strategic risk	
<p><b>Key risk description</b></p> <p>The risk that our ability to execute our business strategy is impacted by internal decisions or external factors. This includes risks associated with defining and delivering strategic initiatives, as well as potential reputational damage affecting market perception, client trust and regulatory relationships.</p> <p><b>Risk exposure and appetite</b></p> <p>We are exposed to, and have appetite for strategic risk through the execution of our strategic initiatives where there is a risk of failing to successfully deliver what we set out to achieve.</p> <p>As part of our strategic risk, we are also exposed to potential damage to our brand and reputation with the market, clients and regulators. Failure to manage reputational risks could significantly impact our ability to implement our strategic plan.</p> <p>During the year, enhanced focus on our key strategic priorities has strengthened how we deliver on our strategic goals.</p>	<p><b>Key mitigations and controls</b></p> <p>We manage strategic risk through:</p> <ul style="list-style-type: none"> <li>• Governance &amp; Oversight – Strong challenge and oversight from independent Non-Executive Directors.</li> <li>• Strategic Alignment – Ensuring all significant initiatives align with the corporate strategy.</li> <li>• Risk Assessment – Evaluating risks associated with strategic initiatives before execution.</li> <li>• Accountability &amp; Ownership – Assigning clear responsibility for delivery and risk mitigation.</li> <li>• Product &amp; Initiative Governance – Requiring Board approval for all material products and strategic initiatives.</li> <li>• These measures ensure a structured approach to strategic decision-making and risk management.</li> </ul>

## Financial risks | Risks arising from our exposure to market movements, liquidity, credit and capital management

### Emerging risks

Geopolitical and macroeconomic developments are a potential emerging risk that could materially impact the business, although broader market volatility is typically beneficial. In response, we monitor our client margin, market risk limits, broker exposures and entity-level capital as well as our strategic plans to ensure we remain within risk appetite.

Market risk	
<p><b>Key risk description</b></p> <p>The risk that the value of our residual portfolio decreases due to market fluctuations, including price movements, interest rates and foreign exchange rate changes.</p> <p><b>Risk exposure and appetite</b></p> <p>As an online trading provider acting as principal to clients across different markets, we are exposed to financial risks arising from market movements. We have appetite to retain some market risk, balanced with a low appetite for liquidity and capital risk, to ensure effective risk management and financial stability.</p>	<p><b>Key mitigations and controls</b></p> <p>We manage market risk through:</p> <ul style="list-style-type: none"><li>• Real-Time Exposure Management – Trading risk management monitors and controls inherited exposures from clients in real-time within Board-approved limits.</li><li>• Market-Making in Liquid Instruments – Primarily acting as a market maker in highly liquid financial instruments, enabling efficient risk reduction via prime broker arrangements.</li><li>• Stress Testing &amp; Scenario Analysis – Conducting regular stress testing to assess financial and capital adequacy impacts from severe market events.</li><li>• Liquidity &amp; Funding Monitoring – Actively managing market risk with close oversight of funding requirements to maintain liquidity stability.</li><li>• These measures ensure we effectively manage market risk while maintaining financial resilience.</li></ul>
Liquidity risk	
<p><b>Key risk description</b></p> <p>The risk that we have insufficient liquidity to meet our financial obligations as they fall due, or can only secure required liquidity at excessive cost. This includes funding margin requirements, failed settlements or market events that impact liquidity availability.</p> <p><b>Risk exposure and appetite</b></p> <p>We are exposed to liquidity risk through our core business activities, including funding margin requirements for hedging strategies and managing unfunded commitments in the matched principal business. We have a low appetite for liquidity risk and maintain a robust framework to ensure we remain well-funded under both normal and stressed conditions.</p>	<p><b>Key mitigations and controls</b></p> <p>We minimise liquidity risk through:</p> <ul style="list-style-type: none"><li>• Liquidity Modelling &amp; Stress Testing – Regular forward-looking liquidity forecasting under both normal and stressed conditions to ensure obligations can be met.</li><li>• High-Quality Liquid Assets &amp; Funding Diversification – Maintaining unencumbered, high-quality liquid assets and diversified funding sources.</li><li>• Contingency Planning – Establishing liquidity facilities, contingency funding levers, and wind-down strategies where necessary.</li><li>• Market Condition Monitoring – Assessing liquidity impacts of significant market moves to ensure resilience.</li><li>• For our Matched Principal and Exchange-Traded Business, additional controls include:<ul style="list-style-type: none"><li>• Offering only liquid assets based on an asset suitability assessment.</li><li>• Producing daily cash position reports covering surplus liquidity, unencumbered liquidity, and short-term forecasts.</li></ul></li><li>• Conducting stress testing to ensure sufficient liquidity for business continuity over a 15-month horizon.</li></ul>

## Credit and counterparty risk

### Key risk description

The risk of financial loss arising from a counterparty failing to meet its obligations as they fall due, including exposure to both clients and financial institutions.

### Risk exposure and appetite

We are exposed to credit and counterparty risk through our client trading activities and relationships with financial institutions. We have a moderate appetite for such exposures and actively manage them through stringent controls and mitigants to minimise potential losses.

### Key mitigations and controls

We manage credit and counterparty risk through:

- Margin Requirements & Risk-Based Controls – Applying a tiered margin structure to manage riskier positions and utilising liquidation features when client total equity falls below predefined thresholds.
- Guaranteed Stop Loss Orders – Offering clients risk management tools to prevent debt accumulation.
- Credit Risk Modelling & Stress Testing – Setting limits and using potential credit risk exposure models to quantify and stress-test client credit risk across CFDs and Spread Bets.
- Counterparty Creditworthiness Reviews – Conducting at least annual assessments of counterparties' financial stability.
- Diversification & Concentration Risk Management – Engaging with multiple prime brokers ("PBs") per asset class to reduce concentration risk.
- Investment-Grade Counterparty Standards – Preferring to work with counterparties holding investment-grade credit ratings, with daily exposure monitoring.
- Intermediary Limits & Oversight – Setting and monitoring intermediary limits daily, with escalation procedures for large exposures.
- These measures ensure credit and counterparty risks are actively managed to protect the firm's financial stability.

## Capital and solvency risk

### Key risk description

The risk that we do not maintain sufficient capital to meet regulatory requirements, absorb financial shocks or support business growth. This includes risks arising from market volatility, regulatory changes and adverse business performance impacting capital adequacy.

### Risk exposure and appetite

As a regulated financial institution, we are required to hold sufficient capital to meet both regulatory and internal thresholds. We have a low appetite for breaching capital requirements or operating with insufficient buffers. Effective capital management ensures our financial stability and resilience under stress scenarios.

### Key mitigations and controls

We minimise capital and solvency risk through:

- Capital Planning & Forecasting – Regular stress testing and scenario analysis to assess capital adequacy under adverse conditions.
- Regulatory Compliance – Maintaining capital levels above regulatory minima and engaging proactively with regulators on capital requirements.
- Liquidity & Risk Management – Ensuring adequate liquidity to absorb market shocks and financial stress.
- Robust Governance – Ongoing monitoring by senior management and the Board to ensure capital strength and strategic alignment.

## Operational risks | Risks arising from our people, processes, systems and external service providers

### Emerging risks

We monitor emerging regulatory developments and technological advancements, including the rise of artificial intelligence and broader digital disruption. These trends have the potential to reshape how financial services are delivered and consumed. As part of our strategy, we aim to adapt our platforms, processes and product offerings to remain compliant, competitive and aligned to evolving client expectations.

### Financial crime

#### Key risk description

The risk of money laundering, terrorist financing, sanctions violations, bribery, corruption and failures in Know Your Customer ("KYC") procedures, which could lead to regulatory penalties, financial losses or reputational damage.

#### Risk exposure and appetite

As a financial institution handling significant volumes of client data, money and assets, we are exposed to financial crime risks, including money laundering and market abuse. The short-term nature of some client relationships further heightens this exposure. We have a low appetite for financial crime and implement robust preventative and detective controls to mitigate these risks. We continuously enhance our framework through process improvements, system investments and staff training.

#### Key mitigations and controls

We mitigate financial crime risk through:

- Risk-Based KYC & Due Diligence – Applying rigorous KYC procedures, including Enhanced Due Diligence ("EDD") for higher-risk clients such as Politically Exposed Persons ("PEPs").
- Ongoing Monitoring & Surveillance – Maintaining risk-based transaction monitoring and customer activity surveillance systems.
- Suspicious Activity Reporting – Enhancing procedures for detecting and reporting suspicious activity to law enforcement and regulators.
- Market Abuse Prevention – Strengthening controls to mitigate risks from repeat offenders of market abuse.
- Sanctions & Restrictions Management – Maintaining a restricted list of individuals and entities, with systems to block transactions that breach regulatory guidelines.
- Risk Classification – Classifying customers and entities at onboarding to assess financial crime risks effectively.
- These measures ensure compliance with financial crime regulations and protect the integrity of our business.

### Information security and technology risk

#### Key risk description

The risk of data breaches, unauthorised access, system outages and technology failures, including non-compliance with security and regulatory requirements. This encompasses client, employee and proprietary data, as well as critical systems, hardware and networks.

#### Risk exposure and appetite

As a fintech company, we are exposed to significant information security and technology risks. We have a low appetite for data loss, misuse or system failures that impact operations or client services, and we mitigate these through robust preventative and detective controls.

#### Key mitigations and controls

We minimise these risks through:

- Data Security & Access Controls – Enforcing least privileged access, regular system access reviews, and data classification to protect sensitive information. Physical security measures prevent unauthorised access to buildings and sensitive areas.
- Technology Resilience & Monitoring – Investing in a robust technology stack, systemic monitoring tools to detect downtime or performance issues, and maintaining scalable infrastructure to accommodate growth and fluctuations.
- System Stability & Incident Response – Ensuring IT production support, proactive system capacity planning, and contingency measures to prevent and remediate failures.
- These measures ensure the confidentiality, integrity, and availability of our systems and data, safeguarding clients, employees, and business operations.



## Compliance risk

### Key risk description

The risk of failing to comply with legal and regulatory obligations, which could result in financial penalties, reputational damage, or operational restrictions, including obligations under Consumer Duty.

### Risk exposure and appetite

We operate in a highly regulated environment across multiple jurisdictions, exposing ourselves to compliance and regulatory risk. We have a low appetite for failing to meet regulatory or legislative obligations and are committed to full compliance with applicable laws and regulations, including the Consumer Duty requirements to ensure fair outcomes for customers.

### Key mitigations and controls

We minimise compliance risk through:

- Risk-Based Regulatory Interpretation – Applying a proportionate, risk-based approach to interpreting and implementing regulatory requirements.
- Resourcing & Expertise – Ensuring compliance teams are adequately staffed, trained, and supervised, with a specific focus on Consumer Duty and customer outcomes.
- Regulatory Horizon Scanning – Monitoring and assessing new regulations and legislation to evaluate business impact.
- Regional Compliance Oversight – Conducting thorough regulatory analysis to ensure adherence across jurisdictions, particularly for new initiatives.
- Advisory & Monitoring Frameworks – Providing technical guidance to the business, alongside comprehensive monitoring, surveillance, and policy enforcement.
- Regulatory Engagement – Maintaining strong relationships with regulators and proactively planning for regulatory changes, including engagement on Consumer Duty expectations and compliance standards.

## Operational risk

### Key risk description

The risk of financial loss, business disruption, or reputational damage due to inadequate or failed processes, systems, people, or external events. This includes fraud, cyber threats, IT failures, and regulatory non-compliance.

### Risk exposure and appetite

We are exposed to operational risk as a fintech company operating in a highly regulated and technology-driven environment. We have a low appetite for operational failures that could cause material financial, reputational, or regulatory impact.

### Key mitigations and controls

We manage operational risk through:

- Process & System Controls – Automating key processes, optimising workflows, and implementing robust IT security measures.
- Incident & Risk Management – A structured incident response framework, continuous monitoring, and risk escalation procedures.
- Regulatory Compliance – Regular audits, internal control reviews, and staff training to reinforce risk awareness.
- Governance & Oversight – Active risk management by senior leadership and Board committees to ensure resilience and accountability.

## **DIRECTORS' STATEMENT PURSUANT TO THE FCA'S DISCLOSURE GUIDANCE AND TRANSPARENCY RULES**

The directors are required by the Disclosure Guidance and Transparency Rules to include a management report containing a fair review of the business and a description of the principal risks and uncertainties facing the Group.

Each of the directors, whose names and functions are listed below, confirm to the best of their knowledge that:

- the Group Financial Statements contained in the 2025 Annual Report and Financial Statements have been prepared in accordance with UK-adopted international accounting standards give a true and fair view of the assets, liabilities and financial position and results of the Group and parent company and of the profit of the Group;
- the Strategic Report contained in the 2025 Annual Report and Financial Statements includes a fair review of the development and performance of the business and the position of the parent company and the Group, together with a description of the principal risks and uncertainties that they face; and
- the 2025 Annual Report and Financial Statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's performance, business model and strategy.

