IG Group × UNDERDOG

ESTABLISHING IG GROUP AS

A LEADER IN PREDICTION MARKETS

ACQUISITION OF UNDERDOG –
TRANSFORMING IG'S FUTURE

UNDERDOG
DRIVING A STEP-CHANGE IN IG'S GROWTH PROFILE

IG Group × UNDERDOG

1

Entering a high-growth product adjacency

US prediction markets across sports, financial markets, culture and politics – diversifying revenue and advancing the convergence of trading, investing and entertainment, scalable through IG globally

2

An expanded, complementary customer base

c.1 million mobile-first monthly active users already comfortable with event-based, short-duration financial risk

3

A valuable, integrated licence stack and infrastructure

Giving full control over product and user experience, economics and risk management across DFS and prediction markets

4

Structured for disciplined value creation

Upfront consideration based on a $1.1bn enterprise value and earnout of up to c.$200m. Separate management incentive plan tied to performance of up to $850m

5

A strong long-term return profile

Broadly neutral to adjusted EPS in year one and double-digit % accretive by year three; ROIC to exceed IG's WACC by year three[1]; raises IG's total revenue growth rate above standalone guidance of at least 10% beyond 2026[2]

The Acquisition, IG's proposed redomicile and refreshed organisational structure are the key outcomes of the strategic review announced on 19 March – IG's refreshed strategy to be presented at a Strategy Update in London on 22 October.

1. Adjusted EPS accretion is based on Underdog's US GAAP profit after tax and IG Group's adjusted profit after tax, divided by IG Group's pro forma share count. Adjusted EPS accretion and ROIC excludes the amortisation of acquisition-related intangible assets and material non-underlying items, together with the related tax effects, including potential non-recurring management incentive plan payments.
2. IG's standalone guidance is for an organic total revenue CAGR of at least 10% beyond 2026 from a 2025 base of approximately £1,100 million.

UNDERDOG
A PROVEN, FAST-GROWING, HIGHLY SCALABLE PLATFORM

IG Group × UNDERDOG

$466M
LTM Jun 2026 net revenue; 21% y/y[1]

#3 position
in US prediction markets by volume[2]

>950K
LTM Jun 2026 MAU[3]; 39% y/y

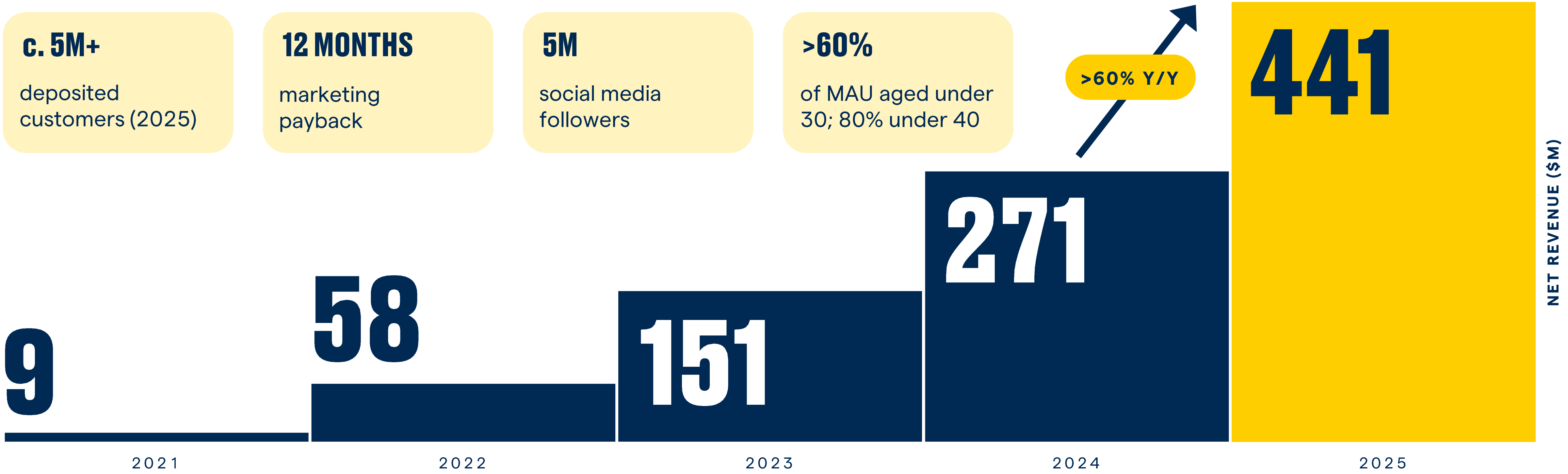
11M+
total registered users

c. 5M+
deposited customers (2025)

12 MONTHS
marketing payback

5M
social media followers

>60%
of MAU aged under 30; 80% under 40



1. Net revenue stated in US GAAP.
2. Based on US regulated notional volume flow in prediction markets and DFS combos since Underdog launched prediction markets in September 2025.
3. Average monthly active users.

