

Springer Nature Two Limited

Registered Number 10527574

Report and Financial Statements

31 December 2022



Part of **SPRINGER NATURE GROUP**

Springer Nature Two Limited

REPORT AND FINANCIAL STATEMENTS 2022

Contents	Page
General information	1
Strategic Report	2
Directors' Report	5
Directors' statement as to disclosure of information to auditors	7
Statement of Directors responsibilities	8
Independent Auditors' Report to the members of Springer Nature Two Limited	9
Statement of Profit or Loss and Other Comprehensive Income	12
Statement of Changes in Equity	13
Statement of Financial Position	14
Statement of Cash Flows	15
Notes to the Financial Statements	
1. Authorisation of financial statements and statement of compliance with IFRS	16
2. Summary of significant accounting policies	16
3. Operating loss	22
4. Staff costs and directors' emoluments	22
5. Income tax	23
6. Financial assets	24
7. Other debtors	24
8. Other creditors	24
9. Cash and cash equivalents	24
10. Issued share capital	25
11. Financial liabilities	25
12. Financial risk management objectives and policies	26
13. Related party disclosures	28
14. Events subsequent to the year end	31

Springer Nature Two Limited

GENERAL INFORMATION

Directors

R E Jacobs
H U Vest
S C Inchcoombe

Secretary

F J Niven

Registered Office

The Campus
4 Crinan Street
London N1 9XW

Bankers

HSBC Bank plc
8 Canada Square
London
E14 5HQ

Solicitors

DLA Piper UK LLP
160 Aldersgate Street
London
EC1A 4HT

Auditor

Ernst & Young LLP
Grosvenor House
Grosvenor Square
Southampton
SO15 2BE

Springer Nature Two Limited
Registered No. 10527574

Strategic report (continued)

The purpose of the Strategic Report is to inform members of Springer Nature Limited, 'the Company', of current business developments and help them assess how the Directors have performed their duty under Section 172 of the Companies Act 2006.

Results and dividends

The Company loss for the year after taxation amounted to €3,221,000 (2021: €3,877,000).
The directors declared an interim dividend of €53.5m that was settled during the year (2021: £ nil).

Principal activities and review of the business

The principal activity is to acquire and hold participations in other companies within the Springer Nature group.

The directors have reviewed and considered business risks relating to Springer Nature Two Limited ("the Company"). At this time, they do not consider that there are any risks solely in relation to the Company.

On an annual basis the directors review the financial statements. The directors continually assess the performance of the Company and the financing structure of the entity.

Key performance indicators

The Company's key financial performance indicator during the year was as follows:

	2022	2021	% change
	€000	€000	
Loss after tax	(3,221)	(3,877)	17%

The 17% change in loss after tax arose due to lower interest paid in the current period on a lower average loan value.

Income Tax

An analysis of the income tax credit is set out in note 5 to the financial statements. The income tax credit as a percentage of loss on ordinary activities before income tax was 19% in the current year (2021: credit of 19 % on loss).

Future developments

During the year the Company initiated an internal reorganisation to streamline the Group's financing structure. This resulted in the termination of all intercompany loan agreements, reduction of capital and distribution of reserves. The Company resolved during the year to initiate the process of striking off the Company in 2023. As a result, the Company's financial statements have not been prepared on a going concern basis and have instead been prepared on a break-up basis.

To achieve the restructuring the Company sold its only investment and used the intercompany cash pool proceeds to settle its intercompany loans and liabilities. Thereafter, the Company completed a capital reduction and used the distributable reserves to pay a distribution to its shareholder, Springer Nature Limited. As at year end the remaining net assets relate to intercompany receivable due to group relief owed on tax losses. In 2023, the plan is to settle the remaining intercompany balance after which the strike off will be completed within twelve months of this year end.

Principal risks and uncertainties

The Company's principal financial instruments are comprised of intra-group loans and receivables. The Company has various other financial instruments such as trade debtors and trade creditors, which arise

Springer Nature Two Limited
Registered No. 10527574

Strategic report (continued)

directly from its operations. The main purpose of these financial instruments is to raise finance for the Company's operations.

The main risks arising from the company's financial instruments are liquidity risk and credit risk. The board reviews and agrees policies for managing these risks as summarised below:

Liquidity risk and capital resources

The Company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. The Company is reliant upon the continued financial support of Group companies which have confirmed their intention to provide the necessary support.

The cash flow statement shows no change in cash and cash equivalents in the year ended 31 December 2022 (2021: € 9,000 decrease). Dividends of €53.4m were paid to the Company's shareholders (2021: € nil).

Credit risk

The Company trades with only recognised, creditworthy third parties. In addition, receivable balances are monitored on an ongoing basis with the result that the company's exposure to bad debts is not significant.

Impact of Covid-19

Management have identified the continuing key risks and mitigating actions in relation to Covid-19.

