COMPANY NUMBER: 10013770

# NEX GROUP LIMITED

# FINANCIAL STATEMENTS

# FOR THE PERIOD ENDED

# 31 DECEMBER 2019

# NEX GROUP LIMITED
## General information

### PROFILE

NEX Group 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.

### DIRECTORS

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

| | |
|---|---|
| R. Bodnum | Appointed 9th October 2019 |
| K. Cronin | Appointed 9th October 2019 |
| A. Seaman | Appointed 9th October 2019 |
| W. Knottenbelt | Appointed 30th September 2019 |
| S. Aldridge | Resigned 30th September 2019 |
| D. Williamson | Resigned 9th October 2019 |

### REGISTERED OFFICE

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

### REGISTRATION NUMBER

10013770

# NEX GROUP LIMITED
## Strategic report for the period ended 31 December 2019

The directors present their Strategic Report and the audited financial statements of the Company for the period 1 April 2019 to 31 December 2019.

The Company previously had a 31 March accounting reference date but this has been changed to 31 December in order to align with the accounting reference date of CME Group Inc. Accordingly, these financial statements have been prepared for the nine-month period 1 April 2019 to 31 December 2019 (the 'period') and the amounts presented are not entirely comparable.

### BUSINESS REVIEW AND FUTURE DEVELOPMENTS

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

The Company is a wholly-owned non-trading company for certain subsidiaries of the Group, and as such does not generate revenue. As at 31 December 2019, the Company did not have any subsidiaries and has continued to hold debt relating to ten-year senior loan notes repayable in 2023.

### RESULTS

The results of the Company are set out in the profit and loss account on page 9.

The profit for the period of $557,000 (31 March 2019: profit of $2,322,159,000 has been transferred to reserves).

The net assets of the Company are $92,669,000 (31 March 2019: net assets of $87,178,000).

### PRINCIPAL RISKS, UNCERTAINTIES AND FINANCIAL INSTRUMENTS

The principal risks, uncertainties and financial instruments of the Company are integrated with the principal risks, uncertainties and financial instruments of the Group and are not managed separately. The principal risks, uncertainties and financial instruments of the Group, which include those of the Company, are discussed on pages 14 to 25 of the Group's annual report for the year ended 31 December 2019 which does not form part of this report and copies may be obtained from the Company Secretary, CME Group Inc., 20 South Wacker Drive, Chicago, Illinois, 60606, which is its registered office.

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

### KEY PERFORMANCE INDICATORS

The directors of the Group manage the Group's operations on a divisional basis. For this reason, the Company's directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of the Company. The key performance indicators of the Group, which includes the Company, are discussed in the Group's annual report for the year ended 31 December 2019, 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:

DocuSigned by:
Adrienne Seaman
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A.H. Seaman
Director

30 June 2020

# NEX GROUP LIMITED
## Director's report for the period ended 31 December 2019

The directors present their Directors' Report and the audited financial statements of the Company for the period.

### PRINCIPAL ACTIVITIES

The company operates as a non-trading company and its principal activity is to hold debt of €15 million relating to ten-year senior loan notes repayable in 2023. It is anticipated that the Company will continue its present business activities next year.

### BUSINESS REVIEW, FUTURE DEVELOPMENTS AND FINANCIAL INSTRUMENTS

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

### GOING CONCERN

The financial statements have been prepared on a going concern basis as the ultimate parent company CME Group Inc. (the Group) has confirmed its undertaking to provide financial support to the Company so that the Company is able to meet its liabilities as and when they fall due for a period of 12 months from the date of the approval of the financial statements.

### DIVIDENDS

No dividends were paid during the period (31 March 2019: $4,989,133,000). The Directors do not recommend a final dividend for the period (31 March 2019: $nil).

### 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

The COVID-19 pandemic is causing widespread disruption on world markets and the global economy. As the outbreak continues to evolve, the unpredictable nature of the pandemic means that there is uncertainty on the full extent and duration of the business and economic impact. 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. This analysis indicated there was no material impact which would change the Directors' position of the Company being a going concern as CME Group Inc, the ultimate parent, has confirmed its undertaking to provide financial support to the Company and assist in meeting the Company's liabilities as and when they fall due for at least 12 months from the date of the approval of the financial statements.

