CMC Spreadbet plc

Annual MIFIDPRU Disclosures

31st March 2026

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1. Overview

1.1. Introduction

This document is prepared in accordance with the requirements set out in Chapter 8 of the Financial Conduct Authority's ('FCA') Prudential Source Book for MiFID Investment Firms ("MIFIDPRU"). Quantitative disclosures are made as at 31st March 2026.

1.2. Frequency and scope of disclosures

The disclosures in this document are made in respect of CMC Spreadbet plc ('the Firm'). In accordance with MIFIDPRU 8.1.7R disclosures are made on an individual basis.

In accordance with MIFIDPRU 8.1.10R and 8.1.13R this report is published on an annual basis on the CMC Group ('CMC') website on the date that the Firm publishes its annual financial statements.

1.3. Cessation of trade

The Company ceased its trading operations on 29 November 2025 and the Directors subsequently concluded their assessment of the available options with the Board approving the planned solvent liquidation of the Company as part of a wider reorganisation and simplification of the Group. As at 31 March 2026 formal liquidation proceedings had not commenced. It is expected that the Company will be closed within the next 12 months subject to the completion of regulatory, legal, tax and operational matters.

2. Risk management objectives and policies

Following the transfer of the Firm's trading business to CMC Markets UK plc on 29 November 2025, the Firm no longer undertakes regulated trading activities and is no longer exposed to market risk or client counterparty risk arising from new client trading activity. The following disclosures describe the residual risks to which the Firm remains exposed during the wind-down period.

2.1. Enterprise Risk Management

The Firm's residual risks and the associated risk appetite, KRIs and controls are assessed, monitored and managed in accordance with the CMC Group's Enterprise Risk Management Framework ('ERMF') which covers all entities within the Group.

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

- Identifying, evaluating and monitoring the principal and emerging risks;
- Implementing the Board-approved risk appetite to support strategic objectives; and
- Establishing and maintaining governance structures, policies, systems and controls to ensure operations remain within the defined risk appetite.

The Group regularly reviews the ERMF and risk resources to ensure they remain effective to support the achievement of the Group's strategic objectives and in line with market practices and regulatory expectations.

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.

2.1.1. Three Lines of Defence Model

The ERMF follows the three lines of defence model, ensuring clear risk ownership and accountability:

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

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

The 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 ERMF, 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 regular 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.

2.1.2. Risk Appetite

The Group's risk appetite defines the level and types of risks the Group is willing to accept in pursuit of its strategic objectives. This is assessed within the ERMF with regard to identified principal risks and is collated in the Risk Appetite Statement. Risk appetite is fundamental to effective risk, capital and liquidity management, ensuring appropriate risk control and positive client outcomes.

The Board conducts an annual assessment of emerging and principal risks, evaluating their potential impact on the Group's business model, performance, capital and liquidity. These risks are monitored through key risk indicators (KRIs) and are linked to the Group risk appetite. The Group also considers reputational and regulatory implications, client impact and broader market effects.

2.2. Principal Risks

Following the cessation of trading activities on 29 November 2025 and the Board's approval of the Company's planned solvent liquidation, the Company's risk profile has materially changed. As the Company no longer undertakes regulated trading activities, it is no longer exposed to the principal business risks associated with an operating investment firm, including market risk and client counterparty risk arising from new client trading activity.

The Board considers the principal risks facing the Company during the wind-down period to be those that could adversely affect its ability to maintain regulatory compliance and complete an orderly liquidation.

2.2.1. Financial Risks

Liquidity Risk	
Risk description The risk that the Firm has insufficient liquidity to meet its financial obligations as they fall due or can only secure required liquidity at excessive cost. **Risk appetite** The Firm has no appetite for liquidity to act as a constraint during the course of winding up the Firm	**Key mitigations and controls** – High-Quality Liquid Assets – Maintaining unencumbered, high-quality liquid assets.

Credit Risk	
Risk description The risk of losses arising from an obligor failing to meet its obligations as they fall due. **Risk appetite** The Firm has low appetite for credit risk during the course of its winding up.	**Key mitigations and controls** – Counterparty Creditworthiness Reviews – Conducting at least annual assessments of counterparties' financial stability. – Diversification & Concentration Risk Management: Holding liquid assets across a number of obligors.