WITH A LARGE US CUSTOMER BASE ACQUIRED EFFICIENTLY

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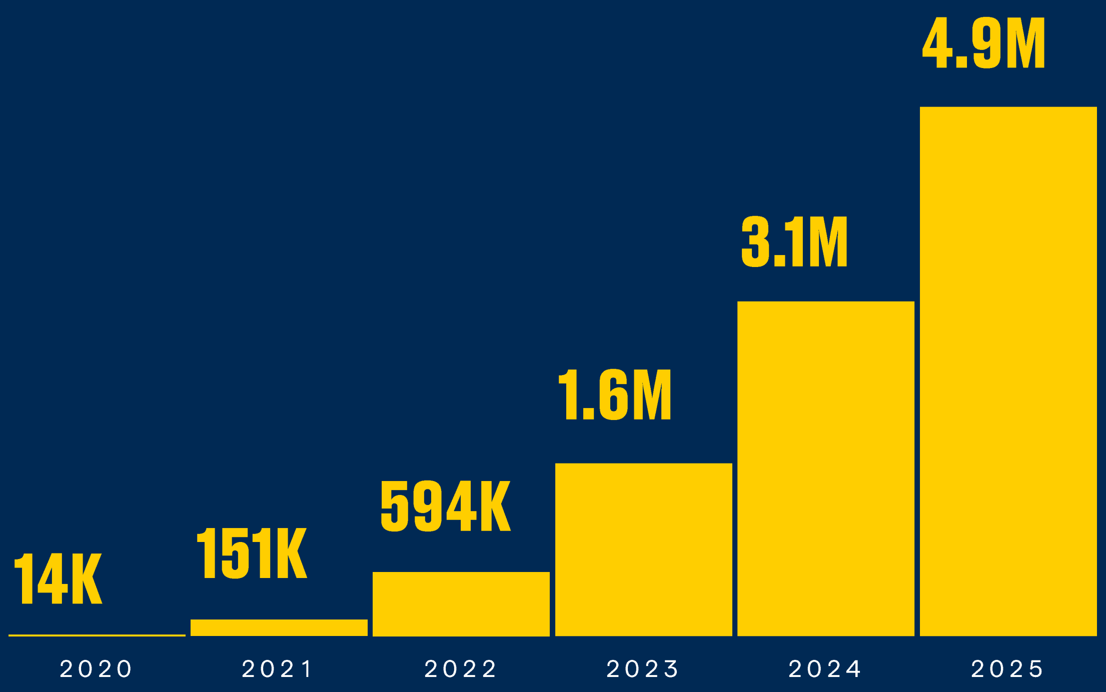
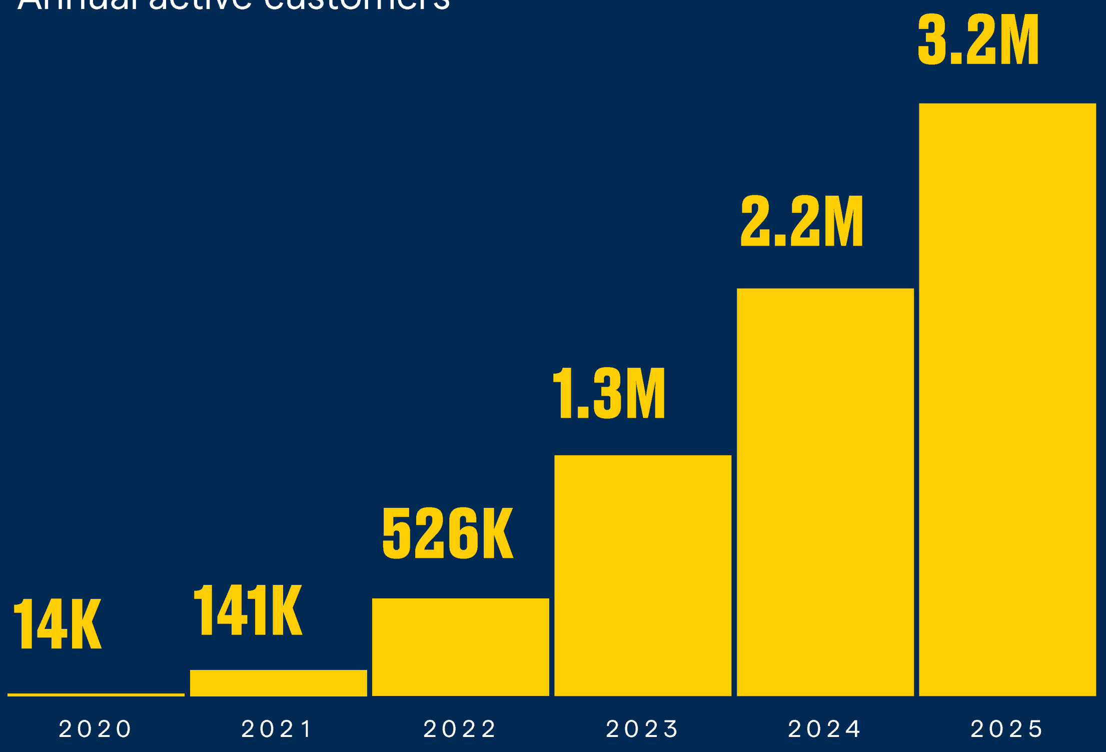
Cumulative deposited customers

Year-end cumulative deposited customers



Active customers (transacting)

Annual active customers



PREDICTION MARKETS TRANSFORM UNDERDOG'S OPPORTUNITY

IG Group × UNDERDOG

Leading daily fantasy sports player in the US with a step-change growth opportunity through prediction markets

THE FOUNDATION

Daily fantasy sports powered Underdog's growth

- A proven leader in daily fantasy sports that is highly attractive to users in a competitive market
- Skill contests on athlete statistics – treated as a game of skill, legal in most states and pre-dating legal online sports betting
- DFS format caps the sports offering at around a third of what customers want

1

THE POTENTIAL

Entry to large, fast-growing prediction markets with a valuable licence stack

- Owns the full prediction-markets stack – FCM (brokerage), DCM (exchange) and DCO (clearing house)
- Unlocks the complete sports offering via CFTC-regulated event contracts
- One of only three vertically integrated players competing meaningfully in sports

2

THE PRODUCT

One platform, daily fantasy sports + prediction markets

- Singles, parlays / accumulators and patented DFS–prediction combos in a single slip
- Full sports-trading capability, beyond the constraints of DFS
- Sports-first – opportunity to expand into crypto, financial markets, politics and culture

3

A STEP-CHANGE IN GROWTH ALREADY UNDERWAY

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SEPT 2025	NOV 2025	MAR 2026	APR 2026	JUL 2026	SEPT 2026
LIMITED PREDICTION MARKETS LAUNCH	EXPANDED TO 30 STATES WITH PARLAYS	BUILD OUT OF THE UNDERDOG PROPRIETARY EXCHANGE	LAUNCH OF BROKERAGE	LAUNCH OF THE UNDERDOG PROPRIETARY EXCHANGE	FULL EXCHANGE OFFERING AND INTERNALISATION OF ECONOMICS

$369
Monthly handle per active user
+53% YoY

836K
Monthly active users
+64% YoY

$174M
Baseball handle
+3.4x YoY

$47M
Tennis handle
+8.2x YoY

$46M
EBITDA
+292% YoY

All metrics are full Q2 2026 figures, except tennis and baseball handle, which are quarter-to-date as at May 2026.

