

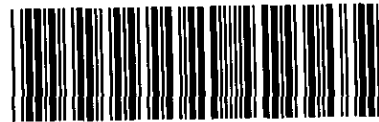
Registration number: 01796065

# Refinitiv UK Holdings Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2020

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## **Refinitiv UK Holdings Limited**

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## **Refinitiv UK Holdings Limited**

### **Strategic Report for the Year Ended 31 December 2020**

The Directors present their strategic report and the audited financial statements for the year ended 31 December 2020.

#### **Definitions**

As used in this annual report, the "Group" and "Refinitiv" refers to Refinitiv Holdings Limited and its subsidiary undertakings, including joint ventures and associates. The "Company" refers to Refinitiv UK Holdings Limited.

"LSEG" refers to London Stock Exchange Group plc.

#### **Fair review of the business**

The principal activity of the Company is to act as a holding company.

Given the arrangements of the business, the Company's directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the business.

The profit for the financial year amounted to £Nil (2019: £Nil).

#### **Principal risks and uncertainties**

##### **(i) Status of Brexit and potential impact**

The transition period provided by the withdrawal agreement ended on 31 December 2020. The EU-UK Trade and Cooperation Agreement (TCA) was agreed on 24 December 2020. The EU-UK Trade and Cooperation Agreement entered into force on 1 May 2021, marking the formal end of the EU's ratification process. Both the UK and the EU conducted assessments of regulatory equivalence of their respective regimes throughout 2020. Few aspects of the UK regulatory framework have been deemed equivalent by the EU at this stage - only central counterparties and central securities depositories. The UK and EU finalised and agreed their Memorandum of Understanding (MoU) establishing a framework for voluntary regulatory cooperation in financial services between the UK and the EU. The MoU will establish the Joint UK-EU Financial Regulatory Forum, which will serve as a platform to facilitate dialogue on financial services issues.

In October 2019, Refinitiv migrated its FX MTF to Ireland from the UK in anticipation of Brexit and obtained relevant licensing throughout the EEA, UK and rest of world jurisdictions in which the MTF operates. The migration allowed for a seamless continuation of service to clients of the Company's indirect subsidiaries from 31st December 2020 when the withdrawal agreement ended. While some isolated cases have seen UK participants unable to trade with their EU counterparts because of their own licensing issues, trading has generally continued uninterrupted. We continue to maintain an ongoing dialogue with UK, EU and other international authorities.

## **Refinitiv UK Holdings Limited**

### **Strategic Report for the Year Ended 31 December 2020 (continued)**

#### **(ii) Covid-19**

On 11 March 2020 the World Health Organization labelled the public health emergency situation caused by the coronavirus (Covid-19) outbreak a global pandemic. The rapid escalation of events, in both the United Kingdom and worldwide, is resulting in an unprecedented health crisis that will have an impact on the macroeconomic environment and business evolution. To tackle the issue, the United Kingdom issued orders to stay at home, closed certain businesses and venues, prohibited public gatherings, and issued other guidelines.

Refinitiv has responded to this in a variety of ways to ensure minimal disruptions to services provided to clients and the wellbeing of employees as far as possible. *Most of its staff are currently working from home, except for essential staff that must be in the office.* The Company is closely monitoring its technology infrastructure due to the changing requirements of employees working from home and the increased client activity and trading volume on the Group's platforms.

The Company does not seek to manage these risks in isolation and instead makes use of the wider Group treasury function to manage these risks as part of a group-wide arrangement. Monitoring of this activity is controlled by way of a Service Level Agreement with the Treasury function. All Treasury activity takes place within a formal control framework under policies approved by the Group. As such, all transactions which are undertaken are designed to mitigate risk within the business or to secure committed funding.

#### **(iii) Financial risk management**

The financial risks of the Company and how they are managed by the Directors have been outlined in the Directors' report.

The Company is a holding company and the main risk is related to the potential impairment of the Company's investments. This risk is managed by the directors through annual impairment assessments and monitoring of the performance of the group undertakings in which the Company's investments are held. The management of other financial risks is co-ordinated with those undertaken at Group level by Refinitiv Holdings Limited. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's and the Group's financial performance.

## **Refinitiv UK Holdings Limited**

### **Strategic Report for the Year Ended 31 December 2020 (continued)**

#### **(iv) Section 172 (1) Statement**

Section 172 of the Companies Act 2006 requires a director of a company to act in the way he or she considers, in good faith, would most likely promote the success of the Company for the benefit of its members as a whole. In doing this section 172 requires Directors to have regard to, amongst other matters, the:

- likely consequences of any decisions in the long-term;
- interests of the Company's employees;
- need to foster the Company's business relationships with suppliers, customers and others;
- impact of the Company's operations on the community and environment;
- desirability of the Company maintaining a reputation for high standards of business conduct; and
- need to act fairly as between members of the Company.

In discharging their duties under section 172 (1) of the Act the Directors have due regard to the factors set out above where relevant to the decision being made. The Company acts as a holding company within the Refinitiv group ("Group"), and has no commercial business, and no employees, suppliers or customers. As such, the breadth of stakeholder and other considerations that would typically apply in operating or commercial trading companies have generally not applied to the decisions made by the Directors. However, the Directors are still mindful of these factors as they pertain to the Group. The Directors also acknowledge that every decision made will not necessarily result in a positive outcome for all of the Company's stakeholders or the wider Group's stakeholders. The Directors do, however, aim to make sure their decisions are consistent and appropriate in all the circumstances.

The Board recognises that building strong relationships with the Company's stakeholders, who are the Company's direct and indirect subsidiaries and its direct and indirect shareholders, will help deliver the Company's purpose as a holding company in line with its long-term values. The Board delegates authority for the day-to-day management of the Company to executives. Board meetings are held periodically where the Directors consider the Company's activities and make decisions.

The Board also has regard to promoting the long-term success of the Group as a whole when considering matters in respect of the Refinitiv subsidiaries in which the Company holds an investment.

Set out below are some examples of how the Board has had regard to the matters set out in Section 172 (1) (a)-(f) when discharging their section 172 duty and the effect of that on decisions taken by the Board.

#### **APPROVAL OF THE ANNUAL REPORT AND FINANCIAL STATEMENTS**

The Board approved the Company's annual report and financial statements for the year ended 31 December 2019. At that meeting any key updates concerning the Company's subsidiaries were highlighted to the Directors and they had the opportunity to ask questions. This allowed the Directors to consider the strength of the Company's balance sheet and long-term Financial position of the Company and that of its investments.

## **Refinitiv UK Holdings Limited**

### **Strategic Report for the Year Ended 31 December 2020 (continued)**

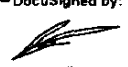
#### **SHAREHOLDERS**

As at 31 December 2020, the Company was a wholly owned indirect subsidiary of Refinitiv Holdings Limited (RHL). The board of RHL comprises representatives from RHL's shareholders, including private equity funds managed by Blackstone and its co-investors, and Thomson Reuters. Through this engagement, the Directors felt that during the period there has been effective dialogue with and input from the shareholders of the Company's ultimate holding company.

On 29 January 2021, London Stock Exchange Group plc (LSEG) completed the acquisition of Refinitiv Parent Limited (RPL). The Company is a wholly owned indirect subsidiary of RPL, so with effect from 29 January 2021, LSEG is considered by the Directors as the ultimate parent and controlling party of the Company.

For further information please refer to [www.lseg.com](http://www.lseg.com).

Approved by the Board of Directors on 26 May 2021 and signed on its behalf by:

DocuSigned by:  
  
.....917BADDE5FF475.....  
P. Thorn  
Director

## **Refinitiv UK Holdings Limited**

### **Directors' Report for the Year Ended 31 December 2020**

The directors present their report and the audited financial statements for the year ended 31 December 2020.

#### **Directors of the Company**

The directors of the company who were in office during the year and up to the date of signing of financial statement are as follows:

D. J. Clarke

P. Thorn

T. Knowland

There are no indemnities in place for the directors. Refinitiv Holdings Limited has a Directors' & Officers' Liability Insurance Policy in place for the group.

#### **Dividends**

During the year the directors of the Company recommend £Nil (2019: £Nil) dividends.

The directors have not proposed any dividend up to the date of signing of the financial statements (2019: £Nil).

#### **Political donations**

During the year the Company made £Nil (2019: £Nil) political donations.

#### **Future developments**

The directors do not envisage any changes to the nature of the business in the foreseeable future.

#### **Post balance sheet events**

On the 29 January 2021, LSEG completed the acquisition of Refinitiv Parent Limited. The Company is a wholly owned indirect subsidiary of Refinitiv Parent Limited, and with effect from 29 January 2021, LSEG is considered by the directors as the ultimate parent and controlling party of the Company.

The acquisition of Refinitiv is a transformational transaction, strategically and financially, and positions LSEG for long-term sustainable growth.

Further information can be obtained at [www.lseg.com](http://www.lseg.com)

## **Refinitiv UK Holdings Limited**

### **Directors' Report for the Year Ended 31 December 2020 (continued)**

#### **Financial risk management**

##### ***Objectives and policies***

The management of financial risks is undertaken at a Group level. Given the size of the Company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the Group's finance department. The department has a policy and procedures manual that sets out specific guidelines to manage credit and liquidity risks. Interest rate cash flow risk is managed by the Group. The Company's operations exposes it to a variety of financial risks as discussed below:

##### **Cash flow risk**

The Company's interest rate risk arises from interest-bearing assets. Short-term investments and amounts owed by Group undertakings subject to variable rates expose the Company to cash flow interest rate risk, which is the risk that future cash flows will fluctuate because of changes in market interest rates. To minimise this exposure, the majority of the Company's amounts owed by Group undertakings have been interest free since 30 April 2008.

##### **Currency risk**

The Company's financial statements are expressed in GBP but some portion of its business is conducted in other currencies. Changes in the exchange rates for such currencies into GBP can increase or decrease revenues, operating profit, net earnings and the carrying values of assets and liabilities. Foreign currency movements have been unusually volatile.

##### **Going concern**

The Company's ultimate parent undertaking has confirmed its intention to continue to provide ongoing financial support to the Company and all of its current subsidiaries to enable them to continue to trade and to enable them to meet their liabilities as they fall due within one year from the date of signing the financial statements. As a result, the directors have deemed it appropriate to prepare the financial statements on a going concern basis.

The Company is taking appropriate action to deal with the events arising from Covid-19 and to minimize its impact, and considers that this is a temporary situation that according to the latest estimates and current cash position will not compromise the Company's ability to continue as a going concern.

The operations of the Company are structured such that there is reliance on ongoing support from its group parent to continue as a going concern. Having sought and received confirmation in terms of the group structure and ongoing continuity of support from LSEG and after considering the impact of the latest developments with regards to Covid-19 and Brexit, including those related to the latest financial position and solvency of LSEG, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for a period of at least 12 months from approval of the financial statements.

## Refinitiv UK Holdings Limited

### Directors' Report for the Year Ended 31 December 2020 (continued)

#### Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

The company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.


#### Disclosure of information to auditors

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

The confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Approved by the Board of Directors on 26 May 2021 and signed on its behalf by:

DocuSigned by:  
  
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P. Thorn  
Director

## **Refinitiv UK Holdings Limited**

### **Independent Auditor's Report to the members of Refinitiv UK Holdings Limited**

#### **Report on the audit of the financial statements**

##### **Opinion**

In our opinion, the financial statements of Refinitiv UK Holdings Limited (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 and of its profit/loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity;
- the statement of accounting policies; and
- the related notes 1 to 12.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

##### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

*Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.*

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

## **Refinitiv UK Holdings Limited**

### **Independent Auditor's Report to the members of Refinitiv UK Holdings Limited (continued)**

#### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## **Refinitiv UK Holdings Limited**

### **Independent Auditor's Report to the members of Refinitiv UK Holdings Limited (continued)**

#### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and internal audit about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, internal audit, in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance, reviewing correspondence with HMRC.

#### **Report on other legal and regulatory requirements**

##### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

## **Refinitiv UK Holdings Limited**

### **Independent Auditor's Report to the members of Refinitiv UK Holdings Limited (continued)**

#### **Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required to report in respect of the following matters if in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

#### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



.....  
Paul Adkins FCA (Senior statutory auditor)  
For and on behalf of Deloitte LLP,  
Statutory Auditor

Cambridge, United Kingdom

26 May 2021

**Refinitiv UK Holdings Limited**

**Statement of Comprehensive Income for the Year Ended 31 December 2020**

	Note	2020 £ 000	2019 £ 000
Turnover		-	-
Profit before taxation		-	-
Tax on profit	6	-	-
Profit for the financial year		-	-

*The above results were derived from continuing operations.*


*The Company has no other comprehensive income for the year other than the results above, so no separate statement of other comprehensive income is presented.*

The notes on pages 15 to 27 form an integral part of these financial statements.

**Refinitiv UK Holdings Limited**  
**(Registration number: 01796065)**  
**Statement of Financial Position as at 31 December 2020**

	Note	2020 £ 000	2019 £ 000
<b>Fixed assets</b>			
Investments	7	278,172	278,172
<b>Liabilities</b>			
Creditors: amounts falling due within one year	8	<u>(144,362)</u>	<u>(144,362)</u>
<b>Total assets less current liabilities</b>		<u>133,810</u>	<u>133,810</u>
<b>Net assets</b>		<u>133,810</u>	<u>133,810</u>
<b>Capital and reserves</b>			
Share capital	9	42,675	42,675
Capital contribution reserve	10	53,449	53,449
Revaluation reserve	10	37,612	37,612
Profit and loss account		<u>74</u>	<u>74</u>
<b>Total shareholders fund</b>		<u>133,810</u>	<u>133,810</u>

The financial statements of Refinitiv UK Holdings Limited (Registered number: 01796065) on pages 12 to 27, were approved by the Board of Directors on 26 May 2021 and signed on its behalf by:

DocuSigned by:  
  
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P. Thorn  
 Director

# Refinitiv UK Holdings Limited

## Statement of Changes in Equity for the Year Ended 31 December 2020

	Share capital £ 000	Capital contribution reserve £ 000	Revaluation reserve £ 000	Profit and loss account £ 000	Total shareholders fund £ 000
At 1 January 2020	42,675	53,449	37,612	74	133,810
Total comprehensive income	-	-	-	-	-
At 31 December 2020	<u>42,675</u>	<u>53,449</u>	<u>37,612</u>	<u>74</u>	<u>133,810</u>
	Share capital £ 000	Capital contribution reserve £ 000	Revaluation reserve £ 000	Profit and loss account £ 000	Total shareholders fund £ 000
At 1 January 2019	42,675	53,449	37,612	74	133,810
Total comprehensive income	-	-	-	-	-
At 31 December 2019	<u>42,675</u>	<u>53,449</u>	<u>37,612</u>	<u>74</u>	<u>133,810</u>

The notes on pages 15 to 27 form an integral part of these financial statements.

## **Refinitiv UK Holdings Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2020**

#### **1 General information**

The Company is a private company limited by share capital incorporated in United Kingdom under the Companies Act 2006 and is registered in England and Wales.

The address of its registered office is:

Five Canada Square  
Canary Wharf  
London  
England  
E14 5AQ

The principal activity of the Company is to act as a holding company.

The financial statements are prepared in GBP (£) as the majority of the Company's transactions are undertaken in GBP (£).

#### **2 Accounting policies**

##### **Basis of preparation**

These financial statements have been prepared using the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The principal accounting policies applied in the preparation of these financial statements are set out below.

## **Refinitiv UK Holdings Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)**

#### **Going concern**

The Company's ultimate parent undertaking has confirmed its intention to continue to provide ongoing financial support to the Company and all of its current subsidiaries to enable them to continue to trade and to enable them to meet their liabilities as they fall due within one year from the date of signing the financial statements. As a result, the directors have deemed it appropriate to prepare the financial statements on a going concern basis.

The Company is taking appropriate action to deal with the events arising from Covid-19 and to minimize its impact, and considers that this is a temporary situation that according to the latest estimates and current cash position will not compromise the Company's ability to continue as a going concern.

The operations of the Company are structured such that there is reliance on ongoing support from its group parent to continue as a going concern. Having sought and received confirmation in terms of the group structure and ongoing continuity of support from LSEG and after considering the impact of the latest developments with regards to Covid-19 and Brexit, including those related to the latest financial position and solvency of LSEG, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for a period of at least 12 months from approval of the financial statements.

