

Strategic Update

Shifting towards greater opportunities

Our strategy is driven by our purpose. Our business investment case provides a clear picture of how our strategy has been successful in the past, and why we believe it will continue to be successful in the future. Our business is in an exceptionally strong place to be able to deliver our strategy and provide

value for all of our stakeholders. Over the next few pages we will look at some of our businesses within the Core Markets+ and High Potential Markets portfolios.

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Investment case

Growth levers

- Multiple growth levers across the business
- Market share in some of the world's largest markets
- Perfectly positioned to benefit from the shift towards self-directed trading

Diversification

- Increasingly diversified business through organic and inorganic growth
- Footprint which continues to expand geographically
- Meaningful steps taken towards product diversification

Market-leading technology and platforms

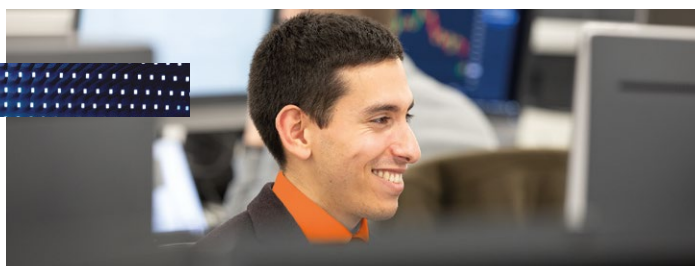
- Leading-edge research and actionable trading insights
- On-going investment in resilience, capacity and platform tools
- Sophisticated market risk management technology

Quality clients

- Significant amount of revenue generated from long-term clients
- Consistent onboarding criteria has ensured the quality of clients has remained high
- Retention curves have remained consistent throughout the pandemic

Balance sheet strength

- Strong and consistent cash flow generation due to our business model
- Prudent headroom over capital requirements
- Strong liquidity position
- Clear Capital Allocation Framework



Core Markets+

Our Core Markets+ portfolio includes our most established businesses, which have been around for a number of years, and have an existing market share. This includes all of our OTC businesses outside of the US, as well as our stock trading businesses.

We anticipate portfolio growth to be slightly above market growth, as we continue to win market share across our

locations, including some of our faster-growing, newer businesses such as Japan.

Our focus in this portfolio is on continuing to service our high-value client base, ensuring reliable access to our platforms, customer support, online content and a wide range of markets to trade.

Medium-term growth forecast

5-7%

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Core Markets+ revenue

£828.7m

(2021: £825.2m)

Japan revenue

+43%

(FY22: £98.5m, FY21: £68.7m)

Number of stock trading clients

93,200

(2021: 89,500)

Spotlight on Japan

Driven by:

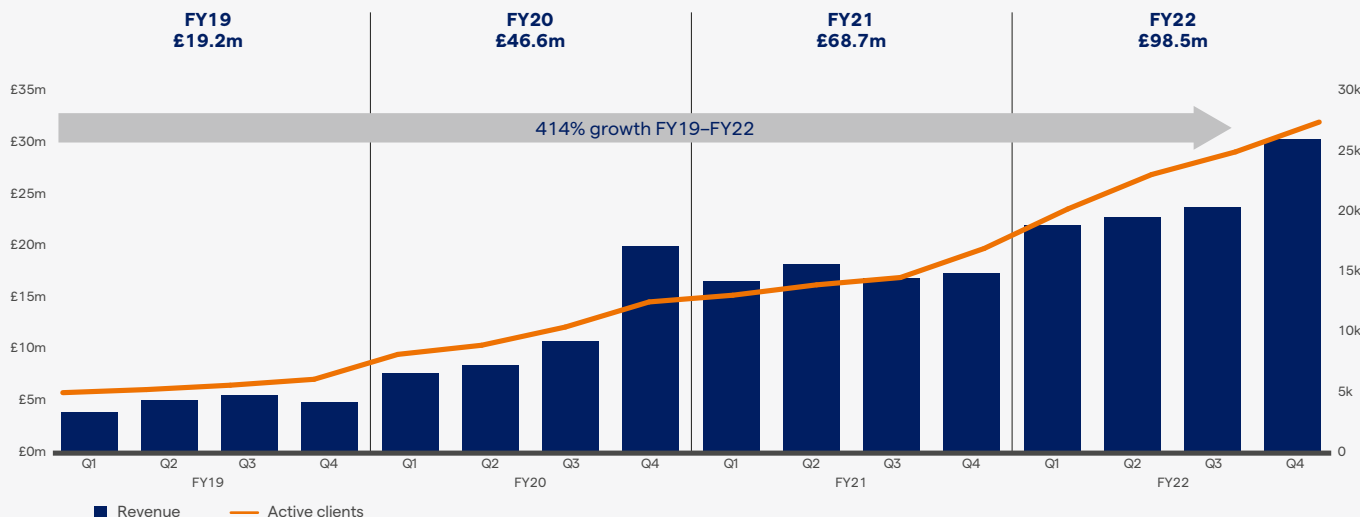
Localised platform – following thorough marketing research and a partnership with a Japanese design agency, we tailored the front-end of our application to appeal to the Japanese market, rather than using the same front-end used elsewhere. This is evidence of our ‘local approach’ in international markets.