### INDEPENDENT AUDITORS

During the financial period ended 31 December 2019, Mazars LLP resigned as auditors of the Company and Ernst & Young LLP were appointed auditors for the period ended 31 December 2019. Ernst & Young LLP are the CME Group Inc. auditors, and for consistency purposes, they were appointed as auditors for all legacy NEX companies.

### 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 period and remain in force at the date of this report.

# NEX GROUP LIMITED
# Director's report for the period ended 31 December 2019

## STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable UK 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 period. 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:
Adrienne Seaman
DC8762BCAE1D407...

A.H. Seaman
Director

30 June 2020

# NEX GROUP LIMITED
## Independent Auditor's Report to the members of NEX Group Limited

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEX GROUP LIMITED

#### Opinion

We have audited the financial statements of NEX Group Limited for the period ended 31 December 2019 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Comprehensive Income, the Statement of Changes in Equity and the related notes 1 to 19 including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2019 and of its profit for the period 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 below. 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 as applied to listed public interest entities, 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.

#### Emphasis of matter – Effects of COVID-19

We draw attention to Notes 1(b) and 18 and of the financial statements which describe the impact of the COVID-19 pandemic on global financial markets, subsequent to the year end. Our opinion is not modified in respect of this matter.

#### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

# NEX GROUP LIMITED
# Independent Auditor's Report to the members of NEX Group Limited

**An overview of the scope of our audit**

**Tailoring the scope**

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for the company. This enables us to form an opinion on the financial statements. We take into account size, risk profile, the organisation of the company and effectiveness of controls, including controls and changes in the business environment when assessing the level of work to be performed. All audit work was performed directly by the audit engagement team.

**Our application of materiality**

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

**Materiality**

*The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.*

We determined materiality for the company to be USD 1.3 million (2019: USD 1.6 million), which is 1.5% (2019: 2%) of net assets. We believe that net assets provides us with the most appropriate and relevant basis, given the nature and size of the company and the users of the financial statements.

During the course of our audit, we reassessed initial materiality and concluded that the original assessment at planning remains relevant.

**Performance materiality**

*The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.*

On the basis of our risk assessments, together with our assessment of the company's overall control environment, our judgement was that performance materiality was 50% of our planning materiality, namely USD 0.6 m (2019: USD 1.1 m). We have set performance materiality at this percentage as this is first year audit for us.

**Reporting threshold**

*An amount below which identified misstatements are considered as being clearly trivial.*

We agreed with the Board of Directors that we would report to them all uncorrected audit differences in excess of USD 65k (2019: USD 52k), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

**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.

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.

In connection with our audit of the financial statements, 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 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 or a material misstatement of the other information. 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.

**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' reports 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 4, 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**

The objectives of our audit, in respect to fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit. 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 frameworks which are directly relevant to specific assertions in the financial

# NEX GROUP LIMITED
# Independent Auditor's Report to the members of NEX Group Limited

statements are those that relate to the reporting framework (FRS 101 and the Companies Act 2006) and the relevant tax compliance regulations in the UK.

- We understood how NEX Group Limited is complying with those frameworks by making enquiries of management, internal audit, those responsible for legal and compliance procedures and the company secretary. We corroborated our enquiries through our review of board minutes as well as consideration of the results of our audit procedures across the Company.

- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur, by meeting with management from various parts of the business to understand where it considered there was susceptibility to fraud and on those specific areas of financial reporting more prevalent in whistleblowing incidences. We considered the programmes and controls that the company has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls.

  Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved a review of board minutes to identity any noncompliance with laws and regulations, enquiries of legal counsel and internal audit.

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.

**Other matters we are required to address**

- We were appointed by the company on 9 June 2020 to audit the financial statements for the period ending 31 December 2019 and subsequent financial periods.
- The non-audit services prohibited by the FRC's Ethical Standard were not provided to the company and we remain independent of the company in conducting the audit.
- The audit opinion is consistent with the additional report to the Board of Directors.