#### **Summary of disclosure exemptions**

The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. The Company is consolidated in the financial statements of the Company's parent undertaking, Refinitiv Holdings Limited, which are appended with the Company's financial statements while filing with Companies House.

In these financial statements, the Company has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital, tangible fixed assets, intangible assets and investment properties;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management; and
- Disclosures in respect of the compensation of Key Management Personnel.

The consolidated financial statements of Refinitiv Holdings Limited include the equivalent disclosures.

#### **Exemption from preparing group accounts**

The financial statements contain information about Refinitiv UK Holdings Limited as an individual Company and do not contain consolidated financial information as the parent of a group. The Company has taken advantage of the exemption under Section 401 of the Companies Act 2006, from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of Refinitiv Holdings Limited. The consolidated financial statements of Refinitiv Holdings Limited are prepared in accordance with US Generally Accepted Accounting Principles.

#### **Measurement convention**

The financial statements are prepared on the historical cost basis except that the non-current assets and disposal groups held for sale are stated at the lower of previous carrying amount and fair value less costs to sell.

## **Refinitiv UK Holdings Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)**

#### **Critical accounting estimates and judgements**

The preparation of financial statements in conformity with FRS 102 requires management to exercise its judgement in the process of applying the following accounting policies. Management is required to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. These estimates and assumptions are based on historical information and other factors which management consider reasonable. The financial statements affected by these are provisions, and accruals.

Investments are tested for impairment when an event that might affect investment values has occurred. An impairment loss is recognised to the extent that the carrying amount cannot be recovered either by selling the investment or through the discounted future earnings from the investments. These figures are however estimates, based on professional judgement and available information. The effect of Covid-19 on valuation of investments is minimal and no impairment loss recognised during the current year as per Note 7.

The management do not consider there to be any critical accounting estimates and judgements.

#### **Foreign currency transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of comprehensive income within 'finance income or costs'.

Changes in the fair value of monetary securities denominated in foreign currency classified as available for sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in statement of comprehensive income, and other changes in carrying amount are recognised in other comprehensive income.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets measure at fair value, such as equities classified as available for sale, are included in other comprehensive income.

#### **Financial instruments**

##### **Initial recognition and measurement**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

##### **Group company loans**

These include loans to and from holding companies, fellow subsidiaries, subsidiaries, joint ventures and associates and are recognised initially at fair value plus direct transaction costs.

Loans to group companies are classified as loans and receivables.

##### **Creditors**

Creditors are initially measured at fair value and are subsequently recognized at amortised cost using effective interest rate method.

## **Refinitiv UK Holdings Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)**

#### **Finance income and costs policy**

Interest receivable and payable is recorded as they accrue, using the effective interest method.

#### **Current and deferred tax**

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in shareholders' funds. In this case, the tax is also recognised in other comprehensive income or directly in shareholders' funds, respectively.

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date in the countries where the company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the statement of financial position date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax liabilities are recognised for timing differences arising from investments in subsidiaries and associates, except where the company is able to control the reversal of the timing difference and it is probable that it will not reverse in the foreseeable future.

#### **Investment**

The Company holds investments in other companies. These are recognised as fixed asset investments and are stated at cost less any impairment.

#### **Investment impairment**

Investments are tested for impairment annually. An impairment loss is recognized to the extent that the carrying amount cannot be recovered either by selling the assets or by the discounted future earnings from operating the assets.

### **3 Staff cost**

The Company did not have any employees at any time during the year (2019: £Nil).

### **4 Directors' remuneration**

None of the directors had any beneficial interest in the share capital of the Company or any interest in any transactions or arrangements with the Company which require disclosure. None of the directors received any payment for their services as directors of the Company (2019: £Nil).

## Refinitiv UK Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

#### 5 Auditor's remuneration

The auditor's remuneration in relation to audit of financial statements is £16,323 (2019: £15,956) and is paid by a fellow group undertaking and is not recharged to the Company.

#### 6 Tax on profit

Tax charged in the income statement

	2020 £ 000	2019 £ 000
UK corporation tax	-	-
Total current tax	-	-
<b>Deferred taxation</b>		
Arising from origination and reversal of timing differences	-	-
Tax on profit on ordinary activities	-	-

The tax on profit before tax for the year is same (2019: same) than the standard rate of corporation tax in the UK for the year ended 31 December 2020.

The differences are reconciled below:

	2020 £ 000	2019 £ 000
Profit for the period	-	-
Tax on profit at standard UK tax rate of 19.00% (2019: 19.00%)	-	-
Total tax charge	-	-

A UK corporation rate of 19% (effective 1 April 2020) was substantively enacted on 17 March 2020, reversing the previously enacted reduction in the rate from 19% to 17%. On 3 March 2021 the Chancellor announced a change to increase the main rate of corporation tax by 6% to 25% effective from 1 April 2023. These changes have not yet been substantively enacted and are not reflected in the figures above. This will increase the company's future current tax charge accordingly.

## Refinitiv UK Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

#### 7 Investments

Subsidiaries	£ 000
<b>Cost</b>	
At 1 January 2020	<u>278,172</u>
<b>Carrying amount</b>	
At 31 December 2020	<u>278,172</u>
At 31 December 2019	<u>278,172</u>

The directors are of the opinion that the value of the Company's investments is not less than the value at which it is stated in the Statement of Financial Position.

#### Details of undertakings

Details of the undertakings in which the Company holds direct and indirect investments of Ordinary class of Share Capital as at 31 December 2020 are as follows:

Name of subsidiary	Country of incorporation	Principal activity	Proportion of voting rights and shares held	2020	2019
Refinitiv Limited*	Five Canada Square, Canary Wharf, London, England, E14 5AQ	Trading Company	100%	100%	
Criminal Law Week Limited	Five Canada Square, Canary Wharf, London, England, E14 5AQ	Dormant	100%	100%	
Lipper Limited	Five Canada Square, Canary Wharf, London, England, E14 5AQ	Trading Company	100%	100%	
Monitor Trading Limited	Five Canada Square, Canary Wharf, London, England, E14 5AQ	Dormant	100%	100%	
Refinitiv Transaction Services Limited	Five Canada Square, Canary Wharf, London, England, E14 5AQ	Trading Company	100%	100%	

## Refinitiv UK Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

Refinitiv UK Financial Limited	Five Canada Square, Dormant Canary Wharf, London, England, E14 5AQ	100%	100%
Refinitiv UK Eastern Europe Limited	Five Canada Square, Trading Canary Wharf, Company London, England, E14 5AQ	100%	100%
Refinitiv Latam Trading Limited	Five Canada Square, Dormant Canary Wharf, London, England, E14 5AQ	100%	100%
Refinitiv Benchmark Services (UK) Limited	Five Canada Square, Trading Canary Wharf, Company London, England, E14 5AQ	100%	100%
Refinitiv de Mexico SA de CV	Torre Esmeralda II. Trading Blvd. Manuel Avila Company Camacho #36, Floor 19th, Lomas de Chapultepec, Mexico Federal District, 11000, Mexico	100%	100%
Refinitiv UK Overseas Holdings Limited	Five Canada Square, Holding Canary Wharf, Company London, England, E14 5AQ	100%	100%
Refinitiv Transaction Services Malaysia SDN BHD	Suite C, Level 32, Trading Menara Maxis, Company 50088 Kuala Lumpur City Centre, Malaysia	100%	100%
Refinitiv Tecnologia em Sistemas Brasil Limitada	Av. Doutor Cardoso Trading de Melo, no 1.855, Company Andar 4, Conj. 42, Vila Olimpia, Sao Paulo, 04548-005, Brazil	100%	100%
ALTA Limited	First Floor, BCI Dormant House, Avarua, Rarotonga, Cook Islands	68.6%	68.6%

## Refinitiv UK Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

Blaxmill (Eleven) Limited	Five Canada Square, Holding Canary Wharf, Company London, England, E14 5AQ	100%	100%
Blaxmill (Nine) Limited	Five Canada Square, Holding Canary Wharf, Company London, England, E14 5AQ	100%	100%
Blaxmill (Six)	Five Canada Square, Dormant Canary Wharf, London, England, E14 5AQ	100%	100%
Blaxmill (Ten) Limited	Five Canada Square, Holding Canary Wharf, Company London, England, E14 5AQ	100%	100%
Blaxmill (Thirteen) Limited	Five Canada Square, Holding Canary Wharf, Company London, England, E14 5AQ	100%	100%
Blaxmill (Thirty-Three) Limited	Five Canada Square, Holding Canary Wharf, Company London, England, E14 5AQ	100%	100%
Blaxmill (Twelve) Limited	Five Canada Square, Holding Canary Wharf, Company London, England, E14 5AQ	100%	100%
Blaxmill (Twenty-Eight) Limited	Five Canada Square, Holding Canary Wharf, Company London, England, E14 5AQ	100%	100%
Monitor Services Hong Kong Limited	First Floor, BCI Dormant House, Avarua, Rarotonga, Cook Islands	100%	100%
Refinitiv Transaction Services Pte. Ltd	18 Science Park Trading Drive, 118229, Company Singapore	100%	100%
Refinitiv (Canvas) Holdings 2 Limited	Five Canada Square, Dormant Canary Wharf, London, England, E14 5AQ	100%	100%

## Refinitiv UK Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

Refinitiv (Canvas) Holdings 3 Limited	Five Canada Square, Dormant Canary Wharf, London, England, E14 5AQ	100%	100%
Refinitiv Holdings (Thailand) Limited**	30th floor, U Chu Dormant Liang Building, 968 Rama IV, Silom Bangrak, Bangkok, 10500, Thailand	91%	91%
Refinitiv (Thailand) Limited***	34th floor, U Chu Trading Liang Building, 968 Company Rama IV, Silom Bangrak, Bangkok, 10500, Thailand	91%	91%
Refinitiv Netherlands Finance B.V.	Antonio Holding Vivaldijkstraat 50, Company 1083 HP, Amsterdam, Netherlands	100%	100%
Refinitiv Netherlands Overseas Holdings B.V.	Antonio Holding Vivaldijkstraat 50, Company 1083 HP, Amsterdam, Netherlands	100%	100%
Refinitiv Software (Thailand) Limited	968 U Chu Liang Trading Building, 23,30th Company Floor, Rama IV Road, Silom, Bangrak, Bangkok, 10500, Thailand	100%	100%
Telfer Investments Australia Pty Limited	Level 10, 60 Dormant Margaret Street, Sydney NSW 2000, Australia	81%	81%
Avox Limited	Five Canada Square, Dormant Canary Wharf, London, England, England, E14 5AQ	100%	100%
Telfer Pty Limited	Level 10, 60 Dormant Margaret Street, Sydney NSW 2000, Australia	81%	81%

## Refinitiv UK Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

Financial & Risk Transaction Services Ireland Limited	12/13 Exchange Place, Dublin 1, D01P8H1, Ireland	Trading Company	100%	100%
Refinitiv Czech Republic s.r.o.	Na Perstýně 342/1 Staré Město Praha 1 110 00 Czech Republic	Trading Company	100%	100%
Global World-Check Holdings Limited	Five Canada Square, Canary Wharf, London, England, E14 5AQ	Holding Company	100%	100%
Refinitiv Israel Limited	121-123 Menachem Begin Azrieli Saron Building - 30 Fl Tel Aviv 6701203 Israel	Trading Company	100%	100%
Global World-Check	Five Canada Square, Canary Wharf, London, England, E14 5AQ	Holding Company	100%	100%
IntegraScreen (Panama), Inc.	The Century Tower, Via Ricardo J. Alfaro y Calle 65, Oeste Piso 10, Local 1005, Panama	Trading Company	100%	100%
IntegraScreen Limited	16/F Cityplaza 3, 14 Taikoo Wan Road, Quarry Bay, Hong Kong	Trading Company	100%	100%
IntegraScreen (Malaysia) Sdn. Bhd.	Precinct, Lengkok Pasir, Baru, Malaysia	Trading Company	0%	100%
Zhi Cheng Worldwide Management Consulting (Shenzhen) Co., Ltd	F1, Technology Building, No. 1067 Zhaoshang Road, Shekou Nanshan District, Shenzhen, 518067, China	Trading Company	100%	100%
IntegraScreen Spolka Z.o.o.	40-084 Katowice, UI Opolska 22, Poland	Trading Company	100%	100%

## Refinitiv UK Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

Global World-Check Holdings (Nominee) Limited	Five Canada Square, Trading Canary Wharf, Company London, England, E14 5AQ	100%	100%
REDI Technologies Ltd	Five Canada Square, Trading Canary Wharf, Company London, England, E14 5AQ	100%	100%
Refinitiv Peru SRL	14-114, WeWork Trading Real 2, Avenida Company Victor Andrés Belaúnde 147, Via Principal 133, Lima 15073, Peru	100%	100%
Refinitiv Financial Technology Information Service (China) Group Co., LTD.	Room 1018 Building Dormant No. 1 No. 5 North street of North Huang China	100%	0%

\* indicate direct investment of the Company.

\*\* Refinitiv Holdings (Thailand) Limited ownership of shares 49% and voting rights 91%.

\*\*\* Refinitiv (Thailand) Limited ownership of shares 52% and voting rights is 91%.

#### 8 Creditors: amounts falling due within one year

	2020 £ 000	2019 £ 000
Amounts due to parent entity	144,362	144,362
	<u>144,362</u>	<u>144,362</u>

Amount due to parent entity relates to intercompany loan which is unsecured, non-interest bearing and repayable on demand.

## Refinitiv UK Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

#### 9 Share capital

##### Allotted, called up and fully paid shares

	2020		2019	
	No. 000	£ 000	No. 000	£ 000
Ordinary Shares of £0.025 each	<u>1,706,987</u>	<u>42,675</u>	<u>1,706,987</u>	<u>42,675</u>

#### 10 Capital contribution reserve

	2020 £ 000	2019 £ 000
Capital contribution reserve	<u>53,449</u>	<u>53,449</u>
	<u>53,449</u>	<u>53,449</u>

During the year 2009, Thomson Reuters Group Limited infused permanent capital contribution of £63,977,000, out of which £10,528,000 was transferred to profit & loss account to pay dividend during the said year. Hence, the remaining balance amount of £53,449,000 has been carried over.

The revaluation reserve is created before December 31, 1992 and is related to revaluation of investment made in Refinitiv Limited.

#### 11 Post balance sheet events

On the 29 January 2021, LSEG completed the acquisition of Refinitiv Parent Limited. The Company is a wholly owned indirect subsidiary of Refinitiv Parent Limited, and with effect from 29 January 2021, LSEG is considered by the directors as the ultimate parent and controlling party of the Company.

The acquisition of Refinitiv is a transformational transaction, strategically and financially, and positions LSEG for long-term sustainable growth.

Further information can be obtained at [www.lseg.com](http://www.lseg.com)

## **Refinitiv UK Holdings Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)**

#### **12 Parent and ultimate parent undertaking**

As at 31 December 2020, the Company's immediate parent company is Refinitiv (Canvas) Holdings 1 Limited. Within the meaning of the Companies Act 2006 ("CA2006"), The Blackstone Group Inc. is regarded by the directors of the Company as being the Company's ultimate parent company and controlling party as at 31 December 2020. Within the meaning of CA2006, Refinitiv Holdings Limited is the parent undertaking of the only group of undertakings for which group accounts were drawn up and of which the Company was a member for the period ended 31 December 2020. The Blackstone Group Inc. is incorporated in Delaware, United States of America and Refinitiv Holdings Limited is incorporated under the laws of Cayman Islands. The address of the ultimate parent is 345 Park Avenue, New York, NY10154, United States of America.

With effect from 29 January 2021, the Company's immediate parent company remains Refinitiv (Canvas) Holdings 1 Limited. Within the meaning of the CA2006, London Stock Exchange Group plc. (LSEG) is regarded by the directors of the Company as being the Company's ultimate parent company and controlling party. LSEG is incorporated under the laws of England and Wales with registered address at 10 Paternoster Square, London EC4M 7LS.

**Refinitiv Holdings Ltd.**  
(formerly known as King (Cayman) Holdings Ltd.)

Consolidated Financial Statements as of and for the years ended December 31, 2020 and 2019

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## **REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Board of Directors of Refinitiv Holdings Ltd. (formerly known as King (Cayman) Holdings Ltd.)

