LSEG

OPEN MAKES MORE POSSIBLE

LONDON STOCK EXCHANGE GROUP PLC
ANNUAL REPORT 2022

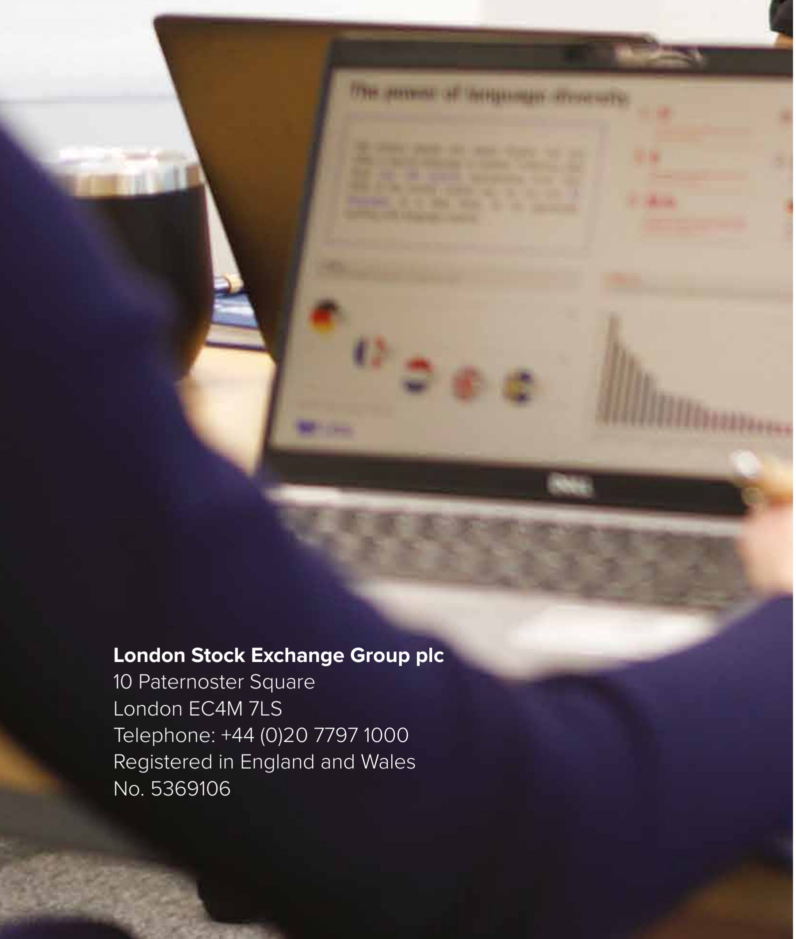
Partnering with our customers at every stage of the trade lifecycle.

WHO WE ARE

LSEG is a leading global financial markets infrastructure and data provider. We play a vital social and economic role in the world's financial system. With our trusted expertise and global scale, we enable the sustainable growth and stability of our customers and their communities.

OUR PURPOSE

Driving financial stability, empowering economies and enabling customers to create sustainable growth.



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London EC4M 7LS
Telephone: +44 (0)20 7797 1000
Registered in England and Wales
No. 5369106

2022 FINANCIAL HIGHLIGHTS

Total income excluding recoveries[1]

£7.4bn

2021: £6.6bn[2]

Growth in total income excluding recoveries[3,4]

+5.7%

2021: +6.1%

Adjusted earnings per share

317.8p

2021: 272.4p

2022 DIVISIONAL HIGHLIGHTS

Data & Analytics – Annual Subscription Value (excl. Ukraine/Russia)[4]

+6.2%

2021: +4.6%

Capital Markets – FX average daily trading volume

$452bn

2021: $443bn

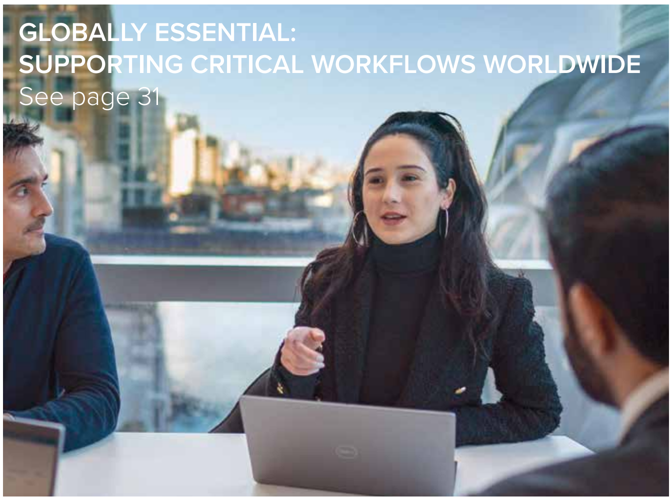
Post Trade – Interest rate swap notional cleared

$1,091trn

2021: $921trn

1 Recoveries relate to fees for third-party content, such as exchange data, that is distributed directly to customers.
2 Pro-forma.
3 Pro-forma, constant currency. 2021 growth is as reported.
4 Growth rate includes the impact of lost revenue in 2022 as a result of the Russia/Ukraine conflict

Contents



GLOBALLY ESSENTIAL: SUPPORTING CRITICAL WORKFLOWS WORLDWIDE
See page 31

MULTI-ASSET CLASS: THE BREADTH OF OUR COVERAGE DRIVES VALUE
See page 32

SEAMLESSLY CONNECTED: CREATING POWERFULLY INNOVATIVE SOLUTIONS
See page 33

Strategic Report

Sign-off for the Strategic Report is provided in the Directors' Report on page 142.

Governance

Financial Statements

Shareholder Information

Further information on London Stock Exchange Group can be found at: www.lseg.com

LSEG at a glance

OUR BUSINESS

We are leaders in data and analytics; capital formation and trade execution; and clearing and risk management. Our businesses are discussed in depth in our divisional deep dives on pages 16-25.

OUR CUSTOMERS

We are dedicated partners to our customers across the entire trade lifecycle, with an open model and commitment to excellence.

Customers we serve
45,000+

Countries where we operate
190

Customers out of the top 100 global banks by total assets
99%

Customers out of the top 100 global asset managers by total assets
75%

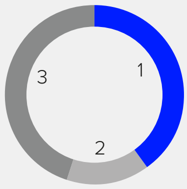
Customers out of the 50 largest corporates by market capitalisation
48

OUR PEOPLE

Our 24,000+ strong workforce are based in 65 countries. The breadth of our offering requires our people to have a diverse range of specialisms, from capital markets to data, technology, clearing, risk and beyond.

GLOBAL FOOTPRINT

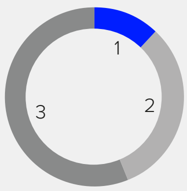
Revenue by geography[1]



1 Americas 40%
2 APAC 15%
3 EMEA 45%

1 Total income including recoveries

Employees by geography

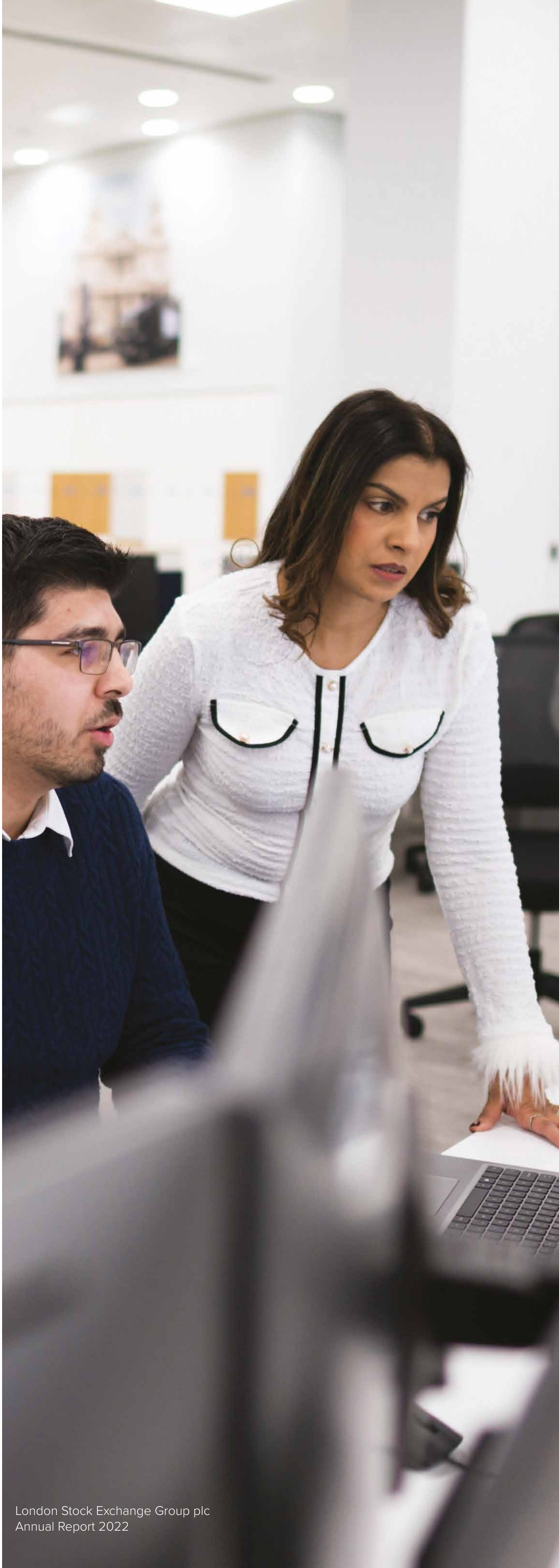


1 Americas 12%
2 EMEA 32%
3 APAC 56%

SUSTAINABLE OFFERING

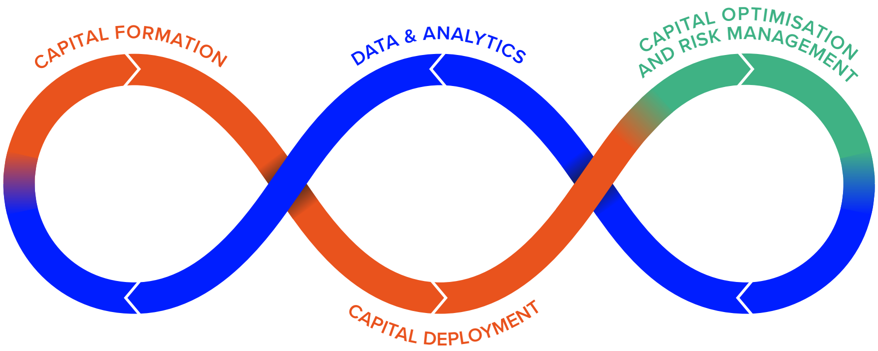
LSEG is dedicated to enabling sustainable economic growth. Given our central role in capital markets, our global footprint and presence throughout the trade lifecycle, we are uniquely positioned to play a leading role in this respect.

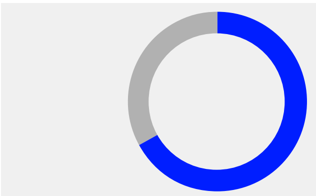
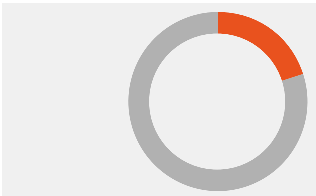
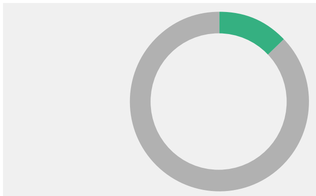
LSEG has a valuable combination of capabilities and assets that position us as a key partner for customers to navigate sustainability trends and related reporting requirements. From sustainable finance investment data and analytical tools to green fundraising on our voluntary carbon market, we are embedding these services throughout our business.



THE TRADE LIFECYCLE

We are an integral partner for our customers across every stage of the trade lifecycle, in multiple asset classes.



Divisions	**Data & Analytics** High-value data, analytics, indices, workflow solutions and data management capabilities.	**Capital Markets** Venues/platforms for access to capital through issuance and secondary market trading for equities, fixed income, and foreign exchange (FX).	**Post Trade** Clearing, risk management, capital optimisation and regulatory reporting solutions.
Financial highlights (excluding recoveries)	Revenue £4,944m  Data & Analytics 67%	Revenue £1,459m  Capital Markets 20%	Income £991m  Post Trade 13%
Growth[1]	+4.2%, and +5.3% when excluding the impacts of the Ukraine/Russia conflict	+9.8%	+7.5% (including NTI)
Customer profile	A broad range of financial market participants, including banks, buy-side and sell-side trading desks, hedge funds, asset owners and managers, corporates, brokers, academics and issuers.		
Market positions	— #1 real-time data business. — A leading global index and benchmark provider (FTSE Russell). — Leading provider for Know Your Customer screening though World-Check.	— Leading dealer-to-client FX platform (FXall) and leading global interbank FX venue (Matching). — Leading fixed income, derivatives and ETF electronic trading platform (Tradeweb).	— Leading global clearing house with >90% global share of cleared interest rate swap notional outstanding.

For more detail on our business model – refer to pages 36-39.

1 Pro-forma growth assumes that the acquisition of Refinitiv took place on 1 January 2021 for the prior year comparator. Growth is on a constant currency basis, excluding the impact of the deferred revenue accounting adjustment. Revenues and costs associated with the BETA divestment have been classified as discontinued and are excluded from all periods.

Chair's statement

We continue to successfully execute on our multi-year integration of the Refinitiv business, which is proving transformational for the Group.

Don Robert
Chair

Overview

LSEG has continued to perform strongly, despite an uncertain macroeconomic environment, and is well positioned for further growth. Total income excluding recoveries was £7.4 billion, up 5.7%[1] on a constant currency basis, and adjusted earnings per share rose by 16.7%. Cash generation remained strong in 2022. We have continued to actively deploy capital for select organic and inorganic investments and began a 12-month, £750 million share buyback programme. This has been funded, in large part, from the proceeds of the divestment of the BETA business, which completed on 1 July 2022.

The Board is proposing a final dividend of 75.3 pence per share, representing a total dividend of 107 pence per share, a 12.6% increase.

We continue to execute successfully on our multi-year integration of the Refinitiv business, which is proving transformational for the Group. We are committed to partnering with our customers globally to create valuable solutions. This will remain a fundamental pillar of our multi-year business strategy to accelerate our growth and increase scalability. The Board is pleased with the delivery against the stated financial targets announced at the time of the transaction, including the increase of our five-year cost synergy target to at least £400 million per annum.

In December we were delighted to announce a new long-term strategic partnership with Microsoft for the development of next-generation data and analytics and cloud infrastructure solutions. This partnership will deliver a step-change in services for customers across the financial markets value chain. A strong signal of Microsoft's commitment to the partnership can also be seen in their decision to take a 4.2% equity stake in LSEG. On behalf of the Board, I'm pleased to welcome Scott Guthrie, Microsoft's Executive Vice President, Cloud and AI Group as a Non-Executive Director.

Governance

Our Group is built on a strong heritage and the Board seeks to operate to high governance and ethical standards. Further detail is available in the Board's governance report from page 88.

In October, William Vereker joined the Board as a Non-Executive Director bringing a strong track record in the financial services sector, including a number of senior executive roles at global investment banks. His international experience in developing senior relationships, managing risk and organisational change will benefit the Group as we look to further capitalise on the trends shaping our industry.

Jacques Aigrain stepped down from the Board in April having served nine years as a Non-Executive Director. LSEG has come a long way since Jacques joined and I would like to thank him for the valuable role he has played in the Group's success both as a director and as Chair of the Remuneration Committee. I am also pleased by his ongoing association with the Group, having joined the Tradeweb board in July 2022.

I am also pleased to confirm that LSEG continues to meet the recommendations on gender and ethnic diversity contained in both the Hampton-Alexander Review and the Parker Review.

The Board seeks to visit one international office per year to engage with colleagues and understand regional business issues. The lifting of Covid-19 restrictions earlier in the year enabled the Board to travel to New York in June to meet with colleagues and customers, which was wonderful after two years of limited in-person interaction.

Following the conclusion of a formal tender process for its Group audit, LSEG announced in June that Deloitte LLP would be selected to act as its new auditor and that LSEG's current auditor, EY, would resign as auditor of the Group following completion of the audit for the year ending 31 December 2023.

1 Pro-forma, constant currency growth, excluding the impact of the deferred revenue accounting adjustment. 2022 growth includes the impact of lost revenue as a result of the Ukraine/Russia conflict.

First global exchange group to set its own Climate Transition Plan

No.1

Total dividend for 2022

107p

2021: 95.0p

Growth in total dividend

12.6%

2021: 27%

> We are committed to working in partnership with our customers globally to create valuable solutions.

More details can be found on pages 50-59 and in our separate Sustainability Report www.lseg.com/investor-relations/sustainability

Sustainability

We are taking a leadership role in our own approach to sustainability and we have set science-based carbon emission reduction targets. Our ambition is to be net zero by 2040 and we have so far achieved a cumulative 62% reduction in LSEG's Scope 1, Scope 2 (market-based) and Scope 3 fuel and energy-related GHG emissions since 2019. It is important that we lead by example and LSEG became the first global exchange group to publish its own Climate Transition Plan, which received the backing of 99% of our shareholders in April 2022. We support the evolution and adoption of best practice guidance for Climate Transition Plans and will review and refine our Plan over time.

LSEG has the right combination of capabilities and assets that position us as a key partner to help our customers navigate trends across the financial markets value chain. We are seeing growing demand for sustainable finance investment data and analytical tools, and we are embedding these services throughout our business.

LSEG has a massive ESG data set which covers over 600 metrics for over 15,000 companies, going back more than 20 years. This content helps our customers identify and target sustainable investment opportunities which meet their needs. They can also access performance benchmarking and attribution analysis of their portfolios through our climate-themed equity and fixed income indices and related analytics.

Summary

LSEG has delivered another year of strong growth. We are seeing the real benefits of our acquisition of Refinitiv and we see significant opportunities ahead for long-term sustainable growth.

On behalf of the Board, I would like to thank all colleagues for their dedication and professionalism throughout the year. I look forward to working with the Board and the Executive Committee to execute against our strategic objectives and to build on our new strategic partnership with Microsoft.

Don Robert
Chair
14 March 2023

Chief Executive Officer's statement

> Many of our product offerings sit deep within customer workflows and we provide the valuable data and services needed to help them navigate uncertainty. As a result, LSEG is well-positioned in the current climate.

David Schwimmer
Chief Executive Officer

Introduction

2022 has been another turbulent year in the markets. Countries around the world are facing uncertainty in the macro environment, such as increased inflation, rising interest rates and recession risks, as well as geopolitical turmoil including the war in Ukraine.

Like many global organisations, LSEG has worked to address these challenges over the past year. However, with highly diversified capabilities across the trade lifecycle, resilience is built into our business model. Many of our product offerings sit deep within customer workflows and we provide the valuable data and services needed to help them navigate uncertainty. As a result, LSEG is well positioned in the current climate.

How did LSEG perform in 2022?

In 2022, we delivered a strong financial performance with continued revenue growth across our businesses. For example, Capital Markets saw a 9.8% rise in revenue, primarily driven by the continued strong performance of Tradeweb.

In our Post Trade Division, record volumes in interest rate swaps and further growth in RepoClear resulted in a 7.5% increase. And in Data & Analytics, the work we have taken to get closer to our customers is driving significantly better retention as a result of improved execution, strong demand for our products and new sales. We have also seen continued acceleration in our Annual Subscription Value growth – up from 4.6% at the end of 2021 to 6.2% at year end, excluding the impact of lost revenue due to the Ukraine/Russia conflict.

Over 70% of our revenues are recurring, stable and growing. The remaining c.30% exposed to market activity tends to benefit from volatility in the markets. We also continue to be highly cash generative with strong credit ratings.

Simply put, our strategy is working. We are delivering against our three strategic objectives – integrating our business; driving growth; and building an efficient and scalable platform. We continue to deliver on or exceed all our financial targets and we are making excellent progress in realising the benefits of the Refinitiv integration.

We supply business critical solutions globally, to customers that include almost every top global bank and the vast majority of the world's top asset managers. We have strong leadership positions in the products and services we offer across the financial markets value chain. And we are making it easier for our customers to work with us across different parts of our business. For example, we have simplified our offering in Data & Analytics, distilling more than 240 individual products down into nine customer solutions centred on core industry themes.

We also worked with customers to develop a valuable, new solution for important bank capital rules, known as the Fundamental Review of the Trading Book (FRTB), which will be implemented over the next two years. These rules create challenges for banks looking to manage their capital efficiently. To oversimplify, with better quality data on the positions in their trading books, banks will have to hold less capital against these positions. We are able to offer the most comprehensive range of data including from Tradeweb, Yield Book and SwapClear and it is a key differentiator for our customers.

Our strong cash generation enables us to continue to make significant but targeted investments. In the medium to long term, these investments will deliver a more scalable and efficient business and enhance our customer offering. In 2022, we completed the acquisitions of GDC, MayStreet and TORA within our D&A division and Quantile in our Post Trade division. We also announced the acquisition of Acadia, subject to regulatory approvals. By combining these additional capabilities with our connectivity into, and relationships with, market participants all over the world, we will create substantial value for our customers.

And we see plenty more opportunity ahead.

Can you provide more detail on your strategic partnership with Microsoft?
Our new long-term strategic partnership with Microsoft is a win-win-win: a win for our customers, a win for Microsoft and a win for LSEG.

It is a transformative partnership for LSEG and will significantly accelerate our strategy to be the leading global financial markets infrastructure and data provider. We're bringing together LSEG's leading data sets, analytics and global customer base with Microsoft's trusted cloud services and global reach to transform workflow and the user experience for our customers across the financial markets value chain.

As always, we will retain our open approach, making it even easier for users to access our data and combine it with their own, driving multiple possibilities for new products and creating meaningful revenue growth opportunities for both LSEG and Microsoft over time.

At a high level, our plans comprise four main elements:
- The migration of our data platform to Microsoft Azure, allowing much greater flexibility, usability and scalability than we have today.
- An enhanced version of LSEG Workspace with seamless Teams communication and Microsoft 365 interoperability, including built-in compliance features for the first time.
- The development of new analytics tools, combining the best of our data and analytics with Microsoft AI and collaboration tools.
- A 10-year cloud deal underpinning all our work together.

We've also agreed to explore the development of digital market infrastructure based on cloud technology, with a goal to transform how market participants interact with capital markets.

What are the strategic opportunities and challenges in the data economy?
As digital technology becomes more integral to all sectors of the economy, data is becoming increasingly important as the foundation of digital trade. OECD research estimates that rapidly growing cross-border data transfers already contribute $2.8 trillion to the global economy, and further estimates show that global data flows are expected to grow to $11 trillion by 2025 – greater than the value of the world's total trade in goods.

LSEG is at the heart of this global paradigm shift towards a data economy. There is growing demand for data to inform decision-making and fuel innovation. This will also support efforts to address issues such as climate change and financial crime.

> Our new long-term strategic partnership with Microsoft is a win-win-win: a win for our customers, a win for Microsoft and a win for LSEG.

Growth in total income excluding recoveries[1]

5.7%

2021: 6.1%

1 Pro-forma, constant currency growth, excluding the impact of the deferred revenue accounting adjustment. 2022 growth includes the impact of lost revenue as a result of the Ukraine/Russia conflict.

Growth in adjusted earnings per share

16.7%

2021: 71.9%

For more information on our purpose and strategy and business model, see pages 30 to 36.

Unlocking the value of data flows in the digital economy can drive sustainable growth, empower businesses and communities, and facilitate solutions to society's greatest challenges.

While the data ecosystem that underpins the digital economy is inherently global, a fragmentation in policy – whether that's data localisation requirements, national data centre mandates, or restrictions on the flow of data – will slow down growth. It also risks undermining both business and broader society being able to harness the benefits of international data transfers.

Policymakers have an essential role in unlocking this potential and we are working with other companies and governments to advocate for better agreement around the free flow of data.

We encourage governments and regulators to contribute to this agenda: pursuing digital economic cooperation and promoting international data transfers as a strategic priority. Agreements with provisions to ensure the free flow of trusted data and to assure standards for personal data protection will demonstrate the benefits of an open, global digital economy and encourage other jurisdictions to adopt a similar way forward.

What are your priorities for 2023?

My focus is to ensure LSEG continues to deliver against our strategic objectives, reinforcing our position as a global markets infrastructure and data provider. Following the acquisition of Refinitiv, we are shifting from a period of integration to one of transformation. Moving into 2023, we will start to see meaningful benefits from the investments we have been making in the past two years.

This year we will continue to build on the good progress we've made rolling out Workspace, giving customers a more flexible and intuitive user experience. We'll also be launching our replatformed FX venues, providing our customers with greater performance and functionality, and supporting product innovation. Furthermore, the modernisation of our network infrastructure will deliver a more resilient experience for our customers in 2023, as well as further efficiencies for the Group.