**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.

Ernst & Young LLP

*Signature:*
*Simon Michaelson (Senior statutory auditor)*
*for and on behalf of Ernst & Young LLP, Statutory Auditor*
*London*
*Date:* 30 June 2020

Note:

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

# NEX GROUP LIMITED
## Profit and Loss Account for the period 1 April 2019 to 31 December 2019

| | Note | Period ended 31 Dec 2019 $'000 | Year ended 31 Mar 2019 $'000 (restated) |
|---|---|---|---|
| Other income | 4 | 1,401 | - |
| Administrative expenses | 6 | (99) | (66,570) |
| Dividend income | 5 | - | 2,391,931 |
| **Operating profit** | | **1,302** | **2,325,361** |
| Interest payable and similar expenses | 7 | (630) | (3,959) |
| **Profit before taxation** | | **672** | **2,321,402** |
| Tax (charge)/credit on profit | 8 | (115) | 757 |
| **Profit for the financial period/year** | | **557** | **2,322,159** |

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

The profit and loss account for the year ended 31 March 2019 has been restated due to a change in accounting policy for presentation currency - see Note 1(o).

The notes on pages 13 to 25 are an integral part of these financial statements.

# NEX GROUP LIMITED

## Statement of Comprehensive Income for the period 1 April 2019 to 31 December 2019

| | Period ended 31 Dec 2019 $'000 | Year ended 31 Mar 2019 $'000 (restated) |
|---|---|---|
| **Profit for the financial period/year** | 557 | 2,322,159 |
| **Other comprehensive loss** | | |
| *Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods (net of tax):* | | |
| Movement in foreign currency translation reserve (net of tax) | - | (122,414) |
| **Net other comprehensive loss for the period/year (net of tax) that will not be reclassified to profit or loss in subsequent periods** | **-** | **(122,414)** |
| **Total comprehensive income for the financial period/year, net of tax** | 557 | 2,199,745 |

The notes on pages 13 to 25 are an integral part of these financial statements.

The statement of comprehensive income for the year ended 31 March 2019 has been restated due to a change in accounting policy for presentation currency – see Note 1(o)

# NEX GROUP LIMITED

## Balance Sheet as at 31 December 2019

Company Number: 10013770

| | Note | As at 31 Dec 2019 $'000 | As at 31 Mar 2019 $'000 (restated) | As at 1 Apr 2018 $'000 (restated) |
|---|---|---|---|---|
| **Non-current assets** | | | | |
| Investment in subsidiaries | 9 | - | - | 2,090,063 |
| | | - | - | **2,090,063** |
| **Current assets** | | | | |
| Debtors: amounts falling due within one year | 10 | 146,743 | 118,878 | 243,930 |
| Cash and cash equivalents | 11 | 4 | 158 | 17 |
| Cash held in Employee Share Trust | 12 | 1,467 | 25,924 | 28,698 |
| Tax receivable | 10 | - | 749 | 1,371 |
| | | **148,214** | **145,709** | **274,016** |
| **Total assets** | | **148,214** | **145,709** | **2,364,079** |
| **Current liabilities** | | | | |
| Creditors: amounts falling due within one year | 14 | (39,102) | (42,183) | (2,275) |
| Borrowings | | - | - | (175,245) |
| Tax payable | | (115) | - | - |
| | | **(39,217)** | **(42,183)** | **(177,520)** |
| **Total assets less current liabilities** | | **108,997** | **103,526** | **2,186,559** |
| **Net current assets** | | **108,997** | **103,526** | **96,496** |
| **Non-current liabilities** | | | | |
| Borrowings | 13 | (16,328) | (16,348) | (17,778) |
| | | (16,328) | (16,348) | (17,778) |
| **Total liabilities** | | **(55,545)** | **(58,531)** | **(195,298)** |
| **Net assets** | | **92,669** | **87,178** | **2,168,781** |
| **Equity** | | | | |
| Share capital | 16 | 83,554 | 83,399 | 83,027 |
| Own shares | | - | - | (31,538) |
| Translation reserve | | (6,335) | (6,335) | 116,079 |
| Retained earnings | | 15,450 | 10,114 | 2,001,213 |
| **Total equity** | | **92,669** | **87,178** | **2,168,781** |

The notes on pages 13 to 25 are an integral part of these financial statements.

The balance sheets as at 31 March 2019 and as at 1 April 2018 have been restated due to a change in accounting policy for presentation currency – see Note 1(o).