### **Opinion on the Financial Statements**

We have audited the accompanying consolidated balance sheets of Refinitiv Holdings Ltd. and subsidiaries ("Refinitiv" or the "Company") as of December 31, 2020 and 2019, the related consolidated statements of income, comprehensive income, changes in stockholders' equity, and cash flows for the years ended December 31, 2020 and 2019, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019, and the results of its operations and its cash flows for the years ended December 31, 2020 and 2019, in conformity with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. 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 audits 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 statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, 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 statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

### **Critical Audit Matter**

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

*Revenues – Refer to Notes 2 and 5 to the financial statements*

*Critical Audit Matter Description*

The Company recognizes revenue when control of the Company's products or services is transferred to customers in an amount that reflects the consideration to which the Company expects to be entitled. Subscription revenue, which represents a majority of the Company's revenue, primarily consists of fees to access products or services delivered electronically over time.

Certain customer contracts contain multiple products and services, may extend across multiple years, have high total contract value and include discounts and other negotiated terms. Judgment is exercised by the Company in determining revenue recognition for such customer contracts, including the determination as to whether products and services are considered distinct performance obligations and the allocation of the consideration the Company expects to receive to each distinct performance obligation.

Given the potential complexity of such customer contracts, the related audit effort to evaluate management's judgements in determining revenue recognition was extensive and required a high degree of auditor judgement.

*How the Critical Audit Matter Was Addressed in the Audit*

Our principal audit procedures related to the Company's revenue recognition for these customer agreements included the following:

- We evaluated management's significant accounting policies related to these customer agreements for reasonableness.
- We selected customer contracts entered into or modified during the period and performed the following procedures:
  - Obtained and read contract source documents for each selection, including master agreements, and other documents that were part of the agreement.
  - Obtained and read management's analysis of the contract and tested management's identification of significant terms for completeness, including the identification of distinct performance obligations.
  - Assessed the terms in the customer agreement and evaluated the appropriateness of management's application of their accounting policies.
  - Compared our assessment of the contract terms to management's analysis and evaluated any differences.
  - Agreed each accounting conclusion to the Company's policies that were evaluated for reasonableness.
  - Calculated the amount of revenue to be recorded during the period, compared our independent calculation to the revenue recognized, and evaluated any differences.

*Deloitte + Touche LLP*

New York, New York  
February 22, 2021

We have served as the Company's auditor since 2018.

**REFINITIV**  
**Consolidated Balance Sheets**  
(U.S. dollars in millions)

	<b>December 31, 2020</b>	<b>December 31, 2019</b>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 1,277	\$ 1,134
Accounts receivable, less allowance for doubtful accounts of \$10 and \$7 as of December 31, 2020 and 2019, respectively	476	546
Prepaid expenses and other current assets	318	351
Total current assets	2,071	2,031
Computer hardware and other property, net	386	480
Operating lease right-of-use asset	579	550
Computer software, net	2,687	2,948
Other identifiable intangible assets, net	6,189	6,730
Goodwill	10,004	9,164
Deferred tax assets	598	271
Other non-current assets	823	708
<b>Total assets</b>	<b>\$ 23,337</b>	<b>\$ 22,882</b>
<b>Liabilities, Temporary equity and Stockholders' equity</b>		
Current liabilities:		
Accounts payable	\$ 320	\$ 360
Deferred revenue	109	96
Accrued expenses and other current liabilities	1,584	1,551
Current portion of long-term debt	443	91
Total current liabilities	2,456	2,098
Deferred revenue, net of current portion	4	9
Deferred tax liabilities	307	324
Other non-current liabilities	786	679
Long-term debt	13,128	12,785
Operating lease liabilities	465	446
<b>Total liabilities</b>	<b>17,146</b>	<b>16,341</b>
Commitments and contingencies (note 24)		
<b>Temporary equity</b>		
14.5% Preferred Stock	1,371	1,192
<b>Total temporary equity</b>	<b>1,371</b>	<b>1,192</b>
10% Preferred Stock	6,324	5,775
Common Stock A and B	-	-
Common Stock C and D	-	-
Additional paid in capital-Common Stock	-	-
Retained earnings	(4,090)	(2,353)
Accumulated other comprehensive loss	206	(138)
Non-controlling interests	2,380	2,065
<b>Total stockholders' equity</b>	<b>4,820</b>	<b>5,349</b>
<b>Total liabilities, temporary equity and stockholders' equity</b>	<b>\$ 23,337</b>	<b>\$ 22,882</b>

*The accompanying notes are an integral part of these Consolidated Financial Statements.*

**REFINITIV**  
Consolidated Statements of Income  
(U.S. dollars in millions)

	Year ended December 31, 2020	Year ended December 31, 2019
<b>Revenues, net</b>	<b>\$ 6,513</b>	<b>\$ 6,250</b>
Total operating costs and expenses		
Cost of revenues, excluding depreciation and amortization	(2,026)	(2,059)
General and administrative, excluding depreciation and amortization	(1,684)	(1,738)
Selling and marketing, excluding depreciation and amortization	(726)	(736)
Depreciation and amortization	(2,011)	(1,891)
Other operating losses, net	(96)	(6)
Loss from operations	(30)	(180)
Interest expense, net	(701)	(781)
Other finance expense	(107)	(252)
Other pension related losses	(44)	(14)
Loss before tax and equity method investments	(882)	(1,227)
Income tax (expense)/benefit	(74)	159
Loss before equity method investments	(956)	(1,068)
Share of net earnings in equity method investments	-	2
Net loss	(956)	(1,066)
Net income attributable to non-controlling interests	97	75
<b>Net loss attributable to Refinitiv</b>	<b>\$ (1,053)</b>	<b>\$ (1,141)</b>

*The accompanying notes are an integral part of these Consolidated Financial Statements.*

**REFINITIV**  
Consolidated Statements of Comprehensive Income  
(U.S. dollars in millions)

	Year ended December 31, 2020	Year ended December 31, 2019
<b>Net loss</b>	<b>\$ (956)</b>	<b>\$ (1,066)</b>
Other comprehensive income/(loss):		
Foreign currency translation adjustments	346	(15)
Cash flow hedges, net of tax \$3 and \$11	1	(32)
Amortization of net prior service credit included in net income/(loss), net of tax \$0 and \$0	1	3
Other comprehensive income/(loss)	348	(44)
Total comprehensive loss	(608)	(1,110)
Less: Total comprehensive income attributable to non-controlling interests	101	75
<b>Total comprehensive loss attributable to Refinitiv</b>	<b>\$ (709)</b>	<b>\$ (1,185)</b>

*The accompanying notes are an integral part of these Consolidated Financial Statements.*

# REFINITIV

## Consolidated Statements of Changes in Stockholders' Equity, Non-Controlling Interests, and Accumulated Other Comprehensive Loss (U.S. dollars in millions)

	Temporary Equity			Permanent Equity										
	14.5% Preferred Stock	Redeemable Non-Controlling Interests	Total	10% Preferred Stock		Common Stock			Accumulated Other Comprehensive Loss					
				Par and Additional Paid in Capital	Series A&B	Series C&D	Additional Paid in Capital	Retained Earnings	Currency Translation Adjustments	Prior Service Costs	Cash Flow Hedges	Non-Controlling Interests	Total	
Balance as of January 1, 2019	\$ 1,037	\$ 18	\$ 1,055	\$ 5,316	\$ -	\$ -	\$ -	\$ -	\$ (683)	\$ (28)	\$ (30)	\$ (36)	\$ 1,962	\$ 6,501
Issuances	-	-	-	1	-	-	(2)	-	-	-	-	-	-	(1)
Net Loss	-	-	-	-	-	-	-	-	(1,141)	-	-	-	75	(1,066)
Stock-based Compensation	-	-	-	-	-	-	14	-	-	-	-	-	50	64
Payroll taxes on stock-based compensation	-	-	-	-	-	-	-	-	-	-	-	-	(9)	(9)
Currency Translation Adjustments	-	-	-	-	-	-	-	-	-	(15)	-	-	-	(15)
Unamortized prior service costs, net of tax of \$0	-	-	-	-	-	-	-	-	-	-	3	-	-	3
Cash Flow Hedges, net of tax of \$11	-	-	-	-	-	-	-	-	-	-	-	(32)	-	(32)
Accretion	155	-	155	459	-	-	(82)	-	(532)	-	-	-	-	(155)
Distributions	-	-	-	-	-	-	-	-	-	-	-	-	(115)	(115)
Tradeweb Reorganization	-	(18)	(18)	-	-	-	70	-	-	-	-	-	102	172
Adjustment to non-controlling interest while retaining control	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	(1)	-	-	-	-	3	-	-	-	-	2
Balance as of December 31, 2019	\$ 1,192	\$ -	\$ 1,192	\$ 5,775	\$ -	\$ -	\$ -	\$ -	\$ (2,353)	\$ (43)	\$ (27)	\$ (68)	\$ 2,065	\$ 5,349

The accompanying notes are an integral part of these Consolidated Financial Statements.

# REFINITIV

## Consolidated Statement of Changes in Stockholders' Equity, Non-Controlling Interests, and Accumulated Other Comprehensive Loss (U.S. dollars in millions)

	Temporary Equity			Permanent Equity									
	14.5% Preferred Stock	Redeemable Non-Controlling Interests	Total	10% Preferred Stock	Common Stock			Retained Earnings	Accumulated Other Comprehensive Loss				
				Par and Additional Paid in Capital	Series A&B	Series C&D	Additional Paid in Capital		Currency Translation Adjustments	Prior Service Costs	Cash Flow Hedges	Non-Controlling Interests	Total
Balance as of January 1, 2020	\$ 1,192	\$ -	\$ 1,192	\$ 5,775	\$ -	\$ -	\$ -	\$ (2,353)	\$ (43)	\$ (27)	\$ (68)	\$ 2,065	\$ 5,349
Net Loss	-	-	-	-	-	-	-	(1,053)	-	-	-	97	(956)
Stock-based compensation	-	-	-	-	-	-	13	-	-	-	-	39	52
Payroll taxes on stock-based compensation	-	-	-	-	-	-	-	-	-	-	-	(76)	(76)
Currency translation adjustments	-	-	-	-	-	-	-	-	342	-	-	4	346
Cash flow hedges, net of taxes of \$3	-	-	-	-	-	-	-	-	-	-	-	-	1
Accretion	179	-	179	550	-	-	(195)	(534)	-	-	-	-	(179)
Distributions	-	-	-	-	-	-	-	-	-	-	-	(35)	(35)
Tradeweb reorganization	-	-	-	-	-	-	183	-	-	-	-	35	218
Adjustment to non-controlling interest while retaining control	-	-	-	-	-	-	-	(151)	-	-	-	251	100
Other	-	-	-	(1)	-	-	(1)	1	-	1	-	-	-
Balance as of December 31, 2020	\$ 1,371	\$ -	\$ 1,371	\$ 6,324	\$ -	\$ -	\$ -	\$ (4,090)	\$ 299	\$ (26)	\$ (67)	\$ 2,380	\$ 4,820

The accompanying notes are an integral part of these Consolidated Financial Statements.

**REFINITIV**  
**Consolidated Statements of Cash Flows**  
(U.S. dollars in millions)

	Year ended December 31, 2020	Year ended December 31, 2019
<b>Cash flows from operating activities</b>		
Net loss	\$ (956)	\$ (1,066)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	2,011	1,891
Amortization of debt issuance costs	80	52
Amortization of right-of-use assets	157	118
Stock-based compensation expenses	52	64
Deferred tax	16	(251)
Non-cash pension related expenses	44	14
Other non-cash items included within net income	94	213
Changes in net working capital and other items:		
Accounts receivable	77	(34)
Prepaid expenses and other current assets	52	83
Accounts payable, accrued expenses and other current and non-current liabilities	(338)	(191)
Deferred revenue	4	(19)
Employee benefit plans	(37)	(39)
Other	31	(78)
<b>Net cash provided by operating activities</b>	<b>1,287</b>	<b>757</b>
<b>Cash flows from investing activities</b>		
Acquisitions, net of cash acquired	(805)	(70)
Capital expenditures	(594)	(515)
Proceeds from disposals of property and equipment	10	2
Other investing activities, net	1	1
<b>Net cash used in investing activities</b>	<b>(1,388)</b>	<b>(582)</b>
<b>Cash flows from financing activities:</b>		
Proceeds from issuance of debt, net	1,402	8
Repayments of debt	(1,144)	(99)
Proceeds from stock-based compensation exercises	101	-
Offering costs from follow-on offering	(3)	(15)
Payroll taxes paid from stock-based compensation exercises	(76)	(9)
Dividends paid to non-controlling interests	(35)	(115)
<b>Net cash provided by/(used in) financing activities</b>	<b>245</b>	<b>(230)</b>
Effects of exchange rate changes	(1)	(3)
<b>Net increase in cash and cash equivalents</b>	<b>143</b>	<b>(58)</b>
Cash and cash equivalents at beginning of period	1,134	1,192
<b>Cash and cash equivalents at end of period</b>	<b>\$ 1,277</b>	<b>\$ 1,134</b>
<b>Supplemental cash flow information</b>		
Interest paid	\$ 708	\$ 826
Income taxes paid	\$ 88	\$ 130
Items arising from Tradeweb interest ownership changes:		
Liabilities under tax receivable agreements	\$ 175	\$ 274
Deferred tax assets	\$ 393	\$ 270

*The accompanying notes are an integral part of these Consolidated Financial Statements.*

**REFINITIV**  
**Notes to Consolidated Financial Statements**  
(U.S. dollars in millions, except where otherwise noted)

**(1) General business description and basis of presentation**

**General business description**

On January 30, 2018, Thomson Reuters Corporation (“Thomson Reuters”) entered into a Transaction Agreement with Refinitiv Holdings Ltd. (formerly known as King (Cayman) Holdings Ltd.), an exempted company incorporated with limited liability under the laws of the Cayman Islands (“Holdco”), controlled by certain investment funds affiliated with The Blackstone Group L.P. (“Blackstone”), pursuant to which Holdco would acquire all of the equity interests of certain specified entities and assets and liabilities that are primarily related to the Financial & Risk business of Thomson Reuters (“Financial & Risk”) and Thomson Reuters would indirectly acquire a 45% interest in Holdco (the “Acquisition”).

The Acquisition closed on October 1, 2018 (the “Closing Date”). An affiliate of Canada Pension Plan Investment Board and an affiliate of GIC invested alongside Blackstone in certain investment funds that control Holdco.

References to “Company” refer to Holdco, which, along with its consolidated subsidiaries is operating under the brand name “Refinitiv”.

On August 1, 2019, Holdco executed a Stock Purchase Agreement with London Stock Exchange Group plc (“LSEG”) under which LSEG will acquire the consolidated subsidiaries of Holdco in an all-share transaction. The transaction is expected to close in early 2021 and is subject to specified regulatory approvals and customary closing conditions. On November 26, 2019, LSEG’s shareholders voted to approve the transaction.

*Nature of operations*

The Company is a provider of critical news, information, and analytics, enabling transactions and connecting communities of trading, investment, financial, and corporate professionals.

- Financial provides a broad range of offerings to financial market professionals. It delivers global content sets, including fundamentals, estimates, and primary and secondary research. Financial also provides customers with tools, venues, and services to enable decision-making. Its flagship financial markets’ desktop offering is Eikon.
- Risk provides solutions to help customers address third-party risk (customer, supplier, and partner), regulatory compliance, corporate governance, operational risk controls, and pricing and valuation. Risk’s solutions combine technology with regulatory and risk intelligence to deliver integrated offerings to financial services and multinational institutions for global regulatory intelligence, financial crime prevention, anti-bribery, anti-money laundering and anticorruption, know your customer and other due diligence, compliance management, internal audit, e-learning, and risk management services.

**Basis of presentation**

These consolidated financial statements, contain all the adjustments and related party transactions (consisting of those of a normal recurring nature) considered necessary to present fairly the Company’s financial position and the results of operations and cash flows for the period presented in conformity with accounting principles generally accepted in the United States (“U.S. GAAP”).

References to “\$” are to U.S. dollars, and references to “£” are to British pound sterling.

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**Risk and Uncertainties**

On March 11, 2020 the World Health Organization labeled the public health emergency caused by the coronavirus (COVID-19) outbreak a global pandemic. The rapid escalation of events worldwide is resulting in an unprecedented health crisis that will have an impact on the macroeconomic environment and business evolution. To tackle the issue, many governments issued orders to stay at home, closed certain businesses and venues, prohibited public gatherings, and other guidelines.