### **CMC Markets plc Board of Directors**

James Richards (Independent Chairman)

Lord Peter Cruddas (Chief Executive Officer)

Paul Wainscott (Senior Independent Director)

Sarah Ing (Non-Executive Director)

Clare Francis (Non-Executive Director)

David Fineberg (Deputy CEO)

Laurence Booth (Head of Capital Markets)

Matthew Lewis (Head of ANZ)

**Consolidated income statement**  
**For the year ended 31 March 2025**

	Note	Years ended 31 March	
		2025 £'000	2024 £'000
Revenue	3	317,611	324,702
Interest income on own funds	3	18,531	11,246
Income on client funds	3	23,957	23,797
Total revenue		360,099	359,745
Introducing partner commissions and betting levies	4	(19,982)	(26,962)
Net operating income		340,117	332,783
Operating expenses	5	(250,074)	(254,894)
Impairment of intangible assets	12	(482)	(12,322)
Operating profit		89,561	65,567
Share of results of associate	14	(189)	(283)
Impairment of investments in associate	14	(2,328)	—
Finance costs	7	(2,590)	(1,951)
Profit before taxation		84,454	63,333
Taxation	9	(22,267)	(16,447)
Profit for the year attributable to owners of the parent		62,187	46,886
Earnings per share			
Basic earnings per share	10	22.6p	16.7p
Diluted earnings per share	10	22.6p	16.7p

**Consolidated statement of comprehensive income**  
**For the year ended 31 March 2025**

	Note	Years ended 31 March	
		2025 £'000	2024 £'000
Profit for the year		62,187	46,886
Other comprehensive expense			
Items that may be subsequently reclassified to income statement:	26		
Gains recycled from equity to the income statement	26	—	237
Currency translation differences	26	(6,772)	(5,285)
Changes in the fair value of debt instruments at fair value through other comprehensive income, net of tax	26	35	144
Other comprehensive expense for the year		(6,737)	(4,904)
Total comprehensive income for the year attributable to owners of the parent		55,450	41,982

**Consolidated statement of financial position**  
**As at 31 March 2025**

	Note	31 March 2025 £'000	31 March 2024 £'000
Non-current assets			
Intangible assets	12	29,042	28,906
Property, plant and equipment	13	24,169	28,546
Deferred tax assets	9	5,328	6,177
Investments in associate	14	—	2,517
Financial investments	15	30,399	32
Trade and other receivables	16	1,823	2,753
<b>Total non-current assets</b>		<b>90,761</b>	<b>68,931</b>
Current assets			
Trade and other receivables	16	145,842	162,056
Derivative financial instruments	17	24,456	31,627
Current tax recoverable		2,679	1,917
Other assets	18	10	12,258
Financial investments	15	80,555	50,889
Amounts due from brokers		140,010	228,882
Cash and cash equivalents	19	247,665	160,300
<b>Total current assets</b>		<b>641,217</b>	<b>647,929</b>
<b>Total assets</b>		<b>731,978</b>	<b>716,860</b>
Current liabilities			
Trade and other payables	20	253,581	272,811
Amounts due to brokers		12,239	6,982
Derivative financial instruments		16,160	7,074
Obligations under repurchase agreements	21	7,457	—
Lease liabilities	22	3,109	4,915
Current tax payable		1,832	2,147
Provisions	23	5,282	3,937
<b>Total current liabilities</b>		<b>299,660</b>	<b>297,866</b>
Non-current liabilities			
Trade and other payables	20	4	—
Lease liabilities	22	11,233	12,000
Deferred tax liabilities	9	2,765	3,244
Provisions	23	349	257
<b>Total non-current liabilities</b>		<b>14,351</b>	<b>15,501</b>
<b>Total liabilities</b>		<b>314,011</b>	<b>313,367</b>
Equity			
Share capital	24	70,573	70,573
Share premium		46,236	46,236
Capital redemption reserve		2,901	2,901
Own shares held in trust	25	(17,047)	(2,589)
Other reserves	26	(62,176)	(55,439)
Retained earnings		377,480	341,811

	Note	31 March 2025 £'000	31 March 2024 £'000
Total equity		417,967	403,493
Total equity and liabilities		731,978	716,860

The financial statements were approved by the Board of Directors on 5 June 2025 and signed on its behalf by:

Lord Cruddas  
Chief Executive Officer

**Consolidated statement of changes in equity**  
**For the year ended 31 March 2025**

	Note	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Own shares held in trust £'000	Other reserves £'000	Retained earnings £'000	Total equity £'000
At 1 April 2023		70,573	46,236	2,901	(1,509)	(50,535)	306,349	374,015
Profit for the year		—	—	—	—	—	46,886	46,886
Gains recycled from equity to the income statement		—	—	—	—	237	—	237
Currency translation differences		—	—	—	—	(5,285)	—	(5,285)
Changes in the fair value of debt instruments at fair value through other comprehensive income, net of tax		—	—	—	—	144	—	144
Total comprehensive income for the year		—	—	—	—	(4,904)	46,886	41,982
Acquisition of own shares held in trust		—	—	—	(1,788)	—	—	(1,788)
Utilisation of own shares held in trust		—	—	—	708	—	—	708
Share-based payments		—	—	—	—	—	1,388	1,388
Tax on share-based payments		—	—	—	—	—	876	876
Dividends	11	—	—	—	—	—	(13,688)	(13,688)
At 31 March 2024		70,573	46,236	2,901	(2,589)	(55,439)	341,811	403,493
Profit for the year		—	—	—	—	—	62,187	62,187
Currency translation differences		—	—	—	—	(6,772)	—	(6,772)
Changes in the fair value of debt instruments at fair value through other comprehensive income, net of tax		—	—	—	—	35	—	35
Total comprehensive income for the year		—	—	—	—	(6,737)	62,187	55,450
Acquisition of own shares held in trust		—	—	—	(15,001)	—	—	(15,001)
Utilisation of own shares held in trust		—	—	—	543	—	—	543
Share-based payments		—	—	—	—	—	3,043	3,043
Tax on share-based payments		—	—	—	—	—	(857)	(857)
Dividends	11	—	—	—	—	—	(28,704)	(28,704)
At 31 March 2025		70,573	46,236	2,901	(17,047)	(62,176)	377,480	417,967

**Consolidated statement of cash flows**  
**For the year ended 31 March 2025**

	Note	Years ended 31 March	
		2025 £'000	2024 £'000
Cash flows from operating activities			
Cash generated from operations	27	158,433	57,139
Interest income		18,400	9,702
Income on client funds		24,581	23,797
Finance costs		(2,586)	(1,951)
Tax paid		(23,477)	(8,602)
Net cash generated from operating activities		175,351	80,085
Cash flows from investing activities			
Purchase of property, plant and equipment		(3,028)	(7,632)
Investment in intangible assets	12	(6,073)	(12,244)
Net payment on purchase of financial investments*		(32,252)	(18,896)
Investment in associates	14	—	(2,800)
Net cash used in investing activities		(41,353)	(41,572)
Cash flows from financing activities			
Principal elements of lease payments		(5,058)	(5,531)
Net proceeds on repurchase agreements		7,453	—
Acquisition of own shares		(15,001)	(1,788)
Dividends paid	11	(28,704)	(13,688)
Net cash used in financing activities		(41,310)	(21,007)
Net increase in cash and cash equivalents		92,688	17,506
Cash and cash equivalents at the beginning of the year		160,300	146,218
Effect of foreign exchange rate changes		(5,323)	(3,424)
Cash and cash equivalents at the end of the year	19	247,665	160,300

\* To maintain consistency with the current period, comparative figures have been restated to reflect the net amount of purchases and proceeds from the maturity of financial investments



## Notes to the consolidated financial statements

For the year ended 31 March 2025

### 1. General information and basis of preparation

#### *Corporate information*

CMC Markets plc (the “Company”) is a public company limited by shares incorporated in the United Kingdom and domiciled in England and Wales under the Companies Act 2006. The address of the parent company’s registered office is shown on page 128 of the 2025 Annual Report and Accounts.

The nature of the operations and principal activities of CMC Markets plc and its subsidiaries (collectively the “Group”) are set out in note 2 of the Company financial statements.

#### *Functional and presentation currency*

Items included in the financial statements of each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The Group’s financial statements are presented in sterling (“£”), which is the Company’s functional and the Group’s presentation currency.

#### *Going concern*

The Directors have prepared the financial statements on a going concern basis, which requires the Directors to have a reasonable expectation that the Group has adequate resources to continue in operational existence for a period of at least 12 months from the date of approval of the financial statements.

The Group has considerable financial resources, a broad range of products and a geographically diversified business. Consequently, the Directors believe that the Group is well placed to manage its business risks in the context of the current economic outlook.

Accordingly, the Directors have reasonable expectation that the Group has adequate resources for that period of at least 12 months from the date of approval of the financial statements and believe it is appropriate to adopt the going concern basis in preparing the financial statements.

#### *Basis of preparation*

The consolidated financial statements of the Group have been prepared in accordance with UK-adopted International Accounting Standards in conformity with the requirements of the Companies Act 2006 and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom’s Financial Conduct Authority.

The financial statements have been prepared in accordance with the going concern basis, under the historical cost convention, except in the case of financial instruments at fair value through profit or loss (“FVPL”) and financial instruments at fair value through other comprehensive income (“FVOCI”). The financial information is rounded to the nearest thousand except where otherwise indicated.

The Group’s accounting policies which relate to the financial statements as a whole are set out below. Where an accounting policy relates specifically to a note, the related accounting policy is set out within that note. All policies have been consistently applied to all the years presented unless stated otherwise, except for the adoption of the new or revised standards.

The financial statements presented are at and for the years ended 31 March 2025 and 31 March 2024 which are referred to as FY 2025 and FY 2024 respectively.

#### *Application of new and revised accounting standards*

The following amendments and interpretations became effective during the year. Their adoption has not had any significant impact on the Group.

		Effective from
IFRS 16	Leases (amendments)	1 January 2024
IAS 1	Presentation of Financial Statements (amendments)	1 January 2024
IAS 7	Statement of Cash Flows (amendments)	1 January 2024
IFRS 7	Financial Instruments: Disclosures (amendment)	1 January 2024

*Standards issued by the IASB not effective for the current year and not early adopted by the Group*

The following standards and amendments have been assessed as not having a material impact at this time.

	Effective from
Amendments to IAS 21 – Lack of Exchangeability	1 January 2025
Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instrument	1 January 2026
Annual improvements to IFRS – volume 11	1 January 2026
IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027

The impact of the following is under assessment – IFRS 18 “Presentation and Disclosure in Financial Statements”, which will become effective in the Group financial statements for the year end 31 March 2028, subject to UK endorsement.

The Group does not intend to adopt any of these new standards or amendment early.

*Foreign currencies*

Transactions denominated in currencies, other than the functional currency, are recorded at the rates of exchange prevailing on the date of the transaction. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Gains and losses arising on retranslation are included in the income statement for the year, except for exchange differences arising on non-monetary assets and liabilities where the changes in fair value are recognised directly in equity.

On consolidation, the assets and liabilities of the Group’s overseas operations are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates applicable to the relevant year. Exchange differences arising, if any, are classified as equity and transferred to the translation reserve.

*Critical accounting judgements and key sources of estimation uncertainty*

The preparation of condensed consolidated financial statements in conformity with IFRS requires the use of certain significant accounting judgement or estimation. The Directors believe that the assumptions applied at 31 March 2025 and 2024 are appropriate and therefore present the Group’s financial position and results fairly.

The areas involving a higher degree of judgement or estimation are:

Area	Estimation uncertainty	Judgements	Further details
Intangible assets	Recoverable amount of the UK Invest cash generating unit	Customer relationships	Note 12
Provisions	Measurement of customer remediation provision (FY 2025 only)	n/a	Note 23
Other assets	n/a	Accounting for cryptocurrencies (FY 2024 only)	Note 18
Contingent liabilities	n/a	Assessment of legal and regulatory matters	Note 32

## 2. Segmental reporting

### Accounting policy

The Group’s segmental information is presented in line with the internal reporting provided to the Chief Operating Decision Maker, identified as the Group’s Board, for the purpose of allocating resources and evaluating performance.

Operating segments that do not meet the quantitative thresholds under IFRS 8 “Operating Segments” are aggregated. Segments are reviewed annually.

The accounting policies of the reportable segments are the same as the Group’s accounting policies.

The Group’s business consists of two segments, Trading and Investing, each with distinct characteristics and client objectives.

### Trading

The Group’s core business involves online trading, enabling clients to trade a broad array of financial instruments for short-term investment and hedging purposes. These instruments include contracts for difference (“CFDs”) and financial spread betting across various assets, such as shares, indices, foreign currencies, commodities, and treasuries. The Group also extends these services

to institutional partners through white label and introducing broker arrangements. While CFDs are accessible globally, spread betting is available exclusively in the UK and Ireland.

Additionally, the trading segment includes the Treasury Management and Capital Markets Division that invests surplus liquidity to enhance yield.

#### *Investing*

To support clients' longer-term investment goals, the Group offers online stockbroking services in Australia, the UK, the USA and Singapore.

	Years ended 31 March 2025		
	Trading £'000	Investing £'000	Total £'000
Revenue	261,101	56,510	317,611
Interest income	31,693	10,795	42,488
Total revenue	292,794	67,305	360,099
Introducing partner commissions and betting levies	(7,242)	(12,740)	(19,982)
Net operating income	285,552	54,565	340,117
Operating expenses (exc. depreciation and amortisation)	(193,166)	(43,377)	(236,543)
Depreciation and amortisation	(9,010)	(4,521)	(13,531)
Impairment of intangible assets	(482)	-	(482)
Operating profit	82,894	6,667	89,561
Share of results of associates and joint ventures	(2,517)	-	(2,517)
Finance costs	(2,578)	(12)	(2,590)
Profit before taxation	77,799	6,655	84,454

	Years ended 31 March 2024		
	Trading £'000	Investing £'000	Total £'000
Revenue	279,018	45,684	324,702
Interest income	24,053	10,990	35,043
Total revenue	303,071	56,674	359,745
Introducing partner commissions and betting levies	(15,233)	(11,729)	(26,962)
Net operating income	287,838	44,945	332,783
Operating expenses (exc. depreciation and amortisation)	(189,915)	(49,878)	(239,793)
Depreciation and amortisation	(10,612)	(4,489)	(15,101)
Impairment of intangible assets	(2,298)	(10,024)	(12,322)
Operating profit/(loss)	85,013	(19,446)	65,567
Share of results of associates and joint ventures	(283)	—	(283)
Finance costs	(1,947)	(4)	(1,951)
Profit/(loss) before taxation	82,783	(19,450)	63,333

Transactions between reportable segments are limited to transfer pricing arrangements, which are conducted on an arm's length basis and in line with the Group's transfer pricing policy. These transactions primarily relate to shared services, technology infrastructure and intellectual property, and are reflected in segment results accordingly.

