

Registration number: 11612984

IHSM EMEA Investment Ltd.

Annual Report and Financial Statements

for the Year Ended 31 October 2021



IHSM EMEA Investment Ltd.

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IHSM EMEA Investment Ltd.

Company Information

Directors	K A Owen E Hithersay K Wise
Registered office	4th Floor Ropemaker Place, 25 Ropemaker Street London EC2Y 9LY United Kingdom
Auditors	Ernst & Young LLP 1 More London Place London SE1 2AF

IHSM EMEA Investment Ltd.

Strategic Report for the Year Ended 31 October 2021

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

Principal activities and review of the business

The principal activity of the Company is that of a financing company for certain subsidiaries of the group.

IHSM EMEA Investment Ltd. is an indirect subsidiary of IHS Markit Ltd., and since 28 February 2022, S&P Global Inc.

IHS Markit is a world leader in critical information, analytics and solutions for the major industries and markets that drive economies worldwide. The IHS Markit group delivers next-generation information, analytics and solutions to customers in business, finance and government, improving their operational efficiency and providing deep insights that lead to well-informed, confident decisions. IHS Markit has more than 50,000 key business and government customers, including 80 percent of the Fortune Global 500 and the world's leading financial institutions. Headquartered in London, IHS Markit is committed to sustainable, profitable growth.

On 29 November 2020 it was announced by the board of directors of IHS Markit Ltd., the ultimate parent company, of their intention to merge the IHS Markit group into S&P Global Inc., a New York corporation ("S&P Global"). On 28 February 2022 it was announced by the board of directors of IHS Markit Ltd., that the merger completed, creating a leading information services provider with a unique portfolio of highly complementary assets. With the transaction completed, S&P Global will offer an enhanced value proposition for our global customer base across data and analytics, ratings, benchmarks, indices, commodities & energy, transportation, and engineering. These products allow S&P Global to better serve our customers with a broader and deeper portfolio of unique solutions and increased scale. Together, the merged company will focus on accelerating growth and creating unparalleled value for all stakeholders.

Results

The profit for the year ended 31 October 2021 is \$38,850,159 (2020: \$29,317,041).

Principal risks and uncertainties

Due to the nature of its business, the directors consider that the Company's principal risks and uncertainties are limited to liquidity risk and COVID-19 risk, as described below. No changes are planned in the activities of the Company in the foreseeable future.

Liquidity Risk

The Company is exposed to liquidity risk due to interest payable on loans from group undertakings. The Company generates positive cash flows from interest due on loans to group undertakings, and has access to funding from centralised treasury arrangements within the IHS Markit group in which it participates.

IHSM EMEA Investment Ltd.

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


COVID-19 Risk

The COVID-19 pandemic and the mitigation efforts by governments to attempt to control its spread, including travel bans and restrictions, social distancing, quarantines, and business shutdowns, have caused significant economic disruption and adversely impacted the global economy, leading to reduced consumer spending and disruptions and volatility in the global financial and commodities markets. Even though some measures may currently be relaxed, they may be put back into place or increased if the spread of the pandemic continues or increases in the future.

The IHS Markit group continued to work with its stakeholders (including customers, employees, suppliers, business partners, and local communities) throughout 2021 to attempt to mitigate the impact of the global pandemic on the group's business, including implementing the group's business continuity program to transition to a global work-at-home model and gradually allowing employees to return to the office according to local regulations and employee readiness to return.

During 2021, the IHS Markit group focused efforts on increasing revenue and Adjusted EBITDA profit margin, innovating and developing new product offerings, and responding effectively to the COVID-19 pandemic. Total organic revenue increased 9 percent, as recurring and non-recurring revenue streams recovered from the COVID-19 pandemic effects on the group's 2020 revenue.

Approved by the Board on 27 July 2022 and signed on its behalf by:

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K A Owen
Director

IHSM EMEA Investment Ltd.

Directors' Report for the Year Ended 31 October 2021

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

Information included in the Strategic Report

The following information as required by the Companies Act 2006 has been disclosed in the Strategic Report:

- Details of the principal activities of the Company.
- A review of the business, including developments in the year, its performance and current position.
- A summary of the principal risks and uncertainties affecting the position.