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

DocuSigned by:

Adrienne Seaman

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A.H. Seaman
Director

30 June 2020

# NEX GROUP LIMITED
## Statement of Changes in Equity for the period 1 April 2019 to 31 December 2019

| | Note | Share capital | Own shares | Translation reserve | Retained earnings | Total equity |
|---|---|---|---|---|---|---|
| | | $ '000 | $ '000 | $ '000 | $ '000 | $ '000 |
| As at 1 April 2018 (restated) | | 83,027 | (31,538) | 116,079 | 2,001,213 | 2,168,781 |
| Profit for the financial year | | - | - | - | 2,322,159 | 2,322,159 |
| Translation reserve movement* | | - | - | (122,414) | - | (122,414) |
| **Total comprehensive income for the year** | | - | - | **(122,414)** | **2,322,159** | **2,199,745** |
| Share options exercised | | - | 31,538 | - | (27,842) | 3,696 |
| Shares issued | 16 | 372 | - | - | - | 372 |
| Capital contribution (restated) | 9 | - | - | - | 703,717 | 703,717 |
| Dividends paid in the year (restated) | 15 | - | - | - | (4,989,133) | (4,989,133) |
| **As at 31 March 2019 (restated)** | | **83,399** | - | **(6,335)** | **10,114** | **87,178** |
| Profit for the financial period | | - | - | - | 557 | 557 |
| Shares issued | 16 | 155 | - | - | - | 155 |
| Share based payment movement | | - | - | - | (87) | (87) |
| Share options exercised | | - | - | - | 4,570 | 4,570 |
| Employee Share Trust | | - | - | - | 296 | 296 |
| **As at 31 December 2019** | | **83,554** | - | **(6,335)** | **15,450** | **92,669** |

The statement of changes in equity for the year ended 31 March 2019 has been restated due to a change in accounting policy for presentation currency – see Note 1(o). It has also been restated due to the omission of the capital contributions made in NEX International Limited – see Note 2.

The notes on pages 13 to 25 are an integral part of these financial statements.

<u>Share capital</u>

Share capital includes the nominal value of the proceeds on issue of the Company's share capital, comprising of 382,089,198 ordinary shares at 17.5p each (31 March 2019: 381,395,606 ordinary shares of 17.5p each).

*$122m in the translation reserve account relates to the FX impact following the change in functional and presentation currency from GBP to USD.

# NEX GROUP LIMITED

## Notes to the Financial Statements for the period 1 April 2019 to 31 December 2019

### 1. PRINCIPAL ACCOUNTING POLICIES

#### a) Basis of preparation

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.

These financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework. The financial statements of the Company will be included in the Group consolidated financial statements for the year ended 31 December 2019. Note 19 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:

- Paragraphs 45(b) and 46 to 52 of IFRS 2 'Share-based payment' (details of the number and weighted average exercise prices of share options, and how the fair value of goods or services received was determined)
- 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 111 (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, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.
- 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'

#### b) Going concern

The Group confirms its undertaking to provide financial support to the Company, so that the Company is able to meet its liabilities as and when they fall due, for a period of at least 12 months from the date of the approval of the financial statements. For this reason, the Company continues to adopt the going concern basis in preparing these financial statements. Refer to note 18 "Post Balance Sheet Events" on details of impact of the coronavirus (COVID-19) on the Company.

#### c) Dividend income

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

#### d) Interest payable and similar expenses

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

# NEX GROUP LIMITED

## Notes to the Financial Statements for the period 1 April 2019 to 31 December 2019

**e) Tax**

Tax on the profit for the period 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.

**f) 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.

**g) Cash held in Employee Share Trust**

Restricted funds represent Cash held in Trust for which the Company does not have immediate and direct access and for which trust deeds restrict the use of cash.

**h) Financial assets**

The Company classifies its financial assets in the following categories:

*(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 recognize in this category. However currently there are no financial assets designated at FVOCI.

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 10).

*(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 range of possible outcomes and forward-looking information for all financial assets at amortised cost and financial assets at fair value through other comprehensive income.

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. Financial support from ultimate parent i.e. CME Group Inc. is also considered in the calculation of ECL.

Forward looking information includes macroeconomic variables, such as the UK GDP. The UK GDP growth demonstrates a strong linear relationship with historical observed default rates. Due to the disruption caused by COVID-19, we have performed ECL sensitivity analysis using various GDP scenarios. Based on this analysis the impact in immaterial.

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.

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
- the financial assets are more than 30 days past due (backstop indicator)

Significant increase in credit risk is conditional on either of the criteria above being met and not on all being met together. An external rating notched approach will serve as the primary indicator in determining if a significant increase in credit risk has occurred since initial recognition. The approach relies on implicitly evaluating variation in Point-in-time ("PiT") PD, across the remaining life of an asset. These estimates are determined both at origination and reporting date.

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.

