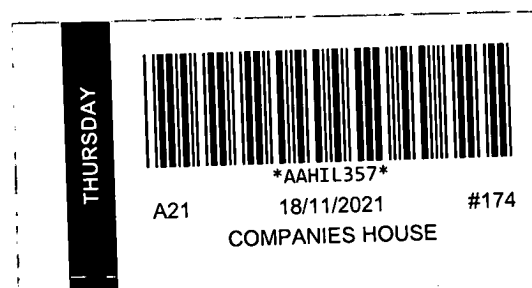


COMPANY NUMBER: 06694512

NEX GROUP HOLDINGS LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2020



NEX GROUP HOLDINGS LIMITED

General information

PROFILE

NEX Group Holdings Limited (the 'Company') is a wholly owned indirect subsidiary of CME Group Inc. (the 'Group') and is consolidated in the Group accounts. The Company is incorporated and domiciled in England and Wales and is a private company limited by shares.

The company operates as a holding company, treasury vehicle and enables certain recharging of costs between group companies.

DIRECTORS

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

K M Cronin

J W Pietrowicz

B T Durkin (resigned 13 January 2021)

REGISTERED OFFICE

London Fruit and Wool Exchange

1 Duval Square

London

E1 6PW

REGISTRATION NUMBER

06694512

NEX GROUP HOLDINGS LIMITED

Strategic Report for the year ended 31 December 2020

Company Number: 06694512

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 is a wholly-owned non-trading holding company for certain subsidiaries of CME Group Inc (the ultimate parent, together the Group) and as such does not generate revenue external to the group outside of a fixed preferred brokerage agreement with BSN Holdings Limited. The Company's financial position and performance is linked to those of its subsidiaries and affiliates (being fellow group companies of CME Inc. but not subsidiaries of the Company).

On 1 September 2021, CME Group Inc. and IHS Markit launched their joint venture, OSTTRA. Further details can be found in the Business Review and Future Developments section of the Directors' Report.

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 \$388 million (31 December 2019: loss of \$38 million) has been transferred to reserves.

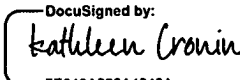
The net assets of the Company are \$2,623 million (31 December 2019: net assets of \$1,949 million).

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.

COVID-19 risks and uncertainties have been discussed in the Post Balance Sheet Events section and the Directors Report for the Company.

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

DocuSigned by:

7E043A993A4349A...
Kathleen Cronin
Director

10 November 2021

NEX GROUP HOLDINGS LIMITED

Directors' Report for the year ended 31 December 2020

Company Number: 06694512

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 operates as a holding company, treasury vehicle and enables certain recharging of costs between fellow group companies. It is anticipated that the Company will continue its present business activities next year.

The Company is incorporated and domiciled in England and Wales. The Company is a private company limited by shares and its registered office is London Fruit and Wool Exchange, 1 Duval Square, London, E1 6PW.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

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

On 1 September 2021, CME Group Inc. and IHS Markit launched their joint venture, OSTTRA. This combines their post trade services into a new joint venture with 50:50 ownership and control. It incorporates 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.

STATEMENT BY THE DIRECTORS IN PERFORMANCE OF THEIR STATUTORY DUTIES IN ACCORDANCE WITH SECTION 172(1) OF THE COMPANIES ACT 2006

Under section 414(a) of the Companies Act 2006, the Company is required to include a section 172 statement describing how it has had regard to matters set forth in S172(1) of the Act. The directors acknowledge and understand their duties and responsibilities, including that, under s172 of the Companies Act 2006, a director of a company must act in the way he or she considers, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

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

In addressing these matters the directors would like to expand on the following:

(a) Principal Decisions

The Board considers the need to maintain a reputation for high standards of business conduct, the need to act fairly between the members of the Company and the long-term consequences of its decisions. In making its decisions, the Board considers stakeholder interests, and how relevant decisions made on behalf of the Company affect those stakeholders while also promoting the success of the Company for the long-term value creation for the broader CME Group. On behalf of the Company, CME Group frequently engages with its creditors, vendors and stakeholders as part of CME Group's financial risk management processes.

We define Principal Decisions as decisions which are material or strategic to the Company, key stakeholders and the long-term value creation of the Company.

(b) Employees

To further the professional advancement of its workforce, the Company is committed to a best practice approach in the treatment of its employees which considers the professional development, career opportunities and emotional well-being of its employees. The Company has adopted a pension plan and assurance schemes with other discretionary incentives provided to employees annually. Diversity, inclusion, adherence to the principles of Equal Employment and a commitment to facilitating employment opportunities for people with disabilities are key facets of CME Group. CME Group offers an Employee Assistance Program (EAP), which provides counselling sessions giving employees an opportunity to confidentially discuss any family or personal issues, including legal counselling.