Capital and Solvency Risk	
Risk description The risk that the Firm does not maintain sufficient capital to meet its regulatory capital requirements, absorb financial shocks or support business growth. **Risk appetite** The Firm has no appetite for breaching regulatory capital requirements pending the revocation of its regulatory permissions.	**Key mitigations and controls** – Regulatory Compliance – Maintaining capital levels above regulatory minima and engaging proactively with regulators on capital requirements.

3. Governance

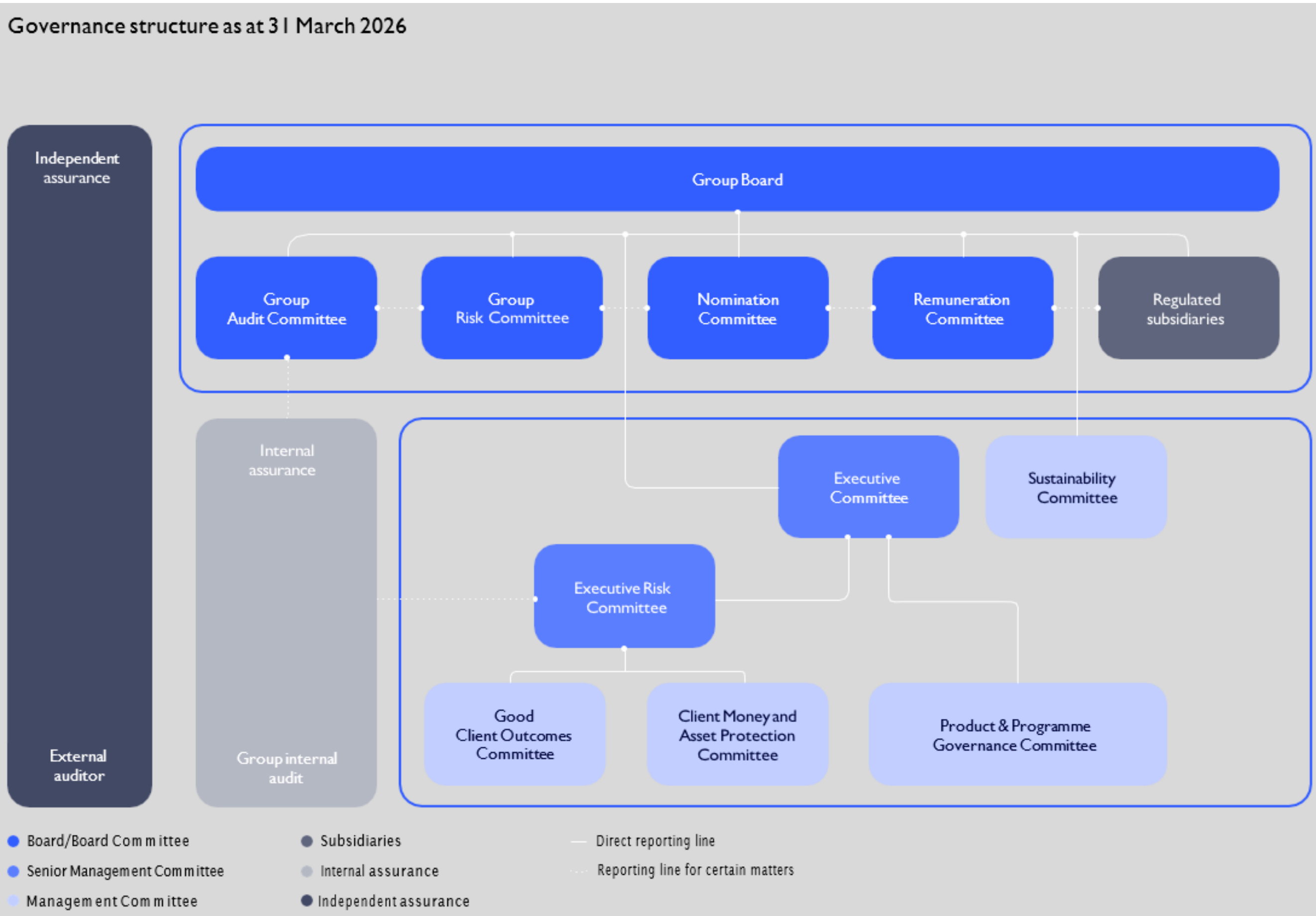
3.1. Inclusion within Group governance and monitoring arrangements

The Firm does not meet the criteria set out MIFIDPRU 7.1.4R and accordingly is not required to meet the requirements relating to risk, remuneration and nominations committees set out in MIFIDPRU 7.3.

