IG US LLC
Statement of Financial Condition
As of May 31, 2022

(with Report of Independent Registered Public Accounting Firm)

Confidential

Financial Statements **Page**

Report of Independent Registered Public Accounting Firm

To the Officers and Member of IG US LLC

Opinion on the Financial Statement – Statement of Financial Condition

We have audited the accompanying statement of financial condition of IG US LLC (the "Company") as of May 31, 2022, including the related notes (collectively referred to as the "financial statement"). In our opinion, the financial statement presents fairly, in all material respects, the financial position of the Company as of May 31, 2022 in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

The financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statement based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit of this financial statement in accordance with the standards of the PCAOB and in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement, whether due to error or fraud.

Our audit included performing procedures to assess the risks of material misstatement of the financial statement, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statement. We believe that our audit provides a reasonable basis for our opinion.

Critical Audit Matters

Critical audit matters are matters arising from the current period audit of the financial statement that were communicated or required to be communicated to the audit committee and that (i) relate to accounts or disclosures that are material to the financial statement and (ii) involved our especially challenging, subjective, or complex judgments. We determined there are no critical audit matters.

PricewaterhouseCoopers LLP

Chicago, IL
August 1, 2022

We have served as the Company's auditor since 2017.

PricewaterhouseCoopers LLP, One North Wacker, Chicago, IL 60606
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IG US LLC
Statement of Financial Condition
As of May 31, 2022

Assets		May 31, 2022
Cash	$	15,540,040
Cash held for customers		46,866,714
Receivable from broker, net		22,746,071
Receivables from affiliates, net		314,162
Deferred tax asset, net		485,270
Operating lease right-of-use asset		318,801
Other assets		98,219
Property and equipment, net		3,545
Total assets	$	86,372,822
Liabilities		
Payables to customers, net	$	42,989,583
Accrued expenses		1,366,826
Operating lease liability		370,105
Payables to Parent and affiliates		1,786,426
Total liabilities		46,512,940
Member's equity		39,859,882
Total liabilities and member's equity	$	86,372,822

The accompanying notes are an integral part of these financial statements.

1. Organization

On October 6, 2017, IG US LLC (the “Company”) was formed as a Delaware Limited Liability Company. The Company is a wholly-owned subsidiary of IG US Holdings, Inc. (the “Parent”), a Delaware Corporation. The ultimate parent is IG Group Holdings plc (“IG Group”), a United Kingdom company which is publicly traded on the London Stock Exchange.

The Company is registered with the Commodity Futures Trading Commission (“CFTC”) and is a member of the National Futures Association (“NFA”), an industry self-regulating organization, to operate as a Retail Foreign Exchange Dealer (“RFED”) and as an introducing broker.

The Company provides trading services for over-the-counter (“OTC”) foreign exchange derivative contract products to retail and institutional customers. Customer trading is offered to customers via the Company’s web based proprietary trading platform or through proprietary trading mobile apps. The Company hedges its open customer positions with either a third-party broker or an affiliate.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements are presented in accordance with generally accepted accounting principles (“GAAP”) in the United States of America.

Use of Estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities as of the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Estimates are based on judgement and available information. Therefore, actual results could differ from management’s estimates and could have a material impact on these financial statements.

Cash

The Company maintains cash at financial institutions where the total cash balance is insured by the Federal Deposit Insurance Corporation (“FDIC”) up to $250,000 per depositor, per bank. The Company is exposed to concentration credit risk since it maintains balances at financial institutions in excess of the FDIC limit.

Cash Held for Customers

The Company maintains separately designated customer cash at a financial institution where the total cash balance is insured by the Federal Deposit Insurance Corporation (“FDIC”) up to $250,000 per depositor, per bank. This designated customer cash does not have any legal restrictions. The Company is exposed to concentration credit risk since it maintains balances at financial institutions in excess of the FDIC limit.

Receivable from Broker, net

The Company maintains a third-party prime brokerage account in order to hedge a portion of its customer positions. According to the account agreement, the Company holds a deposit in this prime brokerage account according to the terms of the account agreement in order to collateralize these hedging positions.

2. Summary of Significant Accounting Policies, cont.

Receivable from Broker, net, cont.

