A leading financial markets infrastructure and data provider

London Stock Exchange Group plc
Interim Report
30 June, 2021

Welcome to our Interim Report 2021

The Interim Report contains revenues, costs, earnings and key performance indicators (KPIs) for the six months ended 30 June 2021 (H1). All figures quoted are on an underlying basis. Figures are stated on both a statutory and pro-forma basis for H1 2021 and H1 2020. Pro-forma figures assume that the acquisition of Refinitiv took place on 1 January 2021 and the prior year comparator assumes that the acquisition of Refinitiv occurred on 1 January 2020. All pro-forma and statutory figures exclude the financial contribution from Borsa Italiana which was divested within the period and classed as a discontinued business in both periods. Constant currency variance is calculated on the basis of consistent FX rates applied across the current and prior year period, the conversions have been made from the transactional values, which will eliminate any transactional and translational movements along with any related accounting adjustments. Further information is included in the "Accounting and modelling notes" below. Organic variances have been removed from our disclosure due to the large variances associated with the acquisition of Refinitiv.

HIGHLIGHTS

- Good performance across all divisions driving 4.6% growth in total income[1]
- Adjusted operating expense growth of 1.1% due to lower phasing of costs in H1; on track for mid-single digit cost growth for FY 2021 at constant currency (expected to be c.5%), reducing to low-single digit cost growth in 2022 and 2023
- Adjusted EBITDA margin of 49.4%[2]; margin will be lower for the full year as a result of cost phasing in H2, improving thereafter to achieve the 50% target and increasing beyond 2023
- Good financial performance driving 18.6% increase in AEPS to 146.1p[3]
- Good progress on the integration of Refinitiv with £77 million of run-rate cost synergies realised at H1; full year guidance for run-rate cost synergy delivery increased from £88 million to £125 million; and 27 new products launched as part of revenue synergy programme
- Group in a strong financial position; leverage reduced to 2.2x net debt/EBITDA following successful divestment of Borsa Italiana
- Favourable outlook supports increase in interim dividend (up 7%) to 25.0 pence per share

Unless otherwise stated, variances refer to growth rates on a pro-forma constant currency basis, excluding the impact of a deferred revenue accounting adjustment[1], to provide the best view of underlying performance

[1] Excluding recoveries and the deferred revenue accounting impact. The deferred revenue impact is a one-time, non-cash, negative revenue impact resulting from the accounting treatment of deferred revenue within Refinitiv's accounts which have been re-evaluated upon acquisition by LSEG under purchase price accounting rules. The result of this accounting treatment is a £23m adjustment reducing revenue for H1 2021. The vast majority impacts the Data & Analytics business with a smaller impact applied to the FX venues business within Capital Markets. There will be further immaterial impacts in subsequent periods within 2021. Further information is available in the "Accounting and modelling notes" section. Constant currency variance shows underlying financial performance, excluding currency impacts, by comparing the current and prior year period at consistent exchange rates.

[2] Adjusted EBITDA margin is Adjusted EBITDA divided by Total Income (excl. Recoveries)

[3] Adjusted basic earnings per share (AEPS) variance is on a reported pro-forma basis, not constant currency

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Financial Summary

Unless otherwise stated, all figures refer to continuing operations for the six months ended 30 June 2021 (H1 2021). Comparative figures are for continuing operations for the six months ended 30 June 2020 (H1 2020). Numbers are presented on both a statutory and pro-forma basis where indicated.

	Statutory underlying [1] Six months ended 30 June	
Continuing operations	**2021 £m**	**2020 £m**
Data & Analytics	**1,959**	409
Capital Markets	**542**	147
Post Trade	**450**	468
Other	**14**	4
Total Income (excl. recoveries)	**2,965**	1,028
Recoveries	**148**	-
Total Income (incl. recoveries)	**3,113**	1,028
Cost of sales	**(394)**	(114)
Gross profit	**2,719**	914
Adjusted operating expenses before depreciation, amortisation and impairment	**(1,247)**	(369)
Income from equity investments	**11**	-
Share of loss after tax of associates	**(2)**	(2)
Adjusted earnings before interest, tax, depreciation, amortisation and impairment	**1,481**	543
Depreciation, amortisation and impairment	**(311)**	(86)
Adjusted operating profit	**1,170**	457
Net finance expense	**(87)**	(22)
Adjusted profit before tax	**1,083**	435
Taxation	**(228)**	(89)
Adjusted profit after tax	**855**	346
Non-controlling interest	**(97)**	(34)
Profit for the period	**758**	312
Adjusted basic earnings per share (p)[2]	**146.0**	89.2
Basic earnings per share (p)[2]	**34.3**	45.1
Interim dividend per share (p)	**25.0**	23.3

[1] Statutory underlying figures for H1 2021 incorporate figures from Refinitiv for February to June 2021. Figures associated with the Borsa Italiana Group divestment are excluded from both periods

[2] Weighted average number of shares used to calculate Adjusted basic earnings per share and Basic earnings per share on a statutory underlying basis is 519 million

For the pro-forma table, variances are provided on a reported and constant currency basis. Commentary is provided on the constant currency variance (excluding deferred revenue adjustment) to provide the best insight into underlying performance. Please refer to the Accounting and Modelling notes section for more information on relevant accounting adjustments.

	Pro-forma underlying [1]				
	Six months ended 30 June		Reported Variance[3]	Constant Currency Variance[4]	Constant Currency Variance (excl. deferred revenue adjustment)[4,5]
	2021	2020[2]			
Continuing operations	**£m**	**£m**	**%**	**%**	**%**
Data & Analytics	**2,272**	2,335	(2.7%)	3.9%	4.8%
Capital Markets	**619**	600	3.2%	9.6%	9.6%
Post Trade	**450**	468	(3.8%)	(2.1%)	(2.1%)
Other	**15**	17	(11.8%)	(5.9%)	(5.9%)
Total Income (excl. recoveries)	**3,356**	3,420	(1.9%)	4.0%	4.6%
Recoveries	**178**	164	8.5%	(1.1%)	(0.6%)
Total Income (incl. recoveries)	**3,534**	3,584	(1.4%)	3.7%	4.4%
Cost of sales	**(454)**	(486)	(6.6%)	0.2%	0.2%
Gross profit	**3,080**	3,098	(0.6%)	4.3%	5.1%
Adjusted operating expenses before depreciation, amortisation and impairment	**(1,432)**	(1,507)	(5.0%)	1.1%	1.1%
Income from equity investments	**11**	-	-	-	-
Share of loss after tax of associates	**(2)**	(1)	-	-	-
Adjusted earnings before interest, tax, depreciation, amortisation and impairment	**1,657**	1,590	4.2%	7.9%	9.4%
Adjusted EBITDA Margin [6]	***49.4%***	*46.5%*			
Depreciation, amortisation and impairment	**(363)**	(346)	4.9%	7.7%	7.7%
Adjusted operating profit	**1,294**	1,244	4.0%	8.0%	9.9%
Net finance expense	**(125)**	(193)	(35.2%)		
Adjusted profit before tax	**1,169**	1,051	11.2%		
Taxation	**(250)**	(279)	(10.4%)		
Adjusted profit after tax	**919**	772	19.0%		
Non-controlling interest	**(107)**	(88)	21.6%		
Profit for the period	**812**	684	18.7%		
Adjusted basic earnings per share (p)[7]	**146.1**	123.2	18.6%		

[1] Pro-forma underlying assumes that the acquisition of Refinitiv took place on 1 January 2021 for the current financial year and 1 January 2020 for the prior financial year comparator figure. Both figures exclude the financial contribution from the businesses contained within the Borsa Italiana divestment

[2] H1 2020 comparator figure differs to the previous disclosure due to the treatment of FX and other adjustments. For more information please refer to the "Accounting and modelling notes" section

[3]Reported variance is the difference between current and prior year periods on a pro-forma underlying basis, using year-to-date FX rates prevalent at each time, therefore any changes in the FX rates are also reflected in the variance percentage alongside business performance

[4] Constant currency variance shows underlying financial performance, excluding currency impacts, by comparing the current and prior period at consistent exchange rates

[5] The deferred revenue adjustment is explained in the "Accounting and modelling notes" section

[6] Adjusted EBITDA margin is Adjusted EBITDA divided by Total Income (excl. Recoveries)

[7] Weighted average number of shares used to calculate Adjusted basic earnings per share on a pro-forma underlying basis is 556 million.

Pro-forma[1] H1 2021 Highlights

- **Data & Analytics**: **revenues up 4.8%**
  - Trading and Banking Solutions revenues down 0.1% - Fixed income trading, commodities trading, FX and Banking business growing, offset by decline in Eikon Premium desktops, albeit the rate of decline has slowed
  - Enterprise Data Solutions revenues up 2.4% - continued strong growth in Pricing and Reference Services (PRS) ahead of market, with Real Time business also growing
  - Investment Solutions revenues up 8.4% - double-digit growth in asset-based revenue, up 18.2%, as ETF AUM surpassed $1 trillion. Strong growth in index subscription revenue up 7.9%. Continued momentum in new product launches and FTSE Russell cross-selling with PRS
  - Wealth Solutions revenues up 0.8% - Data businesses grew well, partly offset by a decline in Beta volumes compared with strongly elevated volumes in H1 2020
  - Customer and Third-Party Risk Solutions revenues up 37.5% - strong growth across services and ahead of market; benefit from acquisitions in 2020

- **Capital Markets**: **revenues up 9.6%**
  - Equities revenues up 2.5% - largest number of new issues in the period since 2014 although benefit from admission fees is spread across multiple years. Secondary revenues down as volumes normalised compared to extreme volatility in H1 2020
  - FX revenues down 0.8% - Good growth in FXall (dealer-to-client service), offset by decline in the Matching (dealer-to-dealer) service, partly reflecting a strong comparator period
  - Fixed Income, Derivatives and Other revenues up 15.4% - reflecting continued strong growth at Tradeweb[2] due to the shift of trading to electronic markets, new services and market share gains

- **Post Trade**: **revenues up 8.4%; total income down 2.1% (impacted by Net Treasury Income**)
  - OTC Derivatives revenues up 2.4% - good performance against strong prior year comparator with the platform continuing to attract new client business
  - Securities & Reporting revenues up 15.3% - driven primarily by strong RepoClear activity attracting clearing volumes onto the service from European debt issuance
  - Non-Cash Collateral revenues up 17.5% - partly reflecting increased RepoClear activity
  - Net Treasury Income down 25.3% - Cash collateral balances and rate of return remain at more normalised levels, compared with exceptional prior-year period

[1] Pro-forma assumes that the acquisition of Refinitiv took place on 1 January 2021 for the current financial year and 1 January 2020 for the prior financial year comparator figure. Both figures exclude the financial contribution from the businesses contained within the Borsa Italiana divestment

[2] Tradeweb Q2 2021 results were released on 29 July 2021

GROUP CEO STATEMENT

David Schwimmer
Group CEO

"LSEG has delivered a good financial performance in the first half of the year, reflecting revenue growth across all divisions.

"We are executing well on our integration plans to deliver the strategic and financial benefits of the Refinitiv transaction. Our cost synergy programme is ahead of plan with £77 million of run-rate savings achieved at H1 and our revenue synergy programme is on track.

"We continue to invest in projects that enhance our customer offering and deliver a more scalable and efficient business, particularly in Data & Analytics. This will support our revenue growth ambitions and lead to further operating margin improvement. The reduction of leverage during the period reinforces our strong financial position and, with our mix of world-class assets and unique positioning in growing markets, we look forward to further progress during the rest of the year."

Overview of H1

The Group has produced a good half-year financial and operating performance, with strong momentum on our multi-year journey to deliver the full potential of the acquisition of Refinitiv. We are making good progress, delivering on the benefits of the transaction, particularly in our cost synergy programme where we are increasing our outlook for synergy realisation this year.

Strong position

We have a diverse set of world-class assets, giving us global scale, multi-asset class capabilities across the trade lifecycle, highly recurring revenues with our products and services providing value across our customers' core operations. We play a leading role in the sustainable transition through our ESG data, analytics and indices, capital issuance venues and industry leadership.

We are building on our track record of partnering with our customers to drive innovation and create value, and on our position as a trusted operator of large-scale critical market infrastructure. In utilising these strengths, we are creating an integrated business that is much more than the sum of the parts.

Priorities for the Group

Our ongoing priorities are threefold: to integrate our world-class business; to drive growth; and to build an efficient and scalable platform, particularly in Data & Analytics. We are implementing a range of actions across our systems, property and workforce to progress our integration plans. In driving the top line, we are using the strengths across the Group to enable innovation and product benefits for our customers. In delivering our scalable platforms, we are investing in technology and infrastructure to drive greater efficiencies and facilitate sustainable margin enhancement over time. We have made strong progress across all three key priorities in H1, and this momentum continues into the second half of the year.

Executing on our integration plan

The Group's divisions are working successfully together to create new opportunities. These include developing data and analytics services within Post Trade, the cross-selling of indices and Pricing and Reference Service (PRS) data and content provision through the Issuer Services platform. In the near-term, priorities also include offering transaction execution and cost optimisation data from our post trade businesses through Workspace and providing connectivity between the Group's FX venues and ForexClear to provide additional clearing optionality for customers.

We have made good progress with our revenue synergies, for instance with cross-selling PRS data to FTSE Russell customers, while using this data to create and launch new FTSE Russell products and are on track with our planned delivery, with £4 million run-rate achieved in the half.

We are also executing well to deliver our announced £350 million of run-rate cost synergies through property consolidation, technology efficiencies and removal of duplicate roles.

We completed the sale of Borsa Italiana at the end of April, for a total cash consideration of €4.4 billion. As previously indicated, these proceeds were used to repay the remaining part of the financing bridge, taken out at the completion of the Refinitiv acquisition. We have secured long-term financing at historically attractive rates which puts the Group in a strong financial position, with leverage reduced to 2.2x within six months post completing the transaction.

Driving growth

In the first half, Data & Analytics launched a range of new products, including Refinitiv Active Investor for wealth managers and FTSE Russell launched the first climate index for the inflation-linked government bond market. Targeted investment in projects to enhance services across Data & Analytics have continued in the period, notably on the further development and roll out of Workspace in the Wealth and Banking businesses. There has been positive customer reaction to the new platform, with plans in place to extend the offering into other businesses within Data & Analytics.

Capital Markets is attracting record levels of activity through its strong global offering. In H1, over half of IPOs in London have been from the technology and internet consumer sectors, with several high-profile growth companies joining the main market. London Stock Exchange is a leading global listing and equity trading venue with increasing focus on capital-raising driving the transition to sustainable finance. Tradeweb is a leading electronic trading venue for credit and rates products, with increasing electronification and share gains driving good growth in the period. The Group’s FX venues are also driving integrated workflow within a large liquidity pool as electronic trading of FX increases.

In Post Trade, LCH remains the leading clearer of OTC products worldwide across asset classes (Rates, FX, CDS) and is developing its offering to the uncleared space with SwapAgent. In H1, SwapClear continued to increase the number of clients to the service, with 47 firms signing up across a diverse range of geographies. LCH is also a leading clearing service for Repo and Fixed Income products, and for European equities. During the period, the RepoClear service grew strongly as it provided netting efficiencies to customers for higher repo volumes arising from European debt issuance programmes.

Delivering a scalable platform

We are continuing a targeted investment programme in our technology and infrastructure to serve our customers better and facilitate margin enhancement and product profitability. A key part of this is continuing our ongoing migration of services to the cloud, which enhances the customer experience and also improves our scalability, simplifying our data platform by reducing and consolidating a fragmented offering towards a single point of access.

Work is underway on the re-platforming of our FX trading venues to our own proven technology. RepoClear is also moving its clearing platform onto the same platform as the EquityClear service, developed by LSEG Technology, to drive further customer efficiencies. As we deliver on these initiatives, our EBITDA margin enhancement will continue above the current target 50% level beyond 2023.

Financial pro-forma performance

The Group has delivered good total income (excluding recoveries) growth in H1, with an acceleration in year-on-year growth from 3.9% in Q1 to 5.5% in Q2 and on track for c.4-5% growth for 2021. The growth in H1 has been driven by an increase in recurring revenues in Data & Analytics and Capital Markets (annual listing fees and recurring user fees), and stronger volumes in Tradeweb with high transactional revenues. Net Treasury Income has been at a more normalised level in the period compared to 2020 H1 which saw exceptional pandemic-related income from higher returns and cash margin levels.

