London Stock Exchange Group plc
Preliminary results for the year ended 31 December 2021

This release contains revenues, costs, earnings and key performance indicators (KPIs) for the year ended 31 December 2021 (FY). All figures quoted in this release are on an underlying basis. Figures are stated on both a statutory and pro-forma basis for FY 2021 and FY 2020. Pro-forma figures assume that the acquisition of Refinitiv took place 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. Organic variances have been removed from our disclosure due to the large variances associated with the acquisition of Refinitiv.

Strong delivery against our strategy and targets

- Successful first year following the acquisition of Refinitiv - LSEG well positioned as a leading global financial market infrastructure and data business
- Delivering on our strategy to accelerate growth and build a more agile and efficient business, creating a platform for further growth
- Integration of Refinitiv delivering strong financial and operational benefits; confident in meeting or beating all targets
- Strong financial performance – good revenue growth across all businesses and ahead of previous guidance (up 6.1% at constant currency); Data & Analytics grew strongly, up 5.3%
- Cost synergy delivery running significantly ahead of target with £151 million run-rate achieved in 2021
- Additional £50 million cost synergies announced today, increasing the 5-year target to at least £400 million per annum
- Adjusted EBITDA up 8.3% to £3,283 million
- Pro-forma leverage of 1.9x at the end of 2021, within the target 1-2x range one year ahead of schedule; focus on disciplined allocation of capital to create further shareholder value
- Strong financial performance driving 46% increase in AEPS to 286.7p[1]; dividend up 27% to 95 pence per share

David Schwimmer, CEO said:

"LSEG has delivered a successful first year after completion of the Refinitiv acquisition. We have produced a strong financial performance, have met or are ahead of all targets and have good momentum into 2022.

"All of our businesses produced good results and are well positioned in markets demonstrating strong growth. Our clear focus on customer service and innovative solutions improved Data & Analytics' performance. Our Capital Markets and Post Trade businesses also delivered good growth. We are building a more scalable and efficient business, creating a platform for further growth and delivering the benefits of an interconnected global company.'

“We are in a strong financial position, with a business model based on high-quality, recurring revenues that generates considerable and predictable cashflows. We have brought our leverage to within our target range a year ahead of schedule and will continue with disciplined deployment of capital to create further shareholder value. We remain focused on our strategic priorities for the benefit of our customers and our shareholders.”

Pro-forma results – Strong financial and operational performance across all businesses

Note: Unless otherwise stated, variances refer to growth rates on a pro-forma constant currency basis, excluding the impact of a deferred revenue accounting adjustment[3], to provide the best view of underlying performance

- Strong revenue growth across all divisions driving 6.1% constant currency total income[3] growth - £6,811 million (2020: £6,767 million) – on course to achieve the 5-7% 2020-23 CAGR target

- Data & Analytics accelerated growth to 5.3% (2020: 2.5%), with >90% of revenues from highly recurring subscriptions; annual subscription value (ASV) growth of 4.6% at end of 2021, up from 4.0% at Q3, signalling strong revenue momentum for 2022

- Capital Markets grew 12.5% driven by strong growth at Tradeweb and good performance across equities and FX venues

- Post Trade revenue grew 11.1% driven by strong performance in RepoClear and continued growth in OTC clearing; total income up 2.0% including Net Treasury Income (NTI)

- Good delivery of early run-rate revenue synergies, with c.25% of total synergy-related products launched in 2021. A similar proportion planned for this year, establishing strong foundations for synergy realisation in 2022 and beyond

- Adjusted operating expenses growth of 4.8% - guidance unchanged for low-single digit constant currency cost growth for 2022 and 2023

- Adjusted operating profit grew 8.5% reflecting strong top-line growth and good cost control

- Adjusted EBITDA up 8.3% to £3,283 million; adjusted EBITDA margin[2] of 48.2%; high confidence of further improvements to achieve >50% target by end of next year

- Long-term debt refinancing completed in H1 2021 – secured at historically low rates – with average cost of debt of 1.6%

- Proposed final dividend of 70 pence per share, a 27% increase in full year dividend to 95 pence per share, reflecting our strong performance in the year and confidence in our outlook

- Announced acquisition of Quantile, a fast-growing provider of portfolio, margin and capital optimisation and compression services for the global financial services market

- Since year end, announced the acquisition of TORA, a leading provider of trading technology solutions that supports customers trading multiple asset classes across global markets; will further strengthen our capabilities in the Trading & Banking data business

- We are closely monitoring the impact of the conflict in Ukraine, with our immediate focus being the safety of our people. We are actively engaging with regulators and authorities on all relevant sanctions and taking appropriate actions. LSEG’s operations in Russia and Ukraine account for less than one per cent of total income

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

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

[3] *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 were 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.*

Pro-forma results – Financial summary

Unless otherwise stated, all figures refer to continuing operations for the year ended 31 December 2021 (FY 2021). Comparative figures are for continuing operations for the year ended 31 December 2020 (FY 2020).

	Pro-forma underlying[1]				
Continuing operations	**2021 £m**	2020 £m	Pro-forma Variance [2] %	Constant Currency Variance [3] %	**Constant Currency Variance (excl. deferred revenue adjustment) [3,4] %**
Data & Analytics	4,609	4,653	(0.9%)	4.8%	5.3%
Capital Markets	1,255	1,170	7.3%	12.5%	12.5%
Post Trade	913	915	(0.2%)	2.0%	2.0%
Other	34	29	17.2%	21.5%	21.5%
Total Income (excl. recoveries)	**6,811**	6,767	**0.7%**	5.8%	**6.1%**
Recoveries	354	338	4.7%	(0.8%)	(0.3%)
Total Income (incl. recoveries)	**7,165**	7,105	**0.8%**	5.5%	**5.8%**
Cost of sales	(923)	(946)	(2.4%)	3.0%	3.0%
Gross profit	**6,242**	6,159	**1.3%**	5.9%	6.3%
Adjusted operating expenses before depreciation, amortisation and impairment [5]	(2,977)	(3,023)	(1.5%)	4.8%	4.8%
Income from equity investments	22	-	-	-	-
Share of loss after tax of associates	(4)	(4)	-	3.1%	3.1%
Adjusted earnings before interest, tax, depreciation, amortisation and impairment [5]	**3,283**	3,132	4.8%	7.4%	8.3%
Adjusted EBITDA Margin [6]	*48.2%*	*46.3%*			
Adjusted depreciation, amortisation and impairment [5]	(774)	(747)	3.6%	7.6%	7.6%
Adjusted operating profit [5]	**2,509**	2,385	5.2%	7.5%	**8.5%**
Adjusted net finance expense [5]	(206)	(569)	(63.8%)		
Adjusted profit before tax [5]	**2,303**	1,816	26.8%		
Adjusted tax [5]	(480)	(555)	(13.5%)		

Adjusted profit for the year [5]	**1,823**	1,261	44.6%
Adjusted profit attributable to:			
Equity holders	1,595	1,087	46.7%
Non-controlling interest	228	174	31.0%
Continuing adjusted basic earnings per share (p) [7]	286.7	195.7	46.5%

1 The *pro-forma* results assume that the acquisition of Refinitiv took place on 1 January 2020. The Borsa Italiana group was classified as a discontinued operation once the sale became highly probable on 13 January 2021 and therefore its profits and losses have been excluded from the Group's continuing operations for both years presented
2 *Pro-forma* variance is the difference between current and prior year on a *pro-forma* basis, using the average exchange rate for the respective period, therefore any changes in the exchange rates are also reflected in the variance along with business performance
3 Constant currency variance shows financial performance, excluding currency impacts, by comparing the current and prior year at consistent exchange rates
4 As a result of the acquisition of Refinitiv and the associated accounting rules, Refinitiv's deferred revenue balances were subject to a one-time haircut at the time of acquisition. This is a non-cash adjustment. The negative revenue impact was mostly in Q1 2021 at approximately £22 million, with an additional £1 million in Q2, £1 million in Q3 and £1 million in Q4. The impact is mostly in the Group's Data & Analytics division, with a much smaller impact on the Group's FX venues business in Capital Markets. There will be no impact in 2022. An adjusted variance, excluding the deferred revenue adjustment, has been presented to show underlying business growth on the prior year.
5 Before non-underlying items
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

CEO Review

Overview of 2021 performance

The Group has delivered a strong financial and operating performance in the first year following the successful completion of the acquisition of Refinitiv, with good revenue growth across all of our businesses. We are making excellent progress on integration and are on track to meet or exceed all the acquisition targets. We have established our position as a leading global market infrastructure and data business, and we carry good momentum into 2022.

Strong position

We have a diverse set of world-class assets, giving us global scale and multi-asset class capabilities across the trade lifecycle, and highly recurring revenues with our products and services providing value across our customers' core operations. We are playing 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. We are creating an integrated business that is much more than the sum of the parts.

Priorities for the Group

We remain focused on three strategic priorities: 1) integrating our world-class businesses; 2) driving growth; and, 3) building 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. These are discussed in more detail below.

Executing on our integration plan

The Group's divisions are working successfully together to create new opportunities. An important first step has been the simplification of our sales team structure, to create a single point of contact for all key customers. This enables a joined-up approach to providing products and services from across the Group, based on a better understanding of customer needs and workflow, as well as helping us build deeper and stronger customer relationships. Improving customer service has led to record retention rates in 2021.

We have integrated capabilities across the Group, including connectivity between the Group's FX dealer-to-client trading venue and ForexClear to provide additional clearing optionality for customers, inclusion of Yieldbook data into our evaluated pricing services for fixed income, and Pricing and Reference Service (PRS) data and content provision through the Issuer Services platform. We recently launched Yieldbook's Fixed Income Analytics on our desktop platforms, joining up related data for customers and significantly increasing the distribution of the product on a global basis.

We have made good progress on revenue synergies, for example with cross-selling PRS data to FTSE Russell customers, and using this data to create and launch new FTSE Russell products. We are on track for the delivery of revenue synergies, with c25% of planned synergy-related products launched in 2021 and a similar proportion planned for this year. We expect to generate run-rate revenue synergies of £40-60 million by the end of 2022.

We are delivering cost synergies ahead of the planned phasing target, through property consolidation, supplier optimisation, technology efficiencies and de-duplication of roles. Against a target of £88 million of run-rate synergies in the first year, we have delivered £151 million. In addition, we have identified another £50 million of cost synergies, increasing the 5-year target to at least £400 million per annum.

Driving growth

Our achievements in 2021 in terms of integrating and connecting our businesses also provide a platform for driving revenue growth. Data & Analytics delivered an excellent revenue performance, doubling the level of growth in 2021 compared with the previous two years. The improvement was driven by improved customer service and expansion of content which resulted in record customer retention levels in 2021.We have made targeted investment to further enhance services across Data & Analytics, notably on the development of Workspace next generation software that transforms human interaction with financial data distributed from our data platform. Roll out of Workspace in the Wealth, Investment Solutions and Banking businesses continued in 2021, with positive customer reaction to the new offerings, and improvements in net promoter scores. At the end of 2021, we launched the beta version of Workspace for FX Trading. With much of the planned product development and related tools now in place, we are around a quarter of the way through the implementation of Workspace. We are also investing in new content to support growth in a number of areas such as the PRS business and sustainable finance.

Since year end, we announced the acquisition of Tora, a leading provider of trading technology solutions that supports customers trading multiple asset classes across global markets. This will further strengthen our capabilities in the Trading & Banking data business.

Capital Markets produced strong financial results, with the highest level of IPO activity since 2007. FX trading, particularly the FXall dealer-to-client market, produced a good performance. The Group's FX venues are also facilitating integrated workflow within a large liquidity pool as electronic trading of FX increases. Record levels of trading through Tradeweb, a leading electronic trading venue for credit and rates products, contributed substantially to growth in Capital Markets. Tradeweb is growing through product expansion to meet the increasing demand for electronification of trading and from market share gains in the period.

In Post Trade, LCH is the leading clearer of OTC products worldwide across asset classes (Rates, FX, CDS) and is also a leading clearing service for European and UK repos and equities. Post Trade delivered good revenue growth, as SwapClear expanded its offering and increased the number of clients to the service, with 78 firms signing up across a diverse range of geographies. RepoClear grew strongly as it provided netting efficiencies to customers for higher repo volumes arising from European debt issuance programmes. In December, LSEG announced the acquisition of Quantile, a fast-growing provider of portfolio, margin and capital optimisation and compression services for the global financial services market. It will further our strategy of providing customers with a global, multi-asset class financial markets infrastructure operating across the trading ecosystem.

Building a scalable platform

As previously discussed, we are implementing 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. The addition of new tools and services has helped to gain increased customer volumes at FXall, while work continues on the re-platforming of our interdealer FX platform, Matching, 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.

Looking ahead, we continue to focus on the same three strategic priorities – integrating, driving growth and building a scalable platform. In 2022, we will increase the range of services for customers through an integrated offering, deliver further growth through revenue synergies, enhanced products and data content, and build out our platforms and technology to create greater scale and operational efficiencies.

Board Change

Jacques Aigrain will step down from the LSEG Board on 27 April 2022, after nine years as a non-executive director. The Board is grateful for his advice during a time of significant transformation for the Group, and his leadership of the Group's Remuneration Committee.

External Audit Tender

In accordance with the requirement to undertake an audit tender every ten years, LSEG will put the external audit to tender in 2022 for the audit of the 2024 financial year.

Statutory results – Financial highlights

Note: Unless otherwise stated, variances refer to growth rates on a statutory basis with no adjustments for currency or accounting treatments

- Total income (excluding recoveries) grew to £6,416 million (2020: £2,030 million), primarily as a result of the acquisition and consolidation of Refinitiv as a 29 January 2021
- Operating expenses before depreciation, amortisation and impairment grew to £3,130 million (2020: £917 million), as the Group incorporated the costs of the Refinitiv business
- Adjusted[2] EBITDA margin of 48.4%; AEPS of 286.5p[3]

Statutory results – Financial summary

Unless otherwise stated, all figures refer to continuing operations for the year ended 31 December 2021 (FY 2021). Comparative figures are for continuing operations for the year ended 31 December 2020 (FY 2020).

Continuing operations	**2021 £m**	2020 £m
Data & Analytics	4,294	824
Capital Markets	1,177	288
Post Trade	913	915
Other	32	3
Total Income (excl. recoveries)	**6,416**	2,030
Recoveries	324	-
Total Income (incl. recoveries)	**6,740**	2,030
Cost of sales	(862)	(208)
Gross profit	**5,878**	1,822
Operating expenses before depreciation, amortisation and impairment	(3,130)	(917)
Adjusted operating expenses before depreciation, amortisation and impairment[2]	(2,791)	(749)
Non-underlying operating expenses before depreciation, amortisation and impairment	(339)	(168)
Income from equity investments	22	-
Share of loss after tax of associates	(4)	(4)

Earnings before interest, tax, depreciation, amortisation and impairment	**2,766**	901
Adjusted earnings before interest, tax, depreciation, amortisation and impairment[2]	3,105	1,069
Non-underlying earnings before interest, tax, depreciation, amortisation and impairment	(339)	(168)
Adjusted EBITDA Margin	*48.4%*	*52.7%*
Depreciation, amortisation and impairment	(1,608)	(339)
Adjusted depreciation, amortisation and impairment [2]	(721)	(180)
Non-underlying depreciation, amortisation and impairment	(887)	(159)
Operating profit	**1,158**	562
Adjusted operating profit[2]	2,384	889
Non-underlying operating profit	(1,226)	(327)
Net finance expense	(171)	(70)
Adjusted net finance expense	(166)	(57)
Non-underlying net finance expense	(5)	(13)
Profit before tax	**987**	492
Adjusted profit before tax	2,218	832
Non-underlying profit before tax	(1,231)	(340)
Taxation	(327)	(138)
Adjusted tax[2]	(458)	(186)
Non-underlying tax	131	48
Profit for the year (from continuing operations)	**660**	354
Adjusted profit	1,760	646
Non-underlying profit	(1,100)	(292)
Profit attributable to:		
Equity holders	529	293
Underlying	1,541	584
Non-underlying	(1,012)	(291)
Non-controlling interest	131	61
Underlying	219	62
Non-underlying	(88)	(1)
Basic earnings per share (p) [3]	98.4	83.6
Adjusted basic earnings per share (p) [3]	286.5	166.7

1 The results for the year ended 31 December 2021 include the results from Refinitiv for 11 months ended 31 December 2021 since the date of acquisition. The Borsa Italiana group was classified as a discontinued operation once the sale became highly probable on 13 January 2021 and therefore its profits and losses have been separated from the Group's continuing operations for both periods presented

2 The Group reports adjusted operating expenses before depreciation, amortisation and impairment, adjusted earnings before interest, tax, depreciation, amortisation and impairment (EBITDA), adjusted depreciation, amortisation and impairment, adjusted operating profit and adjusted basic earnings per share (EPS). These measures are not measures of performance under IFRS and should be considered in addition to, and not as a substitutes for, IFRS measures of financial performance and liquidity. Adjusted performance measures provide supplemental data relevant to an understanding of the Group's financial performance and exclude non-underlying items of income and expense that are material by their size and/or nature. Non-underlying items include:

- amortisation and impairment of goodwill and purchased intangible assets (including customer relationships, trade names, and databases and content, all of which are recognised as a result of acquisitions)

- incremental depreciation and amortisation of the fair value adjustments on tangible assets and intangible assets recognised as a result of acquisitions
- other non-underlying income or expenses not related to day-to-day operations, such as transaction costs related to acquisitions and disposals of businesses, as well as integration costs

3 Weighted average number of shares used to calculate basic earnings per share and Adjusted basic earnings per share from continuing operations is 538 million (2020: 350 million)

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Additional information can be found at **www.lseg.com**

Preliminary results investor and analyst conference call:

The Group will host a presentation and conference call on its Preliminary Results for analysts and institutional shareholders today at 09:00am (UK time). On the call will be David Schwimmer (Chief Executive Officer), Anna Manz (Chief Financial Officer) and Paul Froud (Group Head of Investor Relations).