The Company has responded to the pandemic and related events in a variety of ways to ensure minimal disruptions to services provided to clients and the wellbeing of employees as far as possible. Most of its staff are currently working from home, except for essential staff that must be in the office. The Company is closely monitoring its technology infrastructure due to the changing requirements of employees working from home and the increased client activity and trading volume on our platforms.

**(2) Significant Accounting Policies**

**Principles of consolidation**

The consolidated financial statements include the accounts of Holdco and its consolidated subsidiaries. Intercompany transactions and balances have been eliminated. Non-controlling interests are recorded for entities in which Holdco owns less than 100% of the equity interests but has a controlling financial interest in accordance with Accounting Standards Codification ("ASC") 810, *Consolidation*.

**Use of estimates and assumptions**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, and expenses. Examples of estimates include: the fair value of and/or potential impairment of goodwill and intangible assets for our reporting units; useful lives of our tangible and intangible assets; and allowances for doubtful accounts. Examples of assumptions include: when technological feasibility is achieved for our products and the potential outcome of future tax consequences of events that have been recognized on our consolidated financial statements or tax returns. On an ongoing basis, management evaluates these estimates and assumptions in reference to historical experience and other factors, including expectations of future events that are believed to be reasonable. Actual results and outcomes may differ from management's estimates and assumptions.

**Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand, demand deposits, and investments with an original maturity at the date of purchase of three months or less.

**Accounts receivable**

Accounts receivable are amounts due from customers for providing services or the sale of goods in the ordinary course of business. Accounts receivable are recorded at the invoiced amount and do not bear interest. Accounts receivable are classified as current assets if payment is due within one year or less.

The Company maintains reserves for amounts considered to be uncollectible and assesses its adequacy each reporting period by evaluating factors such as the length of time receivables are past due, historical collection experience, and the economic and competitive environment. The allowance for doubtful accounts represents the estimated uncollectible amounts for customers not having the ability to pay. The reserve for billings represents estimated customer disputes. The reserve for billings balance was \$29 and \$19 as of December 31, 2020 and 2019, respectively.

Account balances are written off against the allowance when the potential for recovery is considered remote. The expense relating to doubtful accounts is included within "General and administrative, excluding depreciation and amortization" in the consolidated statements of income. The expense relating to reserve for billings is included within "Revenues, net" in the consolidated statements of income.

**Concentration of risk**

Accounts receivable are the primary financial instrument that potentially subjects the Company to significant concentrations of credit risk. Management performs ongoing credit evaluations of its customers' financial condition and limits the amount of credit extended when deemed appropriate. No single customer or group of related customers

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accounted for more than 10% of the Company's accounts receivable balance as of December 31, 2020 and 2019, nor for more than 10% of revenues for the year ended December 31, 2020 and 2019.

**Computer hardware and other property**

Computer hardware and other property are recorded at cost and depreciated on a straight-line basis over their estimated useful lives as follows:

Computer hardware	3-5 years
Building and building improvements	10-40 years
Furniture, fixtures and equipment	5-7 years

Depreciation is computed using the straight-line method. Repair and maintenance costs are expensed as incurred. The cost and related accumulated depreciation of sold or retired assets are removed from the accounts and any gain or loss is included in operating expenses.

**Computer software**

Development costs related to internally generated software are capitalized once a project has reached technological feasibility, that is, the project has progressed beyond a conceptual, preliminary stage to that of the application development stage, in accordance with ASC 350, *Intangibles — Goodwill and Other*. Costs of significant improvements on existing software for internal use, both internally developed and purchased, are also capitalized. Costs related to the preliminary project stage, data conversion and post implementation/operation stage of an internal-use software development project are expensed as incurred.

Costs that qualify for capitalization include both internal and external costs but are limited to those that are directly related to a specific project. The capitalized amounts, net of accumulated amortization, are included in "Computer software, net" in the consolidated balance sheets. These costs are amortized over a 3-5 year expected useful life. Amortization expense is included in "Depreciation and amortization" in the consolidated statements of income.

**Intangible assets**

Other identifiable intangible assets

Upon acquisition, identifiable intangible assets are recorded at fair value and are subsequently carried at cost, less accumulated amortization.

Identifiable intangible assets are amortized on a straight-line basis over their estimated useful lives as follows:

Trade names	5-15 Years
Customer relationships	12-15 Years
Databases and content	5-7 Years
Other	2-10 Years

**Goodwill**

Goodwill represents the excess of the cost of an acquisition over the fair value of the identifiable net assets of the acquired business at the date of acquisition. Gains and losses on the disposal of an entity include an allocation of goodwill to the extent goodwill was previously allocated to the entity.

**Impairment**

Computer software, Computer hardware and other property

Computer software and computer hardware and other property are evaluated for impairment whenever circumstances indicate the carrying amount may not be recoverable, in accordance with ASC 360, *Property, Plant and Equipment*. The test for impairment compares the carrying amounts with the sum of undiscounted cash flows related to the asset grouping. If the carrying value is greater than the undiscounted cash flows of the asset, the asset is written down to its estimated fair value.

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**Goodwill and Other identifiable intangible assets**

The carrying values of other finite-lived identifiable intangible assets are reviewed for impairment whenever circumstances indicate that their carrying amounts may not be recoverable, in accordance with ASC 360. The test for impairment compares the carrying amounts with the sum of undiscounted cash flows related to the other identifiable intangible asset. *If the carrying value is greater than the undiscounted cash flows of the asset, the other identifiable intangible asset is written down to its estimated fair value.*

Management tests goodwill and other indefinite-lived identifiable intangible assets annually for impairment as of October 1, or more frequently when circumstances indicate that an impairment may have occurred, in accordance with ASC 350, *Intangibles – Goodwill and Other*. Goodwill is evaluated at the reporting unit (“RU”) level, which management determined consists of two RUs incorporating all the goodwill of the Company. The impairment test for goodwill consists of these steps.

- Step zero consists of a review of qualitative factors to determine whether it is more likely than not that the fair value of the reporting unit is less than its carrying amount. If factors indicate that is the case, we continue to Step 1.
- In step 1, the fair value of the RU is compared to its carrying value. In determining the fair value of the RU, the Company uses a discount rate reflective of its risk profile in order to calculate the present value of the Company’s projected cash flows. If the calculated fair value of the RU is less than the carrying value, an impairment loss is recognized in the amount that the calculated fair value is less than the carrying value.
- Management concluded that goodwill was not impaired as of December 31, 2020.

**Equity method investments**

Investments in which the Company is deemed to exert significant influence, but not control, are accounted for using the equity method of accounting. Under the equity method of accounting, the Company’s share of earnings from equity method investments is included in “Share of net earnings in equity method investments” in the consolidated statements of income. The carrying amounts of equity method investments are reflected in “Other non-current assets” in the consolidated balance sheet.

**Equity**

The Company has elected to apply the guidance per ASC 480-10-S99-3A, of ASC 480 *Distinguishing Liabilities from Equity*, regarding the classification of equity instruments subject to redemption outside permanent equity. Accordingly, the 14.5% Preferred Shares are classified in “Temporary equity” on the consolidated balance sheet due to redemption features outside of the Company’s control.

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**Employee future benefits**

For defined benefit pension plans and other post-employment benefits, the net periodic pension expense is determined actuarially on an annual or interim basis using the projected unit credit method. The determination of benefit expense requires assumptions such as the discount rate and an expected return on plan assets, which are used to determine the net periodic benefit cost (income). Other significant assumptions include expected increases to future compensation and pension payments. Actual results will differ from results that are estimated based on assumptions.

The impact of plan amendments that are retroactive is recorded in "Accumulated other comprehensive loss" as a prior service cost in the consolidated balance sheet and is amortized as a component of net periodic cost generally over the plan participants' life expectancy.

The asset, in "Other non-current assets", or liability, in "Other non-current liabilities", recognized in the consolidated balance sheet is the present value of the projected benefit obligation at the end of the reporting period, less the fair value of plan assets. The present value of the projected benefit obligation (other than covered by a buy-in insurance policy) is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension liability. Projected benefit obligation covered by a buy-in insurance policy is revalued equal to the value of the insurance policy asset. The value of the insurance policy asset is estimated by applying a periodically determined market adjustment to the discounted estimated future cash outflows relating to the population covered by the buy-in insurance policy.

All actuarial gains and losses that arise in calculating the present value of the projected benefit obligation and the fair value of plan assets are recognized immediately in the consolidated statements of income.

"Other pension gains" in the consolidated statements of income are comprised of actuarial gains, amortization of prior service costs, curtailment and other pension costs.

Payments to defined contribution plans are expensed as incurred, which is as the related employee service is rendered.

**Profit sharing and bonus plans**

Liabilities for profit sharing and bonuses are recognized based on a formula that takes into consideration various financial metrics after certain adjustments. The Company recognizes an accrual when contractually obliged or where there is a past practice that has created an obligation to make such compensation payments.

**Derivative financial instruments**

The Company recognizes all derivatives as assets, in "Prepaid expenses and other current assets" or "Other non-current assets", or liabilities, in "Accrued expenses other current liabilities" or "Other non-current liabilities", on its consolidated financial statements at fair value. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument and the nature of the item hedged.

The Company documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Company also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flow of hedged transactions.

Non-performance risk, including the Company's own credit risk, is considered when determining the fair value of financial instruments.

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The Company designates certain derivatives as either:

- Fair value hedges: These are hedges of the fair value of recognized assets and liabilities, liabilities of a firm commitment. Changes in the fair value of these derivatives are recorded in the consolidated statements of income together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.
- Cash flow hedges: These are hedges of highly probable forecast transactions. The effective portion of changes in the fair value of these derivatives is recognized in other comprehensive income or loss. The gain or loss relating to the ineffective portion is recognized immediately in the consolidated statements of income in "Other finance expense." Additionally:
  - a. Amounts accumulated in other comprehensive income or loss is reclassified to the consolidated statements of income in the period when the hedged item will affect earnings;
  - b. When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss in other comprehensive income or loss remains in other comprehensive income or loss and is reclassified from accumulated other comprehensive income to the consolidated statements of income when the forecast transaction is ultimately recognized in consolidated statements of income; and
  - c. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in other comprehensive income or loss is immediately recognized in the consolidated statements of income

Derivatives that do not qualify for hedge accounting

Certain derivative instruments, while providing effective economic hedges, are not designated as hedges for accounting purposes. Changes in the fair value of any derivatives that are not designated as hedges for accounting purposes are recognized within the consolidated statements of income, in "Other finance expense" consistent with the underlying nature and purpose of the derivative instruments. Settlements from these instruments are classified within "Net Cash provided by Operating activities" in the consolidated statements of cash flows.

Embedded Derivatives

The Company has embedded foreign currency derivatives primarily in certain revenue contracts where the currency of the contract is different from the functional or local currencies of the parties involved. The Company records these derivative instruments at fair value in the consolidated balance sheet as either assets or liabilities. Changes in the fair value of derivative instruments are recognized within "Other operating income, net" in the consolidated statements of income.

The Company has an embedded derivative within the 14.5% Preferred Shares entered on October 1, 2018. Under certain circumstances related to a possible initial public offering or change of control of the Company future dividends are effectively accelerated and owed to the preferred equity holder. This embedded derivative expires on October 1, 2022. This embedded derivative is recorded at fair value, at issuance of \$49, in "Other non-current liabilities" in the consolidated balance sheet and changes in the fair value are recognized in "Other finance expense" in the consolidated statements of income. The fair value of the embedded derivative at issuance was allocated from the proceeds received related to 14.5% Preferred shares in "Other" in the consolidated statements of changes in stockholders' equity.

Derivative financial instruments are neither held nor issued by the Company for trading purposes.

**Fair value of financial instruments**

Fair value is defined under ASC 820, *Fair Value Measurements and Disclosures*, as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants.

U.S. GAAP includes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

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The following valuation techniques are used to measure fair value for assets and liabilities:

- Level 1 - Quoted market prices in active markets for identical assets or liabilities;
- Level 2 - Significant other observable inputs (e.g., quoted prices for similar items in active markets, quoted prices for identical or similar items in markets that are not active, inputs other than quoted prices that are observable such as interest rate and yield curves, and market-corroborated inputs); and
- Level 3 - Unobservable inputs for the asset or liability, which are valued based on management's estimates of assumptions that market participants would use in pricing the asset or liability.

**Debt issuance costs**

Debt issuance costs consist of cost incurred in obtaining financing and are amortized over the term of the financing using the effective interest method. These costs are generally record as a direct deduction from the carrying amount of the related debt liability on the consolidated balance sheets.

**Non-controlling interests**

Tradeweb Markets Inc. ("Tradeweb Inc."), a Delaware limited liability company, is a consolidated subsidiary and is included within the consolidated financial statements of the Company, with a non-controlling interest owned by investment and commercial banks. Tradeweb Inc operates the Tradeweb Fixed Income business, which provides services that enable institutional market participants to view fixed income, fixed-income derivative, and equity derivative market data and to trade fixed-income securities, fixed-income derivatives, and equity derivatives on the Tradeweb Fixed Income Network, through its regulated subsidiaries.

**Revenue**

The Company derives its revenue from selling information, software, and services. Revenues are recognized when control of the Company's products or services is transferred to customers, in an amount that reflects the consideration to which the Company expects to be entitled. Such consideration is net of discounts, value-added taxes and other sales taxes.

Revenue is recognized as follows:

Subscription revenue

Subscription revenue, which represents a majority of our revenues, primarily consist of fees to access products or services delivered electronically over time that include desktop services, such as Eikon, and non-desktop services, such as Elektron. These products are generally provided under one-year initial subscription arrangements, which most customers renew at the end of each subscription term for an annual term. Subscription revenue is generally recognized on a ratable basis over the contract term as this is the time period that the customer can use and benefit from the service. Subscription revenues also include fees from software maintenance arrangements that are recognized over the maintenance period. Arrangements are generally billed annually or quarterly in advance.

Transactions revenue

Transactions revenues are recognized primarily at a point in time when control transfers based on their type, as follows:

- Volume-based fees related to fixed income trading venues, currency trading venues and brokerage processing solutions are recognized based on usage; and
- Professional fees from service and consulting arrangements are recognized as services are performed, generally based on hours incurred relative to total hours expected to be incurred, reflecting the continuous transfer of control to the customer.

Transactions revenue is generally billed in arrears on a monthly or quarterly basis.

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Recoveries revenue

Recoveries revenue consists of fees for third-party content, such as exchange data that we distribute directly to our customers, and communications fees. This revenue, and its related costs, is recognized on a gross basis, as the Company is considered the principal. Recoveries revenue is generally recognized on a ratable basis over the contract term as this is the time period that the customer can use and benefit from the service. The contract terms and billing arrangements for Recoveries are similar to Subscription revenue.

The Company also considers the following:

- *Multiple performance obligations*

Certain customer contracts include multiple products and services, which are accounted for as separate performance obligations when they are distinct. A product or service is distinct if a customer can benefit from it either on its own or with other readily available resources, and the promise to transfer the good or service is separately identifiable in the contract. In making the determination, management considers whether the Company regularly sells a good or service separately and whether the goods or services are highly interrelated. The transaction price is allocated to the separate performance obligations based on the relative standalone selling price.

The Company typically has more than one standalone selling price for individual products and services due to the stratification of its offerings by customer. As a result, management determines the standalone selling price by considering market conditions and other factors, including the value of its contracts, the product or service sold, the customer's market, geographic location, and the number and types of users in each contract.

A series of distinct goods or services is accounted for as a single performance obligation if the items in the series are substantially the same, have the same pattern of transfer and: (1) each distinct item in the series represents a performance obligation that would be satisfied over time, and (2) the measure to satisfy the performance obligation for each distinct item in the series is the same.

Certain Transactions revenue arrangements include installation or implementation services. If these services are distinct, consideration is allocated to them and revenue is recognized as the services are performed.

- *Sales involving third parties*

Revenue from sales of third-party content or services delivered by the Company is recorded on a gross basis as the Company is the principal to these transactions because it supports the delivery of the service and generally has pricing discretion.

Deferred revenue

Deferred revenue is recorded when cash payments are received or due in advance of the transfer of the related products or services.

The changes in the deferred revenue balance during the year ended December 31, 2020 and 2019 were primarily due to the recognition of billed in advance subscription services.