Directors' of the Company

The directors, who held office during the year, were as follows:

K A Owen

C McLoughlin (resigned 15 March 2022)

The following directors were appointed after the year end:

E Hithersay (appointed 15 March 2022)

K Wise (appointed 15 March 2022)

Dividends

No dividends were paid in the year ended 31 October 2021 (2020: \$Nil). The directors do not recommend a final dividend (2020: \$Nil).

Future developments

The Company will be a financing company for the foreseeable future.

Events after the end of the reporting period

Post balance sheet events are disclosed in note 17 of these financial statements.

IHSM EMEA Investment Ltd.

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

Going concern

The Company has net current assets and positive shareholder's funds as at 31 October 2021, and generated a profit for the year. S&P Global Inc., the current ultimate parent undertaking, has provided a business relationship letter committing to ensure the provision of sufficient funds to enable the Company to meet its liabilities for a period until 31 August 2023, which is the going concern period as defined by the Directors.

The S&P Global group has sufficient cash and liquidity to meet ongoing working capital and capital expenditure needs of the group. The combined group has prepared financial forecasts with revenue growth expected to be between 6.5% - 8% on average through to 31 December 2023, and free cash flow between \$4.8 billion and \$4.9 billion in 2022. On 4 March 2022 S&P Global Inc., announced the pricing of a senior note offering totalling \$5.5 billion which will mature between March 2027 and March 2062.

The result of this is expected to leave the S&P Global group in a positive cash position in twelve months and demonstrate the underlying strength of the business' group and strategy. Any scenario which would see a sufficient decline in forecast results to threaten the going concern status of the group in this period is deemed remote based on recent operating results, a history of accurate forecasting and other mitigating items available to the group.

As discussed in the risks section of the Strategic Report, the extent to which the Company's results are affected by COVID-19 will largely depend on future developments which cannot be accurately predicted and are uncertain, but the COVID-19 pandemic or the perception of its effects could have a material adverse effect on the Company's business, financial condition, results of operations, or cash flow.

On the basis of their assessment of the Company's financial position and of the enquiries made of and business relationship letter received from S&P Global Inc., the directors have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.


Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Reappointment of auditors

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Ernst & Young LLP as auditors of the Company is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board on 27 July 2022 and signed on its behalf by:

DocuSigned by:

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 K A Owen
 Director

IHSM EMEA Investment Ltd.

Statement of Directors' Responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards including (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework' ('FRS 101'). Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether FRS 101 has been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

IHSM EMEA Investment Ltd.

Independent Auditor's Report to the Members of IHSM EMEA Investment Ltd.

Opinion

We have audited the financial statements of IHSM EMEA Investment Ltd. for the year ended 31 October 2021, which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity, and the related notes 1 to 17, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and 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 October 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period to 31 August 2023.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our 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 this other information, we are required to report that fact.

IHSM EMEA Investment Ltd.

Independent Auditor's Report to the Members of IHSM EMEA Investment Ltd. (continued)

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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

IHSM EMEA Investment Ltd.

Independent Auditor's Report to the Members of IHSM EMEA Investment Ltd. (continued)

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.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS 101 and the Companies Act 2006) and the relevant direct and indirect tax compliance regulations in the United Kingdom. In addition, the company has to comply with laws and regulations relating to its operations, including health and safety, employees, GDPR, and anti-bribery and anti-corruption legislation.

- We understood how IHSM EMEA Investment Ltd. is complying with those frameworks by making inquiries of management and those responsible for legal and compliance procedures to understand how the company maintains and communicates its policies and procedures in these areas. We corroborated our inquiries through our review of board minutes and papers provided to those charged with governance, as well as consideration of the results of our audit procedures over the company's financial statements. We identified management's attitude and tone from the top to embed a culture of honesty and ethical values whereby a strong emphasis is placed on fraud prevention which may reduce opportunities for fraud to take place.

- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by identifying significant classes of transactions and significant accounts and considering how these classes of transactions and accounts may be subject to management override and by assuming intercompany transactions to be a fraud risk. We performed audit procedures to address the identified fraud risk, including recalculating of the expected credit loss on loans to group undertakings and amounts due to group undertakings to provide reasonable assurance that the financial statements were free from material misstatement, whether due to fraud or error. We tested material transactions back to source documentation or independent third-party confirmations as appropriate.

- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved journal entry testing, with a focus on adjustments made near the end of the reporting period, post-closing adjustments and other adjustments made to record transactions outside of the normal course of business indicating large or unusual transactions based on our understanding of the business. Our procedures involved testing of transactions in the financial statements with characteristics that may indicate a higher risk of fraud.

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

IHSM EMEA Investment Ltd.

**Independent Auditor's Report to the Members of IHSM EMEA Investment Ltd.
(continued)**

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

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Naresh Alimchandani (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP, Statutory Auditor

1 More London Place
London
SE1 2AF

Date: 27 July 2022

IHSM EMEA Investment Ltd.**Profit and Loss Account for the Year Ended 31 October 2021**

	Note	2021 \$	2020 \$
Administrative expenses		<u>(1,051,681)</u>	<u>(10,333)</u>
Operating loss	4	<u>(1,051,681)</u>	<u>(10,333)</u>
Interest receivable and similar income	5	352,638,358	352,339,555
Interest payable and similar charges	6	<u>(312,694,387)</u>	<u>(316,046,444)</u>
		<u>39,943,971</u>	<u>36,293,111</u>
Profit before tax		38,892,290	36,282,778
Tax on profit on ordinary activities	9	<u>(42,131)</u>	<u>(6,965,737)</u>
Profit for the year		<u><u>38,850,159</u></u>	<u><u>29,317,041</u></u>

The above results were derived from continuing operations.

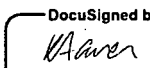
The Company has no other comprehensive income other than as stated above and, therefore, no separate statement of comprehensive income has been included.

The notes on pages 14 to 23 form an integral part of these financial statements.

IHSM EMEA Investment Ltd.**(Registration number: 11612984)
Balance Sheet as at 31 October 2021**

	Note	31 October 2021 \$	31 October 2020 \$
Non current assets			
Loans to group undertakings	10	-	5,277,282,243
Current assets			
Debtors	11	1	1
Loans to group undertakings	10	10,365,765,684	5,293,685,527
Cash at bank and in hand	12	676	10,074
		<u>10,365,766,361</u>	<u>5,293,695,602</u>
Creditors: Amounts falling due within one year	13	(23,758,956)	(21,543,366)
Income tax liabilities	9	<u>(559,850)</u>	<u>(562,853)</u>
Net current assets		<u>10,341,447,555</u>	<u>5,271,589,383</u>
Total assets less current liabilities		10,341,447,555	10,548,871,626
Creditors: Amounts falling due after more than one year	14	<u>(5,085,276,896)</u>	<u>(5,331,551,126)</u>
Net assets		<u>5,256,170,659</u>	<u>5,217,320,500</u>
Capital and reserves			
Share capital	15	1,000	1,000
Retained earnings		<u>5,256,169,659</u>	<u>5,217,319,500</u>
Total equity		<u>5,256,170,659</u>	<u>5,217,320,500</u>

Approved by the Board on 27 July 2022 and signed on its behalf by:

DocuSigned by:

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 K A Owen
 Director

The notes on pages 14 to 23 form an integral part of these financial statements.

IHSM EMEA Investment Ltd.**Statement of Changes in Equity for the Year Ended 31 October 2021**

	Share capital	Retained earnings	Total
	\$	\$	\$
At 1 November 2019	1,000	5,188,002,459	5,188,003,459
Profit for the year	-	29,317,041	29,317,041
Total comprehensive income	-	29,317,041	29,317,041
At 31 October 2020	1,000	5,217,319,500	5,217,320,500

	Share capital	Retained earnings	Total
	\$	\$	\$
At 1 November 2020	1,000	5,217,319,500	5,217,320,500
Profit for the year	-	38,850,159	38,850,159
Total comprehensive income	-	38,850,159	38,850,159
At 31 October 2021	1,000	5,256,169,659	5,256,170,659

The notes on pages 14 to 23 form an integral part of these financial statements.

IHSM EMEA Investment Ltd.

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

1 General information and authorisation of financial statements

IHSM EMEA Investment Ltd. (the 'Company') is a private company limited by shares, incorporated and domiciled in England and Wales. The Company's financial statements are presented in US dollar and all values are rounded to the nearest (\$) except when otherwise indicated.