To access the telephone conference call or webcast please register in advance using the following link and instructions below:

https://www.lsegissuerservices.com/spark/LondonStockExchangeGroup/events/37f07ab7-6ace-4722-a051-6df9a6a78af2

- Please register with your full name, company name and email address
- If you wish to participate in Q&A, questions can be provided in written form via the Q&A tool on the webcast page or by emailing the LSEG Investor Relations team at ir@lseg.com. Questions can be submitted in advance and during the event itself. Written questions will be prioritised
- If you wish to ask a question live, you will need to register for the telephone conference call. The telephone conference registration link can be found in the link above and here: https://cossprereg.btci.com/prereg/key.process?key=P6MXEYTPH

Presentation slides can be viewed at http://www.lseg.com/investor-relations

For further information, please contact the Group's Investor Relations team on ir@lseg.com

The information in the preliminary announcement of the results for the year ended 31 December 2021, which was approved by the Board of Directors on 03 March 2022, does not constitute statutory accounts as defined in Section 435 of the UK Companies Act 2006. The financial statements for the year ended 31 December 2020 were filed with the Registrar of Companies, and the audit report was unqualified and contained no statements in respect of Sections 498 (2) and 498 (3) of the UK Companies Act 2006. The financial statements for the year ended 31 December 2021 will be filed with the Registrar of Companies in due course.

In accordance with the Listing Rules of the UK Listing Authority, these preliminary results have been agreed with the Company's auditors, Ernst &Young LLP, and the Directors have not been made aware of any likely modification to the auditor's report to be included in the Group's Annual Report and Accounts for the year ended 31 December 2021.

The preliminary results have been prepared on a basis consistent with the accounting policies set out in the Group's Annual Report and Accounts for the year ended 31 December 2021.

FY 2021 Pro-forma results - Year-on-year performance / synergies and investment

In this section we report on the year-on-year performance of the business. As 2021 growth rates are impacted by the acquisition of Refinitiv, as well as currency movements, we show the *pro-forma* figures and associated growth rates. The *pro-forma* results assume that the acquisition of Refinitiv took place on 1 January 2020. For a reconciliation of the Group's profit for the year to the *pro-forma* profit for the year refer to the Appendix. As with the statutory results, the *pro-forma* view excludes all financial contribution from the Borsa Italiana Group in both periods.

Variances are provided on a *pro-forma* and constant currency basis. Unless otherwise stated, commentary is provided on the constant currency variance (excluding a deferred revenue adjustment arising on the acquisition of Refinitiv) to provide insight into performance on a comparable basis.

Constant currency variance is calculated on the basis of consistent FX rates applied across the current and prior year. The conversions are from the transactional values, which eliminates any transactional and translational movements along with any related accounting adjustments.

	***Pro-forma* underlying[1]**				
Continuing operations	**2021 £m**	2020 £m	*Pro-forma* Variance [2] %	Constant Currency Variance [3] %	**Constant Currency Variance (excl. deferred revenue adjustment) [3,4] %**
Data & Analytics	4,609	4,653	(0.9%)	4.8%	5.3%
Capital Markets	1,255	1,170	7.3%	12.5%	12.5%
Post Trade	913	915	(0.2%)	2.0%	2.0%
Other	34	29	17.2%	21.5%	21.5%
Total Income (excl. recoveries)	**6,811**	6,767	**0.7%**	5.8%	**6.1%**
Recoveries	354	338	4.7%	(0.8%)	(0.3%)
Total Income (incl. recoveries)	**7,165**	7,105	**0.8%**	5.5%	**5.8%**
Cost of sales	(923)	(946)	(2.4%)	3.0%	3.0%
Gross profit	**6,242**	6,159	**1.3%**	5.9%	**6.3%**
Adjusted operating expenses before depreciation, amortisation and impairment [5]	(2,977)	(3,023)	(1.5%)	4.8%	4.8%
Income from equity investments	22	-	-	-	-
Share of loss after tax of associates	(4)	(4)	-	3.1%	3.1%
Adjusted earnings before interest, tax, depreciation, amortisation and impairment [5]	3,283	3,132	4.8%	7.5%	8.3%
Adjusted EBITDA Margin [6]	*48.2%*	*46.3%*			
Adjusted depreciation, amortisation and impairment [5]	(774)	(747)	3.6%	7.6%	7.6%

Adjusted operating profit [5]	**2,509**	2,385	**5.2%**	7.5%	**8.5%**
Adjusted net finance expense [5]	(206)	(569)	(63.8%)		
Adjusted profit before tax [5]	**2,303**	1,816	**26.8%**		
Adjusted tax [5]	(480)	(555)	(13.5%)		
Adjusted profit for the year [5]	**1,823**	1,261	**44.6%**		
Adjusted profit attributable to:					
Equity holders	1,595	1,087	46.7%		
Non-controlling interest	228	174	31.0%		
Adjusted basic earnings per share (p) [7]	**286.7**	195.7	**46.5%**		

1. The *pro-forma* results assume that the acquisition of Refinitiv took place on 1 January 2020. The Borsa Italiana Group was classified as a discontinued operation once the sale became highly probable on 13 January 2021 and therefore its profits and losses have been excluded from the Group's continuing operations for both years presented
2. *Pro-forma* variance is the difference between current and prior year on a *pro-forma* basis, using the average exchange rate for the respective period, therefore any changes in the exchange rates are also reflected in the variance along with business performance
3. Constant currency variance shows financial performance, excluding currency impacts, by comparing the current and prior year at consistent exchange rates
4. As a result of the acquisition of Refinitiv and the associated accounting rules, Refinitiv's deferred revenue balances were subject to a one-time haircut at the time of acquisition. This is a non-cash adjustment. The negative revenue impact was mostly in Q1 2021 at approximately £22 million, with an additional £1 million in Q2, £1 million in Q3 and £1 million in Q4. The impact is mostly in the Group's Data & Analytics division, with a much smaller impact on the Group's FX venues business in Capital Markets. There will be no impact in 2022. An adjusted variance, excluding the deferred revenue adjustment, has been presented to show business growth on a comparable basis to the prior year.
5. Before non-underlying items
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 income

All variances for income are on a *pro-forma* and constant currency basis, excluding a deferred revenue adjustment.

Total income (excluding recoveries) grew 6.1% in the year, with strong performances across all three divisions, despite the headwind of exceptional NTI in the prior year.

Data & Analytics revenue (excluding recoveries) grew 5.3% with strong sales performance and high retention rates in the subscription-based businesses, combined with strong growth in the asset-based business within Investment Solutions, and high organic and inorganic growth in Customer & Third-Party Risk.

Capital Markets revenue grew 12.5%, largely driven by Tradeweb where increasing electronification of the Fixed Income market and market volatility drove record volumes. The Equities and FX businesses also performed well.

Post Trade revenue excluding NTI grew 11.1% driven primarily by strong performances at SwapClear and RepoClear, with both high volumes in the year (as a result of market volatility) and continued focus on addressing the needs of our customers.

Net Treasury Income was down 20.0% on 2020, reflecting lower investment returns in 2021 compared to the exceptional market conditions in 2020.

The Group continues to expect the 2020-23 CAGR for the growth of income excluding recoveries to be in the 5-7% range.

Progress to date on revenue synergies from the Refinitiv acquisition is in line with expectation. Run-rate revenue synergies of £15 million were delivered in 2021. This was primarily through the cross sell of our Pricing & Reference Services (PRS) products and reflecting the launch of 48 new products for the combined

Group, representing c.25% of planned revenue synergy-related projects. We expect £40-60 million of run-rate revenue synergies by the end of 2022.

Pro-forma income by type

Year ended 31 December Continuing operations	2021 £m	2020 £m	*Pro-forma* variance[2] %	Constant currency variance[3] %	Constant currency variance (excl. deferred revenue adjustment)[3, 4] %
	Pro-forma[1]				
Recurring [5]	4,976	4,952	0.5%	4.0%	4.5%
Transactional [6]	1,594	1,517	5.1%	15.9%	15.9%
Net Treasury Income	207	269	(23.0%)	(20.0%)	(20.0%)
Other income	34	29	17.2%	21.5%	21.5%
Total income (excl. recoveries)	**6,811**	6,767	0.7%	5.8%	**6.1%**
Recoveries	354	338	4.7%	(0.8%)	(0.3%)
Total income (incl. recoveries)	**7,165**	7,105	0.8%	5.5%	**5.8%**

1 The *pro-forma* results assume that the acquisition of Refinitiv took place on 1 January 2020. The Borsa Italiana Group was classified as a discontinued operation once the sale became highly probable on 13 January 2021 and therefore its profits and losses have been separated from the Group's continuing operations for both periods presented

2 Variance is the difference between current and prior year on a *pro-forma* basis, using the average exchange rate for the respective period, therefore any changes in the exchange rates are also reflected in the variance along with 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 As a result of the acquisition of Refinitiv and the associated accounting rules, Refinitiv's deferred revenue balances were subject to a one-time haircut at the time of acquisition. This is a non-cash adjustment. The negative revenue impact was mostly in Q1 2021 at approximately £22 million, with an additional £1 million in Q2, £1 million in Q3 and £1 million in Q4. The impact is mostly in the Group's Data & Analytics division, with a much smaller impact on the Group's FX venues business in Capital Markets. There will be no impact in 2022. An adjusted variance, excluding the deferred revenue adjustment, has been presented to show business growth on a comparable basis to the prior year.

5 **Recurring revenues** primarily represent revenues earned under contractually renewable or highly predictable customer contracts such as subscriptions, membership, annual tariff fees and other participation fees that are generally recognised on a *pro-rata* basis over the service period.

6 **Transactional revenues** primarily represent fees earned on products and services where our contractual terms do not indicate recurring revenue, including volume-based trading fees on our markets. However, within this revenue type we often see consistent, recurring activity

Pro-forma adjusted operating expenses

All variances for operating expenses are on a *pro-forma* and constant currency basis.

Pro-forma adjusted operating expenses before depreciation, amortisation and impairment were £2,977 million (2020: £3,023 million), an increase of 4.8% on a constant currency basis. This was slightly better than the c.5% guidance provided in the Interim results.

With our total income growing faster than our costs, *Pro-forma* adjusted earnings before interest, tax, depreciation, amortisation and impairment increased 8.3% to £3,283 million (2020: £3,132 million).

The cost base grew by £27 million due to the annualisation and growth of costs associated with acquisitions made by Refinitiv in Q4 2020.

Cost growth also reflects the investments being made to improve the scalability, resiliency and agility of the business, deliver the revenue synergies and support the high growth at Tradeweb.

Ongoing cost growth reflects inflation and higher performance-related people costs, partly offset by the impact of Covid restrictions, which continued to suppress the cost base in 2021, with lower spend on travel and savings on facilities costs. This is expected to be a temporary benefit, with some of these costs expected to increase with the easing of restrictions in the coming year.

Our cost transformation programmes delivered £133 million of in-year cost savings, of which £97 million related to the Group's synergy initiatives and the remainder related to the annualisation of Refinitiv's cost-saving programme that completed in 2020.

The Group delivered run-rate cost synergies of £151 million by the end of 2021, above the original £88 million run-rate target for the first year following the Refinitiv acquisition and greater than the £125 million guidance provided in the Interim results. These synergies have been delivered through role restructuring, optimisation of 27 properties, decommissioning three data centres and contract renegotiations with 23 strategic suppliers.

Looking ahead, the Group continues to expect adjusted operating expenses (before depreciation, amortisation and impairment) to grow at a low single digit rate in 2022 and 2023. We expect to see the ongoing impact of inflation and the return of some costs previously suppressed by Covid restrictions. We also expect cost growth in order to deliver our revenue synergies, drive organic growth and as we continue to improve the scalability of our business. These increases will be partly offset by the benefit of cost synergies from the Refinitiv acquisition and other efficiency programmes.

In the year since acquiring Refinitiv, we have been able to identify further savings and efficiencies and have increased our cost synergies target by an additional £50 million, in addition to the £350 million initially targeted.

This means our five-year cost synergy programme will now deliver at least £400 million of run-rate savings by the end of 2025**.** The additional savings are being delivered through property rationalisation and process simplification and will support ongoing work to create a more seamless customer experience.

The additional £50 million run-rate does not impact our cost guidance of low single digit growth in 2022 and 2023 and the benefit will primarily impact in 2024 and 2025. In 2022 we expect to deliver c.£70 million run-rate synergies, bringing the total to c.£220 million run-rate delivered by the end of 2022, representing over 60% of our original £350 million cost synergy programme.

We anticipate costs to achieve the incremental £50 million cost synergy benefits to be around £225 million. This reflects project-specific characteristics, such as the relatively high costs incurred with exiting multi-year property leases in order to optimise our property portfolio. The overall one-time cost to achieve the £400 million of savings is expected to be £775 million, or 1.9x the recurring synergy benefit. This reduces to £642 million, or 1.6x, when including a gain from an associated property disposal.

Below is a summary of our revenue and cost synergy programmes delivery in 2021 and the associated cost to achieve.

Synergies and cost to achieve

	FY 2021 £m
Revenue Synergies	
Run-rate realised	15
Cost to achieve	74
of which:	
Capital expenditure	40
Non-underlying operating expenses	34
Cost synergies	
Run-rate realised	151
In-period benefit	97

Cost to achieve	217
of which:	
Capital expenditure	46
Non-underlying operating expenses	171

Note: Synergies and cost to achieve £ million values are on a constant currency basis to allow comparison with the guidance provided

Pro-forma Capital Expenditure and *Pro-forma* Depreciation, Amortisation and Impairment

Pro-forma Capital Expenditure[1] was £780 million in the year, with £671 million of investment in business-as-usual initiatives and £109 million of integration-related investment. The £109 million of integration-related investment includes £86 million of cost to achieve capital expenditure as well as separation costs related to the divestment of the Borsa Italiana Group. We expect capital expenditure in 2022 and 2023 to be within the target £650-700 million range for business-as-usual initiatives, with additional integration-related investment, in line with previous guidance.

Pro-forma Depreciation, Amortisation and Impairment was £774 million (2020: £747 million), growth of 7.6%. The increase reflects the go-live of projects associated with the investment in product development and infrastructure resiliency, including integration-related investments.

Depreciation, Amortisation and Impairment is expected to increase in 2022, reflecting additional depreciation associated with integration-related investments and technology initiatives. Depending on the timing of capital purchases in the coming period, it is expected to be c.£820m.

