Independent auditor's report

To: the shareholder and the board of directors of LSEG Netherlands B.V.

Report on the audit of the financial statements 2022 included in the annual report

Our opinion

We have audited the financial statements for the year ended 31 December 2022 of LSEG Netherlands B.V., based in Amsterdam.

In our opinion the accompanying financial statements give a true and fair view of the financial position of LSEG Netherlands B.V. as at 31 December 2022 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

- The balance sheet as at 31 December 2022
- The income statement for the year ended 31 December 2022
- The notes comprising a summary of the accounting policies and other explanatory information

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the Our responsibilities for the audit of the financial statements section of our report.

We are independent of LSEG Netherlands B.V. (the company) in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

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

Information in support of our opinion

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The following information in support of our opinion and any findings were addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Our understanding of the business

LSEG Netherlands B.V. is incorporated as a wholly-owned subsidiary of the London Stock Exchange Group plc (the group) to assist the group in raising funds and on-lending the proceeds to one or more companies within the group. The group has guaranteed the due and punctual payment of all sums from time to time payable by the company in respect of the notes issued. The group is a global financial markets infrastructure and data provider.

The main income of LSEG Netherlands B.V. is the interest income on other receivables from a group company. Interest risks are not hedged nor completely offset. The company's ability to pay interest and repay principal in respect of its borrowings and other liabilities, depends upon the financial condition and liquidity of the group company.

We paid specific attention in our audit to a number of areas driven by the operations of the company and our risk assessment.

We determined materiality and identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error in order to design audit procedures responsive to those risks and to obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

Materiality

Materiality	€7.6 million (2021: €7.4 million)
Benchmark applied	0.5% of total assets as at 31 December 2022
Explanation	We determined materiality based on our understanding of the company's business and our perception of the financial information needs of users of the financial statements. We considered that total assets reflects the source of income and repayments to the holders of the bonds issued by the company. We determined materiality consistent with previous year.

We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with the board of directors that misstatements in excess of EUR 380 thousand, which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Teaming and use of specialists
We ensured that the audit team included the appropriate skills and competences which are needed for the audit of a listed finance company. We included specialists in the area of income taxes including transfer pricing.

Our focus on fraud and non-compliance with laws and regulations

Our responsibility
Although we are not responsible for preventing fraud or non-compliance and we cannot be expected to detect non-compliance with all laws and regulations, it is our responsibility to obtain reasonable assurance that the financial statements, taken as a whole, are free from material misstatement, whether caused by fraud or error. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Our audit response related to fraud risks
We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of the company and its environment and the components of the system of internal control, including the risk assessment process and the board of directors' process for responding to the risks of fraud and monitoring the system of internal control, as well as the outcomes.

We evaluated the design and relevant aspects of the system of internal control and in particular the fraud risk assessment, as well as the LSEG Code of Conduct. We evaluated the design and the implementation of internal controls designed to mitigate fraud risks.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption. We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present.

We incorporated elements of unpredictability in our audit. We also considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance.

As in all of our audits, we addressed the risks related to management override of controls. We have performed procedures among others to evaluate key accounting estimates for management bias that may represent a risk of material misstatement due to fraud, in particular relating to important judgment areas and significant accounting estimates as disclosed in the Section 3 Accounting policies used in preparing the financial statements. We have also used data analysis to identify and address high-risk journal entries and evaluated the business rationale (or the lack thereof) of significant extraordinary transactions, including those with related parties.

As described in our key audit matter Valuation of other receivables from a group company, we specifically considered whether the risks related to management override of controls in assessing whether there is any objective evidence that a financial asset is impaired, and, if any such evidence exists, determining the size of the impairment loss, indicated a management bias that may represent a risk of material misstatement due to fraud.

We did not identify a risk of fraud in revenue recognition.

We considered available information and made enquiries of relevant members of the board of directors as well as the auditor of the group.

The fraud risks we identified, enquiries and other available information did not lead to specific indications for fraud or suspected fraud potentially materially impacting the view of the financial statements.

Our audit response related to risks of non-compliance with laws and regulations
We performed appropriate audit procedures regarding compliance with the provisions of those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements.

Furthermore, we assessed factors related to the risks of non-compliance with laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general industry experience, through discussions with the board of directors, reading minutes and performing substantive tests of details of classes of transactions, account balances or disclosures.

We also inspected correspondence with regulatory authorities, enquired with the auditor of the group and remained alert to any indication of (suspected) non-compliance throughout the audit. Finally, we obtained written representations that all known instances of non-compliance with laws and regulations have been disclosed to us.

Our audit response related to going concern

As disclosed in the paragraph Going concern in Section 3 Accounting policies used in preparing the financial statements, the financial statements have been prepared on a going concern basis. When preparing the financial statement, the board of directors made a specific assessment of the company's ability to continue as a going concern and to continue its operations for the foreseeable future.