PREDICTION MARKETS ARE GROWING RAPIDLY – SPORT IS THE KEY DRIVER

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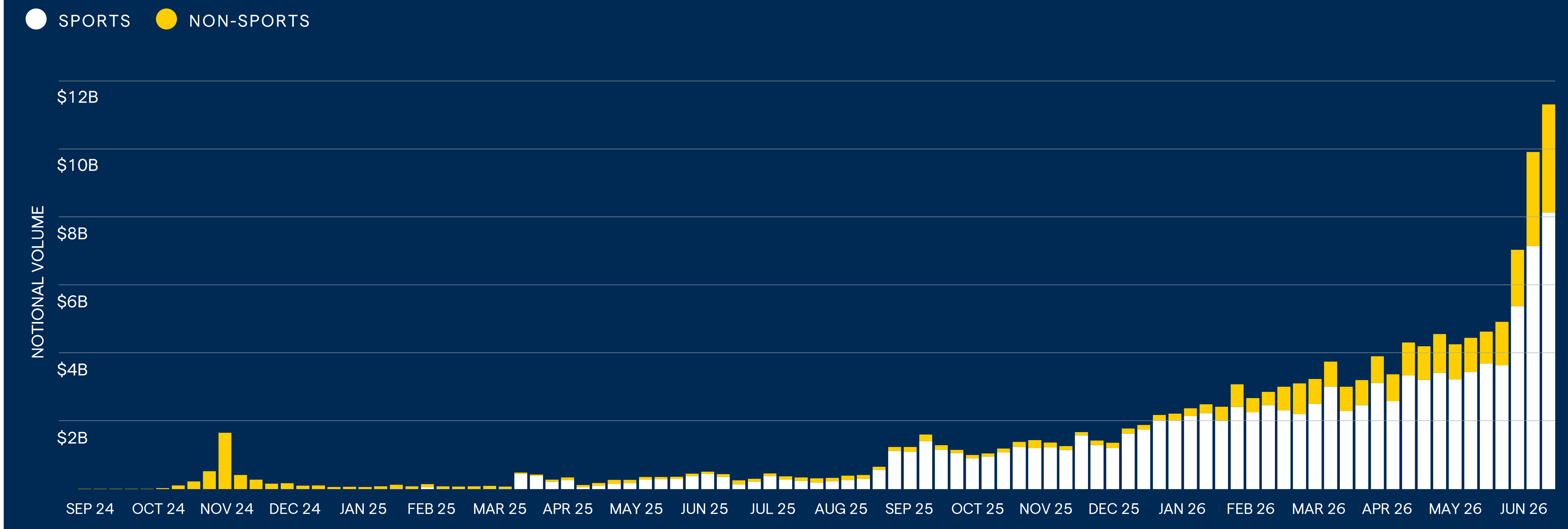
Kalshi prediction markets weekly notional volume[1]



1. Company reports.

SPORT DOMINATES PREDICTION MARKETS
UNDERDOG IS BUILT FOR SPORT

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SPORTSBOOKS

FANDUEL

DRAFT KINGS

Fanatics

PRIZEPICKS

UNIQUELY POSITIONED TO WIN

Deep sports expertise

Product innovation focus

Large, sports-first customer base

Fast, real-time, skill-adjacent risk-taking

Zero-friction migration – wallets, KYC and brand

Mobile-native 20-40s demographic

11m+ registered users and 5m+ funded accounts, growing rapidly

Non-sports contracts extend Underdog's engagement into crypto, financial markets, culture and politics

TRADING PLATFORMS

Kalshi

Polymarket

Robinhood

coinbase

IG Group × UNDERDOG

THE BEST SPORTS EXPERIENCE

A RAPID PATH TO

CATEGORY EXPANSION BEYOND SPORTS

58% OF UNDERDOG CUSTOMERS HAVE TRADED INDIVIDUAL STOCKS

46% OF UNDERDOG CUSTOMERS HAVE TRADED CRYPTO PREVIOUSLY

42% OF UNDERDOG CUSTOMERS SAID THEY LIKE TO FUND THEIR UNDERDOG WALLETS WITH CRYPTO

A PROVEN, FOUNDER-LED MANAGEMENT TEAM

IG Group × UNDERDOG

A founder-led team with a track record of product excellence and scaling sports entertainment and fintech businesses

JEREMY LEVINE
Co-Founder & CEO

Founded DRAFT (sold to Paddy Power Betfair, now Flutter) & StarStreet (sold to DraftKings)

BRANDON STAKENBORG
Co-Founder & CPO

Early team at DRAFT

NICK LUNDGREN
CLO

Ex-CEO at OG.com
Ex-CLO at Crypto.com

WESTON JOSSEY
CTO

Founded Eager Labs
Ex-Sr. Director of Engineering at GoodRx

NATE WOJCIK
COO

Ex-Sr. Director of New Verticals at DoorDash
Ex-Investment Banking at Goldman Sachs

JAKE WILLIAMS
Chief Strategy Officer

Former COO at PointsBet
VP Business & Legal Affairs at Sportradar

WILL TWINN
Chief Trading Officer

Former VP of Risk & Trading at FanDuel
13 years of experience at Flutter

A SHARED OBSESSION WITH CUSTOMERS, PRODUCT AND INNOVATION

RELATIONSHIP BETWEEN IG AND UNDERDOG'S SENIOR LEADERSHIP HAS DEVELOPED OVER MANY YEARS

IG GROUP CEO BREON CORCORAN HAS A PERSONAL INVESTMENT OF APPROXIMATELY 0.4% OF UNDERDOG'S SHARE CAPTIAL[1]

HIGH PERFORMANCE CULTURE HAS DELIVERED RAPID PRODUCT VELOCITY

1. The IG Group Board unanimously supports the transaction which it believes to be in the best interests of IG shareholders. Breon Corcoran disclosed to the Board at the outset of the transaction that he holds a personal investment in Underdog, amounting to, in aggregate, approx. 0.34% of the fully diluted issued share capital of Underdog, via certain preferred shares (approx. 0.30%) and options (approx. 0.04%). These investments were acquired in March 2021 and January 2023 respectively and therefore prior to his appointment as CEO of IG Group in December 2023. The Board noted his interests and approved his involvement in the negotiation of the transaction. In respect of each of his preferred shares and options, Breon Corcoran will receive identical consideration (comprising a mix of IG ordinary shares and cash) to other security holders of the same class in Underdog. Although also strongly supportive of the transaction in his capacity as CEO of IG Group, due to his interests in Underdog, Breon Corcoran recused himself from the Board's formal approval of the transaction.

