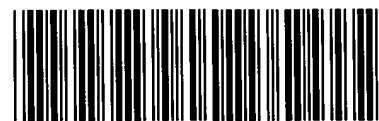


Company Number: 04839268

TRAIANA LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2020

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COMPANIES HOUSE

TRAIANA LIMITED

General information

PROFILE

Traiana Limited (the 'Company') is owned 100% by its immediate parent company Traiana Inc. The Company is an 86.67% owned indirect subsidiary of CME Group Inc. and is consolidated in the group headed by CME Group Inc. (the 'Group'). The Company is incorporated and domiciled in England and Wales and is a private company limited by shares.

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

DIRECTORS

The directors of the Company, who held office during the year and up to the date of signing the financial statements were:

A Seaman
G Rowcliffe
J Davies
K Cronin
W Knottenbelt

REGISTERED OFFICE

London Fruit and Wool Exchange
1 Duval Square
London
E1 6PW

REGISTRATION NUMBER

04839268

TRAIANA LIMITED

Strategic Report for the year ended 31 December 2020

The directors present their Strategic Report and the audited financial statements of the Company for the year ended 31 December 2020.

In the prior year, the Company changed its accounting reference period to 31 December in order to align with the accounting reference date of CME Group Inc. As a result, the comparative numbers disclosed in these audited financial statements are for the period 1 April 2019 to 31 December 2019.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

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.

On 12 January 2021, CME Group Inc. and IHS Markit announced that they have agreed to combine their post trade services into a new joint venture with 50:50 ownership and control. It will incorporate CME Group's optimisation businesses –Traiana, TriOptima, and Reset – and IHS Markit's MarkitSERV. The combination of these businesses will provide clients with enhanced platforms and services for global OTC markets across interest rate, FX, equity and credit asset classes. Market participants will benefit from a more efficient front-to-back workflow with enhanced connectivity and improved trading certainty.

The transaction is awaiting customary antitrust and regulatory approvals and is not expected to close until late summer/autumn 2021.

The directors consider that the year end financial position was satisfactory. The directors do not anticipate any changes to the principal activities.

RESULTS

The results of the Company are set out in the income statement on page 9.

The profit for the year of \$674,000 (31 December 2019: \$521,000) has been transferred to reserves.

The net assets of the Company are \$5,180,000 (31 December 2019: \$9,036,000).

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. CME Group Inc. 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.

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 2020, which does not form part of this report.

For the Company, Brexit did not have a direct impact on its current operations, revenue or existing customers as most of its customer base is mainly residing in the UK and the US. The directors do not foresee any future impacts on Brexit. COVID-19 risks and uncertainties have been discussed in the Going Concern section of the Directors Report for the Company.

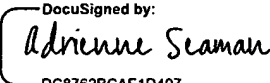
TRAIANA LIMITED

Strategic Report for the year ended 31 December 2020

KEY PERFORMANCE INDICATORS

The directors of CME Group Inc. 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 2020, which does not form part of this report.

This report has been approved by the board of directors and signed on behalf of the board by:

DocuSigned by:

Adrienne Seaman
DC8762BCAE1D407...
Director

17 August 2021

TRAIANA LIMITED

Directors' Report for the year ended 31 December 2020

The directors present their Directors' Report and the audited financial statements of the Company for the year ended 31 December 2020.

PRINCIPAL ACTIVITIES

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.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

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

GOING CONCERN

Unprecedented market conditions caused by the COVID-19 health crisis in 2020, dramatically affected nearly every aspect of the global economy with both economic uncertainty and market volatility. The unpredictable nature of the pandemic with the new variants in the virus are taking the pandemic to a new phase.

Due to the new phase of the pandemic, any further deterioration of the situation could have adverse implications for our business arising from potential impacts on financial markets and our operations. Therefore, the impact on the Company being a going concern was revisited and sensitivity analysis was produced incorporating both possible and remote impacts to the Company for a period to June 2022 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, CME Group Inc., the ultimate parent, has confirmed its undertaking to provide financial and operational support to the Company and assist in meeting the Company's liabilities as and when they fall due which is valid for 13 months from when the financial statements are authorised for issue. In all scenarios, the directors concluded that the Company is still a going concern. For this reason, the Company continues to adopt the going concern basis in preparing these financial statements.

DIVIDENDS

Dividends of \$5 million were paid during the year (31 December 2019: \$nil). The Directors do not recommend a final dividend for the year (31 December 2019: \$nil).

INDEPENDENT AUDITORS

Ernst & Young LLP have held office as auditor of the Company for the year.

PROVISION 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' INDEMNITIES

The Company has made qualifying third-party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

TRAIANA LIMITED

Directors' Report for the year ended 31 December 2020

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union.

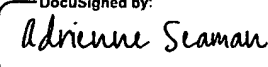
Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable IFRSs as adopted by the European Union 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information of included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This report has been approved by the board of directors and signed on behalf of the board by:

DocuSigned by:


DC8762BCAE1D407...
Adrienne Seaman
Director

17 August 2021

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 2020 which comprise the Income Statement, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Cash Flow statement and the related notes 1 to 17, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by European Union.

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; 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 there is 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 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

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 director's 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 the 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 in relation to which 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 5, 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.

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 (IFRS 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.