[1] Capital expenditure on a *pro-forma* constant currency accrued basis excluding additions of Right-of-Use assets such as property leases

Divisional year-on-year performance and KPIs

Data & Analytics

Pro-forma results[1]

	2021 £m	2020 £m	Variance [2] %	Constant Currency Variance [3] %	**Constant Currency Variance (excl. deferred revenue adjustment) [3,4] %**
Trading & Banking Solutions	1,489	1,596	(6.7%)	(0.9%)	(0.3%)
Trading	1,180	1,273	(7.3%)	(1.4%)	(0.9%)
Banking	309	323	(4.3%)	1.1%	1.7%
Enterprise Data Solutions	1,135	1,163	(2.4%)	3.1%	3.7%
Real-Time Data	730	766	(4.7%)	1.1%	1.8%
PRS	405	397	2.0%	7.0%	7.5%
Investment Solutions	1,152	1,111	3.7%	9.0%	9.4%
Benchmark Rates, Indices & Analytics	516	495	4.2%	9.3%	9.4%
Index – Asset-Based	253	225	12.4%	19.1%	19.1%
Data & Workflow	383	391	(2.0%)	2.8%	3.7%
Wealth Solutions	474	500	(5.2%)	0.8%	1.0%
Advisor & Investor Services	281	278	1.1%	3.8%	4.1%
Operations Management (BETA)	193	222	(13.1%)	(3.3%)	(3.3%)

Customer & Third-Party Risk Solutions	359	283	26.9%	33.7%	34.6%
Total Revenue (excl. recoveries)	**4,609**	4,653	(0.9%)	4.8%	**5.3%**
Recoveries	354	338	4.7%	(0.8%)	(0.3%)
Total Revenue (incl. recoveries)	**4,963**	4,991	(0.6%)	4.4%	**4.9%**
Cost of sales	(771)	(788)	(2.2%)	3.6%	3.6%
Gross Profit	**4,192**	4,203	(0.3%)	4.5%	**5.1%**
Adjusted operating expenses before depreciation, amortisation and impairment	(2,058)	(2,135)	(3.6%)	3.0%	3.0%
Adjusted earnings before interest, tax, depreciation, amortisation and impairment	2,134	2,068	3.2%	6.1%	7.3%
Depreciation, amortisation and impairment	(569)	(559)	1.8%	6.1%	6.1%
Adjusted operating profit	**1,565**	1,509	3.7%	6.1%	**7.7%**
Adjusted EBITDA Margin	*46.3%*	*44.4%*			

Non-financial KPIs[1]

	2021	2020	Variance [2] %
Annual Subscription Value Growth % [5]	4.6%	-	-
Subscription revenue growth % [6]	3.5%	-	-
Index – ETF AUM ($bn)	1,138	869	31.0%
Index – ESG Passive AUM ($bn) [7]	167	63	165.1%
BETA transaction volumes (m)	547	540	1.3%

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3 Constant currency variance shows underlying financial performance, excluding currency impacts, by comparing the current and prior period at consistent exchange rates
4 As a result of the acquisition of Refinitiv and the associated accounting rules, Refinitiv's deferred revenue balances were subject to a one-time haircut at the time of acquisition. This is a non-cash adjustment. The negative revenue impact was mostly in Q1 2021 at approximately £22 million, with an additional £1 million in Q2, £1 million in Q3 and £1 million in Q4. The impact is mostly in the Group's Data & Analytics division, with a much smaller impact on the Group's FX venues business in Capital Markets. There will be no impact in 2022. An adjusted variance, excluding the deferred revenue adjustment, has been presented to show business growth on a comparable basis to the prior year.
5 The variance is a constant currency variance adjusted for acquisitions and disposals
6 The variance is a constant currency variance excluding the impact of the deferred revenue accounting adjustment
7 ESG Passive AUM is at 30 June 2021 and prior period comparator is at 30 June 2020. The metric is updated bi-annually.

Data & Analytics: ***pro-forma* revenues excluding recoveries increased 5.3%**

Data & Analytics provides high value data, analytics, indices, workflow solutions and data management capabilities. The division is split into five areas to address the different needs of our customers. Total revenue (excluding recoveries) was £4,609 million (2020: £4,653 million).

Trading & Banking Solutions' revenues decreased only marginally by 0.3%. This is an improvement in performance over recent years and has been driven by good retention in our premium desktop business. The Banking business benefitted from improved sales and retention as we continue to invest in modernising our platforms.

Enterprise Data Solutions' revenues increased by 3.7%. Steady growth in Pricing & Reference Services (PRS) was driven by the addition of new data to better meet our customers' needs as well as the benefit of initial revenue synergies. The Real Time business is growing helped by improved customer retention. Additionally, offering data from the cloud is helping grow our customer base in new segments.

Investment Solutions' revenues increased by 9.4%. Benchmark Rates, Indices & Analytics revenue growth was primarily driven by increased demand for FTSE-Russell products with existing clients. Asset-based revenues increased, reflecting a strong recovery in asset valuations and ETF AUMs surpassing $1 trillion. Data & Workflow revenues increased primarily driven by improved retention and sales of our quantitative analytics data products.

Wealth Solutions' revenues increased by 1.0%. The Advisor & Investor Services business grew, benefitting from our digital content offerings, partly offset by the loss of a large client in the period. Operations Management (BETA) delivered an increase in trading volumes in the year but shows a decline in revenue due to the impact of a one-time professional services engagement that occurred in 2020.

Customer & Third-Party Risk Solutions' revenues increased by 34.6%, primarily driven by the acquisition of the GIACT and Red Flag businesses in 2020, as well as strong organic growth in our World-Check, Digital Identity and Due Diligence businesses.

Cost of sales increased by 3.6%, driven by the acquisition of the GIACT business, higher data fees, and an increase in payments to FTSE-Russell business partners (in line with index subscription revenues).

Adjusted operating expenses excluding depreciation, amortisation and impairment increased by 3.0% whilst depreciation, amortisation and impairment increased 6.1%.

Operational Highlights

- Annualised Subscription Value (ASV) [1] growth of 4.6% at the end of 2021 driven by high product retention rates and new business growth
- Currently around a quarter of the way through the implementation of Workspace, with positive customer feedback, improved customer engagement scores, and new sales; approximately half-way through in Banking
    - Trading & Banking Solutions Workspace for FX launched and tested with customers; upgrades to begin in 2022
    - Workspace for Analysts and Portfolio managers (within Investment Solutions) launched; further deployment in 2022
    - In Wealth Solutions, Workspace for Wealth has been well received by customers with additional new wins around the globe
- Continuing investment in the data platform; a single, consistent data experience, making it easier for customers and partners to access, distribute and develop with LSEG or in the cloud
- Good progress on revenue synergy delivery, with 46 new Indices and other product capabilities launched
- Seeing immediate benefits as a result of the Refinitiv acquisition from bringing enhanced capabilities to our customers with the combination of Yieldbook analytics, our Fixed Income and Multi-Asset Indices business, and PRS. This is aiding retention and assisting with cross-sell across our combined customer base
- Refinitiv integration activities on track in our Customer & Third-Party Risk Solutions business. We integrated our World-Check and Qual ID solutions into the GIACT platform and secured our first sales. Launched new third party data product in our Customer Due Diligence business, combining Red Flag and World-Check content sets
- In November 2021, we completed the sale of the Enterprise Risk Management Technology (ERMT) business. This business sat within Customer and Third-Party Risk and contributed £11 million of revenue in the year

1 The variance is a constant currency variance adjusted for acquisitions and disposals

Capital Markets

Pro-forma[1]

	2021 £m	2020 £m	Variance [2] %	Constant Currency Variance [3] %	**Constant Currency Variance (excl. deferred revenue adjustment)** [3,4] **%**
Equities	241	227	6.2%	5.1%	5.1%
FX	223	234	(4.7%)	2.3%	2.4%
Fixed Income, Derivatives & Other	791	709	11.6%	18.2%	18.2%
Total Revenue	**1,255**	1,170	7.3%	12.5%	**12.5%**
Cost of sales	(29)	(26)	11.5%	16.9%	16.9%
Gross Profit	**1,226**	1,144	7.2%	12.4%	**12.4%**
Adjusted operating expenses before depreciation, amortisation and impairment	(574)	(571)	0.5%	9.6%	9.6%
Adjusted earnings before interest, tax, depreciation, amortisation and impairment	652	573	13.8%	14.7%	14.8%
Depreciation, amortisation and impairment	(117)	(97)	20.6%	25.7%	25.7%
Adjusted operating profit	**535**	476	12.4%	12.6%	**12.6%**
Adjusted EBITDA Margin	*52.0%*	*49.0%*			

Non-financial KPIs[1]

	2021	2020	Variance %
Equities			
Primary Markets			
New issues	174	86	102.3%
Total money raised (£bn)	34.8	43.2	(19.4%)
Secondary Markets – Equities			
UK Value Traded (£bn) – Average Daily Value	4.5	4.9	(8.2%)
SETS Yield (bps)	0.73	0.71	2.8%
FX			
Average daily total volume ($bn)	443	429	3.3%
Fixed income, Derivatives and Other			
Tradeweb Average Daily ($m)			
Rates – Cash	345,008	319,514	8.0%
Rates – Derivatives	293,655	211,716	38.7%

Credit – Cash	9,297	7,608	22.2%
Credit – Derivatives	12,235	14,492	(15.6%)

1 The *pro-forma* results assume that the acquisition of Refinitiv took place on 1 January 2020. The Borsa Italiana Group was classified as a discontinued operation once the sale became highly probable on 13 January 2021 and therefore its profits and losses have been separated from the Group's continuing operations for both periods presented

2 Variance is the difference between current and prior year on a *pro-forma* basis, using the average exchange rate for the respective period, therefore any changes in the exchange rates are also reflected in the variance along with business performance

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

4 As a result of the acquisition of Refinitiv and the associated 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, £1 million in Q3 and £1 million in Q4. The impact is mostly in the Group's Data & Analytics division, with a much smaller impact on the Group's FX venues business in Capital Markets. There will be no impact in 2022. An adjusted variance, excluding the deferred revenue adjustment, has been presented to show business growth on a comparable basis to the prior year.

Capital Markets: pro-forma revenues increased 12.5%

Capital Markets provides businesses with access to capital through issuance and offers secondary market trading for equities, fixed income and foreign exchange (FX). Total revenue was £1,255 million (2020: £1,170 million).

Equities revenues increased by 5.1%. Within Primary Markets, the number of new issues more than doubled year on year, representing the strongest primary listing activity for over 10 years. Secondary markets volumes were down 8.2% whilst revenues remained broadly in line as orderbook yield increased.

FX revenues increased by 2.4%. FX revenue is linked to transaction fees for average daily traded volumes, which increased 3.3% to $443 billion (2020: $429 billion). Strong volumes in dealer-to-client (FXall) have driven growth, reflecting the investment in new product capabilities, our customer relationships and better customer service. Growth was partially offset by a decline in the dealer-to-dealer Matching service revenue, as anticipated until the re-platforming is complete.

Fixed Income, Derivatives & Other revenues increased 18.2%. Tradeweb delivered record revenues, driven by average daily trading volume of more than $1 trillion including record activity across a number of asset classes. Notably, Credit Cash volumes were up 22.2% and Rates Cash volumes were up 8.0%.

Cost of sales increased to £29 million (2020: £26 million) driven primarily by the revenue growth in Tradeweb.

Adjusted operating expenses excluding depreciation, amortisation and impairment increased by 9.6% driven largely by Tradeweb growth. Depreciation, amortisation and impairment increased by 25.7% reflecting investment in future growth and continued investment in our infrastructure.

Operational Highlights

- Successful migration of market liquidity to Turquoise Europe with total average daily value traded above 2020 across Turquoise orderbooks
- The planned transition of FX Matching onto LSEG proprietary trading technology has continued to make good progress and is on course for initial delivery in 2023
- Following a strategic review of the CurveGlobal business, LSEG and other shareholders decided to wind the company down with derivative contract trading ceasing on 28 January 2022
- FXall is now integrated with ForexClear, allowing clients to complete their workflow by clearing via ForexClear, providing benefit across the FX value chain
- London Stock Exchange remains the number one exchange in Europe based on number of IPOs and equity capital raised. 2021 saw record retail participation in New and Further Equity capital raises on markets
- London Stock Exchange is leading in supporting Green Issuers with 116 equity issuers (with a combined market cap of over $200 billion) now having the Green Economy Mark
- Tradeweb became the largest electronic trading platform for US Treasuries. As rates volatility increased there was a global resurgence in swaps market activity and within credit, we continued to grow our market share and notional volumes with strong client demand for automation

Post Trade

Pro-forma[1]

	2021 £m	2020 £m	Variance [2] %	Constant Currency Variance [3] %
OTC Derivatives	358	334	7.2%	8.9%
Securities & Reporting	253	230	10.0%	12.0%
Non-Cash Collateral	95	82	15.9%	17.8%
Total Revenue	**706**	646	9.3%	**11.1%**
Net Treasury Income	207	269	(23.0%)	(20.0%)
Total Income	**913**	915	(0.2%)	**2.0%**
Cost of sales [4]	(123)	(132)	(6.8%)	(3.9%)
Gross Profit	**790**	783	0.9%	**3.0%**
Adjusted operating expenses before depreciation, amortisation and impairment	(331)	(309)	7.1%	8.0%
Adjusted earnings before interest, tax, depreciation, amortisation and impairment	459	474	(3.2%)	(0.3%)
Depreciation, amortisation and impairment	(97)	(90)	7.8%	9.0%
Adjusted operating profit	362	384	(5.7%)	**(2.5%)**
Adjusted EBITDA Margin	*50.3%*	*51.8%*		

Non-financial KPIs[1]

	2021	2020	Variance %
OTC			
SwapClear			
IRS notional cleared ($trn)	921	1,058	(12.9%)
SwapClear members	123	122	0.8%
Client trades ('000)	2,180	1,784	22.2%
Client average 10-year notional equivalent ($trn)	4.2	3.7	13.5%
ForexClear			
Notional value cleared ($bn)	21,670	18,986	14.1%
ForexClear members	35	35	0.0%
CDSClear			
Notional cleared (€bn)	2,283	2,425	(5.9%)
CDSClear members	25	26	(3.8%)
Securities & Reporting			
EquityClear trades (m) [5]	1,996	1,963	1.7%
Listed derivatives contracts (m)	285.8	341.0	(16.2%)
RepoClear – nominal value (€trn)	237.6	205.3	15.7%

Non-Cash Collateral			
Average non-cash collateral (€bn)	165.5	161.1	2.7%
NTI			
Average cash collateral (€bn)	107.2	109.9	(2.5%)

1 The *pro-forma* results assume that the acquisition of Refinitiv took place on 1 January 2020. The Borsa Italiana Group was classified as a discontinued operation once the sale became highly probable on 13 January 2021 and therefore its profits and losses have been separated from the Group's continuing operations for both periods presented
2 Variance is the difference between current and prior year on a *pro-forma* basis, using the average exchange rate for the respective period, therefore any changes in the exchange rates are also reflected in the variance along with business performance
3 Constant currency variance shows financial performance, excluding currency impacts, by comparing the current and prior year at consistent exchange rates
4 Cost of sales incorporates the elimination of intercompany transactions in the Post Trade division as part of the *pro-forma* financial disclosure
5 EquityClear trades exclude interoperability trades; these will differ to the volumes published on the LCH website which includes these trades

Post Trade: ***pro-forma* revenues excluding NTI increased 11.1%**

Post Trade provides clearing, risk management, capital optimisation and regulatory reporting solutions. Total revenue was £706 million (2020: £646 million) and total income, including Net Treasury Income, was £913 million (2020: £915 million). LCH, the leading clearing franchise within Post Trade, achieved record clearing volumes in 2021.

OTC Derivatives revenues increased by 8.9% driven by strong performance in SwapClear client clearing. During Q4, the emergence of the Omicron variant together with central bank interest rate decisions significantly increased client clearing volumes, coupled with one-off revenues in the quarter related to reference rate reform.

Securities & Reporting revenues increased by 12.0% reflecting record volumes from Euro debt issuance and market share gains. RepoClear processed €238 trillion in nominal value, up 15.7%.

Non-Cash Collateral revenues increased 17.8% as a result of the strong volumes and commercial policy changes.

Net Treasury Income (NTI) decreased by 20.0%, reflecting lower investment returns compared with a strong comparator in 2020.

Cost of sales decreased by 3.9%, reflecting lower NTI, which impacted the SwapClear revenue share agreement.

Adjusted operating expenses excluding depreciation, amortisation and impairment increased by 8.0% and depreciation, amortisation and impairment increased by 9.0% driven by our continued investment in our infrastructure and commitment to resilience.

Operational Highlights

- During the year LCH was instrumental in supporting and guiding the market with LIBOR reference rate reform, benefitting from one-off revenues in Q4 as a result
- ForexClear connected with the FXall trading venue to provide seamless connectivity between these two LSEG services
- RepoClear successfully migrated onto our state-of-the-art MCCP clearing platform
- SwapAgent saw a near 500% year-on-year increase with over 10,000 trades registered in 2021, a record for the service
- UnaVista revenues increased by 4% due to clients taking on additional licenses to fulfil their product needs post Brexit
- The European Commission has announced the extension of equivalence for UK-based CCPs to June 2025, allowing a continuation of service to EU customers
- Acquisition of Quantile Group Limited announced (expected to complete in 2022). The acquisition will enable the expansion of Post Trade risk management solutions to customers through trade compression, capital, and margin optimisation services

- In November 2021 Euronext N.V. (Euronext) announced its intentions to move clearing arrangements away from LCH SA. We continue to work closely with Euronext under our existing partnership and look forward to continuing to offer our clearing services to our global customers

Pro-forma Finance Income and Expense and Taxation

Pro-forma adjusted net finance costs were £206 million (2020: £569 million), a decrease of £363 million on the prior year, due to the refinancing of Refinitiv's debt at lower market rates and the reduction in gross debt after the sale of the Borsa Italiana Group in the first half of the 2021 year. We expect net finance costs to be in the region of £160 million in 2022.

On an underlying basis the 20.9% *pro-forma* effective tax rate is materially the same as the statutory rate. The global tax landscape is undergoing fundamental change. At this stage the Group expects some upward pressure on its underlying tax rate in 2022 and beyond, principally due to UK tax rate change and potential US tax reform. Based on the current tax rates and geographical mix, the Group expects an underlying tax rate in 2022 of 22% to 24%.

Pro-forma adjusted earnings per share

The Group delivered a 46.5% increase in *pro-forma* adjusted basic earnings per share from continuing operations to 286.7 pence (2020: 195.7 pence).