Total income by revenue type

	Pro-forma[1]				
	Six months ended 30 June		Reported Variance[2]	Constant Currency Variance[3]	Constant Currency Variance (excl. deferred revenue adjustment)[4,5]
	2021 £m	2020[2] £m	%	%	%
Recurring	**2,304**	2,374	(2.9%)	3.4%	4.3%
Transactional	**930**	880	5.7%	10.9%	10.9%
Net Treasury Income	**108**	149	(27.5%)	(25.3%)	(25.3%)
Other income	**14**	17	(17.6%)	(18.8%)	(18.8%)
Total income (excl. recoveries)	**3,356**	3,420	(1.9%)	4.0%	4.6%
Recoveries	**178**	164	8.5%	(1.1%)	(0.6%)
Total income (incl. recoveries)	**3,534**	3,584	(1.4%)	3.7%	4.4%

[1] Pro-forma underlying assumes that the acquisition of Refinitiv took place on 1 January 2021 for the current financial year and 1 January 2020 for the prior financial year comparator figure. Both figures exclude the financial contribution from the businesses contained within the Borsa Italiana divestment

[2] Reported variance is the difference between current and prior year periods on a pro-forma underlying basis, using year-to-date FX rates prevalent at each time, therefore any changes in the FX rates are also reflected in the variance percentage alongside business performance

[3] Constant currency variance shows underlying financial performance, excluding currency impacts, by comparing the current and prior period at consistent exchange rates

[4] The deferred revenue adjustment is explained in the "Accounting and modelling notes" section

Adjusted operating expenses before depreciation, amortisation and impairment grew 1.1%. Costs increased from ongoing factors including inflation, cost at Tradeweb to support higher revenue generation and the annualisation of costs from acquisitions (SciVantage, GIACT and The Red Flag Group). The Group has continued to invest in data platform enhancements, including cloud, other technology enhancements and networks which are increasing the efficiency and scalability of our businesses. While this investment continues, we are incurring higher costs as we dual-run new technology with existing systems and as we support legacy systems in the near term. Offsetting these increases, the Group has benefitted from a Covid-19 related underspend on marketing and travel in H1 and the annualisation of Refinitiv's cost-saving programme that completed in 2020, with an in-period benefit of £41 million.

We also have strong momentum in the realisation of cost synergies. In H1, £77 million of run-rate cost synergies have been realised, resulting in an in-period benefit of £25 million on an actual rate basis. The original phasing of the cost synergies anticipated c.£88 million run-rate realised in 2021; we now expect this run-rate to increase to c.£125 million. Revenue synergies have had a good start, at £4 million run-rate achieved, though will take time to build while requiring upfront investment already included within our stated investment expectations.

While costs have been well managed and cost growth in the first half was lower than originally expected, we expect further cost increases in H2 2021 from the continuation of inflation and other costs, plus the return of Covid-impacted costs (including travel, marketing and property services) and ongoing expenses from legacy IT and incremental cloud costs, as we invest to replace inefficient systems. We therefore still expect to meet the full year 2021 guidance of mid-single digit growth, with c.5% on a constant currency basis. Because of the mix in FX and FX related adjustments, on a reported basis we expect the cost growth for 2021 will be around a c.1-2% step down from the new 2020 pro-forma level of £3,023 million.

Looking further out, the Group expects a step-down in levels of cost increase, to low-single digit overall cost growth in 2022 and 2023 on a constant currency basis. Costs are expected to grow modestly as technology projects near completion, offset in part by the benefit from the current faster than planned cost synergy delivery. We expect technology improvements will deliver scalability for the Group over the medium-term and enable further revenue growth.

Depreciation, amortisation and impairment was £363 million in the period. Due to accounting adjustments applied to the 2020 pro-forma and therefore feeding into 2021, please refer to the section 'Changes to the 2020 pro-forma' for details, the Group now expects c.£790 million for the full year on a constant currency basis.

Capex in H1 was £318 million. This included £273 million of normal course investment and £45 million of integration and separation capex. The Group expects total capex to increase in the second half towards the c.£850 million capex for the full year, as previously indicated. Ongoing investment in the business over the next two years is expected to continue at £650 million to £700 million (unchanged from the level of investment in both LSEG and Refinitiv prior to combination). In addition, integration and separation-related capex, mainly for synergy realisation, will be completed within this timeframe and within the announced integration costs at acquisition.

Net finance expense was £125 million in the first half. The full year 2021 financing expense is expected to be £205 million on a constant currency basis, which reflects the longer-term financing put in place during the period. The tax rate on a pro-forma basis was 21.4%, reflecting some modestly better tax benefits from the transaction in the period. The effective tax rate for the full year is expected to be

21.5%. For 2022 and 2023, the tax rate is expected to be within a range of 22-24%. Non-controlling interest was £107 million, reflecting the strong performance at Tradeweb.

Pro-forma cash generated from operating activities was £1,490 million, reflecting the addition of the Refinitiv group and a strong underlying performance. Net cash generated after transaction-related fees, cost to achieve synergies, capex, net interest and royalties paid, tax paid, other investing activities and dividends, was £606 million. Discretionary free cash flow per share on the same basis was 173.4 pence (before the external dividend payment of £357 million).

At 30 June 2021, operating net debt increased to £7,095 million, from £1,425 million at year end, predominantly due to the debt taken on as part of the Refinitiv acquisition and after setting aside £1,258 million (31 December 2020: £1,242 million) for regulatory and operational support purposes. The amount set aside for regulatory and operational purposes by the Borsa Italiana group was largely replaced by that of the Refinitiv group of companies, resulting in a £16 million increase. Cash generated by the business funded the Group's investment outflows, dividend payments, tax payments and regular debt servicing. Operating net debt: pro-forma EBITDA increased to 2.2 times (from 1.4 times at 31 December 2020), reflecting strong earnings growth balanced against the increase in operating net debt. The 2.2 times leverage is a reduction from the originally anticipated level of more than 3 times when the acquisition of Refinitiv was originally announced. The reduction reflects the cash generated by the business during the time period to acquisition completion, and the application of the €4.4 billion proceeds from the divestment of Borsa Italiana towards the reduction in Group debt.

Both Standard & Poor's and Moody's maintained their respective LSEG credit ratings at A and A3 through the period and, based on support for the strategic rationale for the Refinitiv transaction and reference to the Group's deleveraging plans (including the impact of the sale of the Borsa Italiana group), Standard & Poor's maintained its outlook at negative, and Moody's improved its outlook from negative to stable. Two additional ratings were introduced as part of the Refinitiv refinancing process where the debt issued by the newly established subsidiary financing companies, LSEGA Financing plc and LSEG Netherlands B.V., was awarded the same ratings as their parent company, LSEG. Standard & Poor's also maintained its long-term rating of LCH Limited and LCH SA at AA- with a stable outlook through the period.

The Group had net assets of £24,884 million at 30 June 2021 (31 December 2020: £4,125 million), including £2,748 million in cash and cash equivalents (31 December 2020: £1,785 million).

Board and Management changes

As announced on 28 April 2021, Tsega Gebreyes and Ashok Vaswani joined the LSEG Board as Independent Non-Executive Directors, effective 1 June 2021. Tsega joined the Risk and Remuneration Committees and Ashok the Audit and Risk Committees. As announced at the same time, Stephen O'Connor, Senior Independent Director (SID), is stepping down from the Board. Cressida Hogg will assume the role of SID, effective immediately.

Effective from 1 July 2021, Andrea Remyn Stone became Group Head, Data & Analytics, following the announcement that David Craig will leave the Group at the end of 2021. Andrea was previously Chief Product Officer, Data & Analytics and is working closely with David to ensure a smooth transition of operational and integration priorities over the coming months.

Interim Dividend

In line with the Group's dividend policy, the interim dividend is calculated as one-third of the prior full year dividend. Accordingly, the Directors have declared an interim dividend of 25.0 pence per share, an increase of 7% (H1 2020: 23.3 pence per share). The interim dividend will be paid on 21 September 2021 to shareholders on the register on 20 August 2021.

Outlook

We are pleased with the H1 performance and are highly focused on continued execution to maintain the good momentum into H2 2021 and future years. We are executing on a detailed integration and transformation plan to create a simplified and scalable business, and we are ahead of plan. We are confident in meeting our financial targets.

David Schwimmer
Group CEO
6 August 2021

Accounting and modelling notes

New Key Performance Indicators (KPIs)

KPIs that will be reported for Data & Analytics going forward are:

- **Annual Subscription Value growth for Data & Analytics** – Measures the growth of recurring revenue base and how the book of business is changing over time. This metric covers c.87% revenues across the Data & Analytics division and excludes asset-based revenues in Investment Solutions and Beta revenues in Wealth Solutions.
- **FTSE Russell ETF AUM** – End of period AUM for ETFs created from FTSE Russell indices
- **ESG Passive AUM** – End of period global passive AUM in FTSE Russell Sustainable Indices
- **Beta volumes** – Volume of trades executed through the platform

Two new KPIs have been included for Post Trade:

- **SwapClear client average 10-year notional equivalent** - This is a recognised risk-based metric used by fixed income market participants, simplifying and standardising the view across the book of Swaps in the business. For Post Trade, this is the notional quantity of 10-year USD Interest Rate Swaps required to hedge the SwapClear client portfolio risk. There is a good correlation between this risk metric and SwapClear's revenues (c.85% of the OTC Derivatives revenue line)
- **Non-cash collateral balances** - Average EUR value of non-cash balances across LCH in the period, and directly linked to the Non-cash collateral revenue line

Back history for the 6 new metrics is included in a table within the appendix.

In Capital Markets, we have consolidated the number of metrics reported within our set of KPIs. Each of the metrics no longer presented in our results will continue to be available via Group websites.

Those to be removed/changed are:

- Secondary Markets: **UK Value Traded Total**; **Turquoise Value Traded Total**; **Turquoise Value Traded - Average Daily Value**
- The FX average daily volume KPIs are combining Spot and Other, into a **Total**
- Fixed Income, Derivatives and Other: **Money Markets – Cash**; **Equities – Cash**; **Equities - Derivatives**

Deferred revenue accounting adjustment

As a result of the acquisition of Refinitiv and the associated purchase price accounting rules, Refinitiv's deferred revenue balances are subject to a one-time haircut at the time of acquisition. This is a non-cash adjustment. The negative revenue impact is mostly in Q1 2021 at approximately £22 million, with an additional £1 million in Q2; the remaining impact will be immaterial over subsequent quarters in 2021. The impact will be mostly in the Group's Data & Analytics division, with a much smaller impact on the Group's FX venues business sitting within Capital Markets.

An adjusted variance, excluding the deferred revenue adjustment, has been presented to show true underlying business growth on the prior year.

Changes to the 2020 pro-forma

As stated in the Financial Review within our FY 2020 Preliminary results, the presented pro-forma financial information was unaudited and did not include adjustments for inter-company transactions, reallocations of costs, any fair value adjustments arising out of the purchase price allocation exercise, any future changes to accounting estimates or judgements, and were therefore subject to change, albeit not expected to be material.

At LSEG's Q1 results, an updated pro-forma 2020 was provided for revenue and cost of sales on a quarterly basis. The revenue was rebased to use a constant FX approach and included the recognition of sub-lease revenues and elimination of inter-company revenues. For H1, further changes have been made to our 2020 pro-forma through the application of LSEG's accounting treatments.

These changes are:

- The application of IFRS 16 leasing treatment which adjusts the costs between depreciation, rental expenses and financing expense. This increases adjusted operating expenses by £49 million in 2020 and reduces underlying depreciation, amortisation and impairment by £34 million
- For transaction related indemnified costs and incentive plans which are considered as non-underlying under the Group's policies. This increases adjusted operating expenses by £11 million

The combined impact of these changes is a £26 million reduction to Adjusted Operating Profit in 2020.

These changes do not impact on our 5-7% revenue target from 2020 pro-forma to 2023, or our mid-single digit cost growth in 2021 (both on a constant currency basis). The £34 million reduction of underlying depreciation, amortisation and impairment in 2020, does however impact on our stated guidance of ~£830m in 2021 as the base is £34m lower in 2020. Updated guidance can be found in the section of this release covering financial performance.

FX conversion

As a result of the acquisition of Refinitiv, the majority of LSEG revenues and expenses are in USD followed by GBP, EUR and other currencies. All guidance given by LSEG, including the longer-term targets associated with the acquisition of Refinitiv as well as specific guidance for the 2021 financial year, has been given on a constant currency basis.

	USD	GBP	EUR	Other
2021 H1 Total Income [1]	59%	18%	15%	8%
2021 H1 Underlying Expenses [2]	52%	23%	11%	14%

[1] Total income includes recoveries
[2] Underlying expenses includes cost of sales, underlying operating expenses and underlying depreciation and amortisation

The results for the period ended 30 June 2021 have been translated into Sterling using the average exchange rates for the period. The rates for the largest two currency pairs are shown in the table below.

	Average rate 6 months ended 30 June 2021	Closing rate at 30 June 2021	Average rate 6 months ended 30 June 2020	Closing rate at 30 June 2020
GBP : USD	1.388	1.384	1.261	1.230
GBP : EUR	1.152	1.163	1.144	1.094

FX sensitivities

The Group's principal foreign exchange exposure arises as a result of translating its foreign currency earnings, assets and liabilities into LSEG's reporting currency of Sterling. A 5 cent movement in the average £/US$ rate for the year and a 5 euro cent movement in the average £/€ rate for the year would have changed the Group's operating profit for the year before amortisation of purchased intangible assets and non-underlying items by approximately £24 million and £13 million, respectively.

The Group continues to manage its translation risk exposure by, where possible, matching the currency of its debt to the currency of its earnings, to ensure its key financial ratios are protected from material foreign exchange rate volatility.

Divisional revenue, adjusted operating and non-financial KPIs

1. Data & Analytics

	Pro-forma[1]				
	Six months ended 30 June		Reported Variance[2]	Constant Currency Variance[3]	Constant Currency Variance (excl. deferred revenue adjustment)[3,4]
	2021	2020			
Continuing operations	**£m**	**£m**	**%**	**%**	**%**
Trading & Banking Solutions	**744**	806	(7.7%)	(1.3%)	(0.1%)
Trading	**599**	653	(8.3%)	(1.7%)	(0.6%)
Banking	**145**	153	(5.2%)	0.6%	1.9%
Enterprise Data Solutions	**557**	582	(4.3%)	1.2%	2.4%
Real Time Data	**359**	384	(6.5%)	(0.5%)	0.8%
PRS	**198**	198	-	5.1%	6.1%
Investment Solutions	**558**	554	0.7%	7.7%	8.4%
Index - Subscription	**247**	244	1.2%	7.4%	7.9%
Index - AUM	**122**	112	8.9%	18.2%	18.2%
Investment solutions data & analytics	**189**	198	(4.5%)	1.5%	3.6%
Wealth Solutions	**238**	257	(7.4%)	0.4%	0.8%
Wealth data & analytics	**139**	138	0.7%	5.0%	5.7%
Beta	**99**	119	(16.8%)	(5.3%)	(5.3%)
Customer & Third-Party Risk Solutions	**175**	136	28.7%	36.0%	37.5%
Total Revenue (excl. recoveries)	**2,272**	2,335	(2.7%)	3.9%	4.8%
Recoveries	**178**	164	8.5%	(1.1%)	(0.6%)
Total Revenue (incl. recoveries)	**2,450**	2,499	(2.0%)	3.5%	4.5%
Cost of sales	**(382)**	(400)	(4.5%)	3.6%	3.6%
Gross Profit	**2,068**	2,099	(1.5%)	3.6%	4.7%
Adjusted operating expenses before depreciation, amortisation and impairment	**(988)**	(1,060)	(6.8%)	(0.8%)	(0.8%)
Adjusted earnings before interest, tax, depreciation, amortisation and impairment	**1,080**	1,039	3.9%	7.9%	10.1%
Depreciation, amortisation and impairment	**(280)**	(264)	6.1%	8.2%	8.2%
Adjusted operating profit	**800**	775	3.2%	7.8%	10.7%
Adjusted EBITDA Margin	**47.5%**	44.5%			

Pro-forma Non-financial KPIs[1]

	Six months ended 30 June		Reported Variance
	2021	2020	%
Annual Subscription Value growth (%) [5]	**3.9%**	-	-
Subscription revenue growth (%) [5]	**3.1%**	-	-
Index – ETF AUM ($bn)	**1,040**	669	55.0%
Index – ESG Passive AUM ($bn) [6]	**132**	46	187.0%
Beta transaction volumes (m)	**285**	293	(3.0%)

[1] Pro-forma assumes that the acquisition of Refinitiv took place on 1 January 2021 for the current financial year and 1 January 2020 for the prior financial year comparator figure. Both figures exclude the financial contribution from the businesses contained within the Borsa Italiana divestment

[2] Reported variance is the difference between current and prior year periods on a pro-forma underlying basis, using year-to-date FX rates prevalent at each time, therefore any changes in the FX rates are also reflected in the variance percentage alongside business performance

[3] Constant currency variance shows underlying financial performance, excluding currency impacts, by comparing the current and prior period at consistent exchange rates

[4] The deferred revenue adjustment is explained in the "Accounting and modelling notes" section

[5] The variance shown is based on constant currency figures, therefore the variance is a constant currency variance excluding the impact of the deferred revenue accounting adjustment

[6] ESG Passive AUM is as at 31 December 2020 and prior period comparator is at 31 December 2019. The metric is updated bi-annually with June 2021 available early Q4

2. Capital Markets

Continuing operations	Six months ended 30 June 2021 £m	2020 £m	Pro-forma[1] Reported Variance[2] %	Constant Currency Variance[3] %	Constant Currency Variance (excl. deferred revenue adjustment)[3,4] %
Equities	**120**	118	1.7%	2.5%	2.5%
FX	**110**	121	(9.1%)	(0.8%)	(0.8%)
Fixed Income, Derivatives & Other	**389**	361	7.8%	15.4%	15.4%
Total Revenue	**619**	600	3.2%	9.6%	9.6%
Cost of sales	**(13)**	(13)	-	16.7%	16.7%
Gross Profit	**606**	587	3.2%	9.4%	9.4%
Adjusted operating expenses before depreciation, amortisation and impairment	**(290)**	(292)	(0.7%)	3.8%	3.8%
Adjusted earnings before interest, tax, depreciation, amortisation and impairment	**316**	295	7.1%	15.5%	15.5%
Depreciation, amortisation and impairment	**(37)**	(37)	-	11.4%	11.4%
Adjusted operating profit	**279**	258	8.1%	15.6%	16.0%
Adjusted EBITDA Margin	51.1%	49.2%			