There are no asymmetrical allocations between reportable segments. All inter-segment charges are applied consistently across segments and are fully eliminated on consolidation.

Segment assets and liabilities are not disclosed because they are not reported to, or reviewed by, the Chief Operating Decision Maker.

#### *Information about major customers*

No single customers contributed 10 per cent or more to the Group's revenue in either FY 2025 or FY 2024.

#### *Net operating income by geography*

The measurement of net operating income for segmental analysis is consistent with that in the income statement and is broken down by geographic location below.

	Years ended 31 March	
	2025 £'000	2024 £'000
UK	104,593	92,332
Australia	109,188	109,425
Other countries	126,336	131,026
Total	340,117	332,783

#### *Non-current assets by geography*

The measurement of segment assets for segmental analysis is consistent with that in the balance sheet. The total of non-current assets other than deferred tax assets, broken down by location of the assets, is shown below:

	31 March 2025 £'000	31 March 2024 £'000
UK	59,052	32,981
Australia	19,329	23,405
Other countries	7,052	6,368
Total	85,433	62,754

### 3. Revenue

#### **Accounting policy**

##### Revenue

Revenue represents the fair value of consideration received or receivable for the provision of online financial services, net of client rebates and value-added tax, and excludes intra-group transactions.

The Group primarily earns revenue from commissions, spreads and financing income arising from its stockbroking activities and from acting as a market maker for spread bets and CFDs. Revenue is presented net of the impact of any hedge arrangements the Group undertakes to manage market risk.

##### Trading – CFDs and spread bets

Revenue from CFDs and spread bets includes:

- Fees for commission and funding charges on opening, holding and closing positions; spreads; and fair value gains/losses on client trading.
- Deductions for commissions, funding charges, spreads and fair value gains/losses from hedging activities.

These items are recognised in line with IFRS 9 "Financial Instruments" and IFRS 13 "Fair Value Measurement". Commission income is recognised when trades are placed, and funding charges when positions are held at 5:00 pm New York time. Unrealised gains/losses from daily valuations and realised gains/losses from closed positions are included in revenue.

##### Investing – stockbroking revenue from contracts with customers

Stockbroking revenue is recognised in accordance with IFRS 15 "Revenue from Contracts with Customers" when performance obligations are satisfied, typically when services are delivered to clients.

#### Other revenue

Other revenue includes income from financial information services, dormancy fees, balance conversions, corporate brokerage, capital markets activity and client exchange fees. It is recognised in accordance with IFRS 15 "Revenue from Contracts with Customers" when the related performance obligations are satisfied.

#### Interest income

Interest is recognised using the effective interest rate method.

Interest income from segregated client funds, net of amounts paid to clients on their free cash balances, is recognised in revenue.

#### *Revenue*

	Year ended 31 March	
	2025 £'000	2024 £'000
Trading	256,169	274,309
Investing	57,189	45,684
Other	4,253	4,709
Total	317,611	324,702

Within trading revenue is net gains or net losses on financial assets or financial liabilities measured at FVTPL. All net gains or losses arose from financial assets subject to mandatorily measured at FVTPL which totalled £2,494,000 (FY 2024: £633,000).

#### *Interest income on own funds*

	Year ended 31 March	
	2025 £'000	2024 £'000
Bank and broker interest	14,242	9,661
Interest on financial investments	4,249	1,556
Other interest income	40	29
Total	18,531	11,246

#### *Interest income on client funds*

	Year ended 31 March	
	2025 £'000	2024 £'000
Interest income on client funds	23,957	23,797
Total	23,957	23,797

#### 4. Introducing partner commissions and betting levies

##### Accounting policy

Introducing partner commissions and betting levies are recognised as deductions from total revenue in the period the associated revenue is earned. Betting levies are payable on net gains from spread betting and countdowns products.

	Year ended 31 March	
	2025 £'000	2024 £'000
Trading	7,242	15,233
Investing	12,740	11,729
Total	19,982	26,962

#### 5. Operating expenses

	Note	Year ended 31 March	
		2025 £'000	2024 £'000
Fixed remuneration <sup>1</sup>		93,894	101,461
Variable remuneration <sup>1</sup>		19,799	17,008
Net staff costs	6	113,693	118,469
IT costs		46,377	39,697
Sales and marketing		33,473	35,583
Premises		5,186	6,657
Legal and professional fees		13,078	13,937
Regulatory fees		5,098	4,294
Depreciation and amortisation	12,13	13,531	15,101
Bank charges		4,368	5,055
Irrecoverable sales tax		6,136	5,546
Other		9,134	10,568
		250,074	254,907
Capitalised internal software development costs		—	(13)
Total		250,074	254,894

1 - Net of capitalised internal software development costs

The above presentation reflects the breakdown of operating expenses by nature of expense.

##### Net foreign exchange gains

Net foreign exchange gains during the year totalled £630,000 (FY 2024: gains of £1,134,000).

## 6. Staff costs

	Year ended 31 March	
	2025 £'000	2024 £'000
Wages and salaries	97,074	108,291
Social security costs	12,865	13,950
Other pension costs	3,245	3,439
Share-based payments	4,001	2,757
<b>Total Director and employee costs</b>	<b>117,185</b>	<b>128,437</b>
Contract staff costs	2,450	1,703
	119,635	130,140
Capitalised internal software development costs	(5,942)	(11,671)
<b>Net staff costs</b>	<b>113,693</b>	<b>118,469</b>

Compensation of key management personnel is disclosed in note 31.

The monthly average number of Directors and employees of the Group during the year is set out below:

	Year ended 31 March	
	2025 £'000	2024 £'000
Key management	9	10
Client acquisition and maintenance	450	523
IT development and support	300	348
Global support functions	285	284
<b>Total Director and employee</b>	<b>1,044</b>	<b>1,165</b>
Contract staff	24	16
<b>Total staff</b>	<b>1,068</b>	<b>1,181</b>

### Pension costs

The Group operates defined contribution pension schemes for its Directors and employees. The assets of the schemes are held separately from those of the Group in independently administered funds. Contributions are made on a contractual basis, with no further payment obligations once the contributions have been paid. These contributions are recognised as an expense when they fall due.

## 7. Finance costs

	Year ended 31 March	
	2025 £'000	2024 £'000
Interest and fees on bank borrowings	802	985
Interest on lease liabilities	1,102	966
Other finance costs	686	—
<b>Total</b>	<b>2,590</b>	<b>1,951</b>

## 8. Audit fees

Fees payable to the Group's auditor, Deloitte LLP, were as follows:

	Year ended 31 March	
	2025 £'000	2024 £'000
<b>Audit services</b>		
Audit of CMC Markets plc's financial statements	1,208	1,069
Audit of CMC Markets plc's subsidiaries	1,480	1,340
<b>Total audit fees</b>	<b>2,688</b>	<b>2,409</b>
<b>Non-audit services</b>		
Audit-related services	1,110	825
<b>Total non-audit fees</b>	<b>1,110</b>	<b>825</b>
<b>Total</b>	<b>3,798</b>	<b>3,234</b>

## 9. Taxation

	Year ended 31 March	
	2025 £'000	2024 £'000
<b>Analysis of charge for the year</b>		
<b>Current tax:</b>		
Current tax on profit for the year	24,394	18,839
Adjustments in respect of previous years	(1,517)	(991)
<b>Total current tax</b>	<b>22,877</b>	<b>17,848</b>
<b>Deferred tax:</b>		
Origination and reversal of temporary differences	(1,726)	(1,878)
Adjustments in respect of previous years	1,116	477
Total deferred tax	(610)	(1,401)
<b>Total tax</b>	<b>22,267</b>	<b>16,447</b>



The standard rate of UK corporation tax charged was 25% with effect from 1 April 2023. Taxation outside the UK is calculated at the rates prevailing in the respective jurisdictions. The effective tax rate for FY 2025 was 26.37% (FY 2024: 25.97%) differs from the standard rate of corporation tax of 25% (FY 2024: 25%). The differences are explained below:

	Year ended 31 March	
	2025 £'000	2024 £'000
Profit before taxation	84,454	63,333
Profit multiplied by the standard rate of corporation tax in the UK of 25% (FY 2024: 25%)	21,114	15,833
Adjustment in respect of foreign tax rates	897	743
Adjustments in respect of previous years	(401)	(514)
Income not subject to tax	(19)	—
Expenses not deductible for tax purposes	372	319
Unrecognised tax losses	63	66
Other differences	241	—
<b>Total tax</b>	<b>22,267</b>	<b>16,447</b>

	Years ended 31 March	
	2025 £'000	2024 £'000
Tax on items recognised directly in equity		
Tax charge/(credit) on share-based payments	857	(876)

#### Deferred tax

Deferred income taxes are calculated on all temporary differences under the liability method at the tax rate expected to apply when the deferred tax will crystallise. The gross movement on deferred tax is as follows:

	Year ended 31 March	
	2025 £'000	2024 £'000
<b>At 1 April</b>	<b>2,933</b>	<b>756</b>
Charge to income for the year	610	1,401
Charge to equity for the year	(857)	876
Foreign currency translation	(123)	(100)
<b>At 31 March</b>	<b>2,563</b>	<b>2,933</b>

The following table details the deferred tax assets and liabilities recognised by the Group and movements thereon during the year:

	Tax losses £'000	Accelerated capital allowances £'000	Intangible fixed assets £'000	Share based payments £'000	Accruals and provisions £'000	Total £'000
<b>1 April 2023</b>	95	(2,082)	(2,535)	205	5,073	756
Charge to income for the year	79	(708)	451	119	1,460	1,401
Charge to equity for the year	—	—	—	876	—	876
Foreign currency translation	(3)	(2)	(106)	—	11	(100)
<b>31 March 2024</b>	171	(2,792)	(2,190)	1,200	6,544	2,933
Charge to income for the year	243	1,918	50	151	(1,752)	610
Charge to equity for the year	—	—	—	(857)	—	(857)
Foreign currency translation	(15)	(11)	11	(1)	(107)	(123)
<b>31 March 2025</b>	399	(885)	(2,129)	493	4,685	2,563

The recognition of deferred tax assets is based upon whether it is more likely than not that sufficient and suitable taxable profits will be available in the future against which the reversal of the temporary differences can be deducted. The recoverability of the Group's deferred tax asset in respect of carry forward losses is based on an assessment of the future levels of taxable profit expected to arise that can be offset against these losses. The Group's expectations as to the level of future taxable profits take into account the Group's long-term financial and strategic plans and anticipated future tax adjusting items. In making this assessment, account is taken of business plans including the Board-approved Group budget. Key budget assumptions are discussed in the Directors' viability statement.

The Group has a gross deferred tax assets totalling £5,328,000 (31 March 2024: £6,177,000) and gross deferred tax liabilities of £2,765,000 (31 March 2024: £3,243,000).

Deferred tax assets are recognised for tax losses carried forward to the extent that the realisation of the related tax benefit through future taxable profits is probable. As at 31 March 2025, the Group did not recognise deferred tax assets of £185,000 (31 March 2024: £272,000) in respect of losses amounting to £784,000 (31 March 2024: £1,416,000). £78,000 (31 March 2024: £66,000) of the losses relates to the Group's Information Internet Limited subsidiary, none (31 March 2024: £1,416,000) of the losses relates to CMC Markets Singapore Invest Pte Ltd subsidiary and £670,000 (31 March 2024: £nil) Opto Markets LLC. There is no time limit on their utilisation.

The Group has recognised a deferred tax asset of £395,000 (31 March 2024: £171,000) in respect of losses of £2,114,000 (31 March 2024: £813,000). £596,000 (31 March 2024: £548,000) of the losses relates to the Group's Information Internet Limited subsidiary, £1,518,000 (31 March 2024: £265,000) of losses relates to CMC Markets Singapore Invest Pte Ltd.

Deferred tax balances are reported at the substantively enacted corporation tax rate of 25%, the substantively enacted tax rate at the balance sheet date.

## 10. Earnings per share

Basic earnings per share ("EPS") is calculated by dividing the earnings attributable to the equity owners of the Company by the weighted average number of Ordinary Shares in issue during each year excluding those held in employee share trusts. For diluted earnings per share, the weighted average number of Ordinary Shares in issue, excluding those held in employee share trusts, is adjusted to assume conversion vesting of all dilutive potential weighted average Ordinary Shares and that vesting is satisfied by the issue of new Ordinary Shares.

	Year ended 31 March	
	2025	2024
<b>Earnings attributable to Ordinary Shareholders (£'000)</b>	62,187	46,886
Weighted average number of shares used in the calculation of basic EPS ('000)	275,233	279,962
Dilutive effect of share options ('000)	—	—
Weighted average number of shares used in the calculation of diluted EPS ('000)	275,233	279,962
<b>Basic EPS</b>	22.6p	16.7p
<b>Diluted EPS</b>	22.6p	16.7p

For FY 2025, there are no (FY 2024: no) potentially dilutive weighted average Ordinary Shares in respect of share awards and options in issue, included in the calculation of diluted EPS, as the Group does not expect to issue any new shares to settle these share awards and options.

## 11. Dividends

	Year ended 31 March	
	2025 £'000	2024 £'000
<b>Declared and paid in each year</b>		
Final dividend for 2024 at 7.30p per share (2023: 3.90p)	20,176	10,893
Interim dividend for 2025 at 3.10p per share (2024: 1.00p)	8,528	2,795
<b>Total dividend paid</b>	28,704	13,688

The final dividend for 2025 of 8.3 pence per share, amounting to £22.6 million, was proposed by the Board on 4 June 2025 and has not been included as a liability at 31 March 2025. The dividend will be paid on 15 August 2025, following approval at the Company's Annual General Meeting, to those members on the register at the close of business on 10 July 2025. The dividends paid or declared in relation to the financial year are set out below:

	Year ended 31 March	
	2025 Pence	2024 Pence
<b>Declared per share</b>		
Interim dividend	3.10	1.00
Final dividend	8.30	7.30
<b>Total dividend per share</b>	11.40	8.30

## 12. Intangible assets

### Critical accounting judgements

#### Customer relationships

A key judgement has been applied in recognising of customer relationship intangible assets on the Group's statement of financial position. At 31 March 2025 these had a carrying amount of £8.7 million (31 March 2024: £10.8 million). The Group applied the recognition principles of IAS 38 "Intangible Assets" to account for these assets and continues to measure them in accordance with this standard. These assets relate to the 2021 transaction with ANZ Banking Group Limited to transition its Share Investing client portfolio to CMC for AUD\$25 million.