TRAIANA LIMITED

Independent Auditor's Report to the members of Traiana Limited

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud (continued)

- 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.
- Based on this understanding 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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Simon Michaelson (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

Date: August 19, 2021 | 2:56:33 BST

TRAIANA LIMITED**Income Statement for the year ended 31 December 2020**

| | Note | Year ended 31 Dec 2020 \$'000 | Period ended 31 Dec 2019 \$'000 |
|---|-------------|--|--|
| Revenue | | 14,312 | 10,228 |
| Administrative expenses | 4 | (13,313) | (9,554) |
| Other operating expense | 7 | (161) | (16) |
| Profit before taxation | | <u>838</u> | <u>658</u> |
| Tax charge on profit | 8 | (164) | (137) |
| Profit for the financial year / period | | <u><u>674</u></u> | <u><u>521</u></u> |

The profit of the Company for the financial year is derived from continuing operations.

Profit for the financial year is the same as total comprehensive income for the year.

The notes on pages 14 to 29 are an integral part of these financial statements.

TRAIANA LIMITED**Statement of Comprehensive Income for the year ended 31 December 2020**

| | Year ended 31 Dec 2020 \$'000 | Period ended 31 Dec 2019 \$'000 |
|---|--|--|
| Profit for the financial year / period | 674 | 521 |
| Total comprehensive income for the financial year / period | <u>674</u> | <u>521</u> |

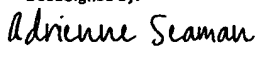
The notes on pages 14 to 29 are an integral part of these financial statements.

TRAIANA LIMITED**Balance Sheet as at 31 December 2020****Company Number: 04839268**

| | Note | As at 31 Dec 2020 \$'000 | As at 31 Dec 2019 \$'000 |
|--|------|--------------------------------|--------------------------------|
| Non-current assets | | | |
| Property, plant and equipment | 9 | - | 38 |
| Deferred tax asset | 10 | 86 | 45 |
| | | 86 | 83 |
| Current assets | | | |
| Debtors | 11 | 16,820 | 23,847 |
| Cash and cash equivalents | 12 | 17 | 12 |
| | | 16,837 | 23,859 |
| Total assets | | 16,923 | 23,942 |
| Current liabilities | | | |
| Creditors | 13 | (11,538) | (14,739) |
| Tax payable | | (205) | (167) |
| | | (11,743) | (14,906) |
| Net current assets | | 5,094 | 8,953 |
| Total assets less current liabilities | | 5,180 | 9,036 |
| Total liabilities | | (11,743) | (14,906) |
| Net assets | | 5,180 | 9,036 |
| Equity | | | |
| Share capital | 14 | - | - |
| Other reserves | | 1,495 | 1,025 |
| Translation reserve | | (238) | (238) |
| Retained earnings | | 3,923 | 8,249 |
| Total equity | | 5,180 | 9,036 |

The notes on pages 14 to 29 are an integral part of these financial statements.

The financial statements were authorised by the board of directors and were signed on its behalf by:

DocuSigned by:

 DC8762BCAE1D407...

Adrienne Seaman
 Director

17 August 2021

TRAIANA LIMITED**Statement of Changes in Equity for the year ended 31 December 2020**

| | Share capital (note 14) \$'000 | Other reserves \$'000 | Translation reserve \$'000 | Retained earnings \$'000 | Total equity \$'000 |
|--|---|-----------------------------|----------------------------------|--------------------------------|---------------------------|
| As at 1 April 2019 | - | 860 | (238) | 7,726 | 8,348 |
| Profit for the financial period | - | - | - | 521 | 521 |
| Total comprehensive income for the period | - | - | - | 521 | 521 |
| Share based payment movement | - | 201 | - | - | 201 |
| Prior year adjustment | - | (36) | - | 2 | (34) |
| As at 31 December 2019 | - | 1,025 | (238) | 8,249 | 9,036 |
| Profit for the financial year | - | - | - | 674 | 674 |
| <i>Other comprehensive income:</i> | | | | | |
| Total comprehensive income for the year | - | - | - | 674 | 674 |
| Share based payment movement | - | 470 | - | - | 470 |
| Dividends paid in the year | - | - | - | (5,000) | (5,000) |
| As at 31 December 2020 | - | 1,495 | (238) | 3,923 | 5,180 |

The notes on pages 14 to 29 are an integral part of these financial statements.

Share capital

The balance classified as share capital includes the nominal value of the proceeds on issue of the Company's share capital, comprising £1 ordinary shares.

Other reserves

Other reserves relate to a share based payment reserve. The share based payment reserve is recognised in accordance with IFRS 2 'Share-based payments'.

TRAIANA LIMITED**Cash Flow Statement for the year ended 31 December 2020**

| | Note | Year ended 31 Dec 2020 \$'000 | Period ended 31 Dec 2019 \$'000 |
|---|------|-------------------------------------|---------------------------------------|
| Cash flows from operating activities | | | |
| Profit before taxation | | 838 | 658 |
| Adjustments for: | | | |
| - Depreciation of property, plant and equipment | | - | 8 |
| - Fixed assets written off | | 38 | - |
| - Movement in share-based payment reserve | | 470 | 165 |
| <i>Operating cash flows before movements in working capital</i> | | <u>1,346</u> | <u>831</u> |
| Working capital adjustments | | | |
| Decrease / (increase) in trade and other receivables | | 7,027 | (10,430) |
| (Decrease) / increase in trade and other payables | | (3,201) | 9,623 |
| Tax paid | | (167) | - |
| Net cash from operating activities | | <u>5,005</u> | <u>24</u> |
| Investing activities | | | |
| Purchase of property, plant and equipment | | - | (32) |
| Net cash from investing activities | | <u>-</u> | <u>(32)</u> |
| Financing activities | | | |
| Dividends paid in the year | | (5,000) | - |
| Net cash from financing activities | | <u>(5,000)</u> | <u>-</u> |
| Net increase / (decrease) in cash and cash equivalents | | 5 | (8) |
| Net cash and cash equivalents at the beginning of the year / period | | 12 | 20 |
| Cash and cash equivalents at the end of the year / period | 12 | <u><u>17</u></u> | <u><u>12</u></u> |