Contract costs

Deferred commissions are incremental costs of obtaining customer contracts that are recognized as assets when the benefits of such costs are expected to be longer than one year. Incremental costs include sales commissions to direct sales personnel as well as to account executives and sales management.

Sales commissions on new customer contracts are generally paid at significantly higher rates than sales commissions on contract renewals. As such, assets related to commissions on new customer contracts are deferred and amortized over three years, which is generally longer than the initial contract term, as management estimates that this corresponds to the period over which a customer benefits from existing technology in the underlying product or service.

Deferred commissions are classified as current or non-current within "Prepaid assets and other current assets" or "Other non-current assets", respectively. The consolidated balance sheet includes current deferred commissions of \$35 and \$38, and non-current deferred commissions of \$26 and \$26 as of December 31, 2020 and 2019, respectively. The Company applied the practical expedient in ASC 606, *Revenue from Contracts with Customers*, to recognize the incremental costs of obtaining a contract as an expense when incurred, if the amortization period is one year or less. This largely applies to sales commissions on contract renewals.

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**Cost of revenues**

Cost of revenues relate to the production and servicing of the Company's offerings, including employee compensation, the production and maintenance of data, third-party content fees, and royalty fees.

**General and administrative**

General and administrative expenses include employee compensation for support and administrative functions in addition to rent, office expenses, professional fees and other miscellaneous expenses.

**Selling and marketing**

Selling and marketing expenses primarily consist of employee compensation associated with selling products to new and existing customers.

**Share-based compensation plans**

The Company operates a share-based compensation plan under which it receives services from employees in exchange for equity instruments of the Company. Share-based compensation was \$13 and \$14 for the year ended December 31, 2020 and 2019, respectively.

Tradeweb offers stock to employees, officers and nonemployee directors. Under this plan, Tradeweb may grant awards in respect of shares of Class A common stock, including performance-based restricted share units ("PRSUs"), stock options, restricted stock units ("RSUs") and dividend equivalent rights. The awards may have performance-based and time-based vesting conditions. Stock options have a maximum contractual term of 10 years. Share-based compensation was \$39 and \$50 for the years ended December 31, 2020 and 2019, respectively.

Share-based compensation expense is based on the grant-date fair value and the expense is recognized over the vesting period, which is the period over which the specified time-based and performance-based vesting conditions are satisfied. For awards with graded vesting, the fair value of each tranche is recognized over its respective vesting period. For awards with performance-based vesting, the expense will be recognized to the extent the performance metrics are met or deemed probable. The Company accounts for the forfeitures of share-based awards as they occur and recognizes the impact in the consolidated statements of income.

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**Termination benefits**

Termination benefits, offered to employees in connection with workforce reductions, are considered part of an ongoing benefit arrangement. Consequently, such benefits are recorded when payment of the benefits is probable and can be reasonably estimated.

**Leases**

In accordance with ASC 842, all significant lease arrangements are generally recorded at lease commencement with a corresponding ROU asset and lease liability recognized. As of January 1, 2019, ROU assets and lease liabilities were recognized for existing operating leases. A ROU asset and corresponding lease liability for leases with a term of 12 months or less and do not contain an option to purchase the underlying assets are considered short term leases and are not recognized because of the short-term lease exemption. ROU assets represent the Company's right to use an underlying asset during the reasonably certain lease term and lease liabilities represent its obligation to make lease payments arising from the lease. The Company's lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. When determining the present value of lease payments, the Company uses its incremental borrowing rate, which is updated periodically, based on the information available at commencement date. To implement ASC 842, this rate was determined as of January 1, 2019 and applied to the existing portfolio of leases. The operating lease ROU asset also includes any lease payments related to initial direct cost and prepayments. Lease expense is recognized on a straight-line basis over the lease term.

The Company have entered into various non-cancellable operating lease agreements for our offices, data centers, property and equipment. The Company has classified all leases at their commencement as operating leases, as it has not identified any finance leases.

Our operating leases primarily consist of leases for real estate throughout the world with lease expirations between 2021 and 2037. These arrangements typically do not transfer ownership of the underlying asset as the Company do not assume, nor does the Company intend to assume, the risks and rewards of ownership. The Company have also subleased certain office facilities under operating lease agreements, with expirations between 2021 and 2037. The Company recognize sublease rentals on a straight-line basis over their respective lease terms.

Significant judgment is required when determining whether a contract is or contains a lease. The Company reviews contracts to determine whether the language conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As discussed above, the present value of minimum lease payments is used in determining the value of the Company's operating leases. The discount rate is the Company's incremental borrowing rate, which is determined based on information available at lease commencement and is equal to the rate of interest the Company would pay to borrow on a collateralized basis over a similar term in an amount equal to the lease payments in a similar economic environment. The discount rate used for our lease obligations entered in between January 1, 2019 and December 31, 2020 ranged from 1.56% to 22.86%.

**Foreign currency**

The consolidated financial statements are presented in U.S. dollars, which is the Company's reporting currency. The financial statement of each of the Company's subsidiaries are measured using the currency of the primary economic environment in which the subsidiary operates (the "functional currency").

- Assets and liabilities of entities with functional currencies other than U.S. dollars are translated to U.S. dollars at the period-end rates of exchange, and the results of their operations are translated at average rates of exchange for the period. The effects of foreign currency translation adjustments are included in "Accumulated other comprehensive loss" in the accompanying consolidated balance sheets.
- Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, as well as from the translation of monetary assets and liabilities not denominated in the functional currency of the subsidiary, are recognized in the consolidated statements of income.

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- Foreign exchange gains and losses arising from cash and cash equivalents are presented in the consolidated statements of income within “Other finance expense”.
- All other foreign exchange gains and losses are presented in the consolidated statements of income within “General and administrative, excluding depreciation and amortization”.

Upon loss of control or significant influence of the applicable entity, accumulated foreign exchange gains and losses are reclassified from “Accumulated other comprehensive loss” to “Other operating gains, net” within the consolidated statements of income.

**Taxation**

The provision for income taxes is determined in accordance with ASC 740, *Income Taxes*. Under this approach, deferred taxes represent the future tax consequences expected to occur when the reported amounts of assets and liabilities are recovered or paid. The provision for income taxes represents income taxes paid or payable for the period plus the change in deferred taxes during the period and the impact of the deferral. Deferred taxes result from differences between the book and tax bases of assets and liabilities and are adjusted for changes in tax rates and tax laws when changes are enacted. Valuation allowances are recorded to reduce deferred tax assets when it is more likely than not that a tax benefit will not be realized. Interest accrued related to unrecognized tax benefits and income tax related penalties are included in “Income tax expense” in the consolidated statements of income.

**Acquisitions**

Acquisitions are accounted for using the acquisition method and the results of acquired businesses are included in the consolidated financial statements from the date control is obtained.

**Recently adopted accounting pronouncements**

Goodwill

In January 2017, the FASB issued ASU 2017-04, “Intangibles - Goodwill and Other: Simplifying the Test for Goodwill Impairment”. This guidance simplifies the accounting for goodwill impairments by eliminating the second step from the goodwill impairment test. The ASU requires goodwill impairments to be measured on the basis of the fair value of a reporting unit relative to the reporting unit’s carrying amount rather than on the basis of the implied amount of goodwill relative to the goodwill balance of the reporting unit. The ASU also (i) clarifies the requirements for excluding and allocating foreign currency translation adjustments to reporting units related to an entity’s testing of reporting units for goodwill impairment; and (ii) clarifies that an entity should consider income tax effects from any tax-deductible goodwill on the carrying amount of the reporting unit when measuring the goodwill impairment loss, if applicable. The new standard was early adopted in 2019. It had no impact on the Company’s financial statements and minimal impact on its policies or processes.

**(3) Recent accounting pronouncements not yet adopted**

Financial instruments – credit losses

In June 2016, the FASB issued ASU 2016-13, “Financial Instruments – Credit Losses” to replace the incurred loss impairment methodology under current U.S. GAAP with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. The Company will be required to use a forward-looking expected credit loss model for accounts receivable, loans, and other financial instruments. The Company did adopt ASU 2019-10 issued in November 2019 which extended the required adoption date. The standard will be effective for the Company for fiscal periods beginning after December 15, 2022, with early adoption permitted beginning December 15, 2018. The Company is currently evaluating the impact of this standard on its financial statements.

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**Hedging**

In August 2017, the FASB issued ASU 2017-12, “Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities”, which amended the hedge accounting recognition and presentation requirements in ASC 815 to improve the transparency and understandability of information conveyed to financial statement users about an entity’s risk management activities to better align the entity’s financial reporting for hedging relationships with those risk management activities and to reduce the complexity of and simplify the application of hedge accounting. The standard will be effective for the Company for fiscal periods beginning after December 15, 2020, and interim periods within fiscal years beginning after December 15, 2021. The Company is currently evaluating the impact of this standard on its consolidated financial statements.

**Income taxes**

In December 2019, the FASB issued ASU 2019-12, “Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes”, as part of its initiative to reduce complexity in accounting standards. The amendments in this update simplify the accounting for income taxes by removing certain exceptions within ASC 740, as well as clarify and simplify other aspects of the accounting for income taxes to promote consistency among reporting entities. The standard will be effective for the Company for fiscal periods beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022. The Company is currently evaluating the impact of this standard on its consolidated financial statements.

**Reclassifications**

Certain amounts from prior year financial statements have been reclassified to conform to the current year presentation. This reclassification has resulted in no changes to the Company’s financial position or results of operations presented.

**(4) Acquisitions**

On December 8, 2020, Refinitiv acquired GIACT, an industry leader in digital identity, payments verification and fraud prevention, for total consideration, net of cash acquired, of \$620. The preliminary purchase price allocation primarily consists of \$399 to goodwill and \$214 to intangible assets and is based upon the current determination of fair values at the date of acquisition. These determinations are subject to revision as additional information related to the fair value of assets and liabilities becomes available. The intangible assets acquired include trade names, developed technology, content and database and customer relationships.

During the year, Refinitiv also paid cash consideration of \$165 associated with other acquisitions, net of cash acquired.

Had these 2020 acquisitions occurred as of January 1, 2020, the impact on the Company’s consolidated balance sheet and consolidated statements of income would not be material.

**(5) Revenues**

The Company’s revenues by source were as follows:

	Year ended December 31, 2020	Year ended December 31, 2019
Subscription	\$ 4,890	\$ 4,765
Transactions	1,187	1,067
Recoveries and Other	436	418
<b>Total</b>	<b>\$ 6,513</b>	<b>\$ 6,250</b>

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The Company's revenues by country of destination were as follows:

	Year ended December 31, 2020	Year ended December 31, 2019
United States	\$ 2,490	\$ 2,357
Canada	138	133
Other	95	96
Americas (North America, Latin America, South America)	2,723	2,586
United Kingdom	970	925
Other	1,554	1,536
Europe, Middle East and Africa	2,524	2,461
Asia Pacific	1,266	1,203
<b>Total</b>	<b>\$ 6,513</b>	<b>\$ 6,250</b>

Revenue allocated to remaining performance obligations represent contracted revenue that has not yet been recognized, which includes unearned revenue and amount that will be invoiced and recognized as revenue in future periods. Excluding contracts that have a term of a year or less, the Company's remaining performance obligations was \$2,521 as of December 31, 2020, of which 42% is expected to be recognized over the next 12 months, 29% the following 12 months and the remainder thereafter.

The Company's contract balances were as follows:

	December 31, 2020	December 31, 2019
Trade accounts receivable, net of allowances	\$ 351	\$ 416
Unbilled receivables	125	130
<b>Total</b>	<b>\$ 476</b>	<b>\$ 546</b>

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**(6) Interest expense, net**

Interest expense, net was primarily interest expense on borrowings for the year ended December 31, 2020 and 2019.

**(7) Other finance expense**

*Other finance expense primarily consisted of fees and losses due to the repricing of the Euro Term Loan Facility, losses due to changes in foreign currency impacting internal lending, realized and unrealized gains or losses in foreign exchange forward contracts, and changes in the fair value of the PIK derivative as a result of changes in the probability of the completion of the LSEG acquisition as of December 31, 2020 and an increase in the fair value of the PIK derivative for the year ended December 31, 2019.*

**(8) Cash and cash equivalents**

Cash and cash equivalents consisted of the following:

	<b>December 31, 2020</b>	<b>December 31, 2019</b>
Cash:		
Cash at bank and on hand	\$ 387	\$ 385
Cash Equivalents:		
Short-term deposits	55	30
Money market accounts	835	719
<b>Cash and cash equivalents</b>	<b>\$ 1,277</b>	<b>\$ 1,134</b>

Of total cash and cash equivalents, \$793 and \$462 were attributable to Tradeweb LLC as of December 31, 2020 and 2019, respectively. Additionally, \$199 and \$174 as of December 31, 2020 and 2019, respectively, were held in subsidiaries that have regulatory restrictions and contractual restrictions or operate in countries where exchange controls and other legal restrictions apply, and were, therefore, not available for general use by the Company.

**(9) Prepaid expenses and other current assets**

Prepaid expenses and other current assets consisted of the following:

	<b>December 31, 2020</b>	<b>December 31, 2019</b>
Prepaid expenses	\$ 131	\$ 94
Deferred commissions	35	38
Other current assets	152	219
<b>Prepaid expenses and other current assets</b>	<b>\$ 318</b>	<b>\$ 351</b>

**(10) Computer hardware and other property, net**

Computer hardware and other property, net consisted of the following:

	<b>December 31, 2020</b>	<b>December 31, 2019</b>
Computer hardware, gross	\$ 558	\$ 455
Land, building, and building improvements, gross	169	182
Furniture, fixtures and equipment, gross	172	149
Less: accumulated depreciation	(513)	(306)
<b>Computer hardware and other property, net</b>	<b>\$ 386</b>	<b>\$ 480</b>

Depreciation expense was \$198 and \$235 for the year ended December 31, 2020 and 2019, respectively.

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### (11) Computer software, net

Computer software, net consisted of the following:

	December 31, 2020	December 31, 2019
Computer software, gross	\$ 4,549	\$ 3,849
Less: accumulated amortization	(1,862)	(901)
<b>Computer software, net</b>	<b>\$ 2,687</b>	<b>\$ 2,948</b>

Amortization expense for computer software was \$879 and \$733 for the year ended December 31, 2020 and 2019, respectively.

### (12) Other identifiable intangible assets, net

The following table summarizes the gross carrying amounts and accumulated amortization of other identifiable intangible assets by major class:

	December 31, 2020			December 31, 2019		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
<u>Indefinite-lived intangibles</u>						
Trade names	\$ 154	\$ -	\$ 154	\$ 154	\$ -	\$ 154
Other	169	-	169	169	-	169
<u>Amortized intangibles</u>						
Customer relationships	4,338	(664)	3,674	4,097	(360)	3,737
Trade names	401	(58)	343	357	(30)	327
Databases and content	3,286	(1,445)	1,841	3,109	(766)	2,343
Other	8	-	8	-	-	-
<b>Total</b>	<b>\$ 8,356</b>	<b>\$ (2,167)</b>	<b>\$ 6,189</b>	<b>\$ 7,886</b>	<b>\$ (1,156)</b>	<b>\$ 6,730</b>

Other identifiable intangible assets were acquired as a part of business combinations.

- Customer relationships primarily consist of customer contracts and customer relationships arising from such contracts.
- Trade names consist of purchased brand names and trading licenses that the Company continues to use.
- Databases and content primarily consists of repositories of the Company's specific financial and customer information.
- Other consists of favorable leasehold interests and broker-dealer licenses.

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Amortization expense of other identifiable intangible assets was \$934 and \$923 for the year ended December 31, 2020 and 2019, respectively. Estimated amortization expense for other identifiable intangible assets succeeding December 31, 2020 is as follows:

<b>Year ending December 31,</b>	<b>Amount</b>
2021	\$ 982
2022	982
2023	827
2024	362
2025 and thereafter	2,713
<b>Total</b>	<b>\$ 5,866</b>

The Company expects its intangible assets as of December 31, 2020 to amortize over a weighted-average period of 8 years.