### **Key sources of estimation uncertainty**

#### Recoverable amount of the UK Invest Cash Generating Unit

Management undertakes a regular review of impairment indicators for its non-current assets. As of 31 March 2025, indicators were identified relating to the Group's UK Invest cash-generating unit (CGU). An impairment test was conducted, assessing the recoverable amount based on the CGU's value in use (VIU). This resulted in headroom above the carrying amount, confirming that no impairment was required.

Further details of the assessment undertaken can be found below.

### **Accounting policy**

#### Computer software (purchased and developed)

Purchased software is recognised as an intangible asset at cost when acquired. Costs associated with maintaining computer software are recognised as an expense as incurred. Costs directly attributable to internally developed software are recognised as an intangible asset only if all of the following conditions are met:

- it is technically feasible to complete the software so that it will be available for use;
- management intends to complete the software and use it;
- there is an ability to use the software;
- it can be demonstrated how the software will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use the software are available; and
- the expenditure attributable to the software during its development can be reliably measured. Where the above conditions are not met, costs are expensed as incurred.

Costs which have been recognised as an asset are amortised on a straight-line basis over the asset's estimated useful life from the point at which the asset is ready to use.

#### Trademarks and trading licences

Trademarks and trading licences that are separately acquired are capitalised at cost and those acquired from a business combination are capitalised at the fair value at the date of acquisition.

#### Client relationships

The fair value attributable to client relationships acquired through a business combination is included as an intangible asset and amortised over the estimated useful life on a straight-line basis. The fair value of client relationships is calculated at the date of acquisition on the basis of the expected future cash flows to be generated from that asset. Separate values are not attributed to internally generated client relationships.

Intangible assets are amortised on a straight-line basis within the income statement using the following useful economic lives:

Item	Amortisation policy
Computer software (purchased and developed)	3–10 years or life of licence
Trademarks and trading licences	10–20 years
Client relationships	10–14 years

Useful lives are also examined on an annual basis and adjustments, where applicable, are made on a prospective basis. Assets under development are transferred to the relevant intangible asset class and amortised over their useful life from the point at which the asset is ready to use. At each reporting date, all intangible assets are reviewed for indicators of impairment. Assets under development are tested for impairment annually.

#### Cryptocurrency assets held as intangible assets

The Group holds cryptocurrency assets that are not held for sale in the ordinary course of business and therefore are measured in accordance with IAS 38 "Intangible Assets". The assets are originally recognised at cost and are subsequently remeasured at cost under the cost method. These cryptocurrency assets, subject to periodic review, are considered to have indefinite lives and as such are not subject to amortisation. The assets are tested for impairment on a periodic basis with any impairment being recognised in the Consolidated Income Statement.

	Goodwill £'000	Computer software £'000	Trademarks and trading licences £'000	Customer relationships £'000	Cryptocurrency assets £'000	Assets under development £'000	Total £'000
<b>Cost</b>							
1 April 2023	11,500	143,991	1,046	16,495	—	7,707	180,739
Additions	—	338	—	—	200	11,706	12,244
Transfers	—	9,671	—	—	—	(9,671)	—
Disposals	—	(1,730)	—	—	—	—	(1,730)
Foreign currency translation	—	(1,222)	(27)	(790)	—	(235)	(2,274)
31 March 2024	11,500	151,048	1,019	15,705	200	9,507	188,979
Additions	—	131	—	—	—	5,942	6,073
Transfers	—	6,170	—	—	—	(6,170)	—
Disposals	(11,500)	(89,007)	(12)	—	—	—	(100,519)
Foreign currency translation	—	(1,628)	(35)	(987)	—	(298)	(2,948)
31 March 2025	—	66,714	972	14,718	200	8,981	91,585
<b>Accumulated amortisation and impairment</b>							
1 April 2023	(11,500)	(129,304)	(914)	(3,679)	—	—	(145,397)
Charge for the year	—	(3,953)	(34)	(1,456)	—	—	(5,443)
Impairment	—	(9,161)	—	—	—	(3,161)	(12,322)
Disposals	—	1,730	—	—	—	—	1,730
Foreign currency translation	—	1,137	25	197	—	—	1,359
31 March 2024	(11,500)	(139,551)	(923)	(4,938)	—	(3,161)	(160,073)
Charge for the year	—	(2,794)	(34)	(1,422)	—	—	(4,250)
Impairment	—	—	—	—	(23)	(459)	(482)
Disposals	11,500	88,916	12	—	—	—	100,428
Foreign currency translation	—	1,414	33	387	—	—	1,834
31 March 2025	—	(52,015)	(912)	(5,973)	(23)	(3,620)	(62,543)
<b>Carrying amount</b>							
31 March 2024	—	11,497	96	10,767	200	6,346	28,906
31 March 2025	—	14,699	60	8,745	177	5,361	29,042

### Disposals

The disposals during in the year consisted primarily of historic software and other intangible assets that have fully amortised, are no longer being used and are no longer providing any further economic benefits to the Group.

### Research and development costs

Research and development expenses for the year totalled £695,000 (31 March 2024: £887,000).

### Client relationships

Client relationships include the AUD\$25 million transaction with ANZ to transition its portfolio of Share Investing clients to CMC. As at 31 March 2025 the carrying amount of this asset was £8.7 million, with 6.5 years remaining in its amortisation period.

### Impairment of intangible assets

At 31 March 2025, impairment indicators were identified in relation to the Group's UK Invest CGU, and an impairment assessment was performed. No impairment loss was recognised as the recoverable amount of the CGU exceeded its carrying value. The recoverable amount for the UK Invest CGU was determined using a VIU calculation.

During the year, management reviewed and updated the Group's CGUs to ensure they remained aligned with how cash flows are generated. Previously, UK Invest was included within a broader Cash Equities CGU, which also comprised cash equities operated elsewhere in the business on the Next Generation platform (the core platform that underpins the Group's offering with the exception of stockbroking in Australia and Singapore). As the Group continues to progress towards a One Account, One Platform model, management determined that the cash flows from non-UK Invest operations were no longer sufficiently independent to support a combined CGU structure. As a result, UK Invest was assessed as a standalone CGU, reflecting its distinct user interface, brand and operating model.

The VIU calculation is based on the Group's Board-approved budget and forecast covering the period from 1 April 2025 to 31 March 2028, allocated to the UK Invest CGU. This forecasts reflect Management's best estimates of future business performance and incorporate assumptions related to the execution of the Group's strategic priorities, including the successful delivery of key B2B partnerships.

Forecast profitability for the CGU has been adjusted for non-cash items (such as depreciation and amortisation) and expected capital expenditure. Cash flows beyond the three-year forecast period have been increased over years four to ten, reflecting a gradual progression to maturity. A terminal growth rate of 2% has been applied thereafter, consistent with long-term economic growth expectations in the UK – the sole market in which the CGU operates. A pre-tax discount rate of 11.5% was applied in the VIU model.

The VIU calculation is most sensitive to assumptions around forecast profitability and the discount rate. For the recoverable amount to fall below the carrying amount of either CGU, forecast profitability in the terminal year (which is grown into perpetuity) would need to reduce by 32%, or the discount rate would need to increase to 13.4%, when considered in isolation.

### 13. Property, plant and equipment

#### Accounting policy

Property, plant and equipment ("PPE") is stated at cost less accumulated depreciation and any recognised impairment loss. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is provided on all PPE at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the balance sheet date, of each asset on a straight-line basis over its expected useful life as follows:

Item	Depreciation policy
Furniture, fixtures and equipment	5 years
Computer hardware	5 years
Leasehold improvements	Life of lease

The useful lives and residual values of the assets are assessed annually and may be adjusted depending on a number of factors. In reassessing asset lives, factors such as technological innovation, product lifecycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values. Consideration is also given to the extent of current profits and losses on the disposal of similar assets.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the income statement.

#### Right-of-use assets

Upon recognition of a lease liability (see note 22 for further details), the Group recognises a corresponding right-of-use asset. The asset is initially measured at the amount of the lease liability, adjusted for any initial direct costs incurred, lease incentives received or paid, and estimated restoration costs where applicable.

Right-of-use assets are depreciated on a straight-line basis over the lease term.

At each reporting date, all items of PPE, including right-of-use assets are reviewed for indicators of impairment.

	Leasehold Improvements £'000	Furniture, fixtures and equipment £'000	Computer hardware £'000	Right-of-use asset £'000	Construction in progress £'000	Total £'000
<b>Cost</b>						
<b>1 April 2023</b>	16,565	9,321	42,420	22,634	152	91,092
Additions	3,006	647	3,779	9,587	—	17,019
Transfers	—	89	61	—	(150)	—
Disposals	(2,769)	(117)	(514)	(1,306)	—	(4,706)
Foreign currency translation	(260)	(111)	(244)	(595)	(2)	(1,212)
<b>31 March 2024</b>	16,542	9,829	45,502	30,320	—	102,193
Additions	521	477	2,041	2,381	—	5,420
Disposals	(645)	(6,659)	(25,180)	(1,812)	—	(34,296)
Foreign currency translation	(316)	(129)	(306)	(691)	—	(1,442)
<b>31 March 2025</b>	16,102	3,518	22,057	30,198	—	71,875
<b>Accumulated depreciation</b>						
<b>1 April 2023</b>						
Charge for the year	(14,092)	(8,606)	(31,661)	(13,962)	—	(68,321)
Impairment	(1,136)	(293)	(4,163)	(4,066)	—	(9,658)
Disposals	2,549	116	256	601	—	3,522
Foreign currency translation	208	83	174	345	—	810
<b>31 March 2024</b>	(12,471)	(8,700)	(35,394)	(17,082)	—	(73,647)
Charge for the year	(1,307)	(389)	(3,838)	(3,747)	—	(9,281)
Disposals	645	6,631	25,090	1,810	—	34,176
Foreign currency translation	237	93	234	482	—	1,046
<b>31 March 2025</b>	(12,896)	(2,365)	(13,908)	(18,537)	—	(47,706)
<b>Carrying amount</b>						
<b>31 March 2024</b>	4,071	1,129	10,108	13,238	—	28,546
<b>31 March 2025</b>	3,206	1,153	8,149	11,661	—	24,169

#### Disposals

The disposals during in the year consisted primarily of historic items that have fully depreciated, are no longer being used and are no longer providing any further economic benefits to the Group.

## 14. Investments in associate

### Accounting policy

An associate is an undertaking in which the Group has a long-term equity interest and over which it has the power to exercise significant influence. The Group's interest in the net assets of associates is reported in investments in the statement of financial position and its interest in their results is included in the income statement. Investments in associates are initially recorded at cost. Investments in associates are reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable.

As at 31 March 2025 the Group held a 33% stake in Strike X Technologies ("Strike X"), a customer-centric blockchain solutions business operating globally, through class A shares. Strike X is incorporated in the United Kingdom and domiciled in England and Wales under the Companies Act 2006 with its registered office at 2 Kingdom Street, London, W2 6BD. The investments were acquired in June 2023 for a cost of £2.8 million.

	Year ended 31 March	
	2025 £'000	2024 £'000
At 1 April	2,517	—
Additions	—	2,800
Losses for the year	(189)	(283)
Impairment charge	(2,328)	—
At 31 March	—	2,517

Due to its poor financial position and ongoing losses, an indicator of impairment was identified. Following an impairment assessment, the Group concluded that the investments' recoverable amount was £nil, and the full carrying value was written down as at 31 March 2025.

The Group remains supportive of Strike X and has confidence in its technology. In May 2025, the Group increased its holding in Strike X to 51% at no cost as part of an agreement with Strike X's shareholders. This transaction resulted in the Group taking control of Strike X, enabling greater integration within the Group and enhancing the ability to leverage Strike X's blockchain technology to build out the Group's crypto and tokenisation solutions. Further details can be found in note 33.

## 15. Financial investments

### Accounting policy

#### *Classification and Measurement*

The Group classifies financial instruments as either financial assets or financial liabilities, measured at amortised cost, fair value through other comprehensive income ("FVOCI"), or fair value through profit or loss ("FVTPL").

At initial recognition, financial instruments are measured at fair value. For assets measured at amortised cost or FVOCI, transaction costs directly attributable to acquisition are included. Regular way purchases and sales are recognised on the trade date.

Subsequently, cash and cash equivalents, amounts due from brokers, and trade and other receivables are measured at amortised cost. Financial liabilities, including repurchase agreements, are also measured at amortised cost.

#### *Expected Credit Losses*

Trade receivables are short term and do not contain a significant financing element. The Group applies the simplified approach under IFRS 9, recognising lifetime expected credit losses from initial recognition.

A receivable is considered in default when more than 90 days past due or where there is evidence of unlikelihood to pay without enforcement action. Amounts are written off when there is no reasonable expectation of recovery. Any subsequent recoveries are recognised in profit or loss.

#### *Financial Investments*

Debt instruments that meet the 'solely payments of principal and interest' ("SPPI") criteria and are held within a business model to collect and sell cash flows are measured at FVOCI. These include UK government securities and corporate bonds. Interest income is recognised in profit or loss using the effective interest method. Gains and losses are recognised in OCI and reclassified to the income statement on derecognition.

Credit-linked notes do not meet the SPPI requirements and are measured at FVTPL, with changes in fair value recognised in the income statement.

