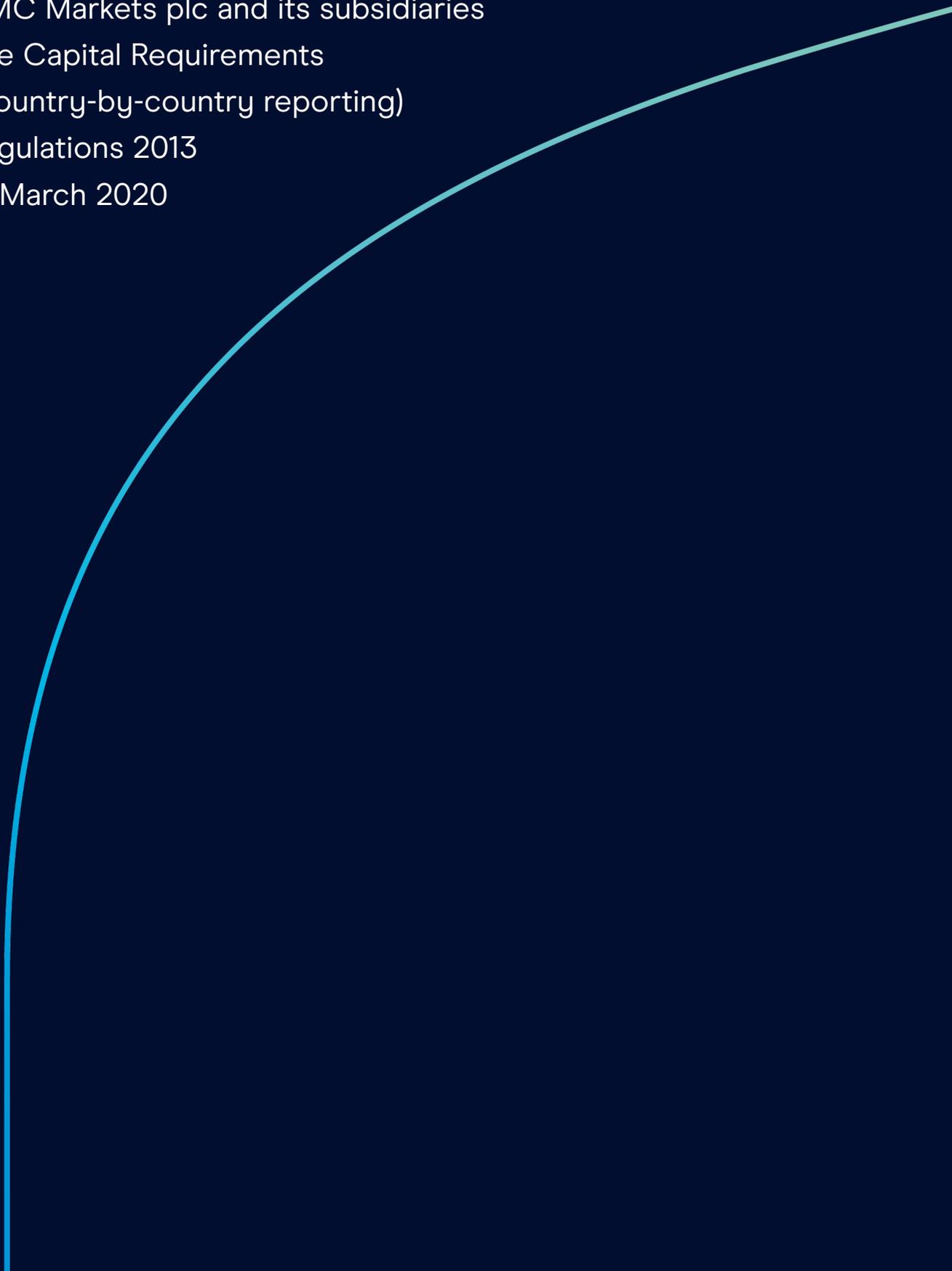




CMC Markets plc and its subsidiaries
The Capital Requirements
(Country-by-country reporting)
Regulations 2013
31 March 2020





Country-by-country reporting schedule (“the schedule”)

1. Introduction

The Capital Requirements (Country-by-country reporting) Regulations 2013 came into effect on 1 January 2014 and place certain reporting obligations on UK financial institutions that are within the scope of the EU’s Capital Requirements Directive (CRD IV). The purpose of the regulations is to provide clarity on the source of the Group’s income and the location of its operations.