Balance Sheet / Leverage / Ratings

Net debt **Year ended 31 December**	**2021** **£m**	2020 £m
Gross borrowings	7,654	1,951
Cash and cash equivalents	(2,665)	(1,785)
Net derivative financial liabilities	25	17
Lease liabilities	715	189
Net debt	5,729	372
Less lease liabilities	(715)	(189)
Regulatory and operational amounts	1,294	1,242
Operating net debt	6,308	1,425

At 31 December 2021, the Group had operating net debt of £6,308 million after setting aside £1,294 million for regulatory and operational requirements. The amount set aside was relatively stable year-on-year. The Group's operating net debt increased during the year due to additional borrowings undertaken to refinance Refinitiv's debt on acquisition.

Net leverage[1] increased to 1.9x as 31 December 2021 (2020: 1.1x). The Group is in its targeted range of 1-2 times despite the debt related to Refinitiv.

The Group's interest cover, the coverage of net finance expense by underlying EBITDA (earnings before net finance charges, taxation, impairment, depreciation and amortisation, foreign exchange gains or losses and non-underlying items), decreased to 17.9 times in the year (2020: 18.8 times) reflecting the cost of the additional debt taken on to acquire the Refinitiv group.

Effective at the time of the Refinitiv acquisition in January 2021, the Group increased its committed revolving credit facilities to £2.5 billion (2020: £1.2 billion). This was achieved by increasing its £600 million facility maturing in December 2024 to £1,425 million and replacing the £600 million facility due in November 2022 with a £1,075 million facility maturing in December 2025. During the period, the first of two one-year extension options on the £1,075 million facility were taken up, extending the facility's maturity out to December 2026.

On completion of the Refinitiv acquisition the Group refinanced Refinitiv's debt by borrowing $9.936 billion and €3.629 billion under the bridge facility, term loans and multi-currency revolving credit facilities. The bridge facility and multi-currency revolving credit facilities were repaid on the issuance of nine senior unsecured bonds under a newly established Global Medium Term Note Programme and using proceeds from the sale of the Borsa Italiana Group. The bridge facility was cancelled upon repayment. Partial repayments have been made to the US Dollar and Euro term loans using cash generated by the Group's operations.

With £2.5 billion of fully available funding headroom and strong cash generation, the Group continues to be well positioned to fund further growth opportunities and meet its stated deleveraging targets.

LSEG is rated A with a stable outlook by Standard & Poor's; the negative outlook at close of the Refinitiv acquisition has since been removed. Moody's rating of A3 was confirmed at the close of the Refinitiv acquisition. Standard & Poor's maintained its long-term rating of LCH Limited and LCH SA at AA- with a stable outlook through the period.

1 Net leverage is calculated as operating net debt (i.e. net debt after excluding amounts set aside for regulatory and operational purposes) to proforma adjusted EBITDA (Group consolidated earnings before net finance charges, taxation, impairment, depreciation and amortisation, foreign exchange gains or losses and non-underlying items, prorated for acquisitions or disposals undertaken in the period).

Foreign Exchange

As a result of the acquisition of Refinitiv, the majority of LSEG revenues and expenses are in US dollars followed by Sterling, Euro 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 2022 financial year, has been given on a constant currency basis.

	USD	GBP	EUR	Other
2021 Total Income [1]	60%	17%	15%	8%
2021 Underlying Expenses [2]	52%	23%	11%	14%

2021 Total Income by Division [1]	USD	GBP	EUR	Other
Data & Analytics	67%	10%	12%	11%
Capital Markets	59%	24%	16%	1%
Post Trade	18%	46%	34%	2%
Other	48%	18%	29%	5%

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

Spot / average rates

Foreign exchange	**2021**	2020
Spot £/€ rate at 31 December	**1.19**	1.11
Spot £/US$ rate at 31 December	**1.35**	1.36
Average £/€ rate for the year	**1.16**	1.13
Average £/US$ rate for the year	**1.38**	1.28

Appendix: Reconciliation of IFRS continuing results to *pro-forma* continuing results

Year ended 31 December 2021	LSEG	Refinitiv		
Continuing operations	**Year ended**	**One month ended**	**Adjustments[2]**	***Pro-forma* Group**
	31 Dec 2021[1]	**31 Jan 2021**		
	£m	**£m**		**£m**
Data & Analytics	4,294	315	-	4,609
Capital Markets	1,177	78	-	1,255
Post Trade	913	-	-	913
Other	32	2	-	34
Total income (excl. recoveries)	**6,416**	**395**	**-**	**6,811**
Recoveries	324	30	-	354
Total income (incl. recoveries)	**6,740**	**425**	**-**	**7,165**
Cost of sales	(862)	(61)	-	(923)
Gross profit	**5,878**	**364**	**-**	**6,242**
Adjusted operating expenses before depreciation, amortisation and impairment	(2,791)	(186)	-	(2,977)
Income from equity Investments	22	-	-	22
Share of loss after tax of associates	(4)	-	-	(4)
Adjusted earnings before interest, tax, depreciation, amortisation and impairment	**3,105**	**178**	**-**	**3,283**
Adjusted depreciation, amortisation and impairment	(721)	(53)	-	(774)
Adjusted operating profit	**2,384**	**125**	**-**	**2,509**
Adjusted finance expense	(166)	(40)	-	(206)
Adjusted profit before tax	**2,218**	**85**	**-**	**2,303**
Adjusted tax	(458)	(22)	-	(480)
Adjusted profit for the year (from continuing operations)	**1,760**	**63**	**-**	**1,823**
Profit attributable to:				
Equity holders	1,541	54		1,595
Non-controlling interest	219	9		228
Adjusted basic earnings per share (p)	286.5			286.7

1 The LSEG results from continuing operations exclude non-underlying items and are prepared in accordance with IFRS and have been extracted without adjustment from the audited consolidated financial statements of LSEG for the year ended 31 December 2021

2 Total income and cost of sales are adjusted to eliminate inter-company transactions

Year ended 31 December 2020	LSEG	Refinitiv		
Continuing operations	**Year ended**	**Year ended**	**Adjustments[2]**	***Pro-forma* Group**
	31 Dec 2020[1]	**31 Dec 2020**		
	£m	**£m**	**£m**	**£m**
Data & Analytics	824	3,851	(22)	4,653
Capital Markets	288	882	-	1,170
Post Trade	915	-	-	915
Other	3	26	-	29
Total income (excl. recoveries)	**2,030**	**4,759**	**(22)**	**6,767**
Recoveries	-	340	(2)	338
Total income (incl. recoveries)	**2,030**	**5,099**	**(24)**	**7,105**
Cost of sales	(208)	(762)	24	(946)
Gross profit	**1,822**	**4,337**	**-**	**6,159**
Adjusted operating expenses before depreciation, amortisation and impairment	(749)	(2,274)	-	(3,023)
Income from equity Investments	-	-	-	-
Share of loss after tax of associates	(4)	-	-	(4)
Adjusted earnings before interest, tax, depreciation, amortisation and impairment	**1,069**	**2,063**	**-**	**3,132**
Adjusted depreciation, amortisation and impairment	(180)	(567)	-	(747)
Adjusted operating profit	**889**	**1,496**	**-**	**2,385**
Adjusted finance expense	(57)	(512)	-	(569)
Adjusted profit before tax	**832**	**984**	**-**	**1,816**
Adjusted tax	(186)	(369)		(555)
Adjusted profit for the year (from continuing operations)	**646**	**615**		**1,261**
Profit attributable to:				
Equity holders	584	503		1,087
Non-controlling interest	62	112		174
Adjusted basic earnings per share (p)	166.7			195.7

1 The LSEG results from continuing operations exclude non-underlying items and are prepared in accordance with IFRS and have been extracted without adjustment from the audited consolidated financial statements of LSEG for the year ended 31 December 2020

2 Total income and cost of sales are adjusted to eliminate inter-company transactions

CONSOLIDATED INCOME STATEMENT

Year ended 31 December		2021			2020 (Re-presented)[1]		
Continuing operations	Notes	Underlying £m	Non-underlying £m	Total £m	Underlying £m	Non-underlying £m	Total £m
Revenue	4, 5	**6,502**	**-**	**6,502**	1,760	-	1,760
Net treasury income from CCP clearing business	4, 5	**207**	**-**	**207**	269	-	269
Other income	4, 5	**31**	**-**	**31**	1	-	1
Total income		**6,740**	**-**	**6,740**	2,030	-	2,030
Cost of sales	4	**(862)**	**-**	**(862)**	(208)	-	(208)
Gross profit		**5,878**	**-**	**5,878**	1,822	-	1,822
Expenses							
Operating expenses before depreciation, amortisation and impairment	6, 8	**(2,791)**	**(339)**	**(3,130)**	(749)	(168)	(917)
Income from equity investments		**22**	**-**	**22**	-	-	-
Share of loss after tax of associates		**(4)**	**-**	**(4)**	(4)	-	(4)
Earnings before interest, tax, depreciation, amortisation and impairment		**3,105**	**(339)**	**2,766**	1,069	(168)	901
Depreciation, amortisation and impairment	8, 13, 14	**(721)**	**(887)**	**(1,608)**	(180)	(159)	(339)
Operating profit/(loss)		**2,384**	**(1,226)**	**1,158**	889	(327)	562
Finance income		**46**	**-**	**46**	6	-	6
Finance expense		**(212)**	**(5)**	**(217)**	(63)	(13)	(76)
Net finance expense	8, 9	**(166)**	**(5)**	**(171)**	(57)	(13)	(70)
Profit/(loss) before tax		**2,218**	**(1,231)**	**987**	832	(340)	492
Taxation	8, 10	**(458)**	**131**	**(327)**	(186)	48	(138)
Profit/(loss) from continuing operations		**1,760**	**(1,100)**	**660**	646	(292)	354
Discontinued operations							
Profit/(loss) after tax from discontinued operations	3	**84**	**2,519**	**2,603**	158	(25)	133
Profit/(loss) for the year		**1,844**	**1,419**	**3,263**	804	(317)	487
Profit/(loss) from continuing operations attributable to:							
Equity holders		**1,541**	**(1,012)**	**529**	584	(291)	293
Non-controlling interests		**219**	**(88)**	**131**	62	(1)	61
		1,760	**(1,100)**	**660**	646	(292)	354
Profit/(loss) from discontinued operations attributable to:							
Equity holders		**80**	**2,520**	**2,600**	150	(22)	128
Non-controlling interests		**4**	**(1)**	**3**	8	(3)	5
		84	**2,519**	**2,603**	158	(25)	133
Profit/(loss) for the year		**1,844**	**1,419**	**3,263**	804	(317)	487
Earnings per share attributable to equity holders							
Continuing operations							
Basic earnings per share	11			**98.4p**			83.6p
Diluted earnings per share	11			**97.8p**			82.6p
Adjusted basic earnings per share	11	**286.5p**			166.7p		
Adjusted diluted earnings per share	11	**284.7p**			164.8p		
Total operations							
Basic earnings per share	11			**581.7p**			120.3p
Diluted earnings per share	11			**578.1p**			118.9p
Adjusted basic earnings per share	11	**301.4p**			209.7p		
Adjusted diluted earnings per share	11	**299.5p**			207.3p		
Dividend per share in respect of the financial year							
Dividend per share paid during the year	12			**25.0p**			23.3p
Dividend per share declared for the year	12			**70.0p**			51.7p

[1] The 2020 results have been re-presented to exclude the results of the discontinued operations (refer to note 3).

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December		2021	2020 (Re-presented)[1]
Continuing operations	**Notes**	**£m**	**£m**
Profit from continuing operations		**660**	354
Other comprehensive income			
Items that will not be subsequently reclassified to the income statement			
Actuarial gains/(losses) on retirement benefit obligations		**101**	(1)
Gain on equity instruments designated as fair value through other comprehensive income		**59**	6
Income tax relating to these items	10	**(25)**	-
		135	5
Items that may be subsequently reclassified to the income statement			
Gain on cash flow hedges		**22**	-
Gain on cash flow hedges recycled to the income statement		**(2)**	-
Net gains/(losses) on net investment hedges		**87**	(64)
Debt instruments at fair value through other comprehensive income:			
- Net gains from changes in fair value		**2**	17
- Gains on disposal recycled to the income statement		**(4)**	(4)
Net exchange gains on translation of foreign operations		**13**	13
Income tax relating to these items	10	**1**	(3)
		119	(41)
Other comprehensive income/(loss) net of tax from continuing operations		**254**	(36)
Total comprehensive income from continuing operations		**914**	318
Discontinued operations			
Total comprehensive income from discontinued operations	2	**2,498**	214
Total comprehensive income		**3,412**	532
Total comprehensive income from continuing operations attributable to:			
Equity holders		**775**	242
Non-controlling interests		**139**	76
Total comprehensive income from continuing operations		**914**	318
Total comprehensive income from discontinued operations attributable to:			
Equity holders		**2,496**	207
Non-controlling interests		**2**	7
Total comprehensive income from discontinued operations		**2,498**	214
Total comprehensive income		**3,412**	532

[1] The 2020 results have been re-presented to exclude the results of the discontinued operations (refer to note 3).

CONSOLIDATED BALANCE SHEET

At 31 December	Notes	Group 2021 £m	Group 2020 £m
Assets			
Non-current assets			
Property, plant and equipment	13	**832**	297
Intangible assets	14	**31,724**	4,324
Investment in subsidiary companies		**-**	-
Investment in associates		**25**	25
Deferred tax assets		**508**	51
Derivative financial instruments	15	**2**	-
Investments in financial assets	15	**351**	280
Retirement benefit assets		**568**	81
Trade and other receivables		**202**	14
		34,212	5,072
Current assets			
Trade and other receivables		**967**	594
Derivative financial instruments	15	**25**	-
Clearing member financial assets		**665,031**	758,510
Clearing member cash and cash equivalents		**83,795**	83,011
Clearing member assets	15	**748,826**	841,521
Current tax receivable		**398**	77
Investments in financial assets - debt instruments	15	**-**	92
Cash and cash equivalents	15	**2,665**	1,785
Assets held for sale	13	**16**	-
		752,897	844,069
Total assets		**787,109**	849,141
Liabilities			
Current liabilities			
Trade and other payables		**1,782**	613
Contract liabilities		**245**	168
Derivative financial instruments	15	**7**	6
Clearing member financial liabilities	15	**748,644**	841,553
Current tax payable		**73**	24
Borrowings	15, 16	**-**	605
Provisions		**16**	1
		750,767	842,970
Non-current liabilities			
Borrowings	15, 16	**7,654**	1,346
Derivative financial instruments	15	**45**	11
Contract liabilities		**101**	94
Deferred tax liabilities		**1,835**	411
Retirement benefit obligations		**85**	18
Other payables		**1,059**	152
Provisions		**44**	14
		10,823	2,046
Total liabilities		**761,590**	845,016
Net assets		**25,519**	4,125
Equity			
Capital and reserves attributable to the Company's equity holders			
Ordinary share capital	17	**39**	24
Share premium	17	**978**	971
Retained earnings		**3,816**	911
Other reserves	17	**18,807**	1,805
Total shareholders' funds		**23,640**	3,711
Non-controlling interests		**1,879**	414
Total equity		**25,519**	4,125

CASH FLOW STATEMENT

Year ended 31 December		Group	
		2021	2020 (Re-presented)[1]
	Notes	£m	£m
Operating activities			
Profit before tax from continuing operations		**987**	492
Adjustments to reconcile profit before tax to net cash flow:			
- Depreciation and impairment of property, plant and equipment	13	**296**	59
- Amortisation and impairment of intangible assets	14	**1,312**	281
- Share based payments		**141**	44
- Net finance expense	9	**171**	70
- Foreign exchange gains		**110**	56
- Dividend income		**(22)**	-
- Other movements		**59**	(23)
Working capital changes and movements in other assets and liabilities:			
- Decrease/(increase) in receivables, contract and other assets		**702**	21
- (Decrease)/increase in payables, contract and other liabilities		**(319)**	(53)
- Increase in clearing member financial assets		**(72,668)**	(44,139)
- Increase in clearing member financial liabilities		**72,408**	44,329
Cash generated from/(used in) operations		**3,177**	1,137
Interest received		**14**	4
Interest paid		**(152)**	(78)
Taxes paid		**(390)**	(215)
Royalties paid		**(70)**	(1)
Net cash flows from continuing operations[2]		**2,579**	847
Net cash flows from discontinued operations	3	**23**	125
Net cash flows from operating activities		**2,602**	972
Investing activities			
Purchase of property, plant and equipment	13	**(97)**	(19)
Purchase of intangible assets	14	**(565)**	(177)
Investments in financial assets		**(28)**	(2)
Cash acquired on acquisition of subsidiaries (Refinitiv)	2.1	**925**	-
Acquisition of subsidiaries, net of cash acquired (NFI)	2.2	**(151)**	-
Acquisition of subsidiaries, net of cash acquired (Quorate)	2.3	**(12)**	-
Proceeds from sale of disposal group, net of cash disposed	3	**3,592**	-
Dividends received		**22**	-
Other investing activities		**-**	31
Net cash flows from continuing operations		**3,686**	(167)
Net cash flows from discontinued operations	3	**(2)**	(26)
Net cash flows from investing activities		**3,684**	(193)
Financing activities			
Payment of principal portion of lease liabilities		**(118)**	(43)
Proceeds from borrowings	17	**6,944**	5
Repayment of borrowings	17	**(11,614)**	(228)
Dividends paid to equity holders of the parent	12	**(426)**	(257)
Dividends paid to non-controlling interests		**(95)**	(21)
Other financing activities		**(31)**	2
Net cash flows from continuing operations		**(5,340)**	(542)
Net cash flows from discontinued operations	3	**(6)**	-
Net cash flows from financing activities		**(5,346)**	(542)
Increase/(decrease) in cash and cash equivalents		**940**	237
Foreign exchange translation		**(60)**	55
Cash and cash equivalents at 1 January		**1,785**	1,493
Cash and cash equivalents at 31 December[3]		**2,665**	1,785

[1] The 2020 results have been re-presented to exclude the results of the discontinued operations (refer to note 3).