2023 will also be an important year in LSEG's transformation as we develop numerous capabilities through our strategic partnership with Microsoft. As ever, we will continue to put our customers first, and I look forward to developing the new products and services that will bring them stronger capabilities and allow them to succeed in a changing and uncertain landscape.

Our people and culture are central to our success. We have made significant progress in embedding an inclusive culture that values a range of perspectives and embraces diversity of every kind. Over the year, we have also supported colleagues facing challenging circumstances, such as in Ukraine and Sri Lanka and our teams continue to show remarkable resilience. On behalf of the Executive Committee, I would like to thank all our people for their hard work and commitment in delivering another year of strong growth for LSEG.

David Schwimmer
Chief Executive Officer
14 March 2023

EXECUTIVE MANAGEMENT TEAM

Day-to-day management of the Group is led by the CEO David Schwimmer, supported by the Executive Committee.

The team meets regularly to review a wide range of business matters, including financial performance, investment and projects, corporate culture, development and implementation of strategy, and setting and monitoring of performance targets.

Profiles of the Executive team are provided as at January 2023. For further information on David Schwimmer and Anna Manz, who are also members of the Board of Directors, see our Board of Directors overview on pages 90 to 93.

Changes to the Executive Committee

Andrea Remyn Stone (Group Head, Data & Analytics) left the Executive Committee in June 2022.

Tim Jones (Chief People Officer) left the Executive Committee in January 2023 and was replaced by Erica Bourne.










Top to bottom

David Schwimmer
Chief Executive Officer
Joined LSEG in 2018

Anna Manz
Chief Financial Officer
Joined LSEG in 2020

Balbir Bakhshi
Chief Risk Officer
Joined LSEG in 2021

Brings a deep commercial understanding and knowledge of risk management. Was previously Group Head of Non-Financial Risk Management at Deutsche Bank and served on the Supervisory Board of Deutsche Bank Luxembourg S.A. as Chair of its Risk Committee.

Top to bottom

Daniel Maguire
Group Head, Post Trade & CEO, LCH Group
Joined LCH in 2008

Held a variety of senior roles across LCH and LSEG, with experience in risk and default management, product management and regulatory strategy.

Anthony McCarthy
Chief Information Officer
Joined LSEG in 2017

Previously held various senior positions at Deutsche Bank, including Managing Director in IT and Group CIO, and CIO for Investment Banking Technology.

Murray Roos
Group Head, Capital Markets
Joined LSEG in 2020

Joined from Citigroup, where he was Global Co-Head of Equities and Securities Services. Previously spent a decade at Deutsche Bank, holding various senior roles.

Top to bottom

Catherine Johnson
General Counsel
Joined LSEG in 1996

Manages an international team of lawyers and compliance professionals, advising the Board and senior executives on key legal and compliance issues and strategic initiatives. She is also Chair of FTSE International Limited. Catherine qualified as a lawyer at Herbert Smith in 1993.

Erica Bourne
Chief People Officer
Joined LSEG in January 2023

Leads the global People function, responsible for attracting, developing and retaining talent for the Group's global business. Erica previously led the People function at Burberry Group, prior to which she held a number of leadership and executive roles across technology, consulting and financial services.

Top to bottom

David Shalders
Chief Operating Officer and Head of Integration
Joined LSEG in 2019

30 years' experience in integration, technology and operations in the financial services sector. Was previously Group Operations and Technology Director at Willis Towers Watson, having led the integration of Willis and Towers Watson, and spent 19 years at RBS in a number of senior operations and technology roles.

Brigitte Trafford
Chief Corporate Affairs and Marketing Officer
Joined LSEG in 2020

Leads the Group's communications, government relations, regulatory strategy, sustainability and marketing functions. 25 years' corporate affairs experience at Virgin Media, Lloyds Banking Group, ICAP, Dow Jones and ITV plc.

A compelling investment story

BUSINESS-CRITICAL SERVICES WITH STRONG COMPETITIVE POSITIONS

Data & Analytics
- A global leader in indices, data and analytics.
- #1 in real-time financial data.
- Open approach that allows customers to combine our data with their own.
- Extensively used in client processes and decision-making.

Capital Markets
- Tradeweb a leader in rates and credit trading, expanding into new markets.
- LSE a leading global exchange for primary equity issuance and secondary trading.
- FX venues facilitating $0.5 trillion of foreign exchange trades daily.

Post Trade
- A leading global clearing house, systemically critical infrastructure.
- 90% global share of cleared interest rate swap notional outstanding.

EXPOSED TO MULTIPLE GROWTH DRIVERS

The impact of technology
The positive impact of technology on the value of data and the range of use cases, through e.g. cloud services, AI and advanced analytics.

Evolving customer trends
Including indexation, quant strategies, algorithmic trading and intraday risk management, and the growth in electronic and borderless trading.

New asset classes
Including ESG, digital assets and private markets.

Regulation
Increasing demand for clearing, balance sheet efficiency and counterparty due diligence.

For more information, see "Market trends & our response" on page 26.

DIFFERENTIATED CUSTOMER PROPOSITION

A trusted, strategic partner
To global financial institutions, with scale in both data and financial markets infrastructure.

Across the whole trade lifecycle
Combining data, analytics, trading and clearing across multiple asset classes to develop new and innovative insights and services.

Open access model
We operate an open model of access to our products and services, across data, trade execution and clearing, that deliver choice and maximise value for our customers.

ATTRACTIVE ALL-WEATHER ECONOMIC MODEL

Recurring revenues
Subscription-based revenues accounting for 73% of Group income.

Transactional revenues
Focused in areas of strong market growth (e.g. Tradeweb) or leading market positions (e.g. LCH).

Diversification
Across products, customers and regions, with a scale presence in all major asset classes and customers in 190 countries.

Significant revenue and cost synergies
From Refinitiv acquisition, further supporting strong margins and cash generation.

Subscription-based revenues
73%

ACTIVE CAPITAL ALLOCATION SUPPORTING STRATEGIC EXECUTION

Strong cash generation
Growth investments and shareholder returns funded from strong cash generation.

Organic capex investment
Focused on Refinitiv integration and the transformation of key platforms in Investment Solutions and Capital Markets for future growth.

M&A strategy
Brings new services and capabilities to enhance the offer to our customers.

Excess capital returned to shareholders
£750 million share buyback is ongoing.

For more information, see our CFO review on page 40.

STRONG LONG-TERM FINANCIAL RECORD

Over the last 20 years

AEPS CAGR[1]
+14.6%

Total shareholder return CAGR[1]
+20.2%

Dividend CAGR[1]
+17.4%

1 Compound Annual Growth Rate.

Key performance indicators

2022 FINANCIAL KPIS

We are focused on delivering consistently strong financial performance and achieving the targets we have set.

These core financial KPIs demonstrate the value our combined group is delivering for both our customers and shareholders and they show that our strategy is working.

These KPIs align to our Group Strategic Objectives (GSOs) which help determine Executive Director remuneration and performance-related pay for all employees. Further detail on the GSO performance assessment can be found in our Directors' Remuneration Report on pages 113 to 141.

Total income growth[1]

Definition
Income growth, independent of FX movements.

Why this is important for LSEG
Income growth is a key measure of our success since we operate in growing markets and aim to hold or grow market share. We guided to a 5-7% CAGR for total income (excluding recoveries) over the period 2020 to 2023.

In order to give the best indication of underlying performance here, we have removed the impact of lost revenue in 2022 due to the Ukraine/Russia conflict.

Analysis
On a constant currency basis, we delivered total income (excluding recoveries) growth of 6.6%[1] in 2022.

We delivered strong income growth in 2022. We've made successful progress on the integration of Refinitiv, improving execution and performance. We saw record volumes at SwapClear, supported by market volatility and we continue to position ourselves in structurally growing markets to benefit from trends such as the electronification of fixed income trading through Tradeweb.

Total income growth excl. U/R[1]

+6.6%

2021: +6.1%

Link to strategic objectives
Total income growth aligns to our Growth objective, to accelerate growth within and across divisions. In 2022, we exceeded our target for this GSO.

Annualised Subscription Value growth[2]

Definition
A point in time measure of our recurring book of contracts vs 12 months ago.

Why this is important for LSEG
As a group, >70% of our revenues are now high quality subscription-based revenues with a good degree of visibility. Through ASV, we can measure the year-over-year growth of that recurring book of business at any given point in time. ASV should act as a leading indicator for subscription revenue growth and has three key drivers: retention, new sales and price increases.

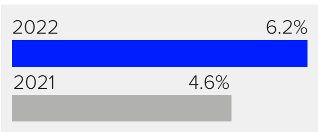
Analysis
We've delivered consistent acceleration in our ASV over the past two years. Our year-end ASV (excluding U/R) of 6.2% represents a 320bps increase vs the ASV at the end of Q1 2021. In that time we have kept our annual price increase consistent, so we've driven the acceleration through better retention and sales.

Increasingly, we are now a critical strategic partner to our customers. By establishing a clearer view of their workflows, we have utilised the breadth of our combined offering to embed wider-reaching, more tailored solutions that enhance the benefit we can offer.

ASV growth excl. U/R[2]

+6.2%

2021: +4.6%



Link to strategic objectives
ASV growth indicates the progress we are making in growing our subscription revenues. This therefore aligns to our Growth objective.

1 Pro-forma constant currency growth, excluding recoveries and the impact of Ukraine/Russia and the deferred revenue accounting adjustment.
2 Excluding the impact of the Ukraine/Russia conflict.
3 For more information on the criteria that constitute non-underlying items, see page 107.

Adjusted EBITDA margin

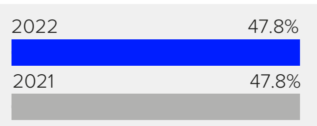
Definition
Underlying[3] EBITDA as a proportion of total income (excluding recoveries).

Why this is important for LSEG
We're focused on building a more efficient, more scalable business and increasing our EBITDA margin is evidence of our progress. We remain committed to our target of delivering a 50% underlying EBITDA margin on an exit rate basis by the end of 2023. Including the impact of M&A and the strategic partnership with Microsoft, we expect to report an EBITDA margin of around 48% in 2023.

Analysis
Our adjusted EBITDA margin of 47.8% in 2022 is flat year-over-year but represents underlying expansion of 110bps. In 2022, this was primarily offset by lost revenue due to the Ukraine/Russia conflict (-50bps) and M&A (-30bps).

By modernising our technology infrastructure, we are building a more agile and efficient business for the long term. We also showed disciplined cost management in 2022 at a time of extraordinary global inflation. We are optimising processes and utilising our global footprint to leverage talent in lower-cost locations.

Adjusted EBITDA margin
47.8%
2021: 47.8%



Link to strategic objectives
Expansion of our EBITDA margin aligns to both our Growth and Efficiency objectives. In 2022, we exceeded our target for both of these GSOs.

Adjusted earnings per share

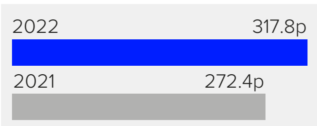
Definition
Earnings per share, adjusted to remove any non-underlying items.[3]

Why this is important for LSEG
A key financial metric that is both central to our valuation and a significant element of employees' performance-related remuneration. Growth in our AEPS reflects our degree of success in driving a strong top line performance, as well as managing costs including tax and interest, and capital allocation.

Analysis
Our adjusted earnings per share is a key indicator of whether we are adding value for shareholders and we delivered 16.7% growth in 2022. This growth in our AEPS primarily reflects our success in both accelerating income growth and effectively managing our expenses in the year.

Higher depreciation and amortisation – arising from investments to achieve synergies and drive future growth – was offset by lower net finance expense, and there was a small decrease in the ordinary shares outstanding due to the ongoing share buyback programme.

Adjusted earnings per share
317.8p
2021: 272.4p



Link to strategic objectives
Earnings per share growth aligns to both our Growth and Efficiency strategic objectives.

Runrate revenue synergies

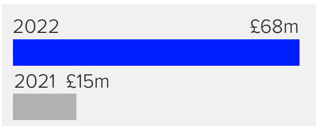
Definition
Annual incremental revenue delivered as a result of synergies from the Refinitiv integration.

Why this is important for LSEG
As a seamlessly connected financial markets data and infrastructure provider, we are able to build highly innovative solutions for our customers, delivering incremental revenue for the Group. Our delivery of these synergies helps demonstrate the value we're creating from the acquisition of Refinitiv. In March 2023, we raised our target from £225 million to £350-400 million of runrate revenue synergies by the end of 2025. We now expect to incur total costs of £550-600 million to achieve these synergies.

Analysis
By the end of 2022, we had delivered runrate revenue synergies of £68 million, exceeding our target range for the year of £40-60 million.

We are delivering our revenue synergies in three categories. We're cross-selling Refinitiv data products to new customer segments, such as the underlying pricing data behind FTSE Russell indices. We're enhancing existing products, for example by giving Workspace customers access to Yield Book fixed income analytics. And we're building new products. In 2022 we launched 70 new synergy-related products.

Runrate revenue synergies
£68m
2021: £15m



Link to strategic objectives
Revenue synergies contribute to income growth, so achievement against this KPI aligns to our Growth objective.

Runrate cost synergies

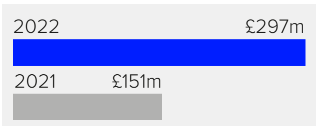
Definition
Annual incremental cost savings delivered as a result of synergies from the Refinitiv integration.

Why this is important for LSEG
By successfully delivering against our cost synergy programme, we are able to demonstrate that the integration of Refinitiv has helped us build a more streamlined and efficient LSEG. In 2022, we increased our target from £350 million to at least £400 million of runrate cost synergies by the end of 2025.

Analysis
We had delivered £297 million of runrate cost synergies by the end of 2022, exceeding our initial target for the year of £220 million.

We are delivering these cost savings by consolidating our property footprint, closing data centres, renegotiating agreements with strategic suppliers and deduplicating roles where appropriate. As of the end of 2022, our property consolidation and data centre decommissioning programmes were >90% complete and >85% complete respectively. The cost to achieve these synergies is in line with our initial plan.

Runrate cost synergies
£297m
2021: £151m



Link to strategic objectives
Cost synergies help us to manage our expenses, so achievement against this KPI aligns to our Efficiency objective.

2022 NON-FINANCIAL KPIS

At LSEG, we're committed to creating an environment where diverse talent can thrive, and to driving the growth of a green and sustainable economy.

These five core non-financial KPIs measure our progress, but also highlight the areas where we can still improve.

These KPIs align to our Group Strategic Objectives (GSOs) which help determine Executive Director remuneration and performance-related pay for all employees. Further detail on the GSO performance assessment can be found in our Directors' Remuneration Report on pages 113 to 141.

Engagement index

Definition
Our engagement index reflects employee satisfaction and the likelihood that our staff would recommend LSEG as a great place to work.

Why this is important for LSEG
We recognise the importance of establishing a diverse, inclusive workplace where opinions can be openly shared, contributions recognised and individual and team achievements celebrated.

Analysis
Our second Group-wide engagement survey indicated that overall engagement levels had improved to 75%, with sentiment increasing for both satisfaction and advocacy. 86% of colleagues completed the survey.

Achieving this level of engagement at a time when many of our people are having to transition to new ways of working indicates that we are making great progress on our cultural transformation journey.

LSEG Engage engagement index

75%

2021: 73%

2022 75%

2021 73%

Link to strategic objectives
The employee engagement index aligns to our Culture objective: to foster a diverse, inclusive culture and to connect to create opportunity and deliver excellence. In 2022, we exceeded our target for this GSO.

Gender diversity in leadership

Definition
The proportion of female representation in senior leadership roles.

Why this is important for LSEG
We strongly believe in promoting diverse gender representation across our organisation. In December, we were delighted to achieve our goal of ensuring 40% of senior leadership roles were filled by women by the end of 2022 and we have created a number of policies and programmes to ensure we continue to build on this progress. More information on page 61.

Analysis
In 2022, we were proud to deliver a 7% year-over-year increase in the proportion of senior leadership roles filled by women.

We have now expanded the scope of our gender goals to the next level of leadership, committing to the ambition that 40% of Group Director roles will be held by women by the end of 2027. This represents our continued commitment to building diverse pipelines of talent across the organisation.

Female rep at senior leadership

40%

2021: 33%

2022 40%

2021 33%

Link to strategic objectives
Ensuring the diversity of our people aligns to our Culture objective: to foster a diverse, inclusive culture and to connect to create opportunity and deliver excellence.

Ethnic diversity in leadership

Definition
The proportion of ethnically diverse representation in senior leadership roles.

Why this is important for LSEG
We are committed to building a richly diverse team of leaders, recognising exceptional talent from a wide range of different backgrounds. We have pledged that 20% of our senior leadership roles will be filled by those from underrepresented ethnic groups by the end of 2023, rising to 25% by 2025. Going forward, we will continue to evolve our goals in line with our ongoing commitment to build diverse pipelines of talent across the organisation.

Analysis
We remain committed to ensuring we have diverse representation at senior leadership, acknowledging that there is more we need to do in this area. In 2022, we expanded our ethnicity targets to Group Director level, committing that 25% of these roles will be held by those from underrepresented ethnic groups by the end of 2027. We also piloted initiatives including ‘Illuminate’, designed to support Black and Latinx future leaders at critical milestones in their career.

Minority rep at senior leadership

15%

2021: 16%

2022	15%
2021	16%

Link to strategic objectives
Ensuring the diversity of our people aligns to our Culture objective: to foster a diverse, inclusive culture and to connect to create opportunity and deliver excellence.

Sustainable issuers

Definition
The total number of issuers across the Green Economy Mark, the Sustainable Bond Market and the Voluntary Carbon Market.

Why this is important for LSEG
Stimulating the green economy is central to our purpose. We can measure the progress we are making here by tracking the overall level of issuer engagement in sustainable finance across the London Stock Exchange. Our goal is to grow the number of issuers year-over-year.

Analysis
The total number of issuers was flat year-over-year, but well ahead of the 2020 figure. During 2022, we aligned the AIM and Main Market eligibility requirements for the Green Economy Mark, which meant fewer AIM companies were eligible for inclusion than previously. Excluding this adjustment, there was good underlying growth. We launched the Voluntary Carbon Market, attracting our first issuer, and the number of Sustainable Bond Market issuers showed continued growth.

Number of sustainable issuers

217

2021: 217

2022	217
2021	217

Link to strategic objectives
This KPI aligns to our Sustainability objective: to establish LSEG as a strategic enabler of sustainable economic growth. We met our target for this GSO in 2022.

Carbon emissions

Definition
The change in the amount of carbon emissions we produce as a direct result of group activities, relative to our 2019 baseline.

Why this is important for LSEG
We are a member of the United Nations Climate Change ‘Race to Zero’ and we have set science-based targets to reduce our carbon emissions with an ambition of reaching net zero by 2040. We aim to halve our operational emissions by 2030 from a 2019 baseline.

Analysis
This metric tracks the change in our carbon emissions (scope 1, scope 2 (market based) and selected scope 3 (fuel and energy-related activities (FERA)) vs a 2019 baseline. Like many companies, we saw a steep reduction in our carbon emissions in 2020 and 2021, driven in large part by lockdowns and travel restrictions implemented as a result of the Covid-19 pandemic. As we emerge from the pandemic and as the Group continues to grow, we will stay focused on achieving our long-term goals.

Reduction of scope 1, 2, 3 (FERA)[1]

-62%

2021:-77%

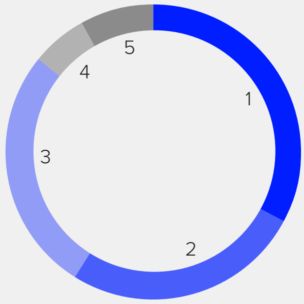
2022	-62%
2021	-77%

Link to strategic objectives
The reduction of our carbon emissions aligns to our Sustainability objective: to establish LSEG as a strategic enabler of sustainable economic growth. We met our target for this GSO in 2022.

1 Reduction of scope 1, scope 2 (market based) and scope 3 (FERA) emissions vs a 2019 baseline.

Data & Analytics

Revenue split

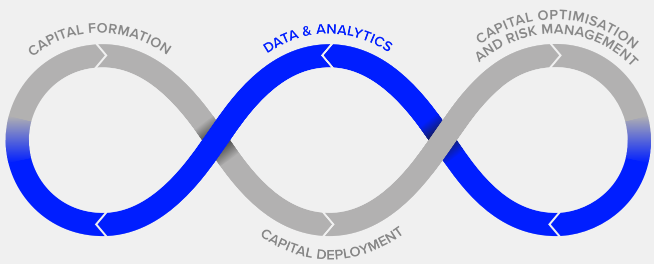


1 Trading & Banking £1,612m 33%
2 Enterprise Data Solutions £1,307m 26%
3 Investment Solutions £1,325m 27%
4 Wealth Solutions £275m 6%
5 Customer & Third-Party Risk Solutions £425m 8%

Data & Analytics has delivered a strong and broad-based performance in 2022. In particular, we have now achieved four consecutive quarters of underlying growth in our Trading & Banking business, following a number of years of decline. Across Data & Analytics, we're continuing to invest in our capabilities to enhance our offering and we're really excited about the momentum we're building.

David Schwimmer
Group CEO, Interim Group Head, Data & Analytics

OUR PART IN THE TRADE LIFECYCLE



We provide customers with a broad range of high-value data and analytics services, including investment solutions and indices, trading workflow, wealth advisory and investment banking solutions and risk intelligence capabilities. The quality, depth and integrity of our data gives our customers the confidence to make critical decisions, create leading investment and trading products, and drive automation and efficiencies across their operations.

Recurring revenue
97%

Transactional revenue
3%

In July 2022, David Schwimmer took the role of Interim Head, Data & Analytics (D&A) with Phil Cotter taking the position of Interim Head of Product Solutions for D&A. The process to appoint a new permanent Head of D&A is ongoing and we expect to confirm this appointment in 2023. Ron Lefferts continues to lead the Sales & Account Management function across the Group.

The division is split into five areas, each addressing different customer needs.

Trading & Banking

Providing data, analytics and workflow solutions across trading and investment banking lifecycles, including content and pricing, productivity tools, trade execution, and post-trade management.

Structural market trends driving growth:
— Electronification and workflow automation
— Increasing reliance on data, analytics and technology

Performance:
+0.2% (2.3% excluding the impact of the Ukraine/Russia conflict) with delivery of four consecutive quarters of underlying growth this year. By partnering more closely with our customers and improving execution in a number of areas, we have delivered a significant improvement in product retention, particularly within Trading.

Enterprise Data Solutions

Serving the entire spectrum of data needs across asset classes, latencies and delivery mechanisms including real-time data and news, reference and legal entity data.

Structural market trends driving growth:
— Regulation
— Increasing reliance on technology and data
— Automation
— High speed trading & regression analysis
— Algorithmic trading

Performance:
+6.1% driven by strong demand for the quality and depth of our data and our market-leading real-time data distribution, with retention at record highs. Growth in Enterprise Data is supported by the ongoing trend toward machine-readable data to drive analytics and support decision-making.

Investment Solutions

Delivering a range of benchmarks, analytics and data solutions, that serve customers in all stages of the investment process, supporting consistency and accuracy in investment strategy and asset allocation decisions.

Structural market trends driving growth:
— Sustainability & ESG investing
— Growth in passive investing
— Growing sophistication in fixed income indexing
— Multi-factor investing

Performance:
+6.2% driven by Benchmarks & indices subscription revenues continuing to grow well, supported by strong inflows in asset based revenues, partially offset by falling equity markets.

Wealth Solutions

A suite of solutions designed to facilitate wealth manager workflows that enable advisers to make better-informed decisions, undertake timely communications and access relevant insights.

Structural market trends driving growth:
— Digitalisation
— Growth in mass-market wealth management demand

Performance:
+3.0% driven by increasing demand for our Wealth data feeds in the Digital Solutions business with growth across all core wealth management data sets.

Customer & Third-Party Risk Solutions

Providing a suite of risk solutions that help regulated businesses and corporate organisations conduct due diligence, meet Know Your Customer (KYC) commitments, onboard customers and combat financial crime.

Structural market trends driving growth:
— Digitalisation
— Regulation
— Rising focus on reputational risk
— ESG
— Digital currency growth

Performance:
+9.5% with World-Check (our KYC offering) continuing to perform well, reflecting the benefits of investment in product functionality and high demand this year. This was partially offset by lower transaction volumes and a subdued IPO market.

HIGHLIGHTS

ASV growth acceleration

Annualised Subscription Value (ASV) is our forward-looking KPI which shows the year-on-year growth in the annualised value of subscription contracts. This has shown notable acceleration since our acquisition of Refinitiv, up 320 basis points (excluding the impact of the Ukraine/Russia conflict) since Q1 2021. Year-on-year growth in this metric is driven by three factors: 1) new sales, 2) product retention and 3) annual price reviews.

Since the Refinitiv acquisition through to 2022, we have kept the magnitude of our price reviews relatively consistent. The acceleration in ASV we have seen is coming from a combination of new sales and stronger customer retention through a focus on solution selling and a vastly improved understanding of how we can add value to our customers' workflows.