**(13) Goodwill**

The following table summarizes changes in the carrying amount of goodwill for the year ended December 31, 2020 and 2019:

	<b>December 31, 2020</b>	<b>December 31, 2019</b>
Beginning balance	\$ 9,164	\$ 9,082
Acquisitions	519	15
Purchase accounting adjustments	-	119
Effect of foreign currency translation and other	321	(52)
<b>Ending balance</b>	<b>\$ 10,004</b>	<b>\$ 9,164</b>

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**(14) Financial instruments measured at fair value**

The Company's assets and liabilities measured at fair value on a recurring basis consisted of the following:

	<b>Level 2</b>		<b>Level 3</b>	
	<b>December 31, 2020</b>	<b>December 31, 2019</b>	<b>December 31, 2020</b>	<b>December 31, 2019</b>
<b>Assets, at fair value</b>				
Equity investments	\$ 4	\$ 5	\$ -	\$ -
Embedded derivatives	5	9	-	-
Forward exchange contracts	10	12	-	-
<b>Total assets</b>	<b>\$ 19</b>	<b>\$ 26</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Liabilities, at fair value</b>				
Derivative instruments --				
Cash flow hedges	\$ 90	\$ 85	\$ -	\$ -
Embedded derivatives	64	13	-	-
Embedded derivative --				
14.5% Preferred Stock	-	-	329	341
Forward exchange contracts	11	1	-	-
<b>Total liabilities</b>	<b>\$ 165</b>	<b>\$ 99</b>	<b>\$ 329</b>	<b>\$ 341</b>

The Company recognizes transfers into and out of the fair value measurement hierarchy levels at the end of the reporting period in which the event or change in circumstances that caused the transfer occurred. There were no transfers between hierarchy levels for the year ended December 31, 2020 and 2019.

**Derivative Instruments**

The Company is exposed to certain risks relating to its ongoing business operations. The primary risks managed by using derivative instruments are foreign currency exchange risk and interest rate risk. The Company recognizes all derivatives as assets or liabilities on its consolidated financial statements at fair value. The derivatives are recorded within other current assets, other non-current assets, other current liabilities, or other non-current liabilities in the consolidated balance sheet, as applicable.

**Foreign exchange contracts**

The Company uses foreign exchange contracts to manage foreign currency risk on cash flow excluding indebtedness. Specifically, the Company mitigates such exposure by entering into a series of exchange contracts to purchase or sell certain currencies in the future at fixed amounts. Related to this, the Company recognized, including both realized and unrealized portions in "Other finance expense" within the consolidated statements of income a loss of \$7 and a gain of \$8 for the year ended December 31, 2020 and 2019, respectively.

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**Interest rate risk exposures**

To hedge its exposures in expected future cash flows due to the changes in interest rates, the Company enters into interest rate swap derivatives, which swap the US dollar monthly floating rate interest payments into US dollars fixed interest payments. The interest rate swaps, which cover a portion of the Company's debt, were designated as cash flow hedges recorded in the consolidated balance sheet at their fair value.

As of December 31, 2020, the Company has \$3,250 in cash flow hedges to hedge forecasted interest payments. The Company paid a fixed rate of interest and received a floating rate of interest for hedges maturing in 2021. As of December 31, 2020 and 2019, the fair value of those hedges was (\$90) and (\$85), respectively. Related to this, the Company recognized a gain of \$2 and a loss of \$45 in "Other comprehensive income" within the consolidated statements of other comprehensive income relating to the effective portion of losses on the cash flow hedges and \$6 and \$0 in "Other finance expense" within the consolidated statements of income relating to the ineffective portion of losses on the cash flow hedges. The Company has also recognized an expense of \$76 and \$21 in "Interest expense, net" within the consolidated statements of comprehensive income for the year ended December 31, 2020 and 2019, respectively.

**Embedded derivatives**

The Company has embedded foreign currency derivatives primarily in certain revenue contracts where the currency of the contract is different from the functional or local currencies of the parties involved. These derivatives are accounted for as separate instruments and are measured at fair value at the end of the reporting period using forward exchange market rates.

Related to the embedded foreign currency derivatives, the company recognized unrealized loss of \$37 and gain of \$8 in "other operating losses, net" and realized loss of \$19 and \$43 in "Revenues, net" in the consolidated statements of income for the year ended December 31, 2020 and 2019, respectively.

Related to the embedded derivative in the 14.5% Preferred Stock, the Company recognized fair value gains in "Other finance expense" in the consolidated statements of income, of \$12 and a loss of \$289 for the year ended December 31, 2020 and 2019, respectively. These fair value gains were due to increases in the probability of a mandatory redemption event occurring prior to October 1, 2020 and decreases in the discount rate to align with the timing of the mandatory redemption event. As of December 31, 2020, the estimated probability of a mandatory redemption event prior to December 31, 2021 was 90% and the estimated discount rate, which was derived from the yield-to-maturity of unsecured notes, the option adjusted spread and other inputs, was 11.5%.

**Fair value of non-derivative financial instruments**

Financial instruments including cash, accounts receivable, accounts payable and accrued expenses are carried in the consolidated financial statements at amounts that approximate their fair value based on the short maturities of those instruments.

Equity investments are non-derivatives that are either designated in the level 2 or not classified in any of the other categories. They are included in other non-current financial assets, unless management intends to dispose of the investment within twelve months of the end of the reporting period. Included within level 2 category are investments in entities over which the Company does not have control, joint control, or significant influence. Equity investments are initially recognized at fair value plus transaction costs and are subsequently carried at fair value with changes recognized within "Other finance expense" in the consolidated statements of income. The fair value of investments not classified in any of the other categories was \$24 and \$0 as of December 31, 2020 and 2019 respectively.

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**(15) Other non-current assets**

Other non-current assets consisted of the following:

	<b>December 31, 2020</b>	<b>December 31, 2019</b>
Net defined benefit plan surpluses	\$ 551	\$ 509
Equity method investments	10	12
Deferred commissions	26	26
Other non-current assets	236	161
<b>Other non-current assets</b>	<b>\$ 823</b>	<b>\$ 708</b>

**(16) Deferred revenue**

The following table presents the changes in the Company's current and non-current deferred revenue balances:

	<b>Year ended December 31, 2020</b>	<b>Year ended December 31, 2019</b>
Balance at beginning of year	\$ 105	\$ 146
Additions due to Acquisition	7	-
Revenue recognized during the period that was included in the deferred revenue balance at the beginning of the period	(86)	(118)
Increases due to amounts billable, excluding amounts recognized as revenue during the period	87	77
<b>Balance at end of year/period</b>	<b>\$ 113</b>	<b>\$ 105</b>

**(17) Accrued expenses and other current liabilities**

Accrued expenses and other current liabilities consisted of the following:

	<b>December 31, 2020</b>	<b>December 31, 2019</b>
Accrued employee related liabilities	\$ 464	\$ 493
Other accrued expense	383	481
Lease liability	157	127
Other current liabilities	580	450
<b>Accrued expenses and other current liabilities</b>	<b>\$ 1,584</b>	<b>\$ 1,551</b>

**(18) Other non-current liabilities**

Other non-current liabilities consisted of the following:

	<b>December 31, 2020</b>	<b>December 31, 2019</b>
Net defined benefit plan obligation	\$ 140	\$ 138
Other non-current liabilities	646	541
<b>Other non-current liabilities</b>	<b>\$ 786</b>	<b>\$ 679</b>

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**(19) Debt**

**Senior Secured Credit Facilities**

In October 2018 Refinitiv US Holdings, Inc. ("Refinitiv US") entered into a credit agreement (the "Credit Agreement") that governs the following facilities (the "Senior Secured Credit Facilities"):

- Dollar Term Loan Facility in an aggregate principal amount of \$6,500 maturing October 1, 2025 (the "Dollar Term Loan Facility");
- Euro Term Loan Facility in an aggregate principal amount of €2,355 million maturing October 1, 2025 (the "Euro Term Loan Facility"; together with the Dollar Term Loan Facility, the "Term Loan Facilities"); and
- Revolving Credit Facility in an aggregate principal amount of \$750 maturing October 1, 2023 (the "Revolving Credit Facility").

The Revolving Credit Facility includes sub-facilities for letters of credit and for short-term borrowings referred to as swing line borrowings. In addition, the Credit Agreement provides that Refinitiv US has the right at any time, subject to customary conditions, to request incremental term loans or incremental revolving credit commitments of up to the greater of \$2,000 and an amount equal to 80% of consolidated EBITDA, subject to additional increases upon satisfaction of a certain first lien net leverage test, refinance the loans with debt incurred outside the Credit Agreement and extend the maturity date of the revolving loans and term loans.

Borrowings under the Dollar Term Loan Facility bear interest, at the option of Refinitiv US, at a per annum rate equal to either (a) a base rate determined by reference to the highest of (1) the administrative agent's prime lending rate, (2) the federal funds effective rate plus 1/2 of 1% and (3) the LIBO rate for a one-month interest period plus 1.00% or (b) a LIBO rate determined by reference to the LIBO rate published on the applicable screen page for the interest period relevant to such borrowing, in each case, plus a per annum margin of 3.75% for LIBO rate loans and 2.75% for base rate loans. The margin for the Dollar Term Loan Facility is subject to one 25 basis point step-down upon achievement of a certain first lien net leverage ratio.

In December 2019, Refinitiv US entered into an Amendment Agreement which provided for the repricing of the Dollar Term Loan Facility with its debt investors, which reduced the per annum margin from 3.75% to 3.25%. Substantially all lenders consented to the repricing and as such no outstanding principal was reduced as part of this transaction. Third party costs aggregating to \$7 incurred by Refinitiv US to execute the repricing have been recognized in "Other finance expense" within the consolidated statements of income.

Borrowings under the Euro Term Loan Facility will bear interest at a per annum rate equal to the EURIBO rate determined by reference to the European Money Markets Institute EURIBO Rate as published on the applicable Reuters screen page for the interest period relevant to such borrowing, plus a per annum margin of 4.00%. The margin for the Euro Term Loan Facility is subject to one 25 basis point step-down upon achievement of a certain first lien net leverage ratio. In no event will the EURIBO rate for the Euro Term Loan Facility be deemed to be less than zero.

In January 2020, Refinitiv US entered into an Amendment Agreement which provided for the repricing of the Euro Term Loan Facility with its lenders, which reduced the per annum margin from 4.00% to 3.25%. As part of this repricing, amounts aggregating to \$802 was repaid to lenders who extinguished their holding and an equivalent amount was borrowed from certain other existing and new lenders. As such the repricing transaction did not result in any change to the total borrowing under the Euro Term Loan Facility. However, an extinguishment loss of \$28 and third-party costs aggregating to \$3 incurred by Refinitiv US to execute the repricing have been recognized in "Other finance expense" within the consolidated statements of income.

Borrowings under the Revolving Credit Facility will bear interest, at the option of Refinitiv US, at a per annum rate equal to either (a) a base rate determined by reference to the highest of (1) the administrative agent's prime lending rate, (2) the federal funds effective rate plus 1/2 of 1% and (3) the LIBO rate for a one-month interest period plus 1.00% or (b) a LIBO rate determined by reference to the LIBO rate published on the applicable screen page for the interest period relevant to such borrowing, in each case, plus a per annum margin of 3.00% for LIBO rate loans and 2.00% for base rate loans. The margin for the Revolving Credit Facility is subject to two 25 basis point step-downs upon achievement of certain first lien net leverage ratios. In no event will the base rate or LIBO rate for the Revolving Credit Facility be deemed to be less than zero.

In addition to paying interest on outstanding principal under the Senior Secured Credit Facilities, Refinitiv US will be required to pay an unused facility fee of 0.375% per annum to the lenders under the Revolving Credit Facility in respect

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of the commitments thereunder. The facility fee rate was subject to one 12.5 basis point step-down upon the achievement of a certain first lien net leverage ratio. Refinitiv US is also required to pay customary letter of credit fees.

On April 6, 2020, Refinitiv US borrowed \$250 from its \$750 Revolving Credit Facility, which matured and was repaid on October 6, 2020. The cost of borrowing was priced at six-month LIBO rate plus 2.75%. On December 7, 2020, Refinitiv US borrowed \$350 from its Revolving credit facility, maturing on January 29, 2021. The cost of borrowing was priced at one-month LIBO rate plus 2.75%. As of December 31, 2020, Refinitiv US had an availability to incur additional secured indebtedness under our Revolving Credit Facility of \$323 after giving effect to the \$350 drawdown and \$77 of letters of credit outstanding thereunder.

The term loans under each of the Dollar Term Loan Facility and the Euro Term Loan Facility are expected to amortize in equal quarterly instalments in an aggregate annual amount equal to 1.00% of the original principal amount of such term loans, with the balance being payable on maturity.

The Credit Agreement contains financial covenants which, solely with respect to the Revolving Credit Facility, require Refinitiv Parent Ltd. ("Parent"), an exempted company incorporated with limited liability under the laws of the Cayman Islands and a direct subsidiary of Holdco, to comply with a maximum ratio of consolidated first lien net indebtedness to consolidated EBITDA. Additionally, the Credit Agreement contains covenants that, among other things, limit or restrict Parent's and its restricted subsidiaries' ability to incur additional indebtedness; to incur liens; merge or consolidate; sell, transfer or dispose of assets; pay dividends; prepay, redeem or repurchase certain subordinated indebtedness; make investments, loans and advances; enter into certain transactions with affiliates; enter into agreements which prohibit its ability to incur liens on assets; and enter into amendments to certain subordinated indebtedness in a manner materially adverse to the lenders. Parent was in compliance with the covenants under the Credit Agreement as of December 31, 2020.

Refinitiv US' obligations under the Senior Secured Credit Facilities are guaranteed by Parent and by Refinitiv US' material wholly owned domestic subsidiaries, subject to certain agreed upon exceptions. The obligations under the Senior Secured Credit Facilities are also, subject to certain agreed upon exceptions, secured by a first-priority pledge on *substantially all of Refinitiv US' and its material wholly-owned domestic subsidiaries' equity, including 100% of the equity of material domestic subsidiaries and 65% of the equity of certain first-tier foreign subsidiaries (including 65% of the equity of Refinitiv UK Parent Limited) and all of the tangible and intangible personal property of Refinitiv US and the subsidiary guarantors.* Holdco is not a guarantor of the Senior Secured Credit Facilities and is not subject to the covenants in the Credit Agreement. None of Parent's foreign subsidiaries or non-wholly owned domestic subsidiaries that are restricted subsidiaries guarantee or provide security in respect of the Senior Secured Credit Facilities but are subject to the covenants in the Credit Agreement.

**Secured Notes and Unsecured Notes**

In October 2018, Refinitiv US issued \$1,250 aggregate principal amount of 6.250% senior first lien notes due 2026 (the "Dollar Secured Notes") and €860 million aggregate principal amount of 4.500% senior first lien notes due 2026 (the "Euro Secured Notes" and, together with the Dollar Secured Notes, the "Secured Notes") under an indenture (the "Secured Indenture").

In October 2018, Refinitiv US also issued \$1,575 aggregate principal amount of 8.250% senior notes due 2026 (the "Dollar Unsecured Notes") and €365 million aggregate principal amount of 6.875% senior notes due 2026 (the "Euro Unsecured Notes" and, together with the Dollar Unsecured Notes, the "Unsecured Notes") under an indenture (the "Unsecured Indenture").

The Secured Indenture and the Unsecured Indenture contains covenants that, among other things, limit or restrict Parent's and its restricted subsidiaries' ability to incur additional indebtedness; to incur liens; merge or consolidate; sell, transfer or dispose of assets; pay dividends; prepay, redeem or repurchase certain subordinated indebtedness; make investments, loans and advances; enter into certain transactions with affiliates; and enter into agreements which prohibit its ability to incur liens on assets. Parent was in compliance with the covenants under the Secured Indenture and the Unsecured Indenture as of December 31, 2020.

The Secured Notes and the Unsecured Notes are general senior obligations, equal in right of payment with any existing and future senior indebtedness of Refinitiv US. The Secured Notes are secured on a first-priority basis by the same collateral that secures the Senior Secured Credit Facilities.

Parent and the subsidiary guarantors that guarantee the Senior Secured Credit Facilities also guarantee the Secured Notes and the Unsecured Notes. These guarantors jointly and severally guarantee, fully and unconditionally, on a senior basis, the performance and full and punctual payment when due of all obligations under the Secured Indenture, the Secured

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Notes, the Unsecured Indenture and the Unsecured Notes. The guarantees of the Secured Notes are secured on a first-priority basis by the same collateral that secures the Senior Secured Credit Facilities.

Interest on the Secured Notes and the Unsecured Notes is payable semi-annually in arrears on May 15 and November 15 of each year, starting on May 15, 2019. The Secured Notes mature on May 15, 2026 and the Unsecured Notes mature on November 15, 2026.