[2] The Group's net cash inflow from continuing operating activities of £2,579 million (2020: £847 million) includes £293 million (2020: £95 million) of expenses related to non-underlying items.

[3] Group cash flow does not include cash and cash equivalents held by the Group's Post Trade operations on behalf of the Group's clearing members for use in their operations as managers of the clearing and guarantee systems. These balances represent margins and default funds held for counterparties for short periods in connection with these operations.

STATEMENT OF CHANGES IN EQUITY

Group
Year ended 31 December

		Attributable to equity holders						
	Notes	**Ordinary share capital £m**	**Share premium £m**	**Retained earnings £m**	**Other reserves[1] £m**	**Total attributable to equity holders £m**	**Non-controlling interests £m**	**Total equity £m**
1 January 2020		24	967	668	1,796	3,455	346	3,801
Total comprehensive income for the year		-	-	440	9	449	83	532
Issue of shares	17	-	4	-	-	4	-	4
Dividends paid in the year	12	-	-	(257)	-	(257)	(16)	(273)
Share-based payments		-	-	51	-	51	-	51
Tax benefit on share-based payments in excess of expense recognised		-	-	9	-	9	1	10
31 December 2020		24	971	911	1,805	3,711	414	4,125
Total comprehensive income for the year		**-**	**-**	**3,250**	**21**	**3,271**	**141**	**3,412**
Issue of shares	17	**-**	**7**	**-**	**-**	**7**	**-**	**7**
Issue of shares for acquisition of subsidiaries (with non-controlling interest)	2	**15**	**-**	**(25)**	**16,981**	**16,971**	**1,442**	**18,413**
Dividends paid in the year	12	**-**	**-**	**(426)**	**-**	**(426)**	**(97)**	**(523)**
Share-based payments		**-**	**-**	**76**	**-**	**76**	**67**	**143**
Tax benefit on share-based payments in excess of expense recognised		**-**	**-**	**30**	**-**	**30**	**-**	**30**
Disposal of business	3	**-**	**-**	**-**	**-**	**-**	**(65)**	**(65)**
Adjustments to non-controlling interest		**-**	**-**	**-**	**-**	**-**	**(23)**	**(23)**
31 December 2021		**39**	**978**	**3,816**	**18,807**	**23,640**	**1,879**	**25,519**

[1] Movements in other reserves are detailed in note 17.

NOTES TO THE FINANCIAL STATEMENTS

This section describes the Group's significant policies and critical accounting judgements and estimates that relate to the financial statements and notes as a whole. Where a significant accounting judgement or estimate relates to a particular note, it is disclosed in that note.

1. Significant accounting policies

1.1 Reporting entity

These financial statements are prepared for London Stock Exchange Group plc (the Company) and its subsidiaries (the Group). The Group is a diversified global financial markets infrastructure and data business. 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.

On 29 January 2021, the Group acquired Refinitiv Parent Limited and its subsidiaries (Refinitiv) (refer to note 2). The results of Refinitiv have been consolidated since the date of acquisition. As a result of the acquisition, the Group now reports its results in three main segments: Data & Analytics, Capital Markets and Post Trade. The segment reporting for the comparative period has been re-presented to align with this new structure (refer to note 4).

On 29 April 2021, the Group disposed of London Stock Exchange Group Holdings (Italia) SpA and its subsidiaries (the Borsa Italiana group) (refer to note 3). 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). Its profits, losses and cash flows have therefore been separated from the Group's continuing operations 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 2020 Annual Report.

1.2 Compliance with International Financial Reporting Standards (IFRS)

The Group's consolidated and the Company's financial statements are prepared in accordance with UK-adopted international accounting standards in conformity with the requirements of the Companies Act 2006. The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

1.3 Basis of preparation

The financial statements are prepared on a historical cost basis except for derivative financial instruments, debt and equity financial assets and contingent consideration which are measured at fair value.

Going concern

The financial statements have been prepared on a going concern basis.

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

Presentation of income statement

The Group uses a columnar format for the presentation of its consolidated income statement to separately identify results before non-underlying items (adjusted). This provides the reader with supplemental data relevant to an understanding of the Group's financial performance, as non-underlying items of income and expense are material by their size and/or nature.

The presentation is consistent with the way that financial performance is measured by management and reported to the Executive Committee and Board.

Non-underlying items include:

- Amortisation and impairment of goodwill and other purchased intangible assets
- Incremental depreciation, amortisation and impairment of the fair value adjustments of tangible or intangible assets recognised as a result of acquisitions
- Other income or expenses not considered to drive the operating results of the Group (including integration and transaction costs related to acquisitions and disposals of businesses)
- Tax on non-underlying items

The profit measure before non-underlying items is used to calculate adjusted earnings per share. Profit before non-underlying items is reconciled to profit before taxation on the face of the income statement. Non-underlying items are disclosed in note 8.

1.4 New and amended standards and interpretations

Standards, interpretations and amendments to published standards effective for the year ended 31 December 2021

During the year, the following amendments to standards became effective. These do not have a material impact on the Group's financial statements:

- Amendments to IFRS 4 *Insurance Contracts* – deferral of IFRS 9
- Amendments to IFRS 7 *Financial Instruments: Disclosures*, IFRS 9 *Financial Instruments* and IAS 39 *Financial Instruments: Recognition and Measurement*: Interest Rate Benchmark Reform – Phase 2

Standards, interpretations and amendments to published standards which are not yet effective

The new and amended standards that are issued, but not yet effective, up to the date of the Group's financial statements are disclosed below. The Group intends to adopt these, if applicable, when they become effective. The Group is currently assessing their impact, but this is not expected to be material to the Group's financial statements:

International accounting standards and interpretations	Effective date
Amendments to IFRS 3 *Business Combinations*: reference to the Conceptual Framework	1 January 2022
Amendments to IAS 16 *Property, Plant and Equipment*: proceeds before intended use	1 January 2022
Amendments to IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*: onerous contracts – cost of fulfilling a contract	1 January 2022
Annual Improvements to IFRS 2018-2020	1 January 2022
Amendments to IAS 1 *Presentation of Financial Statements* classification of liabilities as current or non-current	1 January 2023
IFRS 17 *Insurance Contracts*, including amendments to IFRS 17	1 January 2023

1.5 Significant accounting judgements, estimates and assumptions

Judgements, estimates and assumptions are regularly evaluated based on historical experience, current circumstances and expectations of future events. The key areas involving a higher degree of judgement or complexity or areas where assumptions are significant to the financial statements, are highlighted in the relevant note.

We have considered the impact of climate change on our financial reporting for the year. Some physical and transition risks can manifest in the shorter term however many of the effects arising from climate change will be longer term in nature, and therefore come with an inherent level of uncertainty. Climate change has had limited effect on the accounting judgements and estimates for the current period and we believe there is no material impact on the asset and liability valuations at 31 December 2021 in relation to climate risks.

Critical **judgements** are disclosed in the following notes:

Note		Judgements
2	Business combinations	Assessing lock-up provisions when valuing consideration shares
8	Non-underlying items	Classifying items as non-underlying
10	Taxation	Uncertain tax positions

Estimates and assumptions are disclosed in the following notes:

Note		Estimates and assumptions
2	Business combinations	• Tangible and intangible assets acquired as part of a business combination • Fair value of equity-settled share-based payment awards granted by Tradeweb
5	Total income	Expected service period for admission and listing in the Primary Markets business
10	Taxation	Uncertain tax positions
14	Intangible assets	• Recoverable amounts of relevant cash-generating units (CGUs) • Estimated useful economic lives

2. Business combinations

Significant accounting judgements

Assessing lock-up provisions when valuing consideration shares

In accordance with IFRS 13 *Fair Value Measurement*, the fair value of consideration shares should take into account any restrictions on the sale or use of those shares. If those restrictions relate to the shares rather than to the holder of the shares, a market participant would take those restrictions into account in determining the price they would pay for those shares. LSEG acquired the issued share capital of Refinitiv Parent Limited and, in exchange, LSEG issued voting and limited-voting ordinary shares. Each limited-voting share includes a right to convert the instrument into an ordinary voting share (provided that a 30% voting rights restriction for the previous Refinitiv shareholders is not breached). Were the Refinitiv shareholders to sell the limited-voting shares to a market participant, the market participant would hold these as ordinary voting shares. Similarly, lock-up provisions are only applicable to the Refinitiv shareholders and are also not considered an attribute of the shares. It was therefore determined that there is no fair value difference between the voting and limited-voting shares issued as consideration.

Significant accounting estimates and assumptions

Intangible assets acquired as part of a business combination

The fair value of acquired intangible assets (and therefore the resulting goodwill recognised on acquisition) is significantly affected by a number of factors. These include management's best estimates of future performance (i.e. forecast revenue, expected revenue attrition, forecast operating margin and contributory assets changes) and estimates of the return required to determine an appropriate discount rate (in order to calculate the net present value of the assets).

Fair value of equity-settled share-based payment awards granted by Tradeweb

Estimating fair value for share-based payment awards requires determination of the most appropriate valuation model. This depends on the terms and conditions of the grant. It 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.

2.1 Refinitiv acquisition

On 29 January 2021, the Group acquired 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.

At acquisition, Refinitiv held an approximate 52% economic interest in Tradeweb Markets Inc. (Tradeweb) and its subsidiaries (the Tradeweb group). Tradeweb is a US 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 is expected to deliver significant benefits for customers, and in particular is intended 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's 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
- deepen and expand LSEG's and Refinitiv's shared core principles of open access and customer partnership

At 29 January 2021, the purchase price allocation (PPA) was prepared on a provisional basis in accordance with IFRS 3. During the measurement period, the Group finalised:

- the valuation of the intangible assets recognised on acquisition
- the valuation of certain right-of-use property assets
- the measurement of deferred tax liabilities assumed on acquisition

Adjustments were made to the provisional PPA, which was disclosed in the Group's condensed consolidated financial statements for the six months ended 30 June 2021, resulting in:

- decrease in the fair value of customer contracts and relationships (intangible assets) of US$100 million (£73 million)
- decrease in right-of-use property assets of US$109 million (£80 million)
- decrease in net assets of US$14 million (£10 million)
- decrease in the net deferred tax liabilities of US$188 million (£138 million)
- decrease in the non-controlling interest of US$87 million (£63 million)
- resulting decrease in goodwill of US$52 million (£38 million)

Details of the purchase consideration, non-controlling interest, net assets acquired and goodwill are set out below.

Purchase consideration

	Number of shares (million)	US$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**
Purchase consideration		**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 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 the 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 adjusted for the valuation difference of deferred shares issued on 1 March 2021.

The same value per share was applied to the voting and the limited-voting shares, as explained above.

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 retention of the MIP participants, amendments were made to the MIP to include additional service vesting conditions.

The fair value of the 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 fair value of the identifiable assets acquired and liabilities assumed at the acquisition date:

	Notes	Acquired value US$m	Acquired value £m
Assets			
Non-current assets			
Property, plant and equipment	13	**929**	**678**
Intangible assets	14	**17,224**	**12,570**
Investments in associates		**12**	**9**
Deferred tax assets		**749**	**547**
Investments in financial assets - equity instruments		**30**	**22**
Retirement benefit assets		**522**	**381**
Other non-current assets		**275**	**200**
		19,741	**14,407**
Current assets			
Trade and other receivables		**1,582**	**1,154**
Derivative financial instruments		**2**	**2**
Current tax receivable		**49**	**36**
Cash and cash equivalents		**1,267**	**925**
		2,900	**2,117**
Liabilities			
Current liabilities			
Trade and other payables		**(1,419)**	**(1,036)**
Contract liabilities		**(839)**	**(612)**
Derivative financial instruments		**(48)**	**(35)**
Current tax payable		**(77)**	**(55)**
Other current liabilities		**(14)**	**(11)**
		(2,397)	**(1,749)**
Non-current liabilities			
Borrowings		**(14,336)**	**(10,462)**
Deferred tax liabilities		**(1,890)**	**(1,379)**
Retirement benefit obligations		**(136)**	**(99)**
Provisions		**(42)**	**(31)**
Other non-current liabilities		**(1,141)**	**(833)**
		(17,545)	**(12,804)**
Fair value of identifiable net assets acquired		**2,699**	**1,971**

The identified intangible assets are as follows:

	US$m	£m	Estimated useful lives
Customer contracts and relationships	**10,116**	**7,383**	13-20 years
Databases and content	**3,286**	**2,398**	5-12 years
Trade names	**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**	
	17,224	**12,570**	

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 of the fair value hierarchy), 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
  e) Discounting the resulting net post-tax cash flows, using an appropriate discount rate to arrive at the net present value

- **Databases and content, trade names 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 saved or avoided future 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 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 this royalty rate to the projected revenue relating to each asset over the economic life
d) Deducting income tax from the net royalty stream
e) Selecting and applying an appropriate discount rate to the after-tax royalty stream to derive a net present value

- **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, discounted 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 to generate future revenue that has not yet been recognised, 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 value of the deferred revenue. The result is discounted to present value.

- **Lease liabilities and right-of-use assets** – 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 corresponding 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.

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

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

Within trade and other receivables of £1,154 million (US$1,582 million), 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 deferred tax liability mainly comprises the tax effect of the intangible assets.

Non-controlling interest

The Group elected to measure the non-controlling interest in Tradeweb at the non-controlling interest's proportionate share (48%) in the identifiable net assets.

	US$m	£m
Non-controlling interest based on the unowned proportionate interest (48%) of net assets	**1,642**	**1,198**
Fair value of equity-settled share-based payment awards (attributable to pre-acquisition services rendered)	**335**	**244**
Non-controlling interest	**1,977**	**1,442**

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 and using the Black-Scholes model. The fair value was allocated to the non-controlling interest based on the proportion of the share awards attributable to pre-acquisition services.

Goodwill

Goodwill arising from the acquisition has been recognised as follows:

	Note	US$m	£m
Purchase consideration		**23,253**	**16,971**
Less: Fair value of identifiable net assets acquired		**(2,699)**	**(1,971)**
Non-controlling interest		**1,977**	**1,442**
Goodwill	14	**22,531**	**16,442**

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

Goodwill is allocated to the Data & Analytics and Tradeweb cash-generating units (CGUs) (refer to note 14). 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:
- revenue of £4,653 million
- total income of £4,671 million
- operating profit before non-underlying items of £1,482 million
- profit before tax (from continuing operations) of £328 million

If the acquisition had occurred on 1 January 2021, estimated Group revenue for the period from continuing operations would have been £7,165 million, with operating profit before non-underlying items of £2,509 million.

Acquisition related costs

The Group incurred acquisition related costs of £99 million primarily on adviser and professional fees and management retention costs. These costs are recognised as non-underlying transaction costs (refer to note 8).

2.2 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 (£137 million) is:

- net of cash acquired (US$34 million (£24 million))
- net of deposits with clearing organisations acquired (US$18 million (£14 million))

Execution Access, LLC is a limited liability company organised in the state of Delaware and is a broker-dealer registered with the US Securities and Exchange Commission (SEC) and Financial Industry Regulatory Authority. The platform (formerly known as eSpeed), acquired from Nasdaq, is a fully executable central order limit book for electronic trading in 'on-the-run' US 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 circumstances 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 the valuation of the identifiable intangible assets and software, and final working capital adjustments.

Goodwill arising from the acquisition has been recognised as follows:

	Notes	US$m	£m
Purchase consideration, including cash and deposits with clearing organisations acquired		**242**	**175**
Less: Fair value of identifiable net assets acquired			
- Intangible assets: Customer relationships	14	**(101)**	**(73)**
- Intangible assets: Software	14	**(1)**	**(1)**
- Other non-current assets		**(1)**	**(1)**
- Other current assets		**(22)**	**(15)**
- Cash and cash equivalents		**(34)**	**(24)**
- Current liabilities		**2**	**2**
Fair value of identifiable net assets acquired		**(157)**	**(112)**
Goodwill	14	**85**	**63**

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 of the fair value hierarchy). Customer relationships were valued using the income approach, the same approach used 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. The goodwill has been allocated to the Group's Tradeweb CGU and is expected to be deductible for income tax purposes.