The notes on pages 14 to 29 are an integral part of these financial statements.

TRAIANA LIMITED

Notes to the Financial Statements for the year ended 31 December 2020

1. PRINCIPAL ACCOUNTING POLICIES

a) Basis of preparation

The financial statements of the Company have been prepared for the year ended 31 December 2020. The company aligned its accounting reporting reference date with the CME Group Inc for consistency purposes. Therefore, the amounts presented in the financial statements are not entirely comparable as prior period covered a period of 9 months to 31 December 2019.

The accounting policies in the financial statements for the year have been applied consistently, other than where new policies have been adopted

The financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS') and the historical cost basis adopted by the European Union ('EU'), International Financial Reporting Interpretations Committee ('IFRIC') interpretations and with those parts of the Companies Act 2006 (the 'Act') applicable to companies reporting under IFRS and therefore comply with Article 4 of the EU IAS Regulation.

b) Consolidation

These financial statements are separate financial statements. The Company is a wholly owned subsidiary of Traiana Inc. It is included in the consolidated financial statements of the Traiana Inc., which are publicly available. Therefore, the Company is exempt by virtue of section 401 of the Companies Act 2006, from the requirement to prepare consolidated financial statements.

c) Going concern

Due to the new phase of the pandemic, any further deterioration of the situation could have adverse implications for our business arising from potential impacts on financial markets and our operations. Therefore, the impact on the Company being a going concern was revisited and sensitivity analysis was produced incorporating both possible and remote impacts to the Company for a period to June 2022 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, CME Group Inc., the ultimate parent, has confirmed its undertaking to provide financial and operational support to the Company and assist in meeting the Company's liabilities as and when they fall due which is valid for 13 months from when the financial statements are authorised for issue. In all scenarios, the directors concluded that the Company is still a going concern. For this reason, the Company continues to adopt the going concern basis in preparing these financial statements.

d) Accounting developments

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

e) Revenue

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.

TRAIANA LIMITED

Notes to the Financial Statements for the year ended 31 December 2020

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

f) Tax

Tax on the profit for the year comprises both current and deferred tax as well as adjustments in respect of prior years. Tax is charged or credited to the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the current and deferred tax is also accounted for in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted, or substantially enacted by the balance sheet date.

Deferred tax is recognised using the liability method, in respect of all temporary differences between the carrying value of assets and liabilities for reporting purposes and the tax bases of the assets and liabilities. Deferred tax is calculated at the rate of tax expected to apply when the liability is settled or the asset is realised. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

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.

g) Property, plant and equipment

Property, plant and equipment are stated at historical cost less provision for any impairment in its value and accumulated depreciation. They are depreciated on a straight line basis over its expected useful economic life as follows:

| | |
|----------------------------------|------------|
| Fixtures, fittings and equipment | 3-5 years |
| Short leasehold | 5-10 years |

The Company reviews its depreciation policy regularly to take account of any changes in circumstances. These rates are determined upon consideration of factors such as the expected rate of technological development and anticipated usage levels. Depreciation is charged against assets from the date at which the Company begins to derive economic benefit from the asset.

When a leasehold property becomes surplus to the Group's foreseeable business requirements, provision is made on a discounted basis for the expected future net cost of the property.

h) Impairment of property, plant and equipment

At each balance sheet date, the Company reviews the carrying amounts of its property, plant and equipment to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

i) Cash and cash equivalents

Cash and cash equivalents are comprised of cash on hand which are subject to insignificant risk of change in value and are readily convertible into a known amount of cash with less than three months maturity.

TRAIANA LIMITED

Notes to the Financial Statements for the year ended 31 December 2020

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

j) Financial assets

The Company classifies its financial assets as financial assets held at amortised cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(i) Recognition

The Company classifies its financial assets as at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Financial assets held at amortised cost consist of loans and receivables which are non-derivative financial instruments that have a fixed or easily determined value. They are subsequently carried at amortised cost using the effective interest method, less any impairment. These assets are included in debtors (note 11).

(ii) De-recognition

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

(iii) Impairment of financial assets

The Company is required to recognise expected credit losses (ECLs) based on unbiased forward-looking information for all financial assets at amortised cost and financial assets at fair value through other comprehensive income.

At the reporting date, an allowance is required for the 12-month (Stage 1) ECLs. If the credit risk has significantly increased since initial recognition (Stage 2), or if the financial instrument is credit impaired (Stage 3), an allowance should be recognised for the lifetime ECLs.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls, representing the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive. ECLs are discounted at the effective interest rate of the financial asset.