Pro-forma Non-financial KPIs[1]

	Six months ended 30 June 2021	2020	Reported Variance %
Equities			
Primary Markets			
New issues	75	30	150%
Total money raised (£bn)	15.6	19.2	(19%)
Secondary Markets – Equities			
UK Value Traded (£bn) – Average Daily Value	4.7	5.6	(16%)
SETS Yield (bps)	0.72	0.69	4%
FX			
Average daily total volume ($bn)	455	436	4%
Fixed income, Derivatives and Other			
Tradeweb Average Daily ($m)			
Rates – Cash	348,673	319,578	9%
Rates – Derivatives	272,063	229,185	19%
Credit – Cash	9,951	7,534	32%
Credit – Derivatives	12,628	17,937	(30%)

[1] Pro-forma assumes that the acquisition of Refinitiv took place on 1 January 2021 for the current financial year and 1 January 2020 for the prior financial year comparator figure. Both figures exclude the financial contribution from the businesses contained within the Borsa Italiana divestment
[2] Reported variance is the difference between current and prior year periods on a pro-forma underlying basis, using year-to-date FX rates prevalent at each time, therefore any changes in the FX rates are also reflected in the variance percentage alongside business performance
[3] Constant currency variance shows underlying financial performance, excluding currency impacts, by comparing the current and prior period at consistent exchange rates
[4] The deferred revenue adjustment is explained in the "Accounting and modelling notes" section

3. Post Trade

Continuing operations	2021 £m	2020 £m	Reported Variance[3] %	Constant Currency Variance[4] %
	Pro-forma[1] Six months ended 30 June			
OTC Derivatives	**169**	169	-	2.4%
Securities & Reporting	**127**	110	15.5%	15.3%
Non-Cash Collateral	**46**	40	15.0%	17.5%
Net Treasury Income	**108**	149	(27.5%)	(25.3%)
Total Income	**450**	468	(3.8%)	(2.1%)
Cost of sales [2]	**(58)**	(73)	(20.5%)	(20.0%)
Gross Profit	**392**	395	(0.8%)	**1.5%**
Adjusted operating expenses before depreciation, amortisation and impairment [2]	**(146)**	(139)	5.0%	4.2%
Adjusted earnings before interest, tax, depreciation, amortisation and impairment[2]	**246**	256	(3.9%)	-
Depreciation, amortisation and impairment	**(47)**	(44)	6.8%	6.7%
Adjusted operating profit	**199**	212	(6.1%)	(1.4%)
Adjusted EBITDA Margin	54.7%	54.7%		

Pro-forma Non-financial KPIs[1]

	Six months ended 30 June 2021	2020	Reported Variance %
OTC			
SwapClear			
IRS notional cleared ($trn)	468	643	(27%)
SwapClear members	122	122	-
Client trades ('000)	1,066	997	7%
Client average 10-year notional equivalent ($trn)	4.4	4	10%
ForexClear			
Notional value cleared ($bn)	10,776	9,844	9%
ForexClear members	35	35	-
CDSClear			
Notional cleared (€bn)	1,038	1,398	(26%)
CDSClear members	25	26	(4%)
Securities & Reporting			
EquityClear trades (m) [5]	976	1,047	(7%)
Listed derivatives contracts (m)	150.3	191.5	(22%)
RepoClear – nominal value (€trn)	113.4	102.7	10%
Non-Cash Collateral			
Average non-cash collateral (€bn)	161.5	156.5	3%
NTI			
Average cash collateral (€bn)	106.4	116.3	(9%)

[1] Pro-forma assumes that the acquisition of Refinitiv took place on 1 January 2021 for the current financial year and 1 January 2020 for the prior financial year comparator figure. Both figures exclude the financial contribution from the businesses contained within the Borsa Italiana divestment

[2] Cost of sales incorporates the elimination of intercompany transactions in the Post Trade division as part of the pro forma financial disclosure and adjusted operating expenses include centralised group charges allocated to the Post Trade division as part of the pro forma cost allocation

[3] Reported variance is the difference between current and prior year periods on a pro-forma underlying basis, using year-to-date FX rates prevalent at each time, therefore any changes in the FX rates are also reflected in the variance percentage alongside business performance

[4] Constant currency variance shows underlying financial performance, excluding currency impacts, by comparing the current and

[5] EquityClear trades exclude interoperability trades, these will differ to the volumes published on the LCH website which includes these trades

Synergies and cost to achieve

Revenue synergies	**Six months ended 30 June 2021 £m**
Run-rate realised	4
Cost to achieve	17
of which:	
Capital expenditure	7
Non-underlying operating expenses	10
Cost synergies	
Run-rate realised	77
In-period benefit	25
Cost to achieve	114
of which:	
Capital Expenditure	28
Non-underlying operating expenses	86

As previously stated when announcing the Refinitiv acquisition, the Group expects to incur a cost to achieve synergies of £730 million. This is split by £550 million to achieve the cost synergies and £180 million to achieve the revenue synergies. The Group expects the majority of the total cost to achieve synergies of £730 million will be incurred over the course of 2021 and 2022. This cost to achieve is expected to be split c.30% through capex and c.70% in non-underlying operating expenses. In H1 2021, the £131 million incurred is split 27% capex and 73% non-underlying operating expenses.

Appendix – Pro-forma[1] revenues by quarter

The tables below have used FX rates on a YTD average basis which is the basis upon which the Group presents its financials.

	FY2020[1]					FY2021[1]	
	Q1 £m	Q2 £m	Q3 £m	Q4 £m	2020 £m	Q1 £m	Q2 £m
Trading & Banking Solutions	396	410	399	391	1,596	**372**	**372**
Trading	321	332	322	316	1,291	**300**	**299**
Banking	75	78	77	75	305	**72**	**73**
Enterprise Data Solutions	285	297	290	291	1,163	**277**	**280**
Real Time Data	187	197	191	191	766	**177**	**182**
PRS	98	100	99	100	397	**100**	**98**
Investment Solutions	272	282	278	279	1,111	**272**	**286**
Index – Subscription	118	127	125	125	495	**121**	**126**
Index – AUM	58	54	56	57	225	**58**	**64**
Investment solutions data & analytics	96	101	97	97	391	**93**	**96**
Wealth Solutions	126	131	123	120	500	**122**	**116**
Wealth data & analytics	66	72	71	69	278	**69**	**70**
Beta	60	59	52	51	222	**53**	**46**
Customer & Third-Party Risk Solutions	67	69	69	78	283	**85**	**90**
Data & Analytics	1,146	1,189	1,159	1,159	4,653	**1,128**	**1,144**
Equities	62	56	52	57	227	**61**	**59**
FX	64	57	56	57	234	**57**	**53**
Fixed Income, Derivatives & Other	186	175	170	178	709	**201**	**188**
Capital Markets	312	288	278	292	1,170	**319**	**300**
OTC	87	82	80	85	334	**87**	**82**
Securities & Reporting	59	51	58	62	230	**65**	**62**
Non-Cash Collateral	19	21	21	21	82	**22**	**24**
NTI	67	82	63	57	269	**55**	**53**
Post Trade	232	236	222	225	915	**229**	**221**
Other	11	6	6	6	29	**5**	**10**
Total Income (excluding recoveries)	1,701	1,719	1,665	1,682	6,767	**1,681**	**1,675**
Recoveries	87	77	82	92	338	**88**	**90**
Total Income (including recoveries)	1,788	1,796	1,747	1,774	7,105	**1,769**	**1,765**
Cost of sales	(242)	(244)	(228)	(232)	(946)	**(231)**	**(223)**
Gross Profit	1,546	1,552	1,519	1,542	6,159	**1,538**	**1,542**

[1] Pro-forma assumes that the acquisition of Refinitiv took place on 1 January 2021 for the current financial year and 1 January 2020 for the prior financial year comparator figure. All figures exclude the financial contribution from the businesses contained within the Borsa Italiana divestment

Appendix – Pro-forma[1] P&L by half

	FY2020[1]			FY2021[1]
	H1 £m	H2 £m	2020 £m	H1 £m
Total Income (incl. recoveries)	3,584	3,521	7,105	**3,534**
Cost of sales	(486)	(460)	(946)	**(454)**
Gross profit	3,098	3,061	6,159	**3,080**
Adjusted operating expenses before depreciation, amortisation and impairment	(1,507)	(1,516)	(3,023)	**(1,432)**
Income from equity investments	-	-	-	**11**
Share of loss after tax of associates	(1)	(3)	(4)	**(2)**
Adjusted earnings before interest, tax, depreciation, amortisation and impairment	1,590	1,542	3,132	**1,657**
Adjusted EBITDA Margin[2]	46.5%	46.1%	46.30%	**49.4%**
Depreciation, amortisation and impairment	(346)	(401)	(747)	**(363)**
Adjusted operating profit	1,244	1,141	2,385	**1,294**
Net finance expense	(193)	(376)	(569)	**(125)**
Adjusted profit before tax	1,051	765	1,816	**1,169**
Taxation	(279)	(276)	(555)	**(250)**
Adjusted profit after tax	772	489	1,261	**919**
Non-controlling interest	(88)	(86)	(174)	**-107**
Profit for the period	684	403	1087	**812**
Adjusted basic earnings per share (p)	123.2	72.5	195.7	**146.1**

[1] Pro-forma assumes that the acquisition of Refinitiv took place on 1 January 2021 for the current financial year and 1 January 2020 for the prior financial year comparator figure. All figures exclude the financial contribution from the businesses contained within the Borsa Italiana divestment

[2] Adjusted EBITDA margin is Adjusted EBITDA divided by Total Income (excl. Recoveries)

Appendix – Pro-forma[1] new KPIs by quarter

	FY2020					FY2021	
	Q1 £m	Q2 £m	Q3 £m	Q4 £m	2020 £m	Q1 £m	Q2 £m
Data & Analytics							
Annual Subscription Value growth (%)[2]	-	-	-	-	-	3.0%	3.9%
Subscription revenues growth (%)[2]	-	-	-	-	-	3.5%	2.6%
Index – ETF AUM ($bn)	583	669	718	869	869	**956**	**1,040**
Index – ESG Passive AUM ($bn)[3]	-	63	-	132	132	**-**	**-**
Beta transaction volumes (m)	159	134	121	125	539	**161**	**124**
Post Trade							
Client average 10-year notional equivalent ($trn)	5	3	3	4	4	**5**	**4**
Average non-cash collateral (€bn)	149	164	166	166	161	**161**	**163**

[1] Pro-forma assumes that the acquisition of Refinitiv took place on 1 January 2021 for the current financial year and 1 January 2020 for the prior financial year comparator figure.

[2] The variance shown is based on constant currency figures, therefore the variance is a constant currency variance excluding the impact of the deferred revenue haircut. The underlying constant currency figures on a consistent basis to calculate this are available from Q1 2020, meaning the first variance is from Q1 2021

[3] ESG Passive AUM is updated bi-annually with June 2021 available early Q4

Appendix – Summary of guidance

The following is a summary of the guidance provided within this release.

- **Total Income (excluding recoveries)** - Good performance in H1, on track for c.4-5% constant currency growth for 2021
- **Adjusted operating expenses** - On track to meet c.5% rise in operating expenses on constant currency basis. Incorporating FX, cost expected to step down c.1-2% from the new 2020 pro-forma[1] level of £3,023 million.
- **Cost synergies** - Expect to achieve c.£125m run rate cost synergies by the end of 2021
- **Depreciation, amortisation and impairment** - c.£790m for 2021 on constant currency basis, reflecting accounting allocation changes[1]
- **Net Finance Expense** - c.£205m for 2021 on a constant currency basis
- **Tax** - Effective Tax rate of 21.5% for 2021. Expect a tax rate of 22-24% for 2022 and 2023
- **Capex** - Total capex of c.£850m in 2021 including £650m-£700m of ongoing capex and c.£150m integration and separation capex

[1] Please refer to the section 'Changes to the 2020 pro-forma' for more details on the accounting allocation changes.

CONDENSED CONSOLIDATED INCOME STATEMENT

Continuing operations	Notes	Six months ended 30 June 2021 Unaudited Underlying items £m	Non-underlying items £m	Total £m	Six months ended 30 June 2020 Unaudited (Re-presented) Underlying items £m	Non-underlying items £m	Total £m
Revenue	2	**2,992**	**-**	**2,992**	877	-	877
Net treasury income from CCP clearing business	2	**108**	**-**	**108**	149	-	149
Other income	2	**13**	**-**	**13**	2	-	2
Total income		**3,113**	**-**	**3,113**	1,028	-	1,028
Cost of sales	2	**(394)**	**-**	**(394)**	(114)	-	(114)
Gross profit		**2,719**	**-**	**2,719**	914	-	914
Expenses							
Operating expenses before depreciation, amortisation and impairment	3,4	**(1,247)**	**(183)**	**(1,430)**	(369)	(88)	(457)
Investment income		**11**	**-**	**11**	-	-	-
Share of loss after tax of associates		**(2)**	**-**	**(2)**	(2)	-	(2)
Earnings before interest, tax, depreciation, amortisation and impairment		**1,481**	**(183)**	**1,298**	543	(88)	455
Depreciation, amortisation and impairment	4	**(311)**	**(389)**	**(700)**	(86)	(78)	(164)
Operating profit/(loss)	2	**1,170**	**(572)**	**598**	457	(166)	291
Finance income		**19**	**-**	**19**	9	-	9
Finance expense		**(106)**	**(1)**	**(107)**	(31)	(7)	(38)
Net finance expense	5	**(87)**	**(1)**	**(88)**	(22)	(7)	(29)
Profit/(loss) before tax		**1,083**	**(573)**	**510**	435	(173)	262
Taxation	6	**(228)**	**(38)**	**(266)**	(89)	18	(71)
Profit/(loss) for the period from continuing operations		**855**	**(611)**	**244**	346	(155)	191
Discontinued operations							
Profit/(loss) after tax for the period from discontinued operations	15	**84**	**2,519**	**2,603**	83	(13)	70
Profit/(loss) for the period		**939**	**1,908**	**2,847**	429	(168)	261

	Notes						
Profit/(loss) attributable to:							
Equity holders		**758**	**(580)**	**178**	312	(154)	158
Non-controlling interests		**97**	**(31)**	**66**	34	(1)	33
Profit from continuing operations		**855**	**(611)**	**244**	346	(155)	191
Equity holders	15	**80**	**2,520**	**2,600**	80	(12)	68
Non-controlling interests	15	**4**	**(1)**	**3**	3	(1)	2
Profit from discontinued operations		**84**	**2,519**	**2,603**	83	(13)	70
Profit/(loss) for the period		**939**	**1,908**	**2,847**	429	(168)	261
Earnings per share attributable to equity holders: continuing operations							
Basic earnings per share	7			**34.3p**			45.1p
Diluted earnings per share	7			**34.1p**			44.6p
Adjusted basic earnings per share	7			**146.0p**			89.2p
Adjusted diluted earnings per share	7			**145.2p**			88.2p
Earnings per share for total operations attributable to equity holders							
Basic earnings per share	7			**535.3p**			64.6p
Diluted earnings per share	7			**532.2p**			63.8p
Adjusted basic earnings per share	7			**161.5p**			112.0p
Adjusted diluted earnings per share	7			**160.5p**			110.7p
Dividend per share in respect of the financial period							
Dividend per share paid during the period	8			**51.7p**			49.9p
Dividend per share declared for the period	8			**25.0p**			23.3p

Notes 1 to 17 form an integral part of these interim condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Six months ended 30 June	
	2021	2020
	Unaudited	Unaudited
		(Re-presented)
	£m	£m
Profit for the period from continuing operations	**244**	191
Other comprehensive income		
Items that will not be subsequently reclassified to profit or loss:		
Defined benefit pension scheme remeasurement gains	**77**	24
Gain on equity instruments at fair value through other comprehensive income	**-**	1
Income tax relating to above items	**(19)**	(9)
	58	16
Items that may be subsequently reclassified to profit or loss:		
Net gains on cash flow hedges	**22**	-
Net gains/(losses) on net investment hedges	**72**	(152)
Debt instruments at fair value through other comprehensive income (FVOCI):		
- Net (losses)/gains from changes in fair value	**(4)**	21
- Gains reclassified to the consolidated income statement on disposal	**(3)**	(3)
Exchange (losses)/gains on translation of foreign operations	**(264)**	273
Income tax relating to above items	**1**	(3)
	(176)	136
Other comprehensive (losses)/gains, net of tax, for continuing operations	**(118)**	152
Total comprehensive income for the period from continuing operations	**126**	343
Total comprehensive income for the period from discontinued operations	**2,595**	152
Total comprehensive income for the period	**2,721**	495
Total comprehensive income from continuing operations attributable to:		
Equity holders	**74**	289
Non-controlling interests	**52**	54
Total comprehensive income for the period	**126**	343
Total comprehensive income from discontinued operations attributable to:		
Equity holders	**2,592**	148
Non-controlling interests	**3**	4
Total comprehensive income for the period	**2,595**	152

Notes 1 to 17 form an integral part of these interim condensed consolidated financial statements.