Workspace

We've made great progress on the multi-year rollout of Workspace, our next-generation data, analytics and workflow delivery solution, with over 50% of the rollout complete and all variants now live or in beta testing. Workspace has been built with our customer groups in mind, with variants aimed at our Trading & Banking, Wealth and Investment Solutions customers.

Workspace allows customers to interact with our content and tools in a flexible and open way, with lighter processing requirements than the predecessor platform, Eikon. Workspace is delivered across desktop, web, and mobile environments, and has been designed to provide a customisable and intelligent user experience. In addition, Workspace offers an integrated Python scripting environment for developers to build their own analytics and tools within our environment. The Workspace rollout to date has seen positive customer feedback and improved customer engagement scores.

Acquisitions in Data & Analytics

In the year, we closed three transactions within Data & Analytics, enhancing our offering and adding capability:

TORA
A leading cloud-based technology provider of multi-asset class order & execution management solutions across global markets. The addition of TORA gives us critical point-of-trade presence with buy-side customers, allowing us to increase traction with this key market segment.

MayStreet
A high-quality low latency technology and market data provider. This acquisition broadens and complements our real-time feeds and historical market data value proposition, particularly for front office customers, who use these solutions to support research and strategy development and to power electronic trading applications.

Global Data Consortium (GDC)
A global provider of identity verification data to support clients with Know Your Customer (KYC) requirements. This addition to our Customer & Third-Party Risk Solutions business builds strategic capability aligned to our vision of becoming a market-leading global Digital Identity and Fraud solutions provider.

In the year, we divested our **BETA, Maxit and Digital Investor** businesses. These businesses provide back-office processing solutions to the wealth management industry. The divestment allowed for a more streamlined Wealth business focused on high growth areas and our core capabilities. Upon divestment, we announced a long-term strategic partnership with the acquirers for the provision of data, content and tools.

HIGHLIGHTS CONTINUED

Our strategic partnership with Microsoft
In December, we announced a new long-term strategic partnership with Microsoft to architect our data infrastructure using the Microsoft Cloud, and to jointly develop new products and services in the data and analytics space. The partnership will build on the good progress we have made on the integration of Refinitiv and enhance our position as a world-leading financial markets infrastructure and data provider.

The deal significantly advances our strategy of building an efficient and scalable platform for Data & Analytics to deliver next-generation services for a range of customers across the financial markets value chain through improved workflow and greater flexibility.

Data platform in the cloud
Working with Microsoft's Azure, we will accelerate our cloud migration strategy, creating cloud-based data architecture that consolidates our data sets onto one, flexible infrastructure. This will be simple, responsive and efficient, and built with security, privacy and compliance. LSEG customers will be able to access data faster when and wherever they need it — enabling resilience and adaptability as capital markets continue to evolve.

Additionally, data scientists and engineers will be able to utilise our data and analytics services on our infrastructure, or leverage our open financial data ecosystem by integrating their own data to build custom solutions.

LSEG Workspace to use Teams and Microsoft 365 to transform user experience for finance professionals
Alongside Microsoft, we plan a step-change in the advancement of Workspace. Together with Microsoft, we will create an all-in-one data, analytics, workflow, and collaboration solution, specifically designed to help finance and investment professionals improve communications and productivity while maintaining regulatory compliance. It will be a connected, intuitive experience with a single, simple-to-use interface that helps users:

- For the first time, collaborate with other LSEG customers inside and outside of their organisations, using Teams to connect, chat, call, and meet with built-in compliance, security, and privacy.
- Create financial models, run data analysis, and design graphs using LSEG content delivered in Excel.
- Work seamlessly between LSEG Workspace, Teams and Microsoft 365 tools to deliver financial presentations and reports.

New cloud analytics and modelling services
With Microsoft, we will use Azure Machine Learning and our own advanced analytics and modelling capabilities to co-develop a new suite of solutions. Businesses that rely on analytics will be able to scale without the need for complicated processes and systems that often require extra servers, hardware, and employee resources.

On the modelling side, development will focus on model construction, validation, diagnostics and deployment, helping banking and investment institutions avoid the labour-intensive and expensive process of creating models from the ground up.

Cloud infrastructure built on Microsoft Azure
We have entered into a 10-year commercial agreement with Microsoft to migrate our data platform and other key technology infrastructure into the Microsoft Cloud.

This infrastructure plan will be the foundation for all product development programmes and enable us to build and run scalable applications to achieve faster speed to market and greater customer reach. At the same time, it will allow us to align costs more directly to revenue streams, reduce operational complexity through the consolidation of multiple legacy technologies, and further strengthen resilience and security.

Microsoft investment and Board representation
Microsoft have purchased a 4.2% equity stake in LSEG, underscoring its commitment to the strategic partnership. Scott Guthrie, Microsoft's Executive Vice President, Cloud and AI Group, joined our Board as a Non-Executive Director in January 2023. For more information, please refer to the Report of the Nomination Committee on page 102.

Revenue synergies

As a result of the Refinitiv acquisition, we announced we would deliver £225 million of run-rate revenue synergies by the end of 2025. In March 2023, we subsequently raised this target to £350-£400 million. Bringing together Refinitiv's market-leading data content, with its notable depth and breadth of coverage, and LSEG's leading brands provides the opportunity to launch innovative solutions, enhance existing products and cross-sell to our existing client base. We have delivered £68m in runrate revenue synergies to date.

Two of the key areas of our synergy delivery to date are:

Creating new products
Refinitiv's extensive data offering is enabling the build out of new FTSE Russell indices. For example, we launched the following index series this year:
- Russell Fixed Income Index – our complementary series to the flagship Russell US equity indices. The new offering is designed to offer our customers a more precise asset allocation methodology to track the domestic US corporate bond market.
- FTSE JPX Net Zero Japan – in partnership with JPX (Japan Exchange Group). The series is aimed at Japanese investors seeking to mitigate climate risks, capture climate opportunities from the green economy and ensure alignment with Net Zero by 2050 in their portfolios.

Another area of product development has been within Yield Book, our fixed income analytics platform. Using Refinitiv data we have broadened our Yield Book securitised offering to include collaterised loan obligations (CLOs), a major asset class expansion within fixed income, of great relevance and interest to the global buy and sell-side communities. A CLO is a security investors can purchase, backed by a pool of low-grade corporate loans. Through the enhancement of Yield Book's offering, customers can now access CLO data, cash flows, analytics and credit models within Yield Book and integrate their CLO analysis into their wider fixed income portfolio analysis.

Cross-selling and distribution opportunities:
The combination of our two organisations has unlocked new customer segments and enhanced product opportunities. Here are a few examples of how these opportunities have been realised:
- FTSE Russell customers are interested in accessing the underlying data which underpins the indices which they already subscribe to. We can now provide the index alongside the underlying constituent data so customers can now track the benchmark and simultaneously perform analysis on the data to make investment decisions. We continue to enhance our data through the addition of new attributes to existing data sets and invest in new data sets to broaden and deepen the offering.
- Yield Book, LSEG's fixed income offering, has been embedded into Workspace, Refinitiv's next-generation workflow solution. Now our customers can access a single source solution for their fixed income needs alongside other asset classes. Expanding Workspace's coverage in fixed income also improves its usability for our customers' back-office communities with its expanded trade reconciliation and reporting capabilities.
- In the Sustainable Investing space, the FTSE Russell Green Revenues data set is now available via the Refinitiv Data Platform and Datastream. By making this data set available through Refinitiv distribution channels, it is easily discoverable for new users in a high-growth segment of the market. The data enables our customers to model portfolio and company-level analysis to understand climate transition risks and identify investment opportunities in the green economy.
- Refinitiv's global presence has opened up opportunities to leverage its salesforce to introduce FTSE Russell products into new customer and geographical segments. We have seen penetration of FTSE Russell products in the wealth management segment, including increased flows within regions such as the Middle East and South America, which were limited historically.

Revenue synergies target
£350-£400m

Runrate delivered to date
£68m

> We're building a more agile, scalable and efficient Data & Analytics offering to the benefit of our customers. We're broadening the cloud distribution of our services, meeting our customers where they want to be, and we're providing more data sets, faster data processing and greater flexibility of analytics.

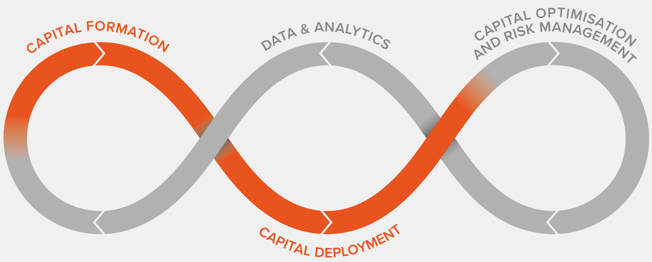
Phil Cotter
Interim Head of Product Solutions, Data & Analytics

Capital Markets

It was a strong year for Capital Markets amidst a volatile market backdrop. Through our multi-asset class offering, we're positioning ourselves to maximise the benefit from macroeconomic and structural market growth trends. We're also continuing to harness the power of our combined Group to create innovative solutions that deliver real benefits to our customers.

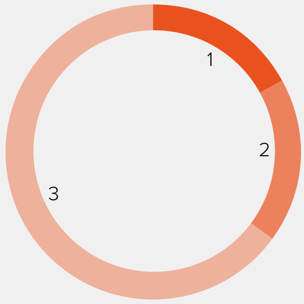
Murray Roos
Group Head, Capital Markets

OUR PART IN THE TRADE LIFECYCLE



We offer our customers extensive access to capital markets and liquidity across multiple asset classes. We operate a broad range of international equity, fixed income, exchange-traded funds/exchange-traded products and foreign exchange markets. Our Group is home to several capital formation and execution venues: the London Stock Exchange, AIM, Turquoise, FXall, Matching and Tradeweb.

Revenue split



1 Equities £248m 17%
2 FX £258m 18%
3 Fixed Income, Derivatives & Other £953m 65%

Recurring revenue
31%

Transactional revenue
69%

The division is split into three areas by asset class:

Equities
Capital raising and trading venues for equities — London Stock Exchange and Turquoise

Structural market trends driving growth:
— Globalisation
— Electronic trading

Performance:
+3.2% — increasing secondary market activity driven by market volatility, but offset by a lower average yield. Subdued issuance activity due to the challenging primary market conditions for customers this year.

FX
Providing electronic trading, workflow and data to the institutional foreign exchange community through FXall and FX Matching

Structural market trends driving growth:
— Access to liquidity
— Cross-border trading and business globalisation

Performance:
+4.2% with FXall continuing to grow strongly as we replatform Matching, our dealer-to-dealer venue, modernising our FX technology to secure future growth

Fixed Income, Derivatives & Other
Electronic marketplaces for rates, credit, equities and money markets products, built and operated through Tradeweb

Structural market trends driving growth:
— Electronification of fixed income markets

Performance:
+13.4% — Tradeweb continues to deliver double-digit revenue growth across rates, credit and equity asset classes, driven by product innovation and increasing market share in US Treasuries and Cash Credit.

HIGHLIGHTS

We announced the development of a new fully cleared NDF (non-deliverable forwards) Matching venue in Singapore supported by the Monetary Authority of Singapore. The venue will be a key addition to the FX ecosystem and will play an important role in meeting Asian market players' growing FX needs. This initiative, launching in 2023, will be the first FX venue to be delivered on LSEG's proprietary trading technology.

In the emerging markets bonds space, Tradeweb and FXall are collaborating to develop a workflow solution to allow emerging market products to be traded more efficiently. Customers face currency and price risk when trading, so the seamless linking of workflow allows for the ability to carry out both legs of the trade simultaneously — the purchase of the bond and the currency conversion. The more efficient, versatile workflow ultimately reduces execution risk for the customer.

Voluntary Carbon Market launched

We launched the London Stock Exchange's Voluntary Carbon Market in October providing the infrastructure to enable companies and funds to raise capital for projects that focus on the removal or reduction of greenhouse gases in our atmosphere. In return for investment in funds and companies trading on the Voluntary Carbon Market, shareholders may receive carbon credits in lieu of cash dividends. The London Stock Exchange is the first exchange to apply a public equity market framework to facilitate fundraising specifically for green projects.

Alongside targeted funding for green projects the platform also:

- Brings transparency to sustainable finance – entities raising capital are required to disclose what projects they are funding, directly or indirectly, and the expected carbon credit yield, whilst also disclosing the industry standards they use to certify their projects.
- Provides access to a wider range of investors – following the public equity market framework, investors across all backgrounds (institutional, corporate, or retail) can partake in the funding of green projects.

As the leading global venue for sustainable finance, we are committed to continuing to play a leading role in the further development of market solutions to the climate crisis.

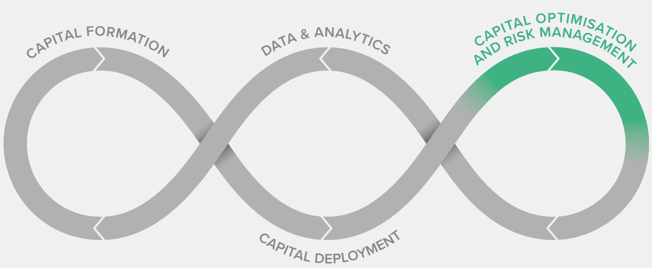
Post Trade

In a year of intense market volatility, LCH successfully carried out its role as a critical financial markets infrastructure provider and continued to deliver the robust risk management that supports our customers through this period of economic uncertainty.

Meanwhile, we're continuing to build our presence in new growth areas and we're expanding our regional coverage.

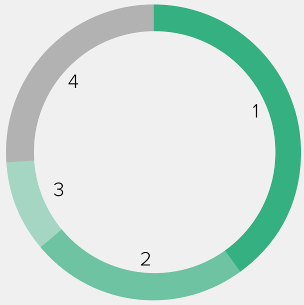
Daniel Maguire
Group Head, Post Trade & CEO, LCH Group

OUR PART IN THE TRADE LIFECYCLE



We support our customers with their clearing and reporting obligations. In addition we provide risk, balance sheet and financial resource management solutions, whilst working with our other divisions to extend this support across the value chain.

Revenue split



1 OTC Derivatives £402m 40%
2 Securities & Reporting £234m 24%
3 Non Cash Collateral £100m 10%
4 Net Treasury Income £255m 26%

Recurring revenue[1]
30%

Transactional revenue[1]
70%

1 Post Trade recurring and transactional proportion excludes Net Treasury Income.

The division is split across four lines reflecting the product offering and types of income generation.

All of these business lines serve to position us well in the context of the three key structural market trends that are helping to drive growth: increasing regulation within which our customers must operate and a continuing rise in demand for both risk management and capital optimisation solutions.

In general, market volatility is also an important driver of performance for our Post Trade division. In 2022, macroeconomic factors such as the ongoing global uncertainty around interest rates have helped to drive higher clearing volumes and therefore enlarge the pools of collateral we hold on behalf of customers.

OTC Derivatives

Clearing and capital optimisation solutions for OTC Derivatives. SwapClear, our clearing service for interest rate swaps, contributes c.80% of OTC Derivatives revenue. LSEG is responsible for over 90% of the global interest rate swap notional cleared.

Performance:
+10.0% driven by record volumes in SwapClear and despite a one-off revenue benefit in Q4 2021. SwapAgent and ForexClear, though smaller areas of the business, continue to grow strongly and show exciting potential.

Securities & Reporting

Securities clearing, capital optimisation and regulatory reporting solutions.

Performance:
-3.8% with volume growth at RepoClear offset by impacts of regulatory change and increased competition in cash equities clearing.

Non-Cash Collateral

Fees are earned from handling non-cash collateral balances.

Performance:
+3.6% as market volatility drove strong clearing volumes and higher collateral balances.

Net Treasury Income

Income earned on cash assets lodged with the Central Counterparty (CCP) as margin and default funds as part of the risk management process.

Performance:
+18.8% as market volatility and uncertainty around interest rates drove record clearing volumes and higher cash collateral balances.

HIGHLIGHTS

The exceptional performance we delivered in our OTC Derivatives business in 2022 was supported by accelerating growth in SwapAgent,
our processing service for uncleared interest rate swaps. We recognise the potential in this space, as increasingly workflow inefficiencies are driving customers to seek greater standardisation in OTC derivatives trade processing.

Supported by our acquisition of Quantile and the announcement of an agreement to acquire Acadia, we are bringing together a set of capabilities that create a seamless platform to standardise these processes, supporting greater financial resource optimisation and operational efficiencies for our customers.

Quantile is a provider of compression and optimisation services to reduce risk and capital requirements for customers, while Acadia is a provider of automated uncleared margin processing and integrated risk and optimisation services for the global derivatives community. Both of these acquisitions are highly complementary to LSEG's Post Trade capabilities. The Acadia transaction is subject to regulatory approval.

First Singapore member joins LCH SwapClear
DBS, a leading financial services group in Asia, joined LCH SwapClear as the first direct member in Singapore this year. Central clearing continues to be a focus for banks in the APAC region, and in 2022 SwapClear recorded a 29% year-over-year increase in volumes in APAC currencies.

LCH default management in action – VTB Capital

On 24 February 2022, LCH member and parent company to VTB Capital, VTB Bank was added to the UK's consolidated list of asset freeze targets, following Russia's invasion of Ukraine. VTB Capital became unable to settle its cleared transactions at LCH Ltd EquityClear.

Following the sanctions announcement, LCH convened its DCMT (Default Crisis Management Team) to coordinate and plan actions, and ultimately served the member with a default notice on 3 March 2022.

The EquityClear DMG (Default Management Group) was convened to liquidate the portfolio, which contained listed depositary receipts. An external broker and EquityClear members were counterparties to the close-out, using arrangements previously tested in annual firedrill exercises.

All positions were resolved and the default was managed comfortably within VTB Capital's initial margin (which had been conservatively calibrated) and there was no recourse to the member default fund.

The defaulted portfolio was fully settled on 4 April 2022, with final balances ready to be repaid to the administrators of VTB Capital plc, in compliance with applicable sanctions.

During this time, the EquityClear service remained open for its members with 100% up-time, registering heightened trade volumes averaging 5 million trades per day.

Market trends and our response

LSEG's success is built on our ability to anticipate and capitalise on the structural changes that are shaping financial markets and the global economy.

Over the last 20 years, the Group has achieved considerable growth and delivered shareholder value through a successful combination of organic and inorganic investment in areas of change. We continue to position ourselves to capture growth opportunities as markets evolve.

The four key market trends we see as crucial to financial markets and the global economy today, and in the future, are:

1. **Digitalisation**
2. **Sustainability**
3. **Optimisation**
4. **Resilience**

DIGITALISATION

How trends are shaping financial markets and the global economy

Electronification of financial markets continues to drive trading volume growth, improve efficiency, and enable access to liquidity. This trend is expected to continue as adoption across asset classes matures; for example, Tradeweb saw average daily volumes (ADV) across all asset classes grow c.10% YoY in 2022.

Digital platforms are unlocking new growth across multiple segments including digital exchanges, digital payments, online banking, and retail wealth – driving demand for ever-greater quantities of data and more powerful analytics.

Cloud-enabled business models (e.g., Data-as-a-service (DaaS), Platform-as-a-service (PaaS)) are emerging, as firms look to build new solutions, and do more with data and analytics.

The proliferation of new technology within society (e.g. AI, IoT, Blockchain) is changing business models and creating new value creation opportunities across all economies globally. This is impacting the expectations of customers, where jobs are created and how capital is allocated.

ADV of US corporate bonds traded electronically in 2022[1]

$15bn

LSEG's response

Operating leading electronic venues – we are investing in our leading FX and equity electronic venues, as well as benefiting from structural growth at Tradeweb, which remains at the forefront of electronification in rates and credit markets. For more information on how we're harnessing the natural linkages between our trading venues, see our Capital Markets highlights on page 23.

Helping customers with improved workflow connectivity – we are improving connectivity between our leading platforms and venues, for example connecting ForexClear with FXall, and our recent acquisition of TORA for order and execution management. To read more about the acquisition of TORA, see page 18.

Broad distribution of data and analytics – we deliver through multiple channels including desktop, cloud, API and feeds to meet a range of customer needs. Our approach to cloud is further enhanced by the recent announcement of our strategic partnership with Microsoft. Read more about the potential benefits of our partnership with Microsoft on page 19.

Building next generation capabilities – we are working to deliver next generation solutions including our cloud-based data platform, leading workflow and collaboration via Workspace, and new cloud analytics and modelling built with Azure Machine Learning.

1 Coalition Greenwich study: https://www.greenwich.com/market-structure-technology/october-spotlight-another-us-corporate-bond-e-trading-record-15-billion.

SUSTAINABILITY

How trends are shaping financial markets and the global economy

ESG and climate factors are now mainstream considerations in investment decision-making, driving demand for insight.

Business disclosure related to ESG continues to broaden, and is increasingly mandated by regulators.

Analytical models are unlocking insight, but challenges remain in addressing the availability and auditability of data and benchmarks, with c.60% of global asset owners citing the lack of standardisation as the main barrier to increased adoption of sustainable investment (2021 FTSE Russell asset owner survey).

Customers are demanding that companies meet higher standards, with more than one third of the world's largest companies now committed to net zero[2]. Increasingly, companies are expected to incorporate diversity and inclusion, fair governance and climate action as key components in their ambition statements and strategies.

ESG assets as a percentage of total global AUM by 2026[3]

c.20%

LSEG's response

Facilitating sustainable investing – we deliver leading ESG indices through FTSE Russell, attracting $296 billion in global AUM.

Enabling green financing – our Voluntary Carbon Market and Sustainable Bond Market are supporting customers on their journey to net zero. See page 52 for more information.

Supporting informed markets – we provide ESG data and scores for >15,000 companies, and are building ESG data into many of our products, including Yield Book fixed income analytics, and our Issuer Services platform.

Driving transparency – Customer & Third-Party Risk propositions, such as World-Check and Media-Check, are enabling more transparent insight on critical areas including the fights against financial crime, modern slavery, and terrorist financing.

2 Accenture report: https://newsroom.accenture.com/news/nearly-all-companies-will-miss-net-zero-goals-without-at-least-doubling-rate-of-carbon-emissions-reductions-by-2030-accenture-report-finds.htm.
3 PwC report: https://www.pwc.com/gx/en/news-room/press-releases/2022/awm-revolution-2022-report.html.

OPTIMISATION

How trends are shaping financial markets and the global economy

Cost pressures are resulting in firms looking to optimise their operating models, reduce headcount, and focus on core markets.

Interest rate movements have encouraged investors to look beyond traditional public markets in search of returns, with global alternatives AUM forecast to hit $15 trillion in 2026[1].

New technologies are being applied to automate and streamline post-trade workflows, optimise how balance sheets are utilised, and save costs.

Machine learning, AI and process automation enable customers to unlock value in their operating models, increasing process efficiency.

Cloud migrations enable more agile approaches to controlling data costs, remove legacy infrastructure and servers, and improve processes. It is estimated that cloud adoption will unlock c.$1 trillion in global business value by 2030[2].

Cloud expected spend growth by financial institutions CAGR 2022-26[3]

>20%

LSEG's response

Enabling efficient capital flows – the launch of our NDF matching venue in Singapore with a fully cleared Central Limit Order Book (CLOB), will reduce risk for our clients, increase efficiency, and create a more diverse pool of liquidity. Read more on page 23.

Providing sophisticated Post Trade solutions – the recent acquisition of Quantile, alongside innovations such as SwapAgent, will provide customers with greater control and understanding of capital requirements as they manage cleared and uncleared securities. Read more about our acquisition of Quantile on page 25.

Unlocking emerging pools of liquidity – we bring together deep market infrastructure expertise and reliable data coverage across emerging pools of liquidity.

Supporting operating efficiencies through our migration to cloud – our recent partnership announcement with Microsoft will reduce operational complexity through improved data distribution and the consolidation of multiple legacy technologies, and will further strengthen resilience and security.

1 Preqin report: https://www.preqin.com/insights/2022-preqin-global-alternatives-reports.
2 Mckinsey report: https://www.mckinsey.com/industries/technology-media-and-telecommunications/our-insights/cloud-migration-opportunity-business-value-grows-but-missteps-abound.
3 Grand View Research report: https://www.grandviewresearch.com/industry-analysis/finance-cloud-market-report?utm_source=prnewswire&utm_medium=referral&utm_campaign=ict_01-Sept-22&utm_term=finance-cloud-market-report&utm_content=rd.

RESILIENCE

How trends are shaping financial markets and the global economy

Regulation has created a more stable financial system – firms have progressed from a state of rapid implementation to more considered management, shifting focus toward resilience.

Moves toward hybrid working has shifted consumer demand in many industries (e.g. retail, real-estate, hospitality). From a technology perspective, this has led to increased focus on secure access, cyber security, and process controls. This is expected to continue as the proportion of employees working in hybrid environments remains consistently above 2019 levels[4].