NEX GROUP HOLDINGS LIMITED**Directors' Report for the year ended 31 December 2020**

Company Number: 06694512

STATEMENT BY THE DIRECTORS IN PERFORMANCE OF THEIR STATUTORY DUTIES IN ACCORDANCE WITH SECTION 172(1) OF THE COMPANIES ACT 2006 (CONTINUED)**(c) Business Relationships with Suppliers, Customers and Others**

The Company's approach is to conduct business in a manner which balances costs and risks while taking into account its stakeholders and protecting the Company's performance and reputation. The directors acknowledge that they have responsibility for the Company's systems of internal control and monitoring its design and effectiveness. The purpose of the internal control systems is to manage, rather than eliminate, the risk of failure to achieve business objectives, to provide reasonable assurance as to the quality of management information and to maintain proper control over the income, expenditures, assets and liabilities of the Company whilst maintaining a strong relationship with all of its stakeholders.

(d) Impact on the Community and Environment

The directors are aware of their responsibilities towards the wider community and environment when making principal decisions, as such the Company has adopted energy saving lighting, renewable electricity and continues to monitor and review its energy efficiency. In addition to designing the operations of the Company to be environmentally friendly, the Company has adopted a number of Employee Network Groups (ENGs) where employee engagement is actively encouraged. One of these ENGs is SEED (Sustaining and Enhancing our Environmental Direction) which is focused on environmental sustainability and the wider impact on the community. SEED host various panel discussions throughout the year with some of the recent events looking at Recycling, Composting at Home and Climate Change; the purpose of these discussions being raising awareness and to promote collaboration across the organisation.

(e) High Standards of Business Conduct

The directors recognise that the Company's success is dependent on establishing business relationships built on integrity and high standards. Key business achievements and the Group Strategy are discussed in detail and reviewed accordingly. The Company has adopted the CME Group Code of Conduct (the Code), CME Group policies and CME Group's corporate governance arrangements, which ensure the implementation of appropriate business conduct in the day to day activities of the Company. Adherence to the Code ensures that dealings with third-party vendors, clients, suppliers, consultants and all other stakeholders involved in the business operations of the Company are conducted appropriately.

(f) Members of the Company

S 172 of the Companies Act 2006 requires directors to run the company for the benefit of its shareholders as a whole and as such the directors have taken and continue to take into consideration any long-term effects that may impact the Members of the Company.

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 \$297,471,000 were paid during the year (31 December 2019: \$nil). The Directors do not recommend a final dividend for the year.

NEX GROUP HOLDINGS LIMITED
Directors' Report for the year ended 31 December 2020

Company Number: 06694512

DIRECTORS

The directors of the Company who held office during the year are disclosed in "General Information" section on page 1.

POST BALANCE SHEET EVENTS

Other than the unpredictable nature of the pandemic and the post balance sheet events disclosed in note 19, there are no further post balance sheet events to disclose this year.

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 not made qualifying third-party indemnity provisions for the benefit of its directors during the year.

NEX GROUP HOLDINGS LIMITED

Directors' Report for the year ended 31 December 2020

Company Number: 06694512

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 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 United Kingdom Accounting Standards, including FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 Company's website. Legislation in the United Kingdom 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:

DocuSigned by:

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Kathleen Cronin
Director

10 November 2021

NEX GROUP HOLDINGS LIMITED

Independent Auditor's Report to the members of NEX Group Holdings Limited

Opinion

We have audited the financial statements of NEX Group Holdings Limited for the year ended 31 December 2020 which comprise the Profit and Loss Account, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 20, 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 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 2020 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 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.

NEX GROUP HOLDINGS LIMITED

Independent Auditor's Report to the members of NEX Group Holdings 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 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 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 (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.

NEX GROUP HOLDINGS LIMITED

Independent Auditor's Report to the members of NEX Group Holdings Limited

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

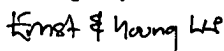
- We understood how the Company is complying with those frameworks by making enquiries of management and those charged with governance to understand how the Company maintains and communicates its policies and procedures in these areas and corroborated this by reviewing supporting documentation. We also 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:



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Simon Michaelson (Senior statutory auditor)

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

London

Date November 15, 2021 | 7:04:38 GMT

NEX GROUP HOLDINGS LIMITED**Profit and Loss Account for the year ended 31 December 2020**

	<u>Note</u>	Year ended 31 Dec 2020 \$ '000	Period ended 31 Dec 2019 \$ '000
Turnover	3	5,656	3,241
Dividend income	4	385,660	-
Other income/(expense)	12	14,138	(9,375)
Administrative expenses	5	(175)	(1,437)
Impairment of investment in subsidiary	10	(11,823)	(8,606)
Gain on sale of investment in associate	11	8,363	-
Operating profit / (loss)		401,819	(16,177)
Interest receivable and similar income	7	3,530	2,343
Interest payable and similar expenses	8	(17,037)	(24,052)
Profit / (loss) before taxation		388,312	(37,886)
Tax credit / (charge)	9	168	(465)
Profit / (loss) for the financial year / period		388,480	(38,351)

The profit/(loss) of the Company for the financial year is derived from continuing operations.

