

Registration number: 04839268

Traiana Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2021



Traiana Limited

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Traiana Limited

Company Information

Profile

Traiana Limited (the 'Company') is owned 100% by its immediate parent company Traiana Inc. The Company is a 100% owned indirect subsidiary of Osttra Group Limited (the 'Group'), which is incorporated in Bermuda. The Company is consolidated in the group headed by Osttra Group Limited, a joint venture. CME Group Inc. and IHS Markit have combined their post trade services into a joint venture with 50:50 ownership and control. It incorporated CME Group's optimisation businesses -Traiana, TriOptima, and Reset - and IHS Markit's MarkitSERV. The Company is incorporated and domiciled in England and Wales and is a private company limited by shares.

Directors	A Seaman (resigned 1 September 2021)
	J Davies
	K Cronin (resigned 1 September 2021)
	W Knottenbelt (resigned 1 September 2021)
	G Rowcliffe (resigned 1 September 2021)
	K Winters (appointed 1 September 2021)
	M Hallett (appointed 1 September 2021)

Registered office	London Fruit and Wool Exchange 1 Duval Square London E1 6PW
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Auditors	Ernst & Young LLP
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Registration number	04839268
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Traiana Limited

Strategic Report for the Year Ended 31 December 2021

The directors present their report for the year ended 31 December 2021.

Principal activity

The Company provides sales, marketing and IT integration services to its parent company Traiana Inc. It is anticipated that the Company will continue its present business activities next year.

Change in accounting framework

Previously the company prepared its financial statements in accordance with the International Financial Reporting Standards as adopted by EU ('IFRS as adopted by EU'). This was for consistency with its ultimate parent undertaking being ICAP plc at the time and its immediate parent Traiana Inc. However with the ultimate parent now being Osttra Group Limited, the Company has opted to adopt Financial Reporting Standard 101, 'Reduced Disclosure Framework' ('FRS 101'), the Companies Act 2006 (the 'Act') for its 31 December 2021 financial statements where there is no significant impact of the conversion from IFRS to FRS 101.

Business review

The Company provides sales, marketing and IT integration services to its parent company, Traiana Inc.

Traiana Inc. provides global banks, brokers/dealers, buy side firms and trading platforms with services to monitor pre-trade risk and automatic post-trade processing of financial transactions in listed and over-the counter trading markets. Traiana Inc.'s solutions and the Harmony Network have become the market standard for post-trade processing of foreign exchange, exchange traded derivatives, fixed income, CDS and synthetic and cash equity transactions.

As the service provider to Traiana Inc., the demand for the Company's services is expected to grow correlatively. The directors consider that the year end financial position was satisfactory.

On 1 September 2021, the Company's ultimate parent, CME Group Inc and IHS Markit Ltd entered into a 50/50 joint venture arrangement to combine post-trade services of the two businesses. This new joint venture, named Osttra Group Limited, includes TriOptima Group and its business. The intent of the joint venture is to increase operating efficiencies and be better able to service clients with enhanced platforms and services for OTC markets across interest rate, FX, equity, and credit asset classes. As a result of this transaction the Company's ultimate parent is now Osttra Group Limited. The directors do not anticipate any changes to the business or operations of the Company as a result of this transaction.

Future developments

The directors do not anticipate any changes to the principal activities.

Results

The results of the Company are set out in the profit and loss account on page 10.

The profit for the year of \$1,131,010 (31 December 2020: \$674,092) has been transferred to reserves.

The net assets of the Company are \$2,973,718 (31 December 2020: \$5,179,664).

Capital Management

The Company's capital strategy is to maintain an efficient and strong capital base which maximises the return to its shareholders, while also maintaining flexibility. The capital structure of the Company consists of equity, including share capital, other reserves and retained earnings. Osttra Group Limited evaluates at the Company level the risks facing the business, to determine whether its capital is sufficient to cover any expected losses.

No changes have been made in capital management from the previous year.

Traiana Limited

Strategic Report for the Year Ended 31 December 2021 (continued)

Principal risks and uncertainties


The principal risks and uncertainties of the Company are integrated with the principal risks and uncertainties of the Group and are not managed separately. The principal risks and uncertainties of the Group, which include those of the Company, are discussed in the Group's annual report for the year ended 31 December 2021, which does not form part of this report and copies may be obtained from the Company Secretary, Osttra Group Limited, 2nd Floor, Atlantic House, 11 Par-la-Ville Road, Hamilton, HM 11.