# NEX GROUP LIMITED
## Notes to the Financial Statements for the period 1 April 2019 to 31 December 2019

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

### i) 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.

*(iii) Borrowings*

Borrowing are initially recognised at fair value, being their issue proceeds net of transaction costs incurred. At subsequent reporting dates long-term borrowings are held at amortised cost.

The company has debt instruments listed on the London Stock Exchange and is under a private placement.

### j) Share capital

Ordinary shares are classified as equity. Dividends are recognised as deductions from retained earnings in the period in which they are declared.

### k) 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.

# NEX GROUP LIMITED

## Notes to the Financial Statements for the period 1 April 2019 to 31 December 2019

**l) Shares held by the Employee Share Trust**

The Employee Share Trust ("EBT") provides for the issue of shares to Group employees under share incentive schemes. The Company has control of the EBT and accounts for the EBT as an extension to the Company in the financial statements. Accordingly, shares in the Company held by the EBT are included in the balance sheet at cost as a deduction from 'Own shares'.

**m) Share based payments**

NEX Share Awards (in relation to CME acquisition of NEX Group)
Pursuant to the co-operation agreement between the Company and CME Group Inc. dated 29 March 2018, the terms of the NEX Share awards were modified with 75% of the discretionary awards vested on 2 November 2018. The remaining 25% of the discretionary awards had been replaced with a Cash Award, which were paid within 6 months from the court sanction date and, the service condition of SAYE schemes were brought forward to 6 months from the court sanction date being 2 November 2018. The performance conditions linked to the Original share award were waived/ treated to be satisfactorily met.

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 performance stock awards.

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, whereas the vesting of performance stock awards are also contingent on meeting stated performance or market conditions.

***n) Investments in subsidiaries***

Investments in subsidiaries are recorded at historical cost less provision for any impairments in their values, and are assessed for impairment on an annual basis. Where there is an evidence of impairment, recoverable amounts of the subsidiaries are calculated with reference to the higher of its fair value less costs to sale and its value in use. 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 impairments.

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.

**o) Foreign currencies**

*(i) Functional currency*

The acquisition of the Company by the Group in November 2018 led to a subsequent reorganisation of the Group structure. The Company was aligned to a different parent and being an extension of its parent the Company's functional currency had changed from GBP to USD. In line with IAS21 'The effect of changes in foreign exchange rates', the change in functional currency has been applied prospectively from 1 April 2019.

*(ii) Presentation currency*

The change in presentation currency is an accounting policy choice. Management has chosen to change the presentation currency from GBP to USD in line with the change in functional currency. In accordance with IAS 8 'Accounting policies, changes in accounting estimates and errors', the change has been applied retrospectively. The Company has presented three balance sheets as at 31 December 2019, 31 March 2019 and 1 April 2018. The comparatives have been restated and presented in USD.

Income and expenses as well as Other comprehensive income (OCI) were translated to US dollars at the respective average exchange rates prevailing for the relevant periods. Assets and liabilities were translated at closing exchange rates prevailing on the respective balance sheet dates. Share capital issued and own shares held were translated at historic average rates. This has resulted in a translation difference that is reflected in the translation reserve.

*(i) 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 other comprehensive income. 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. ADJUSTMENT TO PRIOR YEAR CAPITAL CONTRIBUTION AND DIVIDENDS

Prior year capital contributions and dividends in specie paid have been restated due to the omission of the capital contributions made in NEX International Limited totaling to $541,347,069 as follows:

- $116 million (€103 million) and $276 million (£210 million) on 5 March 2019
- $89 million (£68 million) on 25 March 2019 and
- $60 million (£45 million) on 26 March 2019.

The capital contributions were passed on from CME Group Inc. to NEX International Limited via intercompany balances recorded in each of the intermediary legal entities, namely CME London Limited and NEX Group Limited.

The prior year impact on the balance sheet and Profit and Loss Account is $nil as additional capital contribution of $541 million is reduced by transfer of subsidiary undertakings by means of additional dividend in specie paid by the Company to the immediate parent, CME London Limited (see Note 9).

**Capital contribution:**

| | $'000 |
|---|---|
| Additions through capital contributions as per prior year ended 31 March 2019 | 162,370 |
| Additional capital contribution (restatement) | 541,347 |
| Restated additions through capital contributions (see Note 9) | 703,717 |

As part of post-acquisition restructuring, the ownership of the Company's subsidiary, NEX International Limited was transferred to CME London Ltd via a dividend in specie paid to CME London Limited on 28 March 2019.