Market volatility highlights the importance of trusted venues and secure clearing houses that are capable of meeting demand spikes. Our market infrastructure businesses have played a key role in helping participants navigate major market events in 2022.

Global supply chains have faced increasing pressure due to the impact of the pandemic, higher inflation and geopolitical events. This has led companies and capital allocators to further focus on identifying and mitigating supply chain risk.

Large companies who have experienced fraud in the last 24 months[5]

>50%

LSEG's response

Helping customers manage operational risk – Post Trade supports clients as they manage clearing operations, and optimises financial resources through advanced analytics solutions including SwapAgent.

Enabling resilient venues – venue replatforming will reduce latency across our FX venues, bringing them in line with speeds seen in equities markets, and will improve reliability and robustness.

Tried and tested processes – our track record in managing defaults in Post Trade, while minimising impact to the market, gives us significant credibility with our members and regulators. To read about the default of a customer, VTB Capital, in 2022 and our response, see page 25.

Running critical data infrastructure – we are trusted to operate the data infrastructure that underpins our customers' businesses and critical decision-making, including our Real-Time network, Managed Distribution Service (RTMDS), and Data Access Control System (DACS).

4 Financial Times report: https://www.ft.com/content/91899837-0fc7-4fe8-9581-60517d85399b
5 PwC Global Economic Crime and Fraud Survey 2022: https://www.pwc.com/gx/en/forensics/gecsm-2022/pdf/PwC%E2%80%99s-Global-Economic-Crime-and-Fraud-Survey-2022.pdf.

Our purpose and strategy

Our purpose

LSEG is a key participant in the global economy as a leading financial markets infrastructure and data provider.

Our purpose is driving financial stability, empowering economies and enabling customers to create sustainable growth.

We drive financial stability
by operating businesses that are of systemic importance, fundamental to the financial ecosystem and critical to our customers.

We empower economies
by helping our customers to raise capital, support employment, innovate and access global financial networks, across multiple asset classes.

We enable customers to create sustainable growth
by providing the tools and data that enable financial markets to manage risk and make informed investment decisions.

This purpose underpins everything we do and sets the foundation for our strategy, our operations and our culture.

Our strategy

LSEG's long-term strategy builds on our strengths as a Group. We are investing in solutions and services that can adapt and scale in evolving global financial markets.

Our strategy is to be:

1
Globally essential

Read more on page 31

2
Multi-asset class

Read more on page 32

3
Seamlessly connected

Read more on page 33

Priorities to deliver on our strategy

In order to deliver on our strategy we are executing against three key priorities:

Integrate our world-class businesses

Read more on page 34

Drive growth

Read more on page 34

Build an efficient and scalable platform

Read more on page 35

OUR STRATEGY

1

Globally essential

A global player that provides critical infrastructure and insight to customers, required for the efficient running of financial markets. We deliver value to customers in all the major economies of the world.

Why is this important?

The presence and the demands of our customers are increasingly borderless and complex. Our global coverage and comprehensive offering underpins customers' critical workflows and supports the allocation of capital across international financial markets.

Supporting critical workflows worldwide

Case study

Since 2020, we have launched well over 3,000 new FTSE Russell indices. In 2022, FTSE Russell launched the FTSE IdealRatings Islamic Index Series in collaboration with IdealRatings. The Index Series measures the performance of Islamic equity securities across global markets, providing a family of Shariah compliant indices for global investors.

New FTSE Russell indices launched since 2020

>3,150

> We have developed this broad range of Shariah-compliant indices to offer additional depth and choice for global investors. The new series combines our high standards of benchmark index design and governance with a robust screening and selection process based on Islamic principles.

Arne Staal
Group Head and CEO, FTSE Russell

OUR STRATEGY

2

Multi-asset class

A leader across traditional and emerging asset classes, in both public and private markets. We provide liquidity and asset-class agnostic insight for our customers across the world.

Why is this important?

Trading and investment strategies are increasingly incorporating a greater mix of asset classes which, in turn, broadens the data and information required to manage portfolios and execute transactions. The extent of our coverage in both established and emerging asset classes creates value for our customers by simplifying workflows and enhancing critical processes.

The breadth of our coverage drives value

Case study

The acquisition of TORA, a leading cloud-based technology provider, allows us to offer customers an order and execution management system (OEMS) and a portfolio management system (PMS) covering equities, fixed income, foreign exchange, derivatives and digital assets trading.

Broker algos accessible through TORA's multi-asset class OEMS

500+

Global exchanges connected to TORA

180+

> LSEG's strategy is to deliver global, multi-asset class financial infrastructure for our customers that operates as an open ecosystem across the capital markets and investment lifecycle. Our acquisition of TORA is a great example of us delivering on that strategy.

Dean Berry
Group Head of Trading & Banking Solutions

OUR STRATEGY

3

Seamlessly connected

A unique partner for customers, enabling connectivity across the financial markets value chain. We provide access to open platforms and venues which integrate seamlessly across the workflows that matter, from pre-trade decision-making, to trade execution and clearing.

Why is this important?

Financial markets continue to evolve. The adoption of new technologies and changes in regulation impact the complexity and scope of our customers' needs. By providing integrated solutions across the value chain, we are building deeper customer relationships and working in partnership to help customers address this complexity in a way that few other providers are able to. This in turn leads to new product innovation and growth opportunities.

Creating powerfully innovative solutions

Case study

Our comprehensive Fundamental Review of Trading (FRTB) data solution seamlessly brings together multiple LSEG offerings, enabling customers to calculate capital charges under the sensitivities-based method and fulfil look-through requirements for both funds and indices. This provides customers with the tools they need to achieve compliance on a global scale.

LSEG's Trade Discovery solution provides access to

>1.1bn

Real Price Observations (RPOs) across multiple asset classes

> Globally, banks are finding the implementation of the FRTB requirements very challenging. Through our extended coverage of regulated markets and our data partnerships with LCH, Tradeweb and other leading market infrastructure providers, we can provide access to billions of processed Real Price Observations across exchange-traded and OTC cross asset class instruments, covering rates, credit, FX and equities in multiple jurisdictions.

Stuart Brown
Group Head of Enterprise Data Solutions

OUR PROGRESS IN 2022

Integrate our world-class businesses

How we deliver	Strategy in action
Focus on customers' needs across asset classes, throughout their workflow and on a global basis.	Regulation is driving the adoption of FX clearing by buy-side users (Uncleared Margin Rules). We are improving connectivity between FXall and ForexClear, providing customers with workflow efficiencies. Improved connectivity allows FXall clients to access the risk management and efficiency benefits of clearing, by choosing to clear non-deliverable forwards (NDFs) in ForexClear if desired.
Leverage our unique and growing position across financial data and capital markets to create innovative solutions for customers.	Capital Markets is integrating more tools from across the Group into its Issuer Services platform, improving our Primary Markets offering. Access to the Aftermarket Research Collections allows issuers to explore market reports from over 1,900 sources.

Market reports available from

1,900 sources

Drive growth

How we deliver	Strategy in action
Develop strategic partnerships.	Our recently announced 10-year strategic partnership with Microsoft will help develop new products and services for data and analytics, delivering next-generation services for a range of customers across the financial markets value chain.
Improve sales execution and partnership with customers.	We are creating a differentiated sales and service model. We are focusing more resources on our largest accounts and developing deeper solution selling expertise, while also optimising and standardising the digital sales experience.
Optimise commercial relationships with customers.	We have successfully positioned complementary solutions that enable us to optimise the commercial relationship we have with customers. For example, as part of our revenue synergy programme we have successfully focused on selling more Pricing and Reference data into FTSE Russell customers.
Improve our product offerings.	We are bringing together leading assets from across the Group to improve the customer experience. Examples include the addition of Refinitiv data to the LSEG Issuer Services platform, and providing Refinitiv's ESG data sets via the Yield Book fixed income analytics platform.

LSEG's ESG data covers

600+ metrics

15,000+ companies

Build an efficient and scalable platform

How we deliver	Strategy in action
Targeted investment to create a more scalable business centred on cloud-based, open platforms.	LSEG has launched new cloud-based offerings, such as Real-Time Optimised, in 2022. Real-Time Optimised is reducing customer infrastructure requirements, broadening access, and reducing lead times for real-time data.
Accelerating our strategic approach to the data platform.	LSEG has made good progress on its existing programme for the delivery of its cloud-based data platform since the completion of the Refinitiv acquisition in January 2021. Work on our new strategic partnership with Microsoft will enable LSEG to utilise Azure for cloud-based data architecture, consolidating LSEG data sets onto one, flexible infrastructure. The programme accelerates LSEG's cloud migration plans.
Cost synergies from integrating Refinitiv and LSEG.	We continue to improve our underlying EBITDA margin performance, up +110bps year-over-year, supported by the successful delivery of cost synergies in 2022. As we continue to deliver on our integration efforts we expect to see further long-term improvement in our margin profile.

2022 underlying EBITDA margin improvement vs PY

+110bps

EVOLVING PRIORITIES FOR 2023 AND BEYOND

We are well positioned to capitalise on the strong underlying drivers that support our business model (see following pages).

In 2023 our priorities will continue to evolve, as we progress from the integration of Refinitiv to the transformation of the combined Group. These updated priorities combine continuity with an even greater ambition for long-term growth:

Improving execution
including delivery of our Group strategic programmes, resilience and cyber security initiatives, and our sales transformation journey.

Investing in better products
including the development and deployment of product improvements across key business lines such as Workspace, FTSE Russell and replatforming our FX venues; and the development of 'next generation' projects such as our Post Trade Solutions offering.

Harnessing our integrated offering to create value greater than the 'sum of the parts'
including improved customer experience across the workflows and asset classes that we serve; new innovative solutions developed in partnership with market participants, such as the LSEG Voluntary Carbon Market; and unlocking the scalability provided by cloud technologies, in partnership with Microsoft.

Our business model

LSEG is positioned across the breadth of the financial markets value chain.

The three business divisions we operate are:

Data & Analytics
A leading provider of high-value financial market data, indices and analytics.

Capital Markets
A global operator of leading capital raising and multi-asset class trading venues.

Post Trade
A leading provider of clearing, risk management and capital optimisation solutions.

Our business is underpinned by scalable and global technology, which supports the delivery of the Group's solutions through resilient, efficient and secure platforms and operations.

For more details on our businesses, please see our divisional overviews on pages 16 to 25.

LSEG is well positioned to deliver long-term sustainable growth

Five factors underpin the value we deliver:

1. We are a leading provider of financial market data and infrastructure.
2. We bring deep expertise and a trusted reputation across the financial markets value chain.
3. We are exposed to structurally high growth markets.
4. We generate high quality revenue that is mostly recurring in nature.
5. We consistently invest for growth.

WE ARE A LEADING PROVIDER OF FINANCIAL MARKET DATA AND INFRASTRUCTURE

Across our business divisions we provide products and services that are essential to financial markets. This includes:

Data and distribution
Workspace provides end users with access to critical financial data, news and content from over 150,000 data sources. Our real-time feeds drive trading and investment decisions across multiple speeds, delivering data covering more than 77 million instruments through proprietary distribution channels as well as partner applications.

We gather data from
>150,000
data sources

Our real-time data covers
>77m
instruments

World class indices
World class indices: FTSE Russell provides indices supporting over $20 trillion in global assets under management (AUM), enabling investment flow for the buy-side.

2022 FTSE Russell ETF AUM
>$1trn

2022 FTSE Russell ESG passive AUM[1]
$296bn

Leading venues
We operate leading equities venues including LSE Main Market and LSE AIM; globally significant dealer-to-dealer and dealer-to-client venues in FX, supporting more than $450 billion in ADV; as well as a leading position in credit and rates trading through Tradeweb.

2022 FX ADV
$452bn

2022 Tradeweb rates – cash ADV
$343bn

Critical infrastructure
Through LCH, we operate a leading global clearing house with a >90% share of cleared interest rate swap notional outstanding. Our infrastructure underpins capital movements being made by the largest financial institutions around the world.

SwapClear client trades in 2022
2.7m

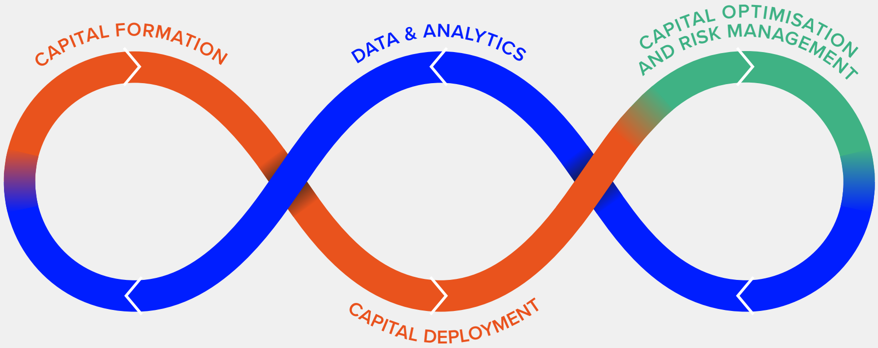
ForexClear notional value cleared in 2022
$24.7trn

1 ESG Passive AUM is at 30 June 2022 and prior period comparator is at 30 June 2021. The metric is updated bi-annually.

WE BRING DEEP EXPERTISE AND A TRUSTED REPUTATION ACROSS THE FINANCIAL MARKETS VALUE CHAIN

We operate across the breadth of the financial markets value chain, from issuance and investment decision making, through to trade execution, clearing and post trade reporting.

LSEG's offering spans the entire trade lifecycle



Data and analytics
Providing crucial insight to customers through a variety of data, indices, analytics and workflow solutions.

Capital formation
Through primary markets operated by London Stock Exchange.

Capital deployment
Through our trading venues and across asset classes, including FX, fixed income and equities.

Capital optimisation
Clearing and reporting services through LCH and UnaVista, as well as innovative post-trade solutions.

- Data & Analytics
- Capital Markets
- Post Trade

We are trusted by customers, partners, and regulators as a provider of critical infrastructure. This stems from decades of experience operating trading venues, clearing systems, and data and analytics infrastructure.

We are uniquely positioned, and bringing together these capabilities is enabling scale and new value creation as we serve financial markets.

Uniquely positioned
As the boundaries between data and infrastructure blur, we will generate new areas of opportunity and collaborative customer partnerships:

— Unique trading and risk analytics.
— Improved workflow connectivity.
— More connected and intelligent data sets.
— New cloud-based models – Data-as-a-service, Platform-as-a-service, Analytics-as-a-service.

Global data and analytics provider + Globally recognised market infrastructure business + Global clearing, settlement and reporting provider = Global leader in data and FMI

OUR FOOTPRINT IS DIVERSIFIED ACROSS MARKETS, GEOGRAPHIES AND CUSTOMERS

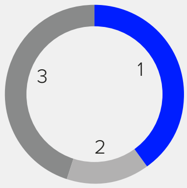
We benefit from a footprint that positions us in multiple global markets, with a broad range of customers, and exposure to multiple asset classes.

Growing markets
Across the Group we are exposed to a broad array of asset classes and growing liquidity pools, including equities, FX and fixed income markets. Through our Data & Analytics business, we are also able to capitalise on the growing demand for insight and automation. We expect this to be further accelerated through the adoption of cloud in coming years.

Diverse geographies
We have a balanced global exposure, generating 45% of income in EMEA, 40% in the Americas, and 15% in APAC. This is supported by the distribution and diversity of our people – with 56% of our headcount based in APAC, including our leading operations and customer support hubs in Bengaluru, Manila, and Colombo.

Significant customer relationships
We are a leading partner for the financial services sector, with customers including the world's largest banks, asset managers, asset owners, wealth advisers, and hedge funds. Additionally, we support critical central banking and regulatory institutions with our solutions. We have a sizeable and growing footprint across corporate communities, serving 48 of the top 50 largest corporates globally, with offerings including FX hedging solutions, risk management tools, and capital raising.

Revenue by geography[1]



1 Americas 40%
2 APAC 15%
3 EMEA 45%

1 Total income including recoveries

48
We serve 48 of the world's top 50 corporates[2]

2 By market capitalisation, as of February 2023.

WE GENERATE HIGH QUALITY REVENUE THAT IS MOSTLY RECURRING IN NATURE

We generate a substantial proportion of our income through recurring revenue associated with data subscriptions and licences. This business model benefits from a consistently high level of retention, contracts that are typically 12-24 months in duration, and improving performance in our Annual Subscription Value (ASV).

We are well exposed to growing pools of transactional income through its venues. This includes Tradeweb, which continues to benefit from the electronification of rates and credit markets, and other businesses positioned to attract liquidity flow such as FXall (FX dealer-to-client), Matching (FX dealer-to-dealer), and LCH which benefits from volume growth in swaps and other OTC derivative markets, as well as the underlying income associated with treasury and collateral operations.

Recurring revenue

Visible revenue
Mostly subscription and licence revenue, typically 12-24 months duration.

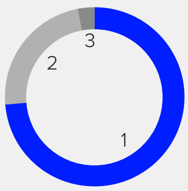
Highly diversified
Revenues are broadly based across activity, product, geography and >45,000 customers.

Strong customer relationships
Consistently high retention.

Transactional revenue

Highly diversified and growing with strong Tradeweb performance.

Total income



1 Recurring revenue 73%
2 Transactional revenue 23%
3 Net treasury income 3%

WE CONSISTENTLY INVEST FOR GROWTH

We are highly cash generative, allowing us to continually modernise our infrastructure, invest organically in new products and services, and acquire businesses that are complementary to our business model and distribution footprint. In 2022 we invested £750 million[3] in BAU capex that supports our approach to growth, resilience and security. We also closed four acquisitions: MayStreet, Quantile, GDC and TORA. Each of these businesses has significant growth potential that is enhanced by being part of the Group. For more information on these acquisitions, see our case studies on pages 18 and 25, and read about capital allocation in more detail in the CFO review on page 40.

Our recently announced 10-year strategic partnership with Microsoft will also help build next-generation services that empower customers to generate business insights, automate complex and time-consuming processes, and ultimately, do more with less.

More details can be found on pages 19 and 71 and on our website: www.lseg.com/investor-relations/

3 Business-as-usual capex, on a constant currency accrued basis.

Chief Financial Officer review

In less than two years, we have significantly improved the growth rate of many of the Refinitiv businesses, in most cases just by doing the basics better.

Anna Manz
Chief Financial Officer

For more information see our Financial Statements on pages 148 to 245.

Introduction

LSEG hit all its financial targets in 2022: our execution on the Refinitiv integration has progressed well, and through our strong market positioning we have been able to capture the benefit from renewed market volatility and interest rate uncertainty in our transactional businesses this year. Our financial performance is covered in detail in the pages that follow. My own review focuses on two topics at the forefront of our shareholders' thoughts: how do we sustain growth, and how do we allocate capital to support that growth?

The pathway to sustained growth

Investors often ask me how I think about the opportunities in front of LSEG. First and foremost, we benefit from having leading, scale businesses that offer long-term growth. We have all witnessed in other sectors how data can be liberated by technology, creating new insights and use-cases to drive growth. Financial services are at that tipping point and LSEG is well positioned to take these opportunities. I see three levers of growth that we are pulling:

1. Improving execution

In less than two years, we have significantly improved the growth rate of the Refinitiv businesses within Data & Analytics, in most cases just by doing the basics better. We have changed sales incentives, simplified our product portfolio, set more ambitious retention targets, learned more about customers' actual usage and worked in closer collaboration with them as we roll out Workspace to different groups of end-users. Our 2023 price reviews in part reflect this incremental value that we are delivering for our customers.

In addition, we set ambitious synergy targets for both revenue and cost, and have raised those targets. We now expect runrate revenue synergies of £350-400 million by 2025, and runrate cost synergies of at least £400 million. Although in common with all companies we are facing cost inflation, we have a number of levers at our disposal to mitigate its impact.

2. Investing to transform our businesses

In areas like Investment Solutions or our FX venues, we have strong brands and customer loyalty but historically investment has not always kept pace with technology change. We have significant projects in flight not only to address this "technology debt" but to take the opportunity to leap ahead of our competitors in speed and functionality.

In FX for example, we have rebuilt our tech stack and improved latency – speed – by a factor of 10. We are making similar investments, driving greater volume and customisation, in our index business. These investments have not yet come to fruition, but should begin to contribute to growth in 2023.

3. Making LSEG more than the sum of its parts

Increasingly our customers see us as a strategic capital markets and data partner. They expect us to come up with innovative solutions to help them generate investment ideas, trade efficiently, manage risk and optimise capital.

Our businesses are highly complementary but we are far from realising the full benefits for our customers today. For example, the potential for data from our trading platforms to inform decisions for our index clients, or for our leadership in FX and fixed income trading to come together to manage risk in cross-border trading, is huge. Sustaining our growth rate into the long term depends on our ability to bring our businesses together in ways that no other company can.

We have already begun this process. We have connected our dealer-to-client foreign exchange platform, FXall, with ForexClear to drive growth in the foreign exchange clearing market. We've also brought together FXall and

Tradeweb to develop hedging workflow solutions to allow emerging market products to be traded more efficiently.

The complementary nature of our combined offering creates the opportunity for us to deliver innovative solutions like these. There is so much more we can do here.

Capital allocation

Our goal is to invest for growth using the cash flows we generate, building a platform for long-term capital appreciation while rewarding investors today through a progressive dividend, growing broadly in line with AEPS. We will do that within a leverage range of 1-2x net debt to adjusted EBITDA, which offers a degree of flexibility while maintaining a sufficiently conservative structure even at the top of the range.

LSEG generated £3.3 billion in operating cash flow in 2022, and a further £1.1 billion from the disposal of non-core businesses and other property. Our leverage reduced from 1.9x at the start of the year to 1.8x by year-end. We deployed our capital as follows:

1. BAU capex – £750 million
Business-as-usual capex, on a constant currency accrued basis, was £750 million. We continued to focus on programmes to address growth, efficiency and resilience. Our investments in Tradeweb and Workspace product development are expected to drive continued revenue growth. The upgrades to our own infrastructure as we roll out our software-defined network, giving higher capacity and increased resilience, will benefit costs from 2023 onwards. Finally the development of our data platform, including cloud migration and the associated transformation of how we import new content, should underpin both future revenue growth and cost efficiency. In addition to this capex, we also incurred £184 million of capex mainly related to delivering the synergies relating to the Refinitiv acquisition, which was in line with our plans. Total capex on a cash basis was £966 million.

2. M&A – £786 million
Our M&A strategy is twofold: businesses providing services which are complementary to our existing offer and can be scaled across our footprint and customer base; and technology-based businesses which, while often small in revenue terms, can enhance existing services at lower cost and higher speed than organic investment.

We completed four acquisitions in 2022. Of these, GDC, Quantile and TORA are established businesses which can benefit from our much greater scale and deeper customer relationships. MayStreet allows us to significantly enhance the breadth of our low latency data offering much more quickly and cost effectively than if we were to develop this in-house. For information on these acquisitions, see pages 18 and 25.

3. Dividend – £567 million
The proposed final dividend for 2022 is 75.3 pence – giving a total for the year of 107.0 pence, up 12.6% on 2021. This is consistent with our dividend policy and reflects a payout ratio of 34% of AEPS. Our dividend per share has grown at a compound annual rate of 17% over the last 20 years.

4. Share buyback – £300 million
We remain very focused on capital discipline and will, from time to time, return excess capital to shareholders to the extent that we stay within our leverage range. On the back of the disposal of BETA, a non-core business in the Wealth segment, we announced a £750 million share buyback, which was 40% complete by the end of the year. Looking ahead, we are seeking shareholder approval at the 2023 AGM for a directed share buyback, which will enable us to buy shares directly from entities owned by certain investment funds affiliated with Blackstone, an affiliate of Canada Pension Plan Investment Board, an affiliate of GIC Special Investments Pte. Ltd, and by Thomson Reuters, the former Refinitiv shareholders. We expect to deploy up to £750 million in directed buybacks by April 2024.

Growth in total income excluding recoveries (excl. Ukraine/Russia)[1]

+6.6%

2021: +6.1%

Annual Subscription Value growth (excl. Ukraine/Russia)

+6.2%

2021: +4.6%

1 Growth rates excluding the Russia/Ukraine war impact have been calculated by excluding income in the region and from sanctioned customers and related business from both periods. This amounted to £80 million in 2021 and £18 million in Q1 2022, and nil beyond that.