COVID-19 risks and uncertainties have been discussed in the Going Concern section of the Directors' Report for the Company.

Key Performance Indicators

The directors of the Group manage the Group's operations on a divisional basis. For this reason, the Company's directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of the Company. The key performance indicators of the Group, which includes the Company, are discussed in the Group's annual report for the year ended 31 December 2021.

This report has been approved by the Board on 7 September 2022 and signed on its behalf by:

DocuSigned by:

.....88774C521FB54DB.....
Joanna Davies
Director

Traiana Limited

Directors' Report for the Year Ended 31 December 2021

The directors present their report and the audited financial statements for the year ended 31 December 2021.

Principal activities, Business review and Future Developments

The principal activities, business review and future developments of the Company are detailed in the Strategic Report.

Going concern

The COVID-19 pandemic continued to affect the global economy in 2021 creating both economic uncertainty and market volatility. All COVID-19 restrictions have now been relaxed. The business activities of the Company have continued to be operational with minimal disruption to the principal activities of the Company.

The Company has no physical operations in Ukraine or Russia but as the situation in Ukraine continues to evolve, the unpredictable nature of the conflict means there is uncertainty on the full extent and duration of the business and economic impact. Although the business activities of the Company have not been materially impacted, an escalation of the situation could have adverse implications for our business arising from potential impacts on financial markets and our operations.

A sensitivity analysis was produced incorporating both possible and remote impacts to the Company for a period of 24 months to December 2023 from the balance sheet date. This analysis indicated there was no material impact which would change the Directors' position of the Company being a going concern.

In addition, Traiana Inc, the immediate parent, has confirmed its undertaking to continue to procure sales, operations and other support services from the Company with no changes to current arrangements or scope for a period of 13 months from when the financial statements are authorised for issue. After reviewing the liquidity requirements, capital requirements, plans and financing arrangements, the directors are satisfied that the Company has adequate resources to continue to operate for the foreseeable future and confirm that the Company is a going concern. For this reason, the Company continues to adopt the going concern basis in preparing these financial statements.

Dividends

Dividends of \$4,000,000 were paid during the year (31 December 2020: \$5,000,000). The directors do not recommend a final year dividend for the financial year ended 31 December 2021 (31 December 2020: \$Nil).

Disclosure of information to the auditors

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

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

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Directors

The directors of the Company, who held office during the year were:

Traiana Limited

Directors' Report for the Year Ended 31 December 2021 (continued)

A Seaman (resigned 1 September 2021)

J Davies

K Cronin (resigned 1 September 2021)

W Knottenbelt (resigned 1 September 2021)

G Rowcliffe (resigned 1 September 2021)

K Winters (appointed 1 September 2021)

M Hallett (appointed 1 September 2021)

Directors' liabilities

During the year, the Company made qualifying third-party indemnity provisions for the benefit of its directors. These remained in force at the date of this report.

Reappointment of auditors

The auditors Ernst & Young LLP have held office as auditor of the Company for the year and are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Traiana Limited

Directors' Report for the Year Ended 31 December 2021 (continued)

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and regulations.

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 Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework' ('FRS 101').

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 in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosure when compliance with specific requirements in FRS 101 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company's financial position and financial performance;
- state whether applicable United Kingdom Accounting Standards, including FRS 101 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.

Under applicable law and regulations, the directors are also responsible for preparing a strategic report and directors' report that comply with that law and those regulations. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

Approved by the Board on 7 September 2022 and signed on its behalf by:

DocuSigned by:

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Joanna Davies
Director

Traiana Limited

Independent Auditor's Report to the Members of Traiana Limited

Opinion

We have audited the financial statements of Traiana Limited for the year ended 31 December 2021 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in equity and the related notes 1 to 15, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 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 13 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. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

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 this 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 material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Traiana Limited

Independent Auditor's Report to the Members of Traiana Limited (continued)

Opinion on other matter 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 directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 6, 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.