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Long-term debt consisted of the following:

	December 31, 2020		December 31, 2019	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Long-term debt:</b>				
<i>Senior Secured Credit Facilities:</i>				
Dollar Term Loan Facility	\$ 6,370	\$ 6,357	\$ 6,435	\$ 6,491
Euro Term Loan Facility	2,824	2,817	2,617	2,628
Revolving Credit Facility	350	350	-	-
<i>Notes offered:</i>				
Dollar Secured Notes (6.25%, due May 15, 2026)	1,250	1,330	1,250	1,363
Euro Secured Notes (4.5%, due May 15, 2026)	1,052	1,107	965	1,050
Dollar Unsecured Notes (8.25%, due November 15, 2026)	1,575	1,713	1,575	1,774
Euro Unsecured Notes (6.875%, due November 15, 2026)	447	483	410	464
<b>Total</b>	<b>13,868</b>	<b>14,157</b>	<b>13,252</b>	<b>13,770</b>
Less: unamortized debt issuance costs	297		376	
Less: current maturities	443		91	
<b>Total long-term debt</b>	<b>\$ 13,128</b>		<b>\$ 12,785</b>	

The estimated fair values of the Term Loan Facilities and the Secured Notes and the Unsecured Notes are designated in the Level 2 category and are based on the quotes received from third-party brokers.

Aggregate principal payments, exclusive of any debt issuance costs, due on long-term debt as of December 31, 2020 are as follows:

	Amount
2021	\$ 443
2022	94
2023	94
2024	94
2025	8,819
2026 and thereafter	4,324
<b>Total</b>	<b>\$ 13,868</b>

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**(20) Operating Lease**

The components of lease expense were as follows:

	Year ended December 31, 2020	Year ended December 31, 2019
Operating lease expense	\$ 193	\$ 198
Variable lease expense	4	4
Short-term lease expense	13	5
Sublease income	(50)	(27)
<b>Total lease expense</b>	<b>\$ 160</b>	<b>\$ 180</b>

Supplemental balance sheet information related to leases was as follows:

	December 31, 2020	December 31, 2019
<b>Operating lease right-of-use assets</b>	<b>\$ 579</b>	<b>\$ 550</b>
Other current liabilities	\$ 157	\$ 127
Operating lease liabilities	465	446
<b>Total operating lease liabilities</b>	<b>\$ 622</b>	<b>\$ 573</b>

Other information:

	December 31, 2020	December 31 2019
Operating cash flows to operating leases	\$ 182	\$ 174
Weighted-average remaining lease term	9 years	8 years
Weighted-average discount rate	6.40%	7.00%

Annual maturities of the Company's operating lease liabilities are as follows:

	Amount
For January 1, 2021 to December 31, 2021	\$ 186
2022	114
2023	86
2024	68
2025	43
Thereafter	343
Total lease payments	<b>840</b>
Less imputed interest	(218)
<b>Total</b>	<b>\$ 622</b>

The gross future minimum lease payments under all non-cancelable operating leases as of December 31, 2020 are as follows:

December 31,	Amount
2021	\$ 186
2022	115
2023	87
2024	68
2025	43
2026 and thereafter	343
<b>Total</b>	<b>\$ 842</b>

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#### (21) Pension and other postretirement benefits

##### Retirement benefits

Substantially all of the Company's employees participate in defined benefit or defined contribution employee future benefit plans. Costs for future employee benefits are accrued over the periods in which the employees earn the benefits. Defined benefit plans provide pension and other post-retirement benefits to covered employees. Plan obligations are valued under ASC 715, *Compensation — Retirement Benefits*, using the projected unit credit method.

The consolidated balance sheet includes the assets and liabilities of the Reuters Pension Fund ("RPF") and the Supplementary Pension Scheme ("SPS"), covering U.K. employees (collectively, the "Large U.K. plans"), as well as various smaller plans closely associated with the operations of the Company. The consolidated statements of income included the portion of net periodic benefit cost (income) attributed to the Company relative to all plans.

##### Defined benefit plan overview

Benefits payable are generally based on salary and years of service, although each plan has a unique benefits formula. Employees in the Large U.K. plans (and in some smaller global plans) may also make voluntary contributions to augment future benefits. The normal retirement age is typically in the range of 60 to 65 years and benefits are generally payable in annuity or lump sum upon retirement. Most plans include provisions for early retirement, death, survivor, and disability benefits. Under the Large U.K. plans, vested benefits of former employees who are not yet of retirement age are held in deferment. Eligible benefits under the Large U.K. plans increase based on inflation.

Except where required by law, virtually all defined benefit plans are closed to new employees. However, most new employees are eligible to participate in defined contribution plans.

The Company bears the cost of the Large U.K. plans (less employee contributions). However, the responsibility for the management and governance of each of the Large U.K. plans lies with an independent trustee board (the "Trustees"). The Trustees are responsible for carrying out triennial valuations (unless circumstances require an earlier review) and securing funding for benefit payments. In order to develop funding valuations and investment policies, the Trustees consult with the plan's actuary (who is independent of the Company's actuary), the plan's investment advisors (also independent of the Company's investment advisors), and the Company. The Trustees and the Company are required to agree on a schedule of contributions in support of funding objectives. The Company has separate funding agreements with the respective Large U.K. plans' Trustees that provide for ongoing contributions to fund current service accruals and scheduled deficit recovery contributions to remedy prior funding deficits over a period of several years. These arrangements are updated in conjunction with the triennial valuations.

Additionally, the Company provides guarantees to the Trustees of the RPF and to the Trustees of the SPS in conjunction with triennial valuation and funding agreements. As of December 31, 2020, the aggregate maximum liability under the guarantees was £700 million for the RPF and £120 million for the SPS.

Other international locations operate various pension plans in accordance with the local regulations and practices.

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**Net plan surpluses / obligations**

The movement on the net plan assets was as follows:

	Year ended December 31, 2020	Year ended December 31, 2019
Beginning balance	\$ 371	\$ 283
Net periodic benefit income	(16)	26
Contributions paid	37	39
Exchange differences	20	23
<b>Net plan assets</b>	<b>412</b>	<b>371</b>
<b>Net plan surpluses recognized in non-current assets</b>	<b>551</b>	<b>509</b>
<b>Net plan obligations recognized in non-current liabilities</b>	<b>(139)</b>	<b>(138)</b>

The following analysis relates to the material plans, which primarily relate to the Large U.K. plans.

**Obligation and Funded Status**

The projected benefit obligation ("PBO") is the actuarial present value of benefits earned based upon service and compensation prior to the valuation date and, if applicable, includes assumptions regarding future compensation levels.

The movement in the projected benefit obligation is as follows:

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	<b>Projected benefit obligation</b>
Projected benefit obligation as of January 1, 2019	\$ 3,417
Service costs and administration fee	21
Interest cost	73
Plan participants' contribution	4
Actuarial loss	341
Curtailment gain	(17)
Administration fee disbursements	(5)
Currency impact	140
Benefits paid	(161)
<b>Projected benefit obligation as of December 31, 2019</b>	<b>\$ 3,813</b>

	<b>Projected benefit obligation</b>
Projected benefit obligation as of January 1, 2020	\$ 3,813
Service costs and administration fee	26
Interest cost	53
Plan participants' contribution	3
Actuarial loss	396
Curtailment gain	(9)
Administration fee disbursements	(6)
Currency impact	153
Benefits paid	(147)
<b>Projected benefit obligation as of December 31, 2020</b>	<b>\$ 4,282</b>

The change in the fair value of plan assets and the plans' funded status is as follows:

	<b>Fair value of plan assets</b>
Fair value of plan assets as of January 1, 2019	\$ 3,696
Expected return of plan assets	134
Actuarial gains	312
Employer contributions	39
Plan participants' contribution	4
Currency impact	162
Benefits paid	(161)
Administrations fee disbursements	(5)
<b>Fair value of plan assets as of December 31, 2019</b>	<b>\$ 4,181</b>
<b>Funded status as of December 31, 2019</b>	<b>\$ 368</b>

	<b>Fair value of plan assets</b>
Fair value of plan assets as of January 1, 2020	\$ 4,181
Expected return of plan assets	106
Actuarial gains	346
Employer contributions	35
Plan participants' contribution	3
Currency impact	172
Benefits paid	(147)
Administrations fee disbursements	(6)
<b>Fair value of plan assets as of December 31, 2020</b>	<b>\$ 4,690</b>
<b>Funded status as of December 31, 2020</b>	<b>\$ 408</b>

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The accumulated benefit obligation (“ABO”) is the actuarial present value of benefits earned based on service and compensation prior to the valuation date. The ABO differs from the PBO in that the ABO does not include assumptions about future compensation levels. The ABO as of December 31, 2020 and 2019 was \$4,143 and \$3,726, respectively.

The following table provides information for benefit plans where the projected benefit obligation and accumulated benefit obligation exceed plan assets:

	<b>December 31, 2020</b>	<b>December 31, 2019</b>
Projected benefit obligation	\$ 323	\$ 393
Accumulated benefit obligation	298	371
Fair value of plan assets	186	265

The following table provides information for benefit plans where plan assets exceed the projected benefit obligation and accumulated benefit obligation:

	<b>December 31, 2020</b>	<b>December 31, 2019</b>
Projected benefit obligation	\$ 3,959	\$ 3,420
Accumulated benefit obligation	3,845	3,355
Fair value of plan assets	4,504	3,916

**Investment policy of the material plans**

Plan assets consist primarily of government and corporate bonds, and various other investment vehicles. Plan assets are invested to adequately secure benefits and to minimize the need for long-term contributions to the plans. However, specific investment allocations will vary across plans.

The principal investment objectives are to ensure the availability of funds to pay pension benefits as they become due under a broad range of future economic scenarios, maximize long-term investment return with an acceptable level of risk based on our pension obligation, and diversify broadly across and within the capital markets to insulate asset values against adverse experience in any one market.

Plan Trustees set investment policies and strategies for each plan and oversee investment allocation, which includes selecting investment managers, commissioning periodic asset-liability studies, and setting long-term strategic targets. The plan Trustees may consult the Company in setting investment policy, but the plan Trustees are accountable for investment policy. Investment allocation takes into consideration a number of factors, including the funded status of the plan, a balance between risk and return, the plan’s liquidity needs, current and expected economic and market conditions, specific asset class risk as well as the risk profile and maturity pattern of the respective plan.

Target investment allocation ranges are guidelines, not limitations. Funded plans may have broadly diversified portfolios with investments in equities, fixed income, real estate, insurance contracts, derivatives, and other asset classes through direct ownership or through other instruments such as mutual funds, commingled funds, and hedge funds. Derivatives may be used to achieve investment objectives or as a component of risk management such as for interest rate and currency management strategies.

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The plans' asset targets and actual allocations as a percentage of plan assets, by asset categories, were as of:

	Target	December 31, 2019
Equities	4%	4%
Fixed income	47%	47%
Buy in Policy	21%	21%
Cash and cash equivalents	2%	2%
Multi assets and other	26%	26%
<b>Total</b>	<b>100%</b>	<b>100%</b>

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	Target	December 31, 2020
Equities	6%	6%
Fixed income	51%	51%
Buy in Policy	19%	19%
Cash and cash equivalents	2%	2%
Multi assets and other	22%	22%
<b>Total</b>	<b>100%</b>	<b>100%</b>

The following tables set forth by level, within the fair value hierarchy, the pension assets at fair value:

December 31, 2019	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Equities <sup>(1)</sup></b>				
U.S.	\$ 59	\$ 13	\$ -	\$ 46
All other	96	96	-	-
<b>Bonds <sup>(2)</sup></b>				
<i>Corporate</i>				
U.K.	143	3	140	-
All other	574	13	561	-
<i>Government</i>				
U.K.	819	2	817	-
All other	418	89	329	-
<b>Buy-in-assets</b>	894	-	-	894
<b>Cash and cash equivalents</b>	99	99	-	-
<b>Multi-assets and Other <sup>(3)</sup></b>	1,079	27	407	645
<b>Total pension plan assets</b>	<b>\$ 4,181</b>	<b>\$ 342</b>	<b>\$ 2,254</b>	<b>\$ 1,585</b>

(1) Represents funds focused on equity strategies.

(2) Indebtedness includes direct credit holdings and funds focused on the fixed income strategies.

(3) Represents funds invested in a range of asset classes.

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<b>December 31, 2020</b>	<b>Fair Value</b>	<b>Quoted Prices in Active Markets for Identical Assets (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>Significant Unobservable Inputs (Level 3)</b>
<b>Equities <sup>(1)</sup></b>				
U.S.	\$ 54	\$ 14	\$ -	\$ 40
All other	229	229	-	-
<b>Bonds <sup>(2)</sup></b>				
<i>Corporate</i>				
U.K.	190	2	188	-
All other	612	16	596	-
<i>Government</i>				
U.K.	1,102	2	1,100	-
All other	484	96	388	-
<b>Buy-in-assets</b>	911	-	-	911
<b>Cash and cash equivalents</b>	100	100	-	-
<b>Multi-assets and Other <sup>(3)</sup></b>	1,008	27	437	544
<b>Total pension plan assets</b>	<b>\$ 4,690</b>	<b>\$ 486</b>	<b>\$ 2,709</b>	<b>\$ 1,495</b>

(1) Represents funds focused on equity strategies.

(2) Indebtedness includes direct credit holdings and funds focused on the fixed income strategies.

(3) Represents funds invested in a range of asset classes.

The following tables set forth a summary of changes in the fair value of the Level 3 plan assets:

	<b>Equities</b>	<b>Buy-in-assets</b>	<b>Multi-assets and Other</b>	<b>Total</b>
January 1, 2019	\$ 55	\$ 787	\$ 670	\$ 1,512
Realized gains (losses)	2	-	(1)	1
Unrealized gains (losses)	(6)	107	-	101
Purchases, sales and settlements, net	(5)	-	(24)	(29)
<b>December 31, 2019</b>	<b>\$ 46</b>	<b>\$ 894</b>	<b>\$ 645</b>	<b>\$ 1,585</b>

	<b>Equities</b>	<b>Buy-in-assets</b>	<b>Multi-assets and Other</b>	<b>Total</b>
January 1, 2020	\$ 46	\$ 894	\$ 645	\$ 1,585
Realized gains	11	-	9	20
Unrealized gains (losses)	(7)	17	(43)	(33)
Purchases, sales and settlements, net	(10)	-	(67)	(77)
<b>December 31, 2020</b>	<b>\$ 40</b>	<b>\$ 911</b>	<b>\$ 544</b>	<b>\$ 1,495</b>

There were no new investments in the Level 3 hierarchy for the years ended December 31, 2020 and 2019. As of December 31, 2020 and 2019, there were no securities of Thomson Reuters held in the Company's pension plans' assets.

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**Contributions**

The Company contributed to its material defined benefit plans \$35 and \$39 for the year ended December 31, 2020 and 2019, respectively. These amounts include contributions of approximately \$24 and \$28 for the year ended December 31, 2020 and 2019, respectively to the Company's Large U.K. plans pursuant to a recovery plan agreement and pension increase agreement signed on October 1, 2018 with the Trustees of these plans.

The Company expects to contribute to its material defined benefit plans approximately \$20 for the 12 months ending December 2021.

For the Large U.K. plans, the Trustees have the right to call for special valuations, which could subsequently result in the Company having to make an unexpected contribution. Market-related factors may also affect the timing and the amount of contributions.

**Estimated future benefit payments**

Expected benefit payments are estimated using the same assumptions used in determining the benefit obligation as of December 31, 2020. Because benefit payments will depend on future employment and compensation levels; average years employed; average life spans; and payment elections, among other factors, changes in any of these assumptions could significantly affect these expected amounts.