Customer behaviour may be materially impacted by Covid-19 virus, which may have an impact on the scientific research and academic publishing markets. Management have been having regular business update calls to monitor key trading data and address business concerns. The Group continues to be in regular dialogue with customers to adapt to the risk of changes to customer purchasing patterns.

As a leading scientific research publisher, the actions the Group has taken to mitigate customer risk, has included creating an international online hub of Covid-19 stories in its key branded publications comprising Nature, Scientific American, Springer Healthcare and BMC. These actions have led to increased interest in our scientific research content, website traffic and an increase in numbers of research articles published.

There is a risk of infection of employees. Springer Nature have taken appropriate action regarding staff health and safety and restricted international travel. Business Continuity plans have been updated for Covid-19 including escalation procedures, office monitoring and communications. This has included daily monitoring of any Covid-19 incidents with employees.

Contingency plans have been put in place with defined levels of escalation leading ultimately to deep cleaning at affected sites and implementation of remote working where appropriate. Local office representatives have acted, and continue to act, as key contacts for communications and support employees in applying required policies and procedures.

There is a risk that Springer Nature Group offices may be shut for a prolonged period and customer facing activities would need to switch to remote working arrangements. Business Continuity plans have been implemented for each office and staff have been equipped to work from home on as close to a 'business as usual' basis as possible.

Over the course of the last year, the Company has been able to operate on a business as usual footing. Factors that have enabled us to achieve this include our risk management processes and global online presence which have enabled our staff to continue to work from home effectively. Additionally, the scientific, medical and academic communities we serve have continued to demand our publications which has ensured stability and growth in many areas of our business.


Springer Nature Two Limited
Registered No. 10527574

Strategic report (continued)

Principal risks and uncertainties (continued)

Over the course of the last year, the Company has been able to operate on a business as usual footing. Factors that have enabled us to achieve this include our risk management processes and global online presence which have enabled our staff to continue to work from home effectively. Additionally, the scientific, medical and academic communities we serve have continued to demand our publications which has ensured stability and growth in many areas of our business.

Approved by the Board of Directors
and signed on behalf of the Board

DocuSigned by:

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R E Jacobs
Director
23 June 2023

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Registered No.10527574

Directors' report

The directors present their report and Company financial statements for the year ended 31 December 2022.

Directors

The directors holding office during the year are shown on page 1.

During the year no director, or their spouses or dependent children, has held any interest in the shares of the Company.

The Company has indemnified one or more directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Company's Articles of Association. Such qualifying third party indemnity provision was in force during the year and is in force as at the date of approving the Directors' Report.

Break-up basis

Springer Nature Two Limited is due to be liquidated in 2023 and is therefore no longer a going concern. It is expected that the liquidation will be completed within the next 12 months and accordingly the accounts have been prepared on a break-up basis. For further details see note 14.

Financial instruments

The Company's financial risk management objectives and policies are discussed in note 12.

Springer Nature Two Limited
Registered No.10527574

Directors' report (continued)

Corporate responsibility

As a member of the Springer Nature Group, the Company recognises its responsibilities towards the communities it works with and works in, worldwide. The Company considers compliance with the laws and regulations that impact our business to be an essential part of acting responsibly. Where local laws are less restrictive than Springer Nature's Code of Conduct and Global Policies, Springer Nature expects its employees and other representatives to follow Springer Nature's Code of Conduct and Global Policies even if the conduct would otherwise be legal. Working at Springer Nature means respecting the individual, embracing diversity, equality of opportunity, prohibiting discrimination, protecting human rights, maintaining healthy and safe working conditions and avoiding environmental harm.

Springer Nature supports the delivery of the UN's Sustainable Development Goals (SDGs) and aims to be the SDG Publisher of Choice, by publishing and disseminating research relevant to the Goals. Since the SDGs were first published in 2015, Springer Nature has published more than 800,000 relevant articles or book chapters. The company is a signatory of the SDG Publishers Compact. In support of SDG 13: Climate Action, Springer Nature is acting to reduce its carbon footprint and other environmental impacts, including reducing net carbon emissions. Since 2020, the Company has been carbon neutral for its offices, fleet and flights and has committed to setting science-based net zero carbon targets for its value chain emissions. The Company is a member of the Book Chain Project, which supports publishers in understanding the origins of, and forest-management practices for, the wood fibre used in papers and boards. All products are printed by third-party suppliers, and the paper policy requires that only paper sourced from known, legal and responsible sources are used in our products. The Company expects high standards of corporate responsibility from its business partners, and undertakes audits to verify that appropriate standards are adhered to by its suppliers. Further details on Springer Nature's sustainable business strategy, environmental initiatives and community programmes, as well as the Business Partner Code of Conduct, Modern Slavery Act statement and UK Gender Pay Gap report can be accessed at www.springernature.com/SustainableBusiness

Carbon Emissions

The Company is classified as a low energy user as it directly consumes less than 40MWh of energy each year, therefore energy and carbon information is not disclosed as per the Streamlined Energy and Carbon Reporting (SECR) legislation. We will continue to review our emissions annually and include these when appropriate.