Receivable from Broker, net includes this cash deposit plus or minus any unrealized gains or losses on open positions. The fair value of these hedging contracts is determined based upon third-party quotations, which are further discussed in the Fair Value Measurements section.

Property and Equipment, net

Fixed assets consist of computer equipment, furniture and fixtures, and office equipment. Fixed assets are carried at cost, less accumulated depreciation. The Company periodically evaluates the carrying value of long-lived assets when events and circumstances warrant such review in accordance with accounting guidance. Fixed assets are depreciated on a straight-line basis over the estimated useful lives of the assets as follows:

Computer equipment	3 – 5 years
Furniture and fixtures	3 – 5 years
Office equipment	3 – 5 years

Payables to Customers, net

Payables to customers, net includes all cash deposits plus or minus any unrealized gains or losses on open positions. The fair value of the customers' contracts is determined based on market data feeds, which are further discussed in the Fair Value Measurements section.

Operating Lease Right-of-Use Asset and Liability

The Company recognizes and measures its operating lease right-of-use assets ("ROU") and liabilities in accordance with FASB ASC 842, Leases. The Company determines if an arrangement is an operating lease upon the commencement of the lease. Leases with an initial term of 12 months or less are not recorded on the Statement of Financial Condition. All other operating leases are recorded on the Statement of Financial Condition with an operating lease ROU asset representing the right to use of the underlying asset for the remaining lease term and the respective lease liability representing the obligation to make lease payments according to the terms of the lease.

Operating lease ROU assets and operating lease liabilities are recognized at the commencement date based on the present value of lease payments over the lease term, and include the option to extend or terminate the lease when the provisions are reasonably certain to be exercised. The operating lease ROU assets represent the operating lease liability, plus any lease payments made on or before the commencement date less any lease incentives received.

Cost Sharing and Trading Revenue

The Company generates its cost sharing and trading revenue through a back-to-back foreign exchange hedging agreement with an affiliate. Based on the terms of this agreement, the Company receives a portion of the trading revenue earned by its affiliate on these hedged transactions along with a cost sharing revenue arrangement for a portion of the Company's costs (See note 10 for further details).

2. Summary of Significant Accounting Policies, cont.

Cost Sharing and Trading Revenue, cont.

The Company recognized the cost sharing revenue under FASB ASC 606 (Revenue from contracts with customers) during the current year as consideration for performing marketing, sales and distribution activities on behalf of IG Group. The Company believes the performance obligation for providing these services is satisfied over time, as expenses are incurred, because IG Group is receiving and consuming the benefits as they are provided by the Company. As such, cost sharing revenue is recognized as the associated expenses subject to reimbursement as incurred. Gains and losses with respect to hedging positions on customer foreign exchange trades with the Company's affiliate are recognized on a trade date basis. These amounts are generally settled on a monthly basis.

Interest Revenue

The Company earns interest on operating and customer funds on deposit with several financial institutions. Interest revenue is recorded in the period for which the interest is earned.

Marketing and Advertising

Marketing and advertising costs are incurred for the production and communication of advertising, as well as other promotional related activities. The Company expenses the cost of advertising as incurred, except for costs related to the production of any broadcast advertising, which are expensed when the first broadcast occurs.

Salaries and Wages

Salaries and wages costs are comprised of compensation, bonuses paid to employees, other related benefits, and employment taxes incurred by the Company. Salaries and wages also include the expenses allocated to the company from IG Group's stock-based compensation and employee stock purchase plans.

Professional Fees

The Company incurs audit, tax, legal, and regulatory expenses. These expenses are accrued when incurred.

Rent and Premises

The Company has entered into an agreement with the Parent for the allocation of office rent and premises costs based on a proportional share of allocated area in the office space.

Income Taxes

The Company has elected to be classified as a corporation for income tax purposes and is included in the Parent's US consolidated federal income tax return. When appropriate, the Company is also included in the Parent's consolidated state and local income returns. Income taxes are accounted for using the asset and liability method. Federal and state income tax balances are calculated as if the Company filed on a separate return basis. The total of the federal and state tax liability or benefit is calculated as either a payable to or a receivable from the Parent. The amount of any current and deferred income taxes payable or receivable, less any valuation allowance, is recognized as of the date of the financial statements based on the currently enacted federal and state income tax law and rates.