CONDENSED CONSOLIDATED BALANCE SHEET

	Notes	30 June 2021 Unaudited £m	31 December 2020 £m
Assets			
Non-current assets			
Property, plant and equipment		**931**	297
Intangible assets	9	**31,764**	4,324
Investment in associates		**28**	25
Deferred tax assets		**535**	51
Derivative financial instruments	10	**3**	-
Investments in financial assets	10	**287**	280
Retirement benefit assets		**544**	81
Trade and other receivables	10	**266**	14
		34,358	5,072
Current assets			
Trade and other receivables	10	**1,225**	594
Derivative financial instruments	10	**6**	-
Clearing member financial assets		**692,845**	758,510
Clearing member cash and cash equivalents		**74,725**	83,011
Clearing member assets	10	**767,570**	841,521
Current tax		**152**	77
Investments in financial assets	10	**-**	92
Cash and cash equivalents	10	**2,748**	1,785
		771,701	844,069
Total assets		**806,059**	849,141
Liabilities			
Current liabilities			
Trade and other payables	10	**1,336**	613
Contract liabilities		**383**	168
Derivative financial instruments	10	**30**	6
Clearing member liabilities	10	**767,589**	841,553
Current tax		**120**	24
Borrowings	10, 11	**379**	605
Provisions		**13**	1
		769,850	842,970
Non-current liabilities			
Borrowings	10, 11	**8,156**	1,346
Derivative financial instruments	10	**29**	11
Contract liabilities		**94**	94
Deferred tax liabilities		**1,978**	411
Retirement benefit obligations		**107**	18
Other non-current payables	10	**921**	152
Provisions		**40**	14
		11,325	2,046
Total liabilities		**781,175**	845,016
Net assets		**24,884**	4,125
Equity			
Capital and reserves attributable to the Company's equity holders			
Ordinary share capital		**39**	24
Share premium		**972**	971
Retained earnings		**3,489**	911
Other reserves		**18,558**	1,805
Total shareholders' funds		**23,058**	3,711
Non-controlling interests		**1,826**	414
Total equity		**24,884**	4,125

Notes 1 to 17 form an integral part of these interim condensed consolidated financial statements.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Notes	Six months ended 30 June 2021 Unaudited £m	2020 Unaudited (Re-presented) £m
Cash flow from operating activities			
Cash generated from operations	13	**1,326**	512
Interest received		**7**	3
Interest paid		**(67)**	(24)
Corporation tax paid		**(85)**	(106)
Net cash inflow from operating activities [1]		**1,181**	385
Cash flow from investing activities			
Purchase of property, plant and equipment		**(28)**	(3)
Purchase of intangible assets		**(217)**	(82)
Acquisition of subsidiaries (NFI), net of cash acquired	14	**(151)**	-
Cash acquired on acquisition of subsidiaries (Refinitiv)	14	**931**	-
Investment in financial assets classed as FVOCI	10	**(15)**	-
Proceeds from disposal of business, net of cash disposed	15	**3,592**	-
Dividends received from investments in equity		**11**	-
Net cash inflow from investing activities		**4,123**	(85)
Cash flow from financing activities			
Dividends paid to shareholders	8	**(287)**	(175)
Dividends paid to non-controlling interests		**(70)**	(3)
Proceeds from exercise of employee share options		**2**	-
Purchase of own shares by the employee benefit trust		**-**	(4)
Share repurchases pursuant to Tradeweb's share repurchase program [2]		**(37)**	-
Proceeds from exercise of Tradeweb's employee share option		**47**	-
Principal element of lease payments		**(45)**	(11)
Proceeds from the issue of bonds	11, 12	**5,043**	-
Repayment of borrowings assumed on acquisition	12	**(10,486)**	-
Net repayment of commercial paper	11, 12	**(77)**	(101)
Arrangement fees on borrowing facilities	11, 12	**(42)**	-
Additional drawdowns from bank facilities	11, 12	**495**	170
New loans for acquisition activities	11, 12	**9,807**	-
Repayments made towards bank credit facilities and borrowings	11, 12	**(8,549)**	(129)
Net cash outflow from financing activities		**(4,199)**	(253)
Increase in cash and cash equivalents		**1,105**	47
Cash and cash equivalents at beginning of period		**1,785**	1,493
Net cash flow from discontinued operations	15	**(84)**	33
Exchange (losses)/gains on cash and cash equivalents		**(58)**	68
Cash and cash equivalents at end of period		**2,748**	1,641

[1] The Group's net cash inflow from operating activities of £1,181 million is after deduction of £204 million of expenses related to non-underlying items. The Group's net cash inflow from investing activities of £4,059 million is after deduction of £10 million non-underlying capital expenditure.

[2] On 4 February 2021, TradeWeb Markets Inc. (Tradeweb) a subsidiary of the Group, announced a new share repurchase program, primarily to offset annual dilution from stock-based compensation plans (the Share Repurchase Program). The Share Repurchase Program authorises the purchase of up to US$150.0 million of Tradeweb's common stock through the end of 2023.

Group cash flow does not include cash and cash equivalents held by the Group's Post Trade operations on behalf of its clearing members for use in its operations as manager of the clearing and guarantee systems.

Notes 1 to 17 form an integral part of these interim condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders						
	Ordinary share capital	Share premium	Retained earnings	Other reserves	Total attributable to equity holders	Non-controllin g interests	Total equity
	£m	£m	£m	£m	£m	£m	£m
1 January 2020	24	967	668	1,796	3,455	346	3,801
Profit for the period	-	-	226	-	226	35	261
Other comprehensive income for the period	-	-	26	185	211	23	234
Final dividend relating to the year ended 31 December 2019 (note 8)	-	-	(175)	-	(175)	-	(175)
Dividend payments to non-controlling interests	-	-	-	-	-	(16)	(16)
Employee share scheme expenses	-	-	21	-	21	-	21
Tax in relation to employee share scheme expenses	-	-	7	-	7	-	7
30 June 2020 (Unaudited)	24	967	773	1,981	3,745	388	4,133
1 January 2021	24	971	911	1,805	3,711	414	4,125
Profit for the period	**-**	**-**	**2,778**	**-**	**2,778**	**69**	**2,847**
Other comprehensive income for the period	**-**	**-**	**45**	**(157)**	**(112)**	**(14)**	**(126)**
Issue of shares[1]	**-**	**1**	**-**	**-**	**1**	**-**	**1**
Issue of shares in exchange for acquisition of subsidiaries (with non-controlling interest)[2]	**15**	**-**	**2**	**16,954**	**16,971**	**1,505**	**18,476**
Final dividend relating for the year ended 31 December 2020 (note 8)	**-**	**-**	**(287)**	**-**	**(287)**	**-**	**(287)**
Dividend payments to non-controlling interests	**-**	**-**	**-**	**-**	**-**	**(76)**	**(76)**
Employee share scheme expenses	**-**	**-**	**36**	**-**	**36**	**4**	**40**
Tax in relation to employee share scheme expenses	**-**	**-**	**4**	**-**	**4**	**-**	**4**
Disposal of business (note 15) [3]	**-**	**-**	**-**	**(44)**	**(44)**	**(65)**	**(109)**
Adjustments to non-controlling interest	**-**	**-**	**-**	**-**	**-**	**(11)**	**(11)**
30 June 2021 (Unaudited)	**39**	**972**	**3,489**	**18,558**	**23,058**	**1,826**	**24,884**

[1] During the period, the Company issued 1,387,186 new ordinary shares to the Employee Benefit Trust. Where these shares were used for the settlement of employee share plans, share premium has been recognised on the difference between the subscription price and the par value of the own share.

[2] Under the terms of the Stock Purchase Agreement, LSEG (directly and through certain wholly owned subsidiaries) acquired the entire issued share capital of Refinitiv Parent Limited and, in exchange, LSEG issued 204,225,968 shares (comprising 136,870,442 listed LSEG ordinary shares and 67,355,526 unlisted LSEG limited-voting ordinary shares) (further details of the acquisition and shares issued are provided in note 14). LSEG applied merger relief as required by section 612 of the Companies Act 2006, as LSEG obtained 100% equity holding in Refinitiv Parent Limited, and recognised the excess of the fair value above the nominal share capital as merger reserve. The purchase consideration for the acquisition of Refinitiv of £16,971 million includes the fair value of equity-settled awards (attributable to pre-acquisition services rendered) of £2 million, which is recognised in the employee share scheme reserve.

[3] Disposal of business relates to £44 million transfer of reserves and the derecognition of non-controlling interest of £65 million on disposal of the Borsa Italiana group.

Notes 1 to 17 form an integral part of these interim condensed consolidated financial statements.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The Interim Report for the London Stock Exchange Group plc (the 'Group' or the 'Company') for the six months ended 30 June 2021 was approved by the Directors on 6 August 2021.

The Company is a public company, incorporated and domiciled in England and Wales. The address of its registered office is 10 Paternoster Square, London, EC4M 7LS.

1. Basis of preparation and accounting policies

The interim condensed consolidated financial statements of London Stock Exchange Group plc and its subsidiaries (collectively, the 'Group') for the six months ended 30 June 2021 have been prepared in accordance with the Disclosure and Transparency Rules of the Financial Conduct Authority and UK-adopted International Accounting Standard 34 *Interim Financial Reporting*.

The interim condensed consolidated financial statements are unaudited but have been reviewed by the auditors and their review opinion is in included in this report.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2020, which were prepared in accordance with Regulation (EC) No 1606/2002 as it applies in the European Union. The annual consolidated financial statements for the year ending 31 December 2021 will apply UK-adopted International Financial Reporting Standards under the Companies Act 2006.

The principal accounting policies adopted in the preparation of these interim condensed consolidated financial statements are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2020, except for accounting policies expanded due to the acquisition of Refinitiv and the adoption of amended standards effective as of 1 January 2021. None of the amendments adopted on 1 January 2021 have had a material impact on the interim condensed consolidated financial statements of the Group.

The following accounting policies have been expanded due to the acquisition of Refinitiv:

- **Recoveries revenue** consists of fees for third-party content, such as exchange data that is distributed directly to customers, and communications fees. Recoveries revenue is generally recognised over the contract term.

- **Derivative financial instruments:** The Group has embedded foreign currency derivatives primarily in revenue contracts where the currency of the contract is different from the functional or local currencies of the parties involved. The Group records these derivative instruments at fair value in the balance sheet as either assets or liabilities. Changes in the fair value of derivative instruments are recognised in the profit or loss, net with revenue.

The Group has not early adopted any other standards, amendments or interpretations that have been issued but are not yet effective.

Comparative amounts presented for the condensed consolidated balance sheet relate to the Group's position as at 31 December 2020. All other comparative amounts presented relate to the six months ended 30 June 2020.

All notes to the financial statements include amounts for continuing operations, unless otherwise stated.

The statutory financial statements of London Stock Exchange Group plc for the year ended 31 December 2020, which carried an unqualified audit report, have been delivered to the Registrar of Companies and did not contain a statement under section 498 of the Companies Act 2006.

The interim condensed consolidated financial statements do not constitute statutory financial statements within the meaning of section 434 of the Companies Act 2006.

ACQUISITIONS

On 29 January 2021, the Group acquired Refinitiv Parent Limited and its subsidiaries (Refinitiv) (note 14). The results of Refinitiv have been consolidated within the Group since the date of acquisition. As a result of the acquisition, the Group is reporting its results in three main segments: Data & Analytics, Post Trade and Capital Markets. The segmental reporting for the comparative period has been re-presented to align with this new structure (note 2).

On 25 June 2021, the Tradeweb group acquired Nasdaq's U.S. fixed income electronic trading platform, formerly known as eSpeed, the fully executable central limit order book (CLOB) for on-the-run U.S. government bonds (note 14).

DISPOSAL

On 29 April 2021, the Group disposed of London Stock Exchange Group Holdings (Italia) SpA and its subsidiaries (Borsa Italiana group) (note 15). The Borsa Italiana group was classified as a discontinued operation and disposal group once the sale became highly probable on 13 January 2021 (the date the EU Commission approved the acquisition of Refinitiv) and therefore its profits and losses and cash flows have been separated from the Group's continuing operations for the period and are shown as discontinued operations. The comparative period has been re-presented accordingly. The Borsa Italiana group operations were not classified as a disposal group as at 31 December 2020 and the balance sheet has not been re-presented from that published in the Annual Report of the Group.

CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the interim condensed consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported income and expense, assets and liabilities, and disclosure of contingencies at the date of the interim condensed consolidated financial statements. Although these judgements, estimates and assumptions are based on management's best judgement at the date of the interim condensed consolidated financial statements, actual results may differ from these estimates.

Judgements and estimates are regularly evaluated based on historical experience, current circumstances and expectations of future events. The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty are the same as those described in the last annual financial statements, except for the judgements and sources of estimation uncertainty related or due to the acquisition of Refinitiv, as described below:

- **Intangible assets acquired as part of a business combination**:
  - The fair value of the intangible assets (and therefore the resulting goodwill recognised on acquisition) is significantly affected by a number of factors including management's best estimates of future performance and estimates of the return required to determine an appropriate discount rate. Further detail of the valuation methodologies is provided in note 14.
  - The intangible assets are amortised over their estimated useful economic lives, which is also based on management's best estimates of the periods over which value from the intangible assets is realised. Further detail of the estimated useful economic lives of the intangible assets is provided in note 14.

- **Revenue recognition**: Management exercises significant judgement when assessing whether multiple products and services in customer contracts are distinct performance obligations that should be accounted for separately, or whether these should be accounted for together. In making the determination, management considers, for example, whether the Group regularly sells a good or service separately, or whether the goods or services are highly interrelated. Furthermore, the Group has more than one standalone selling price for individual products and services due to the stratification of its offerings by customer. As a result, management determines the standalone selling price taking into consideration market conditions and other factors, including the value of its contracts, the product or service sold, customer's market, geographic location, and the number and types of users in each contract.

- **Share-based payments**: Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model. The Group measured the fair value of outstanding equity-settled share-based payment awards granted by Tradeweb as if the acquisition date were the grant date and used the Black-Scholes model.

- **Provisions for uncertain tax positions**: The Group is subject to tax in numerous jurisdictions and is routinely under audit by various taxing authorities. There are transactions and calculations during the ordinary course of business for which the ultimate tax determination is uncertain, as taxing authorities may challenge some of the Group's positions and propose adjustments or changes to its tax filings. Due to the uncertainty involved, there is a possibility that outcomes may differ from amounts recognised. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. These liabilities have been recognised as current tax or deferred tax on the balance sheet based on the expected method of settlement with the tax authorities.

GOING CONCERN

In assessing whether the appropriate basis of preparation of the financial statements, the Directors are required to consider whether the Group can continue in operational existence for the foreseeable future.

The Group's business activities, together with the factors likely to affect its future development, performance and position and its objectives and policies in managing the financial risks to which it is exposed and its capital are set on pages 2–71 of the Group's Annual Report for the year ended 31 December 2020. The Group does not consider the landscape of principal risks and uncertainties set out on pages 24-39 of Group's Annual Report for the year ended 31 December 2020 to have changed materially. The Group's acquisition of Refinitiv, however has changed the nature of some risks due to, for example, an increased geographical footprint. The changes are referenced and the principal risks and uncertainties which may affect the Group in the second half of the financial year, as applicable, are summarised in the "Principal Risks" section below.

The Directors consider there to be no material uncertainties that may cast significant doubt on the Group's ability to continue to operate as a going concern. The Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, being at least 12 months from the date of signing of these financial statements. Accordingly, they continue to adopt the going concern basis in the preparation of these financial statements.

2. Segmental reporting

The Group now uses three main reporting segments: Data & Analytics, Capital Markets and Post Trade. Data and Analytics includes the results formerly reported as Information Services as well as the core Refinitiv business. Capital Markets includes the former Capital Markets results plus results of the former Technology Services segment and the results of TradeWeb and FXall. Other contains non-core business.

The results are on a continuing basis and exclude the results of the Borsa Italiana Group for six months ended 30 June 2021 and 2020 (note 15). The results of Refinitiv are included from the date of acquisition (note 14).

The segmental results for the six months ended 30 June 2020 have been re-presented using the new reporting segments.

Segment reporting for the six months ended 30 June 2021 are as follows:

Unaudited	Data and Analytics £m	Capital Markets £m	Post Trade £m	Other £m	Group £m
Continuing					
Revenue	2,107	542	342	1	2,992
Net treasury income from CCP clearing business	-	-	108	-	108
Other income	-	-	-	13	13
Total income	2,107	542	450	14	3,113
Cost of sales	(324)	(11)	(59)	-	(394)
Gross profit	1,783	531	391	14	2,719
Income from investments				11	11
Share of loss after tax of associates	-	-	-	(2)	(2)
Earnings before interest, tax, depreciation, amortisation and impairment	944	276	245	16	1,481
Underlying depreciation, amortisation and impairment	(234)	(31)	(47)	1	(311)
Operating profit before non-underlying items	710	245	198	17	1,170
Non-underlying depreciation, amortisation and impairment					(389)
Other non-underlying items					(183)
Operating profit					598
Net finance expense					(88)
Profit before tax from continuing operations					510
Profit before tax from discontinued operations					2,609
Profit before tax					3,119

Net treasury income from the continuing CCP businesses of £108 million comprises gross interest income of £217 million less gross interest expense of £109 million.