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

NEX GROUP HOLDINGS 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 / (loss) for the financial year / period	388,480	(38,351)
Total comprehensive income / (loss) for the financial year / period	<u>388,480</u>	<u>(38,351)</u>

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

NEX GROUP HOLDINGS LIMITED**Balance Sheet as at 31 December 2020****Company Number: 06694512**

	<u>Note</u>	As at 31 Dec 2020 \$'000	As at 31 Dec 2019 \$'000
Non-current assets			
Investment in subsidiaries	10	2,862,736	2,866,833
Investment in associates	11	13,031	13,326
Deferred tax	9	13,051	10,717
Debtors: amounts falling due after more than one year	13	34,920	34,112
		<u>2,923,738</u>	<u>2,924,988</u>
Current assets			
Debtors: amounts falling due within one year	13	113,134	789,354
Cash and cash equivalents	14	3,926	6,424
Tax receivable		-	4,804
		<u>117,060</u>	<u>800,582</u>
Total assets		<u>3,040,798</u>	<u>3,725,570</u>
Current liabilities			
Creditors: amounts falling due within one year	15	(416,878)	(1,776,551)
Tax payable		(1,139)	-
		<u>(418,017)</u>	<u>(1,776,551)</u>
Total assets less current liabilities		<u>2,622,781</u>	<u>1,949,019</u>
Total liabilities		<u>(418,017)</u>	<u>(1,776,551)</u>
Net assets		<u>2,622,781</u>	<u>1,949,019</u>
Equity			
Share capital	16	926,717	350,746
Share premium		100,719	94,752
Fair value reserve		(2,055)	(2,055)
Retained earnings		1,685,091	1,593,267
Translation reserve		(87,691)	(87,691)
Total equity		<u>2,622,781</u>	<u>1,949,019</u>

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:

 Kathleen Cronin
 Director

10 November 2021

NEX GROUP HOLDINGS LIMITED**Statement of changes in equity for the year ended 31 December 2020**

	Share capital	Share premium	Fair value reserve	Translation reserve	Retained earnings	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 April 2019	345,436	-	(2,055)	(87,691)	1,631,618	1,887,308
Loss for the financial period	-	-	-	-	(38,351)	(38,351)
Total comprehensive loss for the period	-	-	-	-	(38,351)	(38,351)
Issue of shares	5,310	94,752	-	-	-	100,062
As at 31 December 2019	350,746	94,752	(2,055)	(87,691)	1,593,267	1,949,019
Profit for the financial year	-	-	-	-	388,480	388,480
Total comprehensive loss for the period	-	-	-	-	388,480	388,480
Issue of shares	575,971	5,967	-	-	-	581,938
Prior year adjustment	-	-	-	-	815	815
Dividends paid in the year	-	-	-	-	(297,471)	(297,471)
As at 31 December 2020	926,717	100,719	(2,055)	(87,691)	1,685,091	2,622,781

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

Share capital

Share capital includes the nominal value of the proceeds on issue of the Company's share capital, comprising of 695,067,185 ordinary shares at £1 each as at 31 December 2020 (31 December 2019: 237,796,235 ordinary shares of £1 each).

Share premium

The share premium includes the value of the proceeds above nominal value on issue of the Company's share capital, comprising at £1 ordinary shares each.

Translation reserve

The translation reserve account relates to the foreign exchange impact following the change in functional and presentational currency from GBP to USD in the prior year.

NEX GROUP HOLDINGS 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 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 Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101), the Companies Act 2006 (the Act) as applicable to companies using FRS 101 and under the historic cost convention as modified by the revaluation of certain financial instruments. 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 EU-adopted International Financial Reporting Standards ('IFRS'). The accounting standards have been applied consistently, other than where new standards have been adopted.

The financial statements of the Company were included in the Group consolidated financial statements for the year ended 31 December 2020. Note 20 gives details of the Company's parent and from where its consolidated financial statements prepared in accordance with US GAAP may be obtained.

Per the FRS 101 Reduced Disclosure Framework, the Company is eligible to adopt the following qualifying exemptions:

- IFRS 7 'Financial instruments: Disclosures'
- Paragraphs 91 to 99 of IFRS 13 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities)
- The following paragraphs of IAS 1 'Presentation of financial statements'
 - i) Paragraph 10(d) of IAS 1 (statement of cash flows)
 - ii) Paragraph 16 (statement of compliance with all IFRS)
 - iii) Paragraph 38A (requirement for minimum of two primary statements, including cash flow statements)
 - iv) Paragraph 38B-D (additional comparative information)
 - v) Paragraph 11 (cash flow statement information)
 - vi) Paragraph 134-136 (capital management disclosures)
- IAS 7 'Statement of cash flows'
- Paragraphs 30 and 31 of IAS 8 'Accounting policies, 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
- 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'

The company is a wholly-owned indirect subsidiary of CME Group Inc. and is included in the consolidated financial statements of CME Group Inc. which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 401 of the Companies Act 2006.