Equity investments are measured at FVTPL, with changes recognised in the income statement.

Expected credit losses on financial investments are recognised in the income statement. For instruments measured at FVOCI, related impacts are also recognised in OCI.

#### *Derecognition*

Financial assets and liabilities are derecognised when the underlying contractual rights or obligations are settled, sold, cancelled or expire.



	Year ended 31 March	
	2025 £'000	2024 £'000
Investment in debt instruments classified at FVOCI		
UK government securities	17,394	16,162
Corporate bonds	41,234	34,349
Sukuk bonds	3,824	—
Financial assets mandatory measured at FVPL		
Credit-linked notes	19,170	—
Unlisted equity securities	957	32
Listed equity securities	28,375	378
<b>Total</b>	<b>110,954</b>	<b>50,921</b>

	Year ended 31 March	
	2025 £'000	2024 £'000
Analysis of financial investments		
Non-current	30,399	32
Current	80,555	50,889
<b>Total</b>	<b>110,954</b>	<b>50,921</b>

#### *UK government securities*

UK government securities are held for liquidity management and regulatory purposes. The effective interest rates of UK government securities held at the year-end was 2.34% (31 March 2024: range from 2.43% to 2.61%). The expected credit losses are immaterial as at 31 March 2025 (31 March 2024: immaterial).

#### *Corporate and sukuk bonds*

The Group's corporate bond holdings form part of its treasury management strategy. The bonds primarily consist of high-grade, short-term traded debt instruments. The effective interest rates of Corporate bonds held at the year-end range from 3.46% to 8.36% (31 March 2024: 0.76% to 5.37%). The expected credit losses are immaterial as at 31 March 2025 (31 March 2024: immaterial).

#### *Credit-linked notes*

The Group holds a portfolio of credit-linked notes. These are structured fixed income instruments that provide exposure to the credit risk of a specific entity and from part of the Group's treasury management strategy.

#### *Unlisted equity securities*

The Group also holds a limited number of unlisted equity investments as part of its brokerage business, primarily consisting of shares in a structured vehicle that provides indirect exposure to common stock in Space Exploration Technologies Corp. (SpaceX) which was acquired to support a business initiative.

#### *Listed equity securities*

The equity securities held as at 31 March 2025 consisted of shares acquired to hedge client positions. This included an investment of £21.2 million in De La Rue plc, representing 9.2% of its market capitalisation. The holding was used to fully hedge a derivative position provided to an institutional client as part of the Group's liquidity services and, as such, did not result in direct market exposure for the Group. The holding was fully sold post year-end.

## **16. Trade and other receivables**

#### *Accounting policy*

Trade and other receivables are measured at amortised cost less loss allowances.

The Group recognises a loss allowance for trade receivables based on lifetime expected credit losses, estimated using a provision matrix that considers the customer's country and days past due. A 100 per cent loss allowance is applied to balances over 90 days past due, reflecting historical non-recovery.

	Year ended 31 March	
	2025 £'000	2024 £'000
Current		
Gross trade receivables	12,381	9,936
Less: loss allowance	(3,136)	(3,964)
Trade receivables	9,245	5,972
Prepayments	16,801	13,552
Accrued income	4,081	3,778
Stockbroking debtors	108,175	126,339
Other debtors and advances	7,540	12,415
	145,842	162,056
Non-current		
Other debtors	1,823	2,753
Total	147,665	164,809

Stockbroking debtors represent the amount receivable in respect of equity security transactions executed on behalf of clients with a corresponding balance included within trade and other payables (note 20).

At 31 March 2025 the Group has lease receivables amounting to £716,000 (31 March 2024: £548,000). The Group is an intermediate lessor on these leases and has recognised finance income of £40,000 during FY 2025 (FY 2024: £29,000).

## 17. Derivative financial instruments

### Accounting policy

Derivative financial instruments, including index, commodity and foreign exchange contracts, are classified as fair value through profit or loss under IFRS 9 'Financial Instruments', unless designated as accounting hedges.

Derivatives are initially recognised at fair value, with subsequent changes in fair value and settlement gains or losses recognised in the income statement unless hedge accounting is applied.

For accounting hedges, the Group documents the relationship between hedging instruments and hedged items at inception, along with the risk management objectives and strategy. Effectiveness is assessed both at inception and on an ongoing basis to ensure the hedge remains highly effective.

### Derivatives are categorised as follows:

**Held for trading:** Used to economically hedge client positions. These are measured at fair value with gains or losses recognised in revenue.

**Held for hedging:** Used to manage foreign exchange risk on monetary assets, liabilities, financial commitments or forecast transactions. Where hedge accounting is not applied, fair value changes are recognised in operating costs.

### Assets

	31 March 2025		31 March 2024	
	Notional amount £m	Carrying amount £'000	Notional amount £m	Carrying amount £'000
Held for trading				
Client trading positions	291.8	24,418	394.0	31,627
Held for hedging				
Foreign exchange contracts	5.8	38	—	—
Total	297.6	24,456	394.0	31,627

## Liabilities

	31 March 2025		31 March 2024	
	Notional amount £m	Carrying amount £'000	Notional amount £m	Carrying amount £'000
Held for trading				
Client trading positions	285.8	(11,061)	181.4	(7,074)
Equity trading positions <sup>1</sup>	44.6	(5,099)	—	—
Total	330.4	(16,160)	181.4	(7,074)

1 - Positions used to hedge client equity CFD exposures, which remained open at year end as part of the Group's risk management strategy.

## 18. Other assets

### Critical accounting judgements

#### Accounting for cryptocurrencies (FY 2024 only)

As at 31 March 2024, the Group held £12,258,000 of cryptocurrency assets and rights to cryptocurrency assets on its statement of financial position. These were used for hedging purposes and held for sale in the ordinary course of business. Management exercised judgement in applying the measurement principles of IFRS 13 Fair Value Measurement in accounting for these assets. They were presented as 'Other assets' on the Condensed statement of financial position. By 31 March 2025, the Group's holdings of these assets had reduced to £10,000.

Separately, the Group recognised £177,000 of cryptocurrency assets at 31 March 2025 (31 March 2024: £200,000) which were not held for sale in the ordinary course of business. A judgement was made to apply the measurement principles of IAS 38 'Intangible Assets' in accounting for these holdings. These assets are presented within 'Intangible assets' on the statement of financial position.

Given the immaterial balance at 31 March 2025, this is considered a critical accounting judgement for the prior year comparative period only.

	Year ended 31 March	
	2025 £'000	2024 £'000
Exchange	10	10,382
Vaults	—	1,876
Total	10	12,258

Other assets are cryptocurrencies, which are owned and controlled by the Group for the purpose of hedging the Group's exposure to clients' cryptocurrency trading positions.

As presented above, the Group holds cryptocurrencies on exchange and in vault. Cryptocurrencies held on vaults are held in a wallet that has additional security features. Other assets are measured at fair value less costs to sell, which cryptocurrencies is based on the market price of these instruments as at the balance sheet date. During the year the Group disposed of the majority of its cryptocurrencies as part of its revised hedging approach.

## 19. Cash and cash equivalents

### Accounting policy

Cash and cash equivalents include cash at bank, short-term deposits and highly liquid investments such as money market funds with original maturities of three months or less and are subject to an insignificant risk of changes in value and are held to meet short-term cash commitments.

	Year ended 31 March	
	2025 £'000	2024 £'000
Cash at bank and within money market funds	247,665	160,300
Total	247,665	160,300

The expected credit loss held against cash and cash equivalents as at 31 March 2025 was immaterial (31 March 2024: immaterial).

#### Movements in net assets

	1 April 2023 £'000	Cash flow £'000	New and modified lease £'000	Foreign exchange adjustments £'000	31 March 2024 £'000
Lease liabilities	(11,818)	5,531	(10,960)	332	(16,915)
Total liabilities from financing activities	(11,818)	5,531	(10,960)	332	(16,915)
Cash and cash equivalents	146,218	17,506	—	(3,424)	160,300
Net cash	134,400	23,037	(10,960)	(3,092)	143,385

	1 April 2024 £'000	Cash flow £'000	New and modified lease £'000	Foreign exchange and other adjustments £'000	31 March 2025 £'000
Lease liabilities	(16,915)	5,058	(2,721)	236	(14,342)
Obligations under repurchase agreements	—	(7,453)	—	(4)	(7,457)
Total liabilities from financing activities	(16,915)	(2,395)	(2,721)	232	(21,799)
Cash and cash equivalents	160,300	92,688	—	(5,323)	247,665
Net cash	143,385	90,293	(2,721)	(5,091)	225,866

All cash and cash equivalent balances recognised on the balance sheet as at 31 March 2025 are available for use by the Group. The Group held £694.9 million of segregated client money balances as at 31 March 2025 (31 March 2024: £542.0 million), which are off balance sheet. The Group segregates all money and assets held on behalf of clients, in accordance with applicable client money regulations in the jurisdictions in which it operates, with the exception of a small number of clients who have entered into Title Transfer Collateral Arrangements (TTCAs) with the firm.

#### 20. Trade and other payables

	31 March 2025 £'000	31 March 2024 £'000
Current		
Client payables	117,740	119,591
Tax and social security	502	759
Stockbroking creditors	99,629	116,029
Accruals and other creditors	35,710	36,432
	253,581	272,811
Non-current		
Other creditors	4	—
Total	253,585	272,811

Stockbroking creditors represent the amount payable in respect of equity and securities transactions executed on behalf of clients with a corresponding balance included within trade and other receivables (note 16).

#### *Bank loans*

In March 2025, the syndicated revolving credit facility was renewed at a level of £55.0 million (31 March 2024: £55.0 million) where £27.5 million had a maturity date of March 2026 and £27.5 million had a maturity date of March 2028. This facility can only be used to meet broker margin requirements of the Group. The rate of interest payable on any loans is the aggregate of the applicable margin and SONIA. Other fees such as commitment fees, legal fees and arrangement fees are also payable on this facility.

No amount was outstanding on this facility at 31 March 2025 (31 March 2024: £nil).

## **21. Obligations under repurchase agreements**

#### *Accounting policy*

Obligations under repurchase agreements are treated as collateralised borrowings and measured at amortised cost. The securities sold remain on the balance sheet, with a corresponding liability recognised for the cash received. The difference between the sale and repurchase price is recognised as interest expense over the term of the agreement using the effective interest method.

The fair values of repurchase agreements approximate their carrying amounts, as the balances are either short-dated or subject to variable rates that align with current market rates. The Group pledges assets for repurchase agreements which are generally conducted under terms that are usual and customary for standard securitised borrowing contracts. The fair value of the collateral provided under these agreements at 31 March 2025 was £8.7 million (31 March 2024: n/a).

## **22. Lease liabilities**

#### *Accounting policy*

At the inception of a contract, the Group assesses whether the contract contains a lease.

At the commencement of a lease, the Group recognises a lease liability and a corresponding right-of-use asset (see note 13 for further details). The lease liability is initially measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate if the rate implicit in the lease is not readily available. The right-of-use asset is initially measured at the amount of the lease liability, adjusted for any upfront payments, direct costs and restoration obligations, less any lease incentives received.

The lease liability is subsequently remeasured when there are changes to future lease payments or to the assessment of extension, termination or purchase options. When such a remeasurement occurs, a corresponding adjustment is made to the right-of-use asset.

Where the Group is reasonably certain to exercise a break option, only the lease payments up to the break date are included in the lease liability.

The Group has elected not to recognise lease liabilities and right-of-use assets for leases with a term of 12 months or less, or for leases of low-value assets (defined as items with a value of less than £5,000). For these leases, payments are recognised as an expense in the income statement on a straight-line basis over the lease term.

As an intermediate lessor, the Group accounts for head leases and sub-leases separately. Sub-leases of vehicles are classified as finance leases, with lease receivables recognised at the net investment value. Finance income is recognised to produce a constant rate of return over the lease term.

The Group leases several assets including leasehold properties and computer hardware to meet its operational business requirements. The average lease term is 2.3 years (31 March 2024: 2.8 years).

The movements in lease liabilities during the year were as follows:

	Year ended 31 March	
	2025 £'000	2024 £'000
At 1 April	16,915	11,818
Additions/modifications of new leases during the year	2,721	10,960
Interest expense	1,102	966
Lease payments made during the year	(6,160)	(6,497)
Foreign currency translation	(236)	(322)
At 31 March	14,342	16,915

	31 March 2025 £'000	31 March 2024 £'000
Analysis of lease liabilities		
Non-current	11,233	12,000
Current	3,109	4,915
Total	14,342	16,915

The lease payments for FY 2025 relating to short-term leases amounted to £607,000(FY 2024: £732,000).

Refer to note 28 for maturity analysis of lease liabilities.

## 23. Provisions

### *Key sources of estimation uncertainty*

#### *Measurement of customer remediation provision*

The Group has recognised a provision of AUD 8.8 million (£4.3 million) in relation to a proposed remediation programme arising from historic margin discounting practices in one of the Group's operating entities in Australia, following engagement with the Australian Securities and Investments Commission (ASIC). The provision covers direct client remediation (including holding costs, spreads and commissions on impacted trading activity), as well as forgone interest.

There is estimation uncertainty associated with both the amount and timing of the final remediation payments, given the engagement with ASIC is ongoing. While the remediation methodology has been finalised and an updated remediation proposal was submitted to ASIC in May 2025, the outcome remains subject to further ASIC feedback. The provision represents the Group's best estimate of the total expected outflow based on information available at the reporting date.