Financial review

Note: Unless otherwise stated, variances refer to growth rates on a pro-forma[6] constant currency basis, excluding the impact of a deferred revenue accounting adjustment[3]

Reported	**2022[1] £m**	2021[1] £m	Variance %	Pro-Forma Constant Currency Variance (excluding deferred revenue adjustment) %
Data & Analytics	**4,944**	4,103	20.5%	4.2%
Capital Markets	**1,459**	1,171	24.6%	9.8%
Post Trade	**991**	906	9.4%	7.5%
Other	**34**	31	9.7%	(7.2%)
Total Income (excl. recoveries)	**7,428**	6,211	19.6%	5.7%
Recoveries[2]	**315**	324	(2.8%)	2.3%
Total Income (incl. recoveries)	**7,743**	6,535	18.5%	5.5%
Reported				
Operating Profit	**1,417**	1,065	33.1%	
Profit Before Tax	**1,241**	894	38.8%	
Basic Earnings per Share[4]	**141.8**	85.8	65.3%	
Dividends per Share[4]	**107.0**	95.0	12.6%	
Adjusted[3]				
EBITDA	**3,550**	2,969	19.6%	6.0%
EBITDA Margin	**47.8%**	47.8%		
Operating Profit	**2,728**	2,282	19.5%	4.6%
Adjusted Earnings per Share[4]	**317.8**	272.4	16.7%	

1 The comparator FY 2021 figures are statutory results, incorporating Refinitiv from acquisition at the end of January 2021. Revenues and costs associated with the BETA divestment have been classified as discontinued and are excluded from all periods. Revenues and costs associated with the Borsa Italiana group divestment, which completed in 2021, are also excluded.
2 Recoveries mainly relate to fees for third-party content, such as exchange data, that is distributed directly to customers.
3 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 substitute 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 other purchased intangible assets, incremental amortisation and impairment of the fair value adjustments of intangible assets recognised as a result of acquisitions, tax on non-underlying items and other income or expenses not considered to drive the operating results of the Group (including transaction, integration and separation costs related to acquisitions and disposals of businesses), as well as restructuring costs.
4 Weighted average number of shares used to calculate basic earnings per share and adjusted basic earnings per share from continuing operations is 557 million (2021: 538 million).
5 Growth rates excluding the Russia/Ukraine war impact have been calculated by excluding income in the region and from sanctioned customers and related business from both periods. This amounted to £80 million in 2021 and £18 million in Q1 2022, and nil beyond that.
6 Pro-forma growth assumes that the acquisition of Refinitiv took place on 1 January 2021 for the prior year comparator.

Total Income excluding recoveries grew by 5.7% to £7,428 million including a 0.3% contribution to growth from acquisitions during the year, or by 19.6% on a reported basis, helped by an extra month's contribution from Refinitiv (11 months included in 2021) as well as favourable foreign exchange movements. Excluding the impact of the Russia/Ukraine war, growth was 6.6%[5] . Total Income including recoveries grew by 5.5% to £7,743 million, or by 18.5% on a reported basis. This was driven by good growth across all three divisions.

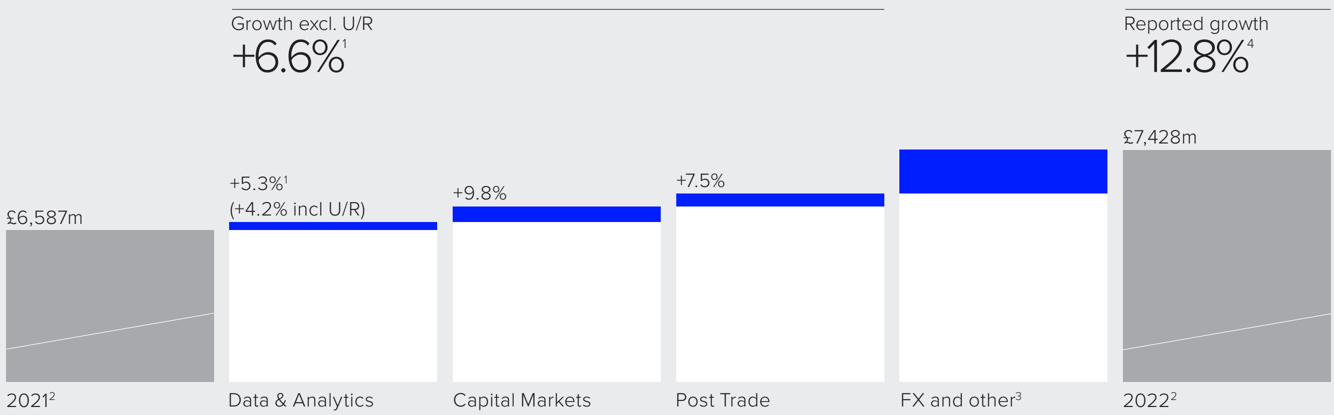
Adjusted operating expenses before depreciation, amortisation and impairment grew by 4.1% to £3,140 million. Excluding acquisitions and disposals, cost growth was 3.4%, reflecting continued strong delivery of Refinitiv-related synergies. Our main costs relate to our people, with staff costs of £1,896 million (2021: £1,666 million). IT costs amounted to £567 million (2021: £447 million) with professional fees of £420 million (2021: £327 million).

Adjusted EBITDA increased by 6.0% to £3,550 million. EBITDA margin was flat year-on-year at 47.8%. The like-for-like EBITDA margin improvement, adjusting for the negative impacts of the Russia/Ukraine war, acquisitions completed in 2022 and non-cash FX-related balance sheet adjustments, was 110 basis points. Within EBITDA, income from Equity Investments was £12 million in 2022, down from £22 million in 2021.

Reported depreciation, amortisation and impairment of £1,900 million (2021: £1,570 million) includes £1,078 million (2021: £883 million) related to the amortisation of purchased intangible assets (mainly Refinitiv) as well as other non-underlying charges. Excluding these, adjusted depreciation, amortisation and impairment grew by 19.7% to £822 million on a reported basis and by 10.7% on a pro-forma constant currency basis, driven by our continued investment in technology and new services and the capex associated with achieving the Refinitiv synergies.

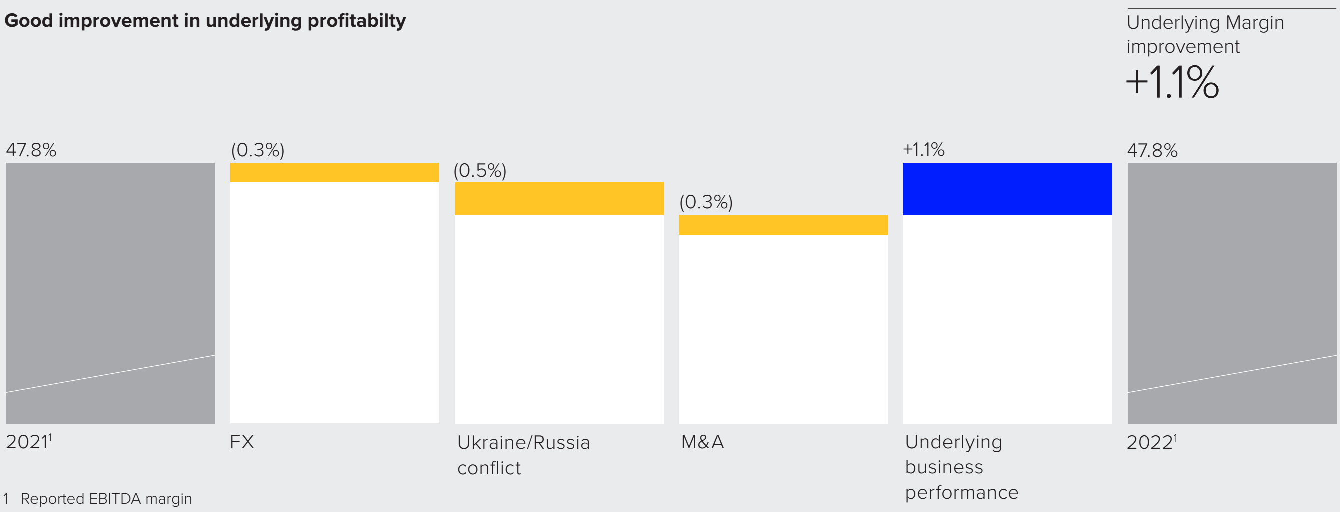
Reported Operating Profit rose 33.1%, from £1,065 million to £1,417 million, helped by an extra month's contribution from Refinitiv as well as favourable foreign exchange movements. Adjusted Operating Profit grew by 19.5% to £2,728 million. On a pro-forma constant currency basis, it grew 4.6%, with the strong income growth and good cost control highlighted above partially offset by higher depreciation and amortisation.

Strong revenue growth across all divisions



Growth rates on a constant currency pro-forma basis, excluding the deferred revenue adjustment, unless otherwise noted:
1 Ex U/R excludes Ukraine/Russia impacts
2 Total income excluding recoveries, 2021 on a pro-forma basis
3 Includes the impact of other revenues and the deferred revenue adjustment
4 Pro-forma growth on an actual rates basis including the deferred revenue adjustment

Good improvement in underlying profitabilty



1 Reported EBITDA margin
The deferred revenue accounting adjustment had a +0.2% impact on margin which was offset by the pro-forma impact of -0.2% on margin.

Reconciliation of Adjusted Operating Profit to Reported Operating Profit

	2022 £m	2021 £m
Adjusted Operating Profit	**2,728**	2,282
Transaction costs	**(85)**	(109)
Integration, separation & restructuring costs	**(304)**	(225)
Profit on disposal & remeasurement gains	**156**	–
Amortisation and impairment of purchased intangible assets	**(1,044)**	(851)
Depreciation & impairment of tangible assets	**(34)**	(32)
Operating Profit	**1,417**	1,065

Transaction costs of £85 million mainly relate to fees and other charges incurred from acquisition activity during the year, as well as awards and incentive plans linked to the Refinitiv acquisition. Integration, separation and restructuring costs have mostly been incurred in relation to the integration of Refinitiv and are in line with previous guidance. Profit on disposal and remeasurement gains of £156 million include the gain arising on the disposal of a freehold property in the UK. Amortisation and impairment of purchased intangible assets of £1,044 million mainly arise from the Refinitiv acquisition.

Net Finance Expense/Tax/Non-Controlling Interest
Adjusted Net Finance Expenses were £160 million (2021: £166 million), and were £176 million (2021: £171 million) on a reported basis.

Reported Profit Before Tax increased by 38.8%, from £894 million to £1,241 million. Adjusted Profit Before Tax increased by 21.4% in the year to £2,568 million (2021: £2,116 million). The Group incurred a tax charge in the year of £262 million (2021: £302 million). The effective tax rate was 21.1% (2021: 33.8%). The decrease in rate is mainly due to the absence of the prior year UK deferred tax remeasurement charge. The underlying effective tax rate was 21.0% (2021: 20.4%). The higher rate reflects the tax impact of the geographical mix of pre-tax earnings.

Adjusted profits attributable to non-controlling interests, mainly in Tradeweb and LCH, totalled £258 million for the year ended 2022, an increase of 17.8% from 2021.

Earnings per share
Basic earnings per share from continuing operations was 141.8 pence (2021: 85.8 pence).

Adjusted earnings per share (AEPS) from continuing operations was 317.8 pence (2021: 272.4 pence). The 16.7% increase in AEPS year-on-year was driven by the growth in profitability and favourable foreign exchange movements.

Dividend
The Board is proposing a final dividend of 75.3 pence per share, which together with the interim dividend of 31.7 pence per share paid to shareholders in September 2022, results in a 12.6% increase in the total dividend to 107.0 pence per share. The final dividend of 75.3 pence per share will be paid on 24 May 2023 to all shareholders on the share register at the record date of 21 April 2023.

Data & Analytics

Continuing operations	2022 £m	2021 £m	Variance %	Pro-Forma Constant Currency Variance (excluding deferred revenue adjustment) %
Trading & Banking Solutions	**1,612**	1,369	17.8%	0.2%
Trading	**1,275**	1,086	17.4%	(0.1%)
Banking	**337**	283	19.1%	1.4%
Enterprise Data Solutions	**1,307**	1,058	23.5%	6.1%
Real-Time Data	**838**	676	24.0%	6.0%
PRS	**469**	382	22.8%	6.5%
Investment Solutions	**1,325**	1,119	18.4%	6.2%
Benchmark Rates, Indices & Analytics	**607**	512	18.6%	9.4%
Index – Asset-Based	**280**	253	10.7%	0.7%
Data & Workflow	**438**	354	23.7%	5.5%
Wealth Solutions	**275**	227	21.1%	3.0%
Customer & Third-Party Risk Solutions	**425**	330	28.8%	9.5%
Total Revenue (excl. recoveries)	**4,944**	4,103	20.5%	4.2%
Recoveries	**315**	324	(2.8%)	2.3%
Total Revenue (incl. recoveries)	**5,259**	4,427	18.8%	4.1%
Cost of sales	**(879)**	(709)	24.0%	5.4%
Gross Profit	**4,380**	3,718	17.8%	3.8%
Adjusted operating expenses before depreciation, amortisation and impairment	**(2,142)**	(1,857)	15.3%	3.2%
Adjusted EBITDA	**2,238**	1,861	20.3%	4.6%
Depreciation, amortisation and impairment	**(607)**	(481)	26.2%	15.9%
Adjusted operating profit	**1,631**	1,380	18.2%	0.7%
Adjusted EBITDA Margin	**45.3%**	45.4%		

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 grew by 4.2% to £4,944 million, primarily driven by strong performances in Enterprise Data and Investment Solutions and including a 0.4% contribution from acquisitions during the year. Excluding the impact of the Russia / Ukraine conflict, revenue growth was 5.3%. Organic Annual Subscription Value growth ("ASV") at December 2022 was 6.2% excluding Russia / Ukraine, reflecting continuous improvement throughout the year as we work more closely with our customers to improve retention and develop relevant new services.

Trading & Banking Solutions revenue increased by 0.2% to £1,612 million, returning to growth in the second half despite the negative impact of the lost Russia/Ukraine revenue. Excluding this, full-year revenue growth was 2.3%. This performance was primarily driven by a significant improvement in product retention, particularly within the Trading business. During the year we acquired TORA, enhancing our ability to meet customer need for multi-asset class order and execution management capabilities, which added 0.8% to growth.

Enterprise Data Solutions revenue grew by 6.1% to £1,307 million reflecting the continued investment and expansion of our content and capabilities, and strong customer demand for data, underpinned by the continuing trend towards data-driven analytics to support and monitor investment decisions. The acquisition of MayStreet, which deepens our ability to help customers with their low-latency (higher speed) real-time data needs, further added to growth.

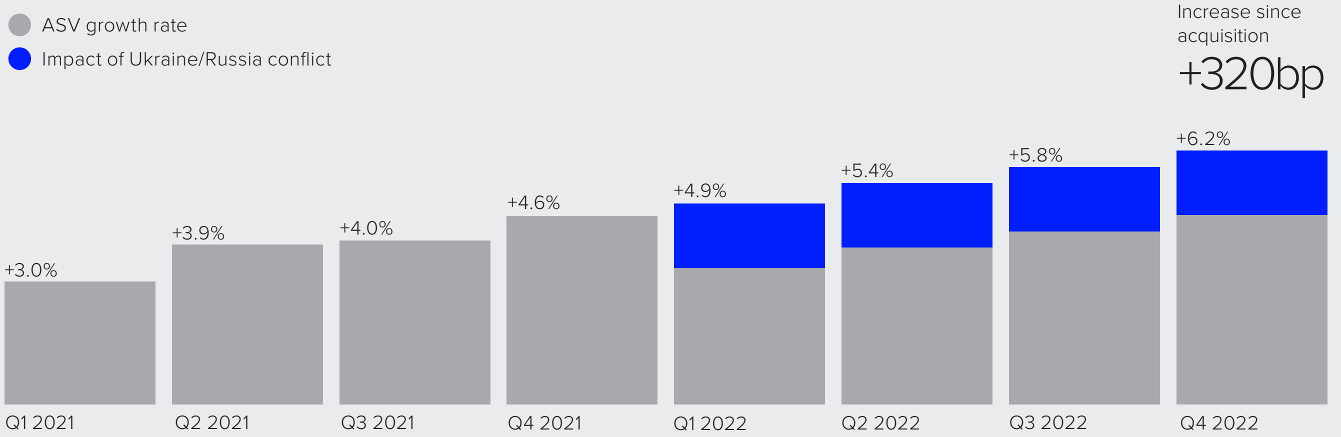
Investment Solutions revenue increased by 6.2% to £1,325 million, driven by strong subscription revenue growth, with Benchmark Rates, Indices & Analytics up 9.4%. Our multi-asset class capabilities are becoming an important differentiator with customers. We are also accelerating delivery of new FTSE Russell products with 33% more product launches in 2022 compared to the prior year, reflecting strong demand for custom indices. Our share of ETF asset inflow was strong, although offset by the underlying decline in many markets during the year.

Wealth Solutions contributed £275 million of revenue in 2022, with the Digital Solutions business the main driver of the 3.0% YoY growth. These numbers exclude the non-core BETA business, which we sold during the year.

Customer & Third-Party Risk Solutions revenue grew by 9.5% to £425 million. YoY growth of 18% in the World-Check screening business was partially offset by lower due diligence revenue. During the year we acquired GDC, which provides identity verification data, expanding our capabilities in high growth digital identity and fraud solutions.

Cost of sales of £879 million reflects the cost of purchased content and royalties, including news, specialist data and exchange data, which are required for the Data & Analytics products. Growth at 5.4% was slightly ahead of revenue growth.

Better sales and retention driving acceleration in ASV growth



Annual Subscription Value (ASV) growth is a constant currency point-in-time year-on-year organic measure of subscription growth in our Data & Analytics business.

Adjusted operating expenses before depreciation, amortisation and impairment increased to £2,142 million as careful management of staff costs and ongoing delivery of synergies related to the Refinitiv acquisition kept YoY cost growth to 3.2%.

Adjusted EBITDA was up 4.6% to £2,238 million, and the Adjusted EBITDA margin decreased 10 basis points to 45.3%.

Non-Financial KPIs

	2022	2021	Variance %
Annual Subscription Value Growth (%)[1]	**4.8%**	4.6%	
Annual Subscription Value Growth excl U/R impact (%)[1,2]	**6.2%**		
Subscription revenue growth (%)[1,3]	**4.6%**		
Subscription revenue growth excl U/R impact (%)[1,2,3]	**5.7%**		
Index – ETF AUM ($bn)	**1,009**	1,138	(11.3%)
Index – ESG Passive AUM ($bn)[4]	**296**	167	77.3%

1 Organic, constant currency variance.
2 Growth rates excluding the Russia/Ukraine war impact exclude income in the region and from sanctioned customers and related business from both periods.
3 12-month rolling constant currency variance excluding the impact of the deferred revenue accounting adjustment. Due to a change in methodology, prior year comparator is unavailable.
4 ESG Passive AUM is at 30 June 2022 and prior period comparator is at 30 June 2021. The metric is updated bi-annually.

Capital Markets

Continuing operations	2022 £m	2021 £m	Variance %	Pro-Forma Constant Currency Variance (excluding deferred revenue adjustment) %
Equities	**248**	241	2.9%	3.2%
FX	**258**	204	26.5%	4.2%
Fixed Income, Derivatives & Other	**953**	726	31.3%	13.4%
Total Revenue	**1,459**	1,171	24.6%	9.8%
Cost of sales	**(34)**	(27)	25.9%	9.1%
Gross Profit	**1,425**	1,144	24.6%	9.8%
Adjusted operating expenses before depreciation, amortisation and impairment	**(665)**	(536)	24.1%	9.4%
Adjusted EBITDA	**760**	608	25.0%	10.2%
Depreciation, amortisation and impairment	**(103)**	(110)	(6.4%)	(15.3%)
Adjusted operating profit	**657**	498	31.9%	15.8%
Adjusted EBITDA Margin	**52.1%**	51.9%		

Capital Markets provides businesses with access to capital through issuance, and offers secondary market trading for equities, fixed income, interest rate derivatives, foreign exchange (FX) and other asset classes.

Total revenue grew by 9.8% to £1,459 million with the increase primarily driven by Fixed Income, Derivatives & Other.

Equities revenue, which encompasses both our Primary & Secondary Equity Markets, increased by 3.2% to £248 million. Primary Markets growth was driven by annual listing fees alongside the revenue deferral benefit from 2021's record admission performance. Secondary Markets was broadly in line with the prior year as competitive pricing pressures adversely affected revenue yield, whilst overall volumes remained relatively flat.

FX revenue grew by 4.2% to £258 million driven by strong performance in Fxall, our dealer-to-client platform, alongside consistent outperformance in FX Spot Matching volumes as a result of implementation of commercial incentives. FX Matching performance returned to growth in H2 after a long period of decline.

Fixed Income, Derivatives & Other revenue increased by 13.4% to £953 million. Tradeweb, a global operator of electronic marketplaces for rates, credit, equities and money markets, achieved another year of strong growth, driven by the ongoing electronification of markets, continued share gains in most product lines and further progress in international markets. Market volatility contributed to higher average daily trading volumes and record activity across a number of core products.

Cost of sales increased by 9.1% to £34 million reflecting the cost of sales within the Tradeweb business which relate to data feeds.

Adjusted operating expenses before depreciation, amortisation and impairment increased by 9.4% to £665 million, again driven by the strong revenue growth at Tradeweb.

Adjusted EBITDA rose 10.2% to £760 million as a result of the strong topline growth at Tradeweb. The Adjusted EBITDA margin increased slightly to 52.1%.

Non-Financial KPIs

	2022	2021	Variance %
Equities			
Primary Markets			
New issues	**74**	174	(57.5%)
Total money raised (£bn)	**10.7**	34.8	(69.3%)
Secondary Markets – Equities			
UK Value Traded (£bn) – Average Daily Value	**4.6**	4.5	2.2%
SETS Yield (bps)	**0.66**	0.73	(9.6%)
FX			
Average daily total volume ($bn)	**452**	443	2.0%
Fixed income, Derivatives and Other			
Tradeweb Average Daily ($m)			
Rates – Cash	**342,798**	345,008	(0.6%)
Rates – Derivatives	**342,074**	293,655	16.5%
Credit – Cash	**10,090**	9,297	8.5%
Credit – Derivatives	**17,590**	12,235	43.8%

Post Trade

Continuing operations	2022 £m	2021 £m	Variance %	Pro-Forma Constant Currency Variance %
OTC Derivatives	**402**	358	12.3%	10.0%
Securities & Reporting	**234**	246	(4.9%)	(3.8%)
Non-Cash Collateral	**100**	95	5.3%	3.6%
Total Revenue	**736**	699	5.3%	4.2%
Net Treasury Income	**255**	207	23.2%	18.8%
Total Income	**991**	906	9.4%	7.5%
Cost of sales	**(150)**	(123)	22.0%	22.9%
Gross Profit	**841**	783	7.4%	5.1%
Adjusted operating expenses before depreciation, amortisation and impairment	**(324)**	(329)	(1.5%)	(0.6%)
Adjusted EBITDA	**517**	454	13.9%	9.0%
Depreciation, amortisation and impairment	**(112)**	(96)	16.7%	14.5%
Adjusted operating profit	**405**	358	13.1%	7.5%
Adjusted EBITDA Margin	**52.2%**	50.1%		

Post Trade provides clearing, risk management, capital optimisation and regulatory reporting solutions. Total revenue grew by 4.2% to £736 million and total income, including Net Treasury Income, was £991 million, up 7.5% year-on-year.

Post Trade's clearing franchise, LCH, achieved record volumes in 2022 as Central Bank rate changes, political events and increasing inflation led to heightened market volatility. OTC Derivatives revenue increased by 10.0% to £402 million, driven by a strong performance in SwapClear client clearing.

Securities & Reporting revenue decreased by 3.8% to £234 million reflecting commercial policy adjustments in equities in response to increasing pricing pressures, partially offset by growth in RepoClear.

Non-Cash Collateral revenue increased by 3.6% to £100 million as high volumes continued and includes the full year impact of 2021 pricing changes.

Net Treasury Income (NTI) increased by 18.8% to £255 million as sustained market volatility drove record collateral balances.

Cost of sales increased by 22.9% to £150 million. This was driven mainly by accounting for revenue share arrangements relating to SwapClear and NTI, which both grew strongly during the year.

Adjusted operating expenses excluding depreciation, amortisation and impairment decreased by 0.6% to £324 million demonstrating good cost control. As a result, Adjusted EBITDA was up 9.0% to £517 million and the Adjusted EBITDA margin improved by 210 basis points to 52.2%.