We discussed and evaluated the specific assessment with the board of directors exercising professional judgment and maintaining professional skepticism.

We considered whether the board of directors' going concern assessment, based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, contains all relevant events or conditions that may cast significant doubt on the company's ability to continue as a going concern, including considerations relating to the financial position of the group in cooperation with the group auditor. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion.

Based on our procedures performed, we did not identify material uncertainties about going concern. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern.

Our key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements. We have communicated the key audit matter to the board of directors. The key audit matter is not a comprehensive reflection of all matters discussed.

In comparison with previous year, the nature of our key audit matter did not change.

Valuation of other receivables from a group company	
Risk	The company is exposed to the risk that the group company, London Stock Exchange Group Holdings (Italy) Ltd., defaults on meeting its obligations. As the loan to the group company represents the most significant portion of the company's assets, any impairment may have a material impact on the company's financial position and result.

Valuation of other receivables from a group company	
	Assessing whether there is any objective evidence that a financial asset is impaired, and, if any such evidence exists, determining the size of the impairment loss, requires significant judgment. We also consider the potential risk of management override of controls or other inappropriate influence over the financial reporting process. As such, we identified valuation of the other receivables from a group company as key audit matter. We refer to paragraph Impairment of financial assets in Section 3 Accounting policies used in preparing the financial statements, where the board of directors has disclosed the accounting policies and procedures in respect of the impairment loss assessment on the other receivables from a group company. As disclosed in note 1 Current assets, the board of directors did not identify any objective indicator triggering that the other receivables from a group company might be impaired.
Our audit approach	Our audit procedures included, amongst others, evaluating the appropriateness of the company's accounting policy relating to the impairment of financial assets in accordance with Part 9 of the Book 2 of the Dutch Civil Code and the criteria used to determine that there is objective evidence of an impairment loss and whether these have been applied consistently. We also evaluated the design of internal controls of the processes underlying the identification and assessment of objective evidence for impairment as part of the financial statement closing process. Furthermore, we challenged the board of directors' assessment based on, amongst others, our analysis of the financial position of the group company and the group and by identification of indicators of non-recoverability of receivables from the group company. This includes an assessment on the fair value developments of the notes issued and whether the group company met its financial obligations towards the company throughout the financial year and up to the date of our report, as well by inspecting publicity observable data and by enquiring the auditor of the group. Also, we took into account the impact of events subsequent to 31 December 2022. Finally, we evaluated the related disclosures in the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code.
Key observations	Based on our procedures performed, we concur with the board of directors' assessment that there is no objective evidence as at 31 December 2022 that other receivables from a group company are impaired and that the related disclosures are adequate and appropriate in accordance with Part 9 of the Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

Engagement

We were engaged by the shareholder as auditor of LSEG Netherlands B.V. on 21 April 2022, as of the audit of the first financial year ended 31 December 2021 and have operated as statutory auditor ever since that date.

Description of responsibilities regarding the financial statements

Responsibilities of the board of directors for the financial statements

The board of directors is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the board of directors is responsible for such internal control as the board of directors determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the board of directors is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, the board of directors should prepare the financial statements using the going concern basis of accounting unless the shareholder either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. The board of directors should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

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. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. The Information in support of our opinion section above includes an informative summary of our responsibilities and the work performed as the basis for our opinion.

Our audit further included among others:

- Performing audit procedures responsive to the risks identified, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Communication
We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

We provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine the key audit matters: those matters that were of most significance in the audit of the financial statements. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Amsterdam, 25 April 2023

Ernst & Young Accountants LLP

signed by P. Sira

LSEG Netherlands B.V.

Annual Report for the year ended 31 December 2022

Chamber of Commerce Number: 861891776

LSEG NETHERLANDS B.V.
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LSEG NETHERLANDS B.V.

Balance sheet as at 31 December 2022

(after appropriation of result for the period)

	Notes	2022	2021
Assets			
(in euros)			
Current assets:			
Other receivables	1	1,513,982,736	1,497,496,055
Cash at bank and in hand		142,863	143,844
Total of current assets		1,514,125,599	1,497,639,899
Total assets		**1,514,125,599**	**1,497,639,899**
Equity and liabilities			
(in euros)			
Equity:	2		
Share capital paid called up		1	1
Retained earnings		9,875,293	2,405,268
Total of equity		9,875,294	2,405,269
Non-current liabilities:	3		
Borrowings		1,490,038,001	1,488,698,316
Total of non-current liabilities		1,490,038,001	1,488,698,316
Current liabilities:	3		
Other payables		10,902,417	5,766,327
Current tax		3,309,887	769,987
Total of current liabilities		14,212,304	6,536,314
Total of equity and liabilities		**1,514,125,599**	**1,497,639,899**

LSEG NETHERLANDS B.V.