2. Summary of Significant Accounting Policies, *cont.*

Income Taxes, cont.

Deferred tax assets and liabilities are recognized for future events attributable to (1) the differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases, (2) tax operating losses, and (3) tax credit carryforwards. A valuation allowance is recognized for any deferred tax asset that is not more likely than not to be realized. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply when deferred taxes are recovered/settled.

A tax position is recognized as a benefit only if it is more likely than not that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that has a greater than 50% likelihood of being realized on examination. For tax positions not meeting the more likely than not test, no tax benefit is recorded. The Company applied the guidance to all tax positions for which the statute of limitations remained open. As of May 31, 2022, the earliest open tax year is 2019. As of May 31, 2022, the Company had no material unrecognized federal or state tax benefits. There have been no material changes in unrecognized tax benefits during the current year. The Company did not have any material amounts accrued for interest and penalties at May 31, 2022. The Company does not believe it is reasonably possible that any material tax positions will change within the next twelve months. Interest or penalties on income taxes, if incurred, are recognized on the statement of operations as a general expense.

Fair Value Measurements

The Company categorizes its fair value measurements according to a three-level hierarchy in accordance with FASB ASC 820, *Fair Value Measurements*. The hierarchy prioritizes the inputs used by the Company's valuation techniques. A level is assigned to each fair value measurement based on the lowest level input that is significant to the fair value measurement in its entirety. The three levels of the fair value hierarchy are defined as follows:

<u>Level 1</u> - Unadjusted quoted prices for identical assets or liabilities in active markets that are accessible at the measurement date.

<u>Level 2</u> - Prices or valuation based on observable inputs other than quoted prices in active markets for identical assets and liabilities.

<u>Level 3</u> - Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

In general, the Company's financial assets and liabilities are carried at either fair value or at amounts which approximate the fair value on the Statement of Financial Condition. The Company's foreign exchange contracts assets and liabilities, which are included in Payables to Customers, net, Receivables from affiliates, net and Receivable from Broker, net on the Statement of Financial Condition. These assets and liabilities are stated at fair value based on the underlying OTC assets. The Company has equal and offsetting asset and liability open contracts due to the Company's back-to-back hedging arrangement with an affiliate and third-party broker. The fair value of these financial instruments is predominately determined by inputs from third-party quotations.

Derivatives

Foreign exchange contracts provide for the exchange of the difference in value of a particular currency pair. The Company and the customers realize either a gain or a loss on the contract as the value changes between the time at which a contact is opened and the time at which a contract is closed. Foreign exchange contracts are defined as derivatives according to the accounting guidance. Therefore, foreign exchange contracts are accounted for at fair value in these financial statements.

Foreign Currencies

The Company has determined that its functional currency is the US Dollar (USD). In accordance with GAAP, assets and liabilities which are denominated in foreign currencies are converted into USD as of the date of the Statement of Financial Condition. Gains and losses resulting from foreign exchange transactions are included in the Statement of Operations.

Business Concentrations and Credit Risk

Financial instruments, which subject the Company to concentration of credit risk, consist largely of cash and cash equivalents, amounts due from broker, and amounts due from related parties. Expected credit losses are measured based on historical experience, current conditions and forecasts that impact the collectability of the amount. The Company actively monitors the credit quality of its counterparties and the credit risk of its clients on an ongoing basis and recognizes losses, if any, at the time incurred.