The measurement of ECL is calculated using three main components: probability of default (PD), loss given default (LGD) and the exposure at default (EAD).

The 12 month and lifetime ECLs are calculated by multiplying the respective PD, LGD and the EAD. The 12 month and lifetime PDs represent the PD occurring over the next 12 months and the remaining maturity of the instrument respectively.

The EAD represents the expected balance at default, taking into account the repayment of principal and interest from the balance sheet date to the default event.

The LGD represents expected losses on the EAD given the event of default, taking into account, among other characteristics, the time value of money.

The Company assumes that the credit risk of a financial asset has increased significantly when:

- there has been an increase in the lifetime probability of default or if the financial asset; or
- the financial assets are more than 30 days past due (backstop indicator)

TRAIANA LIMITED

Notes to the Financial Statements for the year ended 31 December 2020

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

j) Financial assets (continued)

The Company considers a financial asset to be in **default** when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held) or
- the borrower has defaulted on another balance within the Group or
- the financial asset is more than 90 days past due, with an exemption applied for trade receivables and intercompany receivables for which default is determined on a case by case basis. The Company considers factors such as historical information as a base from which to measure expected credit losses and applies current observable data to reflect the effects of the current conditions

The Company will apply the **general approach** to all financial assets in scope for IFRS 9 impairment framework, with the exception of trade receivables, where the Company applied the **simplified approach**, with a lifetime expected credit loss.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, ageing profile, as well as observable changes in national or local economic conditions that correlate with default on receivables.

The **maximum period** considered when estimating ECL is the maximum contractual period over which the Company is exposed to credit risk.

Forward looking - As a macroeconomic variable, real UK GDP growth was identified to demonstrate a strong linear relationship with historical observed default rates. As per CME Group modelling policy, three PD term structures are used in the model: base case GDP growth rates, a plausible but optimistic case for GDP growth (upturn scenario) and a negative but plausible case of GDP growth (downturn scenario).

Loss allowances for financial assets measured at amortised cost are calculated as the difference between carrying value and the present value of any expected future cash flows, with any impairment being recognised in the profit and loss account. Subsequent recovery of amounts previously impaired are credited to the profit and loss account.

For debt securities at FVOCI, where applicable, the loss allowance is recognised in other comprehensive income, instead of reducing the carrying amount of the asset.

Impairment losses are presented under 'operating expenses' and not presented separately in the statement of profit or loss and other comprehensive income due to materiality considerations. When a trade receivable is determined to be uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against 'Operating expenses' in the consolidated income statement.

Financial assets not held at fair value are impaired where there is objective evidence that the value may be impaired. The amount of the impairment is calculated as the difference between carrying value and the present value of any expected future cash flows, with any impairment being recognised in the profit and loss account. Subsequent recovery of amounts previously impaired are credited to the profit and loss account.

In the light of the current uncertainty resulting from the pandemic, the IASB issues guidance and requested that entities consider both the effects of covid-19 and the significant government support measures being undertaken. The Board recognised that it is likely to be difficult at this time to incorporate the specific effects on a reasonable and supportable basis due to the rapid changes and updated facts and circumstances. As such the management considered changes to the macroeconomic factors relevant to the business and applied these changes to the ECL model. The management continues to monitor as new information becomes available.

TRAIANA LIMITED

Notes to the Financial Statements for the year ended 31 December 2020

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

k) Financial liabilities

(i) Recognition

Financial liabilities consist of creditors initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

(ii) De-recognition

The Company de-recognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

l) Share capital

Ordinary shares are classified as equity. Dividends are recognised as deductions from the profit and loss account in the year in which they are declared.

m) Share based payments

The Company engages in equity awards to employees of the Company through the ultimate parent undertaking, CME Group Inc. (note 15).

The fair value of the services received in respect of these share-based payments is determined by reference to the fair value of the share awards on the date of grant to the employee. The cost of the share-based payment is 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.

The fair value measurement of non-qualified stock options is based on the Black-Scholes Pricing Model, taking into account the risk-free interest rate, volatility of the underlying equity instrument, expected dividends and share price. The fair value measurement of restricted shares and performance stock awards is based on the closing stock price on the date of grant.

n) Foreign currencies

(i) Functional and presentational currency

Items included in the financial statements of each of the Company's entities 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.

TRAIANA LIMITED**Notes to the Financial Statements for the year ended 31 December 2020****1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)****n) Foreign currencies (continued)***(ii) 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. KEY ACCOUNTING JUDGEMENTS AND 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 2020 there were no such judgements or assumptions that had a significant effect on the amounts recognized in the financial statements.

3. FINANCIAL RISK MANAGEMENT*(i) Financial risk factors*

The Company's activities expose it to a variety of financial risks, including liquidity, interest rate, currency and credit risks. Financial risks are monitored and managed in accordance with CME Group Inc.'s financial risk management arrangements. The Company does not manage its own financial risk framework.