Revenue and profit

From the date of acquisition, NFI contributed revenue of £4 million (US$5 million) and profit before tax of £1 million (US$1 million).

Acquisition related costs

The Group incurred acquisition related costs of £3 million (US$5 million), which are recognised as non-underlying transaction costs (refer to note 8).

2.3 Quorate Acquisition

On 4 August 2021, the Group 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 the Group to own and develop automatic speech processing capabilities in order to better serve its customers and their evolving needs.

The consideration was £15 million: £12 million paid upfront in cash and a further £3 million deferred over three years conditional on the delivery of product milestones. The provisional fair value of the net assets acquired is £nil million. We have therefore concluded that the total consideration (of £15 million) should be recognised as goodwill and provisionally allocated to the Tradeweb CGU. Quorate is complementary to the Group's existing business and there is expected to be future cash flow growth from the combined business.

3. Disposal of business and discontinued operations

Disposal of the Borsa Italiana group

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. The Borsa Italiana group is a discontinued operation as a result of its size and geographical area of operation. Its results have been excluded from the continuing results of the Group for the year ended 31 December 2021. The results for 31 December 2020 have been re-presented to exclude the Borsa Italiana group results from the continuing operations of the Group.

The Borsa Italiana group was sold for consideration of £3,876 million (€4,444 million), realising a profit on sale for the Group of £2,519 million.

The results for the Borsa Italiana group included in the income statement and statement of comprehensive income as discontinued operations are as follows:

	2021 £m	2020 £m
Income statement		
Total income	**146**	414
Cost of sales and operating expenses excluding non-underlying amortisation	**(52)**	(185)
Adjusted profit before tax	**94**	229
Non-underlying expenses	**(4)**	(36)
Profit before tax	**90**	193
Taxation	**(6)**	(60)
Profit on disposal (see below)	**2,519**	-
Profit from discontinued operations	**2,603**	133
Other comprehensive income		
Recycled amount from hedging reserve on disposal	**17**	-
Net (losses)/gains from debt instruments held at FVOCI	**(10)**	9
Foreign exchange (losses)/gains on translation in the period	**(53)**	73
Cumulative foreign exchange adjustments recycled on disposal	**(62)**	-
Tax on items in other comprehensive income	**3**	(1)
Other comprehensive income from discontinued operations	**(105)**	81
Total comprehensive income from discontinued operations	**2,498**	214

The profit on disposal was calculated as follows:

	2021 £m	2020 £m
Cash consideration received	**3,876**	**-**
Net assets disposed of	**(1,413)**	**-**
Non-controlling interests disposed	**65**	**-**
Recycling of cumulative foreign exchange translation reserve	**62**	**-**
Recycling of amounts held in hedging reserve	**(17)**	**-**
Transaction costs	**(46)**	**-**
Other expenses	**(8)**	**-**
Profit on disposal	**2,519**	**-**

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

	2021 £m	2020 £m
Cash consideration received on disposal	**3,876**	**-**
Cash disposed of	**(284)**	**-**
Net cash inflow from operating activities	**23**	**125**
Net cash outflow from investing activities	**(2)**	**(26)**
Net cash outflow from financing activities	**(6)**	**-**
Foreign exchange translation (of cash and cash equivalents)	**(10)**	**-**
Net cash flow from discontinued operations	**3,597**	**99**

As part of the disposal agreement the Group continues to provide services to the Borsa Italiana group on an arm's length basis.

4. Segment information

The Group has reorganised its operating units following the acquisition of Refinitiv and has realigned its segment reporting to reflect management structure changes. The Group now uses three main operating segments:

- **Data & Analytics** includes the division formerly reported as Information Services as well as the core Refinitiv business
- **Capital Markets** includes the former Capital Markets division plus the former Technology Services segment as well as Refinitiv's Tradeweb and FXall businesses
- **Post Trade** includes the Group's CCPs and other post trade services

The segment results for the comparative period have been re-presented to align with the new structure. There is no change to the overall result. All results are on a continuing basis and exclude the results of the Borsa Italiana group, which was disposed of during the year (refer to note 3).

The Executive Committee monitors the operating results of its divisions separately for the purpose of making decisions about resource allocation and in assessing performance. The Executive Committee uses a measure of adjusted earnings before interest, tax, depreciation, amortisation and impairment (EBITDA) to assess the performance of the operating segments.

Sales between segments are carried out at arm's length and are eliminated on consolidation.

Results by operating segment for the year ended 31 December 2021 are as follows:

Continuing operations	Notes	Data & Analytics £m	Capital Markets £m	Post Trade £m	Other £m	Group £m
Revenue from external customers[1]	5	**4,618**	**1,177**	**706**	**1**	**6,502**
Net treasury income from CCP clearing business	5, 15	**-**	**-**	**207**	**-**	**207**
Other income	5	**-**	**-**	**-**	**31**	**31**
Total income		**4,618**	**1,177**	**913**	**32**	**6,740**
Cost of sales		**(712)**	**(27)**	**(123)**	**-**	**(862)**
Gross profit		**3,906**	**1,150**	**790**	**32**	**5,878**
Adjusted operating expenses before depreciation, amortisation and impairment		**(1,909)**	**(537)**	**(331)**	**(14)**	**(2,791)**
Income from equity investments		**-**	**-**	**-**	**22**	**22**
Share of loss after tax of associates		**-**	**-**	**-**	**(4)**	**(4)**
Adjusted earnings before interest, tax, depreciation, amortisation and impairment		**1,997**	**613**	**459**	**36**	**3,105**
Underlying depreciation, amortisation and impairment	13, 14	**(522)**	**(112)**	**(97)**	**10**	**(721)**
Adjusted operating profit (before non-underlying items)		**1,475**	**501**	**362**	**46**	**2,384**
Non-underlying depreciation, amortisation and impairment	8					**(887)**
Other non-underlying items excluding net finance expense	8					**(339)**
Operating profit						**1,158**
Net finance expense (including non-underlying items)	9					**(171)**
Profit before tax from continuing operations						**987**
Profit before tax from discontinued operations	3					**2,609**
Profit before tax						**3,596**

[1] Data & Analytics revenue includes recoveries of £324 million. Post Trade revenue includes net settlement and similar expenses recovered from the CCP clearing businesses of £12 million which comprise gross settlement income of £46 million less gross settlement expense of £34 million.

Re-presented results by operating segment for the year ended 31 December 2020 are as follows:

Continuing operations	Notes	Data & Analytics £m	Capital Markets £m	Post Trade £m	Other £m	Group £m
Revenue from external customers[1]	5	824	288	646	2	1,760
Net treasury income from CCP clearing business	5, 15	-	-	269	-	269
Other income	5	-	-	-	1	1
Total income		824	288	915	3	2,030
Cost of sales		(66)	(5)	(137)	-	(208)
Gross profit		758	283	778	3	1,822
Adjusted operating expenses before depreciation, amortisation and impairment		(288)	(144)	(309)	(8)	(749)
Income from equity investments		-	-	-	-	-
Share of loss after tax of associates		-	-	-	(4)	(4)
Adjusted earnings before interest, tax, depreciation, amortisation and impairment		470	139	469	(9)	1,069
Underlying depreciation, amortisation and impairment	13, 14	(51)	(39)	(90)		(180)
Adjusted operating profit/(loss) (before non-underlying items)		419	100	379	(9)	889
Non-underlying depreciation, amortisation and impairment	8					(159)
Other non-underlying items excluding net finance expense	8					(168)
Operating profit						562
Net finance expense (including non-underlying items)	9					(70)
Profit before tax from continuing operations						492
Profit before tax from discontinued operations	3					193
Profit before tax						685

[1] Post Trade revenue included net settlement and similar expenses recovered from the CCP clearing businesses of £9 million which comprise gross settlement income of £38 million less gross settlement expense of £29 million.

5. Total income

Significant accounting estimates and assumptions

Expected service period for admission and listing in the Primary Markets business

As described above for Capital Markets, fees for primary market initial admission are combined with ongoing listing services as one performance obligation. Initial admission fees are spread over the **estimated period for admission services** which is determined by using historical analysis of listing durations in respect of the companies on our markets. The estimated service period inherently incorporates an element of uncertainty in relation to the length of a customer listing, which is subject to factors outside of the Group's control. The estimated service periods are reassessed at each reporting date to make sure the period reflects the Group's best estimates. The current estimated deferral period is five years or seven years, depending on the market. The Group estimates that a one year decrease in the deferral period would cause an estimated £24 million increase in revenue and a one year increase in the deferral period would cause an estimated £23 million decrease in revenue recognised in the year.

The Group's revenue from contracts with customers disaggregated by segment, major product and service line, and timing of revenue recognition for the year ended 31 December 2021 is shown below:

Continuing operations	Data & Analytics £m	Capital Markets £m	Post Trade £m	Other £m	Group £m
Revenue from external customers					
Major product and service lines					
Trading & banking solutions	**1,364**	**-**	**-**	**-**	**1,364**
Enterprise data solutions	**1,050**	**-**	**-**	**-**	**1,050**
Investment solutions	**1,117**	**-**	**-**	**-**	**1,117**
Wealth solutions	**433**	**-**	**-**	**-**	**433**
Customer & third-party risk solutions	**330**	**-**	**-**	**-**	**330**
Recoveries	**324**	**-**	**-**	**-**	**324**
Equities	**-**	**241**	**-**	**-**	**241**
FX	**-**	**204**	**-**	**-**	**204**
Fixed income, derivatives and other	**-**	**732**	**-**	**-**	**732**
OTC derivatives	**-**	**-**	**358**	**-**	**358**
Securities & reporting	**-**	**-**	**253**	**-**	**253**
Non-cash collateral	**-**	**-**	**95**	**-**	**95**
Other	**-**	**-**	**-**	**1**	**1**
Total revenue	**4,618**	**1,177**	**706**	**1**	**6,502**
Net treasury income	**-**	**-**	**207**	**-**	**207**
Other income	**-**	**-**	**-**	**31**	**31**
Total income	**4,618**	**1,177**	**913**	**32**	**6,740**
Timing of revenue recognition					
Services satisfied at a point in time	**324**	**790**	**677**	**1**	**1,792**
Services satisfied over time	**4,294**	**387**	**29**	**-**	**4,710**
Total revenue	**4,618**	**1,177**	**706**	**1**	**6,502**

The Group's re-presented revenue from contracts with customers disaggregated by segment, major product and service line, and timing of revenue recognition for the year ended 31 December 2020 is shown below:

Continuing operations	Data & Analytics £m	Capital Markets £m	Post Trade £m	Other £m	Group £m
Revenue from external customers					
Major product and service lines					
Trading & banking solutions	17	-	-	-	17
Enterprise data solutions	128	-	-	-	128
Investment solutions	679	-	-	-	679
Equities	-	227	-	-	227
Fixed income, derivatives and other	-	61	-	-	61
OTC derivatives	-	-	334	-	334
Securities & reporting	-	-	230	-	230
Non-cash collateral	-	-	82	-	82
Other	-	-	-	2	2
Total revenue	824	288	646	2	1,760
Net treasury income	-	-	269	-	269
Other income	-	-	-	1	1
Total income	824	288	915	3	2,030
Timing of revenue recognition					
Services satisfied at a point in time	6	161	625	2	794
Services satisfied over time	818	127	21	-	966
Total revenue	824	288	646	2	1,760

6. Operating expenses before depreciation, amortisation and impairment

Operating expenses before depreciation, amortisation and impairment comprise the following:

Continuing operations	Notes	2021 £m	2020 (Re-presented) £m
Employee costs	7	**1,702**	464
IT costs		**467**	127
Professional fees		**333**	55
Short-term lease costs		**43**	-
Other costs		**256**	97
Foreign exchange (gains)/losses		**(10)**	6
Underlying operating expenses before depreciation, amortisation and impairment		**2,791**	749
Non-underlying operating expenses before depreciation, amortisation and impairment	8	**339**	168
Total operating expenses before depreciation, amortisation and impairment		**3,130**	917

7. Staff costs

Employee costs for continuing operations comprise the following:

Continuing operations	Notes	2021 £m	2020 (Re-presented) £m
Salaries and other benefits		**1,661**	413
Social security costs		**166**	59
Pension costs		**82**	27
Share-based payment expense		**141**	44
Total payments made to employees		**2,050**	543
Amounts capitalised as development costs	14	**(192)**	(72)
Total staff costs		**1,858**	471
Underlying staff costs	6	**1,702**	464
Non-underlying staff costs	8	**156**	7
Total staff costs		**1,858**	471

The average number of employees, including executive directors, in the Group from continuing operations was:

Continuing operations	2021	2020 (Re-presented)
UK	**4,416**	1,772
USA	**3,929**	683
India	**5,762**	-
EU countries	**2,132**	440
Philippines	**1,974**	-
Sri Lanka	**1,423**	1,238
China	**1,373**	-
Other Asia	**1,717**	375
Africa and Middle East	**640**	-
Other	**792**	18
Average number of employees	**24,158**	4,526

Average employee numbers represent full time equivalent members of staff and are calculated from the date of acquisition of subsidiary companies purchased in the year and up to the date of disposal of businesses sold in the year. Employees from discontinued operations have been excluded.

8. Non-underlying items

Significant accounting judgements

The Group separately identifies results before non-underlying items (adjusted). This provides the reader with supplemental data relevant to an understanding of the Group's financial performance, as non-underlying items of income and expense are material by their size and/or nature.

The Group uses its judgement to classify items as non-underlying. These include:

- Incremental depreciation, amortisation and impairment of any fair value adjustments of tangible or intangible assets recognised as a result of acquisitions
- 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 as a result of acquisitions
- Other income or expenses not considered to drive the operating results of the Group (including integration, restructuring and transaction costs)
- Tax on non-underlying items

Continuing operations	Notes	2021 £m	2020 (Re-presented) £m
Non-underlying operating expenses before interest, tax, depreciation, amortisation and impairment			
- Transaction costs		**114**	173
- Integration costs		**225**	-
- Restructuring credit		**-**	(5)
		339	168
Non-underlying depreciation, amortisation and impairment			
- Depreciation of property, plant and equipment	13	**10**	-
- Impairment of property, plant and equipment	13	**22**	-
- Impairment of goodwill	14	**-**	10
- Amortisation and impairment of purchased intangible assets	14	**855**	128
- Amortisation and impairment of other intangible assets	14	**-**	21
		887	159
Non-underlying items before interest and tax		**1,226**	327
Non-underlying net finance expense	9	**5**	13
Non-underlying items before tax		**1,231**	340
Tax on non-underlying items		**(131)**	(48)
Non-underlying loss		**1,100**	292

Transaction costs mainly relate to the following acquisitions and include:

- Refinitiv acquisition (refer to note 2):
  - Advisor and professional fees of £38 million
  - Retention bonuses of £12 million
  - Post-acquisition Management Incentive Plan (MIP) share-based payment expense of £10 million
  - Fair value adjustment to the outstanding Tradeweb equity-settled awards (as if the acquisition date were the grant date) of £36 million
- Acquisition by Tradeweb of Nasdaq's fixed income electronic trading platform (refer to note 2): Acquisition related costs of £3 million

Integration costs relate to activities to:

- Integrate the Refinitiv businesses of £201 million
- Separate the Thomson Reuters Financial & Risk Business from Thomson Reuters and then restructure it. The separation costs of £24 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 16.

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.

9. Net finance expense

Continuing operations	Note	2021 £m	2020 (Re-presented) £m
Finance income			
Interest income on retirement benefit assets		**41**	1
Bank deposit and other interest income[1]		**3**	3
Lease interest income		**2**	1
Other finance income		**-**	1
Underlying finance income		**46**	6
Finance expense			
Interest payable on bank and other borrowings[1]		**(151)**	(56)
Amortisation of arrangement fees		**(12)**	(2)
Interest cost on retirement benefit obligations		**(35)**	-
Lease interest expense		**(12)**	(3)
Other finance expenses		**(2)**	(2)
Underlying finance expense		**(212)**	(63)
Underlying net finance expense		**(166)**	(57)
Non-underlying finance expense	8	**(5)**	(13)
Total net finance expense		**(171)**	(70)

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

Interest payable on bank and other borrowings is net of amortisation of the realised gain on interest rate derivatives held in the hedging reserve.

Net finance expense is earned on assets and liabilities held at amortised cost, except for amounts earned or paid on defined benefit pension scheme assets and liabilities which are held at fair value.

10. Taxation

Significant accounting judgements and estimates

Uncertain tax positions

The Group is subject to taxation in the many countries in which it operates. The tax legislation of these countries differs, is often complex and is subject to interpretation by management and the government authorities. These matters of judgement sometimes give rise to the need to create provisions for tax payments that may arise in future years with respect to transactions already undertaken. Provisions are made against individual exposures and take into account the specific circumstances of each case, including the strength of technical arguments, recent case law decisions or rulings on similar issues and relevant external advice. The provision is estimated based on one of two methods: the expected value method (the sum of the probability weighted amounts in a range of possible outcomes) or the single most likely amount method, depending on which is expected to better predict the resolution of the uncertainty. Due to the uncertainty associated with tax audits it is possible that, at some future date, liabilities resulting from such audits or related litigation could vary significantly from our provisions requiring the Group to make an adjustment in a subsequent period which could have a material impact on the Group's profit.