The disclosures hereby presented intend to comply with the provisions of the regulations in respect of the following two entities that are within the scope of CRD IV:

- CMC Markets UK plc
- CMC Spreadbet plc

2. Basis of preparation

These disclosures have been prepared to comply with The Capital Requirements (Country-by-country reporting) Regulations 2013.

- **Compliance with International Financial Reporting Standards (‘IFRSs’)**
The amount disclosed for turnover is prepared on the same basis as the financial statements of CMC Markets UK plc and CMC Spreadbet plc for the year ended 31 March 2020, which are prepared in accordance with IFRSs, as adopted by the European Union.
 - **Consolidation**
Turnover is reported on a consolidated basis for each country.
 - **Country**
The country information is reported based on the location of operations of the subsidiary or the branch responsible for reporting the results.
-

3. Nature of activities and operating entities by region

CMC Markets UK plc, through a subsidiary, branches, a permanent establishment office and a representation office, operates in a number of different countries as follows:

| Jurisdiction | Nature of activities | List of entities |
|--|---|---|
| CMC Markets UK plc | | |
| United Kingdom | Online retail financial services business which provides its customers the ability to trade contracts for difference (CFD's) on a range of underlying shares, indices, foreign currencies, commodities and treasuries | CMC Markets UK plc |
| Germany | Acquisition, retention and support of CFD clients | CMC Markets Niederlassung Frankfurt am Main der CMC Markets UK Plc |
| Spain | Acquisition, retention and support of CFD clients | Sucursal en Espana de CMC Markets UK Plc |
| Sweden | Acquisition, retention and support of CFD clients | CMC Markets UK Plc Filial Stockholm |
| Norway | Acquisition, retention and support of CFD clients | CMC Markets UK Plc Filial Oslo |
| France | Acquisition, retention and support of CFD clients | CMC Markets UK Plc (Paris Branch) |
| Italy | Acquisition, retention and support of CFD clients | CMC Markets UK Plc (Milan Branch) |
| Austria | Acquisition, retention and support of CFD clients | CMC Markets UK Plc, Zweigniederlassung Österreich |
| China | No business activity | CMC Markets UK Plc Beijing Representative Office |
| Poland | Acquisition, retention and support of CFD clients | CMC Markets UK Plc Oddział w Warszawie |
| Australia | Global risk management | CMC Markets UK Plc (Australia Permanent Establishment) |
| Subsidiary of CMC Markets UK plc – CMC Markets Germany GmbH | | |
| Germany | Online retail financial services business which provides its customers the ability to trade contracts for difference (CFD's) on a range of underlying shares, indices, foreign currencies, commodities and treasuries | CMC Markets Germany GmbH |
| Austria | Acquisition, retention and support of CFD clients | CMC Markets Germany GmbH, Niederlassung Wien |
| Norway | Acquisition, retention and support of CFD clients | CMC Markets Germany GmbH, Oslo |
| Spain | Acquisition, retention and support of CFD clients | CMC Markets Germany GmbH, Sucursal en Espana |
| Sweden | Acquisition, retention and support of CFD clients | CMC Markets Germany GmbH Filial Stockholm |
| Poland | Acquisition, retention and support of CFD clients | CMC Markets Germany GmbH Spółka z Ograniczoną Odpowiedzialnością Oddział w Polsce |