Springer Nature Group reports on sustainability annually via its Sustainable Business report, which can be viewed at www.springernature.com/SustainableBusiness

Springer Nature Two Limited
Registered No.10527574


Directors' report (continued)

Directors' statement as to disclosure of information to auditors

The directors who were members of the board at the time of approving the directors' report are listed on page 1. Having made enquiries of fellow directors and of the Company's auditors, each of these directors confirms that:

- to the best of each director's knowledge and belief, there is no information relevant to the preparation of their report of which the Company's auditors are unaware; and
- each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditors are aware of that information.

Approved by the Board of Directors
and signed on behalf of the Board

DocuSigned by:

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R E Jacobs
Director
23 June 2023

Statement of directors' responsibilities in relation to the financial statements

The directors are responsible for preparing the Strategic report, 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 period. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 101 'Reduced Disclosure Framework.' 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 estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business. In order to simplify the Group's structure, management have decided to voluntarily liquidate the Company. Since the intention is to liquidate within twelve months the break-up basis of accounting has been applied.

The directors are responsible for keeping proper 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.

Independent auditor's report

to the members of Springer Two Limited

OPINION

We have audited the financial statements of Springer Nature Two Limited for the year ended 31 December 2022 which comprise the Statement of Profit or Loss and Other Comprehensive Income, the Statement of changes in Equity, the Statement of Financial Position, the Statement of Cash Flows and the related notes 1 to 14, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards.

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards; 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.

EMPHASIS OF MATTER – FINANCIAL STATEMENTS PREPARED ON A BREAK-UP BASIS

We draw attention to note 2 to the financial statements which explains that the directors intend to liquidate the company and therefore do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly, the financial statements have been prepared on a break-up basis as described in note 2. Our opinion is not modified in respect of this matter.

Independent auditor's report

to the members of Springer Two Limited (continued)

OTHER INFORMATION

The other information comprises the information included in the Report and Financial Statements other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained with the Report and Financial Statements.

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.

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 8, 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.

Independent auditor's report

to the members of Springer Two Limited (continued)

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.

Due to the simplicity of the Company and the small number of transactions our procedures focussed on:

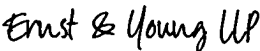
- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are those that relate to the reporting framework (UK adopted IFRS and the Companies Act 2006) and the relevant direct tax compliance regulation in the United Kingdom.
- We understood how the Company is complying with those frameworks by making enquiries of management 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.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved testing all material transactions.

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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Ryan Squires (Senior statutory auditor)

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

Southampton

Date: 23 June 2023

Springer Nature Two Limited

Statement of Profit or Loss and Other Comprehensive Income

for the year ended 31 December 2022

		Notes	2022 €000	2021 €000
Operating expenses	3		(30)	(54)
Loss from operations			(30)	(54)
Income from investments:				
Dividends received			-	-
Finance income			116	131
Finance costs			(4,065)	(4,863)
Loss before tax			(3,979)	(4,786)
Income tax credit	5		758	909
Loss for the year			(3,221)	(3,877)
Other comprehensive income			-	-
Total comprehensive loss			(3,221)	(3,877)

Springer Nature Two Limited

Statement of changes in equity

for the year ended 31 December 2022

	<i>Issued Capital €000</i>	<i>Retained Loss €000</i>	<i>Distributable reserves €000</i>	<i>Total equity €000</i>
2021				
At 1 January 2021	66,292	(4,935)	-	61,357
Loss for the year	-	(3,877)	-	(3,877)
Total comprehensive loss for the year	-	(3,877)	-	(3,877)
At 1 December 2021	66,292	(8,812)	-	57,480
2022				
At 1 January 2022	66,292	(8,812)	-	57,480
Loss for the year	-	(3,221)	-	(3,221)
Total comprehensive loss for the year	-	(3,221)	-	(3,221)
Reduction of share capital/transfer to distributable reserves	(66,292)	-	66,292	-
Transfers between retained earnings/reserves	-	12,036	(12,036)	-
Distribution of reserves	-	-	(53,499)	(53,499)
At 31 December 2022	0	-	760	760