Explanation as to what extent 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 irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Traiana Limited

Independent Auditor's Report to the Members of Traiana Limited (continued)

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS 101 and the Companies Act 2006) and the relevant direct and indirect tax compliance regulation in the United Kingdom. In addition, the Company has to comply with laws and regulations relating to its domestic and overseas operations; including health and safety, employees, data protection and anti-bribery and corruption.
- We understood how the Company is complying with those frameworks by making enquiries of management and those charged with governance to understand how the Company maintains and communicates its policies and procedures in these areas, and corroborated this by reviewing supporting documentation. We also reviewed correspondence with relevant authorities.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override. To address the risk, we obtained an understanding of the entity level controls and the Company's policies in place to identify and respond to fraud including those areas which involved a higher degree of management judgement and subjectivity.
- We designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved testing of both manual and system journals identified by specific risk criteria.
- We incorporated data analytics into our testing of journals by considering specific risk criteria identified in our audit in order to select transactions which we traced back to source documentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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.

DocuSigned by:

Ernst & Young LLP

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Tafadzwa Gate (Senior Statutory Auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

London

Date: 12 September 2022

Traiana Limited**Profit and Loss Account for the Year Ended 31 December 2021**

	Note	2021 \$ 000	2020 \$ 000
Turnover	3	16,415	14,312
Other operating income	7	21	-
Administrative expenses	4	(15,295)	(13,313)
Other operating expense	8	<u>-</u>	<u>(161)</u>
Profit before tax		1,141	838
Tax on profit	9	<u>(10)</u>	<u>(164)</u>
Profit for the year		<u><u>1,131</u></u>	<u><u>674</u></u>

There are no items of other comprehensive income and accordingly a statement of other comprehensive income has not been presented.

The above results were derived from continuing operations.

The notes on pages 14 to 27 form an integral part of these financial statements.

Traiana Limited**Balance Sheet as at 31 December 2021****Registration number: 04839268**

	Note	2021 \$ 000	2020 \$ 000
Non-current assets			
Deferred tax assets	9	173	86
Current assets			
Debtors: amounts falling due within one year	10	9,936	16,820
Cash at bank and in hand	11	44	17
		<u>9,980</u>	<u>16,837</u>
Current liabilities			
Creditors: amounts falling due within one year	12	(7,075)	(11,538)
Income tax liability	9	(104)	(205)
		<u>(7,179)</u>	<u>(11,743)</u>
Net current assets		<u>2,801</u>	<u>5,094</u>
Net assets		<u>2,974</u>	<u>5,180</u>
Equity			
Called up share capital		-	-
Other reserves		2,158	1,495
Retained earnings		1,054	3,923
Translation reserve		(238)	(238)
Total shareholders' funds		<u>2,974</u>	<u>5,180</u>

Approved by the Board on 7 September 2022 and signed on its behalf by:

DocuSigned by:

Joanna Davies

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Joanna Davies

Director

The notes on pages 14 to 27 form an integral part of these financial statements.

Traiana Limited**Statement of Changes in Equity for the Year Ended 31 December 2021**

	Called up share capital \$ 000	Translation reserve \$ 000	Other reserves \$ 000	Retained earnings \$ 000	Total \$ 000
At 1 January 2020	-	(238)	1,025	8,249	9,036
Profit for the year	-	-	-	674	674
Total comprehensive income	-	-	-	674	674
Dividends	-	-	-	(5,000)	(5,000)
Share based payment transactions	-	-	470	-	470
At 31 December 2020	-	(238)	1,495	3,923	5,180
Profit for the year	-	-	-	1,131	1,131
Total comprehensive income	-	-	-	1,131	1,131
Dividends	-	-	-	(4,000)	(4,000)
Share based payment transactions	-	-	665	-	665
Tax adjustment	-	-	(2)	-	(2)
At 31 December 2021	-	(238)	2,158	1,054	2,974

The notes on pages 14 to 27 form an integral part of these financial statements.

Traiana Limited

Statement of Changes in Equity for the Year Ended 31 December 2021 (continued)

Share capital

Share capital includes the nominal value of the proceeds on issue of the Company's share capital, comprising of 2 ordinary shares at £1 each (31 December 2020: 2 ordinary shares of £1 each).

Translation reserve

The translation reserve account relates to the foreign exchange impact following the change in functional and presentational currency from £ to \$ on 1 April 2019.

Other reserves

Other reserves relates to the share-based payment reserve recognised in accordance with IFRS 2 'Share-based payment'.