The directors consider the exemption is available as the Company does not have securities admitted to trading on a regulated market in an EEA state as referenced within section 401 (4), regardless of the guarantee to NEX Group Limited (note 18).

NEX GROUP HOLDINGS LIMITED

Notes to the financial statements for the year ended 31 December 2020

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

b) 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.

c) Accounting developments

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

d) Turnover

Turnover is comprised of brokerage income. Turnover 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.

e) Dividend income

Dividend income is recognised when the right to receive payment is established.

f) Interest receivable and similar income

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

g) Interest payable and similar expenses

Interest payable and similar expenses are recognised using the effective interest rate method.

h) 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 period in which a reassessment of the liability is made.

NEX GROUP HOLDINGS LIMITED

Notes to the financial statements for the year ended 31 December 2020

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

i) Investments in subsidiaries

Investments in subsidiaries are recorded at historical cost less provision for any impairment in their values and are assessed for impairment on an annual basis. Where there is any evidence of impairment, recoverable amounts of the subsidiaries are calculated with reference to the higher of its fair value less costs to sell and its value in use ('VIU'). The VIU is the present value of the expected future cash flows. The excess of carrying value over the recoverable amount is then taken to profit and loss as an impairment charge and the investment in subsidiary is then recorded at historic cost less accumulated impairment.

A subsidiary is an entity over which the Company has control. Control exists where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

j) Investments in associates

The Company classifies investments in entities over which it has significant influence but not control, as associates. These investments are recorded at historical cost less provision for any impairment in their values.

k) Impairment of non-financial assets

At each balance sheet date, the Company reviews the carrying amounts of its non-financial assets 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.

l) Cash and cash equivalents

Cash and cash equivalents are comprised of cash on hand and on-demand deposits 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.

m) Financial assets

The Company classifies its financial assets in the following categories: financial assets held at fair value through other comprehensive income; and 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

Fair value through other comprehensive income: Financial assets at fair value through other comprehensive income (FVOCI) 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.

NEX GROUP HOLDINGS LIMITED

Notes to the financial statements for the year ended 31 December 2020

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

m) Financial assets (continued)

Amortised cost: 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 13).

(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)

NEX GROUP HOLDINGS LIMITED

Notes to the financial statements for the year ended 31 December 2020

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

m) 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 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.

NEX GROUP HOLDINGS LIMITED

Notes to the financial statements for the year ended 31 December 2020

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

n) 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 expired.

o) Share capital

Ordinary shares are classified as equity.

p) 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. Dividends are recognised as deductions from the profit and loss account in the period in which they are declared.

q) 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.

(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.

NEX GROUP HOLDINGS LIMITED**Notes to the financial statements for the year ended 31 December 2020****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, management has made the following judgements and assumptions concerning the future and other key sources of estimation uncertainty at 31 December 2020 that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Existing circumstances and assumptions about future developments may change due to circumstances beyond the Company's control and are reflected in the assumptions if and when they occur. Items with the most significant effect on the amounts recognised in the financial statements with substantial management judgement and/or estimates are collated below with respect to judgements/estimates involved:

- Impairment of investment in subsidiary: the carrying value of investment in subsidiaries was assessed for impairment at period end. In the event that the carrying value exceeds the recoverable amount an impairment charge is recognised in the income statement. The recoverable amount is defined as the higher of the net assets of the subsidiary and its VTU, so judgement is applied to calculate the recoverable amount.

3. TURNOVER

Turnover comprises brokerage income derived from a fixed preferred brokerage agreement.

4. DIVIDEND AND OTHER INCOME

	Year ended 31 Dec 2020 \$'000	Period ended 31 Dec 2019 \$'000
Dividend income	<u>385,660</u>	<u>-</u>
	<u>385,660</u>	<u>-</u>

On 16 July 2020, NEX Finance Limited declared a cash dividend to the Company in the sum of £7,000,000 (\$8,817,900), to be left outstanding on intercompany account.

On 16 July 2020, NEX Optimisation Limited declared a cash dividend to the Company in the sum of \$51,725,981, to be left outstanding on intercompany account.

On 10 September 2020, NEX Optimisation Limited declared a dividend of €40,000,000 (\$47,231,152) to its sole shareholder, NEX Group Holdings Limited.

On 1 December 2020, NEX Markets Limited declared a cash dividend to the Company in the sum of £119,681,677 (\$160,884,967), to be left outstanding on intercompany account.

On 9 December 2020, CME Finance Holdings Limited declared a cash dividend of \$33,000,000 to its sole shareholder, the Company.

On 9 December 2020, NEX Optimisation Limited declared a cash dividend of \$10,000,000 to its sole shareholder, the Company.