Income statement for the year ended 31 December 2022

	Notes	Period from 01 January 2022 to 31 December 2022	Period from 26 November 2020 to 31 December 2021
(in euros)			
Interest income	4	16,487,114	8,931,388
Interest expense	4	(6,384,152)	(5,664,565)
Net finance income		**10,102,962**	**3,266,823**
Other operating expenses	5	(93,037)	(91,568)
Total expenses		**(93,037)**	**(91,568)**
Result before tax		**10,009,925**	**3,175,255**
Income tax expense	6	(2,539,900)	(769,987)
Result after tax		**7,470,025**	**2,405,268**

General

The registered office according to the Articles of Association of LSEG Netherlands B.V. is Amsterdam. The Company is registered in the Commercial Register of the Chamber of Commerce under the file number 861891776. The entity was incorporated on 26 November 2020.

The address of the Company is Antonio Vivaldistraat 50, 1083 HP Amsterdam, Netherlands.

The entity qualifies as a small entity under Dutch Law, therefore the financial statements for the year ended 31 December 2022 have been prepared as per the small entity's regime, and in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements cover the year ended 31 December 2022. The previous financial year was a longer period of account covering the period from 26 November 2020 to 31 December 2021. Accordingly, the comparatives are not entirely comparable.

Ultimate parent company

LSEG Netherlands B.V. is a wholly owned subsidiary of, and its ultimate parent is, London Stock Exchange Group plc.

The financial information of the Company is consolidated in the financial statements of London Stock Exchange Group plc, 10 Paternoster Square, London, England, EC4M 7LS.

Activities of the company

The company's main activity is to provide financial support by granting loans and securities to assist companies within LSEG.

External Debt

In April 2021, the Company issued three €500 million senior unsecured bonds using the Group's newly established Global Medium-Term Note Programme. The bonds have tenors of 4 years, 7 years and 12 years. The Bonds are listed on the Main Market of the London Stock Exchange (a related company).

Going concern

The directors have reviewed the company's forecasts and projections, taking into account reasonably possible changes in trading performance, which show that the company has sufficient financial resources. In addition, the entity's main asset, an 'other receivable', is held by a fellow LSEG company, which is guaranteed by the group. On the basis of this review, and after making due enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and for a period of at least 12 months from the date of approval of the financial statements. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Functional currency

The financial statements are prepared and presented in Euros, which is also the functional currency of the Company.

Foreign currency transactions are converted into the functional currency using the rate ruling at the date of the transaction or at the monthly average as a proxy. Foreign exchange gains or losses resulting from the settlement of such transactions and from the translation at year-end rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Offsetting

Assets and liabilities are only offset in the financial statements if and to the extent that:

– An enforceable legal right exists to offset the assets and liabilities and settle them simultaneously; and
– The firm intention is to settle the assets and liabilities on a net basis or simultaneously.

Trade and other receivables

Trade and other receivables are initially recognized at fair value plus transaction costs and subsequently measured at amortized cost based on the effective interest method, net of a provision for doubtful debts, if any.

Cash at bank and in hand

Cash at bank and in hand includes cash in hand, bank balances, notes and cheques and is carried at face value. It also includes deposits if these are effectively at the company's free disposal.

Impairment of financial assets

The company assesses at the reporting date whether there is any objective evidence that a financial asset or group of financial assets is impaired. A financial asset is considered impaired if, and only if, there is objective evidence of impairment as a result of one or more loss events that occurred after the initial recognition of the asset and prior to the statement of financial position date, and that loss event has had an impact on the estimated future cash flows of the financial asset that can be reliably estimated.

Derivative financial instruments and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. The method of recognising the resulting gain or loss depends on whether or not the derivative is designated as a hedging instrument and the nature of the item being hedged.

The profit or loss on a derivative which is not designated as a hedging instrument is recognised directly in the income statement.

Liabilities

On initial recognition, liabilities are carried at fair value less directly attributable transaction costs. After initial recognition, liabilities are carried at amortized cost.

Share capital paid called up

Costs relating to the incorporation and issuance of shares are charged directly to equity, less relevant income tax effects.

Expenses

General

Expenses are determined with due observance of the aforementioned accounting policies and allocated to the financial year to which they relate, foreseeable and other obligations as well as potential losses arising before the financial year-end are recognized if they are known before the financial statements are prepared and provided all other conditions for forming provisions are met.

Interest

Finance income and expense comprise interest earned on cash deposited with financial counterparties and interest paid on borrowings which reflect the agreed market-based or contractual rate for each transaction undertaken during the year and calculated using the effective interest rate method. In conditions where negative interest rates apply, the Company recognises interest paid on cash deposits as an expense and interest received on liabilities as income.