Retained earnings

All other net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere.

The notes on pages 14 to 27 form an integral part of these financial statements.

Traiana Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

1 Accounting policies

Principal Activities

The nature of the Company's operations and its principal activities are detailed in the Strategic Report.

Basis of preparation

The financial statements of the Company have been prepared for the year ended 31 December 2021.

Previously the company adopted International Financial Reporting Standards ('IFRS') as adopted by the EU. This was for consistency with its ultimate parent undertaking being ICAP plc at the time and its immediate parent Traiana Inc. However with the ultimate parent now being Osttra Group Limited where the consolidated group accounts are prepared in accordance with US Generally Accepted Accounting Principles ('US GAAP'), the Company has opted to adopt Financial Reporting Standard, Reduced Disclosure Framework ('FRS 101'), the Companies Act 2006 (the 'Act') as applicable to the Companies using FRS 101 and under the historic cost convention for the preparation of its financial statements for the year ended 31 December 2021.

FRS 101 sets out a reduced disclosure framework for a 'qualifying entity' as defined in the standard which addresses the financial reporting requirements and disclosure exemptions in the individual financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of UK-Adopted International Accounting Standards ('Adopted IFRS'). The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Summary of disclosure exemptions

In these financial statements, the company has taken advantage of the exemptions available under FRS 101 in respect of the following disclosures:

- Paragraphs 45(b) and 46 to 52 of IFRS 2 - 'Share-based payments' (how the fair value of goods/services received or equity instruments granted was determined and details of the number and weighted average exercise prices of share options).
- IFRS 7 - 'Financial instruments: Disclosures'.
- The requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 - 'Revenue from Contracts with Customers' (disaggregation of revenue, significant changes in contract assets and liabilities, details on transaction price allocation, timing of the satisfaction of performance obligations and significant judgements made in the application of IFRS 15).
- The following paragraphs of IAS 1 - 'Presentation of financial statements' (removing the requirement to present):
 - 10(d) (statement of cash flows);
 - 16 (statement of compliance with all IFRS);
 - 38A (minimum of two primary statements, including cash flow statements);
 - 38B-D (additional comparative information);
 - 111 (cash flow statement information);
 - 134-136 (capital management disclosures)

Traiana Limited

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

1 Accounting policies (continued)

- Paragraphs 30 and 31 of IAS 8 - 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective).
- Paragraph 17 of IAS 24 - 'Related party disclosures' (key management compensation).
- The requirements in IAS 24, 'Related party disclosures' (to disclose related party transactions entered into between two or more members of a group).
- Financial risk management, per 7Sch 6 CA 2006

Going concern

The COVID-19 pandemic continued to affect the global economy in 2021 creating both economic uncertainty and market volatility. All COVID-19 restrictions have now been relaxed. The business activities of the Company have continued to be operational with minimal disruption to the principal activities of the Company.

The Company has no physical operations in Ukraine or Russia but as the situation in Ukraine continues to evolve, the unpredictable nature of the conflict means there is uncertainty on the full extent and duration of the business and economic impact. Although the business activities of the Company have not been materially impacted, an escalation of the situation could have adverse implications for our business arising from potential impacts on financial markets and our operations.

A sensitivity analysis was produced incorporating both possible and remote impacts to the Company for a period of 24 months to December 2023 from the balance sheet date. This analysis indicated there was no material impact which would change the Directors' position of the Company being a going concern.

In addition, Traiana Inc, the immediate parent, has confirmed its undertaking to continue to procure sales, operations and other support services from the Company with no changes to current arrangements or scope for a period of 13 months from when the financial statements are authorised for issue. After reviewing the liquidity requirements, capital requirements, plans and financing arrangements, the directors are satisfied that the Company has adequate resources to continue to operate for the foreseeable future and confirm that the Company is a going concern. For this reason, the Company continues to adopt the going concern basis in preparing these financial statements.

Accounting developments

There were no new accounting developments during the year which impacted the company.

Turnover

Revenue is comprised of marketing services provided to Traiana Inc. The marketing services are billed to Traiana Inc. with an agreed mark up. Revenue is measured at the fair value of the consideration received or receivable and represents amount receivable for services provided in the normal course of business, net of discounts, Value Added Tax ('VAT') and other sales related taxes but not net of distribution fees.