On 9 December 2020, NEX Markets Limited declared a cash dividend of \$74,000,000 to its sole shareholder, the Company.

NEX GROUP HOLDINGS LIMITED**Notes to the financial statements for the year ended 31 December 2020****5. ADMINISTRATIVE EXPENSES**

	Year ended 31 Dec 2020 \$'000	Period ended 31 Dec 2019 \$'000
Intercompany recharges and allocations	2	1,382
ECL credit of amounts owed from subsidiaries	(85)	(9)
Professional fees	27	-
Bank charges	40	-
Other expenses	<u>191</u>	<u>64</u>
	<u>175</u>	<u>1,437</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 2020 was \$24,907 (31 December 2019: \$24,907).

The Company had no employees during the current year and prior period. The directors of the Company are employees of the Group and their remunerations costs were borne by fellow subsidiaries of the Group.

6. DIRECTORS' REMUNERATION

During the current year and prior period, no remuneration was earned by the Directors as no qualifying services were provided by the Directors to the Company.

7. INTEREST RECEIVABLE AND SIMILAR INCOME

	Year ended 31 Dec 2020 \$'000	Period ended 31 Dec 2019 \$'000
Interest income from Group companies	2,703	1,664
Other finance income	<u>827</u>	<u>679</u>
	<u>3,530</u>	<u>2,343</u>

8. INTEREST PAYABLE AND SIMILAR EXPENSES

	Year ended 31 Dec 2020 \$'000	Period ended 31 Dec 2019 \$'000
Interest expense to external providers	-	160
Interest expense to Group companies	<u>17,037</u>	<u>23,892</u>
	<u>17,037</u>	<u>24,052</u>

NEX GROUP HOLDINGS LIMITED**Notes to the financial statements for the year ended 31 December 2020****9. TAX ON PROFIT / (LOSS)**

	Year ended 31 Dec 2020 \$'000	Period ended 31 Dec 2019 \$'000
a) Analysis of the (credit) / charge for the year / period		
UK corporate tax		
- Current year / period	1,139	(4,834)
- Adjustments in respect of prior periods	630	7,583
UK deferred tax		
- Current year / period	(1,374)	(654)
- Adjustment in respect of prior periods	(563)	(1,630)
	<u>(168)</u>	<u>465</u>
b) Factors affecting the tax (credit) / charge for the year / period		
Profit before tax	388,312	(37,886)
Profit before tax multiplied by the standard rate of corporation tax in the UK of 19% (31 December 2019: 19%)	73,779	(7,198)
Effects of:		
Non-taxable income	(73,275)	-
Expenses not deductible for tax purposes	635	1,633
Adjustments in respect of prior years – current tax	630	7,583
Adjustments in respect of prior years – deferred tax	(563)	(1,630)
Impact of change in rate for deferred tax	(1,374)	77
	<u>(73,947)</u>	<u>7,663</u>
Tax (credit) / charge for the year / period	<u>(168)</u>	<u>465</u>
Effective tax rate	-%	(1%)

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 and substantively enacted on 24 May 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 \$4,121,224.

DEFERRED TAX ASSET

	Year ended 31 Dec 2020 \$'000	Period ended 31 Dec 2019 \$'000
Losses	<u>13,051</u>	<u>10,717</u>
	<u>13,051</u>	<u>10,717</u>
As at 1 April	10,717	8,376
Transferred from the income statement	1,938	2,341
Foreign exchange movement	396	-
	<u>13,051</u>	<u>10,717</u>

NEX GROUP HOLDINGS LIMITED**Notes to the financial statements for the year ended 31 December 2020****10. INVESTMENTS IN SUBSIDIARIES**

	Year ended 31 Dec 2020 \$'000	Period ended 31 Dec 2019 \$'000
As at 1 January 2020 / 1 April 2019	2,866,833	2,790,419
Additions	13,978	105,218
Transfers	(6,297)	(20,198)
Impairment	(11,823)	(8,606)
Foreign exchange	45	-
As at 31 December 2020 / 31 December 2019	<u>2,862,736</u>	<u>2,866,833</u>

On 30 June 2020, e-MID SIM S.p.A., an indirect subsidiary, was dissolved.

The Company transferred the entire issued share capital of NEX Finance Limited to Intercapital Limited for £1.00 consideration, left outstanding on intercompany account.

On 2 November 2020, NEX International Limited transferred the entire issued share capital of Elysian Systems Limited to the Company for total consideration of £4,861,636.11 (\$6,296,660), satisfied by the allotment and issue of 254,950 ordinary shares of £1.00 each in the capital of the Company at a premium of £18.07 per share (total share premium being £4,606,946.50). On 2 November 2020, the Company transferred the entire issued share capital of Elysian Systems Limited to CME Finance Holdings Limited for total consideration of £4,861,636.11 (\$6,296,660), satisfied by the allotment and issue of 612 ordinary shares of £0.0001 each in the capital of CME Finance Holdings Limited at a premium of £7,943.85 (\$10,289) per share (total share premium being £4,861,636.20 (\$6,296,660)).