The financial statements of IHSM EMEA Investment Ltd. for the year ended 31 October 2021 were authorised for issue by the board of directors on 27 July 2022 and the balance sheet was signed on the board's behalf by K A Owen.

2 Significant accounting policies

Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101).

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU, but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

Summary of disclosure exemptions

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- (a) the requirements of IFRS 7 Financial Instruments: Disclosures;
- (b) the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement;
- (c) the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - (i) paragraph 79(a)(iv) of IAS 1;
 - (d) the requirements of paragraphs 10(d), 10(f) and 134-136 of IAS 1 Presentation of Financial Statements;
 - (e) the requirements of IAS 7 Statement of Cash Flows;
 - (f) the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
 - (g) the requirements of paragraph 17 of IAS 24 Related Party Disclosures;
 - (h) 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; and
 - (i) the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

IHSM EMEA Investment Ltd.

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

2 Significant accounting policies (continued)

Going concern

The Company has net current assets and positive shareholder's funds as at 31 October 2021, and generated a profit for the year. S&P Global Inc., the current ultimate parent undertaking, has provided a business relationship letter committing to ensure the provision of sufficient funds to enable the Company to meet its liabilities for a period until 31 August 2023, which is the going concern period as defined by the Directors.

The S&P Global group has sufficient cash and liquidity to meet ongoing working capital and capital expenditure needs of the group. The combined group has prepared financial forecasts with revenue growth expected to be between 6.5% - 8% on average through to 31 December 2023, and free cash flow between \$4.8 billion and \$4.9 billion in 2022. On 4 March 2022 S&P Global Inc., announced the pricing of a senior note offering totalling \$5.5 billion which will mature between March 2027 and March 2062.

The result of this is expected to leave the S&P Global group in a positive cash position in twelve months and demonstrate the underlying strength of the business' group and strategy. Any scenario which would see a sufficient decline in forecast results to threaten the going concern status of the group in this period is deemed remote based on recent operating results, a history of accurate forecasting and other mitigating items available to the group.

As discussed in the risks section of the Strategic Report, the extent to which the Company's results are affected by COVID-19 will largely depend on future developments which cannot be accurately predicted and are uncertain, but the COVID-19 pandemic or the perception of its effects could have a material adverse effect on the Company's business, financial condition, results of operations, or cash flow.

On the basis of their assessment of the Company's financial position and of the enquiries made of and business relationship letter received from S&P Global Inc., the directors have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Operating loss

Operating loss is the loss arising from the normal, recurring operations of the business and excludes any exceptional items.

Foreign currency transactions and balances

The Company's financial statements are presented in US dollars, which is also the Company's functional currency.

Transactions in foreign currencies are initially recorded in the entity's functional currency by applying the spot exchange 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 balance sheet date. All differences are taken to the profit and loss account.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

The notes on pages 14 to 23 form an integral part of these financial statements.

IHSM EMEA Investment Ltd.

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

2 Significant accounting policies (continued)

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 balance sheet date.

Income tax is charged or credited to other comprehensive income if it relates to items that are charged or credited to other comprehensive income. Similarly, income tax is charged or credited directly to equity if it relates to items that are credited or charged directly to equity. Otherwise income tax is recognised in profit and loss.

Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount in order to determine the extent of the impairment loss. An asset's 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 groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses on continuing operations are recognised in the income statement in those expense categories consistent with the function of the impaired asset.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments.

Retained earnings

Net profits or losses kept to accumulate in the Company after dividends are paid.

Financial instruments

Initial recognition

Financial assets and financial liabilities comprise all assets and liabilities reflected in the balance sheet.

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

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

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

IHSM EMEA Investment Ltd.

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

2 Significant accounting policies (continued)

Classification and measurement

Financial instruments are classified at inception into one of the following categories, which then determine the subsequent measurement methodology:-

Financial assets are classified into one of the following three categories:-

- financial assets at amortised cost;
- financial assets at fair value through other comprehensive income (FVTOCI); or
- financial assets at fair value through the profit or loss (FVTPL).

Financial liabilities are classified into one of the following two categories:-

- financial liabilities at amortised cost; or
- financial liabilities at fair value through the profit or loss (FVTPL).