*(ii) Financial assets and liabilities***Classification of financial assets**

| | As at 31 Dec 2020 \$'000 | As at 31 Dec 2019 \$'000 |
|-----------------------------|--------------------------------|--------------------------------|
| Financial assets | | |
| Cash and cash equivalents | 17 | 12 |
| Trade and other receivables | 16,820 | 23,847 |
| Less | | |
| Prepayments | (392) | (309) |
| | <u>16,445</u> | <u>23,550</u> |

TRAIANA LIMITED**Notes to the Financial Statements for the year ended 31 December 2020****3. FINANCIAL RISK MANAGEMENT (CONTINUED)***(ii) Financial assets and liabilities (continued)***Classification of financial liabilities**

| | As at 31 Dec 2020 \$'000 | As at 31 Dec 2019 \$'000 |
|------------------------------|--------------------------------|--------------------------------|
| Financial liabilities | | |
| Creditors | (11,538) | (14,739) |
| Less | | |
| Accruals | 1,556 | 2,213 |
| | <u>(9,982)</u> | <u>(12,526)</u> |

*(iii) Market Risk*Foreign exchange risk

The Company is exposed to both transactional and translational fluctuations in the value of financial instruments due to exchange rate movements.

Transactional exposure arises from administrative and other expenses and remittance of funds in currencies other than the Company's functional currency (USD). The Company remains exposed to these risks.

Translational exposure arises on the conversion of the foreign currency denominated assets and liabilities into USD. The Company is exposed to the impact of exchange rate movements.

All foreign currency positions are considered to be insignificant. Any movements in these currencies against USD is not expected to have a significant impact on the financial statements.

The table below summarises the Company's exposure to concentrations of foreign and domestic currencies as at 31 December 2020:

| | USD \$'000 | EUR \$'000 | Other \$'000 | GBP \$'000 | Total \$'000 |
|--|---------------|---------------|-----------------|----------------|-----------------|
| Assets | | | | | |
| Cash and cash equivalents | - | - | - | 17 | 17 |
| Trade and other receivables less prepayments | - | - | - | 16,428 | 16,428 |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>16,445</u> | <u>16,445</u> |
| Liabilities | | | | | |
| Trade and other payables less accruals | (396) | (8) | | (9,578) | (9,982) |
| | <u>(396)</u> | <u>(8)</u> | <u>-</u> | <u>(9,578)</u> | <u>(9,982)</u> |
| Net assets / (liabilities) | <u>(396)</u> | <u>(8)</u> | <u>-</u> | <u>6,867</u> | <u>6,463</u> |

TRAIANA LIMITED**Notes to the Financial Statements for the year ended 31 December 2020****3. FINANCIAL RISK MANAGEMENT (CONTINUED)***(iii) Market risk (continued)*

The table below summarises the Company's exposure to concentrations of foreign and domestic currencies as at 31 December 2019:

| | <i>USD</i> <i>\$'000</i> | <i>EUR</i> <i>\$'000</i> | <i>Other</i> <i>\$'000</i> | <i>GBP</i> <i>\$'000</i> | <i>Total</i> <i>\$'000</i> |
|---|-----------------------------|-----------------------------|-------------------------------|-----------------------------|-------------------------------|
| Assets | | | | | |
| <i>Cash and cash equivalents</i> | - | - | - | 12 | 12 |
| <i>Trade and other receivables less prepayments</i> | 22 | - | - | 23,516 | 23,538 |
| | <u>22</u> | <u>-</u> | <u>-</u> | <u>23,528</u> | <u>23,550</u> |
| Liabilities | | | | | |
| <i>Trade and other payables less accruals</i> | (652) | (20) | (15) | (11,839) | (12,526) |
| | <u>(652)</u> | <u>(20)</u> | <u>(15)</u> | <u>(11,839)</u> | <u>(12,526)</u> |
| Net assets / (liabilities) | <u>(630)</u> | <u>(20)</u> | <u>(15)</u> | <u>11,689</u> | <u>11,024</u> |

Interest rate risk

The Company's interest rate risk arises from cash and cash equivalents where changes in market rates can have an adverse impact on cash flows and income streams.

The Company estimates that an increase of 1% in interest rates would have a nil impact (31 December 2019: \$nil) on the Company's income statement and reserves.

The Company's interest rate profile as at 31 December 2020 was as follows:

| | None \$'000 | Fixed \$'000 | Variable \$'000 | Total \$'000 |
|---|------------------------------|-------------------------------|----------------------------------|-------------------------------|
| Assets | | | | |
| <i>Cash and cash equivalents</i> | 17 | - | - | 17 |
| <i>Trade and other receivables less prepayments</i> | 16,428 | - | - | 16,428 |
| | <u>16,445</u> | <u>-</u> | <u>-</u> | <u>16,445</u> |
| Liabilities | | | | |
| <i>Trade and other payables less accruals</i> | (9,982) | - | - | (9,982) |
| | <u>(9,982)</u> | <u>-</u> | <u>-</u> | <u>(9,982)</u> |
| Net assets | <u>6,463</u> | <u>-</u> | <u>-</u> | <u>6,463</u> |

TRAIANA LIMITED**Notes to the Financial Statements for the year ended 31 December 2020****3. FINANCIAL RISK MANAGEMENT (CONTINUED)***(iii) Market risk (continued)*

The Company's interest rate profile as at 31 December 2019 was as follows:

| | <i>None</i> <i>\$'000</i> | <i>Fixed</i> <i>\$'000</i> | <i>Variable</i> <i>\$'000</i> | <i>Total</i> <i>\$'000</i> |
|---|------------------------------|-------------------------------|----------------------------------|-------------------------------|
| Assets | | | | |
| <i>Cash and cash equivalents</i> | - | - | 12 | 12 |
| <i>Trade and other receivables less prepayments</i> | 23,538 | - | - | 23,538 |
| | <u>23,538</u> | <u>-</u> | <u>12</u> | <u>23,550</u> |
| Liabilities | | | | |
| <i>Trade and other payables less accruals</i> | (12,526) | - | - | (12,526) |
| | <u>(12,526)</u> | <u>-</u> | <u>-</u> | <u>(12,526)</u> |
| Net assets | <u>11,012</u> | <u>-</u> | <u>12</u> | <u>11,024</u> |

Credit risk

Credit risk arises from the potential that a counterparty is unable or unlikely to perform on an obligation resulting in a loss for the Company. The Company's exposure to credit risk is limited since it acts as an intermediary whereby business is transacted on an agency basis. All counterparties are subject to regular review and assessment by regional credit officers.