Interest receivable and similar income

Interest receivable and similar income is recognised using the effective interest rate method.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

Traiana Limited

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

1 Accounting policies (continued)

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Calculations of current and deferred tax liability have been based on ongoing discussions with the relevant tax authorities, management's assessment of legal and professional advice, case law and other relevant guidance. Where the expected tax outcome of these matters is different from the amounts that were recorded initially, such differences will impact the current and deferred tax amounts in the year in which a reassessment of the liability is made.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Financial instruments

Initial Recognition

Financial assets and financial liabilities comprise all assets and liabilities reflected in the balance sheet, although excluding tangible assets, investment properties, intangible assets, deferred tax assets, prepayments, deferred tax liabilities and employee benefits plan.

The Company recognises financial assets and financial liabilities in the statement of financial position when, and only when, the Company becomes party to the contractual provisions of the financial instrument.

Financial assets are initially recognised at fair value. Financial liabilities are initially recognised at fair value, representing the proceeds received net of premiums, discounts and transaction costs that are directly attributable to the financial liability.

All regular way purchases and sales of financial assets and financial liabilities classified as fair value through profit or loss ("FVTPL") are recognised on the trade date, i.e. the date on which the Company commits to purchase or sell the financial assets or financial liabilities. All regular way purchases and sales of other financial assets and financial liabilities are recognised on the settlement date, i.e. the date on which the asset or liability is received from or delivered to the counterparty. Regular way purchases or sales are purchases or sales of financial assets that require delivery within the time frame generally established by regulation or convention in the market place.

Subsequent to initial measurement, financial assets and financial liabilities are measured at either amortised cost or fair value.

Classification and measurement

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the assets are held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Traiana Limited

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

1 Accounting policies (continued)

Financial assets at fair value through other comprehensive income (FVTOCI)

Financial assets at FVTOCI comprise equity securities which are not held for trading, and which the Company has irrevocably elected at initial recognition to recognise in this category. These are strategic investments and the Company considers this classification to be more relevant.

If an equity investment is designated as FVTOCI, all gains and losses, except for dividend income, are recognised in other comprehensive income and are not subsequently included in the profit and loss.

Financial liabilities at amortised cost

All financial liabilities, other than those classified at FVTPL, are measured at amortised cost using the effective interest rate method.

Financial liabilities at fair value through the profit or loss

Financial liabilities not measured at amortised cost are classified and measured at FVTPL. This classification include derivative liabilities.

Derecognition

Financial assets

The company derecognises a financial asset when;

- the contractual rights to the cash flows from the financial asset expire;
- it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred; or
- the company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset and the sum of the consideration received is recognised as a gain or loss in the profit or loss. Any cumulative gain or loss recognised in OCI in respect of equity investment securities designated as FVTOCI is not recognised in profit or loss on derecognition of such securities.

The company enters into transactions whereby it transfers assets recognised on its statement of financial position, but retains either all or substantially all of risks and rewards of the transferred assets or a portion of them. In such cases, the transferred assets are not derecognised. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the company is recognised as a separate asset or liability.

When the company derecognises transferred financial assets in their entirety, but has continuing involvement in them then the entity should disclose for each type of continuing involvement at the reporting date:

- The carrying amount of the assets and liabilities that are recognised in the entity's statement of financial position and represent the entity's continuing involvement in the derecognised financial assets, and the line items in which those assets and liabilities are recognised;
- The fair value of the assets and liabilities that represent the entity's continuing involvement in the derecognised financial assets;
- The amount that best represents the entity's maximum exposure to loss from its continuing involvement in the derecognised financial assets, and how the maximum exposure to loss is determined;
- The undiscounted cash outflows that would or may be required to repurchase the derecognised financial assets or other amounts payable to the transferee for the transferred assets.

Traiana Limited

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

1 Accounting policies (continued)

Financial liabilities

The company derecognises a financial liability when its contractual obligations are discharged, cancelled, or expire.

Modification of financial assets and financial liabilities

Financial assets

If the terms of a financial asset are modified, the company evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to the cash flows from the original financial asset are deemed to expire. In this case the original financial asset is derecognised and a new financial asset is recognised at either amortised cost or fair value.