3. Receivable from Broker, net

Receivable from Broker, net consists of the following:

		May 31, 2022
Cash deposit	$	22,440,744
Including (less) the Company’s net unrealized gains (losses)		305,327
Total	$	22,746,071

4. Property and Equipment, net

Fixed assets consist of the following:

		May 31, 2022
Computer equipment	$	46,118
Less accumulated depreciation		(42,573)
Total	$	3,545

5. Other Assets

Other assets consist of the following:

		May 31, 2022
Prepaid expenses	$	91,863
Customer related, net		5,229
Other miscellaneous assets		1,127
Interest receivable		-
Total	$	98,219

6. Payables to Customers, net

Payables to Customers, net consisted of the following:

		May 31, 2022
Customer cash balances	$	54,089,950
Less: the customers' unrealized losses		(11,100,367)
Total	$	42,989,583

7. Accrued Expenses

Accrued expenses consisted of the following:

		May 31, 2022
Accrued tax fees	$	442,717
Accrued compensation		321,066
Accrued marketing and advertising		291,318
Accrued professional fees		270,152
Accrued alternative payment processing charges		36,506
Other accrued expenses		5,067
Total	$	1,366,826

Operating expenses are recognized when incurred.

8. Operating Lease

The Company has an embedded operating lease through its Parent's office space lease agreement for its portion of the dedicated office space utilized by the Company. The Company recognized a ROU asset and lease liability at the commencement date of the lease. The lease liability is recognized based on the present value of the future lease payments. The ROU asset is recognized based on the present value of the future lease payments (1) plus any payments made prior to the commencement date and (2) less any lease incentives received.

The discount rate used to determine the present value of the remaining lease payments reflects the Company's incremental borrowing rate, which is the rate the Company would have to pay to borrow on a collateralized basis over a similar term in a similar economic environment. The discount rate used for this lease was 2.37 percent.

The remaining lease term for this office lease was 5.83 years as of May 31, 2022. The Company's Parent has the right to extend the lease for an additional year. The Company is currently not planning to exercise this extension. The total lease cost associated with this embedded operating lease for the year ended May 31, 2022 was $77,495 was included in rent and premises in the Statement of Operations.

8. Operating Lease, cont.

The Company's future operating lease obligations are as follows:

Year ended May 31:	Outstanding Payments	Interest	Total Liability
Fiscal year 2023	64,201	7,986	56,215
Fiscal year 2024	65,781	6,647	59,134
Fiscal year 2025	67,401	5,238	62,164
Fiscal year 2026	69,062	3,755	65,307
Thereafter	130,122	2,837	127,285
Total	$396,567	$ 26,463	$370,105

9. Related Party Transactions

In the ordinary course of business, the Company pays direct costs on behalf of its affiliates and, likewise, the Company's affiliates and, most of, Parent pays direct costs on behalf of the Company. The Company establishes a receivable or payable for these amounts. As of May 31, 2022, the Company has $314,162 recorded in *Receivable from affiliates, net* and 1,786,426 recorded in *Payables to Parent and affiliates* in the Statement of Financial Condition.

The company settles related party balances on a regular basis, most often no less than once each quarter.

Receivable from hedging affiliate

The Company entered into a Hedging and Incidental Services agreement with a foreign affiliate. Under the terms of this agreement, the Company hedges a portion of the open customer contracts with its affiliate in exchange for a percentage of the revenue the affiliate earns on the hedged positions. This agreement also includes a cost sharing arrangement that provides for reimbursement for certain expenses of the Company. As of May 31, 2022, the Company had a net receivable balance of $314,162 from its affiliate that was recorded *within Receivables from affiliates, net* in the Statement of Financial Condition. This net receivable balance consisted of amounts related to the cost sharing arrangement, trading arrangement as well as the net unrealized position related to open hedging contracts.

Shared services and office services from Parent

Effective April 1, 2018, the Parent signed a ten year lease for office space and the Company has entered into the Office Sharing and Rent Allocation agreement with the Parent for the allocation of office rent and premises costs based on a proportional share of allocated space in the office space. This agreement was amended effective April 1, 2020 for updated office space allocations. Effective November 1, 2019, the Company also entered into the Shared Services Agreement with its Parent for the allocation of employee shared strategic planning, accounting, legal, human resources, and treasury services based on a proportional share of allocated time and expense for the benefit of the Company.

9. Related Party Transactions, cont.

Other receivables and payables to/from affiliates

Other affiliates pay certain expenses covered under global vendor agreement on behalf of the Company, which they recharge to the Company on a monthly basis. As with other intercompany transactions, this activity is accounted for as a payable or receivable owed by or due to the Company and is reflected in the Statement of Financial Condition as *Payable to parent and affiliates* or *Receivable from affiliates, net*.