The following table provides expected benefit payments under the Company's pension plans:

<b>Year ending December 31,</b>	<b>Amount</b>
2021	\$ 119
2022	108
2023	111
2024	121
2025	124
2026-2030	699
<b>Total</b>	<b>\$ 1,282</b>

In determining the projected benefit obligation, the Company used the following significant weighted-average assumptions:

	<b>December 31, 2020</b>	<b>December 31, 2019</b>
Projected benefit obligation discount rate	1.07%	1.61%
Rate of increase in compensation levels	3.36%	3.18%

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In determining the net periodic benefit cost (income), the Company used the following significant weighted-average assumptions:

	Year ended December 31, 2020	Year ended December 31, 2019
<b>Pension Benefits</b>		
Discount rates	1.61%	2.35%
Expected long-term rate of return on assets	2.63%	3.72%
Rate of increase in compensation levels	3.18%	3.17%

#### Discount rate

The discount rate was based on current market interest rates of high-quality corporate bonds, adjusted to reflect the duration of expected future cash outflows for pension benefit payments. To estimate the discount rate, a hypothetical yield curve that represented yields on high-quality zero-coupon bonds was constructed with durations that mirrored the expected payment stream of the benefit obligation.

#### **Net periodic benefit cost (income)**

Net periodic benefit cost (income), including service cost, interest cost, and expected return on assets are determined using assumptions regarding the benefit obligation and the fair value of plan assets (where applicable) as of the beginning of each year or period. The Company uses the fair value of plan assets to calculate the expected return on assets in net periodic benefit cost (income). The benefit obligation and related funded status are determined using assumptions as of the end of each year or period. Actuarial gains and losses resulting from plan remeasurement are recognized in net periodic benefit cost (income) in the period of the remeasurement. The impact of a 2018 plan amendment to increase benefits under the Large U.K. plans is recorded in Accumulated other comprehensive loss and is amortized as a component of net periodic benefit cost over the plan participants' life expectancy, since the plans are primarily inactive.

The components of net periodic benefit cost (income) were as follows:

	Year ended December 31, 2020	Year ended December 31, 2019
Service cost and administration fee	\$ 26	\$ 21
Interest cost on projected benefit obligation	53	73
Expected return on plan assets	(106)	(134)
Amortization of actuarial loss, net	50	29
Amortization of prior service cost	1	1
Curtailment gain	(9)	(17)
<b>Net periodic benefit cost/(income)</b>	<b>\$ 15</b>	<b>\$ (27)</b>

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**Analysis of accumulated other comprehensive loss**

The following amounts were recognized in “Accumulated other comprehensive loss” on the consolidated balance sheets:

	<b>Year ended December 31, 2020</b>	<b>Year ended December 31, 2019</b>
Beginning balance	\$ 36	\$ 36
Currency Impact	1	1
Amortization of prior service cost <sup>(1)</sup>	(1)	(1)
<b>Ending Balance</b>	<b>\$ 36</b>	<b>\$ 36</b>

<sup>(1)</sup> Recognized in the statement of income

The estimated prior service cost that will be amortized from accumulated other comprehensive loss into net periodic benefit cost (income) over the next twelve months is \$1.

**Defined contribution plans**

The Company sponsors various defined contribution savings plans that provide for Company-matching contributions. Total expense, which approximates the cash outlays to the plans, for the defined contribution plans was \$61 and \$62 for the year ended December 31, 2020 and 2019, respectively.

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**(22) Income taxes**

The components of the pre-tax income and the tax provision are presented separately for Cayman Islands, the tax jurisdiction of Holdco, as well as the United Kingdom which is the tax jurisdiction of Parent and a significant operating jurisdiction.

The components of pre-tax income were as follows:

	Year ended December 31, 2020	Year ended December 31, 2019
Cayman Islands earnings	\$ (0)	\$ (324)
UK earnings	(524)	(532)
Other jurisdictions earnings	(358)	(371)
<b>Pre-tax income</b>	<b>\$ (882)</b>	<b>\$ (1,227)</b>

The components of income tax (benefit) expense were as follows:

	Year ended December 31, 2020	Year ended December 31, 2019
<b>Current</b>		
Cayman Islands	\$ -	\$ -
UK	19	20
Other jurisdictions	39	72
Total current	58	92
<b>Deferred</b>		
Cayman Islands	-	-
UK	(1)	(73)
Other jurisdictions	17	(178)
Total deferred	16	(251)
<b>Total provision for income tax (benefit)/expense</b>	<b>\$ 74</b>	<b>\$ (159)</b>

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A reconciliation of the statutory UK tax rate to the Company's effective tax rate is as follows:

	Year ended December 31, 2020	Year ended December 31, 2019
Statutory rate	19.0%	19.0%
Foreign rate differential	1.4%	(4.9%)
Permanent differences	(3.9%)	(1.0%)
Withholding taxes	(2.4%)	(1.4%)
Impact of Tradeweb non-controlling interests	1.1%	1.3%
Impact of tax rate changes	(0.1%)	(0.1%)
Movement in valuation allowance	(19.7%)	(2.1%)
Provision for uncertain tax positions	(2.2%)	(0.5%)
Other	(1.6%)	2.7%
<b>Effective rate</b>	<b>(8.4)%</b>	<b>13.0%</b>

The tax effects of the significant components of temporary differences giving rise to the Company's deferred income tax assets and liabilities were as follows:

	December 31, 2020	December 31, 2019
Partnership outside basis - Tradeweb	\$ 510	\$ 226
Computer hardware, software and other property, net	168	93
Other financial liabilities	56	37
Leases	105	88
Employee benefits	82	73
Other	45	16
Operating losses and tax attributes	433	325
Total deferred tax assets	\$ 1,399	\$ 858
Valuation allowances	(271)	(80)
<b>Net deferred tax assets</b>	<b>\$ 1,128</b>	<b>\$ 778</b>
Computer hardware, software and other property, net	(4)	(8)
Other identifiable intangible assets, net	(461)	(517)
Goodwill	(71)	(43)
Employee benefits	(91)	(68)
Right of use assets	(97)	(87)
Cost of debt	(51)	(48)
Partnership outside basis- Refinitiv	(48)	(46)
Outside basis of overseas subsidiaries	(7)	(6)
Other assets	(7)	(8)
Total deferred tax liabilities	\$ (837)	\$ (831)
<b>Net deferred tax assets/(liabilities)</b>	<b>\$ 291</b>	<b>\$ (53)</b>

In the consolidated balance sheet, deferred tax assets and liabilities are shown net if they are in the same jurisdiction. The components of the net deferred tax assets/(liabilities) as reported on the consolidated balance sheet were as follows:

	December 31, 2020	December 31, 2019
Deferred tax assets	\$ 598	\$ 271
Deferred tax liabilities	(307)	(324)
<b>Net deferred tax assets/(liabilities)</b>	<b>\$ 291</b>	<b>\$ (53)</b>

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As of December 31, 2020, the Company had foreign and domestic loss carryforwards of \$1,223, as well as foreign and domestic credit carryforwards of \$23. The foreign and domestic loss carryforwards at December 31, 2019 were \$818 and credit carryforwards were \$17. *The majority of the tax loss and credit carryforward may be carried forward indefinitely and the amount of carryforward that can be used by the Company is not expected to be impacted in the event of a substantial change in the Company's ownership.*

The Company is required to assess the realization of its deferred tax assets and the need for a valuation allowance, when *in the opinion of management, it is more likely than not that the assets will not be realized.* The assessment requires judgment on the part of management with respect to benefits that could be realized from future taxable income, as well as other positive and negative factors influencing the realization of deferred tax assets. The valuation allowances as of December 31, 2020 and 2019 were \$271 and \$80, respectively. The amounts principally apply to certain foreign and domestic credit and loss carryforwards.

As of December 31, 2020, the Company had provided deferred tax of \$7 on the unremitted earnings of its overseas affiliates which were estimated at \$86.

**Uncertain tax positions**

The Company is subject to taxation in numerous jurisdictions and is routinely under audit by many different tax authorities in the ordinary course of business. There are many transactions and calculations during the course of business for which the ultimate tax determination is uncertain, as taxing authorities may challenge some of the Company's positions and propose adjustments or changes to its tax filings. As a result, the Company recognizes tax liabilities based on estimates of whether additional taxes and interest will be due. *These tax liabilities are recognized when, despite the Company's belief that its tax return positions are supportable, the Company believes that certain positions may not be fully sustained upon review by tax authorities.* The Company believes that its accruals for tax liabilities are adequate for all open audit years based on its interpretations of tax law. To the extent that new information becomes available which causes the Company to change its judgment regarding the adequacy of existing tax liabilities, such changes to tax liabilities will impact income tax expense in the period in which such determination is made.

The Company has a tax indemnity for all tax liabilities arising up to September 30, 2018 in the predecessor Company. The Company believes that it is reasonably possible that approximately \$3 of unrecognized tax benefits within the uncertain tax positions, may be recognized by December 31, 2021 as a result of the lapse of the statute of limitations.

The following table summarizes the Company's uncertain tax positions:

	<b>December 31, 2020</b>	<b>December 31, 2019</b>
Uncertain tax positions	\$ 131	\$ 116
Portion that, if recognized, would reduce tax expense	131	116
Accrued interest on uncertain tax positions	26	16
Accrued penalties on uncertain tax positions	9	6

The following table reconciles the beginning and ending balances of uncertain tax positions for each consolidated balance sheet period presented:

	<b>Uncertain tax positions</b>
Balance as of January 1, 2019	\$ 86
Additions for tax positions of the current period	6
Additions for tax positions of prior years	35
Reductions for tax positions of prior years	(10)
Expiration of statute of limitations	(2)
Settlements with tax authorities	(2)
Effect of foreign currency translation	3
<b>Balance as of December 31, 2019</b>	<b>\$ 116</b>
Balance as of January 1, 2020	\$ 116

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## Notes to Consolidated Financial Statements (U.S. dollars in millions, except where otherwise noted)

Additions for tax positions of the current period	1
Additions for tax positions of prior years	38
Reductions for tax positions of prior years	(22)
Expiration of statute of limitations	(2)
Settlements with tax authorities	(4)
Effect of foreign currency translation	4
<b>Balance as of December 31, 2020</b>	<b>\$ 131</b>

As of December 31, 2020, the Company's open tax years in its major tax jurisdictions are 2013 through 2019.

### (23) Preferred and common shares

The Company had 5,000,000 authorized 14.5% Preferred shares, \$0.00001 par value per share, as of December 31, 2020. These shares rank senior in priority to other preferred or common shares and are not transferable by the investors except to their affiliates. They have a 14.5% per annum rate and accrete daily with semi-annual compounding. These shares are classified as temporary equity as they are redeemable for cash at the option of the holder after October 1, 2027 and callable by the Company, which is controlled by the holder, after October 1, 2022 or earlier under certain circumstances related to a possible initial public offering or change of control. These shares are recorded as of December 31, 2018 based upon marking them to their theoretical, current redemption value, including dividend accretion. The redemption value is its initial liquidation preference adjusted for dividend accretion through the date of redemption.

The Company had 72,040,000,000 authorized 10% Preferred shares, \$0.00001 par value per share, in classes of A-1, A-1X, A-2, A-2X, A-3 and B, as of December 31, 2020. Rights of the holders of each class of these Preferred Shares are largely identical to each other. These Preferred Shares rank junior to the 14.5% Preferred shares and senior to the Common shares. These shares are not transferable by the investors, except as permitted under the articles of association of the Company (including with respect to the restrictions set forth in the securityholders' agreements to which the Company is a party). They have a 10% per annum rate and accrete daily with semi-annual compounding.

The Company had 730,000,000 authorized common shares in classes of A-1, A-1X, A-2, A-2X, A-3 and B and 20,000,000 authorized common shares in classes C and D, as of December 31, 2020. All shares are \$0.00001 par value per share. Class A and B common shares are stapled with a corresponding class of Preferred Shares in accordance with the provisions of the articles of association of the Company. Class A common shares possess one vote per share. The other classes have no voting rights. Distributions in respect of outstanding shares of the Company are to be made in accordance with the provisions of the articles of association of the Company, including those governing the priority of such distributions. Common shares are not transferable, except as permitted under the articles of association of the Company (including with respect to the restrictions set forth in the securityholders' agreements to which the Company is a party).

The following table summarizes the allotment and repurchase of its issued and outstanding preferred and common stock for the year ended December 31, 2020:

	14.5% Preferred stock	10% Preferred stock	Common Stock	
			Classes A and B	Classes C and D
As of December 31, 2018	1,000,000	5,171,517,818	52,237,554	4,753,708
Activity	-	1,064,250	10,750	(393,445)
<b>As of December 31, 2019</b>	<b>1,000,000</b>	<b>5,172,582,068</b>	<b>52,248,304</b>	<b>4,360,263</b>
Activity	-	-	-	-
<b>As of December 31, 2020</b>	<b>1,000,000</b>	<b>5,172,582,068</b>	<b>52,248,304</b>	<b>4,360,263</b>

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**Notes to Consolidated Financial Statements**  
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Holdco, Blackstone and Thomson Reuters entered into an agreement on October 1, 2018 for the potential reallocation of outstanding shares between Blackstone and Thomson Reuters at the time of an initial public offering or change of control of Holdco based on rates of return achieved by the Company's investors. Such reallocation would not involve incremental investment in the Company at the time such reallocation is implemented. Therefore, the Company has not recognized an asset, liability or equity interest in relation to this agreement.

**(24) Commitments and contingencies**

**Lawsuits and legal claims**

The Company is engaged in various legal proceedings, claims, audits, and investigations that have arisen in the ordinary course of business. These matters include, but are not limited to, employment matters, commercial matters, defamation claims, and intellectual property infringement claims. The outcome of all the matters against the Company is subject to future resolution, including the uncertainties of litigation. Based on information currently known to the Company and after consultation with outside legal counsel, management believes that the ultimate resolution of any such matters, individually or in the aggregate, will not have a material adverse impact on the Company's consolidated financial statements taken as a whole.

**Unconditional purchase obligations**

The Company has various obligations for materials, supplies, outsourcing, and other services contracted in the ordinary course of business. The future unconditional purchase obligations as of December 31, 2020 are as follows:

<b>Year ending December 31,</b>	<b>Amount</b>
2021	\$ 650
2022	608
2023	562
2024 and thereafter	8,724
<b>Total</b>	<b>\$ 10,544</b>

**(25) Related party transactions**

**Leasing transactions with Thomson Reuters**

One of the Company's subsidiaries leases the 3 Times Square property and building in New York, New York that is jointly managed and operated by Thomson Reuters and a third party, 3XSQ Associates. The lease provides the Company with approximately 690,000 square feet of office space until 2021.

**Other intercompany transactions**

The Company executed a 30-year agreement with Reuters News, a business of Thomson Reuters, to receive news and editorial content for a minimum amount of \$325 per year. The Company recorded expense of \$334 and \$337 in "Cost of revenues, excluding depreciation and amortization" in the consolidated statements of income for the year ended December 31, 2020 and 2019, respectively.

The Company and Thomson Reuters sell products and services to each other in the normal course of business. To facilitate the separation of the Company from Thomson Reuters, both agreed to provide certain operational services to each other, including technology and administrative services, for a specified multi-year period. Also, the Company and Thomson Reuters extended property leases to each other. These transactions are not significant to the Company's results of operations or financial condition either individually or in the aggregate.

Of the Company's lease liabilities as of December 31, 2020, \$12 were lease commitments with Thomson Reuters. Thomson Reuters paid \$29 of rent to the Company, which is included in sublease income for the year ended December 31, 2020. Additionally, the Company included \$1 of purchase obligations to Thomson Reuters related to certain operational services, including technology and administrative services, in its disclosure of future unconditional purchase obligations (see note 24). Thomson Reuters has \$2 of purchase obligations to the Company for similar operational services.

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### **Notes to Consolidated Financial Statements**

(U.S. dollars in millions, except where otherwise noted)

The consolidated balance sheet as of December 31, 2020 included a receivable from Thomson Reuters of \$131 and a payable to Thomson Reuters of \$(142) related to all transactions between the two companies. The consolidated balance sheet as of December 31, 2019 included a receivable from Thomson Reuters of \$133 and a payable to Thomson Reuters of \$(126) related to all transactions between the two companies.

#### **(26) Regulatory Capital Requirements**

Certain Refinitiv subsidiaries are registered with regulatory authorities that require the subsidiary to maintain adequate financial resources and liquid financial assets. As of December 31, 2020 and 2019, these subsidiaries were in compliance with their minimum capital requirements.

#### **(27) Subsequent events**

Management has evaluated subsequent events through February 22, 2021, for disclosure or recognition in the consolidated financial statements of the Company as appropriate.

On January 29, 2021, Holdco completed the sale of its consolidated subsidiaries, inclusive of its outstanding debt, to LSEG in an all-share transaction and received consideration of 179,610,123 shares of LSEG stock, with various provisions restricting their sale.