A STRONG FIT WITH IG'S STRATEGY WITH COMPELLING COMBINED OPPORTUNITIES

IG Group × UNDERDOG

	PRODUCT	CULTURE	EFFICIENCY
ALIGNED WITH IG'S STRATEGIC PRIORITIES	✓ Closes a gap in high-growth, adjacent category ✓ Broadens appeal to a younger demographic ✓ Reinforces IG's convergence thesis	✓ A shared obsession with customers and product ✓ Laser focus on product velocity ✓ Strong culture of ownership and accountability	✓ Highly scalable platform ✓ Capital synergies from a shared balance sheet ✓ Cost synergies from shared product engineering, marketing capabilities and regulatory licences
COMBINED OPPORTUNITIES	✓ Unlocks a large, risk-taking, mobile-first user base ✓ Revenue synergies from multi-product relationships across complementary customer bases ✓ Highly accessible UX, scalable across IG	✓ Innovation-led operating culture ✓ Two-way talent and best-practice exchange ✓ IG's compliance capability frees Underdog to move fast	✓ Expands via tastytrade in US and globally via IG over time ✓ Exceptional engineering, scope for best practice exchange across IG ✓ Faster route into perpetual futures market opportunity

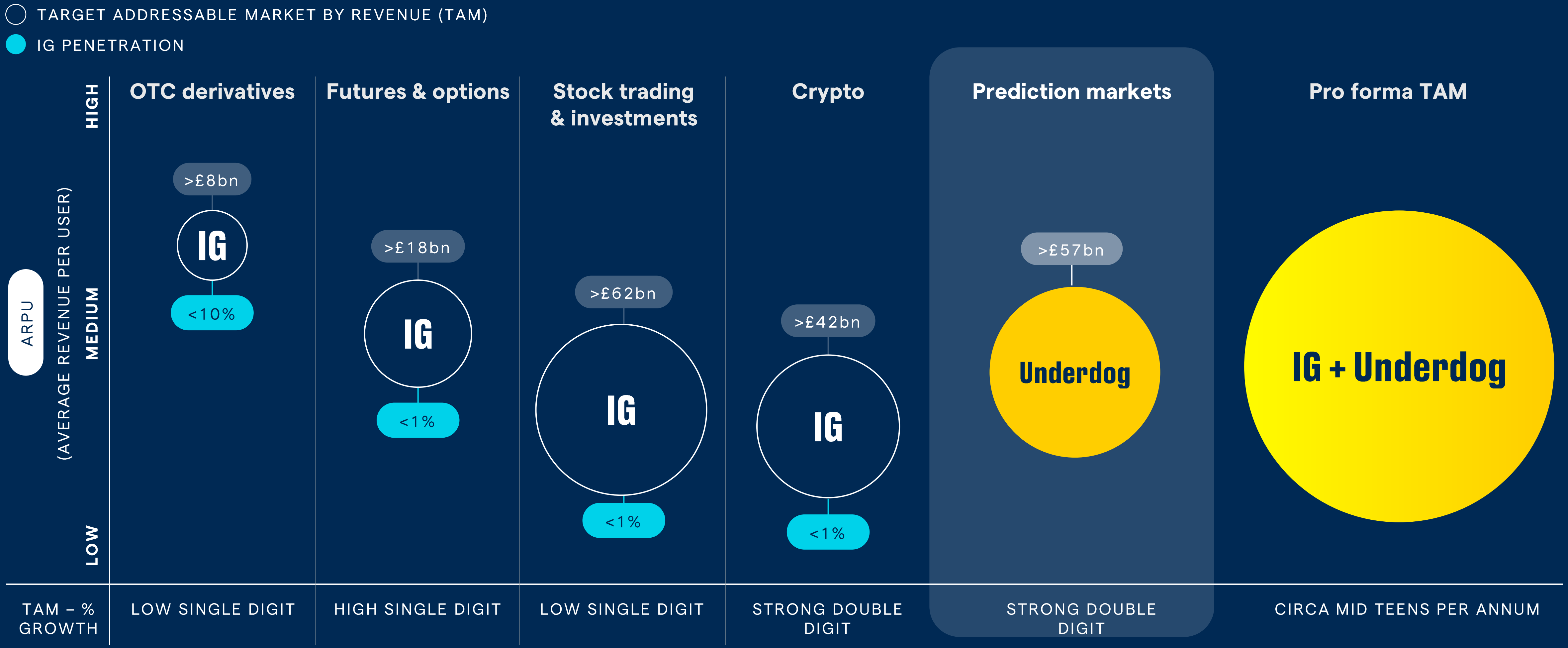
Significant cross sell opportunity across Underdog and IG platforms[1]

- 30% of online sports gamers trade options and futures, 42% trade crypto and 58% trade stocks
- 44% of options & futures traders trade on sports prediction markets and 63% engage in sports betting

1. Norstat survey of 1,202 online sports gamers and 1,095 options and futures traders in the United States (July 2026).

UNDERDOG MATERIALLY BROADENS IG'S TAM AND GROWTH POTENTIAL

IG Group × UNDERDOG



BCG estimates for the global retail opportunity. OTC derivatives includes CFDs, spread bets and options as of July 2025. Crypto trading includes cash trading, derivatives and investments. Prediction markets volume at maturity: E&K Gaming. Conversion of notional volume to Handle and gross gaming revenue yield applied to Handle: internal estimates.