If the cash flows are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the company recalculates the gross carrying amount of the financial asset and recognises the amount arising from adjusting the gross carrying amount as a modification gain or loss in the profit and loss account.

Financial liabilities

If the terms of financial liabilities are modified, the company evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual obligations from the cash flows from the original financial liabilities are deemed to expire. In this case the original financial liabilities are derecognised and new financial liabilities are recognised at either amortised cost or fair value.

If the cash flows are not substantially different, then the modification does not result in derecognition of the financial liabilities. In this case, the company recalculates the gross carrying amount of the financial liabilities and recognises the amount arising from adjusting the gross carrying amount as a modification gain or loss in the profit and loss account.

Traiana Limited

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

1 Accounting policies (continued)

Impairment of financial assets

Measurement of Expected Credit Losses

The company recognises loss allowances for expected credit losses (ECL) on financial instruments that are not measured at FVTPL, namely:

- financial assets that are debt instruments;
- trade receivables and contract assets;
- financial guarantee contracts issued; and
- loan commitments issued.

The company classifies its financial instruments into stage 1, stage 2 and stage 3, based on the applied impairment methodology, as described below:

Stage 1: for financial instruments where there has not been a significant increase in credit risk since initial recognition and that are not credit-impaired on origination, the company recognises an allowance based on the 12-month ECL.

Stage 2: for financial instruments where there has been a significant increase in credit risk since initial recognition but they are not credit-impaired, the company recognises an allowance for the lifetime ECL.

Stage 3: for credit-impaired financial instruments, the company recognises the lifetime ECL.

The company measures loss allowances at an amount equal to the lifetime ECL, except for the following, for which they are measured as a 12-month ECL:

- debt securities that are determined to have a low credit risk (equivalent to investment grade rating) at the reporting date; and
- other financial instruments on which the credit risk has not increased significantly since their initial recognition.

Provisions for credit-impairment are recognised in the Profit and Loss account and are reflected in accumulated provision balances against each relevant financial instruments balance.

The company considers a debt security to have low credit risk when their credit risk rating is equivalent to the globally understood definition of 'investment grade'.

A 12-month ECL is the portion of the ECL that results from default events on a financial instrument that are probable within 12 months from the reporting date.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividend payments

The Company recognises the final dividend payable when it has been approved by the shareholders of the Company in a general meeting. The interim dividend is recognised when it has been approved by the directors of the Company.

Dividends in specie are based on the fair value of the assets distributed as this represents the best estimate to settle the obligation.

Traiana Limited

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

1 Accounting policies (continued)

Share based payments

Until the change of ownership on 1 September 2021 the Company engaged in equity awards to employees of the Company, through the previous ultimate parent undertaking, CME Group Inc.

The fair value of the services received in respect of these share-based payments was determined by reference to the fair value of the share awards on the date of grant to the employee. The fair value measurement of restricted shares and performance stock awards was based on the closing stock price on the date of grant. The cost of the share-based payment was recognised in the profit and loss account on an accelerated basis over the vesting period of the grant, based on an estimate of the amount of instruments that will eventually vest. The charge in the profit and loss account is offset by an equal credit to other reserves.

On 1 September 2021 all unvested awards were forfeited and replaced by a cash incentive that will be paid out in accordance with the vesting period of the forfeited equity awards. The value of the incentive is based on the CME Group Inc. closing stock price on 1 September 2021 and the number of unvested shares that were forfeited. The cost of the incentive is recognised in the profit and loss account on an accelerated basis over the period until the incentive is paid to employees. As the Company continues to benefit from the services received but is not liable for the incentive payment, the charge in the profit and loss account continues to be offset by an equal credit to other reserves.

Functional and presentational currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The financial statements are presented in United States dollars (\$), which is the Company's functional and presentational currency.

Foreign currency transactions and balances

Transactions denominated in foreign currencies are translated into the functional currency at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Exchange differences are taken to the profit and loss account, except for exchange differences arising on non-monetary assets and liabilities where the changes in fair value are taken directly to profit and loss account.

Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined.

2 Critical accounting judgements and key sources of estimation uncertainty

The Company makes various judgements in applying its accounting policies and various assumptions and estimates, including about the future, when determining the carrying value of certain assets and liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. In the process of applying the Company's accounting policies, as at 31 December 2021 there were no such judgements or assumptions that had a significant effect on the amounts recognised in the financial statements.