However, by virtue of its membership of the wider CMC Group, the Group committees (risk, remuneration and nomination as well as audit) will consider issues within their scope at both the level of the Group and the Firm. The Firm also benefits from the Group's granular control environment and functions. The Firm's Board believe that this structure overseen by the Group's and Firm's Boards ensures effective and prudent management of the Firm, including the segregation of duties in the Firm and the prevention of conflicts of interest, and in a manner that promotes the integrity of the market and the interests of clients.

3.2. Group governance structure

The CMC Group's governance structure is set out below:



3.3. Management Accountability

The Firm's Board takes overall responsibility for the Firm and:

- Approves and oversees implementation of the Firm's strategic objectives, risk strategy & internal governance;
- Ensures the integrity of the Firm's accounting and financial reporting systems, including financial and operational controls and compliance with the regulatory system;

- Oversees the process of disclosure and communications;
- Has responsibility for providing effective oversight of senior management;
- Monitors and periodically assesses:
  - The adequacy and the implementation of the Firm's strategic objectives in the provision of investment services and / or activities and ancillary services;
  - The effectiveness of the Firm's governance arrangements;
  - The adequacy of the policies relating to the provision of services to clients, and takes appropriate steps to address any deficiencies; and
- Has adequate access to information and documents which are needed to oversee and monitor management decision-making.

The Firm ensures that the members of the management body of the Firm meet the requirements of SYSC 4.3A.3R. The Firm is subject to the Senior Managers and Certification Regime ('SMCR') and members of the management body hold Senior Management Function ('SMF') status. The Firm has undertaken the necessary fitness and propriety test associated with the SMCR (alongside additional referencing processes) to ensure each member:

- Is of sufficiently good repute;
- Possesses sufficient knowledge, skills and experience to perform their duties;
- Possesses adequate collective knowledge, skills and experience to understand the firm's activities, including the main risks;
- Reflects an adequately broad range of experiences;
- Commits sufficient time to perform their functions in the Firm; and
- Acts with honesty, integrity and independence of mind to effectively assess and challenge the decisions of senior management where necessary and to effectively oversee and monitor management decision-making.

3.4. Board of Directors

The Board has overall responsibility for the Firm's affairs.

The Directors of CMC Spreadbet plc who were in office during the financial year and up to the publication of this document were:

- Lord Peter Cruddas
- David Fineberg
- Laurence Booth
- Jonathan Bendall

3.5. Number of Directorships

The number of Executive and non-Executive directorships held by the Directors at the year ended 31 March 2026 were as follows:

Director	Number of Executive Directorships	Number of Non-Executive Directorships
Lord Peter Cruddas	2	0
David Fineberg	1	0
Laurence Booth	1	0
Jonathan Bendall	1	0

The following are out of scope for this analysis [MIFIDPRU 8.3.2 R]:

- Executive and non-executive directorships held in organisations which do not pursue predominantly commercial objectives; and

- Executive and non-executive directorships held within the Group or within an undertaking (including a non-financial sector entity) in which the firm holds a qualifying holding.

3.6. Summary of Diversity Policy

The Firm does not have any employees and given the relatively small number of directors has not implemented its own diversity policy. The Firm is included in the Group diversity policy, details of which are set out in the Group Annual Report and Accounts.

4. Own Funds

The Firm has not issued any Additional Tier 1 or Tier 2 instruments and accordingly its own funds consists only of Common Equity Tier 1 ('CET1').

The composition of own funds is illustrated in Table 1 below with Table 2 demonstrating how this aligns to the balance sheet in the audited financial statements. Table 3 discloses the main features of the own funds instruments issued by the Firm. Only relevant headings are shown in these tables.