On 1 December 2020, Godsell Astley & Pearce (Holdings) allotted and issued 1,037,868 fully paid ordinary shares of £1.00 (\$1.3364) each to its sole shareholder, the Company, for a subscription price of £1.00 (\$1.3364) per share for a total value of \$1.4m.

During the year, NEX Finance Limited was impaired by \$11,823,279, mainly due to the decrease in the carrying value of NEX Finance Limited following the Dividend distribution of the subsidiary to the Company.

As at 31 December 2020, the Company's subsidiary companies were as follows:

Direct Wholly-Owned Subsidiaries
United Kingdom
London Fruit and Wool Exchange, 1 Duval Square, London, E1 6PW
NEX Markets Limited
NEX Optimisation Limited
Godsell Astley & Pearce (Holdings) Ltd
CME Finance Holdings Limited
NEX International Investments Limited
United States
The Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware DE 19801
NEX Group Investments Inc
Argentina
Avda. Leandro N. Alem 855, Piso 16, Buenos Aires
Intercapital Argentina S.A.
Intercapital Latin America Services S.A

NEX GROUP HOLDINGS LIMITED**Notes to the financial statements for the year ended 31 December 2020****10. INVESTMENTS IN SUBSIDIARIES (CONTINUED)**

Indirect Wholly-Owned Subsidiaries
United Kingdom
London Fruit and Wool Exchange, 1 Duval Square, London, E1 6PW
Abide Financial DRSP Limited ***
Abide Financial Limited ***
Abide Financial Repository Limited ***
Astley & Pearce Limited
BrokerTec Europe Limited
CME Finance Holdings Limited
CME Group Benchmark Administration Limited
EBS Dealing Resources International Limited
EBS Group Limited
EBS No. 2 Limited
NEX SEF Limited
NEX Services Limited
TriOptima Holdings Limited
TriOptima UK Limited
Elysian Systems Limited
CME Marketing Europe Limited*
CME Trade Repository Limited**
CME Operations Limited
CME Digital Limited*
CME Digital Vault Limited*
25 Great Victoria Street, Belfast, Northern Ireland, BT2 7AQ
CME Technology and Support Service Limited
Australia
BDO, Level 11, 1 Margaret Street, Sydney NSW 2000
CME Group Australia Pty Limited
Bermuda
Carey Olsen Services Bermuda Limited, 2nd Floor Atlantic House, 11 Par-la-Ville Road, Hamilton, HM 11
Parthenon Limited (established since 1 January 2021)
China
Unit 368, Division 302, No. 211 North Fute Road, Shanghai, Pilot Free Trade Zone 200120
EBS (Shanghai) Information Technology Co., Ltd.
No.6 Wudinghou Street, Unit 1105, Excel Centre, Xicheng District, Beijing 100033, China
CME Consulting (Beijing) Limited

* In Liquidation as at 31 December 2020

** Expected to enter liquidation in July 2021

NEX GROUP HOLDINGS LIMITED**Notes to the financial statements for the year ended 31 December 2020****10. INVESTMENTS IN SUBSIDIARIES (CONTINUED)**

Hong Kong
6th Floor, Alexandra House, 18 Chater Road, Central
CFETS – NEX Markets Limited
Unit 1705-1708, 17/F Man Yee Building, 68 Des Voeux Road Central, Hong Kong
CME Group Hong Kong Limited
TriOptima Asia Pacific Pte. Limited – Hong Kong branch
Israel
Floors 11 and 12, 132 Menachem Begin Road, Round Tower, Azrieli Center, Tel Aviv 6701101
EBS Financial Technologies Ltd.
Japan
Toho Twin Tower Building, 3rd Floor, 1-5-2 Yuraku-cho, Chiyoda-ku, Tokyo 100-0006
EBS Dealing Resources Japan Limited
4-10 Nihonbashi-Muromachi, 4-chome, Chuo-ku, Tokyo 103-0022
TriOptima Japan K.K.
Kasumigaseki Building, 6F Room No.622, 3-2-5 Kasumigaseki, Chiyoda ku, Tokyo
CME Group Japan KK
Luxembourg
7 rue Robert Stumper, L-2557, Luxembourg
Euclid Opportunities S.A.
Netherlands
Nieuwezijds Voorburgwal 104, Units 1.04, 1.05 en 1.06, Amsterdam
CME Investment Firm B.V.
CME Amsterdam B.V.
Singapore
10 Marina Boulevard, #21-01, Marina Bay Financial Centre, Singapore
NEX Services Pte. Ltd.
Reset Private Limited
TriOptima Asia Pacific Pte. Limited
600 North Bridge Road #23-01, Parkview Square, Singapore 188778
CME Group Asia Holdings Pte. Limited
CME Group Singapore Operations Limited
Sweden
Mäster Samuelsgatan 17, 111 44 Stockholm
TriOptima AB
NEX Abide Trade Repository AB ***
Switzerland
Lavaterstrasse 40, CH-8002 Zurich
EBS Service Company Limited
United States
The Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware DE 19801
InterCapital Capital Markets LLC
NEX Group Investments Inc.
TriOptima North America LLC