Springer Nature Two Limited

Statement of financial position

for the year ended 31 December 2022

	Notes	2022 €000	2021 €000
ASSETS			
Non-current assets			
Non-current financial assets	6	-	198,875
		-	198,875
Current assets			
Trade and other receivables	7	774	6,247
Cash and cash equivalents	9	6	6
		780	6,253
TOTAL ASSETS		780	205,128
Equity and liabilities			
Shareholder equity			
Issued capital	10	0	66,292
Retained loss		-	(8,812)
Distributable reserve		760	-
TOTAL EQUITY		760	57,480
Non-current liabilities			
Financial liabilities	11	-	984
Current liabilities			
Financial liabilities	11	-	146,661
Trade and other payables	8	20	3
TOTAL LIABILITIES		20	147,648
TOTAL EQUITY AND LIABILITIES		780	205,128

The financial statements were approved by the Board of Directors on 23 June 2023
Signed on behalf of the Board of Directors

DocuSigned by:

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 R E Jacobs
 Director
 23 June 2023

Registered Number: 10527574

Springer Nature Two Limited

Statement of Cash Flows

for the year ended 31 December 2022

	<i>2022</i>	<i>2021</i>
	<i>€000</i>	<i>€000</i>
<i>Cash flows used in operating activities</i>		
Operating loss	(30)	(54)
(Decrease)/Increase in accounts payable	(147,625)	4,871
Decrease/(Increase) in accounts receivable	5,318	(1,073)
Income tax received	910	979
	<hr/>	<hr/>
<i>Net cash flows (used in)/from operating activities</i>	(141,427)	4,723
	<hr/>	<hr/>
<i>Cash flows from investing activities</i>		
Interest received	116	131
Disposal of investment in subsidiary undertaking	198,875	-
	<hr/>	<hr/>
<i>Net cash flows from investing activities</i>	198,991	131
	<hr/>	<hr/>
<i>Cash flows used in financing activities</i>		
Interest paid	(4,065)	(4,863)
Return of capital	(53,501)	
	<hr/>	<hr/>
<i>Net cash flows used in financing activities</i>	(57,566)	(4,863)
	<hr/>	<hr/>
Net decrease in cash and cash equivalents	-	(9)
Cash and cash equivalents at start of year	9	15
	<hr/>	<hr/>
<i>Cash and cash equivalents at 31 December</i>	9	6
	<hr/>	<hr/>

Springer Nature Two Limited

Notes to the financial statements (continued)

for the year ended 31 December 2022

1. Authorisation of financial statements and statement of compliance with IFRSs

The financial statements of the Company for the year ended 31 December 2022 were authorised for issue in accordance with a resolution of the directors on 23 June 2023. The Company is a limited company incorporated and domiciled in the United Kingdom.

The financial statements of the Company have been prepared in accordance with UK adopted International Reporting Standards (IFRS) as issued by the International Accounting Standards Board in conformity with the requirements of the Companies Act 2006. The principal accounting policies adopted by the Company are set out in note 2.

The Company is exempt from preparing Group financial statements under Section 400 Companies Act 2006. The financial statements present information about the Company as an individual undertaking and not about its Group.

The immediate parent undertaking is Springer Nature Limited. The ultimate parent undertaking, and the parent company of the smallest group into which the results of the Company are consolidated is Springer Nature AG & Co. KGaA, a company registered in Germany (registered address : Heidelberger Platz 3, 14197 Berlin, Germany).

2. Summary of significant accounting policies

Statement of Compliance

The Company's accounts have been prepared in accordance with UK adopted International Reporting Standards (IFRS), in conformity with the requirements of the Companies Act 2006.

Basis of preparation

The financial statements are presented in Euros, which is the Company's functional currency, and all values are rounded to the nearest thousand (€'000) except when otherwise indicated.

Break-up basis

Management have made the decision to liquidate the business within the next financial year. Therefore, it is not appropriate to prepare the financial statements on a going concern basis and a break-up basis has been applied instead.

All assets have been valued at fair value. The only asset relates to intercompany group relief which will be settled in 2023 and is deemed to be at fair value. Management have considered the need to provide future operating losses due to the break-up basis and have determined such a provision to be immaterial and therefore a nil provision has been made. All loans and liabilities have been settled prior year end and no further material losses or expenses are expected. The only asset remaining is the intercompany group relief which is expected to be settled in 2023 and not expected to generate a material loss. Liquidation costs have been paid for by the parent entity and will not be recharged.

Springer Nature Two Limited

Notes to the financial statements (continued)

for the year ended 31 December 2022

2. Summary of significant accounting policies**Judgements and the key sources of estimation uncertainty**

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the statement of financial position date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

Management consider that there are no material judgements or estimation uncertainty in the preparation of these financial statements

Foreign currency translation

Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the statement of financial position date. All differences are taken to the income statement.

Recoverable amounts of non-current assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Company makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount. Recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Gains and losses arising on the repurchase, settlement or otherwise cancellation of liabilities are recognised respectively in finance income or finance expense.