Table 1: Composition of regulatory own funds

31 March 2026	Item	Amount (£ '000)	Source[1]
1	**Own Funds**	**9,088**	
2	**Tier 1 Capital**	**9,088**	
3	**Common Equity Tier 1 Capital**	**9,088**	
4	Fully Paid-Up Capital Instruments	350	15
6	Retained Earnings	8,738	

Table 2: Reconciliation of regulatory own funds to the balance sheet in the audited financial statements

31 March 2026		Balance sheet per audited financial statements (£'000)	Cross Reference to Table 1
Breakdown by asset classes according to the balance sheet in the audited financial statements			
Current Assets			
1	Trade & Other Receivables	6,121	
2	Cash & Cash Equivalents	3,004	
	Total Assets	**9,125**	
Breakdown by liability classes according to the balance sheet in the audited financial statements			
Current Liabilities			
1	Trade & Other Payables	37	
	Total Liabilities	**37**	
Net Assets		**9,088**	
Shareholders' Equity			
1	Ordinary Share Capital	350	4
2	Retained Earnings	8,738	6
	Total Shareholders' Equity	**9,088**	

[1] Based on reference numbers of the Balance Sheet in the audited Financial Statements

Table 3: Main features of own funds instruments issued by the firm

Cross Reference to Table 1	Item from the audited financial statements	Features of own funds instrument
4	Ordinary share capital	Instrument type: ordinary share capital Amount recognised in regulatory capital: £350k Nominal amount of instrument: £1

5. Own Funds Requirements

5.1. Own Funds Requirements

In accordance with MIFIDPRU 4.3.2R the Firm is required to hold own funds in excess of the greater of its Permanent Minimum Requirement ('PMR'), Fixed Overhead Requirement ('FOR') and K-Factor requirement. These amounts are set out in table 4.

Table 4: Own Funds Requirements

Requirement as at 31 March 2026	Amount (£'000)
Permanent Minimum Requirement ('PMR')	750
Fixed Overhead Requirement ('FOR')[2]	6,869
Sum of K-AUM + K-CMH + K-ASA	279
Sum of K-COH + K-DTF	130
Sum of K-NPR + K-CMG + K-TCD + K-CON	-
Total K-Factor requirement	409
Own Funds Requirement ('OFR')	**6,869**

5.2. Adequacy of Own Funds

In accordance with the Overall Financial Adequacy Rule ('OFAR') as set out at MIFIDPRU 7.4.7R a firm must at all times hold own funds and liquid assets which are adequate, both as to their amount and their quality, to ensure that:

- the Firm is able to remain financially viable throughout the economic cycle, with the ability to address any material potential harm that may result from its ongoing activities; and
- the Firm's business can be wound down in an orderly manner, minimising harm to consumers or to other market participants.

The K-factors and the FOR are the starting point to assess the amount of own funds required to sustain ongoing operations and support an orderly wind down respectively.

As part of the Internal Capital Adequacy and Risk Assessment ('ICARA') process (which is conducted at the Group level), the Firm may determine that additional own funds are required to cover those risks that are insufficiently covered by the K-factor requirement or the FOR. This assessment considers both the Firm's financial resource requirements arising from its ongoing activities as well as those which would be required to facilitate an orderly wind-down. The latter are determined as part of the Firm's wind-down plan which documents the annual assessment of the steps, resources and governance processes required in the event the Firm were required to commence an orderly wind down.

The own funds threshold requirement ('OFTR') is calculated as the higher of the OFR and the ICARA own funds assessment and represents the amount of own funds that the firm needs to hold at any given time to comply with the OFAR.

[2] The FOR has been calculated based on the costs reported in FY25. No application has been made under MIFIDPRU 4.5.9R to reduce the FOR in light of the anticipated imminent revocation of the Firm's regulatory permissions.

6. Remuneration

There were no employees during the year. Accordingly no disclosures in relation to remuneration are provided.

7. Investment Policy

In accordance with MIFIDPRU 8.7.1R an investment firm is only required to make disclosures regarding its investment policy where the conditions in MIFIDPRU 7.1.4R have been met. As the Firm has not met these criteria no disclosures have been prepared.