**Dividend in specie paid:**

| | $'000 |
|---|---|
| Transfers through dividend in specie paid as per prior year ended 31 March 2019 | 4,410,261 |
| Additional dividend in specie paid (restatement) | 541,347 |
| Restated transfers through dividend in specie paid (see Note 15) | 4,951,608 |

Due to the change in comparative figures the following disclosure notes have been restated: Note 9 Investment in Subsidiaries and Note 15 Dividends.

### 3. 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 2019 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 intercompany debtors: The Company considers historical information as a base from which to measure expected credit losses and current observable data to reflect the effects of the current conditions. The impact of forecast economic conditions in the determination of ECL is not significant as all the receivables are due from other CME group companies.

### 4. OTHER INCOME

| | Period ended 31 Dec 2019 $'000 | Year ended 31 Mar 2019 $'000 (restated) |
|---|---|---|
| Legal fee reimbursement | 844 | - |
| Foreign exchange | 469 | - |
| Other income | 88 | - |
| | 1,401 | - |

### 5. DIVIDEND INCOME

| | Period ended 31 Dec 2019 $'000 | Year ended 31 Mar 2019 $'000 (restated) |
|---|---|---|
| Dividend income | - | 2,391,931 |
| | - | 2,391,931 |

## 6. ADMINISTRATIVE EXPENSES

| | Period ended 31 Dec 2019 $'000 | Year ended 31 Mar 2019 $'000 (restated) |
|---|---|---|
| Bank charges | 12 | 26 |
| Group restructuring costs | - | 66,540 |
| Legal fees | 8 | - |
| Audit fees | 59 | - |
| Foreign exchange adjustments | - | (1) |
| ECL expense of amounts owed from group companies | 20 | 5 |
| | 99 | 66,570 |

The fee paid to Ernst & Young LLP (the Company's external auditors) for the statutory audit of the Company for the period ended 31 December 2019 was $59,000 (31 March 2019: the fee paid to Mazars (the Company's external auditors for the prior year) was $59,000 and was borne by a fellow subsidiary in the Group).

The Company had no employees during the current period and prior year.

## 7. INTEREST PAYABLE AND SIMILAR EXPENSES

| | Period ended 31 Dec 2019 $'000 | Year ended 31 Mar 2019 $'000 (restated) |
|---|---|---|
| Interest expense to external providers | 541 | 3,745 |
| Other finance costs | 89 | 214 |
| | 630 | 3,959 |

# NEX GROUP LIMITED
## Notes to the Financial Statements for the period 1 April 2019 to 31 December 2019

### 8. TAX ON PROFIT

| | Period ended 31 Dec 2019 $'000 | Year ended 31 Mar 2019 $'000 (restated) |
|---|---|---|
| a) Analysis of the charge/(credit) for the period/year | | |
| UK corporate tax | | |
| - Current period/year | 115 | (757) |
| | **115** | **(757)** |
| b) Factors affecting the tax charge/(credit) for the period/year | | |
| Profit before tax | 672 | 2,321,402 |
| Profit before tax multiplied by the standard rate of corporation tax in the UK of 19% (31 March 2019: 19%) | 128 | 441,066 |
| Effects of: | | |
| Non-taxable income | - | (454,467) |
| Expenses not deductible for tax purposes | (13) | 12,644 |
| **Tax charge/(credit) for the period/year** | **115** | **(757)** |
| Effective tax rate | 17% | 0.03% |

On March 2020 it was announced (and substantively enacted on 17 March 2020) that the UK corporation tax rate would remain at 19% and not reduce to 17% (the previously enacted rate) from 1 April 2020.

### 9. INVESTMENTS IN SUBSIDIARIES

| | Period ended 31 Dec 2019 $'000 | Year ended 31 Mar 2019 $'000 (restated) |
|---|---|---|
| Opening balance | - | 2,090,063 |
| Additions through dividend in specie received (note 5) | - | 2,391,931 |
| Additions through capital contribution | - | 703,717 |
| Transfers through dividend in specie paid (note 15) | - | (4,951,608) |
| Disposal | - | (119,349) |
| Foreign exchange | - | (114,754) |
| **As at 31 December 2019/31 March 2019** | **-** | **-** |

On 2 November 2018, NEX International Limited transferred the following common stock to NEX Group plc (now known as NEX Group Limited) as a dividend in specie:

- 2,000 units of $0.01 common stock (representing 100% of the units of BrokerTec Holdings Inc.).
- 2,000 units of $0.01 common stock (representing 100% of the units of EBS Holdco Inc.).
- 800 units of common stock (representing 100% of the units of Euclid Investment Holdings Inc.)
- 1,000 units of common stock (representing 100% of the units of NEX Services North America LLC).
- 7,366,666.67 units of Class B common stock (representing 86.67% of the units of Traiana, Inc.).