The classification and the basis for measurement are subject to the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets, as detailed below:-

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL: (1) the assets are held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (2) the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

If either of the above two criteria is not met, the financial assets are classified and measured at fair value through the profit or loss (FVTPL). If a financial asset meets the amortised cost criteria, the Company may choose to designate the financial asset at FVTPL. Such an election is irrevocable and applicable only if the FVTPL classification significantly reduces a measurement or recognition inconsistency.

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

A financial asset is measured at FVTOCI only if it meets both of the following conditions and is not designated as at FVPTL: (1) the asset is held within a business model whose objective is achieved by both collecting on contractual cash flows and selling financial assets; and (2) the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through the profit or loss (FVTPL)

Financial assets not otherwise classified above are classified and measured as FVTPL.

Financial liabilities at amortised cost

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

Financial liabilities at fair value through the profit or loss

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

Derecognition

A financial asset is derecognised when 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 including transferring substantially all the risks and rewards of the asset.

The notes on pages 14 to 23 form an integral part of these financial statements.

IHSM EMEA Investment Ltd.

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

2 Significant accounting policies (continued)

Modification of financial assets and financial liabilities

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

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

Impairment of financial assets

Measurement of Expected Credit Losses

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

- Financial assets that are debt instruments; and
- Loan commitments issued.

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

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

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

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

The Company measures loss allowances at an amount equal to the lifetime ECL, except for debt securities that are determined to have a low credit risk (equivalent to investment grade rating) at the reporting date and other financial instruments on which the credit risk has not increased significantly since their initial recognition, which are measured at a 12-month ECL. The Company considers a debt security to have low credit risk when their credit risk rating is equivalent to the globally understood definition of 'investment grade'. A 12-month ECL is the portion of the ECL that results from default events on a financial instrument that are probable within 12 months from the reporting date.

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

IHSM EMEA Investment Ltd.**Notes to the Financial Statements for the Year Ended 31 October 2021 (continued)****2 Significant accounting policies (continued)**

Evidence that the financial asset is credit-impaired include the following;

- Significant financial difficulties of the borrower or issuer;
- A breach of contract such as default or past due event;
- The restructuring of the loan or advance by the Company on terms that the Company would not consider otherwise;
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- The disappearance of an active market for the security because of financial difficulties; or
- There is other observable data relating to a group of assets such as adverse changes in the payment status of borrowers or issuers in the Company, or economic conditions that correlate with defaults in the Company.

3 Critical accounting judgements and 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 balance sheet date and the amounts reported for revenues and expenses during the period. However, the nature of estimation means that actual outcomes could differ from those estimates.

4 Operating loss

Arrived at after charging:

	2021	2020
	\$	\$
Foreign exchange losses	1,042,154	-
Audit of the financial statements	<u>9,328</u>	<u>8,925</u>

5 Interest receivable and similar income

	2021	2020
	\$	\$
Interest income on bank deposits	13	1
Interest income from group undertakings	<u>352,638,345</u>	<u>352,339,554</u>
	<u>352,638,358</u>	<u>352,339,555</u>

6 Interest payable and similar expenses

	2021	2020
	\$	\$
Interest paid to group undertakings	<u>312,694,387</u>	<u>316,046,444</u>

7 Staff costs

The Company has no employees.

The notes on pages 14 to 23 form an integral part of these financial statements.

IHSM EMEA Investment Ltd.**Notes to the Financial Statements for the Year Ended 31 October 2021 (continued)****8 Directors' remuneration**

The directors' of the Company are also directors or officers of a number of the companies within the IHS Markit group. The directors' services to the Company do not occupy a significant amount of their time. As such the directors do not consider that they have received any remuneration for their incidental services to the Company for the year ended 31 October 2021.

9 Income tax

Tax charged in the profit and loss account

	2021 \$	2020 \$
Current taxation		
UK corporation tax	-	562,853
UK corporation tax adjustment to prior periods	42,131	72,010
Group relief payable	-	6,330,874
	<u>42,131</u>	<u>6,965,737</u>
Total expense in the profit and loss account	<u>42,131</u>	<u>6,965,737</u>

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK of 19% (2020: 19%).