Financial Assets**Initial Recognition and Measurement**

Financial assets are classified as subsequently measured at Amortised Cost (AC), Fair Value Through Other Comprehensive Income (FVTOCI), and Fair Value Through Profit or Loss (FVTPL). The Company determines the classification of its financial assets at initial recognition.

With the application of IFRS 9, the classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through the statement of profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at AC or FVTOCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

Notes to the financial statements (continued)

for the year ended 31 December 2022

2. Summary of significant accounting policies (continued)

Subsequent Measurement

Financial assets are designated as financial assets at AC (debt instruments), if (a) the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at AC are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains or losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired or when there is a change in cash flow projections.

Financial assets at FVTPL include financial assets held for trading, financial assets designated upon initial recognition at fair value through the statement of profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through the statement of profit or loss, irrespective of the business model.

Financial assets at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

Derecognition

A financial asset is derecognised when one of the following conditions has been fulfilled:

- the rights to receive cash flows from the asset have expired; or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset; or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of Financial Assets

The Company recognises an allowance for expected credit losses for all debt instruments not held at FVTPL. ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months. For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default. If a customer has become insolvent or other circumstances indicate default, the corresponding receivables are written off in full.

For trade receivables, Springer Nature applies a simplified approach in calculating ECLs by recognising a loss allowance based on lifetime expected credit losses at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Springer Nature Two Limited

Notes to the financial statements (continued)

for the year ended 31 December 2022

2. Summary of significant accounting policies (continued)**Financial Liabilities**Initial Recognition and Measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL, loans and borrowings or payables. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value, and in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, bank overdrafts, loans and borrowings, and derivative financial instruments that are not designated as hedging instruments.

Subsequent Measurement

Financial liabilities at FVTPL include financial liabilities designated upon initial recognition as at FVTPL. These include derivative financial instruments that are not designated as hedging instruments. Gains or losses from the subsequent measurement are recognised in the statement of profit or loss.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at AC using the effective interest rate method. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised, as well as through the effective interest rate amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Income tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the statement of financial position date.

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, with the following exceptions:

- Where the temporary difference arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss;
- Deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the statement of financial position date.

Income tax is charged or credited directly to equity if it relates to items that are credited or charged to equity. Otherwise income tax is recognised in the income statement.

Borrowing costs

Borrowing costs are recognised as an expense when incurred in accordance with IAS 23.

Springer Nature Two Limited

Notes to the financial statements (continued)

for the year ended 31 December 2022

2. Summary of significant accounting policies (continued)**Changes in accounting policies**

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2022. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Reference to the Conceptual Framework – Amendments to IFRS 3

The amendments replace a reference to a previous version of the IASB's Conceptual Framework with a reference to the current version issued in March 2018 without significantly changing its requirements. The amendments add an exception to the recognition principle of IFRS 3 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date. The amendments also add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

In accordance with the transitional provisions, the Company applies the amendments prospectively, i.e., to business combinations occurring after the beginning of the annual reporting period in which it first applies the amendments (the date of initial application).

These amendments had no impact on the financial statements of the Company as there were no contingent assets, liabilities or contingent liabilities within the scope of these amendments that arose during the period.

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16 Leases

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

In accordance with the transitional provisions, the Company applies the amendments retrospectively only to items of PP&E made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment (the date of initial application).

These amendments had no impact on the financial statements of the Company as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented.

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

An onerous contract is a contract under which the unavoidable cost of meeting the obligations under the contract exceeds the economic benefits expected to be received under it.

The amendments specify that when assessing whether a contract is onerous or loss-making, an entity needs to include costs that relate directly to a contract to provide goods or services including both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract and costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

These amendments had no impact on the financial statements of the Company as the Company had not identified any onerous contracts affected by this amendment.

Notes to the financial statements (continued)

for the year ended 31 December 2022

2. Summary of significant accounting policies (continued)

Changes in accounting policies (continued)

FRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter

The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported in the parent's consolidated financial statements, based on the parent's date of transition to IFRS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.

These amendments had no impact on the financial statements of the Company as it is not a first-time adopter.

IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. There is no similar amendment proposed for 'IAS 39 Financial Instruments: Recognition and Measurement'.

In accordance with the transitional provisions, the Company applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment (the date of initial application). These amendments had no impact on the consolidated financial statements of the Company as there were no modifications of the Company's financial instruments during the period.

IAS 41 Agriculture – Taxation in fair value measurements

The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41.

These amendments had no impact on the consolidated financial statements of the Company as it did not have assets in scope of IAS 41 as at the reporting date.