On 2 November 2018, NEX Group plc (now known as NEX Group Limited) transferred the following common stock to CME London Limited as a dividend in specie:

- 2,000 units of $0.01 common stock (representing 100% of the units of BrokerTec Holdings Inc.).
- 2,000 units of $0.01 common stock (representing 100% of the units of EBS Holdco Inc.).
- 800 units of common stock (representing 100% of the units of Euclid Investment Holdings Inc.).
- 1,000 units of common stock (representing 100% of the units of NEX Services North America LLC).
- 7,366,666.67 units of Class B common stock (representing 86.67% of the units of Traiana, Inc.)

On 8 November 2018, the Company made a capital contribution of $703 million in NEX International Limited.

On 28 March 2019, NEX Group Limited transferred the 664,537,006 ordinary shares it held in NEX International Limited to CME London Limited for cash consideration of $119 million and consideration through dividend in specie of $2,558 million.

As at 31 December 2019, the Company had no subsidiaries (31 March 2019: no subsidiaries).

### 10. DEBTORS

| | As at 31 Dec 2019 $'000 | As at 31 Mar 2019 $'000 (restated) |
|---|---|---|
| **Debtors: amounts falling due within one year** | | |
| Amounts due from group companies | 146,768 | 118,883 |
| Expected credit loss | (25) | (5) |
| | **146,743** | **118,878** |
| Tax receivable | - | 749 |
| | **146,743** | **119,627** |

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

### 11. CASH AND CASH EQUIVALENTS

| | As at 31 Dec 2019 $'000 | As at 31 Mar 2019 $'000 (restated) |
|---|---|---|
| Cash at bank and in hand | 4 | 158 |
| | **4** | **158** |

### 12. CASH HELD IN EMPLOYEE SHARE TRUST

| | As at 31 Dec 2019 $'000 | As at 31 Mar 2019 $'000 (restated) |
|---|---|---|
| Cash held in Employee Share Trust | 1,467 | 25,924 |
| | **1,467** | **25,924** |

## 13. BORROWINGS

| | As at 31 Dec 2019 $'000 | As at 31 Mar 2019 $'000 (restated) |
|---|---|---|
| **Long-term borrowings** | | |
| a) Ten-year senior notes repayable 2023 | 16,328 | 16,348 |
| | **16,328** | **16,348** |

The senior notes are held at amortised cost.

| | As at 31 Dec 2019 $'000 | As at 31 Mar 2019 $'000 (restated) |
|---|---|---|
| (b) Committed facilities | | |
| Between two to five years | 16,328 | 16,348 |
| | **16,328** | **16,348** |

The Company's long term borrowings are ten-year senior notes ('senior notes') with a nominal value of €15 million issued on 30 May 2013 with annual coupon interest rate of 4.3%. The senior notes were issued by ICAP plc and transferred to the Company in July 2017. The senior notes are repayable in May 2023. The senior notes were recognised initially at fair value, being their issue proceeds net of transaction costs incurred. At subsequent reporting dates the senior notes are held at amortised cost.

## 14. CREDITORS

| | As at 31 Dec 2019 $'000 | As at 31 Mar 2019 $'000 (restated) |
|---|---|---|
| **Creditors: amounts falling due within one year** | | |
| Accruals | 486 | 601 |
| Amounts due to fellow group companies | 38,616 | 41,582 |
| | **39,102** | **42,183** |

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

### 15. DIVIDEND

| | Period ended 31 Dec 2019 $'000 | Year ended 31 Mar 2019 $'000 (restated) |
|---|---|---|
| Final dividend for the year ended 31 March 2018 of 7.65p per ordinary share | - | 37,525 |
| | - | **37,525** |
| Dividends in specie paid (note 9) | - | 4,951,608 |
| | - | **4,989,133** |

The directors have not proposed a final dividend for the period (31 March 2019: $nil).