10. Income Taxes

The differences between the balances reported in the Statement of Financial Condition and the tax basis of assets and liabilities result in temporary differences for which deferred tax assets and liabilities were recognized as follows at May 31, 2022:

	FY2022
Deferred Income Tax Assets:	
Capitalized start-up costs	$ 327,338
Accrued compensation	73,438
Lease liability	88,255
Other accrued expenses	70,458
Long term incentive plan	2,639
Allowance for credit loss	9
Total current deferred income tax assets	562,137
Deferred Income Tax Liabilities:	
Property and Equipment, net	(845)
Right-of-Use Asset	(76,022)
Total deferred income tax liabilities	(76,867)
Net Deferred Income Tax Asset before Valuation Allowance:	485,270
Valuation Allowance:	-
Net Deferred Income Tax Asset after Valuation Allowance:	**$ 485,270**

10. Income Taxes, cont.

The Company has classified the costs incurred prior to commencing its operations as start-up costs and, for income tax purposes, has capitalized and will subsequently expense them for income tax purposes over the respective amortization period. In previous years, the Company has recorded a valuation allowance on the net deferred tax asset on the basis that, at the time of analysis it was deemed more likely than not that this asset would not be realized in the future.

For the year ended May 31, 2022, the Company recorded a net valuation allowance release of $485,270 on the basis of Management's reassessment of the amount of its deferred tax assets that are more likely than not to be realized. As of each reporting date, Management considers new evidence, both positive and negative, that could affect its view of the future realization of deferred tax asset. As of May 31, 2022, in part because the Company has achieved three years of cumulative pretax income, and Management has the ability and intent to utilize the deferred tax asset, Management determined that there is sufficient positive evidence to conclude that it is more likely than not that existing deferred taxes are realizable. It therefore reduced the valuation allowance as disclosed herein accordingly.

For the year ended May 31, 2022, the Company has no net operating losses.

The provision (benefit) for income taxes consists of the following for the year ended May 31, 2022:

	FY2022
Current income tax expense (benefit)	
Federal	190,672
State	38,327
Total current income tax expense (benefit)	**228,999**
Deferred income expense (benefit)	
Federal	5,672
State	(1,183)
Total deferred income tax expense (benefit)	**4,489**
Increase/(Decrease) in valuation allowance	(489,759)
Total income tax expense (benefit)	**(256,271)**

The reconciliation of the effective income tax rate consists of the following for the year ended May 31, 2022:

		Amount	Rate
Federal income tax expense	$	200,918	21.00%
Change in valuation allowance		(489,759)	-51.19
State income taxes		31,777	3.32
Permanent adjustments		8,857	.93
Change in blended state rate		(1,951)	-0.20
Other		(6,113)	-0.64
Provision to return		-	0.00
Total	$	(256,271)	-26.79%

11. Fair Value Measurements

The following table summarizes the Company's gross assets and liabilities that are reported at fair value according to the related hierarchy levels:

Fair Value Measurements on a Recurring Basis
As of May 31, 2022

	Level 1	Level 2	Level 3	Total
Assets:				
Foreign exchange contracts *		12,617,852		12,617,852
Total Assets		12,617,852		12,617,852
Liabilities:				
Foreign exchange contracts *		(12,617,852)		(12,617,852)
Total Liabilities		(12,617,852)		(12,617,852)

*Foreign exchange contract assets and liabilities are netted within Payable to Customers, net and either the Receivables from affiliates, net, or the Receivable from Broker, net, respectively on the Statement of Financial Condition (See Note 12 for further details).

The table below presents the carrying value, fair value and fair value hierarchy category of certain financial instruments that are not measured at fair value on the Statement of Financial Condition:

			Fair Value Measurements		
	Carrying Value	Fair Value	Quoted prices in Active Markets (Level 1)	Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Assets					
Cash	15,540,040	15,540,040	15,540,040		-
Cash held for customers	46,866,714	46,866,714	46,866,714		-
Receivable from Broker	22,746,071	22,746,071	-	22,746,071	-
Receivables from affiliates	1,338,245	1,338,245	-	1,338,245	-
Other assets	98,219	98,219	-	98,219	-
Total Assets	86,589,289	86,589,289	62,406,754	24,182,535	-
Liabilities					
Payables to customers	(54,089,950)	(54,089,950)	-	(54,089,950)	-
Payables to Parent and affiliate	(1,786,426)	(1,786,426)	-	(1,786,426)	-
Accrued expenses	(1,366,826)	(1,366,826)	-	(1,366,826)	-
Total Liabilities	(57,243,202)	(57,243,202)	-	(57,243,202)	-

12. Derivatives

The Company's foreign exchange contracts with its customers are derivative instruments.