UNDERDOG TRANSFORMS IG'S SCALE AND REACH IN THE US

IG Group × UNDERDOG

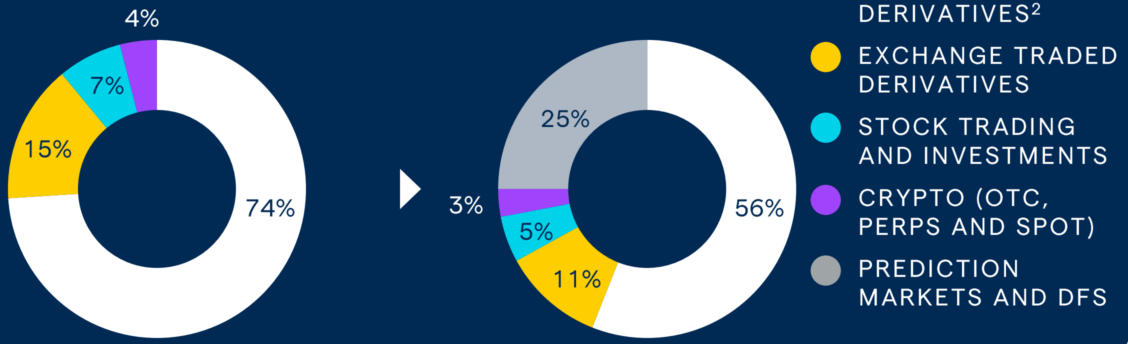
Adds a fast-growing new product vertical and broadens IG's demographic

Doubles IG's US revenue[1]

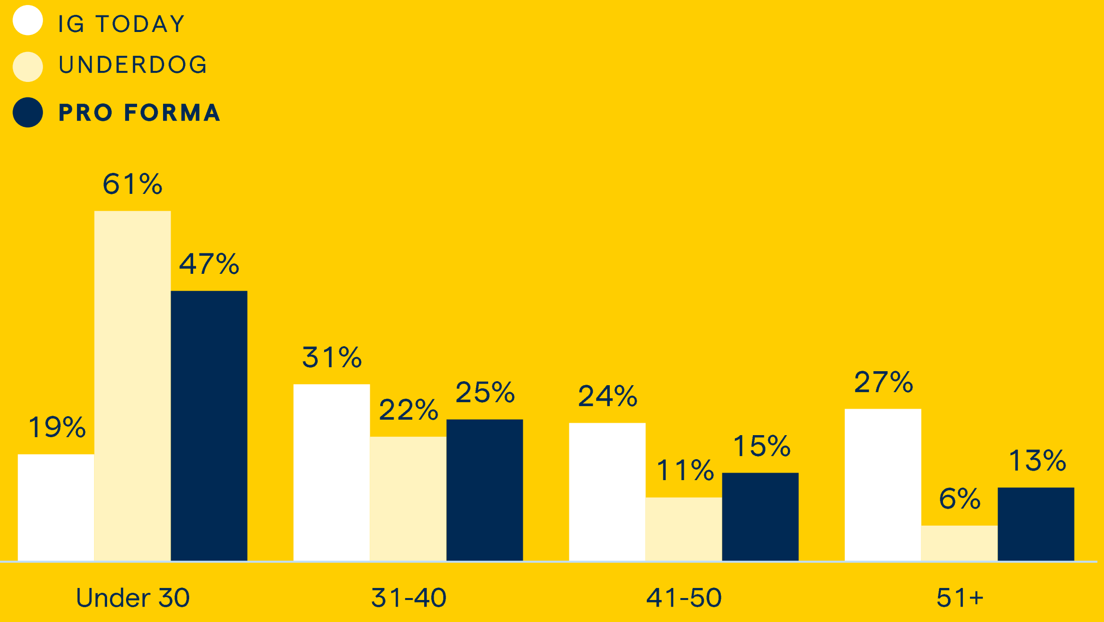
Standalone: US: 22% (£248m) **Pro forma:** US: 40% (£582m)

Standalone:

Pro forma:



Broadens IG's demographic (% of average MAU[3])



Over 60% of Underdog customers are aged under 30 and over 80% are under 40 – lowering IG's average customer age from c.42 to c.34 on a pro forma basis.

1. Pro forma 12 months ended 31 December 2025. Underdog net revenue converted from USD to GBP using an FX rate of 1.319. US v non-US presented on a total revenue-basis, product-level split on net trading revenue.
2. All OTC derivatives excluding crypto.
3. MAU = monthly average active users (data as at end May 2026).

TRANSACTION STRUCTURE – MATERIAL CONTINGENT CONSIDERATION

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	Midpoint of earnout and MIP	Maximum payment on strong outperformance		
Total consideration	Upfront consideration **$1.1BN**	Upfront consideration **$1.1BN**	• Enterprise value for 100% of Underdog paid at closing	Paid to Underdog shareholders
	2026 earnout **$100M**	2026 earnout **$200M**	• Payable based Underdog's 2026 net revenue and conditional on positive Underdog EBITDA • 2026 earnout scales linearly across $533-600m of net revenue, capped at $200m	
Management incentive plan	**$425M**	**$850M**	• The maximum total commitment would require Underdog to deliver EBITDA of at least $400 million in 2028[1] and $700 million in 2029[2] • MIP self funded by Underdog's earnings	Performance based compensation to Underdog management

1. 2028 MIP scales linearly across $140-400 million of 2028 EBITDA, capped at $350 million.
2. 2029 MIP: $1.45 per $1 of 2029 EBITDA from $278-416m (c.$200 million in MIP), plus $0.54 per $1 of 2029 EBITDA from $416-600 million (c.$100 million in MIP), plus $2 per $1 of 2029 EBITDA from $600-700 million (c.$200 million in MIP).