The Group's total income disaggregated by segment, major product and service line, and timing of total income recognition for the six months ended 30 June 2021 is as follows:

Unaudited	Data & Analytics £m	Capital markets £m	Post Trade Services £m	Other £m	Group £m
Revenue from external customers					
Major product & service lines					
Trading & banking	619	-	-	-	619
Enterprise data solutions	472	-	-	-	472
Investment solutions	524	-	-	-	524
Wealth solutions	197	-	-	-	197
Customer & third-party risk solutions	147	-	-	-	147
Recoveries	148	-	-	-	148
OTC derivatives	-	-	169	-	169
Securities & reporting	-	-	127	-	127
Non cash collateral	-	-	46	-	46
Net treasury income	-	-	108	-	108
Equities	-	120	-	-	120
FX	-	91	-	-	91
Fixed income, derivatives and other	-	331	-	-	331
Other	-	-	-	14	14
Total income from continuing operations	2,107	542	450	14	3,113
Timing of total income recognition					
Services satisfied at a point in time	147	367	330	3	847
Services satisfied over time	1,960	175	120	11	2,266
Total income from continuing operations	2,107	542	450	14	3,113

Re-presented segment reporting for the six months ended 30 June 2020 are as follows:

Unaudited (Re-presented)	Data & Analytics £m	Capital Markets £m	Post Trade Services £m	Other £m	Group £m
Continuing					
Revenue	409	147	319	2	877
Net treasury income from CCP clearing business	-	-	149	-	149
Other income	-	-	-	2	2
Total income	409	147	468	4	1,028
Cost of sales	(35)	(3)	(76)	-	(114)
Gross profit	374	144	392	4	914
Share of loss after tax of associates	-	-	-	(2)	(2)
Earnings before interest, tax, depreciation, amortisation and impairment	236	68	254	(15)	543
Underlying depreciation, amortisation and impairment	(30)	(8)	(44)	(4)	(86)
Operating profit before non-underlying items	206	60	210	(19)	457
Non-underlying depreciation, amortisation and impairment					(78)
Other non-underlying items					(88)
Operating profit					291
Net finance expense					(29)
Profit before tax from continuing operations					262
Profit before tax from discontinued operations					100
Profit before tax					362

Net treasury income from the continuing CCP businesses of £149 million comprises gross interest income of £381 million less gross interest expense of £232 million.

The Group's total income disaggregated by segment, major product and service line, and timing of revenue recognition for the six months ended 30 June 2020 is as follows:

Unaudited (Re-presented)	Data & Analytics £m	Capital markets £m	Post Trade Services £m	Other £m	Group £m
Revenue from external customers					
Major product & service lines					
Trading & banking	9	-	-	-	9
Enterprise data solutions	64	-	-	-	64
Investment solutions	336	-	-	-	336
OTC derivatives	-	-	169	-	169
Securities & reporting	-	-	110	-	110
Non cash collateral	-	-	40	-	40
Net treasury income	-	-	149	-	149
Equities	-	118	-	-	118
Fixed income, derivatives and other	-	29	-	-	29
Other	-	-	-	4	4
Total income from continuing operations	409	147	468	4	1,028
Timing of total income recognition					
Services satisfied at a point in time	3	86	309	1	399
Services satisfied over time	406	61	159	3	629
Total income from continuing operations	409	147	468	4	1,028

The Group's total income from continuing operations disaggregated by geographical location is as follows:

	Six months ended 30 June	
	2021	**2020**
	Unaudited	**Unaudited**
		(Re-presented)
	£m	**£m**
UK	**953**	583
Italy	**155**	143
France	**140**	80
USA	**1,060**	202
Other Europe	**287**	-
Asia	**317**	-
Other	**201**	20
Total	**3,113**	1,028

3. Operating expenses

Continuing	Note	Six months ended 30 June 2021 Unaudited £m	2020 Unaudited (Re-presented) £m
Employee costs		**817**	240
IT costs		**200**	59
Professional fees		**136**	25
Short-term lease costs		**24**	-
Foreign exchange (gains)/losses		**(5)**	5
Other costs		**75**	40
Underlying operating expenses before depreciation, amortisation and impairment		**1,247**	369
Non-underlying operating expenses before depreciation, amortisation and impairment	4	**183**	88
Total operating expenses before depreciation, amortisation and impairment		**1,430**	457

4. Non-underlying items

Continuing	Notes	Six months ended 30 June 2021 Unaudited £m	2020 Unaudited (Re-presented) £m
Transaction costs		**70**	86
Restructuring costs		**1**	2
Integration costs		**112**	-
Non-underlying expenses before interest, tax, depreciation, amortisation and impairment		**183**	88
Depreciation of property, plant and equipment[1]		**7**	**-**
Amortisation of intangible assets[2]		**382**	68
Impairment of goodwill and purchased intangible assets		**-**	10
Non-underlying depreciation, amortisation and impairment		**389**	78
Non-underlying items before interest and tax		**572**	166
Non-underlying net finance expense	5	**1**	7
Non-underlying items before tax		**573**	173
Deferred tax on amortisation of purchased intangible assets		**(15)**	(6)
Current tax on amortisation of purchased intangible assets		**(72)**	(3)
Tax on other items affecting profit before tax		**125**	(9)
Non-underlying tax		**38**	(18)
Non-underlying items for the period from continuing operations		**611**	155
Non-underlying profit for the period from discontinued operations	15	**(2,519)**	13
Total non-underlying items affecting profit for the period		**(1,908)**	168

[1] Depreciation and amortisation of property, plant and equipment and intangible assets, other than purchased intangible assets: This relates to incremental depreciation and amortisation resulting from fair value adjustments on tangible assets and intangible assets, other than purchased intangible assets, which were acquired on acquisition of Refinitiv. Depreciation and amortisation associated with these fair value adjustments is presented as non-underlying to provide more meaningful information on the Group's sustainable performance.

[2] Amortisation and impairment of goodwill and purchased intangible assets: Purchased intangible assets include customer relationships, trade names, and databases and content, all of which are recorded as a result of acquisitions. Amortisation and impairment associated with goodwill and purchased intangible assets is presented as a non-underlying item in order to provide more meaningful information regarding the Group's sustainable performance.

Transaction costs are mainly related to the following acquisitions:

- Refinitiv acquisition (note 14):
  - Advisor and professional fees and management retention costs of £44 million; and
  - Post-acquisition Management Incentive Plan (MIP) share-based payment expense of £4 million, and fair value adjustment to the outstanding Tradeweb equity-settled awards (as if the acquisition date were the grant date) of £17 million.
- Acquisition by Tradeweb of Nasdaq's fixed income electronic trading platform (note 14): Acquisition related costs of £3 million

Integration costs relate to activities to:

- Integrate the Refinitiv businesses with the Group of £93 million; and
- Separate and restructure the Thomson Reuters Financial & Risk Business from Thomson Reuters. The separation costs of £19 million primarily consist of professional fees, consulting fees and IT charges.

The finance expense relates to fees to establish the Bridge Facility to refinance the Refinitiv notes and term loans in full following completion of the Refinitiv acquisition (further details of the facility are provided in note 11).

The tax impact of the Group's non-underlying items and its adjustment to profit or loss of the individual entities of the Group to which the non-underlying items relate, is computed based on the tax rates applicable to the respective territories in which the entity operates. There is no tax impact arising on non-underlying items which are neither taxable nor tax-deductible.

5. Net finance expense

		Six months ended 30 June	
		2021	**2020**
		Unaudited	**Unaudited**
			(Re-presented)
Continuing	Note	**£m**	**£m**
Finance income			
Bank deposit and other interest income		**2**	2
Expected return on defined benefit pension scheme assets		**16**	1
Other finance income		**1**	6
Underlying finance income		**19**	9
Finance expense			
Interest payable on bank and other borrowings		**(83)**	(28)
Defined benefit pension scheme interest cost		**(14)**	-
Lease interest expense		**(6)**	(2)
Other finance expenses		**(3)**	(1)
Underlying finance expense		**(106)**	(31)
Non-underlying net finance expense	4	**(1)**	(7)
Net finance expense		**(88)**	(29)

Bank deposit and other interest income includes negative interest earned on the Group's borrowings. Interest payable includes amounts where the Group earns negative interest on its cash deposits.

6. Taxation

Taxation recognised in profit or loss Continuing	Note	Six months ended 30 June 2021 Unaudited £m	 2020 Unaudited (Re-presented) £m
Current tax expense			
UK corporation tax for the period		**11**	39
Overseas tax for the period		**51**	38
Adjustments in respect of previous years		**2**	-
		64	77
Deferred tax expense/(credit)			
Deferred tax for the period		**216**	1
Adjustments in respect of previous years		**1**	(1)
Deferred tax liability on amortisation of purchased intangible assets		**(15)**	(6)
		202	(6)
Taxation from continuing operations		**266**	71
Taxation from discontinuing operations	15	**6**	30
Taxation		**272**	101

Taxation on items not recognised in profit or loss	Six months ended 30 June 2021	2020 (Re-presented)
Continuing	**£m**	**£m**
Current tax credit		
Tax allowance on share options/awards in excess of expense recognised	**(6)**	(12)
	(6)	(12)
Deferred tax expense/(credit)		
Tax allowance on defined benefit pension scheme remeasurements	**19**	9
Tax allowance on share options/awards in excess of expense recognised	**2**	5
Tax on movement in value of investments in financial assets	**(1)**	3
	20	17
	14	5

Factors affecting the tax charge for the period
The income statement tax charge for the period differs from the standard rate of corporation tax in the UK of 19% (30 June 2020: 19%) as explained below:

	Six months ended 30 June 2021 Unaudited	2020 Unaudited (Re-presented)
Continuing	**£m**	**£m**
Profit before taxation	**510**	262
Profit multiplied by standard rate of corporation tax in the UK	**97**	50
Expenses not deductible	**-**	7
Overseas earnings taxed at higher rate	**7**	18
Adjustments in respect of previous years	**3**	(1)
Deferred tax assets recognised	**-**	(3)
Remeasurement impact of tax rate changes	**159**	-
Taxation charge from continuing operations	**266**	71
Income tax attributable to discontinued operations	**6**	30
	272	101

The tax rate applied as at 30 June 2021 is the expected rate for the full financial year.

On 24 May 2021, an increase in the UK corporation tax rate from 19% to 25% from 1 April 2023 onward was substantively enacted and on 10 June 2021, Finance Act 2021 received Royal Assent. In accordance, the deferred tax assets and liabilities have been remeasured based on these rates during the reporting period.

During the period the Group completed the sale of its entire shareholding in London Stock Exchange Group Holdings (Italia) S.p.A and its subsidiaries (Borsa Italiana group).

The gain on disposal of the shares qualifies for UK corporation tax exemption under the substantial shareholding exemption rules.

EU State Aid

The Group continues to monitor developments in relation to EU State Aid investigations. On 25 April 2019, the EU Commission's final decision regarding its investigation into the UK's Controlled Foreign Company (CFC) regime was published. It concludes that the UK legislation up to December 2018 does partially represent illegal State Aid.

Both the Group, among a number of other UK PLCs, and the UK Government have submitted appeals to the EU General Court to annul the EU Commission's findings.

The UK Government is required to continue the process of recovering the State Aid whilst the decision is under appeal. HMRC issued determinations to the Group to date of £10.5 million, excluding interest and penalties.

The appeal against the determination to HMRC is likely to be stayed until the final outcome of all appeals to the EU Courts in respect of the EU Commission's original decision are known.

The issuance and settlement of any such determinations, however, does not change the Group's view that in light of the appeals made by UK PLCs (including the Group), the UK Government's own appeal, and in consideration of management's own internal view, no provision is required in relation to the investigation. Additionally, and in accordance with the provisions of IFRIC 23, the Group has recognised a receivable against the HMRC determinations paid to date.

As previously disclosed, the Group has made claims under the CFC regime and still considers that the maximum potential amount of additional tax payable excluding compound interest remains between nil and £65 million depending on the basis of calculation.

IRS Audit

The Group is currently under audit in the US by the IRS in relation to the interest rate applied on certain cross border intercompany loans from the UK to the US. During the year the IRS issued a Notice of Proposed Adjustment (NOPA) which seeks to apply the safe haven rate under the US regulations to the interest charged on cross border loans.

The maximum exposure under the NOPA is US$130 million, however this the upper bound of a range of nil to US$130 million plus interest and penalties over the lifetime of the loans. The Group disagrees with the NOPA assessment and has sought legal advice to support its position that the safe haven rate is arbitrary and should not be sustained. The NOPA has been appealed by the Group and the audit is ongoing.

7. Earnings per share

Earnings per share attributable to equity holders of the parent company of the Group, London Stock Exchange Group plc (LSEG or the 'Company') is presented on four bases: basic earnings per share; diluted earnings per share; adjusted basic earnings per share; and adjusted diluted earnings per share. Basic earnings per share is in respect of all activities and diluted earnings per share takes into account the dilution effects which would arise on conversion or vesting of share options and share awards under the Group share option and award schemes. Adjusted basic earnings per share and adjusted diluted earnings per share exclude non-underlying items and to enable a better comparison of the underlying earnings of the business with prior periods.

	Six months ended 30 June					
	2021			2020		
	Unaudited			Unaudited (Re-presented)		
	Continuing	Discontinued	Total	Continuing	Discontinued	Total
Basic earnings per share	**34.3p**	**501.0p**	**535.3p**	45.1p	19.4p	64.6p
Diluted earnings per share	**34.1p**	**498.1p**	**532.2p**	44.6p	19.2p	63.8p
Adjusted basic earnings per share	**146.0p**	**15.4p**	**161.5p**	89.2p	23.0p	112.0p
Adjusted diluted earnings per share	**145.2p**	**15.3p**	**160.5p**	88.2p	22.7p	110.7p

Profit and adjusted profit for the financial period attributable to the Company's equity holders

	Six months ended 30 June					
	2021			2020		
	Unaudited			Unaudited (Re-presented)		
	Continuing	Discontinued	Total	Continuing	Discontinued	Total
	£m	£m	£m	£m	£m	£m
Profit for the financial period attributable to the Company's equity holders	**178**	**2,600**	**2,778**	158	68	226
Adjustments:						
Non-underlying items net of tax (note 4)	**611**	**(2,519)**	**(1,908)**	155	13	168
Non-underlying items attributable to non-controlling interests	**(31)**	**(1)**	**(32)**	(1)	(1)	(2)
Adjusted profit for the financial period attributable to the Company's equity holders	**758**	**80**	**838**	312	80	392
Weighted average number of shares - million	519	519	519	350	350	350
Effect of dilutive share options and awards - million	3	3	3	4	4	4
Diluted weighted average number of shares - million	522	522	522	354	354	354

The weighted average number of shares excludes those held in the employee benefit trust. The Group holds no treasury shares.

8. Dividends

	Six months ended 30 June	
	2021	2020
	Unaudited	Unaudited
	£m	£m
Final dividend for 31 December 2019 paid 27 May 2020: 49.9p per Ordinary share	-	175
Final dividend for 31 December 2020 paid 26 May 2021: 51.7p per Ordinary share	287	-
	287	175

Dividends are only paid out of available distributable reserves.

The Board has proposed an interim dividend in respect of the six-month period ended 30 June 2021 of 25.0p per share, amounting to an estimated £139 million, to be paid in September 2021. This is not reflected in these interim condensed consolidated financial statements.

9. Intangible assets

	Goodwill	Purchased intangible assets: Customer and supplier relationships	Purchased intangible assets: Brands	Purchased intangible assets: Database	Purchased intangible assets: Software licences and intellectual property	Software, contract costs and other	Total
	£m	£m	£m	£m	£m	£m	£m
Cost							
1 January 2021	2,402	1,847	953	-	569	1,260	7,031
Acquisition of subsidiaries (note 14)	**16,544**	**7,528**	**983**	**2,398**	**199**	**1,608**	**29,260**
Additions	**-**	**-**	**-**	**-**	**-**	**254**	**254**
Disposal of business (note 15)	**(927)**	**(692)**	**(1)**	**-**	**(66)**	**(179)**	**(1,865)**
Disposals	**-**	**-**	**-**	**-**	**-**	**(7)**	**(7)**
Foreign exchange translation	**(131)**	**(90)**	**(21)**	**(23)**	**(8)**	**(53)**	**(326)**
30 June 2021 (Unaudited)	**17,888**	**8,593**	**1,914**	**2,375**	**694**	**2,883**	**34,347**
Accumulated amortisation and impairment:							
1 January 2021	546	868	265	-	345	683	2,707
Amortisation charge for the period	**-**	**226**	**60**	**99**	**8**	**189**	**582**
Disposal of business	**(55)**	**(409)**	**-**	**-**	**(58)**	**(138)**	**(660)**
Foreign exchange translation	**(16)**	**(5)**	**(3)**	**-**	**(3)**	**(20)**	**(46)**
30 June 2021 (Unaudited)	**475**	**681**	**322**	**99**	**292**	**714**	**2,583**
Net book values:							
30 June 2021 (Unaudited)	**17,413**	**7,912**	**1,592**	**2,276**	**402**	**2,169**	**31,764**
31 December 2020	1,856	979	688	-	224	577	4,324

Goodwill and purchased intangible assets

During the period,

- the Group acquired Refinitiv Parent Limited. On acquisition, the Group recognised goodwill of US$23 billion (£16 billion) and purchased intangible assets, software and other intangible assets of US$17 billion (£13 billion) (details of the acquisition are provided in note 14).
- Tradeweb acquired Nasdaq's fixed income electronic trading platform. On acquisition, the Group recognised goodwill of $88 million (£64 million) and purchased intangible assets and software of US$100 million (£73 million) (details of the acquisition are provided in note 14).