Non-Financial KPIs

	2022	2021	Variance %
OTC			
SwapClear			
IRS notional cleared ($trn)	**1,091**	921	18.5%
SwapClear members	**124**	123	0.8%
Client trades ('000)	**2,684**	2,180	23.1%
Client average 10-year notional equivalent ($trn)	**3.7**	4.2	(11.9%)
ForexClear			
Notional value cleared ($bn)	**24,659**	21,670	13.8%
ForexClear members	**36**	35	2.9%
CDSClear			
Notional cleared (€bn)	**3,358**	2,283	47.1%
CDSClear members	**25**	25	0%
Securities & Reporting			
EquityClear trades (m)	**2,163**	1,996	8.4%
Listed derivatives contracts (m)	**262.6**	285.8	(8.1%)
RepoClear – nominal value (€trn)	**288.4**	237.6	21.4%
Non-Cash Collateral			
Average non-cash collateral (€bn)	**168.5**	165.5	1.8%
Cash Collateral			
Average cash collateral (€bn)	**140.8**	107.2	31.3%

Cash Flow

	2022 £m	2021 £m
Operating Cash Flow	**3,282**	3,090
Net interest & royalties paid	**(231)**	(208)
Other dividends, net	**(70)**	(73)
Net taxes paid	**(351)**	(390)
Capex	**(966)**	(632)
Equity Free Cash Flow	**1,664**	1,787
Lease payments	**(150)**	(118)
Disposal proceeds	**1,056**	3,592
Acquisitions	**(768)**	762
Investments	**(227)**	(28)
Dividends to LSEG shareholders	**(567)**	(426)
Borrowings	**0**	6,944
Repayments	**(209)**	(11,614)
Share buybacks	**(383)**	(55)
Other	**(56)**	96
Net Cash Flow	**360**	940

The Group's business continued to be strongly cash generative during the year, with operating cash flow of £3,282 million (2021: £3,090 million). Cash outflows for purchases of property, plant and equipment and intangibles amounted to £966 million (2021: £632 million), which includes our business-as-usual investment programmes as well as investments related to the Refinitiv integration. Equity free cash flow was £1,664 million (2021: £1,787 million). During the year the Group received disposal proceeds of £1,056 million, principally in relation to the sale of the BETA business, and deployed £768 million on acquisitions, net of £18 million cash acquired. Dividends paid during the year were £567 million, reflecting the continued strong growth in dividends per share. £383 million was spent on share buybacks, of which £300 million related to the LSEG share buyback programme announced in August 2022, with the balance relating to Tradeweb's buyback programme and fees. Cash generation, after organic and inorganic investments and other normal course payment obligations, was positive, contributing to cash and cash equivalents growing from £2,665 million as at 31 December 2021 to £3,209 million as at 31 December 2022.

Balance Sheet/Leverage/Ratings

Net Debt **Year ended 31 December**	2022 £m	2021 £m
Gross borrowings	**8,151**	7,654
Cash and cash equivalents	**(3,209)**	(2,665)
Net derivative financial liabilities	**48**	25
Lease liabilities	**672**	715
Net debt	**5,662**	5,729
Less lease liabilities	**(672)**	(715)
Regulatory and operational amounts	**1,236**	1,294
Operating net debt	**6,226**	6,308

At 31 December 2022, the Group had operating net debt of £6,226 million after setting aside £1,236 million for regulatory and operational amounts. Leverage[1] fell to 1.8x at 31 December 2022 (2021: 1.9x). The Group is within its targeted leverage range of 1.0-2.0 times adjusted EBITDA before foreign exchange gains or losses.

Effective January 2021, the Group increased its committed revolving credit facilities to £2.5 billion. In 2022, the Group had access to a £1,425 million facility maturing in December 2024 and a £1,075 million facility maturing in December 2026. The second one-year extension option was exercised on the £1,075 million facility in December 2022, extending its maturity to December 2027.

With respect to the Group's long-term debt finance, no bonds were issued or repaid in 2022. The €150 million Euro term loan was repaid in full, and a partial repayment was made to the US Dollar term loan, reducing the outstanding balance to $1,560 million (2021: $1,660m million).

LSEG is rated A with a positive outlook by Standard & Poor's and A3 with a stable outlook by Moody's. The Standard & Poor's outlook was upgraded from stable to positive in November 2022. Standard & Poor's maintained its long-term rating of LCH Limited and LCH SA at AA- with a stable outlook through the period.

1 Leverage is calculated as operating net debt (i.e. net debt before lease liabilities and after excluding amounts set aside for regulatory and operational purposes) to adjusted EBITDA before foreign exchange gains or losses.

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. The longer-term targets associated with the acquisition of Refinitiv have been given on a constant currency basis.

	USD	GBP	EUR	Other
2022 Total Income[1]	57%	18%	17%	8%
2022 Underlying Expenses[2]	50%	26%	11%	13%

2022 Total Income by division	USD	GBP	EUR	Other
Data & Analytics	65%	12%	12%	11%
Capital Markets	59%	21%	19%	1%
Post Trade	20%	44%	34%	2%
Other	44%	23%	27%	6%

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

Spot/Average Rates

	Average rate 12 months ended 31-Dec-22	Closing rate at 31-Dec-22	Average rate 12 months ended 31-Dec-21	Closing rate at 31-Dec-21
GBP : USD	1.237	1.203	1.376	1.350
GBP : EUR	1.173	1.127	1.163	1.192

Appendix:
Pro-Forma[1] P&L

Continuing operations	2022 £m	2021 £m	Variance %
Data & Analytics	**4,944**	4,398	12.4%
Capital Markets	**1,459**	1,249	16.8%
Post Trade	**991**	906	9.4%
Other	**34**	34	
Total Income (excl. recoveries)	**7,428**	6,587	12.8%
Recoveries	**315**	354	(11.0%)
Total Income (incl. recoveries)	**7,743**	6,941	11.6%
Cost of sales	**(1,064)**	(920)	15.7%
Gross profit	**6,679**	6,021	10.9%
Adjusted operating expenses before depreciation, amortisation and impairment	**(3,140)**	(2,905)	8.1%
Income from equity investments	**12**	22	(45.5%)
Share of loss after tax of associates	**(1)**	(4)	(75.0%)
Adjusted EBITDA	**3,550**	3,134	13.3%
Adjusted EBITDA Margin	**47.8%**	47.6%	
Adjusted depreciation, amortisation and impairment	**(822)**	(737)	11.5%
Adjusted operating profit	**2,728**	2,397	13.8%
Adjusted net finance expense	**(160)**	(206)	(22.3%)
Adjusted profit before tax	**2,568**	2,191	17.2%
Adjusted tax	**(540)**	(451)	19.7%
Adjusted profit for the year	**2,028**	1,740	16.6%
Adjusted profit attributable to:			
Equity holders	**1,770**	1,512	17.1%
Non-controlling interest	**258**	228	13.2%
Continuing adjusted basic earnings per share (p)	**317.8**	271.5	17.1%

1 Pro-forma 2021 assumes that the acquisition of Refinitiv took place on 1 January 2021.

Enabling sustainable growth

LSEG is dedicated to enabling sustainable economic growth.

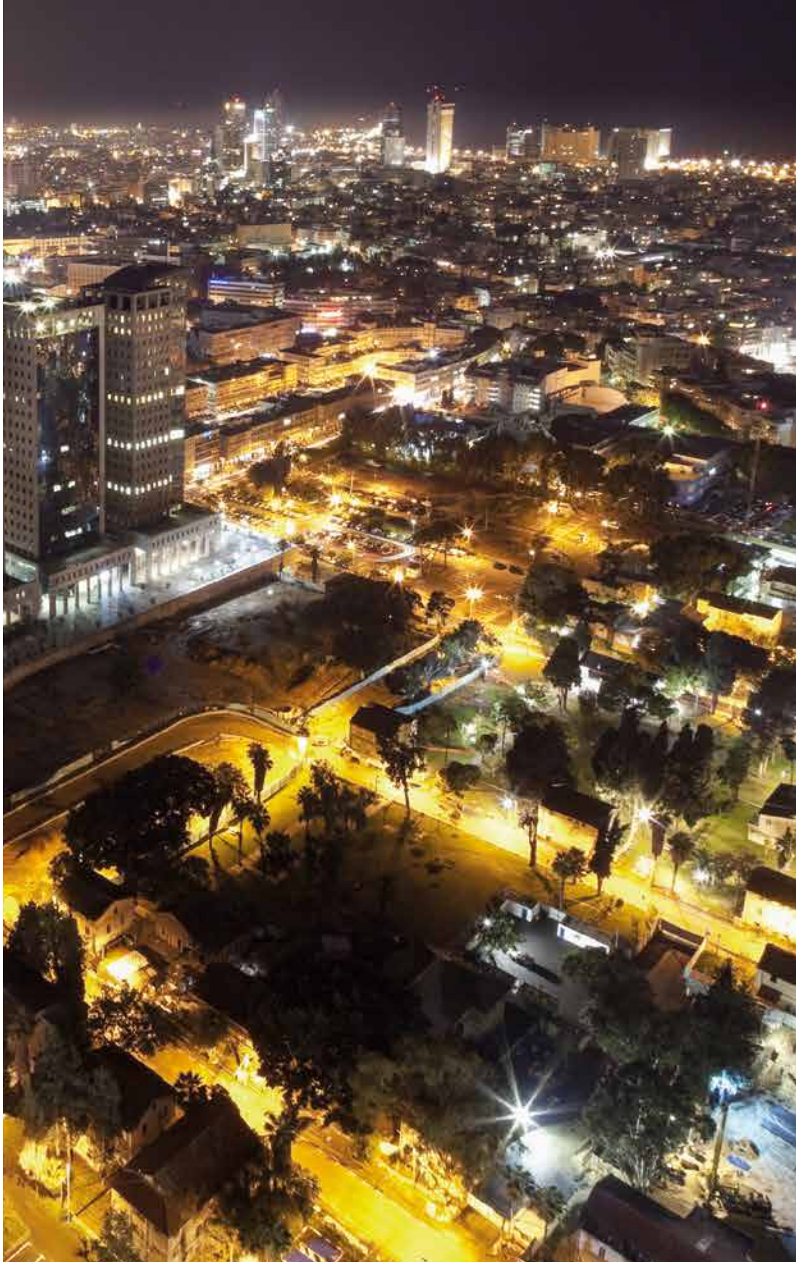
Given our central role in capital markets, our global footprint and presence throughout the trade lifecycle, we are uniquely positioned to play a leading role in this respect.

A more detailed account of our sustainability progress during the year can be found in our Annual Sustainability Report.

See our separate online Sustainability Report at the following address: www.lseg.com/en/sustainability-strategy/disclosures-and-reports

> Through our sustainability strategy we’re contributing to the global effort to decarbonise, innovate and grow the green economy, while ensuring that everyone can share in the benefits of sustainable economic growth.

David Schwimmer
Chief Executive Officer



SUSTAINABILITY STRATEGY

Our sustainability framework

Anchored in our purpose of driving financial stability, empowering economies and enabling customers to create sustainable growth, our Sustainability Strategy focuses on three strategic priorities where we can have the greatest impact: accelerating the transition to net zero, growing the green economy and creating inclusive economy opportunity. We deliver on our strategy through our products and services, our market engagement, and our own operations.

Strategic priorities	**Accelerating the just transition to net zero.**	**Enabling the growth of the green economy.**	**Creating inclusive economic opportunity.**
Enabling activity	Supporting customers to create sustainable growth.		
	Market engagement and policy advocacy.		
	Embedding sustainability into our operations.		

Materiality

We carried out an assessment in 2021 to ensure that our Sustainability Strategy focuses on topics which are most important to our business and its long-term performance. The materiality assessment included a broad review of relevant regulations, disclosure frameworks and other information. It involved interviews with stakeholders such as employees, customers, shareholders, suppliers, policy-influencers and media. The relative prioritisation of topics was then evaluated, accounting for internal and external stakeholder perceptions, and then validated by LSEG. The resulting material topics for LSEG are listed here in order of importance:

Material sustainability topics

1 Sustainable finance and investment
2 Climate risk management
3 Talent attraction and retention
4 Information security and data privacy
5 Diversity and inclusion
6 Corporate governance
7 Environmental management and GHG emissions (operational)
8 Human rights
9 Employee health, safety and wellbeing
10 Business ethics
11 Community engagement

Alignment with global goals

Our Sustainability Strategy was informed by the UN Sustainable Development Goals. Our approach supports the SDGs that are most relevant to our business, and our delivery plans align with specific focus areas of the seven listed here.

SUSTAINABLE DEVELOPMENT GOALS

UN Sustainable Development Goals

SDG 4 Quality Education
Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.

SDG 5 Gender Equality
Achieve gender equality and empower all women and girls.

SDG 8 Decent Work & Economic Growth
Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent.

SDG 10 Reduced Inequalities
Reduce inequality within and among countries.

SDG 13 Climate Action
Take urgent action to combat climate change and its impacts.

SDG 16 Peace Justice and Strong Institutions
Promote peaceful and inclusive societies, providing access to justice for all and building effective, accountable and inclusive institutions at all levels.

SDG 17 Partnership for the goals
Strengthen the means of implementation and revitalise the global partnership for sustainable development.

SUSTAINABILITY STRATEGY IN ACTION

Accelerating the transition to net zero

We use our unique market position, capabilities, products and services to accelerate the transition to net zero.

Key objectives

- Enable more capital to be allocated to transition-related activity.
- Promote the role of data and disclosure to enable transition.
- Reduce the Group's Scope 1 & Scope 2 carbon emissions by 50% by 2030, with an ambition to be net zero by 2040.

See our separate Sustainability Report at the following address: www.lseg.com/en/sustainability-strategy/disclosures-and-reports

See our separate Climate Report at the following address: www.lseg.com/en/sustainability-strategy/disclosures-and-reports

2022 highlights

- We published our first Climate Transition Plan in March which received 98.6% shareholder support at our Annual General Meeting.
- We achieved a 62% reduction in our Scope 1, 2 (market-based) and 3 (business travel, fuel-and-energy-related activities, employee commuting) emissions since our 2019 base year.
- We launched the Voluntary Carbon Market (VCM) designation and welcomed Foresight Sustainable Forestry as the first listed issuer to be admitted onto the market.

Reduction in business travel Scope 1, 2 and 3 emissions (full definition above)

-62%

Enabling the growth of the green economy

At the centre of capital markets, we are playing a pivotal role in enabling the flow of capital towards projects that help deliver solutions to the world's environmental and social challenges.

Key objectives

- Provide market infrastructure to support the growth of green finance.
- Support green growth with research, data and analytics.
- Engage with the market and policymakers to scale green economic activity.

2022 highlights

- £10 billion was raised on the London Stock Exchange Green Bond segment and £12 billion was raised on the Sustainable Bond segment.
- We published the 2022 cohort of 108 companies and funds receiving the London Stock Exchange Green Economy Mark, provided to those that contribute to environmental objectives through their products and services; their combined market cap was £156 billion.

Green Bond capital raised

£10bn

Sustainable Bond capital raised

£12bn

Creating inclusive economic opportunity

Aligned with our purpose to empower economies as a whole, we also strive to empower individuals and communities by championing inclusion and economic opportunity.

Key objectives

— Embed an inclusive culture at LSEG.
— Promote inclusion in the market and society more widely.
— Support economic empowerment in the community.

See our separate Pay Equity Report at the following address: www.lseg.com/en/sustainability-strategy/disclosures-and-reports

2022 highlights

— We achieved our gender diversity goal of 40% female representation within our senior leadership community.
— We published our first Pay Equity Report that considers gender (globally) and ethnicity (for US and UK). More detail can be found on our Pay Equity Report.
— Economic empowerment in the community was mobilised through the LSEG Foundation, which forged four new strategic charity partnerships in 2022 with Room to Read, Girls Who Code, Skills Builder and Women's World Banking. For further information on the LSEG Foundation, please see our Sustainability Report.

Target achieved for women in senior leadership roles

40%

A RESPONSIBLE BUSINESS

In addition to pursuing our three strategic sustainability priorities we are committed to operating our business in a responsible way. Our sustainability approach is therefore underpinned by the following policies and standards:

Business ethics

We are committed to the highest standards of integrity. The standards and behaviours expected of all LSEG employees, regardless of geography or discipline, are set out in the LSEG Code of Conduct.

Cyber security and data protection

The Information Security Policy sets out the overarching enterprise-wide information security guidance through which information security risks are identified and managed. It is aligned to global industry standards, including those defined by the National Institute of Standards and Technology and the Financial Services Sector Coordination Council (NIST FSSCC).

The LSEG Privacy and Data Protection Policy applies to all personal data that is collected, maintained, and used in any format by any division, business unit or affiliate of LSEG.

Financial crime, bribery and corruption

Our Financial Crime policy sets out requirements to minimise financial crime, which encompasses, but may not be limited to, money laundering, terrorist financing, breach of international trade sanctions, bribery and corruption, fraud and false accounting, insider trading, market abuse, theft or misuse of confidential information or other malpractice. LSEG has a dedicated policy on anti-bribery and corruption which applies globally and is aligned with the UK Bribery Act and the US Foreign Corrupt Practices Act. Anti-Bribery and Corruption policy is owned and maintained by the Financial Crime team and is updated annually. There were no breaches reported in 2022.

Human rights

Our Human Rights statement sets out the requirements on human rights and is aligned with international human rights standards and principles. We monitor all current and emerging human rights-related regulation and as a UK-headquartered business are committed to adhere to the UK Modern Slavery Act 2015.

Sustainability Policy

Our Sustainability Policy sets out the requirements for us to ensure we identify, manage and improve our sustainability performance. The Policy is approved by the LSEG Board and is supported by several issue specific standards including community investment, human rights, environmental management, diversity and inclusion.

Whistleblowing

We are committed to providing an open environment where our colleagues, contractors and other third parties feel comfortable raising concerns about adherence to our Code of Conduct, relevant laws and regulations or if they consider something unethical or potentially harmful. Employees can raise concerns independently through our Speak Up confidential 24-hour hotline or online to lseg.ethicspoint.com. The Group's whistleblowing policy provides a method of addressing concerns while at the same time offering whistleblowers statutory protection.

See more in our Sustainability Report online at the following address: www.lseg.com/en/sustainability-strategy/disclosures-and-reports

SUSTAINABILITY GOVERNANCE

We have established a robust sustainability governance framework both at the Board and Executive level. This is summarised here, and further detail can be found in the Governance section of this report and the separate Sustainability Report.

Group	Responsibility	Chair	Number of times sustainability covered 2022
LSEG Board	Oversight of LSEG's overarching sustainability ambition, strategy and performance.	Group Chair	3
Board Risk Committee	Oversight of LSEG's approach to identifying and managing sustainability and climate-related risks.	Non-Executive Director, Professor Kathleen DeRose	1
Board Audit Committee	Oversight of LSEG's approach to regulatory requirements related to sustainability disclosures.	Non-Executive Director, Dominic Blakemore	1
Board Remuneration Committee	Oversight of LSEG's approach to linking executive compensation to sustainability.	Senior Independent Director and Chair of the Remuneration Committee, Cressida Hogg CBE	1
Executive Committee	Setting the Group's sustainability ambition and strategy and monitoring progress.	Group Chief Executive	2
Sustainability Committee	The Sustainability Committee reports to the Executive Committee on progress and meets quarterly as a minimum. Six members of the Sustainability Committee are also members of the LSEG Executive Committee. The Sustainability Committee is responsible for: — Providing direction on the Group's sustainability ambition and strategy. — Approving sustainability KPIs and targets and monitoring progress against strategy. — Overseeing and approving sustainability reporting.	Chief Corporate Affairs and Marketing Officer	5
Sustainability Working Group	Group comprises senior sustainability experts from across LSEG and is responsible for shaping and delivering the Group Sustainability Strategy and supporting the Sustainability Committee.	Group Head of Sustainability	12

During 2022, the Board approved the Climate Transition Plan which was subsequently approved by shareholders at the AGM in April.

The Board and the Audit Committee review our disclosures in the Annual Report and Accounts and other elements of the year-end reporting suite of documents, to make sure that they are fair, balance and understandable and provide the information necessary for our shareholders to assess the company's performance.

For more information see the Governance section of this report on pages 86 to 147.

Linking executive remuneration to sustainability

Our executives are incentivised to drive progress towards our sustainability ambition through the achievement of our Group Strategic Objectives (GSOs), which relate to 40% of the annual bonus pool. Our Remuneration Committee assesses performance against the GSOs. One of our GSOs is dedicated to sustainability, while sustainability is also relevant to other GSOs such as those focused on Culture, Resilience and Customer.

Further detail of the GSO performance assessment can be found in our Directors' Remuneration Report on pages 113 to 141.

Climate

We published our first Climate Transition Plan in March 2022 setting out how we will achieve our targets which are approved by SBTi (Science Based Targets initiative) against a 1.5°C trajectory to:

- Halve our Scope 1, Scope 2 and selected Scope 3 emissions (fuel and energy-related activities, business travel and employee commuting) against a 2019 baseline by 2030.
- 67% of our suppliers (by Scope 3 purchased goods and services emissions) to set science-based targets by 2026.
- Our long-term ambition is to achieve net zero by 2040.

We include Group emissions as one of our key non-financial performance indicators. For more information, see page 14.

Target reduction of our Scope 1, 2 and 3 emissions (fuel and energy-related activities, business travel and employee commuting) by 2030

-50%

Target of our suppliers (by Scope 3 purchased goods and services emissions) to set science-based targets by 2026

67%

TCFD Compliance Statement

In recognition that climate change is a critical global issue which has significant implications for our stakeholders including our investors, customers, employees, suppliers and partners, we produced our first stand alone Climate Report, which integrates our Climate-related Disclosures and our Climate Transition plan. The report covers our climate ambitions, governance, scenario analysis, risk management and climate-related metrics. We adopted this approach due to the detailed and technical nature of the content and believe that this is the most useful and transparent way to present our climate-related disclosures.

In accordance with the Listing Rule 9.8.6R, we disclose against the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) which helps us improve our understanding of the financial implications of climate-related risks and opportunities for our business for the year ended 31 December 2022. This information is disclosed in our Climate Report which also presents an update on our Climate Transition Plan.

See a TCFD summary table at the following address: www.lseg.com/en/sustainability-strategy/disclosures-and-reports

See our separate online Climate Report at the following address: https://www.lseg.com/en/sustainability-strategy/disclosures-and-reports

Ambition for LSEG to reach net zero

2040

We published our first Climate Transition Plan in March 2022 setting out how we will achieve our targets which are approved by SBTi against a 1.5°C trajectory.

The table below sets out the 11 TCFD recommendations and summarises where additional information can be found in our Climate Report.

TCFD recommendation		LSEG approach	Reference
Governance	The board's oversight of climate-related risks and opportunities.	LSEG Board has ultimate oversight of the sustainability agenda and strategy.	LSEG 2022 Climate Report Page 32
	Management's role in assessing and managing climate-related risks and opportunities.	Sustainability Committee is chaired by Chief Corporate Affairs & Marketing Officer. The Chief Risk Officer and Chief Operating Officer are members of the Sustainability Committee.	
Strategy	Identification of climate-related risks and opportunities.	Led by Group Sustainability, engagement occurs across our business units to identify and manage future climate-related risks and opportunities that have a material impact on and our business model.	LSEG 2022 Climate Report Page 11 onwards
	Impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	LSEG's business purpose and commitment to sustainable growth reflects approach and consideration of climate-related risks and opportunities in our products and services and business operations.	
	Resilience of strategy under varying climate-related scenarios.	Group Sustainability leads and co-ordinates projects to understand climate-related risks and opportunities against impact pathways to show operations and business exposure amid external changes in climate and subsequent impacts on the business in terms of costs and revenue.	
Risk management	Processes for identifying and assessing climate-related risks.	Our Enterprise Risk Management Framework includes and embeds sustainability risks which are raised and owned by the business.	LSEG 2022 Climate Report Page 24 onwards
	Processes for managing climate-related risks.	Risks are managed day-to-day by business owners with support from Group Risk as second line of defence.	
	Integration of climate-related risks into overall risk management.	Climate-related risks are embedded within the Enterprise Risk Management Framework.	
Metrics and targets	Metrics to assess climate-related risks and opportunities.	Accurate data collection in place to support interim targets.	LSEG 2022 Climate Report Page 28 onwards
	Disclosure of scope 1, scope 2, and scope 3 greenhouse gas (GHG) emissions and the related risks.	Combined data inventory reflecting legacy business emissions for 2019, 2020, 2021 and 2022 has been verified and published.	
	Targets used to manage climate-related risks and opportunities and performance against targets.	Near-term science-based targets approved with 2026 and 2030 target dates with a ambition to achieve net zero by 2040.	

For more information, please refer to our Climate Report which can be found on our website: www.lseg.com/en/sustainability-strategy/disclosures-and-reports

Our emissions – methodology & verification statement

We report all the emission sources required under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013. These sources fall within our consolidated statement and we do not have responsibility for any emission sources that are not included in our consolidated statement.

Our emissions are calculated according to an 'operational control' boundary using the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) and the UK Government Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance (March 2019).

LSEG's Scope 1, 2 and 3 emissions disclosed here, and in our Sustainability Report, have been externally verified by Cameron-Cole against the requirements of the WRI/WBCSD, GHG Protocol, GHG Protocol Corporate Accounting and Reporting Standard (revised edition), GHG Protocol Scope 2 Guidance: An amendment to the GHG Protocol Corporate Standard and the GHG Protocol Corporate Value Chain (Scope 3) Standard. Conduct of the verification met the requirements of ISO 14064-3:2006(E).