TRANSACTION STRUCTURE – SOURCES OF FUNDS

IG Group × UNDERDOG

Upfront consideration **$1.1BN**	• **Approximately 60% settled from the issue of new IG ordinary shares** – number of shares based on 30-day VWAP prior to signing of the merger agreement	• **Approximately 40%** cash consideration funded initially via a bridge facility	Consideration to Underdog shareholders
2026 Earnout[1] Midpoint: **$100M** Maximum: **$200M**	• Payable in early 2027, subject to 2026 net revenue and contingent on positive Underdog 2026 EBITDA	• Expected to be paid in cash - initially bridge-funded[2]	
MIP Midpoint: **$425M** Maximum: **$850M**	• Underdog founders, founders Jeremy Levine and Brandon Stakenborg will have 50% of their 2029 MIP payout settled in IG shares rather than cash[3]	• Other than 2029 portions to be settled in shares, MIP expected to be paid in cash[4]	Performance based compensation to Underdog management team

Credit and capital impact

- IG committed to an investment-grade rating
- Pro forma gross leverage <2.0x at end-2026, deleveraging thereafter
- Pro forma solvency ratio within IG's 160-200% target range at end-2026

1. 2026 Earnout payable on a straight-line basis between net revenue of $533 million and $600 million and capped at $202m.
2. IG has the option to part-settle in new IG ordinary shares, valued on the 30-day VWAP before the amount is set.
3. The number of shares will be fixed by reference to the 30-trading-day volume-weighted average price of IG Shares ending on the date that the applicable MIP payouts are determined.
4. IG may elect to settle the MIP (in whole or in part) by issuing new IG ordinary shares.

TRANSACTION STRUCTURE – ALLOCATION, LOCK-UPS AND CLOSING

IG Group × UNDERDOG

INITIAL STOCK - FOUNDERS

- Underdog's founders receive, in aggregate, **c.1.5%** of IG's enlarged share capital on closing
- Shares subject to contractual vesting and lock-up restrictions from closing
- Founder’s holdings subject to lock-ups
- Share awards contingent on continued employment

INITIAL STOCK - OTHER SHAREHOLDERS

- Certain institutional shareholders receive, in aggregate, **c.3%** of IG's enlarged share capital on closing, subject to lock-up restrictions for a period of six months
- Other smaller shareholders receive, in aggregate, **c.3%** of IG's enlarged share capital on completion, generally not subject to lock-up arrangements

CLOSING

- Closing expected in late 2026 or early 2027, subject to regulatory and antitrust clearance

STRATEGICALLY AND FINANCIALLY COMPELLING ACQUISITION

IG Group × UNDERDOG

Delivers the vision set out in IG's strategic review, positioning the Group at the centre of a structural convergence across trading, investing and entertainment – accelerating IG's standalone growth profile and increasing long-term shareholder value

STRONG STRATEGIC FIT

- Category leadership in a structural growth market
- Accelerates IG's strategy – adds millions of engaged users, years faster and cheaper than building organically
- Adds uncorrelated revenue and highly accessible UX, deployable across IG's ecosystem
- Vertically integrated US licence stack and market infrastructure delivers full product control and attractive economics

ATTRACTIVE RETURN PROFILE

- Value accretive
- Strengthens long-term competitiveness and cash generation
- Progressive dividend per share policy maintained

LOW EXECUTION RISK

- Incentives aligned – stock consideration, earnout and lock-ups and MIP align Underdog management with IG shareholders
- Low execution risk – Underdog operates as a commercially standalone business
- IG and Underdog management have a strong track record of execution

OUTLOOK
UNDERDOG CATALYSES IG'S GROWTH

IG Group × UNDERDOG

The Acquisition is expected to accelerate IG's standalone revenue, EBITDA and adjusted earnings per share growth over the medium term, and to broaden the Group's addressable market through Underdog's fast-growing, uncorrelated revenues

CATALYSES ORGANIC REVENUE GROWTH

- IG's standalone guidance unchanged: at least 10% organic total revenue CAGR over the medium term from a 2025 standalone base of approximately £1,100m
- Acquisition expected to accelerate the combined Group's revenue growth above this level, driven by a stronger double-digit revenue CAGR from Underdog

PRO FORMA EARNINGS GUIDANCE

- Acquisition expected to be broadly neutral to adjusted EPS in year one and double-digit percent accretive by year three[1]
- Return on invested capital expected to exceed IG's weighted average cost of capital by year three[1]

BALANCE SHEET AND CAPITAL ALLOCATION

- Pro forma gross debt to EBITDA <2.0x at end-2026, deleveraging thereafter – IG remains committed to retaining an investment grade rating.
- Pro forma solvency ratio within the mid-point of IG's 160-200% target range at end-2026
- Dividend policy unchanged; share buyback paused and expected to resume in 2027 subject to redomicile completion, share price performance and other demands on capital

1. Adjusted EPS accretion is based on Underdog's US GAAP profit after tax plus IG Group's adjusted profit after tax, divided by IG Group's pro forma share count. Adjusted EPS accretion and ROIC excludes the amortisation of acquisition-related intangible assets and material non-underlying items, together with the related tax effects, including potential non-recurring management incentive plan payments.

UNDERDOG
DRIVING A STEP-CHANGE IN IG'S GROWTH PROFILE

IG Group × UNDERDOG

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Broadly neutral to adjusted EPS in year one and double-digit % accretive by year three; ROIC to exceed IG's WACC by year three[1]; raises IG's total revenue growth rate above standalone guidance of at least 10% beyond 2026[2]

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2. IG's standalone guidance is for an organic total revenue CAGR of at least 10% beyond 2026 from a 2025 base of approximately £1,100 million.