### 16. CALLED UP SHARE CAPITAL

| | Year ended 31 December 2019 | | Year ended 31 March 2019 (restated) | |
|---|---|---|---|---|
| | Number of shares-issued and fully paid (thousands) | Nominal value $'000 | Number of shares – issued and fully paid (thousands) | Nominal value $'000 |
| As at 1 April | 381,395 | 83,399 | 379,735 | 83,027 |
| Shares issued | 694 | 155 | 1,660 | 372 |
| As at 31 December 2019/31 March 2019 | **382,089** | **83,554** | **381,395** | **83,399** |

On 21st May 2019, NEX Group Limited issued 693,592 ordinary shares (24 January 2019: 43,773 shares, 25 February 2019: 15,088 shares and 25 March 2019: 35,413 shares) of 17.5p each to Sanne Fiduciary Services Limited as Trustee of the NEX Group Employee Share Trust in connection with SAYE scheme exercises.

On 31 October 2018, NEX Group Limited issued 1,565,900 ordinary shares of 17.5p each in the Company to Sanne Fiduciary Services Limited as Trustee of the NEX Group Employee Share Trust for a total consideration of £274,032.50. This was to satisfy NEX share plan vestings.

Company shares in the trust are deducted from shareholders equity. Purchases, sales and transfers of the Company's shares are disclosed as changes in shareholders equity.

As at 31 December 2019, the Company had issued 382,089,198 shares of 17.5p each.

## 17. CONTINGENT LIABILITIES

On 6 November 2017, plaintiffs in a pending US class action litigation concerning Swiss franc Libor filed a Second Amended Complaint which added 12 new defendants, including NEX Group Limited, Intercapital Capital Markets LLC ('ICM'), IEL, ICAP Securities USA LLC (which was sold to TP ICAP plc), TP ICAP plc, additional Tullett Prebon entities and two Swiss broker firms. In September 2019, the Court dismissed the entire action for lack of Article III standing. Plaintiffs have filed a notice of appeal, but that appeal is currently stayed. It is not practicable to predict the ultimate outcome of the litigation and it is not possible to provide a reliable estimate of any potential financial impact on the Company.

For the sake of clarity, some of the matter described herein may not be the direct responsibility of the Company but may be its responsibility under indemnification and/or breach of warranty provisions agreed to by the Company with TP ICAP plc. The sale by the Company of its global broking business to Tullett Prebon entailed customary warranties given by the Company in the sale and purchase agreement and repeated at completion of the transaction. Warranty claims are subject to customary limitations, including a de minimis and aggregate claims threshold, a cap, and time limits for bringing a claim. To date, TP ICAP plc has brought suit on one warranty claim. The Company believes that claim is without merit and intends to defend itself vigorously. In additions to such warranties, the Company also provided Tullett Prebon with indemnities for, among other things, certain known regulatory, litigations and employment claims. It is not possible to predict whether any of the matters described herein will give rise to liabilities under the warranties and/or indemnities given in connection with the transaction, not is it possible at this time to provide an estimate of any potential liability or financial impact on the Company.

## 18. POST BALANCE SHEET EVENTS

The coronavirus (COVID-19) that emerged in the city of Wuhan, China, last year and has since spread across the rest of the world is now an international pandemic and is causing widespread disruption on world markets and the global economy. This represents non-adjusting post balance sheet event for the Company. As the COVID-19 outbreak continues to evolve, the unpredictable nature of the pandemic means that there is uncertainty on the full extent and duration of the business and economic impact. Although the Company has no operations, 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. This analysis indicated there was no material impact on the Company which would change the Directors' position of the Company being a going concern as CME Group Inc, the ultimate parent, has confirmed its undertaking to provide financial support to the Company and assist in meeting the Company's liabilities as and when they fall due for at least 12 months from the date of the approval of the financial statements.

## 19. IMMEDIATE, INTERMEDIATE AND ULTIMATE PARENT COMPANY

The Company's immediate parent is CME London Limited, which is incorporated in England and Wales and does not prepare consolidated financial statements. The registered office address is London Fruit and Wool Exchange, 1 Duval Square, London, United Kingdom, E1 6PW.

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, which are publicly available, and copies may be obtained from the Company Secretary, CME Group Inc., 20 South Wacker Drive, Chicago, Illinois, 60606, which is its registered office.