* In Liquidation since 31 December 2020

** In Liquidation since 1 January 2021

*** Expected to enter liquidation in July 2021

The wholly owned subsidiaries also represent the 100% voting rights of the Company. All principal subsidiaries have a 31 December year end. All companies operate in their country of incorporation. BrokerTec Europe Limited, EBS Group Limited and Reset Private Limited also operate from branches outside their countries of incorporation and e-MID SIM S.p.A. was dissolved on 30 June 2020.

NEX GROUP HOLDINGS LIMITED**Notes to the financial statements for the year ended 31 December 2020****11. INVESTMENTS IN ASSOCIATES**

	Year ended 31 Dec 2020 \$'000	Period ended 31 Dec 2019 \$'000
As at 1 January 2020 / 1 April 2019	13,326	13,326
Disposals	(295)	-
As at 31 December 2020 / 31 December 2019	<u>13,031</u>	<u>13,326</u>

As at 31 December 2020, the Company had a 25% investment in BSN Holdings Ltd, a company incorporated in Cayman Islands (31 December 2019: 25%).

On 29 July 2020, the Company sold its entire holding in Howe Robinson Partners Pte Ltd to Howe Robinson Holdings Pte Ltd. for a consideration of \$8.6m, resulting in a \$8.3m gain on sale of investment. Therefore, as at 31 December 2020, the Company had no investment in Howe Robinson Partners Pte Ltd.

12. OTHER INCOME / (EXPENSE)

	Year ended 31 Dec 2020 \$'000	Period ended 31 Dec 2019 \$'000
Foreign exchange	<u>14,138</u>	<u>(9,375)</u>
	<u>14,138</u>	<u>(9,375)</u>

13. DEBTORS

	As at 31 Dec 2020 \$'000	As at 31 Dec 2019 \$'000
Debtors: amounts falling due after more than one year		
Other receivables	<u>34,920</u>	<u>34,112</u>
	34,920	34,112
Debtors: amounts falling due within one year		
Amounts due from parent	-	458,425
Amounts due from affiliates	74,093	258,229
Amounts due from subsidiaries	29,664	69,069
Amounts due from associates	9,450	3,737
Derivative financial instruments	-	49
Expected credit loss provision	<u>(73)</u>	<u>(155)</u>
	113,134	789,354
	<u>148,054</u>	<u>823,466</u>

Amounts due from affiliates and subsidiaries decreased due to intercompany assignments and other capital transactions as part of the intercompany rationalisation project which was completed in late 2020 (see note 15). Amounts due from Group companies are unsecured, non-interest bearing and receivable on demand.

Other non-current receivables represent a deferred real estate related receivable known as the Business Employment Incentive Program ("BEIP"). The carrying amount of this receivable has been adjusted for the time value of money as the payments are expected to be received in five annual tax rebates to the relevant company and economically pass

NEX GROUP HOLDINGS LIMITED**Notes to the financial statements for the year ended 31 December 2020****13. DEBTORS (CONTINUED)**

through to NGHL. The expectation of the timing of tax returns filing and of the relevant company is that the instalments will be received in the period 30/04/2019-30/04/2023 in accordance with Assembly Bill No. 4002 (AB 4002).

However, based on correspondence with the government, management has assessed that a two to three-year delay is likely before the first instalment commences but management remain confident that the amount will be received. This is because the tax rebates may be deferred further due to political pressure. The New Jersey 5-year municipal bond rate of 2.36% has been used as the discount rate.

As at 31 December 2020, there were no cross-currency swaps. As at 31 December 2019 all the cross-currency swaps had matured with only USD instruments outstanding with a fair value of \$49,000. The cross-currency interest rate swaps were used to hedge the FX and interest rate risk on the senior notes.

14. CASH AND CASH EQUIVALENTS

	As at 31 Dec 2020 \$'000	As at 31 Dec 2019 \$'000
Cash at bank and in hand	1,127	6,424
Short term investments	2,799	=
	<u>3,926</u>	<u>6,424</u>

15. CREDITORS

	As at 31 Dec 2020 \$'000	As at 31 Dec 2019 \$'000
Creditors: amounts falling due within one year		
Amounts due to the parent	1,487	-
Amounts due to affiliates	107,948	1,161,886
Amounts due to subsidiaries	307,441	614,641
Derivative financial instruments	-	22
Accruals	2	2
	<u>416,878</u>	<u>1,776,551</u>

Amounts due to affiliates and subsidiaries decreased as part of an intercompany rationalisation project which was completed in late 2020. Amounts owed to Group companies are non-interest bearing and payable on demand.