Traiana Limited**Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)****3 Turnover**

The analysis of the company's turnover for the year by class of business is as follows:

	2021	2020
	\$ 000	\$ 000
Revenue	16,415	14,312
	<u>16,415</u>	<u>14,312</u>

4 Administrative expenses

	2021	2020
	\$ 000	\$ 000
Salary and payroll costs	10,137	9,063
Other short-term employee benefits	1,673	1,206
Staff costs (note 5)	<u>11,810</u>	<u>10,269</u>
Professional & Legal fees	1,431	1,615
Telecom costs	491	427
Expected credit loss on trade and other debtors	2	(4)
Travel and Entertainment	11	55
IT costs	379	659
Bank fees	1	13
Intercompany management fee	958	240
Marketing costs	29	1
Profit or loss on disposal of property, plant and equipment	-	38
Other expense	183	-
Other administrative expenses	<u>3,485</u>	<u>3,044</u>
	<u>15,295</u>	<u>13,313</u>

The fee paid to Ernst & Young LLP (the Company's external auditors) for the statutory audit of the Company for the year ended 31 December 2021 was \$25,000 (31 December 2020: \$25,000).

Changes to presentation and disclosure

Within the administrative expenses the prior year balances have been reclassified to conform with the current year presentation, as follows:

- £1,086 market data and telecom expenses are split between telecom costs of £427k and IT costs of £659k,
- £17k other expenses are split between expected credit loss of £4k and bank fees of £13k.

The new presentation was required as the Directors have prepared the current year statutory financial statements using new statutory account production software, which inter alia the Directors consider provides a more relevant analysis of administration expenses.

Traiana Limited**Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)****5 Staff costs**

	2021	2020
	\$ 000	\$ 000
Wages and salaries	8,919	7,994
Social security costs	1,218	1,069
Other short-term employee benefits	1,673	1,206
	<u>11,810</u>	<u>10,269</u>

The average number of persons employed by the company (including directors) during the year, analysed by location was as follows:

	2021	2020
	Number	Number
London	<u>66</u>	<u>50</u>

6 Directors' remuneration

Remuneration payable to the directors in respect of their services to the Company was as follows:

	2021		2020	
	Total	Highest paid director	Total	Highest paid director
	\$ 000	\$ 000	\$ 000	\$ 000
Aggregated emoluments	611	611	395	395
Contributions to defined contribution pension schemes	43	43	31	31
Other benefits	4	4	5	5
	<u>658</u>	<u>658</u>	<u>431</u>	<u>431</u>

7 Other operating income

The analysis of the company's other operating income for the year is as follows:

	2021	2020
	\$ 000	\$ 000
Currency fluctuation	<u>21</u>	<u>-</u>

Traiana Limited**Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)****8 Other operating expense**

The analysis of the company's other operating expense for the year is as follows:

	2021 \$ 000	2020 \$ 000
Currency Fluctuation	-	161
	<u>-</u>	<u>161</u>

9 Income tax

	2021 \$ 000	2020 \$ 000
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a) Analysis of the charge for the year**UK corporate tax:**

- Current year	104	205
- Adjustments in respect of prior periods	(6)	-

UK deferred tax:

- Current year	(88)	(41)
	<u>10</u>	<u>164</u>

b) Factors affecting the tax charge for the year

Profit before tax	<u>1,141</u>	<u>838</u>
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Profit before tax multiplied by the standard rate of corporation tax in the UK of 19% (31 December 2020: 19%)

217	159
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Effects of:

Expenses not deductible for tax purposes	1	2
Adjustments not taxable for tax purposes	(10)	-
Adjustments in respect of prior years - current tax	(6)	-
Share based payment	20	-
Group relief claimed for nil	(208)	-
Impact of change in rate for deferred tax	(4)	3
	<u>(207)</u>	<u>5</u>
Tax charge for the year	<u>10</u>	<u>164</u>
Effective tax rate	1%	19%

Traiana Limited**Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)****9 Income tax (continued)**

The headline rate of UK corporation tax remained at 19% for the period, following the enactment of Finance Act 2020 on 22 July 2020. Finance Act 2021 enacted in June 2021 includes a provision to change the standard rate of corporation tax from 19% to 25% with effect from 1 April 2023.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the reporting date.