During the period the Group disposed of the Borsa Italiana group (see note 15) and derecognised goodwill of £872 million and intangible assets of £333 million.

There were no acquisitions or disposals in the prior period.

10. Financial assets and financial liabilities

Financial instruments by category

The financial instruments of the Group at 30 June 2021 are categorised as follows:

Financial assets

30 June 2021 Unaudited	Amortised cost £m	Fair value through other comprehensive income £m	Fair value through profit or loss £m	Total £m
Clearing business financial assets				
– Clearing member trading assets	8,342	-	662,648	670,990
– Other receivables from clearing members	6,313	-	-	6,313
– Other financial assets	-	15,542	-	15,542
– Clearing member cash and cash equivalents	74,725	-	-	74,725
	89,380	15,542	662,648	767,570
Trade and other receivables	1,246	-	6	1,252
Cash and cash equivalents	2,748	-	-	2,748
Investments in financial assets - equity instruments	-	287	-	287
Derivative financial instruments	-	-	9	9
Total financial assets	93,374	15,829	662,663	771,866

There were no transfers between categories during the period.

Prepayments and contract assets within trade and other receivables are not classified financial instruments.

Financial assets measured at fair value

30 June 2021 Unaudited	Quoted prices in active markets (Level 1) £m	Significant observable inputs (Level 2) £m	Significant unobservable inputs (Level 3) £m	Total fair value £m
Clearing business financial assets				
- Derivative instruments	81	194,893	-	194,974
- Non-derivative instruments	-	467,674	-	467,674
- Other financial assets	15,542	-	-	15,542
	15,623	662,567	-	678,190
Investments in financial assets - equity instruments	1	-	286	287
Trade and other receivables - convertible loan notes	-	-	6	6
Derivatives not designated as hedges				
- Foreign exchange forward contracts	-	9	-	9
Total financial assets at fair value	15,624	662,576	292	678,492

Financial liabilities

30 June 2021 Unaudited	Amortised cost £m	Fair value through profit or loss £m	Total £m
Clearing business financial liabilities			
– Clearing member trading liabilities	8,342	662,648	670,990
– Other payables to clearing members	96,599	-	96,599
	104,941	662,648	767,589
Trade and other payables	1,868	-	1,868
Borrowings	8,535	-	8,535
Derivative financial instruments	-	59	59
Total financial liabilities	115,344	662,707	778,051

There were no transfers between categories during the period.

Social security and other taxes within trade and other payables are not classified as financial instruments.

Financial liabilities measured at fair value

30 June 2021 Unaudited	Quoted prices in active markets (Level 1) £m	Significant observable inputs (Level 2) £m	Significant unobservable inputs (Level 3) £m	Total fair value £m
Clearing business financial liabilities				
- Derivative instruments	81	194,893	-	194,974
- Non-derivative instruments	-	467,674	-	467,674
	81	662,567	-	662,648
Derivatives not designated as hedges				
- Foreign exchange forward contracts	-	34	-	34
Derivatives designated as hedges				
- Cross-currency interest rate swaps	-	25	-	25
Total financial liabilities at fair value	81	662,626	-	662,707

The financial instruments of the Group at 31 December 2020 were categorised as follows:

Financial assets

31 December 2020	Amortised cost £m	Fair value through other comprehensive income £m	Fair value through profit or loss £m	Total £m
Clearing business financial assets				
– Clearing member trading assets	98,736	-	632,699	731,435
– Other receivables from clearing members	2,484	-	-	2,484
– Other financial assets	-	24,591	-	24,591
– Clearing member cash and cash equivalents	83,011	-	-	83,011
	184,231	24,591	632,699	841,521
Trade and other receivables	544	-	5	549
Cash and cash equivalents	1,785	-	-	1,785
Investments in financial assets - debt instruments	-	111	-	111
Investments in financial assets - equity instruments	-	261	-	261
Total financial assets	186,560	24,963	632,704	844,227

There were no transfers between categories during the period.

Prepayments and contract assets within trade and other receivables are not classified as financial instruments.

Financial assets measured at fair value

31 December 2020	Quoted prices in active markets (Level 1) £m	Significant observable inputs (Level 2) £m	Significant unobservable inputs (Level 3) £m	Total fair value £m
Clearing business financial assets				
- Derivative instruments	5,867	2,726	-	8,593
- Non-derivative instruments	6	624,100	-	624,106
- Other financial assets	24,591	-	-	24,591
	30,464	626,826	-	657,290
Investments in financial assets - debt instruments	111	-	-	111
Investments in financial assets - equity instruments	-	-	261	261
Derivatives not designated as hedges				
- Trade and other receivables - convertible loan notes	-	-	5	5
Total financial assets at fair value	30,575	626,826	266	657,667

Financial liabilities

31 December 2020	Amortised cost £m	Fair value through profit or loss £m	Total £m
Clearing business financial liabilities			
– Clearing member trading liabilities	98,736	632,699	731,435
– Other payables to clearing members	110,118	-	110,118
	208,854	632,699	841,553
Trade and other payables	747	-	747
Borrowings	1,951	-	1,951
Derivative financial instruments	-	17	17
Total financial liabilities	211,552	632,716	844,268

There were no transfers between categories during the prior period.
Social security and other taxes within trade and other payables are not classified financial instruments.

Financial liabilities measured at fair value

31 December 2020	Quoted prices in active markets (Level 1) £m	Significant observable inputs (Level 2) £m	Significant unobservable inputs (Level 3) £m	Total fair value £m
Clearing business financial liabilities				
- Derivative instruments	5,867	2,726	-	8,593
- Non-derivative instruments	6	624,100	-	624,106
	5,873	626,826	-	632,699
Derivatives designated as hedges				
- Cross-currency interest rate swaps	-	11	-	11
Derivatives not designated as hedges				
- Foreign exchange forward contracts	-	6	-	6
Total financial liabilities at fair value	5,873	626,843	-	632,716

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2: other techniques for which all inputs, which have a significant effect on the recorded fair value are observable, either directly or indirectly; and
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data

For assets and liabilities classified as Level 1, the fair value is based on market price quotations at the reporting date.

For assets and liabilities classified as Level 2, the fair value is calculated using one or more valuation techniques (e.g. the market approach or the income approach) with market observable inputs. The selection of the appropriate valuation techniques may be affected by the availability of the relevant inputs as well as the reliability of the inputs. The inputs may include currency rates, interest rate and forward rate curves and net asset values.

When observable market data is not available, the Group uses one or more valuation techniques (e.g. the market approach or the income approach) for which sufficient and reliable data is available. Inputs used in estimating the fair value of Level 3 financial instruments include expected timing and level of future cash flows, timing of settlement, discount rates and net asset values of certain investments.

There have been no transfers between levels during the current period.

The Group determines whether a transfer between levels has occurred by reviewing the categorisation of assets and liabilities at the end of each reporting period, based on the lowest level input that is significant to the valuation.

With the exception of Group borrowings, management has assessed that the fair value of financial assets and financial liabilities recognised at amortised cost approximates to their carrying values. The fair value of the Group's borrowings is disclosed in note 11.

The nature and composition of the CCP clearing business assets and liabilities are explained in the accounting policies note in the Group's annual consolidated financial statements for the year ended 31 December 2020.

As at 30 June 2021, there were no provisions for impairment in relation to any of the CCP financial assets (31 December 2020: nil) and none of those assets are past due (31 December 2020: nil).

Investment in equity instruments

Investments in equity instruments are recognised at fair value through other comprehensive income, given the intended long-term nature of these investments. Convertible loan notes are treated as fair value through profit or loss as they contain a derivative option. Investments in equity instruments and convertible instruments are all classified as Level 3, with the exception of a listed investment, which is Level 1.

In the absence of any relevant third-party data on the fair values of its Level 3 investments, the Group undertakes its own internal valuations. The Group regularly reviews the financial information of its investments which is available publicly or received as a shareholder.

The value of the investments is calculated primarily using discounted cash flow forecasts with a terminal growth rate of 2% and a risk adjusted discount rate. These valuations may then be benchmarked against other available models, such as the dividend discount model, regression analysis, and trading multiples.

As at 30 June 2021, the Group estimates the fair value of its investments to be £287 million (31 December 2020: £261 million).

As part of the acquisition of Refinitiv in January 2021, the Group acquired investments with a fair value of £22 million as at 30 June 2021.

During the period the Group made additional investments of £15 million and there were foreign exchange movements of £11 million.

The Group's largest investment is in Euroclear, which has a fair value of €285 million (£245 million). The majority of the remaining investments are not material.

Hedging activities and derivatives

As at 30 June 2021, the Group had derivative financial assets of £9 million (31 December 2020: nil) and derivative financial liabilities of £59 million (31 December 2020: £17 million).

None of the assets are designated as hedges and represent forward foreign exchange derivatives, including embedded derivatives within revenue contracts where the currency of the contract is different from the functional or local currencies of the contracted parties.

Of the derivative liabilities, £25 million represents the fair value of the €700 million cross-currency interest rate swap designated as a hedging instrument. The remaining £34 million derivative liabilities are not designated as hedging instruments and represent forward foreign exchange derivatives, including embedded derivatives within revenue contracts.

For the period ended 30 June 2021, a £13 million loss on the €700 million cross-currency interest rate swaps (30 June 2020: £41 million loss) was recognised in other comprehensive income and transferred to the hedging reserve.

The remaining value of £17 million relating to the £242 million cross-currency interest rate swap held in the hedging reserve at 31 December 2020 has been recycled to the income statement during the period as a result of the disposal of the Borsa Italiana group, which was the underlying asset being hedged. The net loss of £17 million has been included in the profit on disposal of the Borsa Italiana group (note 15) (30 June 2020: £nil).

Non-derivative hedges

€800 million of the Group's bonds and the Group's US dollar and euro borrowings qualify as hedging instruments and during the period a net £85 million gain (30 June 2020: £111 million loss) was recognised other comprehensive income and transferred to the hedging reserve.

11. Borrowings

	30 June 2021 Unaudited £m	31 December 2020 £m
Current		
Bank borrowings	**(7)**	135
Commercial paper	**86**	170
Bonds	**300**	300
	379	605
Non-current		
Bonds	**6,284**	1,347
Bank borrowings	**1,871**	(2)
Trade finance loans	**1**	1
	8,156	1,346
Total	**8,535**	1,951

The Group has the following committed bank facilities and unsecured notes:

Unaudited Type	**Expiry Date**	**Notes/Facility** £m	**Carrying value at 30 June 2021** £m	**Interest rate 30 June 2021** %
Multi-currency revolving credit facility	Dec 2024	1,425	**(3)**	LIBOR + 0.325
Multi-currency revolving credit facility	Dec 2025	1,075	**(4)**	LIBOR + 0.475
Committed bank facilities		2,500	**(7)**	
Commercial paper	Jul 2021	86	**86**	(0.004)[1]
€500 million term loan	Dec 2023	430	**429**	LIBOR + 0.725
$2,000 million term loan	Dec 2023	1,445	**1,442**	LIBOR + 0.725
Committed term loans		1,875	**1,871**	
Unsecured notes				
£300 million bond, issued November 2012	Nov 2021	300	**300**	4.75
€500 million bond, issued September 2017	Sep 2024	430	**429**	0.875
€500 million bond, issued December 2018	Dec 2027	430	**427**	1.75
€500 million bond, issued September 2017	Sep 2029	430	**427**	1.75
£500 million bond, issued April 2021	Apr 2030	500	**493**	1.63
€500 million bond, issued April 2021	Apr 2025	430	**429**	0.0
€500 million bond, issued April 2021	Apr 2028	430	**427**	0.25
€500 million bond, issued April 2021	Apr 2033	430	**423**	0.75
$500 million bond, issued April 2021	Apr 2024	361	**360**	0.65
$1,000 million bond, issued April 2021	Apr 2026	723	**719**	1.38
$1,000 million bond, issued April 2021	Apr 2028	723	**719**	2.00
$1,250 million bond, issued April 2021	Apr 2031	903	**897**	2.50
$750 million bond, issued April 2021	Apr 2041	542	**534**	3.20
Total unsecured notes		6,632	**6,584**	
Total committed bank facilities and unsecured notes			**8,534**	

[1] The Commercial paper interest rate reflected is the average interest rate achieved on outstanding issuances.

The negative balances on the revolving credit facilities represent the value of unamortised arrangement fees.

The fair value of the Group's borrowings at 30 June 2021 was £8,750 million (31 December 2020: £2,082 million).

On 29 January 2021, as part of the Refinitiv acquisition, the Group completely refinanced the Refinitiv debt portfolio by drawing down £8.0 billion on its dual-currency bridging facility, €500 million (£430 million) on its euro term loan, US$2 billion (£1.4 billion) on its US dollar term loan and £500m million on its two new multi-currency revolving credit facilities. The term loans are repayable in December 2023.

On 6 April, the Group issued a series of 9 new senior unsecured bonds using its newly established Global Medium Term Note Programme and applied the proceeds to repay the bridging facility. The £5.0 billion raised was issued in US dollars, euros and sterling with maturities between April 2024 and April 2041 and consisting of US$4.5 billion (£3.2 billion), €1.5 billion (£1.3 billion) and £500 million respectively.

On 29 April, the Group sold its investment in the Borsa Italiana group, receiving €4.4 billion (£3.9 billion) and applying the funds to repay the remaining outstanding balances on the bridging facility and revolving credit facilities. The bridging facility was cancelled upon repayment.

12. Analysis of net debt

	Note	30 June 2021 Unaudited £m	31 December 2020 £m
Due within one year			
Cash and cash equivalents		**2,748**	1,785
Revolving credit facilities net of deferred arrangement fees		**7**	(135)
Commercial paper		**(86)**	(170)
Bonds		**(300)**	(300)
Derivative financial assets		**6**	-
Derivative financial liabilities		**(30)**	(6)
		2,345	1,174
Due after one year			
Term loans net of deferred arrangement fees		**(1,872)**	1
Bonds		**(6,284)**	(1,347)
Derivative financial assets		**3**	-
Derivative financial liabilities		**(29)**	(11)
Total net debt		**(5,837)**	(183)

Reconciliation of net cash flow to movement in net debt

	Note	30 June 2021 Unaudited £m	31 December 2020 £m
Increase in cash in the period/year		**1,020**	237
Proceeds from the issue of bonds		**(5,043)**	-
Net repayment of commercial paper		**77**	101
Arrangement fees on borrowing facilities		**42**	-
Additional drawdowns from bank facilities		**(495)**	(4)
New loans for acquisition activities		**(9,807)**	-
Repayments made towards bank credit facilities and borrowings		**8,549**	127
Trade finance loans received		**-**	(1)
Repayment of borrowings assumed on acquisition		**10,486**	-
Change in net debt resulting from cash flows		**4,829**	460
Foreign exchange		**15**	(36)
Movement on derivative financial assets and liabilities		**(33)**	21
Borrowings assumed on acquisition of Refinitiv	14	**(10,462)**	-
Bond valuation adjustment		**1**	-
Amortisation of arrangement fees		**(4)**	2
Net debt at the start of the period/year		**(183)**	(630)
Net debt at the end of the period/year		**(5,837)**	(183)

13. Net cash flow generated from continuing operations

	Notes	Six months ended 30 June 2021 Unaudited £m	2020 Unaudited (Re-presented) £m
Profit before tax from continuing operations		**510**	262
Adjustments for depreciation, amortisation and impairment of fixed assets:			
Depreciation and amortisation		**700**	153
Impairment of purchased intangibles and goodwill	9	**-**	10
Impairment of property, plant and equipment		**1**	-
Adjustments for other non-cash items:			
Loss on disposal of fixed assets		**6**	-
Share of loss of associates		**3**	2
Net finance expense	5	**88**	29
Royalties		**31**	-
Share scheme expense		**64**	23
Movement in pensions and provisions		**(2)**	(5)
Net foreign exchange differences		**153**	34
Dividends received from investments in equity		**(11)**	-
Movements in working capital:			
Decrease in trade and other receivables		**451**	15
Decrease in trade and other payables		**(613)**	(77)
Movements in other assets and liabilities related to operations:			
Increase in clearing business financial assets		**(79,777)**	(63,367)
Increase in clearing business financial liabilities		**79,714**	63,439
Movement in derivative assets and liabilities		**8**	(6)
Cash generated from operations		**1,326**	512

14. Business combinations

Acquisitions in the six months ended 30 June 2021

Refinitiv Acquisition

On 29 January 2021, the Group acquired Refinitiv Parent Limited and its subsidiaries (Refinitiv), a company based in the Cayman Islands and headquartered in London and New York. Refinitiv is a leading global provider of market and financial data and infrastructure, delivering data, insight and analytics tailored to strategic workflows.

Refinitiv holds an approximate 52% economic interest in Tradeweb Markets Inc. (Tradeweb) and its subsidiaries (the Tradeweb group). Tradeweb Markets Inc. is a Delaware company and the holding company of Tradeweb Markets LLC, which offers electronic marketplaces for trading fixed income, derivatives, money market and equity products. Tradeweb operates as a standalone, publicly listed entity.

The acquisition of Refinitiv is a transformational transaction, strategically and financially, and positions the Group for long-term sustainable growth. Refinitiv brings highly complementary capabilities in data, analytics and capital markets.