The Company has no significant concentrations of credit risk and the majority of the exposure is limited to intercompany balances (note 11). There are no financial assets which are past due or impaired.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and ensuring the availability of funding through an adequate amount of committed credit. This is important to ensure that the Company can meet all present and future financial obligations as they fall due and comply with regulatory requirements. The Group Treasury division monitors free cash resources ensuring that all companies within the Group maintain sufficient resources to finance their operations. The Group Treasury division assess borrowing and investing limits based on an institution's credit rating and the nature of financial instruments that can be held. The Company's exposure to liquidity risk is not significant.

Cyber security risk

Cyber security risk is the risk that an external or internal party gains or exploits access to the Company's electronic assets, with the intent of compromising and/or disseminating confidential data, impacting system operations or otherwise disrupting conduct of its normal business activities. The Group's risk appetite provides for a highly effective cyber security risk prevention programme in order to minimise the likelihood and impact of any successful cyber interruption.

TRAIANA LIMITED**Notes to the Financial Statements for the year ended 31 December 2020****3. FINANCIAL RISK MANAGEMENT (CONTINUED)***(iii) Market risk (continued)*

The following table shows the maturity of the Company's assets as at 31 December 2020:

| | On demand | Less than 3 months | 3 months to 1 year | More than 1 year | Total |
|-----------------------------|---------------|-----------------------|-----------------------|---------------------|---------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Assets | | | | | |
| Cash and cash equivalents | 17 | - | - | - | 17 |
| Trade and other receivables | 16,428 | 114 | 278 | - | 16,820 |
| | <u>16,445</u> | <u>114</u> | <u>278</u> | <u>-</u> | <u>16,837</u> |

The following table shows the maturity of the Company's assets as at 31 December 2019:

| | On demand | Less than 3 months | 3 months to 1 year | More than 1 year | Total |
|-----------------------------|---------------|-----------------------|-----------------------|---------------------|---------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Assets | | | | | |
| Cash and cash equivalents | 12 | - | - | - | 12 |
| Trade and other receivables | 23,538 | 309 | - | - | 23,847 |
| | <u>23,550</u> | <u>309</u> | <u>-</u> | <u>-</u> | <u>23,859</u> |

The following table shows the maturity of the Company's liabilities as at 31 December 2020:

| | On demand | Less than 3 months | 3 months to 1 year | More than 1 year | Total |
|--------------------------|-----------------|-----------------------|-----------------------|---------------------|-----------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Liabilities | | | | | |
| Trade and other payables | (10,242) | (1,280) | (16) | - | (11,538) |
| | <u>(10,242)</u> | <u>(1,280)</u> | <u>(16)</u> | <u>-</u> | <u>(11,538)</u> |

The following table shows the maturity of the Company's liabilities as at 31 December 2019:

| | On demand | Less than 3 months | 3 months to 1 year | More than 1 year | Total |
|--------------------------|-----------------|-----------------------|-----------------------|---------------------|-----------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Liabilities | | | | | |
| Trade and other payables | (12,526) | (2,213) | - | - | (14,739) |
| | <u>(12,526)</u> | <u>(2,213)</u> | <u>-</u> | <u>-</u> | <u>(14,739)</u> |

Fair value

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. The fair values of financial instruments are determined as per the Company's accounting policies.

As at 31 December 2020 there are no assets or liabilities whose carrying value was not a reasonable approximation of its fair value (31 December 2019: none).

TRAIANA LIMITED**Notes to the Financial Statements for the year ended 31 December 2020****4. ADMINISTRATIVE EXPENSES**

| | Year ended 31 Dec 2020 \$'000 | Period ended 31 Dec 2019 \$'000 |
|---|--|--|
| Salary and payroll costs (note 5) | 9,063 | 6,317 |
| Other staff costs | 1,206 | 447 |
| Staff costs | 10,269 | 6,764 |
| Travelling and entertainment expenses | 55 | 242 |
| Market data and telecom expenses | 1,086 | 724 |
| Professional and legal fees | 1,615 | 1,046 |
| Overhead expense recharges | 240 | 564 |
| Depreciation of property, plant and equipment | - | 9 |
| Fixed assets written off | 38 | - |
| Other expenses ¹ | 10 | 205 |
| | 13,313 | 9,554 |

¹ Other expenses relate mainly to sundry administrative expenses such as subscriptions, office supplies, licenses and employee training.

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 2020 was \$25,000 (31 December 2019: \$25,000) and was borne by a fellow subsidiary in the Group.