	Restructuring costs £'000	Property related £'000	Other £'000	Total £'000
At 1 April 2023	—	2,346	556	2,902
Additional provision	2,186	16	1,646	3,848
Utilisation of provision	—	—	(407)	(407)
Unutilised provisions reversed	—	(1,955)	(157)	(2,112)
Currency translation	—	(21)	(16)	(37)
At 31 March 2024	2,186	386	1,622	4,194
Additional provision	1,025	108	4,434	5,567
Utilisation of provision	(2,186)	(56)	(47)	(2,289)
Unutilised provisions reversed	—	(73)	(1,566)	(1,639)
Currency translation	—	(16)	(186)	(202)
At 31 March 2025	1,025	349	4,257	5,631

#### *Restructuring provision*

The restructuring provision relates to redundancies and exits announced in FY 2025 and is expected to be fully utilised in FY 2026. The provision in place as at 31 March 2024 was fully utilised during the year following the departure of the affected colleagues.

#### *Property related provisions*

The property-related provisions include dilapidation provisions. Dilapidation provisions have been capitalised as part of cost of ROU assets and are amortised over the term of the lease. These dilapidation provisions are utilised as and when the Group vacates a property and expenditure is incurred to restore the property to its original condition.

#### *Other provisions*

Other provisions include an amount in respect of customer remediation in Australia, following an industry-wide regulatory review into margin netting. This provision is expected to be fully utilised in FY 2026, with affected customer accounts credited accordingly.

	31 March 2025 £'000	31 March 2024 £'000
Analysis of provisions		
Non-current	241	257
Current	5,390	3,937
Total	5,631	4,194

## **24. Share capital**

	31 March 2025	31 March 2024
Authorised		
Ordinary Shares of 25p	400,000,000	400,000,000
Allotted, issued and fully paid		
Ordinary Shares of 25p	279,815,463	279,815,463
Deferred Shares of 25p	2,478,086	2,478,086
Total	282,293,549	282,293,549

	31 March 2025 £'000	31 March 2024 £'000
Authorised		
Ordinary Shares of 25p	100,000	100,000
Allotted, issued and fully paid		
Ordinary Shares of 25p	69,953	69,953
Deferred Shares of 25p	620	620
Total	70,573	70,573

#### *Share class rights*

The Company has two classes of shares, Ordinary and Deferred, neither of which carries a right to fixed income. Deferred Shares have no voting or dividend rights. In the event of a winding-up, Ordinary Shares shall be repaid at nominal value plus £500,000 each in priority to Deferred Shares.

## 25. Own shares held in trust

	Number	£'000
Ordinary Shares of 25p		
At 1 April 2023	705,767	1,509
Acquisition	1,046,565	1,788
Utilisation	(328,336)	(708)
At 31 March 2024	1,423,996	2,589
Acquisition	6,156,211	15,001
Utilisation	(252,550)	(543)
At 31 March 2025	7,327,657	17,047

At the AGM held on 25 July 2024, the shareholders authorised the Company to purchase its own shares up to a maximum number of 27,981,546. The authority is due to expire at the end of the next annual general meeting of the Company or at the close of business on 24 September 2025, whichever is the earlier.

The shares are held by various EBTs for the purpose of encouraging or facilitating the holding of shares in the Company for the benefit of employees and the trustees will apply the whole or part of the trust's funds to facilitate dealing in shares by such beneficiaries. The maximum number of own shares held at any time by the Group was 7,327,657 (FY 2024: 1,423,996). At 31 March 2025, Ordinary Shares held in trust represent 2.62% (31 March 2024:0.51%) of the called up share capital of the Company.

## 26. Other reserves

	Translation reserve £'000	Net investment hedging reserve £'000	FVOCI reserve £'000	Merger reserve £'000	Total £'000
At 1 April 2023	6,304	(8,748)	(291)	(47,800)	(50,535)
Currency translation differences	(5,285)	—	—	—	(5,285)
Gains recycled from equity to income statement	237	—	—	—	237
Losses on financial investments at FVOCI	—	—	144	—	144
At 31 March 2024	1,256	(8,748)	(147)	(47,800)	(55,439)
Currency translation differences	(6,772)	—	—	—	(6,772)
Losses on financial investments at FVOCI	—	—	35	—	35
At 31 March 2025	(5,516)	(8,748)	(112)	(47,800)	(62,176)

### Translation reserve

The translation reserve is comprised of translation differences on foreign currency net investments held.

### Net investment hedging reserve

The net investment hedging reserve is used to recognise the gains and losses on instruments employed to hedge the Group's overseas net investments against translation risk, which arises from changes in reserves due to fluctuations in currency exchange rates. Although the net investment hedge programme was closed at the end of April 2022, the Group continues to monitor balance sheet translation risk and, where necessary, may mitigate potential volatility in its financial position through either a new net investment hedge or an alternative strategy.

### FVOCI reserve

The Group holds certain UK government securities, corporate and sukuk bonds at FVOCI. Unrealised gains and losses arising from changes in the fair value of these financial assets are recognised in the FVOCI reserve.

### Merger reserve

The merger reserve arose following a corporate restructure in 2006 when a new holding company, CMC Markets plc, was created to bring all CMC companies into the same corporate structure. The merger reserve represents the difference between the nominal value of the holding company's share capital and that of the acquired companies.



## 27. Cash generated from operations

	Year ended 31 March	
	2025 £'000	2024 £'000
<b>Cash flows from operating activities</b>		
<b>Profit before taxation</b>	84,454	63,333
<b>Adjustments for:</b>		
Interest income	(18,531)	(11,246)
Income on client funds	(23,957)	(23,797)
Finance costs	2,590	1,951
Depreciation	9,281	9,658
Amortisation and impairment of intangible assets	4,732	17,765
Impairment of investments in associate	2,328	—
Research and development tax credit	(566)	(497)
Share of results of associate	189	283
Loss on disposal of property, plant and equipment	202	479
Other non-cash movements including exchange rate movements	(4)	(187)
Share-based payment	3,583	2,092
Fair value losses on financial investments at FVTPL	53	—
Changes in working capital		
Decrease/(Increase) in trade and other receivables	18,092	(31,181)
Decrease/(Increase) in amounts due from/due to brokers	94,129	(42,673)
Decrease/(Increase) in other assets	12,248	(10,274)
Increase in financial investments held for trading	(28,952)	—
(Increase)/decrease in trade and other payables	(19,226)	90,520
Decrease/(Increase) in net derivative financial instruments	16,257	(12,355)
Increase in provisions	1,531	3,268
<b>Cash generated from operations</b>	<b>158,433</b>	<b>57,139</b>

## 28. Financial instruments

	31 March 2025				31 March 2024			
	FVOCI £'000	FVPL £'000	Amortised cost £'000	Total £'000	FVOCI £'000	FVPL £'000	Amortised cost £'000	Total £'000
Financial assets								
Cash and cash equivalents	—	—	247,665	247,665	—	—	160,300	160,300
Financial investments	62,452	48,502	—	110,954	50,511	410	—	50,921
Amounts due from brokers	—	—	140,010	140,010	—	—	228,882	228,882
Derivative financial instruments	—	24,456	—	24,456	—	31,627	—	31,627
Trade and other receivables excluding non-financial assets	—	—	130,148	130,148	—	—	150,709	150,709
<b>Total</b>	<b>62,452</b>	<b>72,958</b>	<b>517,823</b>	<b>653,233</b>	<b>50,511</b>	<b>32,037</b>	<b>539,891</b>	<b>622,439</b>
Financial liabilities								
Obligations under repurchase agreements	—	—	(7,457)	(7,457)	—	—	—	—
Trade and other payables excluding non-financial liabilities	—	—	(253,083)	(253,083)	—	—	(272,052)	(272,052)
Amounts due to brokers	—	—	(12,239)	(12,239)	—	—	(6,982)	(6,982)
Derivative financial instruments	—	(16,160)	—	(16,160)	—	(7,074)	—	(7,074)
Lease liabilities	—	—	(14,342)	(14,342)	—	—	(16,915)	(16,915)
<b>Total</b>	<b>—</b>	<b>(16,160)</b>	<b>(287,121)</b>	<b>(303,281)</b>	<b>—</b>	<b>(7,074)</b>	<b>(295,949)</b>	<b>(303,023)</b>

### *Cash and cash equivalents*

Cash and cash equivalents comprise cash on hand, short-term deposits, and money market funds. These are highly liquid investments that are readily convertible to known amounts of cash with an insignificant risk of value changes. Further details can be found in note 19.

### *Financial investments*

Financial investments comprise holdings in government and corporate bonds, listed and unlisted equity securities and credit-linked notes. These are held for liquidity, strategic or yield purposes. Further details can be found in note 15.

### *Amounts due from/to brokers*

These balances include funds placed with hedging counterparties, including collateral posted to meet margin requirements. Profits or losses on open positions are recognised as derivative financial instruments where IAS 32 offsetting criteria are not met.

### *Derivative financial instruments*

Consists of the fair value of open client positions and related hedging instruments, including CFDs, spread bets and other derivative contracts. Further details can be found in note 17.

### *Trade and other receivables*

Trade receivables include amounts due from clients and stockbroking settlement balances. Further details can be found in note 16.

### *Obligations under repurchase agreements*

Represents cash received under repurchase agreements secured against financial instruments that remain on the Group's balance sheet.

### *Trade and other payables*

Includes amounts payable to clients, unsettled stockbroking trades, accrued expenses and other liabilities arising in the ordinary course of business. Further details can be found in note 20.

### *Lease liabilities*

Represents the Group's obligations under lease contracts for office premises and other leased assets, including any extension or renewal options that are reasonably certain to be exercised. Further details can be found in note 22.

### Offsetting financial instruments

The Group enters into various collateral arrangements with its counterparties. These agreements provide the Group with the right, in the ordinary course of business and/or in the event of a counterparty default (such as bankruptcy or a counterparty's failure to pay or perform), to net a counterparty's rights and obligations under such agreement and, in the event of counterparty default, set off collateral held by the Group against the net amount owed by the counterparty.

The following financial assets and liabilities have been offset and are subject to enforceable netting agreements:

	31 March 2025			31 March 2024		
	Amounts reported £'000	Collateral (received)/paid £'000	Net exposure £'000	Amounts reported £'000	Collateral (received)/paid £'000	Net exposure £'000
Financial assets						
Derivative financial instruments	24,456	(24,456)	—	31,627	(31,627)	—
Total financial assets	24,456	(24,456)	—	31,627	(31,627)	—
Financial liabilities						
Obligations under repurchase agreements	(7,457)	7,457	—	—	—	—
Derivative financial instruments	(16,160)	5,099	(11,061)	(7,074)	—	(7,074)
Total financial liabilities	(23,617)	12,556	(11,061)	(7,074)	—	(7,074)

### Fair value estimation

IFRS 13 "Fair Value Measurement" requires the Group to classify its financial assets and liabilities according to a hierarchy that reflects the observability of significant market inputs. The three levels of the fair value hierarchy are:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices); or
- Level 3 – inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

	31 March 2025					31 March 2024				
	Carrying value £'000	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total fair value £'000	Carrying value £'000	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total fair value £'000
Financial assets										
Financial investments	110,954	45,768	64,228	958	110,954	50,921	50,889	—	32	50,921
Derivative financial instruments	24,456	—	24,456	—	24,456	31,627	—	31,627	—	31,627
Total financial assets	135,410	45,768	88,684	958	135,410	82,548	50,889	31,627	32	82,548
Financial liabilities										
Derivative financial instruments	(16,160)	—	(16,160)	—	(16,160)	(7,074)	—	(7,074)	—	(7,074)
Total financial liabilities	(16,160)	—	(16,160)	—	(16,160)	(7,074)	—	(7,074)	—	(7,074)

### Valuation techniques

There have been no changes to the fair value hierarchy or valuation techniques for any of the Group's financial instruments held at fair value in the year. During the year, there were no transfers between levels (FY 2024: none). Specific valuation techniques used to value Level 2 and Level 3 financial instruments include:

### Corporate bonds

Corporate bonds held by the Group are valued using market prices sourced from independent pricing services. These prices reflect recent trading activity but are classified as Level 2 due to the lower volume and frequency of observable market transactions.

#### *Credit-linked notes*

Credit-linked notes are valued based on market prices obtained from independent pricing services. As these prices are not from actively traded markets but rely on observable inputs, they are also classified as Level 2 instruments.

#### *Unlisted equity investments*

The financial investments categorised as Level 3 mostly consist of an unlisted equity investment the Group holds in a structured vehicle that provides indirect exposure to common stock in Space Exploration Technologies Corp. (SpaceX). The investment is classified as a Level 3 instrument within the IFRS 13 fair value hierarchy due to the absence of quoted market prices and the use of significant unobservable inputs in the valuation. A discount for lack of marketability of 20% has been applied to reflect the illiquidity of the underlying shares.

As at 31 December 2024, SpaceX completed a secondary share sale at \$185 per share, implying a post-money valuation of approximately \$350 billion. The vehicle's underlying holding comprises common stock that is pari passu with those transacted in the secondary round, and the transaction has been used as the primary input for the fair value assessment at year end.

The fair value of the Group's investment at the reporting date was £1.0 million. A 10% change in the underlying valuation of SpaceX would result in a corresponding change in fair value of approximately £0.9 million.

#### *Derivative financial instruments*

The fair value of derivative financial assets and liabilities is determined using quoted market prices or dealer quotes for similar instruments. The fair value of forward foreign exchange contracts is calculated using quoted forward exchange rates at the balance sheet date, with the resulting amount discounted back to present value. These instruments are classified within Level 2 of the fair value hierarchy, as inputs other than quoted prices are observable for the asset or liability, either directly or indirectly.

#### *Reconciliation of Level 3 Fair Value Measurements*

The following table provides a reconciliation of movements in fair value measurements categorised within Level 3 of the fair value hierarchy for each class of assets:

#### *Unlisted equity investments*

	Year ended 31 March	
	2025 £'000	2024 £'000
At 1 April	32	34
Purchases	795	—
Gains recognised in profit or loss	131	—
Foreign currency translation	—	(2)
At 31 March	958	32

## **29. Financial risk management**

The Group's business activities expose it to various financial risks, primarily market risk, credit risk and liquidity risk, arising from the financial instruments it holds.