Overall performance	2022	2021	2020	2019	% Change[7]
Total Group Carbon Footprint (tCO_2e)[1,5]	**718,706**	571,885	640,693	657,008	+9%
per headcount (HC)[1]	**30**	24	27	27	+9%
per £m Total Income [1]	**93**	80	90	96	-4%
Scope 1[2,5]	**1,450**	1,000	1,960	2,163	-33%
Scope 2 Market based[3,5,6,8]	**4,167**	3,138	6,492	10,189	-59%
Scope 2 Location based[3,8]	**69,833**	106,566	111,644	143,206	-51%
Scope 3[4,5]	**713,089**	567,747	634,175	646,569	+10%

Notes

1 Group total and intensity metrics Scope 1, Scope 2 market-based, and all relevant and calculated Scope 3 categories. The full breakdown of Scope 3 categories is available in our Sustainability Report. Within these totals we report both market-based Scope 2 and Scope 3 fuel-and-energy-related-activities (FERA) emission factors. Group carbon footprint includes tenant consumption and excludes client-based workers.

2 Scope 1 emissions: combustion of fuel and operation of facilities – includes natural gas, diesel, LPG, fugitive emissions and fleet vehicles.

3 Scope 2 emissions: purchase of electricity and heat by the Group for its own use. Market-based emissions use supplier-based emission factors and energy attribute certificates for where 100% renewable supplier tariffs are not in place.

4 Scope 3 includes emissions from purchased goods and services, fuel and energy-related emissions, air travel, rail travel, taxis, car hire, hotels and ground transfers, waste, water, employee commuting (including home working) and upstream leased assets.

5 DEFRA UK Government GHG Conversion Factors are used for all fuels, business travel, water, waste, upstream leased assets. US EPA factors are used for United States electricity and employee commute emissions. IEA country specific emissions factors are used to calculate emissions for all other electricity use. Defra IO factors have been adjusted to reflect reporting year consumer index pricing to estimate emissions related to purchased goods and services. LSEG do not yet use Defra 2022 EEIO factors published in November 2022, as their use will require recalculation of base year emissions. US and UK National Travel Surveys have been used to inform our estimations for employee commuting. Emissions related to working from home have been based on EcoAct's 'Homeworking emissions whitepaper' (2020).

6 Energy attribute certificates have been purchased to claim renewable electricity consumption for all sites where 100% renewable supplier tariffs are not in place. These certificates comply with the requirements of RE100 and have been sourced from an internationally recognised trader who is an IETA member and gold partner of CDP. Some of these certificates are associated with electricity generation from sustainable biomass. The combustion of biomass for electricity generation does result in emissions and these are reported within Scope 2 Market-based values (for example, this is the reason for the increase in Scope 2 Market-based emissions in the UK in 2022). The biogenic CO_2 emissions from these sources are reported in our Sustainability Report.

7 % Change is calculated between 2022 and 2019, the Group's target baseline year.

8. The Market-based method is based on the GHG emissions emitted by the generator from which the reporter contractually purchases electricity bundled with contractual instruments, or contractual instruments purchased on their own. Location-based method is based on average energy generation emission factors for defined geographic locations, including local, subnational or national boundaries. (WRI and WBSCD, 2015. GHG Protocol Scope 2 Guidance).

Streamlined Energy and Carbon Reporting (SECR)
LSEG calculates all available emissions sources required under The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, along with the addition of fugitive and process emissions and the extension of the scope to global emissions, rather than UK emissions only. LSEG calculates greenhouse gas emissions to cover all material sources of emissions for which the Group is responsible. The methodology used was that of the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (revised edition, 2015). Responsibility for emissions sources was determined using the operational control approach.

(SECR) table		2022	2021	2020	2019	% Change[2]
Total	Energy Consumption (kWh)[1]	**164,955,639**	262,134,466[3]	276,810,614[3]	371,895,033	-56%
UK	Energy Consumption (kWh)[1]	**56,452,497**	54,401,256	80,552,486	118,956,031	-53%
	Scope 1	**458**	556	716	1,381	-67%
	Scope 2 – Market Based [4]	**612**	422	577	153	+300%
	Scope 2 – Location Based [4]	**10,672**	10,908	17,758	27,805	-62%
	tCO_2e/HC (Scope 1 & 2 location-based)	**2.52**	2.53	4.07	6.75	-63%
	tCO_2e/HC (Scope 1 & 2 market-based)	**0.24**	0.22[3]	0.28[3]	0.35[3]	-32%
EMEA	Energy Consumption (kWh)[1]	**5,646,972**	12,353,859	14,077,652	42,882,337	-87%
	Scope 1	**7**	4	5	34	-78%
	Scope 2 – Market Based [4]	**71**	586	755	1,082	-93%
	Scope 2 – Location Based [4]	**2,061**	4,928	4,709	9,043	-77%
Americas[1]	Energy Consumption (kWh)[1, 3]	**73,162,491**	155,778,235[3]	130,961,747[3]	158,530,000	-54%
	Scope 1	**547**	187	450	393	-39%
	Scope 2 – Market Based [4]	**3,188**	1,786	2,431	6,550	-51%
	Scope 2 – Location Based [4]	**40,476**	77,060	63,969	80,463	-50%
APAC	Energy Consumption (kWh)[1]	**29,674,070**	39,189,207	49,521,785	48,161,602	-38%
	Scope 1	**438**	253	788	356	+23%
	Scope 2 – Market Based [4]	**297**	343	2,729	2,405	-88%
	Scope 2 – Location Based [4]	**16,627**	13,670	25,208	25,895	-36%

Notes
1. Electricity, Natural Gas, Diesel, LPG, and Fleet Vehicle fuel have each been converted from their respective units to kWh in order to be presented as an aggregate fuel consumption value. Defra GHG Conversion Factors 2021 (Fuel Properties) have been used as the basis for this conversion. Refrigerant consumption is not included in kWh totals.
2. % Change is calculated between 2022 and 2019, the Group's target baseline year.
3. Corrections have been made for 2021 and 2020 Americas energy consumption, as these were incorrectly reported in 2021. The total energy consumption has also been corrected to reflect this change.
4. The Market-based method is based on the GHG emissions emitted by the generator from which the reporter contractually purchases electricity bundled with contractual instruments, or contractual instruments purchased on their own. Location-based method is based on average energy generation emission factors for defined geographic locations, including local, subnational or national boundaries. (WRI and WBSCD, 2015. GHG Protocol Scope 2 Guidance).

Reduction in total energy consumption since 2019

-56%

LSEG calculates greenhouse gas emissions to cover all material sources of emissions for which the Group is responsible.

Non-financial information statement

This non-financial information statement provides an overview of topics and related reporting references in our external reporting as required by sections 414CA and 414CB of the Companies Act 2006. We integrate non-financial and sustainability-related information across the Strategic report and wider reporting suite, thereby promoting cohesive reporting of non-financial and sustainability matters.

Sustainability reporting frameworks and guidance

We are actively monitoring developments including in relation to metrics. In 2022, our focus included among others, the Task Force on Climate-related Financial Disclosures (TCFD), and the Global Reporting Initiative (GRI) standards metrics.

As signatories of the UN Principles for Responsible Investment, we are committed to an ongoing process to align our strategy with the 2015 Paris Agreement and the UN Sustainable Development Goals (SDGs). Our climate ambition strives to make a positive contribution.

Further information on non-financial and sustainability matters can be found within our reporting suite.

See our separate online Sustainability Report at the following address: www.lseg.com/sustainability-strategy/disclosures-and-reports

See our separate online Climate Report at the following address: www.lseg.com/sustainability-strategy/disclosures-and-reports

Reporting requirement		Page references in this document	Relevant policy and statement available on lseg.com
Business model	— Our strategy — Our purpose-led areas of focus — How we create value — Our business performance	Pages 26 to 39	
Our stakeholders	— Section 172(1) statement — Stakeholder focus areas	Pages 60 to 73	
Environment	— Climate-related disclosures	Pages 50 to 58	— Sustainability Policy — Environmental statement
Our employees	— Employees — Diversity and Inclusion	Pages 60 to 63	— Code of Conduct — Diversity & Inclusion statement
Governance	— Section 172(1) statement — Corporate governance — Directors' remuneration report	Pages 70 to 73 and 86 to 141	— Sustainability Policy
Respect for human rights	— Human rights and Modern Slavery	Page 53	— Human Rights Statement — Modern Slavery Act statement 2022
Anti-bribery and corruption	— Risk overview — Mandatory learning for all employees	Pages 53 and 74 to 84	— Anti-Bribery and Corruption statement
Risk management	— Principle Risks and uncertainties — Enterprise Risk Management Framework (ERMF) — Risk governance	Pages 74 to 84	

Our culture: building one LSEG

Our people and culture are integral to our purpose of driving financial stability, empowering economies, and enabling sustainable growth.

We have made progress in embedding an inclusive culture at LSEG that values a range of perspectives and embraces diversity of every kind.

Goal achieved for women in senior leadership roles by 2022

40%

2022 employee engagement score

75%

See our separate online Sustainability Report at the following address: www.lseg.com/en/sustainability-strategy/disclosures-and-reports

Our full Pay Equity Report is available here: www.lseg.com/en/sustainability-strategy/disclosures-and-reports

Our culture of connecting, creating opportunity and delivering excellence shapes how we work and how we help our people fulfil their potential.

In 2022, we introduced a wide range of programmes to activate our culture, including:

Developing strong, engaged and inclusive leaders

Leadership development is at the centre of how we are creating diverse and inclusive teams. Leaders are accountable for making sure they attract, retain and develop great people by maximising their potential and encouraging new ways of thinking. There are several programmes to reach those at all stages of their Leadership journey including:

- **Emerge:** for those who are interested in becoming a leader.
- **Compass:** for new People Leaders who bring our culture to life and build high performing teams.
- **Evolve:** for existing leaders who are developing to lead several teams, often globally.
- Through our **One Leadership series** we bring our senior leaders together and in 2022 this community focused on 'Leading with Ambition'.

Driving Diversity & Inclusion

We believe there is a strong correlation between diversity and inclusion and business performance. Our intent is to create a truly inclusive organisation where:

- We invest in our people.
- Our leaders take accountability for driving sustainable change.
- We are all accountable for creating an inclusive culture.
- All our people can achieve their potential.

This year we have made good progress against our four D&I ambitions.

1. Creating a culture that fosters belonging

At LSEG, we strive to create an environment where everyone feels they are given a fair opportunity, their voice is heard, and where everyone is respected for who they are. Our policies and processes are constantly reviewed to support the needs of our people, including the introduction of a new global policy to support "Menopause at Work".

To build awareness across our sites globally, we ran spotlight campaigns to celebrate a range of events from International Women's Day to Black History Month to Pride Month, as well as a number of religious festivals. We have eight thriving Inclusion Networks which represent voices of colleagues who are historically underrepresented in the corporate environment and in senior leadership.

2. Building a globally diverse leadership team

In 2021, we introduced the following diversity goals at senior leadership:

- 40% women in roles by the end of 2022.
- 20% underrepresented ethnic groups in roles by the end of 2023 and 25% by the end of 2025.

As of December 2022, we have met our gender goal of 40% at senior leadership resulting in a 7% increase since December 2021.

In 2022, we expanded our diversity goals to Group Directors:

- 40% women in roles by the end of 2027.
- 25% underrepresented ethnic groups in roles by the end of 2027.

While we are proud of the progress we have made on gender representation, we acknowledge that there is more we need to do to increase levels of ethnic representation at Senior Leadership and within our Group Director population and this remains a key area of focus for us.

Going forward, we are working on providing more clarity around our ethnicity disclosures and will continue to evolve our diversity goals to ensure they are representative of our growing employee and customer base and are useful measures of our progress.

In 2022, we have developed a number of initiatives to make our commitment clear. LSEG's Inclusive Leadership Programme looks to strengthen our leaders' capability to foster innovation among diverse groups and our Returner Programme prioritises professionals returning to work after a career break, with a special focus on women.

	2022					2021 (combined org)				
Gender	**Female**	**%**	**Male**	**%**	**Disclosure rate %**	Female	%	Male	%	Disclosure rate %
LSEG plc Board	**6**	**46**	**7**	**54**	**100**	6	46	7	54	100
LSEG Subsidiary Boards	**83**	**25**	**243**	**75**	**100**	90	28	234	72	100
Senior Leadership[1]	**42**	**40**	**64**	**60**	**100**	34	33	69	67	100
People Leaders (Line Managers)	**1,388**	**35**	**2,568**	**65**	**100**	1,024	33	2,046	67	100
All employees	**10,513**	**43**	**13,783**	**57**	**100**	9,920	43	13,341	57	100

	2022					2021 (combined org)				
Ethnicity[2]	**White**	**%**	**Under-represented ethnic groups**	**%**	**Disclosure rate %**	White	%	Under-represented ethnic groups	%	Disclosure rate %
LSEG plc Board[3]	**11**	**85**	**2**	**15**	**100**	–	–	–	–	–
Senior Leadership[1]	**77**	**85**	**14**	**15**	**90**	76	84	14	16	90
People Leaders (Line Managers) (US and UK only)	**1167**	**74**	**401**	**26**	**85**	952	78	273	22	86
All employees (US and UK only)	**3,908**	**67**	**1,933**	**33**	**86**	4,197	69	1,859	31	84

1 Senior Leadership refers to members of Executive Committee (ExCo) and Group Leaders. The LSEG Subsidiary Board members and the members of the ExCo and Leadership Teams together comprise 'Senior Managers' for the purposes of section 414C(8)(c)(ii) of the Companies Act 2006.

2 Global ethnicity representation only includes colleagues based in countries where we collect ethnicity information. Representation percentages reflect the proportion of those who disclosed ethnicity information, per the disclosure rate.

3 New disclosure from 2022 onward on ethnicity in Board representation aligning to the changes put forward by the Financial Conduct Authority (FCA) in 2022.

3. Creating equity in our practices to maintain a diverse pipeline of talent
Our Talent Identification programme helps People Leaders to better understand individuals' strengths and career interests, supporting their growth.

These individuals feed into our Talent Accelerator programmes that build our internal succession pipeline while supporting our inclusion commitments. The APAC Accelerator programme focuses on our APAC leadership pipeline and 'Illuminate' focuses on building Black and Latinx representation across the UK and US.

4. Shaping inclusion in our industry
We recognise that LSEG has a significant platform to help shape inclusion across organisations and industries.

This year, to provide a more comprehensive study into our pay equity position, we partnered with Mercer to carry out analysis across sub-sections of pay data: gender (globally) and race and ethnicity (for the US and UK).

We are also active participants in a number of important industry-wide initiatives, including the first ever sector-wide Socio-Economic Diversity Taskforce, the Women in Finance Charter and the Change the Race Ratio Programme.

Our progress has been recognised through a number of awards including Company of the Year at the European Diversity Awards and Large Brand of the Year at the Bank of London Rainbow Honours. LSEG was rated Gold in the India Workplace Equality Index and we are a member of the Valuable 500.

To underline our commitment, Diversity and Inclusion forms part of our Group Strategic Objectives which are directly linked to overall pay and reward. For more information, please refer to our Remuneration Report on pages 113 to 141.

Adopting a hybrid approach to work

In 2022, we continued to evolve the ways in which we work and connect. We introduced a framework to guide working patterns, recognising that different roles have different needs. This approach includes three workstyles: Office First, Blended and Digital First. Our approach balances the benefits of being co-located with colleagues in our offices and customer sites with the flexibility of being able to work from home.

During the year, we also continued to invest in our office spaces and digital tools. We brought together more colleagues under one roof by consolidating offices in six cities, and renovated nine offices to cater for more collaborative workspaces.

Supporting our colleagues' wellbeing

At LSEG, our colleagues' wellbeing is a priority. Ensuring that they have the emotional, physical, social, and financial support to perform at their best is a key part of our culture. Our global Employee Assistance Programme (EAP) is a 24/7 confidential support service that provides qualified assistance to colleagues and their dependants on a wide range of topics.

We have also trained close to 180 Mental Health Awareness Champions globally, who are key to helping us improve mental health literacy and support healthy behaviours in the workplace.

Measuring our progress

During the year, we further refined the way we measure our culture, supported by clear governance and standards to ensure data privacy and protection. LSEG Engage, our Group-wide survey, helps us to confirm what is working well and identify areas where we need to improve.

Feedback from 2021 showed us that colleagues were motivated by LSEG's future potential but that there was more we could do to simplify processes for our colleagues. We have responded in a number of ways, including streamlining cross-divisional communication and speeding up our hiring processes.

Results from our 2022 survey indicated that we are continuing to make good progress on our cultural transformation journey. Highlights include:

- Engagement score up 2 points from 2021 to 75 points; participation remained high at over 85%.
- Colleagues feel increasingly positive about their career development opportunities and they feel a stronger sense of belonging.
- People feel confident to speak up and are encouraged to find better ways to get things done.

Focus areas include:

- Continuing to simplify our systems and processes for colleagues.
- Providing more clarity around decision-making.

Another key element of our listening strategy is our ongoing dialogue between employees and the LSEG Board. In 2022, we had 4 sessions covering more than 50 colleagues globally. As well as discussing our integration journey, the sessions focused on how we can create a more collaborative culture and support our colleagues through change.

Attracting the best talent

At LSEG, we aim to attract and retain the very best people by tailoring the opportunities we provide and partnering with colleagues to build long-term careers.

LSEG's scale and global presence provides the opportunity for our colleagues to broaden their skills and experience. 38% of vacancies were filled internally in 2022 and we continue to look for ways to drive internal mobility.

Externally, to strengthen and build LSEG's global talent reach, we targeted priority marketplaces to roll out our new employer brand. In 2022, we launched campaigns in Bucharest, Bengaluru, Bangkok and Manila centring on the exciting opportunities we can deliver for our people.

Building resilient teams

LSEG continues to monitor geopolitical events affecting our colleagues globally, taking interventions to support our teams where necessary.

We responded to the Ukraine/Russia conflict by focusing on the safety and wellbeing of our people, remaining vigilant to the increased systemic risks and working with our customers to facilitate business continuity efforts. Our teams in Romania and Poland set up donation banks and used their allocated two days of volunteering to directly support people displaced by the crisis and, through LSEG Foundation donations and matched colleague fundraising, more than £250,000 was committed to the International Rescue Committee's (IRC) humanitarian efforts in the region.

LSEG continues to review economic challenges in the APAC region, specifically in Sri Lanka where we have run regular wellbeing checks and made exceptional compensation adjustments where necessary.

Our teams in all of these locations have shown remarkable resilience and many, like Ukrainian colleague Maria Kolos pictured right, have valued being able to continue working despite the challenges.

Photo credit: Alexey Ermakov

Board engagement with stakeholders

The Board recognises the importance of engaging with the Group's stakeholders throughout the year.

Meaningful engagement and two-way dialogue allows the Board to understand the interests, needs, and concerns of the stakeholders relevant to the Company's success, how they influence the operation of the business model, the delivery of strategy and decision-making, and the actions that the Board and management need to take in response.

Read more about the activities of the Board in the Corporate Governance Report beginning on page 86.

The following pages set out how the Board has engaged with, and sought to understand the views of, our key stakeholders:

Customers
Workforce
Regulators

This has been achieved through a combination of direct Board engagement and indirect engagement, for example via executive management. Management has used the outputs of its engagement with stakeholders to inform business-level decisions, with an overview of developments and relevant feedback reported to the Board and/or a Board Committee.

In addition, the Board recognises that the Company's shareholders are a key stakeholder, and the views and interests of shareholders influence the decisions and actions taken by the Board.

The Board seeks to engage with shareholders throughout the year with more detail provided in the Corporate Governance Report on page 95. Further information on the activities of the Board can be found on page 96.

CUSTOMERS

Our diversified global business is built on customer partnership, delivering value across the trading ecosystem in Data & Analytics, Capital Markets, and Post Trade. We remain focused on the opportunities from bringing our businesses together to benefit our customers and drive sustainable long-term growth.

We believe that aligning our strategy, services and products to the needs and interests of our customers is central to supporting long-term value creation.

Customers we serve

45,000+

How the Board has engaged
We monitor customer feedback to help us understand our customers' views on the Group's products and services as well as the ways that they would like us to improve our offering. Customer engagement meetings are held to enable our senior management to understand what matters to our customers and to build strategic relationships with them.

During 2022, the Group CEO engaged with customers in a number of ways, including: an extensive outreach programme to key customers; individual meetings with particular emphasis on technology transformation, operational resilience and product offerings; and attendance at the FTSE Russell World Investment Forum to meet asset owners and asset managers in person.

Management also engages regularly with our customers on a day-to-day basis, in meetings, at roundtable events and conferences. In 2022, management was pleased to meet with customers in person and regularly welcomed customers to the office in Paternoster Square for meetings and also for market open and market close ceremonies, which were well attended. The Board is regularly updated on customer views and input.

Many of our shareholders are also customers, so the Group regularly receives informal customer feedback through investor outreach programmes.

Key matters for stakeholder group
Key matters for customers include product offering, product innovation, a focus on digitisation/transformation, managing and reducing costs, system stability and sustainability.

How this engagement influenced Board discussions and decision-making
Customer feedback is communicated by the Group CEO, CFO and other members of the Executive team to the Board when decisions and actions are taken which could impact on customers.

A key area of focus for our customers is the development of new products and services. During the year, the Board reviewed the new FX trading capability in Singapore, as well as new FTSE Russell partnerships with SGX, Bursa Malaysia and JPX in Japan. The Board also monitored the embedding of our FX trading functionality into Tradeweb's emerging market bond trading interface so that customers can, in a single workflow, hedge their FX exposure when they trade those bonds.

Customers (and other stakeholders) have also been focused on technology and the operational resilience of the Group. The Board has supported management in the year in allocating capital and investing in further improving our technology and operational resilience. This includes the strategic partnership with Microsoft which will include the development of next-generation data, analytics and cloud infrastructure solutions in order to provide even better services for our customers on a cloud platform which will provide greater efficiency and agility.

The Board approved the acquisitions of TORA, MayStreet, Global Data Consortium and Acadia which further strengthen our data and trading propositions and meet evolving customer needs.

To support our customers with their climate transition journey, the Group has facilitated the raising of over £1.4 billion in capital since inception of the LSE Transition Bond segment and £26.8 billion on the LSE Social Bond segment. In October 2022, we launched our Voluntary Carbon Market designation to facilitate financing at scale into projects that mitigate climate change. Further information can be found in our Sustainability Report on pages 10 and 11 – www.lseg.com/en/sustainability-strategy/disclosures-and-reports.

WORKFORCE

The Group's workforce is approximately 24,000, across 65 countries and is fundamental to the success of the Group. Integration of the Refinitiv business is progressing well with ongoing two-way dialogue and feedback with employees at every level to ensure this happens effectively and efficiently, and we build a unified and distinctive culture.

Group workforce

24,000+

How the Board has engaged

Engagement with our employees includes formal and informal meetings, an annual employee engagement survey and townhall meetings.

The Board seeks to engage with a wide cross section of employees to better understand their perspectives on the business. Board members engaged in person with employees when they undertook their annual visit to an overseas office, which was New York in 2022.

Board members also met with colleagues virtually through a series of conversations with employee forums held in key regional locations. These meetings provided Board members with an opportunity to gain insight into the culture and any concerns at different levels of the business. Directors provided feedback to the Board at the next meeting and several of the engagements were shared with the workforce via intranet articles. These engagements included:

- Dominic Blakemore and Cressida Hogg meeting with colleagues from the North and Southeast Asia region
- Martin Brand and Kathleen DeRose meeting with colleagues from the EMEA region
- Tsega Gebreyes and Don Robert meeting with colleagues in the South Asia region
- Erin Brown, Valerie Rahmani and Douglas Steenland meeting with colleagues from the Americas region.

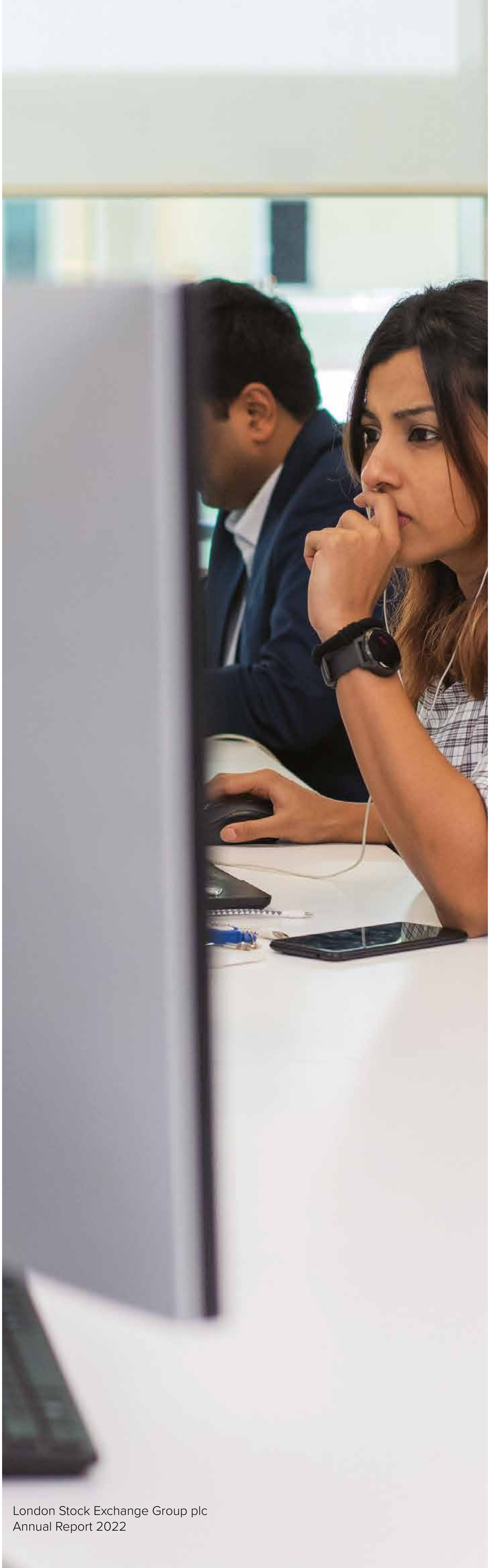
In 2022, townhall meetings were held across the Group which were attended in person and virtually. Townhalls are held at the Group and Divisional levels, and topics are tailored to the different audiences with interactive Q&A sessions. A number of these townhalls were led by the CEO, CFO and other members of the Executive Committee. Over 13,000 colleagues joined the global townhall livestream for the 2021 full-year results.