Springer Nature Two Limited

Notes to the financial statements (continued)

for the year ended 31 December 2022

3. Operating loss

This is stated after crediting/(charging):

	2022	2021
	€000	€000
Administration expenses	(22)	(39)
Audit fees	(8)	(8)
Foreign exchange losses	-	(7)
Finance income	16	131
Finance costs	(4,065)	(4,863)

4. Staff costs and Directors' emoluments

The Company does not employ any staff or directors in its own right. Director's remuneration is paid by other Group entities for their role in the Company as well as their role in the other Group entities. Director's emoluments relating to the Company are therefore considered to be immaterial as the director's role in the Company is incidental to their overall role in the Group.

The auditors' remuneration is paid by another Group company.

Springer Nature Two Limited

Notes to the financial statements (continued)

for the year ended 31 December 2022

5. Income Tax

(a) Tax on loss on ordinary activities

Tax credited on the income statement

	2022	2021
	€000	€000
Current income tax credit	752	909
Adjustment in respect of current tax of previous years	-	-
Income tax credit reported in income statement	<u>752</u>	<u>909</u>

A reconciliation of income tax credit applicable to accounting loss before income tax at the statutory income tax rate to income tax credit at the Company's effective income tax rate for the years ended 31 December 2022 and 2021 is as follows:

	2022	2021
	€000	€000
Accounting loss before income tax	<u>(3,979)</u>	<u>(4,786)</u>
At UK statutory income tax rate of 19% (2021:19%)	(756)	(909)
Income not subject to corporation tax	-	-
Dividends received	-	-
Prior year adjustments	-	-
At effective income tax credit rate of 19% (2021 19%)	<u>(756)</u>	<u>(909)</u>

Factors that may affect future tax credit:

At Budget 2020, the government announced that the Corporation Tax main rate for the years starting 1 April 2020 and 2021 would remain at 19%. The UK Budget 2021 announcements on 3 March 2021 included measures to support economic recovery as a result of the ongoing COVID-19 pandemic. These included an increase to the UK's main corporation tax rate to 25%, which is due to be effective from 1 April 2023. The change announced in Budget 2021 was substantively enacted at the balance sheet date and hence has been reflected in the measurement of deferred tax balances at the period end.

Springer Nature Two Limited

Notes to the financial statements (continued)

for the year ended 31 December 2022

6. Financial assets

	2022	2021
	€000	€000
Financial assets at fair value through OCI	-	198,875

These consist of equity preference shares in an unquoted company. These preference shares were not held for trading and have no specific maturity or repayment date. These shares were sold in the year to Springer Nature Limited, a fellow group undertaking at €nil gain or loss.

7. Trade and other receivables

	Note	2022	2021
		€000	€000
Other related parties			
Amounts owed by group undertakings	13	756	911
Other receivable	13	18	5,336
		<u>774</u>	<u>6,247</u>

The 'Amounts owed by group undertakings' principally consisted of an intercompany receivable in respect of group tax relief, which will be settled through the cash pool prior to liquidation in 2023. Accordingly, management consider this asset to be valued at fair value.

The reduction in 'Other receivables' relates to the fall in intercompany cashpool receivable due to the reorganisation and proposed liquidation of the company. See details in note 14.

8. Trade and other payables

	2022	2021
	€000	€000
Other creditors and accruals	<u>20</u>	<u>3</u>

9. Cash and cash equivalents

	2022	2021
	€000	€000
Cash at bank and in hand	<u>6</u>	<u>6</u>

The fair value of cash and cash equivalents is €6,000.

Springer Nature Two Limited

Notes to the financial statements (continued)

for the year ended 31 December 2022

10. Issued share capital

	<i>Number</i>	<i>€'000</i>
31 December 2022		
Ordinary shares of €1 each		
At 1 January and 31 December 2022	<u>1</u>	<u>0</u>
31 December 2021		
Ordinary shares of €1 each		
At 1 January and 31 December 2021	<u>66,291,780</u>	<u>66,292</u>

Share capital has been reduced on an internal reorganisation, see note 14 for more detail.

11. Financial liabilities

	<i>2022</i>	<i>2021</i>
	<i>€000</i>	<i>€000</i>
Related party loan payables – Current (Note 13)	-	146,661
Related party loan payables – Non Current (Note 13)	-	984

Of the prior year €146.7m current loan payables, €58.7m consists of a loan from Springer Nature Publishers Holdings Limited and €87.9m consists of a loan from Springer Nature Limited. These loans relate to loans that were funded through Springer Nature Finance B.V. by a syndicate of third party banks. These loans matured in August 2022 and had an interest approximating 3.4% during 2021.

The prior year €1.0m non-current loan payable consists of a fixed loan contribution of £0.5m made by each of Springer Nature Publishers Holdings Limited and Springer Nature Limited under a respective German partnership agreement which governs the repayment, interest, and profit share terms.

All loans have been fully repaid in the year as part of the internal reorganisation, see note 14 for more detail.