5. SALARY AND PAYROLL COSTS

| | Year ended 31 Dec 2020 \$'000 | Period ended 31 Dec 2019 \$'000 |
|-----------------------|--|--|
| Wages and salaries | 7,994 | 5,667 |
| Social security costs | 1,069 | 602 |
| Other pension costs | - | 48 |
| | 9,063 | 6,317 |

The monthly average number of persons employed by the Company during the year was 50 (31 December 2019: 48).

TRAIANA LIMITED**Notes to the Financial Statements for the year ended 31 December 2020****6. DIRECTORS' REMUNERATION**

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

| | Year ended 31 Dec 2020 | | Period ended 31 Dec 2019 | |
|---|-----------------------------------|------------------------------|-------------------------------------|------------------------------|
| | Total | Highest paid director | Total | Highest Paid Director |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Aggregate emoluments | 395 | 395 | 432 | 432 |
| Contributions to defined contribution pension schemes | 31 | 31 | 1 | - |
| Other benefits | 5 | 5 | 5 | - |
| | 431 | 431 | 438 | 432 |

The director's remuneration was borne by a fellow subsidiary company of the Group and were charged to the Company by way of intercompany recharge and allocation. The Directors Remuneration is based on the qualifying services performed by the directors of the Company.

7. OTHER OPERATING EXPENSE

Other operating expense represents exchange differences arising on transactions in foreign currencies during the year and on the translation at the balance sheet date of monetary assets and liabilities denominated in foreign currencies.

8. TAX ON PROFIT

| | Year ended 31 Dec 2020 \$'000 | Period ended 31 Dec 2019 \$'000 |
|---|--|--|
| a) Analysis of the charge for the year / period | | |
| UK corporation tax: | | |
| - Current year / period | 205 | 167 |
| UK deferred tax: | | |
| - Current year / period (note 10) | (41) | (30) |
| - Adjustments in respect of prior periods (note 10) | - | - |
| | 164 | 137 |
| b) Factors affecting the tax charge for the year / period | | |
| Profit before tax | 838 | 658 |
| Profit before tax multiplied by the standard rate of corporation tax in the UK of 19% (31 December 2019: 19%) | 159 | 125 |
| Effects of: | | |
| Expenses not deductible for tax purposes | 2 | 10 |
| Impact of change in rate for deferred tax | 3 | 2 |
| | 5 | 12 |
| Tax charge for the year / period | 164 | 137 |
| Effective tax rate | 20% | 21% |

TRAIANA LIMITED**Notes to the Financial Statements for the year ended 31 December 2020****8. TAX ON PROFIT (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 Bill 2021 published on 11 March 2021 includes a provision to change the standard rate of corporation tax from 19% to 25% with effect from 1 April 2023. Given that this rate was not substantively enacted at the time of the balance sheet date, the closing deferred tax balances have been calculated by reference only to the 19% rate.

If the 25% rate had been substantively enacted or enacted at the balance sheet date, the deferred tax asset would have increased by \$27,227.

9. PROPERTY, PLANT AND EQUIPMENT

| | Short leasehold \$'000 | Fixtures, fittings and equipment \$'000 | Total \$'000 |
|---------------------------------|------------------------------|--|-----------------|
| Cost | | | |
| As at 1 January 2020 | 49 | 170 | 219 |
| Written off | (49) | (170) | (219) |
| As at 31 December 2020 | - | - | - |
| Accumulated depreciation | | | |
| As at 1 January 2020 | 39 | 142 | 181 |
| Written off | (39) | (142) | (181) |
| As at 31 December 2020 | - | - | - |
| Net book value | | | |
| As at 31 December 2020 | - | - | - |
| As at 31 December 2019 | 10 | 28 | 38 |

10. DEFERRED TAX ASSET

The deferred tax asset was as follows:

| | As at 31 Dec 2020 \$'000 | As at 31 Dec 2019 \$'000 |
|---|--|--|
| Capital allowances | 17 | 14 |
| Share based payments | 69 | 31 |
| | <u>86</u> | <u>45</u> |
| | Year ended 31 Dec 2020 \$'000 | Period ended 31 Dec 2019 \$'000 |
| At beginning of the year / period | 45 | 13 |
| Transferred to the profit and loss account (note 8) | 41 | 30 |
| Transferred to equity | - | 2 |
| As at end of the year / period | <u>86</u> | <u>45</u> |

A deferred tax asset has been recognised as it is more likely than not that there will be sufficient taxable profits in the UK group in the foreseeable future against which the temporary difference can be utilised.

TRAIANA LIMITED**Notes to the Financial Statements for the year ended 31 December 2020****11. DEBTORS**

| | As at 31 Dec 2020 \$'000 | As at 31 Dec 2019 \$'000 |
|------------------------------------|--------------------------------|--------------------------------|
| Current | | |
| Amounts due from | | |
| - immediate parent company | 15,927 | 21,875 |
| - related companies | 425 | 1,554 |
| Prepayments and accrued income | 392 | 309 |
| Other taxation and social security | 76 | 105 |
| Other debtors | - | 4 |
| | <u>16,820</u> | <u>23,847</u> |

Amounts due from the immediate parent company and related companies are unsecured, non-interest bearing and receivable on demand.