The amounts that are reported within the Statement of Financial Condition are summarized below:

	Amounts Offset in the Statement of Financial Condition***			
	Fair value of gross derivative contracts**	Counterparty netting	Cash collateral	Net derivative contracts
Assets:				
Foreign exchange contracts *	12,617,852	(1,210,870)	(11,406,982)	-
Total assets	12,617,852	(1,210,870)	(11,406,982)	-
Liabilities:				
Foreign exchange contracts *	(12,617,852)	1,210,870	10,035,634	(1,371,348)
Total liabilities	(12,617,852)	1,210,870	10,035,634	(1,371,348)

*Derivative assets are included within Payable to Customers, net on the Statement of Financial Condition. Derivative liabilities are included within Receivables from affiliates, net, Receivable from Broker, net and Payables to Customers, net on the Statement of Financial Condition.

**Amounts include all derivative financial instruments irrespective of whether there is a legally enforceable master netting agreement or other similar arrangement in place.

***Amounts are reported on a net basis in the Statement of Financial Condition when master netting agreements exist, and the criteria are met in accordance with applicable accounting guidance on offsetting foreign exchange contracts. The customer and broker cash collateral amounts may exceed the related net amounts of derivative assets and liabilities presented in the Statement of Financial Condition. Where this is the case, the total amount reported is limited to the net amounts of derivative assets and liabilities.

The Company enters into back-to-back hedging contracts with its affiliate and a third-party broker, and therefore, the derivative contract realized and unrealized gains and losses net to zero.

The Company's derivatives have various underlying currencies. The table below summarizes the average number of contracts of the Company's derivative instruments as of May 31, 2022:

	Total contracts Q1	**Total contracts Q2**	**Total contracts Q3**	**Total contracts Q4**
Derivative Instruments Assets				
Foreign exchange contracts.	13,929	15,506	13,978	13,828
Total	**13,929**	**15,506**	**13,978**	**13,828**
Derivative Instruments Liabilities				
Foreign exchange contracts	13,929	15,506	13,978	13,828
Total	**13,929**	**15,506**	**13,978**	**13,828**

13. Stock-based compensation

IG Group offers certain employees of the Company participate in a share-based Long-term Incentive Plan ("LTIP"). The LTIP allows for the award of nominal cost options which vest after a three-year requisite service period. The fair value of each award is determined at the grant date and is expensed over the requisite service vesting period. These amounts are also recognized as non-cash capital contributions to the Company over the requisite service vesting period.

For LTIP awards, the fair value at grant date is determined by taking the share price on the grant date. An adjustment for the present value of future dividends is not required since dividend equivalents are awarded on options granted under the LTIP.

The maximum number of LTIP awards that can vest based on the awards granted as of May 31, 2022 are as follows:

Award Date	Share price at award date	Expected vesting date	Shares at the beginning of the year	Shares granted	Shares lapsed	Shares exercised	Dividend	Shares at the end of the year
8/7/2018	893.00p	8/7/2022	3,961			-4,839	878	0
8/6/2019	559.20p	8/6/2022	6,634					6,634
8/6/2020	734.00p	8/6/2023	4,935					4,935
8/6/2021	911.5p	8/2/2024		3,919	-3,919			0
		Total	15,530	3,919	-3,919	-4,839	878	11,569

The weighted average exercise price of all LTIP awards is 0.005 GBP.

The share-based compensation that was recognized in salaries and wages expense under this plan was $39,168 during the year ended May 31, 2022. As of May 31, 2022, accumulated equity under this plan totaled $11,066 and was recorded in Member's Equity in the Statement of Financial Condition. The Company reverses any share-based compensation expense recognized in previous periods when it becomes probable that those shares will not vest.