Springer Nature Two Limited

Notes to the financial statements (continued)

for the year ended 31 December 2022

12. Financial risk management objectives and policies

The main risk arising from the Company's financial instruments is liquidity risk. The Company is not considered to be materially exposed to foreign currency, interest rate or credit risk. The board reviews and agrees the policy for managing the risk and this is summarised below. The Company also monitors the market price arising from all financial instruments.

Interest rate risk

The Company's exposure to market risk for changes in interest rates relates primarily to the Company's long-term debt obligations. The majority of the Company's long term debt obligations are funded through the Company's ultimate holding company. Banking facilities at the level of the Company and its subsidiaries are arranged mainly by means of uncommitted credit facilities in order to manage the Company's working capital funding requirements. Management of the interest rate exposure on long-term debt obligations is undertaken at the level of the Company's ultimate holding company.

Liquidity risk

Long term Company financial facilities are arranged at the level of the Company's ultimate holding company. The Company maintains adequate short and medium term credit facilities with its banks to fund forecast working capital requirements.

The table below summarises the maturity profile of the Company's financial liabilities at 31 December 2022 and 2021 based on contractual undiscounted payments.

As at 31 December 2022	Within 1 Year	1 to 5 Years	More than 5 Years	Total
	€000	€000	€000	€000
Non-derivative financial liabilities				
Related party loan payables	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Springer Nature Two Limited

Notes to the financial statements (continued)

for the year ended 31 December 2022

12. Financial risk management objectives and policies (continued)

As at 31 December 2021	Within 1 Year	1 to 5 Years	More than 5 Years	Total
	€000	€000	€000	€000
Non-derivative financial liabilities				
Related party loan payables	146,661	-	984	147,645
	<u>146,661</u>	<u>-</u>	<u>984</u>	<u>147,645</u>
Total	<u>146,661</u>	<u>-</u>	<u>984</u>	<u>147,645</u>

Currency risk

The majority of the Company's financial instruments are denominated in Euro, which is the Company's functional currency. Therefore, the Company's exposure to currency risk is immaterial.

Fair value of recognised financial instruments

In respect of cash and cash equivalents, the carrying amounts approximate fair value due to the relatively short term nature of these financial instruments.

Springer Nature Two Limited

Notes to the financial statements (continued)

for the year ended 31 December 2022

13. Related Party disclosures**a) Subsidiary undertakings**

At 31 December the following companies were principal subsidiaries:

		<i>Country of incorporation/ registration</i>	<i>Class of share</i>	<i>Proportion of voting rights held by the Group</i>	
	Note			2022	2021
Macmillan Education Limited	1	England and Wales	Ordinary	-	100.00%
Macmillan (SLP) General Partner Limited		England and Wales	Ordinary	100.00%	100.00%
Macmillan Magazines Limited		England and Wales	Ordinary	100.00%	100.00%
Macmillan Pension Plan Limited		England and Wales	Ordinary	100.00%	100.00%
Macmillan Subscriptions Limited		England and Wales	Ordinary	100.00%	100.00%
		England and Wales	Ordinary	100.00%	100.00%
Macmillan Scottish Limited Partnership		Scotland	Ordinary	100.00%	100.00%
Macmillan Iberia S.A.U.		Spain	Ordinary	100.00%	100.00%
Macmillan Polska Sp. Z.o.o.		Poland	Ordinary	100.00%	100.00%
College Press Netherlands B.V.		Netherlands	Ordinary	100.00%	100.00%
Springer Nature America, Inc.		USA	Ordinary	100.00%	100.00%
Springer Nature Academic Publishing, Inc.		USA	Ordinary	100.00%	100.00%
Rednova Learning Inc.		USA	Ordinary	100.00%	100.00%
Macmillan Botswana Publishing Company (Pty)		Botswana	Ordinary	100.00%	100.00%
Macmillan Boleswa Publishers (Lesotho) (Pty) Limited		Lesotho	Ordinary	100.00%	100.00%
Macmillan Education Eswatini (Proprietary) Limited		Eswatini	Ordinary	100.00%	100.00%
Macmillan Eswatini National Publishers Proprietary Limited		Eswatini	Ordinary	70.00%	70.00%
Macmillan Boleswa Publishers (Pty) Limited		Eswatini	Ordinary	100.00%	100.00%
Macmillan Education Namibia Publishers (Pty) Limited		Namibia	Ordinary	100.00%	100.00%
Edumeds (Pty) Limited		Namibia	Ordinary	100.00%	100.00%
Namibia Publishing House (Proprietary) Limited		Namibia	Ordinary	100.00%	100.00%