The combination of LSEG and Refinitiv will deliver significant benefits for customers, and in particular to:

- transform LSEG's position and create a global financial markets infrastructure leader of the future;
- strengthen LSEG's global footprint and accelerate its successful growth strategy across multiple key financial centres and jurisdictions, including in North America (the world's largest financial market), Asia and fast-growing emerging markets;
- significantly enhance LSEG's customer proposition in data and analytics, utilising the combined business' intellectual property to offer innovative new services;
- complement LSEG's existing multi-asset class growth strategy to create a global multi-asset class capital markets business with the addition of high-growth foreign exchange and fixed income venues; and
- deepen and expand LSEG's and Refinitiv's shared core principles of open access and customer partnership.

The purchase price allocation (PPA) has been prepared on a provisional basis in accordance with IFRS 3 *Business Combinations*. If new information obtained within one year of the acquisition date, about facts and circumstance that existed at the acquisition date, identifies adjustments to the amounts below or any additional provisions arising from tax, legal claims or other operating activities that existed at the date of acquisition, then the accounting for the acquisition will be revised with any adjustments recognised in the acquired balance sheet.

Details of the purchase consideration, non-controlling interest, net assets acquired and goodwill are as follows:

Purchase consideration

	Number of shares (millions)	$m	£m
Ordinary shares issued			
- to the sellers	**198**	**22,703**	**16,570**
- to the Management Incentive Plan (MIP) participants	**6**	**547**	**399**
	204	**23,250**	**16,969**
Fair value of equity-settled share-based payment awards (attributable to pre-acquisition services rendered)		**3**	**2**
		23,253	**16,971**

Under the terms of the Stock Purchase Agreement, LSEG (directly and through certain wholly owned subsidiaries) acquired the entire issued share capital of Refinitiv Parent Limited and, in exchange, LSEG issued 204,225,968 shares (comprising 136,870,442 listed LSEG ordinary shares and 67,355,526 unlisted LSEG limited-voting ordinary shares). The limited-voting ordinary shares rank pari passu with the LSEG ordinary shares. Based on LSEG's issued share capital as at completion, the total shares amounted to an economic interest in LSEG plc of approximately 37% but less than 30% of the total voting rights in LSEG.

Of the total number of shares issued, 179,610,123 shares were issued on 29 January 2021 and the remaining 24,615,845 shares were issued on 1 March 2021.

Shares issued to the sellers
The fair value of 198,184,632 shares issued as part of the consideration paid to the sellers, excluding the MIP participants, of £16,570 million, was based on the opening share price on 29 January 2021 of £83.94 per share adjusted for the valuation difference of deferred shares issued on 1 March 2021.

Shares issued to the MIP participants
Members of Refinitiv's senior management team participated in the MIP set up by Refinitiv Holdings Limited (now York Parent Limited). The MIP was designed to retain management, incentivise performance and share growth in Refinitiv's value. Under the MIP, management acquired shares in York Parent Limited.

To improve the retentive effect of the MIP, amendments were made to the MIP in connection with the Refinitiv acquisition so that certain of the shares did not vest on completion and will be subject to forfeiture in certain leaver circumstances.

The fair value of 6,041,336 shares issued as part of the consideration paid to the MIP participants of £399 million was measured in accordance with IFRS 3 and IFRS 2 *Share-based Payment*.

Identifiable assets acquired and liabilities assumed

The following table summarises the recognised provisional fair value of the identifiable assets acquired and liabilities assumed at the acquisition date:

	Notes	Acquired value $m	Acquired value £m
Property, plant, and equipment		**1,038**	**758**
Intangible assets	9	**17,324**	**12,643**
Investment in associates		**12**	**9**
Deferred tax assets		**533**	**389**
Investments in financial assets		**30**	**22**
Retirement benefit asset		**522**	**381**
Other non-current assets		**313**	**228**
Trade and other receivables		**1,582**	**1,154**
Current tax assets		**68**	**50**
Derivative financial assets		**2**	**2**
Cash and cash equivalents		**1,276**	**931**
Trade and other payables		**(1,391)**	**(1,015)**
Contract liabilities		**(839)**	**(612)**
Derivative financial liabilities		**(48)**	**(35)**
Current tax liabilities		**(157)**	**(114)**
Other current liabilities		**(14)**	**(11)**
Borrowings	13	**(14,336)**	**(10,462)**
Deferred tax liabilities		**(1,862)**	**(1,359)**
Retirement benefit obligations		**(136)**	**(99)**
Provisions		**(42)**	**(31)**
Other non-current liabilities		**(1,141)**	**(833)**
Total identifiable net assets acquired		**2,734**	**1,996**

The identified purchased intangible assets, internally developed software and other intangible assets are as follows:

	$m	£m	Estimated useful lives
Customer contracts and relationships	**10,216**	**7,456**	13-20 years
Databases and content	**3,286**	**2,398**	5-12 years
Tradenames	**1,347**	**983**	5 -15 years
Licences	**272**	**199**	5-15 years
Software	**2,134**	**1,557**	3-13 years
Contract costs	**61**	**44**	3 years
Other	**8**	**6**	1 year
Intangible assets	**17,324**	**12,643**	

The fair value of assets acquired and liabilities assumed was determined based on assumptions that reasonable market participants would use in the principal (or most advantageous) market for the asset or liability. The following assumptions, the majority of which include significant unobservable inputs (Level 3), and valuation methodologies were used to determine fair value:

- **Customer contracts and relationships** – The income approach: multi-period excess earnings method (MEEM) was used. The value of the intangible asset is estimated from the residual earnings after fair returns on all other assets employed (including other intangible assets) have been deducted from the business's after-tax operating earnings – so called 'contributory asset charges'. The MEEM approach comprises the following steps: (a) Forecasting revenues attributable solely to existing assets (e.g. revenue associated with existing customer contracts and relationships). This will include estimating expected revenue attrition (e.g. of customers) over time, as well as forecasting any revenue growth (e.g. expected from existing customers); (b) Applying an appropriate operating margin to forecast sales; (c) Applying an appropriate tax charge to estimate post-tax cash flows; (d) Applying post-tax contributory asset charges to reflect the return required on other tangible and intangible assets that contribute to the generation of the forecast cash flows; and (e) Discounting the resulting net post-tax cash flows, using an appropriate discount rate to arrive at the net present value.

- **Databases and content, tradenames and internally developed computer software** – The income approach: relief from royalty method was used. The value of the asset is estimated from the value of future saved royalty payments over the life of the asset by virtue of owning the asset. In summary, the steps which the method comprise are: (a) Forecasting the sales revenue that is derived using the asset (e.g. trade name or technology); (b) Estimating an arm's length royalty rate that would be paid for the use of each asset; (c) Applying the assessed royalty rate to the projected sales relating to each asset over the economic life; (d) Deducting income tax from the net royalty stream; and (e) Selecting and applying an appropriate discount rate to the after-tax royalty stream.

- **Broker-dealer licences** – The income approach: with or without method was used. The fair value is estimated based on income streams, such as cash flows or earnings, discounting to a present value. These discounted cash flows are calculated both with the asset and without the asset. The difference in the cash flows is discounted to the present value to determine the value of the asset.

- **Deferred revenue (contract liabilities)** – The income approach: top down approach was used. Costs for activities (sales commissions) that have already been performed and a notional profit on those activities that a market participant would expect in order to take on the performance obligations are deducted from the market price of the deferred revenue. The result is discounted to present value.

- **Borrowings** – The current book value of debt assumed has been adjusted to its fair value. On acquisition of Refinitiv, the Group refinanced the Refinitiv third-party debt, therefore the fair value is the cost to settle the debt.

- **Retirement benefit asset and obligation** – Substantially all of Refinitiv's employees participate in defined benefit and defined contribution employee future benefit plans. Significant plans are measured in terms of IAS 19 *Employee Benefits* using the projected unit credit method.

The fair value of the trade receivables amounts to £876 million (US$1,200 million). The gross amount of trade receivables is £883 million (US$1,210 million) and it is expected that the full contractual amounts can be collected.

The Group measured the acquired lease liabilities using the present value of the remaining lease payments as if the leases were new leases at the date of acquisition. The right-of-use assets were measured at an amount equal to the lease liabilities, adjusted to reflect favourable or unfavourable terms of the leases when compared with market terms.

The deferred tax liability mainly comprises the tax effect of the intangible assets.

Non-controlling interest

	$m	£m
Non-controlling interest based on the proportionate interest (48%) of net assets	1,729	1,261
Fair value of equity-settled share-based payment awards (attributable to pre-acquisition services rendered)	335	244
Non-controlling interest	**2,064**	**1,505**

The Group elected to measure the non-controlling interest in Tradeweb at the proportionate share of its interest in the identifiable net assets.

The fair value of the outstanding equity-settled share-based payment awards granted by Tradeweb was measured in accordance with IFRS 3 and IFRS 2 as if the acquisition date were the grant date, allocated to the non-controlling interest based on the portion of the share awards attributable to pre-acquisition services.

Goodwill

Goodwill arising from the acquisition has been recognised as follows:

	$m	£m
Purchase consideration	23,253	16,971
Less: Fair value of identifiable net assets acquired	(2,734)	(1,996)
Non-controlling interest	2,064	1,505
Goodwill	**22,583**	**16,480**

The goodwill is attributable to:
- growth in the underlying business;
- future data and technology not yet developed; and
- expected synergies which will drive growth in the combined business.

Goodwill is provisionally allocated to the Refinitiv and Tradeweb cash-generating units. Goodwill recognised of £1,150 million (US$1,575 million) is expected to be deductible for income tax purposes.

Revenue and profit before tax

From the date of acquisition, Refinitiv contributed £2,091 million (US$2,903 million) of revenue, total income of £2,101 million (US$2,917 million), operating profit before non-underlying items of £603 million (US$837 million) and £166 million (US$231 million) to profit before tax (from continuing operations of the Group). If the acquisition had occurred on 1 January 2021, estimated Group revenue for the period from continuing operations would have been £3,412 million, with operating profit before non-underlying items of £1,293 million. These amounts have been calculated using the Group's accounting policies and based on available information.

Acquisition related costs

The Group incurred acquisition related costs of £65 million on advisor and professional fees and management retention costs. These costs are recognised as non-underlying transaction costs in profit or loss (note 4).

NFI Acquisition

On 25 June 2021, the Tradeweb group acquired all of the outstanding equity interests of Execution Access, LLC, Kleos Managed Services Holdings, LLC and Kleos Managed Services, L.P. (collectively the NFI Acquisition). The all-cash purchase price of US$190 million is net of cash acquired, net of deposits with clearing organisations acquired and prior to working capital adjustments. Preliminary working capital adjustments resulted in a $1 million increase to the purchase price.

Execution Access, LLC is a limited liability company organised in the state of Delaware and is a broker-dealer registered with the U.S. Securities and Exchange Commission (SEC) and Financial Industry Regulatory Authority (FINRA). The platform (formerly known as eSpeed) acquired from Nasdaq is a fully executable central order limit book (CLOB) for electronic trading in on-the-run (OTR) U.S. government bonds.

The PPA has been prepared on a provisional basis in accordance with IFRS 3. If new information obtained within one year of the acquisition date, about facts and circumstance that existed at the acquisition date, identifies adjustments to the amounts below or any additional provisions that existed at the date of acquisition, then the accounting for the acquisition will be revised. The primary areas not yet finalised relate to, in particular, the valuation of the identifiable intangible assets and software and final working capital adjustments.

Goodwill arising from the acquisition has been recognised as follows:

	$m	£m
Purchase consideration	**243**	**175**
Less: Fair value of identifiable net assets acquired	**(155)**	**(111)**
Customer relationships	**(99)**	**(72)**
Software development costs	**(1)**	**(1)**
Other non-current assets	**(1)**	**(1)**
Other current assets	**(22)**	**(15)**
Cash and cash equivalents	**(34)**	**(24)**
Current liabilities	**2**	**2**
Goodwill	**88**	**64**

The fair values were determined based on assumptions that reasonable market participants would use in the principal (or most advantageous) market and primarily included significant unobservable inputs (Level 3). Customer relationships were valued using the income approach, the same approach to value the Refinitiv customer relationships.

The acquired software development costs will be amortised over a useful life of one year and the customer relationships will be amortised over a useful life of 13 years.

The goodwill recognised in connection with the NFI Acquisition is primarily attributable to the acquisition of an assembled workforce and expected synergies from the integration of the operation of the NFI Acquisition into the Tradeweb group's operations. All of the goodwill recognised in connection with the NFI Acquisition is expected to be deductible for income tax purposes.

The NFI Acquisition was not material to the Group's consolidated financial statements and therefore *pro-forma* results of this acquisition have not been presented.

Acquisition related costs

The Group incurred acquisition related costs of £3 million ($5 million) to affect the NFI Acquisition, which are recognised as non-underlying transaction costs in profit or loss (note 4).

Acquisitions in the six months ended 30 June 2020

There were no acquisitions during this period.

15. Disposal of business and discontinued operations

On 13 January 2021, the disposal of the Borsa Italiana group was judged to be highly probable and the group was treated as a disposal group from that date until 29 April 2021, the date of disposal. Borsa Italiana group is a discontinued operation as a result of its size and geographical location and its results have been excluded from the continuing results of the Group for the period ended 30 June 2021. The results for June 2020 have been re-presented to exclude the Borsa Italiana results from the continuing operations of the Group.

Borsa Italiana group was sold for consideration of £3.9 billion (€4.4 billion), realising a profit on sale for the Group of £2.5 billion.

The results for Borsa Italiana group included in the income and cash flow statements as discontinued operations are as follows:

Discontinued operations	30 June 2021 Unaudited £m	30 June 2020 Unaudited £m
Summary income statement for discontinued operations		
Total income	**146**	207
Underlying expenses	**(52)**	(89)
Adjusted profit before tax	**94**	118
Non-underlying expenses	**(4)**	(18)
Profit before tax	**90**	100
Tax	**(6)**	(30)
Profit on disposal (see below)	**2,519**	-
Profit from discontinued operations for the period	**2,603**	70
Items recognised in other comprehensive income	**(8)**	82
Total comprehensive income from discontinued operations	**2,595**	152
Summary cash flow statement for discontinued operations		
Cash consideration received on disposal	**3,876**	**-**
Cash disposed of	**(284)**	**-**
Net cash (outflow)/inflow from operating activities	**(78)**	**62**
Net cash outflow from investing activities	**(2)**	**(21)**
Net cash outflow from financing activities	**(4)**	**(8)**
Foreign exchange movement	**-**	**12**
Net cash flow for the period	**3,508**	**45**
Profit on disposal		
Cash consideration received	**3,876**	**-**
Net assets disposed	**(1,413)**	**-**
Non-controlling interests disposed	**65**	**-**
Recycling of cumulative FX reserve on consolidation	**61**	**-**
Recycling of amounts held in hedging reserve	**(17)**	**-**
Transaction expenses recognised	**(45)**	**-**
Other expenses recognised	**(8)**	**-**
Profit on disposal	**2,519**	**-**

As part of the disposal agreement the Group continues to provide services to the Borsa Italiana group on an arms length basis. The disposal agreement also contains standard clauses regarding claims and warranties which may result in a possible obligation depending on whether uncertain future events or claims occur. Based on the facts currently known, it is not possible for the Group to predict the outcome of uncertain future claims. In addition, for certain liability claims, the purchaser has six months from the closing date to notify the Group of claim for payment.

16. Commitments and contingencies

The Group had no contracted capital commitments not provided for in the interim condensed consolidated financial statements (31 December 2020: £18 million). The Group has a long term agreement with Reuters News, to receive news and editorial content for a minimum amount of US$325 million per year.

In the normal course of business, the Group receives legal claims including, for example, in relation to commercial matters, service and product quality or liability, employee matters and tax audits. The Group is also involved in the course of its business in legal proceedings and actions, engagement with regulatory authorities and in dispute resolution processes. These are reviewed on a regular basis and, where possible, an estimate is made of the potential financial impact on the group. In appropriate cases a provision is recognised based on advice, best estimates and management judgement. Where it is too early to determine the likely outcome of these matters, no provision is made. Whilst the Group cannot predict the outcome of any current or future such matters with any certainty, it currently believes the likelihood of any material liabilities to be low, and that such liabilities, if any, will not have a material adverse effect on its consolidated income, financial position or cash flows.

17. Events after the reporting period

On 4 August 2021, LSEG acquired Quorate Technology Limited, a specialist provider of automatic speech processing solutions. Quorate was founded in 2012 as a spin-out from the Centre for Speech Technology Research at The University of Edinburgh. This acquisition will enable LSEG to own and develop automatic speech processing capabilities in order to better serve our customers and their evolving needs.

Principal Risks

The management of risk is fundamental to the Group's day-to-day operations and the successful execution of its Strategic Plan.

LSEG's Enterprise-wide Risk Management Framework (ERMF) is designed to allow management and the Board to identify, assess and manage LSEG's risks and to ensure better decision taking in the execution of its strategy. It also enables the Board and executive management to maintain and attest to the effectiveness of the systems of internal control and to manage principal risks as set out in the UK Corporate Governance Code. Additional details can be found in our risk management oversight supplement. Please visit: www.lseg.com/about-london-stock-exchange-group/risk-management-oversight

The Group does not consider the landscape of principal risks and uncertainties set out on pages 24-39 of its Annual Report for the year ended 31 December 2020 to have changed materially. The Group's acquisition of Refinitiv has, however, changed the nature of some risks due to, for example, an increased Geographical footprint; these changes are referenced below, as applicable. A summary of the principal risks and uncertainties which may affect the Group in the second half of the financial year include the following:

Business Risks

As a diversified markets infrastructure business and data and analytics service provider, the Group operates in a broad range of equity, fixed income and derivative markets, servicing customers who increasingly seek global products and innovative solutions. If the broader economy underperforms, or there is lower activity in our markets, it may lead to lower revenue across Group businesses.