Tailored marketing – we combined our central marketing expertise with our local marketing experts to explore and target the appropriate marketing channels in Japan, including using a well-known Japanese actor to be the face of our marketing campaign – a move which proved very successful in building the brand and attracting new clients.

Future opportunities:

We have seen very strong growth in first trades – up 53% – in FY22, giving confidence in the continued growth in the client base and overall business as we continue to gain market share. This will be supplemented by new product launches and further platform improvements.

Net trading revenue and active client growth



Strategic Update continued

High Potential Markets

Our High Potential Markets portfolio includes our newer businesses which have significant addressable markets. This includes all of our ETD businesses, as well as our Retail Foreign Exchange Dealer (RFED) in the US.

We anticipate growth of around 25-30% over the medium term in this portfolio as we believe that these businesses will be

able to grow market share quickly, as they expand into the large addressable markets.

The businesses within this portfolio require additional attention from our management team to ensure the correct strategic decisions are made during their early growth stages.

Medium-term growth forecast

25-30%

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tastyworks growth

+16%

MTF growth

+90%

High Potential Markets clients

116,000

Spotlight on Spectrum

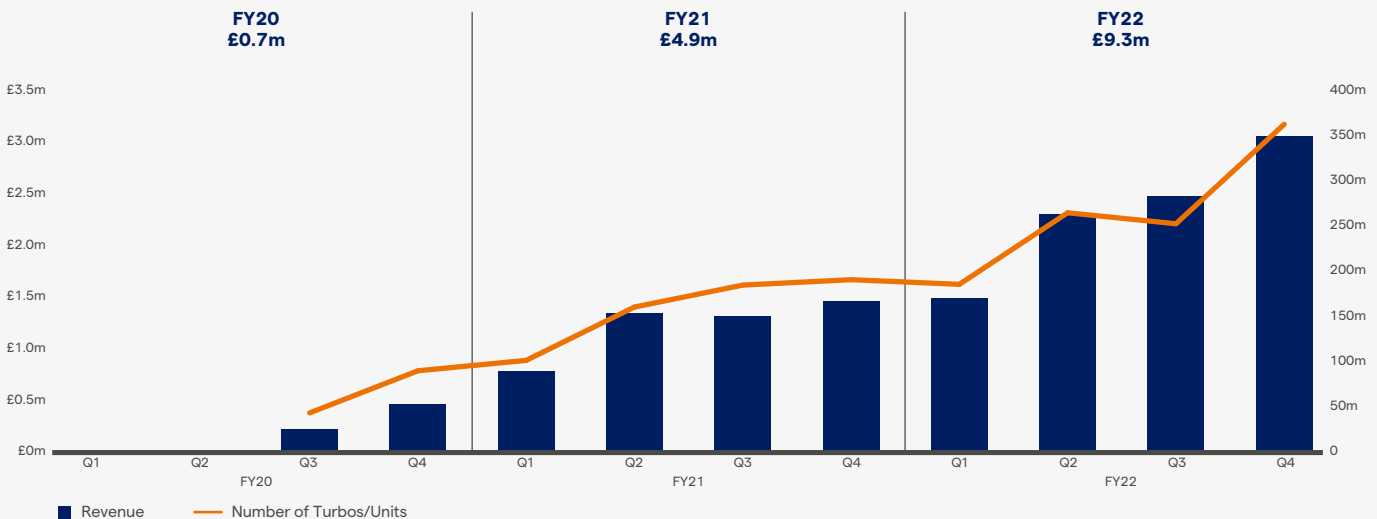
- Spectrum provides pan-European market infrastructure for product issuers and market makers to distribute their products across an increasing distribution network
- All components of the multi-lateral trading facility (MTF) have been internal to date: we are the exchange, the product issuer and the broker