Income tax

The standard UK corporation tax rate for the year was 19% (2020: 19%).

Continuing operations	2021 £m	2020 (Re-presented) £m
Tax recognised in the income statement		
Current tax		
UK corporation tax for the year	**47**	74
Overseas tax for the year	**84**	79
Adjustments in respect of previous years	**2**	1
Total current tax	**133**	154
Deferred tax		
Deferred tax for the year	**236**	1
Adjustments in respect of previous years	**(9)**	(6)
Deferred tax credit on amortisation and impairment of purchased intangible assets	**(33)**	(11)
Total deferred tax	**194**	(16)
Total tax	**327**	138

	2021	2020 (Re-presented)

Continuing operations	£m	£m
Tax on items recognised in other comprehensive income		
Deferred tax (expense)/benefit		
Actuarial gains/losses on retirement benefit obligations	**(25)**	-
Losses/gains of financial assets (at fair value through other comprehensive income)	**1**	(3)
Total tax recognised in other comprehensive income	**(24)**	(3)
Tax on items recognised in equity		
Current tax benefit		
Share-based payments in excess of expense recognised	**12**	12
Deferred tax benefit/(expense)		
Share-based payments in excess of expense recognised	**18**	(3)
Investment in partnerships (recognised in non-controlling interests)	**25**	-
Total tax recognised in equity	**55**	9
Total tax recognised in other comprehensive income and equity	**31**	6

Factors affecting the tax charge for the year

The tax charge for the year differs from that derived from the standard rate of corporation tax in the UK of 19% (2020: 19%) as explained below:

Continuing operations	2021 £m	2020 (Re-presented) £m
Profit before tax from continuing operations	**987**	492
Profit multiplied by standard rate of corporation tax in the UK	**187**	93
Overseas earnings taxed at higher rate	**15**	45
Adjustment arising from changes in tax rates on amortisation of purchased intangible assets	**189**	7
Adjustment arising from changes in tax rates - other	**(18)**	(2)
Income not taxable	**(35)**	(1)
Adjustments in respect of previous years	**(7)**	(5)
Deferred tax not recognised	**(4)**	2
Deferred tax provided for withholding tax on distributable reserves	**-**	(1)
Total tax	**327**	138

On 24 May 2021, the UK Finance Act 2021 was substantively enacted, increasing the corporate tax rate to 25% effective from 1 April 2023. As a result of the change the UK deferred tax assets and liabilities have been remeasured.

During the period the Group completed the sale of the Borsa Italiana group. The gain on disposal of the shares qualifies for UK corporation tax exemption under the substantial shareholding exemption rules.

Uncertain tax positions

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 concluded that the Finance Company Partial Exemption (FCPE) rules in the UK tax legislation partially represent illegal State Aid. The Group had financing arrangements that utilised the FCPE during this period.

The Group, several other UK PLCs and the UK Government have submitted appeals to the EU General Court to annul the EU Commission's findings. The EU General Court heard those appeals for annulment on 18 October 2021 but has not yet announced a decision, which is expected in 2022.

Until a decision is reached, the UK Government is required to continue recovering amounts determined to be State Aid. In December 2019 and the beginning of 2021, HMRC issued determinations to the Group totaling £10.5 million, excluding interest and penalties, which the Group paid. Our appeal against these determinations 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 IFRIC 23, the Group continues to recognise a receivable against the HMRC determinations paid to date of £10.5 million. The maximum potential exposure excluding interest remains between nil and £65 million.

IRS Audit

The Group continues to be under audit in the US by the US Internal Revenue Service (IRS) in relation to the interest rate applied on certain cross border intercompany loans from the UK to the US. During 2020, the IRS issued a Notice of Proposed Adjustment. The maximum tax exposure is approximately US$145 million, however, this is the upper bound of a range of nil to US$145 million (plus interest and penalties) over the lifetime of the loans. The Group has an uncertain tax liability of £12 million ($16 million) recorded on the balance sheet related to this issue. The liability was measured based on a probability weighted average of potential outcomes. The issue is currently under appeal.

HMRC audit of intellectual property valuation

HMRC is auditing the value of certain intellectual property purchased from Thomson Reuters as part of the formation of Refinitiv. Intellectual property valuation is complex and significantly affected by multiple inputs of assumptions. As the outcome is uncertain, especially given the inherent subjectivity of the topic, the Group has recorded an uncertain tax liability in accordance with the requirements of IFRS. Management and HMRC continue to actively discuss this topic.

Diverted Profits Tax to Thomson Reuters

HMRC continues to issue notices of assessment under the Diverted Profits Tax (DPT) regime to Thomson Reuters largely related to its Financial and Risk Business for years prior to the sale of the business to Refinitiv. As required by the notices and as directed by Thomson Reuters, the Group makes payments to HMRC which are immediately reimbursed by Thomson Reuters in accordance with an indemnity agreement. Thomson Reuters does not agree with the assessments and will continue to defend their position by contesting the assessments through all available administrative and judicial remedies.

11. Earnings per share

	2021			2020		
	Continuing	Discontinued	Total	Continuing	Discontinued	Total
Basic earnings per share	**98.4p**	**483.3p**	**581.7p**	83.6p	36.7p	120.3p
Diluted earnings per share	**97.8p**	**480.3p**	**578.1p**	82.6p	36.3p	118.9p
Adjusted basic earnings per share	**286.5p**	**14.9p**	**301.4p**	166.7p	43.0p	209.7p
Adjusted diluted earnings per share	**284.7p**	**14.8p**	**299.5p**	164.8p	42.5p	207.3p

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

		2021			2020		
	Note	Continuing £m	Discontinued £m	Total £m	Continuing £m	Discontinued £m	Total £m
Profit for the financial year attributable to the Company's equity holders		**529**	**2,600**	**3,129**	293	128	421
Adjustments:							
- Total non-underlying items net of tax	8	**1,100**	**(2,519)**	**(1,419)**	292	25	317
- Non-underlying items attributable to non-controlling interests		**(88)**	**(1)**	**(89)**	(1)	(3)	(4)
Adjusted profit for the year attributable to the Company's equity holders		**1,541**	**80**	**1,621**	584	150	734
Weighted average number of shares - millions[1]				**538**			350
Effect of dilutive share options and awards - millions				**3**			4
Diluted weighted average number of shares - millions				**541**			354

[1] The weighted average number of shares excludes those held in the Employee Benefit Trust.

12. Dividends

	2021 £m	2020 £m
Final dividend for 31 December 2019 paid 27 May 2020: 49.9p per Ordinary share	**-**	175
Interim dividend for 31 December 2020 paid 22 September 2020: 23.3p per Ordinary share	**-**	82
Final dividend for 31 December 2020 paid 26 May 2021: 51.7p per Ordinary share	**287**	-
Interim dividend for 31 December 2021 paid 21 September 2021: 25.0p per Ordinary share	**139**	-
	426	257

Dividends are only paid out of available distributable reserves of the Company.

The Board has proposed a final dividend in respect of the year ended 31 December 2021 of 70.0p per share, which amounts to an expected payment of £390 million in May 2021. This is not reflected in the financial statements.

13. Property, plant and equipment

		Land & Buildings			Plant and equipment		
Group	**Notes**	**Freehold property £m**	**Right-of-use assets £m**	**Leasehold improve-ments £m**	**Right-of-use assets £m**	**Owned £m**	**Total £m**
Cost							
1 January 2020		57	163	59	2	264	545
Additions		6	36	-	3	34	79
Lease modifications		-	3	-	-	-	3
Disposals		-	(6)	(1)	-	(10)	(17)
Foreign exchange translation		(1)	1	1	-	4	5
31 December 2020		62	197	59	5	292	615
Property, plant and equipment acquired on acquisition of subsidiaries	2	**9**	**379**	**36**	**32**	**222**	**678**
Additions		**3**	**25**	**24**	**27**	**101**	**180**
Lease modifications		**-**	**34**	**-**	**(1)**	**-**	**33**
Disposals and other		**(2)**	**(1)**	**(12)**	**-**	**(43)**	**(58)**
Disposal of business	3	**-**	**(28)**	**(4)**	**(3)**	**(69)**	**(104)**
Transfer to held for sale assets		**(17)**	**-**	**-**	**-**	**-**	**(17)**
Foreign exchange translation		**-**	**(1)**	**-**	**-**	**(1)**	**(2)**
31 December 2021		**55**	**605**	**103**	**60**	**502**	**1,325**
Accumulated depreciation and impairment							
1 January 2020		29	25	39	1	163	257
Disposals		-	(3)	(1)	-	(10)	(14)
Charge for the year		-	28	6	1	35	70
Foreign exchange translation		-	-	1	-	4	5
31 December 2020		29	50	45	2	192	318
Disposals		**-**	**(1)**	**(12)**	**-**	**(39)**	**(52)**
Charge for the year[1]		**3**	**99**	**19**	**18**	**135**	**274**
Impairment		**-**	**22**	**-**	**-**	**-**	**22**
Disposal of business	3	**-**	**(11)**	**(3)**	**(1)**	**(50)**	**(65)**
Transfer to held for sale assets		**(1)**	**-**	**-**	**-**	**-**	**(1)**
Foreign exchange translation		**-**	**(1)**	**-**	**-**	**(2)**	**(3)**
31 December 2021		**31**	**158**	**49**	**19**	**236**	**493**
Net book values							
31 December 2021		**24**	**447**	**54**	**41**	**266**	**832**
31 December 2020		33	147	14	3	100	297

[1] Includes non-underlying depreciation for the year of £10 million

Consideration for additions comprises £97 million in cash (2020: £33 million) and £31 million (2020: £7 million) in accruals. Right-of-use assets are paid for over the term of the lease.

14. Intangible assets

Significant accounting judgements and estimates

Intangible assets and goodwill form a significant part of the balance sheet and are key assets for the Group's businesses. Refer to note 2 for the significant accounting estimates of intangible assets acquired as part of the Refinitiv and NFI acquisitions.

Recoverable amounts of relevant CGUs

The recoverable amounts of relevant CGUs are based on value-in-use calculations. These use management's best estimate of future performance together with estimates of the return required by investors to determine an appropriate discount rate, which is used to derive the present value.

Estimated useful economic lives

Intangible assets are amortised over the estimated useful economic lives, based on management's best estimate of the period over which value from the intangible assets is realised. In determining useful economic life, management considers a number of factors including customer attrition rates, product upgrade cycles for software and technology assets, market participant perspectives for brands and pace of change of regulation.

Cost	Notes	Goodwill £m	Purchased intangible assets: Customer and supplier relationships £m	Purchased intangible assets: Brands £m	Purchased intangible assets: Databases and content £m	Purchased intangible assets: Software, licences and intellectual property £m	Software and other £m	Total £m
1 January 2020		2,357	1,826	980	-	568	1,023	6,754
Additions		-	-	-	-	-	221	221
Disposals and write-off		-	-	-	-	-	(18)	(18)
Foreign exchange translation		45	21	(27)	-	1	34	74
31 December 2020		2,402	1,847	953	-	569	1,260	7,031
Intangible assets acquired on acquisition of subsidiaries	2	**16,520**	**7,455**	**983**	**2,398**	**199**	**1,608**	**29,163**
Additions		**-**	**-**	**-**	**-**	**-**	**642**	**642**
Disposal of business	3	**(927)**	**(692)**	**(1)**	**-**	**(66)**	**(181)**	**(1,867)**
Disposals and write-off		**-**	**-**	**-**	**-**	**(1)**	**(59)**	**(60)**
Foreign exchange translation		**(42)**	**111**	**21**	**36**	**1**	**(38)**	**89**
31 December 2021		**17,953**	**8,721**	**1,956**	**2,434**	**702**	**3,232**	**34,998**
Accumulated amortisation and impairment								
1 January 2020		515	752	232	-	318	516	2,333
Amortisation charge for the year		-	101	40	-	23	139	303
Impairment		10	-	-	-	-	23	33
Disposals and write-off		-	-	-	-	-	(18)	(18)
Foreign exchange translation		21	15	(7)	-	4	23	56
31 December 2020		546	868	265	-	345	683	2,707
Amortisation charge for the year[1]		**-**	**491**	**130**	**220**	**33**	**425**	**1,299**
Impairment[1]		**-**	**-**	**-**	**-**	**-**	**13**	**13**
Disposal of business	3	**(54)**	**(409)**	**-**	**-**	**(58)**	**(139)**	**(660)**
Disposals and write-off		**-**	**-**	**-**	**-**	**(1)**	**(43)**	**(44)**
Foreign exchange translation		**(25)**	**6**	**3**	**4**	**(4)**	**(25)**	**(41)**
31 December 2021		**467**	**956**	**398**	**224**	**315**	**914**	**3,274**
Net book values								
31 December 2021		**17,486**	**7,765**	**1,558**	**2,210**	**387**	**2,318**	**31,724**
31 December 2020		1,856	979	688	-	224	577	4,324

[1] Includes non-underlying amortisation of intangible assets of £855 million. There was no impairment identified for purchased intangible assets.

Goodwill

Goodwill arising on acquisition typically represents the growth potential of the underlying businesses and the assembled workforce. During the year, the Group reassessed its CGUs and concluded that the previously reported FTSE Group, Frank Russell Group, Mergent and Yield Book CGUs are no longer generating independent cash inflows and operating on a standalone basis. Together with the operations acquired with Refinitiv (but excluding Tradeweb), these businesses now form the Data & Analytics CGU. The other CGUs in the Group are Capital Markets, Post Trade and Tradeweb.

At 31 December 2021, the goodwill on acquisition has been reallocated to the Group's CGUs as follows, where the goodwill is tested for impairment.

Acquisition	CGU 2021	CGU 2020
Refinitiv, excluding Tradeweb	Data & Analytics	-
Tradeweb	Tradeweb	-
Yield Book	Data & Analytics	Yield Book
Mergent	Data & Analytics	Mergent
Frank Russell Group	Data & Analytics	Frank Russell Group
LCH Group	Post Trade	LCH Group
FTSE Group	Data & Analytics	FTSE Group
MillenniumIT	Capital Markets	MillenniumIT
Turquoise	Capital Markets	Turquoise

Internally developed software and other intangible assets

The Group creates technology solutions where software products are developed internally, for use within the Group or to sell externally. These assets have a useful economic life of up to 12 years.

During the year, consideration for additions comprises £611 million (2020: £189 million) in cash, £2 million (2020: £10 million) of leased assets and £29 million (2020: £22 million) in accruals. During the year, the Group:

- recognised additions of £2 million (2020: £10 million) as right-of-use assets, with a right-of-use assets amortisation charge of £6 million (2020: £7 million)
- capitalised sales commissions paid to employees (contract costs) of £46 million (2020: £6 million)

The cost of self-developed software products includes £447 million (2020: £188 million) of assets not yet brought into use. No amortisation has been charged on these assets and instead they are tested for impairment annually.

Impairment tests for internally developed software and other intangible assets

Following a review of software assets in the year the Group recognised £13 million (2020: £23 million) of impairment in relation to assets with a recoverable amount less than the value-in-use.

During the year the Group recognised disposals and write-offs of assets which are no longer in use of £60 million with £16 million net book value (2020: £18 million with nil net book value).

15. Financial assets and financial liabilities

The financial instruments of the Group are categorised as follows:

Financial assets

	Group			
31 December 2021	**Amortised cost £m**	**FVOCI £m**	**FVPL £m**	**Total £m**
Clearing business financial assets				
Clearing member trading assets	1,476	-	645,587	**647,063**
Other receivables from clearing members	4,184	-	-	**4,184**
Other financial assets	-	13,784	-	**13,784**
Clearing member cash and cash equivalents[1]	83,795	-	-	**83,795**
	89,455	13,784	645,587	**748,826**
Trade and other receivables	1,020	-	6	**1,026**
Cash and cash equivalents	2,665	-	-	**2,665**
Investments in financial assets - equity instruments	-	351	-	**351**
Derivative financial instruments	-	-	27	**27**
Total financial assets	**93,140**	**14,135**	**645,620**	**752,895**

[1] Clearing member cash and cash equivalents represents amounts received from the clearing members to cover initial and variation margins, and default fund contributions that are not invested in bonds. These amounts are deposited with banks, including central banks, or invested securely in short-term reverse repurchase contracts (reverse repos).

Financial assets measured at fair value

The following table provides the fair value measurement hierarchy of the Group's financial assets measured at fair value:

	Group			
31 December 2021	**Quoted prices in active markets (Level 1) £m**	**Significant observable inputs (Level 2) £m**	**Significant unobserv-able inputs (Level 3) £m**	**Total £m**
Clearing business financial assets				
Derivative instruments	47	2,631	-	**2,678**
Non-derivative instruments	-	642,909	-	**642,909**
Other financial assets	13,784	-	-	**13,784**
	13,831	645,540	-	**659,371**
Investment in financial assets - equity	1	-	350	**351**
Derivatives not designated as hedges				
Foreign exchange forward contracts	**-**	27	-	**27**
Trade and other receivables - convertible loan notes	-	-	6	**6**
Total financial assets measured at fair value	**13,832**	**645,567**	**356**	**659,755**

There were no transfers between levels during the year.

