

6 October 2022

CMC Markets Plc

H1 2023 Pre-Close Trading Update For the six months ended 30 September 2022

Net operating income c 20% higher versus H1 2022. Strategic delivery of 3-year growth plan on track. CMC Invest launched in the UK.

CMC Markets Plc ("CMC" or the "Group"), a leading global provider of online ("D2C") trading and institutional ("B2B") platform technology, today issues a trading update for the six months to 30 September 2022 ("H1 2023" or "the period").

Financial Highlights

- H1 2023 net operating income is expected to be approximately £153 million. (H1 2022: £127 million +21% yoy).
- H1 2023 leveraged gross client income is expected to be approximately £155 million (H1 2022: £127 million +22% yoy).
- H1 2023 leveraged net trading revenue is expected to be approximately £128 million (H1 2022: £101 million +27% yoy).
- H1 2023 non-leveraged net trading revenue is expected to be approximately £21 million (H1 2022: £24 million -14% yoy).

Operational Highlights

- The CMC Group is proud to launch its new UK investment platform - [CMC Invest](#) - with the aim of supporting customers throughout their entire investment journey. Further functionality will be added in coming months to enhance customer experience.
- Planned new business expansion to grow group net operating income by 30% over the next three years based on the 2022 results and underlying conditions remains on track.

Trading Update

Underlying market activity improvement through August and September underpinned an improvement in net operating income for the Group in the period.

Client leveraged AUM finished at c £530 million, slightly below the historical period-end record of c £560 million but remaining at elevated levels. H1 2023 active leveraged clients are moderately lower compared to H1 2022, offset by an overall increase in activity.

In H1 our Australian stockbroking business finished the period with a modest reduction in AUA from historical record levels which is in line with Australian market performance. Activity remains elevated versus pre-pandemic levels. The migration of over 500,000 clients as of part the ANZ Share Investing acquisition deal is on track and scheduled to finish in H2 this financial year.

With over three decades of financial markets experience and trusted heritage the CMC Group launched its new UK investment platform, CMC Invest on 30th September 2022. CMC Invest is an investment platform, driven by the needs of customers, aiming to help them build their own personal investment strategy. Further product functionality will be added in coming months to enhance our customer's experience. It forms part of the steady diversification strategy for the Group.

CMC's business expansion plans to grow net operating income by 30% over next three years through the addition of additional products, and geographical expansion based on the 2022 result and underlying

conditions remains on track. Further details will be provided in CMC's H1 results on 16th November 2022.

Operating costs for H1 2023, excluding variable remuneration, are expected to be approximately £109 million (H1 2022: £84 million). Operating cost guidance for FY 2023 remains unchanged at £215 million excluding variable remuneration. Further sustained GBP weakness to put pressure on non-GBP denominated costs, although this is expected to have a net positive effect on profit due to non-GBP denominated revenue.

The results for the six months ended 30 September 2022 will be announced on 16 November 2022.

Lord Cruddas, Chief Executive Officer, commented:

“We closed the first six months with a pickup in market volatility and client trading volumes driving an improvement in operating income versus last year. As part of our diversification strategy, we are pleased to have launched our new UK non-leveraged business, CMC Invest. This move into self-directed investing marks a significant milestone for us, representing a major opportunity for growth and diversification into the non-leveraged market. While it is still in its initial stages of development, as we plan to add further functionality over the coming months, our goal is to provide unrivalled market access to investors through the best technology and lower transactional costs and fees. We believe commissions, execution spreads and custodial fees have for too long been too high and too expensive for retail investors. CMC Invest will leverage our platform technology, including pricing and execution enhancements to drive down the transaction costs of investments for retail clients, just like we did in Australia, where we are already the number two investment platform for retail investors.

We are on a fast track to diversification, using our existing platform technology to win B2B and B2C non-leveraged business. Our strategic growth plans are on track and set to deliver significant new business expansion as we introduce new products across our retail, institutional and stockbroking businesses. We look forward to updating you more in our H1 results on 16 November 2022.”

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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 businesses. The Group 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 offers an award-winning, online, and mobile trading platform, enabling clients to trade up to 10,000 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, access stockbroking services. More information is available at <http://www.cmcmarkets.com/group/>