Taxation

Income tax on the profit for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the country where the Company operates and generates taxable income and any adjustment to tax payable in respect of previous years.

Netting of Taxes

Tax assets and liabilities are netted if the general conditions for offsetting are met.

1. Current assets:

	2022	2021
(in euros)		
Other receivables	1,513,982,736	1,497,496,055
Cash at bank and in hand	142,863	143,844
Total current assets	**1,514,125,599**	**1,497,639,899**

Other receivables represent bond proceeds from London Stock Exchange Group Holdings (Italy) Ltd of €1,488,564,667 in 2022 (2021: €1,488,564,667). Interest is accrued and charged at EURIBOR +0.8% p.a. and the balance is repayable on demand or by 5 April 2029.

No impairment triggers were identified with respect to other receivables in the year.

Cash at bank and in hand are not restricted.

2. Equity

	Share capital	Retained earnings	Total attributable to equity holders
(in euros)			
As at 26 November 2020	-	-	-
Share raise	1	-	1
Profit for the year	-	2,405,268	2,405,268
Dividends paid in the year	-	-	-
31 December 2021	**1**	**2,405,268**	**2,405,269**
Profit for the financial year	-	7,470,025	7,470,025
Dividends paid in the year	-	-	-
31 December 2022	**1**	**9,875,293**	**9,875,294**

3. Non-current and current liabilities

Non-current and current liabilities include the following:

Non-current liabilities:	**2022**	**2021**
(in euros)		
Borrowings	1,490,038,001	1,488,698,316
Total of non- current liabilities	**1,490,038,001**	**1,488,698,316**
Current liabilities		
Other Payables	10,902,417	5,766,327
Current Tax	3,309,887	769,987
Total of current liabilities	**14,212,304**	**6,536,314**

In April 2021, the Company issued three €500 million senior unsecured bonds using the Group's newly established Global Medium-Term Note Programme. The Bonds are listed on the Main Market of the London Stock Exchange (a related company).

Non-current liabilities are the bonds issued by the Company totalling €1.5bn, less prepaid capitalised costs of €11.3m. The bonds have tenors of 4 years, 7 years and 12 years and coupon rates are 0%, 0.25% and 0.75% respectively. Notes are guaranteed by the parent company, London Stock Exchange Group plc.

Other payables include a loan from London Stock Exchange Group plc of €7,009,463 (2021: €1,975,910) on which interest is accrued and charged at EURIBOR +0.45% p.a. and is repayable with three months' notice or by March 2026.

Remaining other payables represent interest accrued on borrowings and other expenses payable.

4. Interest income and expense

	Period from 01 January 2022 to 31 December 2022	Period from 26 November 2020 to 31 December 2021
(in euros)		
Interest from companies under common control	16,487,114	8,931,388
Interest income	**16,487,114**	**8,931,388**
Bond interest expense	5,000,000	3,698,630
Swap termination fee	-	935,000
Interest due to parent	44,467	3,521
Amortisation of arrangement fees	1,339,685	1,027,414
Interest expense	**6,384,152**	**5,664,565**
Net finance income	10,102,962	3,266,823

In February 2021, the Company entered into a series of euro interest rate swaps. The interest rate swaps were settled and in April 2021 the bonds were issued (refer to note 3 for details). Hedge accounting was not applied to these derivatives and the loss of €935,000 realised was charged directly to the income statement.

5. Other operating expenses

Other operating expenses include the following terms:

	Period from 01 January 2022 to 31 December 2022	Period from 26 November 2020 to 31 December 2021
(in euros)		
Bank charges	1,044	990
Other costs	46,843	40,584
Audit fees	45,150	49,994
Total other operating expenses	**93,037**	**91,568**

6. Taxation

	Period from 01 January 2022 to 31 December 2022	Period from 26 November 2020 to 31 December 2021
(in euros)		
Result before tax	10,009,925	3,175,255
Profit chargeable to corporation tax	10,009,925	3,175,255
Statutory tax rate	15%-25.8%	15%-25%
Taxes charged to the income statement	**25,39,900**	**769,987**

7. Workforce

The Company has no employees (2021: nil).

8. Subsequent Events

The directors confirm that there were no significant events occurring after the balance sheet date, up to the date of this report, that would meet the criteria to be disclosed or adjusted in the financial statements for the year ended 31 December 2022.

Signatories to the financial statements

Board of Directors:

Erol Komaç – Director Amsterdam, 25 April 2023.

Susanna Wolf – Director Amsterdam, 25 April 2023.

Theoni Kapopoulou – Director Amsterdam, 25 April 2023.

Oliver Wolfensberger – Non-executive Director London, 25 April 2023.

Lisa Condron – Non-executive Director London, 25 April 2023.