Springer Nature Two Limited

Notes to the financial statements (continued)

for the year ended 31 December 2022

13. Related party disclosures (continued)

	<i>Note</i>	<i>Country of incorporation / registration</i>	<i>Class of share</i>	<i>Proportion of voting rights held by the Group</i>	
				<i>2022</i>	<i>2021</i>
Macmillan South Africa (Pty) Limited	2	South Africa	Ordinary	75.00%	75.00%
Editora Nacional de Mocambique		Mozambique	Ordinary	90.00%	90.00%
Macmillan Science and Education Australia Pty Limited		Australia	Ordinary	100.00%	100.00%
Macmillan Publishers (China) Limited		Hong Kong	Ordinary	100.00%	100.00%
Macmillan Information Consulting Services (Shanghai) Co. Limited		China	Ordinary	100.00%	100.00%
Macmillan India Education Privet Limited (formally Macmillan Publishers India (Private) Limited)		India	Ordinary	100.00%	100.00%
Nature Japan K.K.		Japan	Ordinary	100.00%	100.00%
Macmillan Korea Publishers Limited		South Korea	Ordinary	100.00%	100.00%
Macmillan Publishers (Thailand) Limited		Thailand	Ordinary	100.00%	100.00%
Macmillan Educacion S.S de C.V. (formerly Macmillan Administracion Corporativa, SA de CV)		Mexico	Ordinary	100.00%	100.00%
Macmillan do Brasil Editora, Commercializadora, Importadora e Distribuidora Ltda		Brazil	Ordinary	100.00%	100.00%
Macmillan Publishers S.A.		Peru	Ordinary	95.00%	95.00%
Editorial Estrada S.A.		Argentina	Ordinary	100.00%	100.00%
Macmillan Publishers S.A.S.		Colombia	Ordinary	100.00%	100.00%
Macmillan Publishers Egypt Limited		Egypt	Ordinary	100.00%	100.00%
Kawkab Distribution Limited		Egypt	Ordinary	98.00%	98.00%

Notes

- 1 The Company holds non-voting preference shares in Macmillan Education Limited, which is not a subsidiary of the Company and no ordinary shares are held.
- 2 The 25% minority held in the South Africa entity relates to obligations under the black economic empowerment rules in South Africa.

In the opinion of the directors the aggregate value of the assets of the Company consisting of shares in, or amounts owing (whether on loan or otherwise) from each of the Company's subsidiaries is not less than the aggregate of the amounts at which those assets are stated in the statement of financial position date.

The principal activity of the above subsidiaries is the publishing of books and periodicals.

Springer Nature Two Limited

Notes to the financial statements (continued)

for the year ended 31 December 2022

13. Related party disclosures (continued)**(b) Associated Undertakings**

The following companies were considered to be associated undertakings:

	<i>Country of Incorporation/ Registration</i>	<i>Class of share</i>	<i>Proportion of shares held by the Group as at 31 December</i>	
			<i>2022</i>	<i>2021</i>
College Press Publishers (Pvt) Limited	Zimbabwe	Ordinary	48.91%	48.91%
Ediciones Bilingues SL	Spain	Ordinary	50.00%	50.00%
Nikkei Science Inc	Japan	Ordinary	50.00%	50.00%
Inchi Trust Limited	England and Wales	Ordinary	50.00%	50.00%

All shares in the entities above are held by subsidiary undertakings

The Company's immediate parent undertaking is Springer Nature Limited, a company incorporated in the United Kingdom

The ultimate parent

The directors consider the ultimate parent undertaking and controlling party to be Springer Nature AG & Co. KGaA, Berlin which is a company incorporated in Germany (registered address: Heidelberger Platz 3, 14197 Berlin, Germany).

Springer Nature Two Limited

Notes to the financial statements (continued)

for the year ended 31 December 2022

13. Related party disclosures (continued)

The following table provides the total amount of transactions which have been entered into with related parties for the relevant financial period:

<i>Related party</i>		<i>Income from related parties</i>	<i>Expenses from related parties</i>	<i>Amounts owed by related parties</i>	<i>Amounts owed to related parties</i>
		<i>€000</i>	<i>€000</i>	<i>€000</i>	<i>€000</i>
Immediate parent company:					
Springer Nature Limited					
	2022	35	1,635	756	-
	2021	-	2,966	911	88,422
Fellow undertakings:					
Springer Nature Publishers Holdings Limited					
	2022	35	2,501	-	-
	2021	-	1,981	-	59,223
Springer Nature Three GmbH					
	2022	116	-	18	-
	2021	131	-	5,336	-
Macmillan Education Limited					
	2022	-	-	-	-
	2021	-	-	-	-
Total:	2022	186	4,156	774	-
	2021	131	4,987	6,247	147,645

14. Events subsequent to the year end**Strike off**

During the year the Company completed an internal reorganisation to streamline the Group's financing structure. This resulted in the termination of all intercompany loan agreements, reduction of capital and distribution of reserves. The Company resolved during the year to initiate the process of striking off the Company in 2023. As a result, the Company's financial statements have not been prepared on a going concern basis and have instead been prepared on a break-up basis.