On 16 July 2020, the Company provided consent for the unsecured subordinated loan and amounts due to affiliate Intercapital Limited, total of \$1,003,080,000 to be assigned to NEX International Ltd ('Parent' entity of the Company).

On 16 July 2020, the Company allotted and issued 457,016,000 fully paid ordinary shares of £1.00 each to its Parent for a subscription price of US\$1.2596 per share (US\$ 575,640,901). Both parties agreed to partially offset the subscription payable against the loan assigned to the Parent. The remainder of \$427,439,099 was settled by offsetting the amounts due from the Parent.

As at 31 December 2020, there were no loans relating to amounts due to affiliates falling due within one year. As at December 2019 amounts due to affiliates falling due within one year included an unsecured loan of \$594 million on which interest was charged at 3-month LIBOR plus 2%.

NEX GROUP HOLDINGS LIMITED**Notes to the financial statements for the year ended 31 December 2020****16. CALLED UP SHARE CAPITAL**

	<u>Year ended 31 December 2020</u>		<u>Period ended 31 December 2019</u>	
	Number of shares thousands	Nominal value \$'000	Number of shares thousands	Nominal value \$'000
As at 31 December	695,067	926,717	237,796	350,746
	<u>695,067</u>	<u>926,717</u>	<u>237,796</u>	<u>350,746</u>

On 16 July 2020, the Company allotted and issued 457,016,000 fully paid ordinary shares of £1.00 each (\$1.2596 each, (\$575,640,901)).

On 2 November 2020, NEX International Limited transferred the entire issued share capital of Elysian Systems Limited to the Company, satisfied by the allotment and issue of 254,950 ordinary shares of £1.00 each (\$1.2952 each) in the capital of the Company (\$330,204) at a premium of £18.07 per share (\$23.40) (\$5,966,793).

17. DIVIDENDS PAID

	<u>Year ended 31 Dec 2020 \$'000</u>	<u>Period ended 31 Dec 2019 \$'000</u>
Dividends paid	297,471	-
	<u>297,471</u>	<u>-</u>

On 16 July 2020, the Company declared cash dividends to NEX International Limited of \$14,745,000 and \$96,726,096, which were offset against the amounts due from the Parent company.

On 15 December 2020, the Company declared a cash dividend of \$186,000,000 to its sole shareholder, NEX International Limited.

18. COMMITMENTS AND GUARANTEESCommitments

The Company had an overdraft facility ('facility') available with Lloyds Bank of up to £10 million. As at 31 December 2020, the facility was not utilised. The facility was reviewed on 3 August 2021. This facility is repayable on demand and will expire on 31st March 2022.

Guarantees

The Company entered into a supplemental trust deed in connection with NEX Group Limited's substitution of NEX International Limited on July 2017, as issuer of the €15 million senior notes with an annual coupon interest rate of 4.3% notes. The senior notes are repayable in May 2023.

NEX GROUP HOLDINGS LIMITED

Notes to the financial statements for the year ended 31 December 2020

19. POST BALANCE SHEET EVENTS

On 24 June 2021, NEX Optimisation Limited declared a cash dividend of €35,000,000 (\$48,632,500) to its sole shareholder, the Company.

On 27 August 2021, NEX International Limited (immediate parent), contributed, assigned, and transferred 100 common stock shares in Traiana, Inc. to the Company by way of a one-off non-refundable capital contribution of \$286,468,348 ('first contribution'). Immediately after the first contribution, the Company contributed, assigned, and transferred the shares to NEX Optimisation Limited by way of a one-off non-refundable capital contribution of \$286,468,348.

On 1 September 2021, CME Group, the world's leading and most diverse derivatives marketplace, and IHS Markit, a world leader in critical information, analytics and solutions, announced they have launched their joint venture, OSTTRA, a new post-trade services company. OSTTRA, 50/50 owned by CME Group and IHS Markit, is a leading provider of progressive post-trade solutions for the global OTC markets across interest rate, FX, equity and credit asset classes. It incorporates CME Group's optimisation businesses –Traiana, TriOptima, and Reset – and IHS Markit's MarkitSERV. Headquartered in London, OSTTRA will be led by Co-CEOs Guy Rowcliffe and John Stewart.

On 24 September 2021, the Company repaid a \$70 million debt owing to the intermediate parent (CME London Limited). Following the repayment, the deposit agreement was terminated immediately.

On 24 September 2021, the Company paid an interim cash dividend of \$104 million to its immediate parent (NEX International Limited).

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

20. IMMEDIATE AND ULTIMATE PARENT COMPANY

The Company's immediate parent is NEX International Limited, which is incorporated in England and Wales and does not prepare consolidated financial statements.

The Company's ultimate parent is CME Group Inc., which is incorporated in Delaware, United States, and heads the largest group of companies of which the Company is a member. CME Group Inc. prepares consolidated financial statements in accordance with US GAAP.