IG Group × UNDERDOG

H1 2026 HIGHLIGHTS

OUR STRATEGY IS DELIVERING – UNDERDOG ACCELERATES IT

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STRONG NEW CUSTOMER ACQUISITION

Driving compounding active customer growth – up +13% y/y organically in H1 2026 y/y – with deeper multi product relationships

+74%
organic first trades
H1 2026 y/y

BROAD-BASED REVENUE GROWTH

Enhanced product velocity, disciplined marketing spend and supportive market conditions drove strong organic revenue growth

+17%
organic total revenue
H1 2026 y/y

SUSTAINING STRONG MARGINS

H1 2026 EBITDA margin strong at 44% - investment and strategic review related costs partly offset by lower cost to serve

44%
EBITDA margin
H1 2026

UNDERDOG TRANSFORMS IG'S GROWTH

Proposed acquisition transforms our US footprint and accelerates IG's standalone revenue, EBITDA and EPS growth

+21%
adjusted EPS growth
H1 2026 y/y

STRATEGIC REVIEW SUBSTANTIALLY COMPLETE

Redomicile, refreshed organisational structure and Underdog acquisition substantially complete IG's strategic review – refreshed strategy, capital allocation framework and guidance to follow at the Strategy Update on 22 October 2026

UNDERDOG COMPLEMENTS AND ACCELERATES IG'S PROGRESS TO-DATE AND TRANSFORMS OUR FUTURE

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Q&A

ACQUISITION OF UNDERDOG

IG Group × UNDERDOG

APPENDIX

WHAT IS DAILY FANTASY SPORTS?

2006 US law[1] exempted DFS from online gambling restrictions as a game of skill – most states still treat DFS this way

Drafts DFS:
draft a team of athletes within a fixed budget; highest combined score over the tournament wins

Pick'em DFS:
pick higher/lower on 2-6 player projections (e.g. LeBron James over 27.5 points and Patrick Mahomes over 275.5 passing yards) – all picks must hit to win

Players pay an entry fee in both formats – Drafts winners determined by highest total score; Pick'em winners receive a fixed payout for a correct set of picks

1. UIGEA: Unlawful Internet Gambling Enforcement Act.

UNDERDOG WAS BUILT IN DFS
NOW GROWING FAST IN PREDICTION MARKETS

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	DAILY FANTASY SPORTS Underdog's heritage	PREDICTION MARKETS Underdog's present and future	ONLINE SPORTS BETTING Underdog not present
FORMAT	Skill contests on real athlete stats	Derivatives on future real-world events	Bets on sport outcomes
LEGAL POSITION	Legal in most states, pre-dates legal OSB	CFTC-regulated	State-by-state since 2018 PASPA[1] repeal
ADDRESSABLE STATES	c.45	c.50	c.38
MARKET STRUCTURE	Peer-to-peer exchange and vs. house	Peer-to-peer exchange	Player vs. house
REVENUE MODEL	Commission on entries; carries risk	Commission on volume; no market risk[2]	Principal; earns hold, carries risk
ANNUAL REVENUE POOL & GROWTH[3]	$9bn; 13% CAGR 2025-30	$76bn; 35% CAGR 2025-33	$18bn; 11% CAGR 2025-30
UNDERDOG POSITION	#2 by revenue	Launched Sept 2025	No presence
KEY PLAYERS	PrizePicks, Sleeper, Betr	Kalshi, Polymarket, Robinhood	DraftKings, FanDuel, BetMGM

1. PASPA: Professional and Amateur Sports Protection Act (repealed 2018).
2. Market makers on the exchange take market risk.
3. DFS estimates from Bernstein (April 2026), online sports betting estimates from Grand View Research (July 2026); Prediction markets volume at maturity: E&K Gaming. Conversion of notional volume to Handle and gross gaming revenue yield applied to Handle: internal estimates.

ONE PLATFORM SPANNING DFS AND PREDICTION MARKETS

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DFS

Relatively narrow product offering

DRAFTS | COMBOS | PICK'EM CONTESTS

- Players build line-ups or pick over/under on player stats
- Regulation limits the format – pick'em must combine 2+ players across 2+ teams
- Client funds held separately; operator manages payout liability

PREDICTION MARKETS

A regulated venue enabling a full range of sports-outcome contracts alongside real-world events

SINGLES

- Trade one outcome (e.g. Cowboys beat the Eagles)
- Offered on Underdog's exchange, or routed through other exchanges to optimize customer experience and margins

PARLAYS

- One slip combining several outcomes – all legs must win to pay out
- Removes DFS combination limits on same-team, multi-team and multi-player parlay picks

COMBOS

(DFS + prediction markets)

- A single position blending a DFS line-up with a prediction-market outcome
- Patented format, unique to Underdog

NEW GAME FORMATS BRACKETS, BOOM OR BUST, TOURNAMENT & POOL GAMES AND NON-SPORTS, ETC.

Offering currently focused on sports – expanding to crypto, financial markets, macro events, politics and culture

FROM RENTING ACCESS TO FULL VERTICAL INTEGRATION

Underdog moves from routing trades through a third-party exchange to owning the market infrastructure – capturing economics at every layer as one of only three full-stack, sports-focused operators

LEGACY

Operates DFS directly and offers prediction markets by routing trades to a third-party exchange

Underdog

Daily Fantasy Sports
Operated directly

Prediction markets
via third-party exchange (Kalshi)

Prediction-market economics shared with a third party

NOW LIVE – UNDERDOG OWNS THE ENTIRE STACK

The full prediction-markets infrastructure brought in-house, under one roof

1 **Customer trades on Underdog's broker**
The front-end where customers hold funds and place trades (FCM licence)

2 **Underdog's exchange matches the trade**
Lists contracts and matches buyers and sellers, with Underdog's own market maker providing prices and liquidity (DCM licence)

3 **Underdog's clearing house settles it**
Settles, clears and finalises every trade (DCO license)

Daily Fantasy Sports
Retained as optionality in states where licenses or exemption from licensing remains

FULL-STACK OWNERSHIP IS THE DIFFERENTIATOR.

Underdog is one of only three sports-focused operators (with Kalshi and Robinhood) to combine all three licences – broker, exchange and clearing with in-house market-making.

Owning every layer captures economics end-to-end and gives full control of pricing and product.