- The Spectrum business model is driven by creating flow across the exchange. This growth will be supported by introducing third-party brokers and issuers onto the exchange
- Two Italian brokers, Intermonte and Equita, joined Spectrum in Q4 FY22

- We have a pipeline of brokers expected to join in FY23, able to trade Brightpool and third-party issued products
- We are anticipating two Tier 1 global institutions to commence issuing products on Spectrum in H1 FY23



Net trading revenue and turbos traded





Insights into tastytrade

Q&A with the CEOs



Tom Sosnoff
Executive Vice Chair
Tastytrade Global;
CEO, tastytrade

Previously:

- Co-founder, thinkorswim
- Co-founder, Sosnoff Sheridan Corporation
- CBOE Floor Trader



Scott Sheridan
CEO, tastyworks

Previously:

- Co-founder, thinkorswim
- Co-founder, Sosnoff Sheridan Corporation
- CBOE Floor Trader

Q: What inspired you to set up tastytrade?

As traders ourselves, we wanted to create a financial network which brought traders together, providing a place for them to educate themselves about trading and take control of their financial decisions. That’s why we say tastyworks is a platform built by traders, for traders.

Q: Why is quantitative content such an important part of your business?

Our content is such a key part of the business, and it was how the whole business started. We deliver cutting-edge research and actionable trading strategies, making the complex world of options simple to understand for our customers. It’s also a great way to build awareness and a steady pipeline of potential new customers who already know and trust us.

Q: How is the integration with IG going?

Becoming part of IG Group is really exciting for us. Integration has gone very well and the collaboration between all of our teams from technology to marketing has been exceptional, and will continue to drive us from strength to strength.

With integration now materially complete, our co-founder Kristi Ross has decided to move to a strategic advisory role and step back from day-to-day responsibilities at tastytrade and IG, from 1 July 2022. We’re really pleased that Kristi is staying on as a strategic adviser and look forward to continuing to work with her.

At the same time, it’s great to see our Vice President and Chief Market Strategist, JJ Kinahan, take on an expanded leadership role as Regional CEO for IG, North America.

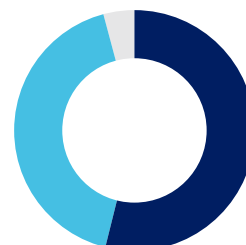
Q: What makes you confident of future growth?

There are so many things which I could mention here, from embedding a more sophisticated marketing function, the potential for international expansion, future product launches in the digital asset space, platform improvements to improve our client journey, and in the short term, interest rates will benefit us too.

Hopefully that gives you a flavour of why we are so excited about the future.

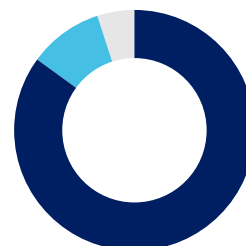
At a glance

tastyworks FY22 revenue



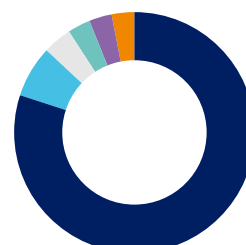
- Commissions 54%
- PFOF¹ 42%
- Interest 4%

FY22 products by contract



- Equity Options 85%
- Index Options 10%
- Future Options 5%

Equity revenue by underlying asset



- Other 80%
- AMZN 3%
- NVDA 3%
- AMD 3%
- AAPL 4%
- TSLA 7%

¹ Payment For Order Flow.