12. CASH AND CASH EQUIVALENTS

| | As at 31 Dec 2020 \$'000 | As at 31 Dec 2019 \$'000 |
|--------------------------|--------------------------------|--------------------------------|
| Cash at bank and in hand | 17 | 12 |
| | <u>17</u> | <u>12</u> |

13. CREDITORS

| | As at 31 Dec 2020 \$'000 | As at 31 Dec 2019 \$'000 |
|--------------------|--------------------------------|--------------------------------|
| Amounts owed to | | |
| -related companies | 9,889 | 12,526 |
| Accruals | 1,556 | 2,213 |
| Other creditors | 93 | - |
| | <u>11,538</u> | <u>14,739</u> |

Amounts owed to related companies are unsecured, non-interest bearing and payable on demand.

14. SHARE CAPITAL

| | As at 31 Dec 2020 \$'000 | As at 31 Dec 2019 \$'000 |
|--|--------------------------------|--------------------------------|
| Authorised, allotted and fully paid: | | |
| 2 ordinary shares of £1 each (31 December 2019: 2) | - | - |
| | <u>-</u> | <u>-</u> |

TRAIANA LIMITED**Notes to the Financial Statements for the year ended 31 December 2020****15. SHARE BASED PAYMENTS****CME Group Inc. Equity Plan**

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

Restricted stock awards and performance stock awards typically vest 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 is contingent upon continued employment with CME Group.

CME Group has adopted an Employee Stock Purchase Plan (ESPP) under which eligible employees may acquire shares of Class A common stock using payroll deductions made during consecutive offering periods of approximately six months in duration. Shares are 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 is recognised on the dates of purchase for the discount from the closing price.

Restricted stock awards

The total number of restricted awards that vested during 2020 was 1,408 (2019: 41) at a weighted average price of \$194.41 (2019: \$170.14). The total number of restricted stock awards outstanding at the end of the year was 7,567 (2019: 4,013) with a weighted average contractual life of 2.03 years (2019: 1.97 years). The total expense for the year related to these grants recognised in the profit and loss account was \$470,000 (2019: \$201,000).

| | 2020 | | 2019 | |
|------------------------|---------------|---------------|---------------|---------------|
| | Shares | \$ | Shares | \$ |
| Opening | 4,013 | 202.58 | - | - |
| Transfer in | 176 | 207.00 | - | - |
| E*Trade Opening | 4,189 | 202.77 | - | - |
| Granted | 4,888 | 168.10 | 4,128 | 201.82 |
| Vested | (1,408) | 194.41 | (41) | 170.14 |
| Forfeited | (102) | 207.00 | (74) | 178.11 |
| Closing | 7,567 | 181.87 | 4,013 | 202.58 |
| Weighted Average Life | | 2.03 | | 1.97 |

Employee stock purchase plan

In 2020, 515 shares of Class A common stock were issued to participating employees (2019: nil shares). These shares are subject to a six-month holding period. Total compensation expense recognised under the employee share purchase plan was \$9,342 for the year ended 31 December 2020 (2019: \$nil).

16. POST BALANCE SHEET EVENT

Other than the unpredictable nature of the pandemic as disclosed in the Going Concern disclosure in the Directors' Report, there are further post balance sheet events to disclose this year.

On 12 January 2021, CME Group Inc. and IHS Markit announced that they have agreed to combine their post trade services into a new joint venture with 50:50 ownership and control. It will incorporate CME Group's optimisation businesses – Traiana, TriOptima, and Reset – and IHS Markit's MarkitSERV. The combination of these businesses will provide clients with enhanced platforms and services for global OTC markets across interest rate, FX, equity and credit asset classes. Market participants will benefit from a more efficient front-to-back workflow with enhanced connectivity and improved trading certainty.

The transaction is awaiting customary antitrust and regulatory approvals and is not expected to close until late summer/autumn 2021.

TRAIANA LIMITED**Notes to the Financial Statements for the year ended 31 December 2020****16. POST BALANCE SHEET EVENT (CONTINUED)**

On 30 June 2021, Traiana Limited declared a cash dividend in the sum of USD 4,000,000 to Traiana, Inc., to be left outstanding on intercompany account.

17. IMMEDIATE AND ULTIMATE PARENT COMPANY

The Company had the following net outstanding balances owed by the immediate parent company who are members of the Group:

| | As at 31 Dec 2020 \$'000 | As at 31 Dec 2019 \$'000 |
|---|--------------------------------|--------------------------------|
| Amounts due from immediate parent company | 15,927 | 21,875 |
| | <u>15,927</u> | <u>21,875</u> |

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. ownership of the Company is 100% and it prepares consolidated financial statements in accordance with IFRS.

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

The Company's ultimate parent is CME Group Inc., which is incorporated in the United States, and heads the largest group of companies of which the Company is a member. CME Group Inc. ownership of the immediate parent company is 86.67%, of which the remainder is owned by minority shareholders. CME Group Inc. prepares consolidated financial statements in accordance with US GAAP and copies may be obtained from the Company Secretary, CME Group Inc. 20 South Wacker Drive, Chicago, Illinois, 60606.

The Company entered into the following transactions with related parties who are members of the Group:

| | Year ended 31 Dec 2020 \$'000 | Period ended 31 Dec 2019 \$'000 |
|---|-------------------------------------|---------------------------------------|
| Expenses paid on behalf of the Company by fellow subsidiary companies | (13,313) | (9,554) |
| Revenue received from immediate parent company | 14,312 | 10,228 |
| | <u>999</u> | <u>674</u> |