The Branch of CMC Markets UK plc in Italy was closed in June 2019

The Branch of CMC Markets UK plc in France was closed in September 2019

The Branch of CMC Markets UK plc in Sweden was closed in April 2020

The Branch of CMC Markets Germany GmbH in Sweden was closed in April 2020

CMC Spreadbet plc operates only in the United Kingdom

| Jurisdiction | Nature of activities |
|----------------|---|
| United Kingdom | Online retail financial services business which provides its customers the ability to spread bet on a range of underlying shares, indices, foreign currencies, commodities and treasuries |

4. Country-by-country report

For the year ended 31 March 2020

| | Turnover ¹ (£ '000) | Number of employees ² | Profit / (loss) before tax (£ '000) | Accounting tax charge / (credit) (£ '000) | Cash tax paid / (refund) (£ '000) |
|--|-----------------------------------|-------------------------------------|---|--|---|
| CMC Markets UK plc | | | | | |
| United Kingdom | 249,419 | 338 | 77,826 | 14,159 | 11,410 |
| Germany | 2,493 | 9 | 195 | (1) | 166 |
| Spain | 1,898 | 8 | 124 | (18) | 7 |
| Sweden | 1,943 | 7 | 120 | 36 | 9 |
| Norway | 1,365 | 6 | 89 | 25 | 30 |
| France | 1,070 | 2 | 37 | 15 | (6) |
| Italy | 431 | 1 | 12 | (6) | - |
| Austria | 232 | 1 | 15 | 12 | 2 |
| China | - | 1 | (160) | - | - |
| Poland | 1,331 | 9 | 87 | 23 | 26 |
| Australia | 1,430 | - | 1428 | 420 | 458 |
| Consolidation Adjustments | (12,275) | - | - | - | - |
| CMC Markets UK plc Total | 249,337 | 382 | 79,773 | 14,665 | 12,102 |
| Subsidiary of CMC Markets UK plc – CMC Markets Germany GmbH | | | | | |
| Germany | 2,189 | 9 | 167 | 60 | 505 |
| Austria | - | - | - | - | - |
| Norway | - | - | - | - | - |
| Spain | - | - | - | - | - |
| Sweden | - | - | - | - | - |
| Poland | - | - | - | - | - |
| CMC Markets Germany GmbH Total | 2,189 | 9 | 167 | 60 | 505 |
| Total | 251,526 | 391 | 79,940 | 14,725 | 12,607 |
| CMC Spreadbet plc | | | | | |
| United Kingdom | 17,951 | - | 1,731 | 329 | 300 |
| CMC Spreadbet plc Total | 17,951 | - | 1,731 | 329 | 300 |

CMC Markets UK plc is exempt under s400 of the United Kingdom's Companies Act 2006 from preparing group financial statements because they have been included in the 2020 consolidated financial statements of CMC Markets plc, a company incorporated in the United Kingdom.

CMC Markets UK plc, its subsidiary, branches, permanent establishment office and representation office and CMC Spreadbet plc did not receive any public subsidies.