14. Commitments, Contingencies and Off-Balance Sheet Risk

Commitments

The Company enters into various commitments to purchase necessary services for its operations. Currently, the only commitment that the Company has entered into is an agreement with a vendor for bank account verification services. Management is not aware of material future minimum commitments as of May 31, 2022.

Contingencies

In the ordinary course of business, the Company may be subject to lawsuits, arbitration claims and other legal proceedings. The Company is also subject to inquiries, investigations, and other proceedings by regulatory and other governmental agencies. Finally, changes in federal legislation and regulatory rules could adversely impact the regulation and operations of the Company, which may negatively affect its operating results. Management cannot predict with certainty the potential outcome of any legal proceeding. However, management is not aware of any legal proceeding that would have a material effect of on these financial statements.

14. Commitments, Contingencies and Off-Balance Sheet Risk, *cont.*

Guarantees

An affiliate of the Company has registered with the NFA as an introducing broker. As part of this registration, the Company guaranteed this affiliate as an introducing broker, and therefore, is liable for all obligations of the affiliate according to the standard NFA terms set up for such an arrangement.

This guarantee can be cancelled with a 30-day advance notice. There are currently not any claims on this guarantee. The maximum amount of potential claims is not quantifiable. The Company has the right to reclaim any payment from its affiliate made under this guarantee. The Company's potential liability under this arrangement is not quantifiable and believes that they will not have to make any material payments under this arrangement due to the viability of its affiliate.

Off-Balance Sheet Risk

The Company hedges its customer contracts through a back-to-back hedging agreement with either an affiliate or a third-party broker. The hedging of customer contract balances through either counter-party creates a counter-party concentration risk for the Company. This concentration of large customer balances also creates a counter-party concentration risk to the Company. The Company has implemented various controls and procedures to mitigate and monitor these risks.

The Company is also subject to various market risks resulting from the conduct of their operations. Sudden market movements could potentially create either a significant unsecured customer receivable increase or a substantial decrease of the Company's adjusted net capital below the statutory minimum levels. The Company has implemented various controls and procedures to mitigate and monitor these risks.

Other Risk

The occurrence of unforeseen or catastrophic events, including the emergence of a pandemic, such as coronavirus (COVID-19), or other widespread health emergency (or concerns over the possibility of such an emergency), terrorist attacks, extreme weather events or other natural disasters, could create economic and financial disruptions, and could lead to operational difficulties (including travel limitations) that could impair our ability to manage the Company.

15. Employee Retirement Plan

The Company's Parent maintains a 401(k)retirement plan for the Company's employees. Qualified employees may make elective contributions according to the terms of the plan. The Company currently matches 50% of the first 6% of employee contributions. The matching contributions fully vest 2 years after the inception of their employment. Most of the company's employees are eligible to participate in this plan.

16. Employee Stock Purchase Plan

IG Group offers an Employee Stock Purchase Plan that invites its employees to purchase IG Group stock. In general, participants may elect to have up to 5 percent of their wages withheld over a 6-month period. At the end of the 6-month period, the employee's withholding can be used to purchase IG Group stock at a 15 percent discount below the lower of the first or last day's closing price during the 6-month period.

17. Regulatory Capital Requirements

The Company is subject to CFTC Regulation 5.7 and NFA Section 11. Under applicable provisions of these rules and regulations, the Company is required to maintain a minimum adjusted net capital balance of $20.0 million, plus 5% for all liabilities owed to retail customers and third-party eligible contract participants not registered as a dealer that exceed $10 million, and 10% of all liabilities that are owed to an eligible contract participant that is registered as a dealer and/or are an affiliate to the Company, as defined in the rules and regulations. As of May 31, 2022, the Company had adjusted net capital of $32,839,594, a net capital requirement of $21,649,652, and excess net capital of $11,189,942.

18. Subsequent Events

The Company's management has evaluated subsequent events through August 1, 2022, the issuance date of the financial statements for the year ended May 31, 2022. Based on this evaluation, the Company has determined that there are not any events required to be disclosed.