A VALUABLE, INTEGRATED LICENCE STACK UNLOCKS THE NEXT PHASE OF GROWTH

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UNDERDOG TODAY

Delivering strong growth,
despite a relatively restrictive DFS format

DFS

Confined to the "game of skill" carve-out – limits offering to around a third of what customers want

UNDERDOG'S FUTURE

Prediction markets transform the opportunity

FCM THE BROKERAGE

Takes customer orders, holds collateral, routes orders to the exchange

DCM THE EXCHANGE

CFTC-licensed to list and match event contracts

DCO THE CLEARING HOUSE

Holds posted collateral and settles contracts at resolution

Order flow → the same order across brokerage → exchange → clearing, within Underdog's ecosystem

OWN THE FULL STACK (UNDERDOG)

- ✓ Captures economics at every layer – brokerage, matching and clearing – rather than "renting access"
- ✓ Controls what lists and when; not dependent on a third-party roadmap
- ✓ Owns the full order flow and its data – not just its own slice of the book
- ✓ Holding all three licences is valuable in a dynamic industry

VS

BROKER / DISTRIBUTOR ONLY (TYPICAL MODEL)

- ✗ Revenue leaks to the exchange, clearing house and other market infrastructure providers it routes through
- ✗ Tied to a third party's listing decisions and product timetable
- ✗ Sees only its own orders, not the full market
- ✗ Replaceable at the venue's discretion

Full ownership of the license stack and infrastructure – a nationwide sports offering via event contracts across c. 50 states under one regulatory regime, extending into crypto, financial markets and culture.

EVOLUTION OF UNDERDOG'S REVENUE MODEL

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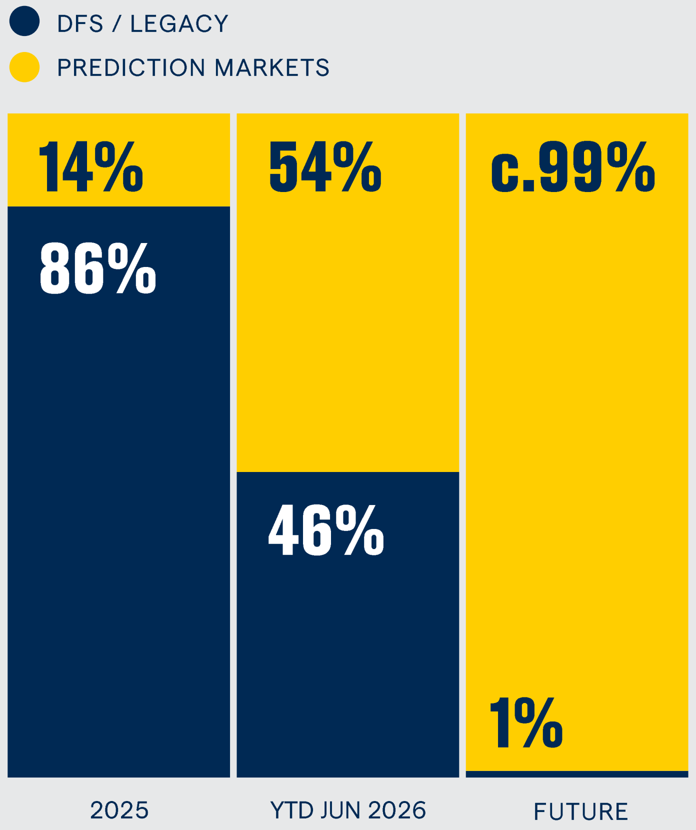
DAILY FANTASY SPORTS (DFS) REVENUE MODEL

Formula reference	DFS line item	Description
A	**Handle**	Total dollars wagered
B	**Take rate %**	Adjusts for users' winnings
AxB=C	**Gross gaming revenue**	Total dollars generated after paying out winnings
D	**Bonusing %**	Promotions, bonuses, and credits spend to acquire customers
CxD=E	**Net Gaming Revenue**	Net dollars generated after accounting for bonusing

PREDICTION MARKETS BUSINESS MODEL[1]

Formula reference	PM line item	Description
A	**Contracts traded**	Total contracts traded by customers
B	**Payout per contract**	Typically $1 per contract
AxB=C	**Notional Volume**	Total volume traded
D	**Taker Fee**	Fee charged by Underdog per contract to customers
E	**Maker Fee**	Fee charged by Underdog per contract to market makers
D+E=F	**Exchange Revenue**	Total dollars generated from facilitating trading

UNDERDOG'S HANDLE IS SHIFTING FAST TO PREDICTION MARKETS



1. Underdog can also route to third-party exchanges or use its own market maker for liquidity, giving different revenue-capture dynamics.

REGULATORY OUTLOOK

IG Group × UNDERDOG

A federal framework for events contracts opens a large, fast-growing opportunity, anchored by a leading daily fantasy sports franchise, with the performance-based consideration underpinning valuation

CURRENT LEGAL LANDSCAPE

- Exchange-traded sports contracts trade nationally under the CFTC framework – driving rapid sector growth since 2024
- Contested by 16 states, mainly against exchanges including Kalshi and brokers; potential remedies are injunctive relief, disgorgement and civil penalties
- The CFTC is defending its jurisdiction

Around 50 US states accessible under the CFTC federal framework for events contracts

VALUE PROTECTED BY STRUCTURE

Total commitment is largely performance-based – value holds up whichever way regulation settles given a strong DFS position

Performance-based consideration and incentivisation
Earnout and MIP crystallise only as Underdog delivers, aligning the bulk of the total commitment with performance achieved

Valuation underpinned by DFS rails
A proven fast-growing $400m+ net revenue DFS business provides a revenue floor and strong growth opportunity

Established regulatory reach
IG's regulatory credentials and Underdog's DFS licences, state relationships and government-affairs capability

UNDERDOG HISTORICAL P&L

IG Group × UNDERDOG

12 MONTHS ENDING 31 DECEMBER ($M UNLESS STATED) US GAAP	H1 2026	2025	2024	2023
Net revenue	250.1	441.2	271.2	151.4
EBITDA	59.6	(52.8)	(60.3)	(55.5)
Average monthly active users ('000)	952.5	835.7	577.8	320.2
Cumulative deposit customers ('000)	5,500	4,900	3,100	1,600