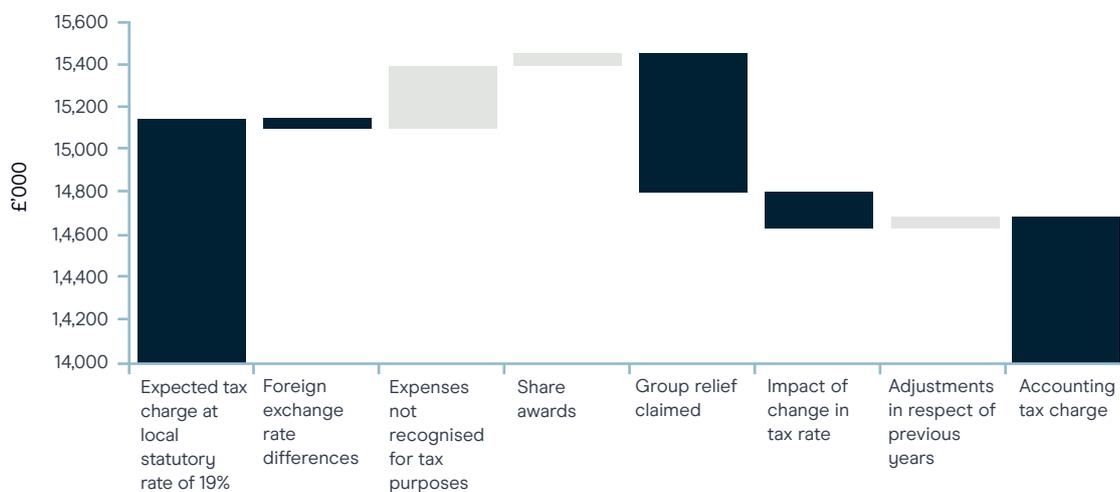
¹ Statutory revenue

² Full time equivalent

5. Reconciliation between expected tax and accounting tax charge for CMC Markets UK plc

For the year ended 31 March 2020

| | (£ '000) |
|--|---------------|
| CMC Markets UK plc Profit before tax | 79,773 |
| Expected tax charge at local statutory rate of 19% | 15,157 |
| Effect of: | |
| Foreign exchange rate differences | (19) |
| Expenses not recognised for tax purposes | 255 |
| Share awards | 50 |
| Group relief claimed | (666) |
| Impact of change in tax rate | (164) |
| Adjustments in respect of previous years | 52 |
| Accounting tax charge | 14,665 |



Independent auditors' report to the Directors of CMC Markets plc and its subsidiaries

Report on the audit of the country-by-country information

Opinion

In our opinion, CMC Markets plc's country-by-country information for the year ended 31 March 2020 has been properly prepared, in all material respects, in accordance with the requirements of the Capital Requirements (Country-by-Country Reporting) Regulations 2013.

We have audited the country-by-country information for the year ended 31 March 2020 in the Country-by-Country reporting schedule

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)"), including ISA (UK) 800 and ISA (UK) 805, and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the country-by-country information section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the CMC Markets plc ("the company") in accordance with the ethical requirements that are relevant to our audit of the country-by-country information in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Emphasis of matter - Basis of preparation

In forming our opinion on the country-by-country information, which is not modified, we draw attention to note 2 of the country-by-country information which describes the basis of preparation. The country-by-country information is prepared for the directors for the purpose of complying with the requirements of the Capital Requirements (Country-by-Country Reporting) Regulations 2013. The country-by-country information has therefore been prepared in accordance with a special purpose framework and, as a result, the country-by-country information may not be suitable for another purpose.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the country-by-country information is not appropriate; or
- the directors have not disclosed in the country-by-country information any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the country-by-country information is authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Responsibilities for the country-by-country information and the audit

Responsibilities of the directors for the country-by-country information

The directors are responsible for the preparation of the country-by-country information in accordance with the requirements of the Capital Requirements (Country-by-Country Reporting) Regulations 2013 as explained in the basis of preparation in note 2 and accounting policies to the country-by-country information, and for determining that the basis of preparation and accounting policies are acceptable in the circumstances. The directors are also responsible for such

internal control as they determine is necessary to enable the preparation of country-by-country information that is free from material misstatement, whether due to fraud or error.

In preparing the country-by-country information, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the country-by-country information

It is our responsibility to report on whether the country-by-country information has been properly prepared in accordance with the relevant requirements of the Capital Requirements (Country-by-Country Reporting) Regulations 2013

Our objectives are to obtain reasonable assurance about whether the country-by-country information as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this country-by-country information.

A further description of our responsibilities for the audit of the country-by-country information is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinion, has been prepared for and only for the company's directors in accordance with the Capital Requirements (Country-by-Country Reporting) Regulations 2013 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come, save where expressly agreed by our prior consent in writing.

The engagement partner responsible for this audit is Gillian Lord.



PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

London

20 July 2020

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Incorporated and registered in England and Wales under number 05145017