The differences are reconciled below:

	2021 \$	2020 \$
Profit before tax	<u>38,892,290</u>	<u>36,282,778</u>
Corporation tax at standard rate	7,389,535	6,893,727
Current tax (prior period) exchange difference	42,131	72,010
Expenses not deductible for tax purposes	38	-
Group relief claimed	<u>(7,389,573)</u>	<u>-</u>
Total tax charge for the year	<u>42,131</u>	<u>6,965,737</u>

Factors that may affect future tax charges

The UK Budget 2021 announcements on 3 March 2021 included measures to support the economic recovery as a result of the ongoing COVID-19 pandemic. These include the increase the UK's main corporation tax rate to 25%, which is due to be effective from 1 April 2023.

The notes on pages 14 to 23 form an integral part of these financial statements.

IHSM EMEA Investment Ltd.**Notes to the Financial Statements for the Year Ended 31 October 2021 (continued)****10 Loans due from group undertakings**

	31 October 2021	31 October 2020
	\$	\$
Non-current		
Loans due from group undertakings	<u>-</u>	<u>5,277,282,243</u>
	31 October 2021	31 October 2020
	\$	\$
Current		
Loans due from group undertakings	<u>10,365,765,684</u>	<u>5,293,685,527</u>

Current loans due from group undertakings are unsecured, repayable on demand and accrue interest at 2.8% and 3.86% per annum respectively (2020: 2.8% & 3.86% per annum). The loan accruing interest at 3.86% has been settled in March 2022.

11 Debtors

	31 October 2021	31 October 2020
	\$	\$
Amounts due from group undertakings	<u>1</u>	<u>1</u>

12 Cash at bank and in hand

	31 October 2021	31 October 2020
	\$	\$
Cash at bank	<u>676</u>	<u>10,074</u>

13 Creditors: Amounts falling due within one year

	31 October 2021	31 October 2020
	\$	\$
Accrued expenses	9,173	8,925
Amounts due to group undertakings	23,749,782	21,534,440
Other creditors	<u>1</u>	<u>1</u>
	<u>23,758,956</u>	<u>21,543,366</u>

The notes on pages 14 to 23 form an integral part of these financial statements.

IHSM EMEA Investment Ltd.**Notes to the Financial Statements for the Year Ended 31 October 2021 (continued)****14 Loans due to group undertakings**

	31 October 2021 \$	31 October 2020 \$
Non-current loans		
Loans due to group undertakings	<u>5,085,276,896</u>	<u>5,331,551,126</u>

Non current loans due to group undertakings are unsecured, due March 2029 and accrue interest at 5.9% per annum (2020: 5.9% per annum).

15 Share capital**Authorised, issued and fully paid shares**

	No.	31 October 2021 \$	No.	31 October 2020 \$
Ordinary shares of \$1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

The holders of the ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

16 Parent and ultimate parent undertaking

The immediate parent company is IHS EMEA Holding SRL, a company incorporated in Barbados.

As at 31 October 2021 the ultimate parent company was IHS Markit Ltd., a company registered in Bermuda. These financial statements are available upon request from Ropemaker Place, 25 Ropemaker Street, London EC2Y 9LY. This is the smallest and largest group which the Company is a member and for which group financial statements are drawn up as at 30 November 2021.

Following completion of the IHS Markit Ltd. and S&P Global Inc. merger on 28 February 2022, the ultimate parent company is S&P Global Inc., a company incorporated in United States of America. Copies of the group financial statements of S&P Global Inc. can be obtained from 20 Canada Square, Canary Wharf, London E14 5LH and are available at the S&P Global website (<https://www.spglobal.com/>).

IHSM EMEA Investment Ltd.

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

17 Post balance sheet events

On 29 November 2020 it was announced by the board of directors of IHS Markit Ltd., the ultimate parent company, of their intention to merge the IHS Markit group into S&P Global Inc., a New York corporation ("S&P Global"). On 28 February 2022 it was announced by the board of directors of IHS Markit Ltd., that the merger completed, creating a leading information services provider with a unique portfolio of highly complementary assets. With the transaction completed, S&P Global will offer an enhanced value proposition for our global customer base across data and analytics, ratings, benchmarks, indices, commodities & energy, transportation, and engineering. These products allow S&P Global to better serve our customers with a broader and deeper portfolio of unique solutions and increased scale. Together, the merged company will focus on accelerating growth and creating unparalleled value for all stakeholders.

The loan accruing interest at 3.86% has been settled in March 2022.