#### *Risk management approach*

The Board recognises that it cannot eliminate all risks but is committed to ensuring they are managed to an acceptable level through effective risk management. The Board is responsible for defining and communicating the Group's risk appetite, implementing an appropriate risk strategy, establishing and maintaining effective systems and controls, and monitoring adherence to Group policies.

The Group follows a structured five-step risk management process: risk identification, risk assessment, risk management, risk reporting, and risk monitoring. This approach is governed by the Board-approved Risk Appetite Statement and Risk Management Framework.

The Board sets the overall strategy and policies for managing risk and delegates oversight to various committees, including the Executive Risk Committee, which reports to the Group Risk Committee.

As part of its regulatory obligations, the Group conducts an annual Internal Capital and Risk Assessment (ICARA) process in line with FCA requirements. This process determines the minimum level of capital and liquid resources that must be maintained at all

times. It also encompasses the identification, monitoring, and mitigation of potential harms, business model planning and forecasting, recovery and wind-down planning, and the assessment of financial resource adequacy.

Further details on how these risks are managed, including the Group's risk appetites are provided in the Risk Management section on pages 20 to 24 of the 2025 Annual Report and Accounts.

#### *Market risk*

Market risk is defined as the risk that the value of our residual portfolio will decrease due to the change in market risk factors. The three standard market risk factors are price moves, interest rates and foreign exchange rates.

#### **Mitigation of market risk**

The Group employs several mechanisms to reduce revenue volatility and protect against market shocks:

#### *Natural aggregation*

The Group acts as a market maker in over 10,000 cross-asset class instruments, including equities, equity indices, commodities, treasuries, foreign exchange and cryptocurrencies. Due to the high level of notional turnover, there is significant internal risk crossing and natural aggregation across instruments and asset classes. This reduces the concentration risk associated with any single instrument within the portfolio, leading to a significant reduction in the Group's net market risk exposure.

#### *Hedging*

The Group primarily acts as a market maker in linear, highly liquid financial instruments, allowing it to neutralise market risk efficiently through prime broker arrangements. To avoid over-reliance, the Group targets at least two prime brokers per asset class. During the year, a revised market risk appetite was implemented, increasing overall risk tolerance following a detailed review. Under this updated framework, the Group continues to benefit from natural hedging, with external hedging applied more selectively to specific asset classes or exposures outside defined limits.

#### *Customer limits*

For instruments where there is no equivalent underlying market (e.g. Countdowns) the Group controls its risk through setting prudent position/exposure limits. This is further augmented by dealer monitoring and intervention, which can take the form of restricting the size offered or, if deemed necessary, restricting the clients' ability to take a position in an instrument.

#### *Market risk limits*

Market risk exposures are managed in line with the Group's Risk Appetite Statement and Risk Management Framework. The Group ensures that capital resources are sufficient to meet market risk capital requirements while remaining within defined risk appetite levels. This is achieved through notional position limits set at the instrument and asset class levels, alongside overarching capital-based limits.

Client exposures can fluctuate significantly over short periods, influenced by market conditions. The Group's Own Funds Requirement ("OFR") is calculated under the Investment Firms Prudential Regime ("IFPR"), with market risk OFR increasing year-on-year while remaining within Board-approved risk appetite.

The following table summarises the market risk OFR by asset class:

	31 March 2025 £'000	31 March 2024 £'000
Asset class		
Consolidated equities	45,338	41,367
Commodities	19,664	10,545
Fixed income	6,175	2,613
Foreign exchange	39,703	26,182
Cryptocurrencies	5,112	699
Total	115,991	81,406

#### *Market price risk – stress testing*

The Group conducts daily market price risk stress testing to quantify potential losses from adverse market moves on residual exposure. This exposure accounts for all client products, factoring in hedging undertaken as part of the Group's risk management strategy.

Risk measurement techniques include Value at Risk ("VaR"), Expected Shortfall ("ES"), and Stress Testing models. The models assess likely and probable scenarios alongside extreme stress tests simulating low-probability, high-severity events.

The VaR model, performed at the end of each trading day, applies a one-day holding period with a 99% confidence interval and a 12-month lookback period. An additional severe stress scenario is conducted based on the maximum observed daily price movements within the lookback period.

For asset classes with high intraday turnover, stress testing is also performed on the largest positions held during the trading session. The VaR model does not assume any risk mitigation actions, such as intraday hedging, and stress factors are regularly reviewed to ensure recent volatility trends are captured.

The table below presents the end-of-day VaR model results:

	31 March 2025 £'000	31 March 2024 £'000
Market risk	(22,470)	(10,778)

Foreign exchange risk is the risk that the Group's results are impacted by movements in foreign exchange rates. CMC is exposed to foreign exchange risk in the form of transaction and translation exposure.

Transaction exposure is from holdings of cash and other current assets and liabilities in a currency other than the base currency of the entity. This risk is hedged each month by the treasury team according to a policy based on a cap and floor model, with gains/losses recognised in the income statement. Any foreign exchange transaction exposures are hedged in accordance with the Group Foreign Exchange Hedging Policy. Given the effectiveness of the hedging programme (income statement impact in year ended 31 March 2025: gain of £92,000 (FY 2024: loss of £1,033,000), no sensitivity analysis has been performed. The instruments used for economically hedging foreign exchange risk are derivative financial instruments and are reported as described in note 17.

Translation exposure occurs when the net assets of an entity are denominated in a foreign currency other than GBP, when the statement of financial position is prepared.

#### *Non-trading book interest rate risk*

Interest rate risk arises when changes in floating rates impact interest income on segregated client and own funds or increase the cost of liabilities. The Group's exposure includes income from segregated client funds, charges on client balances exceeding predefined thresholds, credit market exposure through fixed income investments and liquidity money market funds, and valuation changes in fixed-rate UK government securities.

The Group optimises its cash position to manage exposure to interest rates effectively. Sensitivity analysis assesses potential impacts from a 1.00% movement in floating rates.

	31 March 2025		31 March 2024	
	Absolute increase £'000	Absolute decrease £'000	Absolute increase £'000	Absolute decrease £'000
Impact of 1.00% change				
Profit after tax	5,571	(6,956)	4,232	(5,287)
Equity	5,571	(6,956)	4,232	(5,287)

#### *Credit risk*

Credit risk arises from counterparty failure to meet obligations, divided into financial institution credit risk and client counterparty risk.

#### *Financial institution credit risk*

The Group maintains relationships with multiple counterparties that provide prime brokerage and banking services, including cash accounts, foreign exchange trading, credit facilities, and custodian services. Financial institution (FI) credit risk arises when a counterparty fails to meet its obligations, potentially leading to financial losses.

This risk can materialise in several ways. If an FI acting as a bank or broker fails, the Group may be unable to access funds held in its accounts. In the case of a prime broker default, the Group risks losing any unrealised profits and may need to re-hedge at a

different broker, potentially at a less favourable price. For cryptocurrency counterparties, a default could result in the loss of physical assets.

#### *Mitigation of financial institution credit risk*

To minimise potential losses, the Group actively manages its exposure to counterparties. Where possible, it maintains a diverse range of relationships to avoid over-reliance on any single FI, as outlined in the Group Counterparty Concentration Risk Policy. Counterparty creditworthiness is continuously monitored, with formal reviews conducted at least annually in accordance with the Group Hedge Counterparty Selection Policy.

The Group has implemented an internal stress-testing model, based on regulatory methodologies, to measure exposure to credit risk. This model incorporates credit ratings to estimate the probability of default for each counterparty. Contractual protections, such as the “close-out netting” provisions in International Swaps and Derivatives Association and broker agreements, further mitigate potential losses by allowing transactions to be terminated and netted in the event of a default.

Credit and counterparty risk limits are set within the Group’s policies. These limits determine the maximum balances that can be held with rated and unrated FIs, as well as cryptocurrency counterparties. Liquidity Risk Management continuously monitors credit quality using multiple indicators, including ratings from Standard & Poor’s, Moody’s and Fitch, credit default swap (CDS) spreads, share price movements, and performance against relevant indices.

The Group transacts exclusively with investment-grade rated FIs, with one exception where exposure is limited. No specific minimum credit rating threshold is imposed, as the number of suitable counterparties is limited, and strict rating criteria could unnecessarily constrain the Group’s ability to operate. Instead, negative rating actions and significant widening in CDS spreads are assessed on a case-by-case basis. If a counterparty’s rating falls below investment grade, the Executive Risk Committee evaluates the situation and considers actions such as reducing exposure, withdrawing cash balances daily, reallocating hedge trading to another broker, or ceasing commercial activity with the counterparty.

The following table presents the Group’s exposure to credit institutions based on their long-term credit ratings:

	31 March 2025					
	Cash and cash equivalents £'000	Amounts due from brokers £'000	Other assets £'000	Financial investments £'000	Net derivative financial instruments £'000	Total £'000
AA+ to AA-	97,580	505	—	—	38	98,123
A+ to A-	6,875	89,158	—	5,774	—	101,807
BBB+ to BBB-	120,660	39,088	—	26,260	(5,099)	180,909
Unrated	22,549	11,260	10	78,920	13,356	126,096
Total	247,665	140,010	10	110,954	8,296	506,935

	31 March 2024					
	Cash and cash equivalents £'000	Amounts due from brokers £'000	Other assets £'000	Financial investments £'000	Net derivative financial instruments £'000	Total £'000
AA+ to AA-	32,841	3	—	16,162	—	49,006
A+ to A-	30,535	131,631	—	—	—	162,166
BBB+ to BBB-	60,897	84,042	—	29,305	—	174,245
Unrated	36,027	13,206	12,258	5,453	24,553	91,497
Total	160,300	228,882	12,258	50,921	24,553	476,914

Prior year comparative information has been represented to conform to the current year presentation.

#### *Client counterparty risk*

The Group's CFD, spread betting and OTC options business operate on a real-time mark-to-market basis, requiring clients to maintain collateral against open positions. Profits and losses are credited and debited to client accounts automatically. Given the nature of leveraged products, clients may incur losses exceeding their deposited funds.

Client counterparty risk arises when a client defaults on obligations to the Group, typically occurring in cases of extreme market movements where losses exceed available collateral. Since the Group does not generally extend credit to retail clients and has a robust liquidation process, counterparty risk is largely limited to situations where instruments experience sudden price gaps.

For clients with "negative balance protection" accounts, counterparty risk is eliminated as losses are capped at the account balance. The Group also provides stockbroking services in the UK, Singapore, and Australia, where it acts as a designated clearing broker. In stockbroking, counterparty risk primarily arises from settlement processes. If a client or counterparty fails to fulfil its obligations, such as delivering the underlying stock or contract value, the Group is exposed to settlement risk. However, the majority of client orders are vetted at the point of execution, minimising exposure.

#### *Mitigation of client counterparty risk*

To manage this risk, the Group employs a liquidation process that automatically closes a client's open positions if their total equity falls below a predefined percentage of required margin. Additional pre-emptive measures are in place to restrict trading when a client's free equity turns negative, triggering a notification for the client to review their account.

The tiered margin system, requires higher margin rates for riskier positions, considering factors such as size relative to underlying turnover, market volatility, and the Group's risk appetite. Position limits are also imposed at the instrument and client level, controlling the total exposure to a single instrument, asset class, or underlying market. For foreign exchange trading, client limits are based on Net Open Position, capping overall currency exposure.

The Group conducts daily client counterparty risk stress testing using an internally developed model to assess exposure under different severity scenarios. These include extreme market events to evaluate potential losses in low-probability, high-impact situations.

#### *Client receivables history*

Expected credit losses for amounts due from clients are determined based on historical data and forward-looking factors. The total loss allowance reversed for the year was £422,000 (FY 2024: provided £190,000) primarily driven by the full recovery of a previously impaired balance relating to a single customer. Trade receivables of £406,000 (FY 2024: £473,000), were written off during the year, equivalent to 0.1% of revenue (FY 2024: 0.1%).

The following table summarises movements in the Group's expected credit loss allowance:

	Year ended 31 March	
	2025 £'000	2024 £'000
At 1 April	3,964	4,247
Loss allowance on trade receivables (reversed)/provided	(422)	190
Trade receivables written off	(406)	(473)
At 31 March	3,136	3,964



### Debt ageing analysis

Client debts are managed early in their life-cycle to prevent ageing. The table below details outstanding debts and corresponding provisions:

	31 March 2025		31 March 2024	
	Debt £'000	Provision £'000	Debt £'000	Provision £'000
Less than one month	8,841	6	5,596	1
One to three months	275	55	42	15
Three to twelve months	608	435	270	203
Over twelve months	2,656	2,640	4,028	3,745
Total	12,381	3,136	9,936	3,964

Expected credit losses on amounts due from brokers, accrued income and trade receivables as at 31 March 2025 are immaterial (31 March 2024: immaterial). Further details on expected credit loss assessments for financial instruments can be found in note 15.

### Liquidity risk

Liquidity risk is the risk that there is insufficient available liquidity to meet the obligations of the Group as they fall due.

#### Management of liquidity risk

Liquidity is managed centrally for the Group by the treasury team, with oversight from a second line provided by the liquidity risk team. The Group utilises a combination of liquidity forecasting and stress testing (formally in the ICARA) to ensure that it retains access to sufficient liquid resources under both normal and stressed conditions to meet its liabilities as they fall due. Liquidity forecasting incorporates the impact of liquidity regulations in force in each jurisdiction that the Group is active in and other impediments to the free movement of liquidity around the Group, including its own protocols on minimum liquidity to be retained by overseas entities. The Group has introduced a revised Liquid Asset Threshold Requirement ("LATR") model in line with the IFPR regulatory requirements, to better estimate the maximum amount of liquid assets required over the course of the next 12 months under business-as-usual and periods of plausible stress. The new model is based on forward-looking estimates and is updated on a daily basis, providing a dynamic management of requirements.