The Covid-19 pandemic continues to be a risk to the global economy and, although vaccines show promise in controlling the virus, new virus strains and the significant challenges faced by developing and frontier economies, mean that the risk to the global economy persists. In the short-term, unprecedented fiscal and monetary policy measures and central bank support frameworks continue to underpin global economies and financial markets. However, withdrawal of economic and monetary stimulus, mixed economic data and the threat of inflation continue to drive uncertainty.

In addition, the Group is exposed to a broader geo-political landscape that continues to evolve and impact financial market sentiment, which could have an adverse impact on the Group's businesses, operations, financial condition and cash flows. Although LCH Ltd has been granted recognition as a Tier 2 third country CCP by ESMA until 30 June 2022, the future relationship between the UK and the EU remains in flux, with no broad agreement reached on equivalence for Financial Services. There is a risk that degradation of the EU and UK relationship could impact the permanent equivalence authorisation process, which could lead to greater resource requirements or non-approval.

More broadly, uncertainty relating to foreign policies of governments, such as those of the US, China and Russia, remain, and whilst the Group has a well-diversified set of revenue streams and geographic footprint, any changes in the geo-political landscape could have an adverse impact on the Group's financial performance.

Business Transformation Risks

The success of the enlarged Group depends on its ability to integrate the businesses of LSEG and Refinitiv and to deliver synergies within the combined organisation. There is a risk that the benefits or expected performance of the enlarged Group might not be achieved in line with expectations, or at all, and that the costs to achieve the synergies and benefits may be higher than anticipated. A failure to align the businesses of the Group successfully may lead to an adverse impact to the Group's financial performance, operational resilience, reputation, and/ or strategy. This risk could be exacerbated by the remote working arrangements in place for the majority of the Group's global workforce, key third-party service providers, customers and members.

The Group faces significant competition in each of its main business areas, including Data & Analytics, Capital Markets and Post Trade. The market segments for the Group's data, information, software, services and products are highly competitive and are subject to rapid technological changes and evolving customer demands and needs.

The Group must continue to consider its agreement with Borsa Italiana Group to provide elements of its pre-disposal shared infrastructure throughout the agreed transition period. Failure to comply with contractual agreements could result in financial or reputational damage to the Group.

Operational Resilience

The Group operates critical financial markets infrastructure within its businesses, such as trading venues and CCPs. The operational resilience of these, and other Group products, is key to ensure adequate function of financial markets as well as providing a high quality customer experience. The Group's operational resilience lies in its ability to prevent, adapt to, respond to and recover from operational disruptions, and its ability to minimise the impact of adverse events on our customers, employees and critical infrastructure. Robust threat detection, incident and crisis management and Business Continuity is central to resilience and execution of the Group's strategy. The Group's operational resilience can be challenged by a variety of adverse events, including (but not limited to) acts of terrorism, geopolitical instability, natural disasters, pandemics and cyber-attacks.

Since the start of the Covid-19 pandemic, the Group has coordinated its response across all entities, business and geographies, ensuring continuity of operations and services, and consistent provision of support to all colleagues. Remote working has put additional pressure on technology resources and colleagues as they continue to learn, and adapt to new working practices. The Group has put in place processes and controls to facilitate a safe return to the office for colleagues and will continue to adapt local policies in response to changes in conditions or official guidance. The safety and security of all Group colleagues remains the highest priority concerning all return to office decisions.

Information Security and Cyber Risk

Across the financial services industry, cyber-attacks have become more frequent and have grown in both complexity and sophistication. The inherent risk continues to evolve as emerging technologies, such as cloud computing and artificial intelligence, change the cyber risk landscape. The Group continues to invest heavily in technology infrastructure to ensure that our systems remain secure and fully operational. A breach of cyber security, or, more broadly, an operational disruption could result in a significant adverse reputational or financial impact to the Group.

Technology Risk

The Group is highly dependent on the development and operation of its sophisticated technology and advanced information systems as well as those of its key third-party service and outsourcing providers. Since the start of the Covid-19 pandemic, the Group has relied on greater use of remote working capabilities and has experienced changing customer demands. Additionally, the Group's technology portfolio includes a number of systems that have reached end of life, contributing to the increased complexity of the Group's technology strategy. Technology failures, including those that impact remote access and cloud computing services, could result in significant operational and financial impacts to our customers or employees, and the orderly running of our markets, data services and CCPs.

The Group is exposed to potentially disruptive technologies that could impact its ability to compete in both the markets in which it currently operates and those in which it plans to enter. The increased use of artificial intelligence (AI) in digital transformation strategies brings with it associated risks such as inherent bias in the analysis of historical data and behaviour patterns which feed AI algorithms; this could give rise to automated decisions which are not aligned with current regulations, societal expectations or organisational values. There is also a risk that AI advancement could result in a changing regulatory environment to which the Group would have to adapt.

Third Party Risk (incl. Outsourcing)

The Group and its entities engage third-party service providers, which may include outsourcing functions to other Group entities or external service providers, including Cloud Service Providers (CSPs). The Group has increasingly engaged CSPs to host critical services and data. An over-reliance on a CSP could exacerbate certain third-party risks such as those relating to data governance and services which are provided by a small concentration of providers. Failure to manage the risks associated with the selection, management and oversight of critical third-party suppliers could impact the Group's operational resilience and excellence, ability to remain compliant with relevant regulations and ability to deliver its strategic objectives, which could result in an adverse financial and reputational impact to the Group.

Employees and talent

The Group aims to build and nurture a culture where inclusiveness is a constant practice, not an initiative, where there is a deep sense of pride, connection and belonging that transcends any role, language or country. The Group's ability to attract and retain key talent is critical to achieving its strategic objectives. There is a risk that this ability could be diminished as a result of actual or perceived issues relating to culture, employer brand, performance & reward framework, wellbeing strategy, diversity and inclusion, career development, as well as external factors such as the prevailing market conditions and changes in the regulatory landscape. Failure to adequately manage this risk could result in a loss of key talent or the inability to recruit an appropriate workforce.

Additionally, there is a risk that some current and prospective employees experience uncertainty about their future roles within the post-acquisition Group, which could result in attrition of, or difficulty to recruit, key talent. Additionally, the Covid-19 pandemic and associated health and remote working/capacity implications could have a continued impact on employee welfare, and amplify the impact to wellbeing or the concerns of our employees.

Compliance Risks

The Group is exposed to the risk that one or more of the Group's businesses may fail to comply with the laws and regulatory requirements to which it is, or becomes, subject. The Group has a diverse geographic footprint and is exposed to risks associated with the management of changes to local, and regional regulatory requirements; such regulations include imposition of sanctions within a jurisdiction, MiFID II/ MiFIR, Benchmark Regulation, CCP specific regulations, and information and cyber security related standards.

Regulations have the potential to mandate change to the Group's businesses, products, participation in markets, strategy, revenue and costs. Regulatory change also increases the risk of new market entrants or that an advantage is created for existing market participants. If one or more risks relating to the Group's legal or regulatory compliance were to materialise, the business in question (or the Group itself) could be subject to censures, fines and other regulatory or legal proceedings.

There is an emerging risk of increasing legislative and regulatory focus on cyber security, operational resilience, data protection and data localisation in many of the Group's key regulatory jurisdictions which could result in conflicting or duplicative regulatory requirements. Such regulatory requirements could adversely impact our operations, risk management, reporting and compliance models.

Credit Risk

CCPs and other parts of the Group are exposed to credit risk as a result of placing money with investment counterparties on both a secured and an unsecured basis. Losses could occur as a result of the default of either the investment counterparty or of the issuer of bonds bought outright or received as collateral in Group CCPs. The Group's credit risk also relates to its customers and counterparties being unable to meet their obligations to the Group either in part or in full.

In addition, the Group CCPs are exposed to credit risk as a result of their clearing activities. The default of a Group CCP clearing member that could not be managed within the resources of that member, could adversely affect the CCP's reputation and, in extreme circumstances, could lead to a call on the Group CCPs' own capital ('skin-in-the-game'). Additionally, LCH SA has an interoperability margin arrangement with a non-Group CCP (CC&G). The interoperability arrangement requires collateral to be exchanged in proportion to the value of the underlying transactions and exposes the CCP to financial, operational, regulatory and reputational risks as a result of incidents or issues, or in the event of a default of the non-Group CCP under this arrangement.

Market Risk

By the nature of its operations, the Group is exposed to both foreign exchange and interest rate risks through its borrowing activities (including those undertaken to support M&A objectives), treasury investments and CCP activities. In addition, the acquisition of Refinitiv has introduced both a broader FX revenue profile and introduced new operating currencies to the Group. Adverse movements in foreign exchange rates and interest rates markets, specifically those in the principal countries to which the Group has a financial exposure, could increase the Group's exposure to these risks.

The Group's acquisition of Refinitiv has led to an increased liquidity requirement. In a non-CCP setting, the Group's liquidity risk is supported by committed bank facilities, long-dated debt and strong annuity-like income generation, and remains stable. These facts were noted in a H1 2021 credit rating agency assessment of the Group's liquidity. The Group's headroom planning prudency, including stress testing, will be maintained.

Group CCPs are exposed to market and liquidity through their clearing and investment activities. Market risk mainly arises in the event of a member default where the CCP may need to hold and liquidate assets previously held by the defaulted member. The CCP's market risk exposure could increase as a result of unfavourable market conditions at the time of the members' default.

In addition, the Group CCPs collect clearing members' margin and default funds contributions in cash, central banks and/or in highly liquid securities. To maintain sufficient ongoing liquidity and immediate access to funds, the Group's CCPs deposit the cash received in highly liquid and secure investments. The Group's CCPs also hold a small proportion of their investments in unsecured bank and money market deposits subject to the limitations imposed by EMIR. The successful operation of these investment activities is contingent on general market conditions and there is a risk that such investments could incur market losses.

Capital Risks

The Group's regulated entities are exposed to both capital adequacy risk whereby, if a regulated entity in the Group fails to ensure that sufficient capital resources are maintained to meet regulatory requirements, it could result in a loss of regulatory approvals and/or imposition of financial sanctions. Further, both regulated and unregulated entities are exposed to the risk that they do not maintain adequate or have continued access to high quality, debt or equity capital and that capital investment returns are below expectation. Materialisation of either of these risks in a Group entity could negatively impact the Group's financial performance and stakeholder confidence, strategy, ability to maintain operational excellence and resilience and to remain competitive.

Model Risk

The Group's model risks can arise from errors during the development, implementation, use, or decisions based on outputs, of models. The Group utilizes a suite of models which, in some cases, make use of emerging technology (such as Artificial Intelligence) across all three of its business divisions, examples of models include; CCP margin models, Eikon Analytics' derivatives pricing, Yield Book's prepayment, Capital Markets surveillance, FTSE Russell's ESG and Risk's climate quantification and capital models. Materialisation of model risks could adversely impact both the reputation and the financial condition of the Group.

Data Management

The Group is exposed to data management risk through its entities that obtain, collect, create, own, license, transform, and distribute data. The Group is accountable for the compliant and proper protection and use of its data. Failure to govern the Group's data effectively could result in those data being unfit for purpose.

There is also a risk of improper data management and/or use, by either the Group, or its customers and stakeholders. Materialisation of this risk could result in inadequate or misleading data being used to inform strategic or operational decisions of either the Group or its clients and could adversely affect the Group's reputation, regulatory compliance or financial performance. These risks are particularly apparent due to the increase in global data localisation restrictions, and obligations relating to both personal and non-personal data.

Climate Risk

International organisations, governments and regulators are focused on integrating climate risks and opportunities into investment decision making, to enable and facilitate a transition to a low carbon economy. This is an area of emerging and wide-ranging policy making, impacting financial market participants and corporates.

The increased focus from regulators, investors and other stakeholders, has generated a requirement for enhanced climate-related risk oversight. Climate-related risks include both Transition risks (e.g. Regulation and Litigation risks) and Physical Risks (e.g. Global warming).

The Group has developed models to assess Physical Risks for Operations and Transition Risks for one of the Group's business units, with the former covering the impact of climate events on our operations, the resultant foregone revenue, the business disruption and repair costs for uninsurable buildings and equipment and rising insurance costs.

There is an increasing focus on the impact of climate change to credit risks which could result in an increased regulatory compliance burden. Overall, we do not believe this will give rise to significantly increased risks in the short term. The Group will continue to monitor and development its approach for management of climate risk.

Reputational Risk

Several of the Group's businesses are iconic and trusted international brands. The strong reputation of the Group's businesses and their brand names are valuable for the Group and its businesses, credibility with regulators and attractiveness to customers. There is a risk that the Group could be adversely impacted by actions such as miscommunication on social media, misrepresentation to internal or external stakeholders, interruption of services, or regulatory censure. Materialisation of these events could adversely impact the Group's business, financial condition and operating results.

The Group has a portfolio of assets, including brands, products and services that are both protected and unprotected by intellectual property rights. There is a risk that controls around protected assets may be inadequate to deter misuse or misappropriation of the Group's Intellectual Property (IP) assets or to allow the Group to enforce its intellectual property rights. In the case of assets that are not subject to protection, there is a risk that competitors of the Group may independently develop and patent, or otherwise protect, products, services or processes, that are the same or similar to those of the Group. Additionally, third-parties may assert intellectual property rights claims against the Group, with or without merit, which could have an adverse effect on the Group's business and cash flows, financial condition, results of operations and reputation. Materialisation of any of the risks to both protected and unprotected assets could impact the Group's financial position, reputation, regulatory compliance, strategy and ability remain competitive.

The Group receives content and data through licensing arrangements with content providers. If third-parties were to discontinue provision of products or services to the Group, or were to fail to provide content that is consistent with the relevant agreement, the Group could experience significant disruption to its business resulting in an adverse impact to the Group's reputation, strategic objectives, operational resilience and excellence, and financial performance and may be subject to litigation by its customers, increased regulatory scrutiny or regulatory fines.

The emerging risks to which the Group is exposed are detailed on page 39 of the 2021 Annual Report.

Directors

The Directors of London Stock Exchange Group plc at 30 June 2021 were as follows:

Don Robert
David Schwimmer
Anna Manz
Jacques Aigrain
Dominic Blakemore
Martin Brand
Erin Brown
Professor Kathleen DeRose
Tsega Gebreyes
Cressida Hogg CBE
Stephen O'Connor
Dr Val Rahmani
Douglas M. Steenland
Ashok Vaswani

Statement of directors' responsibilities

The directors confirm that, to the best of their knowledge, the interim condensed consolidated financial statements have been prepared in accordance with IAS 34 as adopted by the European Union and that the interim report herein includes a fair review of the information required by the Financial Conduct Authority’s Disclosure and Transparency Rules 4.2.7 and 4.2.8, namely:

- an indication of important events that have occurred during the first six months of the financial year and their impact on the interim condensed consolidated financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and

- material related party transactions in the first six months of the current financial year and any material changes in the related party transactions described in the last annual report.

By order of the Board

David Schwimmer
Group CEO

Anna Manz
Group CFO

6 August 2021

INDEPENDENT REVIEW REPORT TO LONDON STOCK EXCHANGE GROUP PLC

Conclusion

We have been engaged by London Stock Exchange Group plc (the “Company”) and its subsidiaries (together the “Group”) to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2021, which comprises the Condensed Consolidated Income Statement, the Condensed Consolidated Statement of Comprehensive Income, the Condensed Consolidated Balance Sheet, the Condensed Consolidated Cash Flow Statement, the Condensed Consolidated Statement of Changes in Equity and related explanatory notes 1 to 17. We have read the other information contained in the half yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2021 is not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34 and the Disclosure Guidance and Transparency Rules of the United Kingdom’s Financial Conduct Authority.

Basis for Conclusion

We conducted our review in accordance with International Standard on Review Engagements 2410 (UK and Ireland) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As disclosed in note 1, the annual financial statements of the Group will be prepared in accordance with UK adopted IFRSs. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with UK adopted International Accounting Standard 34, “Interim Financial Reporting”.

Responsibilities of the directors

The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority

Auditor’s Responsibilities for the review of the financial information

In reviewing the half-yearly report, we are responsible for expressing to the Company a conclusion on the condensed set of financial statement in the half-yearly financial report. Our conclusion, based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

Use of our report

This report is made solely to the company in accordance with guidance contained in International Standard on Review Engagements 2410 (UK and Ireland) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the conclusions we have formed.

Ernst & Young LLP

Ernst & Young LLP
London
6 August 2021

FINANCIAL CALENDAR

Ex-dividend date for interim dividend	19 August 2021
Interim dividend record date	20 August 2021
Interim dividend payment date	21 September 2021
Q3 Trading Statement (revenues only)	22 October 2021
Financial year end	31 December 2021
Preliminary results	March 2022
Annual General Meeting	April/May 2022

The financial calendar is updated on a regular basis throughout the year.
Please refer to our website http://www.lseg.com/investor-relations and click on the shareholder services section for up-to-date details.

INVESTOR RELATIONS CONTACTS

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email: ir@lseg.com

Visit the investor relations section of our website for up-to-date information including the latest share price, announcements, financial reports and details of analysts and consensus forecasts http://www.lseg.com/investor-relations

Independent auditors

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