Financial liabilities

31 December 2021	Group Amortised cost £m	 FVPL £m	 Total £m
Clearing business financial liabilities			
Clearing member trading liabilities	1,476	645,587	**647,063**
Other payables to clearing members	101,581	-	**101,581**
	103,057	645,587	**748,644**
Trade and other payables	2,727	-	**2,727**
Borrowings	7,654	-	**7,654**
Derivative financial instruments	-	52	**52**
Total financial liabilities	**113,438**	**645,639**	**759,077**

The following table provides the fair value measurement hierarchy of the Group's financial liabilities measured at fair value:

31 December 2021	Group Quoted prices in active markets (Level 1) £m	 Significant observable inputs (Level 2) £m	 Significant unobservable inputs (Level 3) £m	 Total £m
Clearing business financial liabilities				
Derivative instruments	47	2,631	-	**2,678**
Non-derivative instruments	-	642,909	-	**642,909**
	47	645,540	-	**645,587**
Derivatives not designated as hedges				
Foreign exchange forward contracts	-	8	-	**8**
Derivatives designated as hedges				
Cross-currency interest rate swaps	-	44	-	**44**
Total financial liabilities measured at fair value	**47**	**645,592**	**-**	**645,639**

There were no transfers between levels during the year.

The financial instruments of the Group for the prior year were as follows:

Financial assets

31 December 2020	Group Amortised cost £m	 FVOCI £m	 FVPL £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

Financial assets measured at fair value

The following table provides the fair value measurement hierarchy of the Group's financial assets:

31 December 2020	Group Quoted prices in active markets (Level 1) £m	Significant observable inputs (Level 2) £m	Significant unobservable inputs (Level 3) £m	Total £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	111	-	-	111
Investment in financial assets - equity	-	-	261	261
Derivatives not designated as hedges				
Trade and other receivables - convertible loan notes	-	-	5	5
Total financial assets measured at fair value	30,575	626,826	266	657,667

There were no transfers between levels during 2020.

Financial liabilities

31 December 2020	Group Amortised cost £m	FVPL £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

Financial liabilities measured at fair value

The following table provides the fair value measurement hierarchy of the Group's financial liabilities measured at fair value:

31 December 2020	Group Quoted prices in active markets (Level 1) £m	Significant observable inputs (Level 2) £m	Significant unobservable inputs (Level 3) £m	Total £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 not designated as hedges				
Foreign exchange forward contracts	-	6	-	6
Derivatives designated as hedges				
Cross-currency interest rate swaps	-	11	-	11
Total financial liabilities measured at fair value	5,873	626,843	-	632,716

16. Borrowings

	Group 2021 £m	Group 2020 £m
Non-current		
Bank borrowings - committed bank facilities and term loans[1]	**1,347**	(2)
Trade finance loans	**1**	1
Bonds	**6,306**	1,347
Total non-current borrowings	**7,654**	1,346
Current		
Bank borrowings - committed bank facilities	**-**	135
Commercial paper	**-**	170
Bonds	**-**	300
Total current borrowings	**-**	605
Total borrowings	**7,654**	1,951

[1] Balances are shown net of capitalised arrangement fees. Where there are no amounts borrowed on a particular facility, this gives rise to a negative balance.

The Group has the following committed bank facilities, loans and unsecured bonds:

	Expiry date	Facility/ bond £m	Carrying value 2021 £m	Carrying value 2020 £m	Interest rate %
Committed bank facilities					
Dual-currency bridge facility			**-**	(8)	LIBOR + 0.3
Multi-currency revolving credit facility			**-**	6	LIBOR + 0.45
Multi-currency revolving credit facility	Dec 2024	1,425	**(3)**	138	see note[2]
Multi-currency revolving credit facility	Dec 2026	1,075	**(3)**	(1)	see note[2]
Total committed bank facilities[1]		2,500	**(6)**	135	
Commercial paper			**-**	170	(0.380)
Committed term loans					
€500 million term loan	Dec 2023		**126**	-	EURIBOR + 0.725
$2,000 million term loan	Dec 2023		**1,227**	(2)	see note[2]
Total committed term loans[1]			**1,353**	(2)	
Bonds					
£300 million bond, issued November 2012	Nov 2021	-	**-**	300	4.750
$500 million bond, issued April 2021	Apr 2024	370	**369**	-	0.650
€500 million bond, issued September 2017	Sep 2024	419	**419**	450	0.875
€500 million bond, issued April 2021	Apr 2025	419	**419**	-	-
$1,000 million bond, issued April 2021	Apr 2026	741	**738**	-	1.375
€500 million bond, issued December 2018	Dec 2027	419	**417**	448	1.750
€500 million bond, issued April 2021	Apr 2028	419	**417**	-	0.250
$1,000 million bond, issued April 2021	Apr 2028	741	**737**	-	2.000
€500 million bond, issued September 2017	Sep 2029	419	**417**	449	1.750
£500 million bond, issued April 2021	Apr 2030	500	**493**	-	1.625
$1,250 million bond, issued April 2021	Apr 2031	926	**919**	-	2.500
€500 million bond, issued April 2021	Apr 2033	419	**413**	-	0.750
$750 million bond, issued April 2021	Apr 2041	556	**548**	-	3.200
Total bonds		6,348	**6,306**	1,647	
Trade finance loans	Nov 2023		**1**	1	7.3
Total committed facilities, loans and unsecured notes			**7,654**	1,951	

[1] Negative balances represent the value of unamortised arrangement fees

[2] As part of the IBOR Reform, a Credit Adjustment Spread (CAS) has been applied where US dollar and sterling LIBOR rates were respectively replaced with SOFR and SONIA rates in the bank facilities. The CAS is variable and depends on the tenor and currency of the borrowings

Committed bank facilities

On 29 January 2021, as part of the Refinitiv acquisition, the Group refinanced the debt acquired with Refinitiv by drawing down £8 billion on its dual-currency bridge facility, €500 million (£430 million) on its euro term loan, US$2,000 million (£1,468 million) on its US dollar term loan and £500 million on its multi-currency revolving credit facilities. The draw downs on the bridge facility and revolving credit facilities were repaid in April 2021 using funds received from bond issues (see below) and proceeds from the sale of the Borsa Italiana group. The bridge facility was cancelled upon repayment.

Multi-currency revolving credit facilities

In December 2020, the Group arranged a £1,075 million syndicated committed facility maturing in December 2025. This was to replace the former £600 million facility which would have matured in November 2022. In December 2021, the first of two 1-year extension options were taken up, extending the maturity to December 2026. In December 2020, the Group had also increased the £600 million Revolving Credit Facility agreement maturing in December 2024 to £1,425 million. These new facility arrangements became effective in January 2021. The revolving credit facilities were drawn down during the year and fully repaid as at 31 December 2021 (2020: £143 million).

Commercial paper

The Group maintained its £1 billion Euro Commercial Paper Programme. There were no outstanding issuances at 31 December 2021 (2020: €188 million (£170 million)).

Term loan facilities

In December 2020, the Group arranged €500 million and US$2,000 million 3-year term loan facilities which became effective in January 2021 and mature in December 2023. The term loans were fully drawn in January 2021 and partly repaid by €350 million and US$340 million respectively during the year.

Bonds

In April 2021, the Group issued nine new senior unsecured bonds using its newly established Global Medium-Term Note Programme. The £5 billion issued consisted of US$4.5 billion (£3.2 billion), €1.5 billion (£1.3 billion) and £500 million with maturities between April 2024 and April 2041.

The Group's £300 million 4.75% bond, issued in 2012, matured in November 2021.

Other Group facilities

In accordance with the Committee on Payments and Market Infrastructures, the International Organisation of Securities Commissions and Principles for Financial Market Infrastructures, many central banks now allow CCPs to apply for access to certain central bank facilities. LCH SA has a French banking licence and is able to access financing at the European Central Bank to support its liquidity position. LCH Ltd is deemed to have sufficient fungible liquid assets to maintain an appropriate liquidity position and has direct access to central bank facilities to support its liquidity risk management in accordance with the requirements under European Market Infrastructure Regulation.

In addition, a number of Group entities have access to uncommitted operational, money market and overdraft facilities which support post trade activities and day-to-day liquidity requirements.

None of these facilities were drawn during the year.

The carrying amounts of the Group's borrowings are denominated in the following currencies:

	2021			2020		
Currency	**Drawn £m**	**Swapped £m**	**Effective £m**	**Drawn £m**	**Swapped £m**	**Effective £m**
Sterling	**484**	**-**	**484**	421	-	421
Euro	**2,630**	**(619)**	**2,011**	1,530	(613)	917
US dollar	**4,540**	**619**	**5,159**	-	613	613
Total	**7,654**	**-**	**7,654**	1,951	-	1,951

Analysis of net debt

Net debt comprises cash and cash equivalents less interest bearing loans and borrowings, lease liabilities, and derivative financial instruments.

	Group	
	2021	2020 (Re-presented)[1]
	£m	£m
Current		
Cash and cash equivalents	**2,665**	1,785
Bank borrowings	**-**	(135)
Commercial paper	**-**	(170)
Bonds	**-**	(300)
Lease liabilities	**(168)**	(42)
Derivative financial assets	**25**	-
Derivative financial liabilities	**(7)**	(6)
Net amounts owed from/(to) subsidiary companies	**-**	-
Total due within one year	**2,515**	1,132
Non-current		
Bank borrowings	**(1,347)**	2
Net amounts owed from Group companies	**-**	-
Bonds	**(6,306)**	(1,347)
Trade finance loans	**(1)**	(1)
Lease liabilities	**(547)**	(147)
Derivative financial assets	**2**	-
Derivative financial liabilities	**(45)**	(11)
Total due after one year	**(8,244)**	(1,504)
Net debt	**(5,729)**	(372)

[1] The 2020 analysis of net debt has been re-presented to include lease liabilities.

Reconciliation of net cash flow to movement in net debt

	Group	
	2021	2020 (Re-presented)[1]
	£m	£m
Increase/(decrease) in cash and cash equivalents	**940**	237
Bond issue proceeds	**(5,061)**	-
Bond repayment	**300**	-
Net repayments on commercial paper	**170**	101
Net repayments on short-term bank borrowings	**122**	-
Additional drawdowns from bank credit facilities	**(1,883)**	(4)
Repayments made towards bank credit facilities	**548**	127
Arrangement fees paid	**52**	4
Trade finance loans received	**-**	(1)
Lease liability principal repaid	**118**	43
Change in net debt resulting from cash flows	**(4,694)**	507
Foreign exchange	**8**	(36)
Movement on derivative financial assets and liabilities	**(8)**	21
Movement in bank credit facility arrangement fees	**(19)**	(2)
Net amounts owed from/(to) Group companies	**-**	-
Lease liabilities acquired in year	**(644)**	(49)
Net debt at 1 January	**(372)**	(813)
Net debt at 31 December	**(5,729)**	(372)

[1] The 2020 analysis of net debt has been re-presented to include lease liabilities and net amounts owed from/(to) subsidiary companies

17. Share capital, share premium and other reserves

Ordinary share capital issued and fully paid

	Note	Number of shares millions	Ordinary share capital £m	Share premium £m	Total £m
1 January 2020		351	24	967	991
Issue of shares to the Employee Benefit Trust		-	-	4	4
31 December 2020		351	24	971	995
Acquisition of subsidiaries	2	**204**	**15**	-	**15**
Issue of shares to the Employee Benefit Trust		**2**	**-**	**7**	**7**

31 December 2021	**557**	**39**	**978**	**1,017**

Ordinary share capital consists of ordinary shares of 6 $^{79/86}$ pence.

LSEG issued 204,225,968 shares (comprising 136,870,442 listed LSEG ordinary shares and 67,355,526 unlisted LSEG limited-voting ordinary shares) to acquire Refinitiv (refer to note 2). 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 within retained earnings.

The Board approved the allotment and issue of 1,368,896 ordinary shares at par and a further 177,894 ordinary shares at a weighted average price of £35.74 to the Employee Benefit Trust (2020: 775,00 ordinary shares at par and 139,970 at £31.11) to settle employee share plans. A share premium of £7 million (2020: £4 million) has been recognised in the year in respect of these.

The number of shares held by the Employee Benefit Trust to settle exercises of employee share awards was 566,034 (2020: 487,866).

Other reserves

	Notes	Merger relief reserve £m	Capital Redemption reserve £m	Reverse acquisition reserve £m	Hedging reserve £m	Foreign exchange translation reserve £m	Total £m
1 January 2020		1,305	514	(512)	(46)	535	1,796
Foreign exchange on retranslation		-	-	-	-	73	73
Changes in fair value		-	-	-	(64)	-	(64)
31 December 2020		1,305	514	(512)	(110)	608	1,805
Acquisition of subsidiaries	2	**16,981**	**-**	**-**	**-**	**-**	**16,981**
Amounts recycled on disposal	3	**-**	**-**	**-**	**17**	**(62)**	**(45)**
Foreign exchange on retranslation recognised		**-**	**-**	**-**	**-**	**(41)**	**(41)**
Amount recycled to income statement		**-**	**-**	**-**	**(2)**	**-**	**(2)**
Changes in fair value recognised		**-**	**-**	**-**	**109**	**-**	**109**
31 December 2021		**18,286**	**514**	**(512)**	**14**	**505**	**18,807**

Merger relief reserve

The merger relief reserve is a potentially distributable reserve arising as a result of shares issued to acquire subsidiaries.

The Group applied merger relief, as required by section 612 of the Companies Act 2006, to the issue of shares to acquire Refinitiv (refer to note 3). The Group acquired a 100% equity holding in Refinitiv and recognised the excess of the fair value above the nominal share capital issued in the merger relief and retained earnings.

Capital redemption reserve

This reserve was set up as a result of a court approved capital reduction scheme and is non-distributable.

Reverse acquisition reserve

This reserve arises in consolidation as a result of the capital reduction scheme and is non-distributable.

Foreign exchange translation reserve

The foreign exchange translation reserve records the cumulative impact of foreign exchange rate movements on the retranslation of non-sterling subsidiary companies. It is distributable under certain circumstances.

Net gains and losses are recognised in other comprehensive income and amounts remain in equity until the subsidiary is derecognised. An amount of £62 million (2020: nil) was reclassified to the income statement during the year as a result of the disposal of the Borsa Italiana group (refer to note 3).

Hedging reserve

The hedging reserve represents the cumulative fair value adjustments recognised in respect of net investment and cash flow hedges entered into in accordance with hedge accounting principles. It is distributable under certain circumstances.

Net gains and losses are recognised in other comprehensive income and balances remain in equity until both the hedging instrument and the underlying instrument are derecognised.

An amount of £17 million was reclassified to the income statement during the year as a result of the disposal of the Borsa Italiana group (refer to note 3). The gain realised on cash flow hedges during the year is being amortised through the income statement over the life of the underlying instrument. During the year £2 million was recycled back through the income statement.

18. Commitments and contingencies

The Group had no contracted capital commitments which are not provided for in the financial statements. The Group has a long-term agreement with Reuters News, to receive news and editorial content for a minimum payment of US$325 million per year.

In the normal course of business, the Group can receive 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 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 such current or future matters with any certainty, it currently believes the likelihood of any material liabilities to be low, and that these will not have a material adverse effect on its consolidated income, financial position or cash flows.

19. Events after the reporting period

Sale of assets

On 5 January 2022, the Group completed the sale of one of its freehold properties in the UK for a cash sum of £153 million realising a profit on disposal of £133 million. The Group continues to have exclusive access to the building until June 2023 through a lease back arrangement.

Quantile acquisition

On 6 December 2021, LSEG announced that it had agreed to acquire Quantile, a UK-based provider of portfolio compression and optimisation solutions for financial institutions dealing with derivatives instruments. The transaction represents an opportunity for Post Trade to acquire a high growth asset in an area of strategic importance, complementing our existing suite of analytics, data and funding optimisation and efficiency solutions. The maximum aggregate consideration is £274 million (subject to customary adjustments).

Until 6 August 2021, Stephen O'Connor, the chairman and a significant shareholder of Quantile Group Limited, was Senior Independent Director of the Company. He remains a director of a Group subsidiary, London Stock Exchange plc.

TORA acquisition

On 22 February 2022, LSEG announced it has agreed to acquire TORA, a leading cloud-based technology provider that supports customers trading multiple asset classes across global markets. TORA offers an order and execution management system and a portfolio management system for customers trading multiple asset classes, including equities, fixed income, FX, derivatives and digital assets. Following completion, TORA will be part of LSEG's Data & Analytics division. The maximum aggregate consideration is US$325 million (subject to customary adjustments) and the acquisition is expected to close in H2 2022, subject to regulatory approvals.