Deferred tax

	2021	2020
	\$ 000	\$ 000
Capital allowances	19	17
Share based payments	-	69
Unpaid remuneration	154	-
	<u>173</u>	<u>86</u>
	2021	2020
	\$ 000	\$ 000
As at 1 January	86	45
Transferred to the income statement	89	41
Transferred to equity	<u>(2)</u>	<u>-</u>
As at 31 December	<u>173</u>	<u>86</u>

Traiana Limited**Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)****10 Debtors**

	2021 \$ 000	2020 \$ 000
Debtors: amounts falling due within one year		
Prepayments	52	392
Other debtors	105	76
Amounts due from Group companies	9,542	16,352
Amounts due from affiliates	239	-
Expected credit loss provision	(2)	-
	<u>9,936</u>	<u>16,820</u>

Amounts due from Group and affiliate companies are unsecured, non-interest bearing and receivable on demand.

11 Cash at bank and in hand

	2021 \$ 000	2020 \$ 000
Cash at bank	<u>44</u>	<u>17</u>

12 Creditors

	2021 \$ 000	2020 \$ 000
Creditors: amounts falling due within one year		
Trade creditors	28	-
Accrued expenses	1,900	1,556
Amounts due to Group companies	351	9,889
Other payables	67	93
Amounts due to affiliates	<u>4,729</u>	<u>-</u>
	<u>7,075</u>	<u>11,538</u>

Amounts owed to Group companies and affiliates are non-interest bearing and payable on demand.

Traiana Limited

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

13 Share-based payments

CME Group Inc. Equity Plan

Stock-based awards were granted under the CME Group Inc. Equity Plan. The type of awards granted to employees of the Company were restricted stock awards and an employee stock purchase plan.

Restricted stock awards typically vested over a period of 2, 3 or 4 years from the grant date, with most awards vesting over a period of 4 years. The vesting of restricted stock awards was contingent upon continued employment with CME Group.

On 1 September 2021 the ultimate parent of the Company changed from CME Group to Ostra Group Limited, a 50/50 joint venture between CME Group and IHS Markit. All unvested CME Group stock awards for employees of Ostra were forfeited at that time and replaced with a cash bonus, which is based on the quantity of unvested CME Group shares and the share price on 1 September 2021. The bonus will be paid to employees in instalments to align with the original vesting period of the awards, and is contingent upon continued employment with Ostra.

CME Group had adopted an Employee Stock Purchase Plan (ESPP) under which eligible employees could acquire shares of Class A common stock using payroll deductions made during consecutive offering periods of approximately six months in duration. Shares were purchased at the end of each offering period at a price of 90% of the closing price of the Class A common stock as reported on the NASDAQ Global Select Market. Compensation expense was recognized on the dates of purchase for the discount from the closing price. From 1 September 2021 employees of the Company are no longer entitled to participate in the ESPP due to the change in ultimate ownership.

Restricted stock awards

The total number of restricted awards that vested during 2021 was 681 (2020: 1,408) at a weighted average price of \$197.45 (2020: \$194.41). The total number of restricted stock awards outstanding at the end of the year was 48 (2020: 7,567) with a weighted average contractual life of 1.21 years (2020: 2.03 years).

Employee stock purchase plan

In 2021, 364 shares of Class A common stock were issued to participating employees (2020: 515 shares). These shares are subject to a six-month holding period. Total compensation expense recognised under the employee share purchase plan was \$7,899 for the year ended 31 December 2021 (2020: \$9,342).

Traiana Limited

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

14 Non adjusting events after the financial period

On 28 February 2022, IHS Markit one of the 50% shareholders of Osttra Group Ltd and S&P Global announced the completion of the merger between the companies.

Other than the unpredictable nature of the pandemic and the situation in Ukraine as disclosed in the Going Concern disclosure in the Directors' Report and note 1, there are no further post balance sheet events to disclose this year.

15 Parent and ultimate parent undertaking

The Company's immediate parent is Traiana Inc, which is incorporated in the United States and heads the smallest group of companies of which the Company is a member. Traiana Inc's ownership of the Company is 100%.

Traiana, Inc's registered office is the Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware DE 19801.

The Company's ultimate parent is Osttra Group Limited, a company incorporated in Bermuda and it prepares consolidated financial statements in accordance with US GAAP.