Liquidity stress testing is performed quarterly using a range of firm-specific and market-wide scenarios that represent severe but plausible stress events that the Group could be exposed to over the short and medium term. The firm takes a holistic stress testing approach, using a scenario comprised of multiple stress events occurring simultaneously. The Group ensures that the tests are commensurate to its current and future liquidity risk profile. Output from the quarterly stress testing process is used to calibrate a series of limits and metrics which are monitored and reported to senior management daily. This process seeks to ensure that the Group has appropriate sources of liquidity in place to meet its liabilities as they fall due under both "business as usual" and stressed conditions. Due to the risk management strategy adopted and the changeable scale of the client trading book, the largest and most variable consumer of liquidity is prime broker margin requirements. The collateral calls are met from the Group's own cash resources from and cash received from non-segregated clients who have signed a TTCA agreement but to ensure liquidity is available for extreme spikes, the Group has a committed bank facility of £55.0 million, syndicated by two different banks, to meet short-term liquidity obligations to prime brokers in the event that it does not have sufficient access to own cash and to leave a sufficient liquidity buffer to cope with a stress event.

### Total Unencumbered Liquid Assets

TULA is a key measure the Group uses to monitor the overall level of liquidity available to the Group. TULA includes investments in UK government securities, corporate bonds, credit-linked notes and cash equities the majority of which are held to meet the Group's regulatory threshold requirements under IFPR. The derivation of TULA is shown in the table below:

	31 March 2025 £'000	31 March 2024 £'000
Cash and cash equivalents (net of bank overdraft)	247,665	160,300
Amount due from brokers	140,010	228,882
Financial investments	109,997	50,889
Undrawn facility	55,000	55,000
Total Available Liquidity	552,672	495,071
Less: blocked cash	(73,990)	(68,500)
Less: initial margin	(92,236)	(184,700)
Less: Haircut on financial investments	(29,130)	(4,574)
Less: Other encumbered financial investments	(8,725)	—
Less: undrawn facility	(55,000)	(55,000)
Total unencumbered liquid assets	293,591	182,297

### Maturity analysis

The Group does not actively engage in maturity transformation as part of its underlying business model and therefore maturity mismatch of assets and liabilities does not represent a material liquidity risk.

	31 March 2025					31 March 2024				
	On demand £'000	Less than three months £'000	Three months to one year £'000	After one year £'000	Total £'000	On demand £'000	Less than three months £'000	Three months to one year £'000	After one year £'000	Total £'000
Financial assets										
Cash and cash equivalents	247,665	—	—	—	247,665	160,300	—	—	—	160,300
Financial investments	28,375	23,597	30,945	40,147	123,064	410	18,633	32,966	—	52,009
Amounts due from brokers	140,010	—	—	—	140,010	228,882	—	—	—	228,882
Derivative financial instruments	24,456	—	—	—	24,456	31,627	—	—	—	31,627
Trade and other receivables excluding non-financial assets	128,226	866	551	505	130,148	140,785	2,466	456	1,508	145,214
Total	568,732	24,463	31,496	40,652	665,343	562,004	21,099	33,422	1,508	618,032
Financial liabilities										
Obligations under repurchase agreements	—	(7,457)	—	—	(7,457)	—	—	—	—	—
Trade and other payables excluding non-financial liabilities	(253,083)	—	—	—	(253,083)	(272,052)	—	—	—	(272,052)
Amounts due to brokers	(12,239)	—	—	—	(12,239)	(6,982)	—	—	—	(6,982)
Derivative financial instruments	(16,160)	—	—	—	(16,160)	(7,074)	—	—	—	(7,074)
Lease liabilities	—	(1,227)	(2,724)	(13,909)	(17,860)	—	(1,612)	(4,162)	(14,776)	(20,550)
Total	(281,482)	(8,684)	(2,724)	(13,909)	(306,799)	(286,108)	(1,612)	(4,162)	(14,776)	(306,658)
Net liquidity gap	287,250	15,779	28,772	26,743	358,544	275,896	19,487	29,260	(13,268)	311,374

### *Capital management*

The Group's objectives for managing capital are as follows:

The Group and its regulated subsidiaries will comply with regulatory capital, liquid-capital and equivalent requirements at all times;

- to ensure that all Group entities are able to operate as going concerns; and
- to ensure that the Group maintains a strong capital base to support the development of its business.
- The capital resources of the Group consist of equity, being share capital reduced by own shares held in trust, share premium, other reserves and retained earnings, which at 31 March 2025 totalled £417,186,000 (31 March 2024: £403,493,000). The Group has been compliant with all applicable prudential regulatory requirements to which it is subject throughout the year.
- The Group's ICARA review document, prepared in accordance with FCA requirements, is an ongoing assessment of CMC Markets plc's risks and risk mitigation strategies, to ensure that adequate financial resources are maintained against risks that the Group wishes to take to achieve its business objectives.
- The outcome of the ICARA is presented as an Internal Capital and Liquidity Assessment document covering the Group. It is reviewed and approved by the Board at least on an annual basis.
- Disclosure documents have been prepared that contain relevant information regarding the Group's FCA regulated entities' capital adequacy, risk management objectives and policies, governance and remuneration policies and practices. These are available on the CMC Markets plc website ([www.cmcmarkets.com/group](http://www.cmcmarkets.com/group)). The Group's country-by-country reporting disclosure is also available in the same location on the website.

### **30. Share-based payment**

#### *Accounting policy*

The Group issues equity settled and cash settled share-based payments to certain employees.

Equity settled share-based payments are measured at fair value (excluding the effect of non-market-based vesting conditions) at date of grant. The fair value determined at the grant date of the equity settled share-based payment is expensed on a straight-line basis over the vesting period based on the Group's estimate of shares that will eventually vest. At each balance sheet date, the Group revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in the income statement such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the retained earnings.

The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

Cash settled share-based payments are measured at expected value at vesting date at least once per year, along with the likelihood of meeting non-market-based vesting conditions and the number of shares that are expected to vest. The cost is recognised in the income statement with a corresponding liability recorded.

The Group operates both equity and cash settled share-based payment schemes for certain employees including Directors. Current awards have been granted under the terms of the Management Equity Plan 2015 ("2015 MEP"), the Combined Incentive Plan ("2018 CIP"), the UK Share Incentive Plan ("UK SIP") and the International Share Incentive Plan ("Australian SIP"). Equity settled schemes are offered to certain employees, including Executive Directors in the UK and Australia, and automatically vest on the vesting date subject to conditions described below for each scheme. Cash settled schemes are offered to certain employees outside of the UK and Australia. During the year ended 31 March 2024 equity schemes for UK employees were settled net of employee taxes due. The rights of participants in the various employee share schemes are governed by detailed terms, including in relation to arrangements which would apply in the event of a takeover.

#### *Consolidated Income Statement charge for share-based payments*

The total costs relating to these schemes for FY 2025 was £4,008,000 (FY 2024: £2,757,000). For FY 2025 the charge relating to equity settled share-based payments was £3,584,000 (FY 2024: £2,364,000) and the charge relating to cash settled share-based payments was £424,000 (FY 2024: £393,000). No shares were gifted to employees during the year (FY 2024: nil).

#### *Current schemes*

##### **2018 CIP**

Share awards granted to the Executive Directors under the 2018 CIP have been in the form of conditional awards and are equity settled. The Remuneration Committee approves any awards made under the 2018 CIP. Shares awarded are deferred over a period of at least three years subject to a performance underpin. The Committee will review Group performance over the relevant

period, taking into account factors such as: a) the Company's TSR performance; b) aggregate profit levels; and c) any regulatory breaches during the period.

## 2015 MEP

Share awards granted under the 2015 MEP are predominantly equity settled, with the exception of certain participants that are cash settled. The Remuneration Committee approves any awards made under the 2015 MEP. Current schemes are:

Long Term Incentive Plan: awards to senior management and critical staff, excluding Executive Directors. These are awarded in the form of share awards and Options. The share awards have dividend equivalence where additional shares will be awarded in place of dividends on vesting. The only vesting conditions of the 2020 and 2021 equity settled awards is that employees remain employed by the Group, with the 2022 equity awards having a non-market performance condition of cumulative PBT over a three-year period in addition to remaining employed by the Group. This was revised in May 2023, with the performance condition now being aligned to net operating income over the same period. The vesting conditions of the 2023 Option awards are that employees remain employed by the Group and the price of the CMC Markets plc's shares must be greater than the relevant exercise price at the vesting date.

The fair value of share awards were calculated using the average of the share price three days prior to the grant date. The fair value of the Options granted during the year was calculated using the Black-Scholes model that takes into account the exercise price, the term of the option, the impact of dilution (where material), the share price at grant date and expected price volatility of the underlying share, the expected dividend yield, the risk-free interest rate for the term of the option, and the correlations and volatilities of the peer group companies.

## Movement in share options

	Year ended 31 March 2025		Year ended 31 March 2024	
	Share options Number	Weighted average exercise price	Share options Number	Weighted average exercise price
At beginning of year	10,495,016	247.6p	—	—
Granted	—	—	12,891,806	247.6p
Forfeited	(804,952)	251.0p	(2,396,790)	247.6p
Outstanding at end of year	9,690,064	247.3p	10,495,016	247.6p
Exercisable at end of year	—	—	—	—

The average share price during FY 2025 was 276.2p (FY 2024: 137.8p). No share options were exercised during the financial year (FY 2024: Nil).

## Share options outstanding

The number of options outstanding at year end was as follows:

Exercise price	Vesting date	Year ended 31 March 2025		Year ended 31 March 2024	
		Share awards Number	Weighted average life (In years)	Share awards Number	Weighted average life (In years)
152.8p	21 July 2025	1,572,616	0.3	1,684,590	1.3
229.2p	21 July 2026	4,251,147	1.3	4,602,324	2.3
305.6p	21 July 2027	3,866,301	2.3	4,208,102	3.3
Total		9,690,064	1.5	10,495,016	2.5

## Movement in share awards

	Year ended 31 March 2025		Year ended 31 March 2024	
	Share awards Number	Weighted average exercise price	Share awards Number	Weighted average exercise price
At beginning of year	2,582,859	—	2,899,300	—
Granted (including dividend equivalents)	1,785,083	—	699,065	—
Forfeited	(99,460)	—	(461,882)	—
Exercised*	(253,112)	—	(553,624)	—
Outstanding at end of year	4,015,370	—	2,582,859	—

\*The share awards are automatically exercised on vesting, as such none of the share awards are exercisable at the end of the year.

## 31. Related party transactions

### Related Persons

The Group's key management personnel, along with persons connected to them, are classified as related parties. Key management personnel are defined as individuals with authority and responsibility for planning, directing, and controlling the activities of the Group. For disclosure purposes, the Directors and members of the Executive Committee are regarded as the key management personnel.

### Ultimate Controlling Party

The ultimate controlling party of the Group is Lord Cruddas, by virtue of his majority shareholding in CMC Markets plc. As the Group's CEO, Lord Cruddas is already considered a related person, being a member of the Group's key management personnel.

### Compensation of key management personnel

Total compensation cost for key management personnel for the year by category of benefit was as follows:

	Year ended 31 March	
	2025 £'000	2024 £'000
Short-term employee benefits	3,477	3,280
Post-employment benefits	90	88
Share-based payments	1,013	632
Total	4,580	4,000

### Other related party transactions

During the year, the Group provided one member of key management personnel a short-term loan of £400,000 (FY 2024: n/a). The loan has been provided on commercial terms. The full balance of the loan was outstanding as at 31 March 2025 (31 March 2024: n/a).

There were no other transactions with related persons during FY 2025 and FY 2024.

## 32. Contingent liabilities

### Critical accounting judgements

#### Assessment of legal and regulatory matters

A key judgement applied in preparing these financial statements is the evaluation of the accounting treatment of the contingent liabilities described below. This includes the assessment of whether a present obligation exists and where it does, estimating the likelihood, timing, and amount of any associated outflows. In evaluating whether a provision is required and can be reliably estimated, the Group consults relevant experts, where necessary and continuously reassess its decisions. In the initial stages of legal, tax and regulatory matters, it is often not possible to reliably estimate the outcome, and in such cases, no provision is made.

The Group's geographical reach exposes it to a high degree of uncertainty regarding the interpretation of local regulatory, tax and legal matters in each territory in which it has operations. In addition, the Group is party to various contractual relationships that

could result in non-performance claims and other contractual breaches and from time to time is involved in disputes as part of the ordinary course of business.

In certain instances, legal disputes can pose a have a significant financial exposure, however the Group's manages these risks proactively to resolve disputes and claims are usually resolved without any material loss. The Group makes provision for claims where costs are likely to be incurred.

Where there are uncertainties regarding regulatory, tax and legal matters and a provision has not been made, there are no contingent liabilities where the Group considers any material adverse financial impact to be probable.

#### *Notice of class action lawsuit*

One of the Group's operating entities in Australia is the subject of class action proceedings in the Federal Court of Australia, filed in May 2022. The lawsuit relates to the acquisition of interests in CFDs and binary products between November 2011 and April 2021 by retail clients who suffered a loss. At this time, the scope and prospects of the claim is still being determined, with further discovery from CMC underway until August 2025. It is not practicable to disclose any estimate of the financial effect, if any, or the possibility of any financial outflow or timing thereof.

#### *Open tax enquiries*

The Group has open tax enquiries in relation to its European operations arising from historical product launches and more routine enquires in its North American entities. The potential outcome of these enquiries is unclear and there is no certainty whether there may be a financial cost to the Group.

### **33. Events after the reporting period**

#### *Increased shareholding in Strike X*

On 7 May 2025, the Group agreed to increase its stake in Strike X to 51% through the acquisition of additional shares at their nominal value. As a result, the Group is deemed to have obtained control and will consolidate Strike X's results into its financial statements.

#### *Related party loan*

On 4 June 2025, the short-term loan to a member of key management personnel, as set out in note 31, was replaced with a new agreement on amended terms.

There were no other significant events after the reporting period.