The Group CEO met colleagues in the US during visits to New York, Fort Mill and Washington. He also met colleagues in Saudi Arabia, United Arab Emirates, Japan, Philippines and Singapore and held virtual meetings with colleagues in other regions.

A series of leadership events were held in 2022 to provide information on the Group's strategy as well as focusing on 'Leading with Ambition'.

The annual 'LSEG Engage' employee survey provided colleagues with an opportunity to share their views on working at LSEG.

More information on employee engagement can be found on pages 60 to 63 of the Strategic report.



Key matters for stakeholder group

The key themes arising from these engagements are: integration activity and removing barriers to execution; communications, including updates on business performance and plans; culture, including inclusion and sense of belonging, hybrid working, wellbeing, empowerment, and career progression; gender and ethnic diversity, including increasing leadership presence in the APAC region; remuneration and reward; sustainability; and Covid-related support.

Key themes from the Board conversations in each region were as follows.

— EMEA: integration activity and removing barriers to execution; the Board's position on sustainability matters; inclusive culture and career progression; empowerment and talent acquisition; technology; employee wellbeing and support to colleagues in countries experiencing crisis or conflict; and products and services for customers.

— Asia: culture, including inclusion and sense of belonging; gender and ethnic diversity, including increasing leadership presence in the APAC region; talent acquisition, career progression and the Group's future leader accelerator programme; hybrid and flexible working; and technology.

— The Americas: integration activity and removing barriers to execution; culture; technology; talent acquisition; gender and ethnic diversity; innovating for customers; career progression, including the Illuminate programme (a programme designed to support the development and progression of our Black and Latinx colleagues); and hybrid working.

How this engagement influenced Board discussions and decision-making

The Board was kept informed of developments in Sri Lanka, Ukraine and Russia throughout the year, including the welfare of our colleagues and actions taken by management to support them. This included inflationary pay rises in Sri Lanka, advancing salaries to those in Ukraine and ensuring funding was available to pay colleagues in Russia.

Feedback from the Board's engagement sessions in the previous year (see 2021 annual report) included concerns around underrepresentation of leaders based in Asia. Responding to this and other feedback, LSEG has created an Accelerator Programme to support the development of high potential candidates in APAC, providing them with the experiences and exposure needed to progress their careers. The first cohort launched in February 2022 for 64 individuals and concludes in March 2023. In 2022, we also launched the Illuminate programme, designed to support the acceleration of Black and Latinx talent and strengthen inclusive leadership capability. The first cohort launched in September 2022 for 12 Black and Latinx leaders and 12 ally leaders and concludes in March 2023.

POLICYMAKERS, REGULATORS AND SUPERVISORS

Maintaining an open and cooperative relationship with policymakers and regulators on matters that affect our Group, industry, customers, and people is critically important. The Group has a significant number of regulated entities around the world. These entities are supervised at the legal entity level, with our primary regulators predominantly engaging with the boards of those entities.

Countries where we operate

190

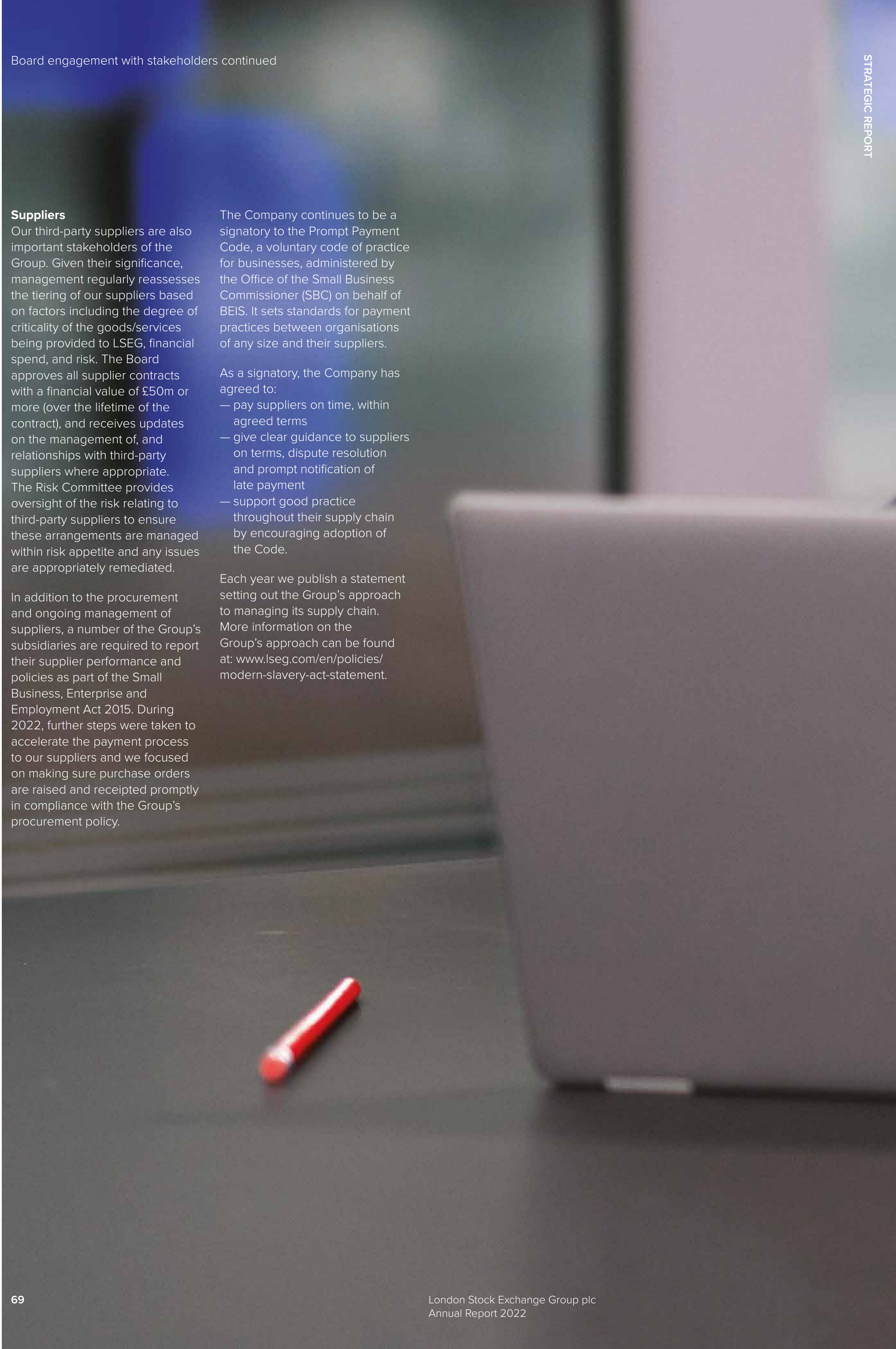
How the Board has engaged
The Board considers policy, regulation and supervisory guidance that may affect the Group's businesses globally and in the countries in which we operate. These matters are also discussed as part of the Chairs' Forum (composed of the Chair of the Group Board and the chairs of the principal regulated subsidiaries), the outputs of which are provided by the Chair to the Group Board at subsequent Board meetings.

Key matters for stakeholder group
Relevant key matters include: market competitiveness, including the attractiveness of the UK as a global financial centre; cross-border access to financial services and data; sustainability and ESG issues; data and technology, including data privacy and digital assets; and resilience and financial stability, including cloud and operational resilience.

How this engagement influenced Board discussions and decision-making
The Group Board takes into consideration the priorities and focus areas of policymakers and regulators when discharging its duties and responsibilities. This includes Board discussions on setting strategy and assessing the delivery of key objectives.

The Group CEO updates the Group Board on regulatory views and priorities.

The Board takes into consideration any regulatory concerns when reviewing and approving any acquisitions for the Group. The acquisitions of Quantile, Global Data Consortium and TORA required regulatory approval prior to completion.



Suppliers

Our third-party suppliers are also important stakeholders of the Group. Given their significance, management regularly reassesses the tiering of our suppliers based on factors including the degree of criticality of the goods/services being provided to LSEG, financial spend, and risk. The Board approves all supplier contracts with a financial value of £50m or more (over the lifetime of the contract), and receives updates on the management of, and relationships with third-party suppliers where appropriate. The Risk Committee provides oversight of the risk relating to third-party suppliers to ensure these arrangements are managed within risk appetite and any issues are appropriately remediated.

In addition to the procurement and ongoing management of suppliers, a number of the Group's subsidiaries are required to report their supplier performance and policies as part of the Small Business, Enterprise and Employment Act 2015. During 2022, further steps were taken to accelerate the payment process to our suppliers and we focused on making sure purchase orders are raised and receipted promptly in compliance with the Group's procurement policy.

The Company continues to be a signatory to the Prompt Payment Code, a voluntary code of practice for businesses, administered by the Office of the Small Business Commissioner (SBC) on behalf of BEIS. It sets standards for payment practices between organisations of any size and their suppliers.

As a signatory, the Company has agreed to:

— pay suppliers on time, within agreed terms
— give clear guidance to suppliers on terms, dispute resolution and prompt notification of late payment
— support good practice throughout their supply chain by encouraging adoption of the Code.

Each year we publish a statement setting out the Group's approach to managing its supply chain. More information on the Group's approach can be found at: www.lseg.com/en/policies/modern-slavery-act-statement.

How the Board has complied with Section 172(1)

Section 172 of the Companies Act 2006 (Section 172) requires a Director of a company to act in the way he or she considers, in good faith, would most likely promote the success of the company for the benefit of its members as a whole.

Read more about the activities of the Board in the Corporate Governance Report beginning on page 86.

Section 172 requires a Director to have regard, amongst other matters, to the:

- Likely consequences of any decisions in the long-term;
- Interests of the company's employees
- Need to foster the company's business relationships with suppliers, customers and others
- Impact of the company's operations on the community and environment
- Desirability of the company maintaining a reputation for high standards of business conduct and
- Need to act fairly as between members of the company.

In discharging its Section 172 duties, the Board considered these factors throughout the year. The Board recognises the importance of engaging with stakeholders and understanding their views, to help inform strategy, Board discussions and decision-making. In making decisions during the year, the Board has considered the views and interests of its stakeholders, as well as the need to promote the long-term, sustainable success of the Company. We acknowledge that every decision we make will not necessarily result in a positive outcome for all of our stakeholders. However, the Directors recognise that having a good understanding of the views and interests of the Group's stakeholders is important in delivering the Group's strategy. By having a process in place for decision-making, the Board ensures that relevant stakeholder interests, including those of employees, customers, regulators and suppliers are considered by the Board during its discussions and when it takes decisions.

Decision-making and Section 172

Information on how the Board engaged with stakeholders during the year, and how this engagement influenced Board discussions and decision-making during 2022 are set out on the previous pages. The following principal decisions and activities demonstrate how the Board has assessed and addressed different stakeholder interests and impacts in making decisions that support the implementation of the Group's purpose and strategy (as set out on pages 30). We believe that principal decisions are those that are material, or of strategic importance to the Group, and those that are significant to the Group's key stakeholders. Details on how our Board and its Committees operate, their responsibilities, and the matters considered during the year are contained in the Corporate Governance Report and the Committee Reports on pages 86 to 116.

Set out below are some examples of how the Directors have had regard to the matters set out in Section 172.

Key matter	Decision	Stakeholders considered
Strategic partnership with Microsoft	In December 2022, the Company announced a 10-year strategic partnership with Microsoft Corporation for next-generation data and analytics and cloud infrastructure solutions. Further information on the partnership can be found on pages 7 and 19. The Company and Microsoft have agreed to co-invest in the product development roadmap for the data platform, Workspace, and in analytics initiatives. The partnership will help ensure that the Group remains competitive in its current markets and ensure the Company is responsive to how customers use and consume cloud computing. It will enable the Group and Microsoft to build intuitive next-generation productivity, data and analytics and modelling solutions with Microsoft Azure, AI, and Microsoft Teams. For example, LSEG Workspace, which is the Group's next-generation data and analytics workflow solution, will become interoperable with certain Microsoft applications, including Teams communication and Microsoft 365, as well as having built-in compliance for the first time. The partnership will also seek to improve the resilience of the Group's technology estate and to revolutionise the way capital markets discover, analyse and trade securities around the world. The partnership will enable the Group to build and run scalable applications to achieve faster speed to market and greater customer reach. Further information on customer feedback can be found on page 65. A key component of our technology strategy is ensuring resilient, reliable and uninterrupted access to financial markets for our customers. At the same time, the partnership will allow LSEG to align costs more directly to revenue streams and reduce operational complexity through the consolidation of multiple legacy technologies. Microsoft have also purchased a 4.2% stake in LSEG. This has several benefits to shareholders, including the alignment of interests from a long-term, strategic partner. The Board assessed the implications of the partnership on the pension schemes and agreed that there was no material impact on any of them. It was also agreed that the partnership was also unlikely to trigger any of the provisions in the covenant relating to support arrangements for the defined benefit schemes. For colleagues, the partnership presents an opportunity to attract and retain top product and development talent by offering experience working on the latest technology. As a leading global financial markets infrastructure and data provider, our employees have conveyed their enthusiasm for the strategic partnership. The strategic partnership is expected to increase LSEG's revenue growth meaningfully over time as the key workstreams are delivered, which the Board agreed would be in the best interests of shareholders, employees and suppliers. The Board was advised by executive management of the regulatory engagement that took place prior to agreeing to the partnership.	— Customers — Employees — Shareholders — Pension schemes — Regulators

Key matter	Decision	Stakeholders considered
Capital allocation	Each year the Board makes an assessment of the strength of the Group's balance sheet and future prospects taking into account uncertainties in the external environment. During 2022, the Group has delivered a strong financial performance with continued revenue growth across our businesses against the backdrop of uncertainty in the macro environment. LSEG is well positioned to continue to deliver its strategy, purpose and vision. The Group remains highly cash generative which, together with its strong financial position, has enabled strategic investment and product development. Such investment and development are beneficial for customers, employees, shareholders and other stakeholders. **M&A** During the year, the Board approved the acquisitions of TORA, Global Data Consortium (GDC), MayStreet and Acadia. These businesses are described on pages 18 and 25. These acquisitions further strengthen the Group's range of products and provide additional benefits to customers, including increased value to customers' electronic trading workflows, expanding the Group's order and execution management capabilities and providing more ways for customers to optimise financial resources and trade more efficiently. These acquisitions provide the Group with opportunities to offer new products and services to the Group's existing customer base and also to offer the Group's existing products and services to new customers. **Dividend** The Board is proposing an increased final ordinary dividend of 75.3 pence per share, bringing the total ordinary dividend for 2022 to 107.0 pence per share, an increase of 12.6% on 2021 (2021: total dividend of 95.0 pence). In making its decisions on capital allocation and dividends, the Board considered a range of factors. These included: the long-term viability of the Group; its expected cash flow and financing requirements; the ongoing need for investment in our business and our workforce; and the expectations of our shareholders and investors. **Share buyback** In March 2022, the Group announced the divestment of the BETA, Maxit and Digital Investor businesses. The Group also announced that a significant proportion of the net proceeds of the divestment would be returned to shareholders via a share buyback scheme. In deciding to return the funds to shareholders, the Board took into consideration the capital allocation framework, the macro environment, the long-term viability of the Group, its expected cash flow and financing requirements, and the ongoing need for strategic investment in the business and workforce. It was determined that the buyback would not affect the Group's leverage target of 1.0x–2.0x net debt/adj EBITDA, which is deemed a key driver of the Group's credit rating. The Board also considered the impact to the three UK defined benefit pension schemes which the Group supports. It also agreed that the buyback would have limited impact on the financial position of the employers and guarantors which support the pension schemes and would not adversely affect the strength of the covenant or overall funding of the schemes. The impact for shareholders was considered in the decision to announce a buyback scheme. Following the announcement in March, the Board noted the positive reception from shareholders. This was prior to starting the buyback programme, which began in August 2022.	— Customers — Employees — Shareholders — Credit ratings agencies — Pension schemes

Key matter	Decision	Stakeholders considered
Sustainability	During the year the Board considered and discussed updates on sustainability matters and the Group's position on sustainability. LSEG is committed to being an enabler of sustainable economic growth. In 2022, following the completion of the Refinitiv acquisition, we reset our sustainability ambition and strategy, to reflect the scale and urgency of global sustainability challenges, our central role in financial markets and LSEG's new scale and capabilities. As part of this, the Board approved the sustainability strategy for the Group. In doing so, it also considered and subsequently put to shareholders a resolution to approve the Climate Transition Plan. Further information on the Climate Transition Plan can be found on page 55. The Board also approved the TCFD report and annual sustainability report 2021. Our sustainability strategy is anchored in LSEG's purpose of driving financial stability, empowering economies and enabling customers to create sustainable growth. The Board noted shareholders' expectations for the Company to have a robust approach to sustainability, that customers require solutions to support their own sustainability ambitions, and that our employees have sought to work for a company that values sustainability. Our sustainability approach, including our public targets and activities, also affects the Group's supply chain, as well as the communities within which we operate. The Board received regular updates on LSEG Foundation, the Group's charitable incorporated organisation which aims to help people access economic opportunities and build a secure future with financial independence. More details on our approach to sustainability, our sustainability product offering and the LSEG Foundation can be found in the Sustainability section on page 50 and in the separate Sustainability report.	— Communities — Customers — Employees — Shareholders — Suppliers
Change of auditor	EY has been the Company's auditor since 2014, and the Company is required to undertake an audit tender every 10 years and to change external auditor after 20 years. The Audit Committee, on behalf of the Board, carried out a tender process in 2022 for its external audit services. Further information on the tender process can be found in the Audit Committee Report on pages 105 to 110. The Board agreed that it was important to run a thorough process, to follow good practice and to treat all participating audit firms fairly and transparently, noting that all firms in the tender process were existing suppliers of the Group. This included considering audit firms outside of the "Big Four". The Group's major shareholders were asked to provide input into the process. Guidance and insight was obtained from the Financial Reporting Council, as well as other companies that had recently completed their own audit tenders. Following the conclusion of a formal tender process for its statutory audit, the Board selected Deloitte LLP as its new auditor for the financial period ending 31 December 2024. The Board ensured that its decision would not restrict shareholders' choice in relation to the appointment of the statutory auditor, enabling shareholders to vote accordingly at the next AGM.	— Shareholders — Suppliers — Regulators

Principal risks and uncertainties

Managing risk is fundamental to the successful execution of our strategy and to the resilience of our operations.

Read more about the activities of the Board in the Corporate Governance Report beginning on page 148.

LSEG's new partnership with Microsoft

In December, LSEG and Microsoft announced a new long-term strategic partnership to architect LSEG's data infrastructure using the Microsoft Cloud, and to jointly develop new products and services for data and analytics. The partnership will inevitably change LSEG's current risk profile, specifically transformation risk, as we begin to co-develop new products and services with Microsoft, and non-financial risks associated with large-scale cloud migrations as we deliver more of our services from Microsoft Cloud.

Our existing ERMF and risk governance practices described above will be used to assess, manage and report on these risks and the change to our risk profile. Equally, the partnership with Microsoft provides strategic risk mitigation in response to observable shifts within the Financial Market Infrastructure (FMI) and Technology sectors, thereby ensuring LSEG remains relevant, competitive and responsive to how our customers are adopting cloud computing. We also expect to see risk reduction opportunities as we migrate our systems from legacy technology and on-premises data centres to more modern, resilient technology in the Microsoft Cloud.

Risk management – introduction

The effective management of risk is critical to the execution of the Group's strategy. Accordingly, the Group maintains a robust Enterprise-wide Risk Management Framework (ERMF), which sets out the Group's approach to risk management and its appetite for taking risks. Our regulated entities, including clearing houses, manage their risks in line with both local regulation and internal risk and investment policies.

For each principal risk, the Group has Executive leads with the Chief Risk Officer and Risk function providing a second line of oversight. The risk trend, shown for each principal risk, is based on the Group's 2022 risk profile.

As well as our principal risks, we continue to identify and monitor emerging risks which are either new to the Group or are difficult to quantify due to their remote or evolving nature. In most cases, the mitigation for such emerging risks is to establish appropriate contingency plans and monitor the development of the risk until it can be quantified and removed or included as a principal risk.

Risk culture

A strong risk culture requires everyone to understand and embrace their role in managing risks and this is critical to the effective embedding of the ERMF.

Risk culture is a key enabler of the Three Lines of Defence (3LOD) model, used to manage risk within LSEG, and is promoted by the ERMF in three ways:

- It sets expectations by articulating risk appetite and desired behaviours through policies.
- It ensures risk is considered in key business decisions through frameworks and tools.
- It ensures risk is made transparent and included in accountability and performance management.

Three Lines of Defence

The 3LOD model provides appropriate segregation of duties and clear roles and responsibilities across LSEG business divisions, corporate functions, risk, compliance and internal audit. It clearly defines roles and responsibilities, with accountability for risk management sitting within the First Line of Defence, which is the relevant business unit.

Risk management approach

The ERMF manages risk throughout the full risk lifecycle. It is in place to support the ongoing and systemic identification, evaluation, management, monitoring and reporting of the significant risks faced and the mitigating controls in place against them. This process is supported by robust risk governance, designed to give a coherent view of risk across the full Group.

In order to maintain a risk management system that applies effectively and consistently across all areas of the business, we have in place a risk taxonomy. This is an inventory of all types of risk that are identified as inherent in business strategies and objectives, including strategic, non-financial and financial risks.

These risks are reflected in the Group risk appetite statements and are managed through principles set out in the Group's policies. Risk assessments determine whether risks are within the appetite set by the Board and are reported to senior management and the Board.

Risk governance

Risk governance and oversight is enabled through an effective governance structure comprising Board-level committees (Board, Audit and Risk) and executive-level committees to promote active discussion and resolution of risk issues.

The risk framework defines the risk roles, responsibilities and governance structure. The risk governance structure ensures the appropriate expertise and overall input in order to adequately oversee and challenge the risk positions across the Group.

The risk committees, sub-committees and relevant working groups are embedded within the overall governance structure of the Group. A Group and divisional committee structure provides risk oversight with escalations between forums as needed.

Group-level committees consist of: an overall Group Executive Risk Committee (ERC) and Group-level sub-committees, including Financial Risk (FRC), Technology, Cyber and Resilience Risk (TC&RC) and Non-Financial Risk (NFRC) committees which meet on a regular basis. Other sub-committees, such as the New Product and Market Committee meet on an ad-hoc basis, when required.

Each of the risk committees has detailed terms of reference, approved by the Board or their parent committee, setting out their respective roles and responsibilities.

Group risk appetite

Risk appetite is the level of risk that LSEG will accept in pursuit of its strategic objectives and is aligned with the Group's strategy. The risk appetite is a central pillar of the ERMF and is used as a benchmark for both risk assessment and monitoring, with regular reporting of aggregated risks to both the Board Risk Committee and the ERC.

The Board, on an annual basis, articulates LSEG's risk appetite. This is cascaded throughout the organisation with divisions and functions establishing more detailed risk appetite statements and monitoring their risk profile against the agreed appetite levels.

Risks that are outside risk appetite are escalated to Executive Committee members and to the appropriate Risk Committee and Boards.

Risk Governance Structure

Board Risk Committee

Escalation as needed

Group Executive Risk Committee

Escalation as needed

Group ERC sub-committees
- Financial Risk Committee
- Technology, Cyber and Resilience Committee
- Non-Financial Risk Committee

Escalation as needed to relevant Group Sub-Committee

Group ERC sub-committees
- LCH Ltd and SA Risk Committees
- Capital Markets Risk Committee
- UnaVista Group Risk Committee
- Data & Analytics Risk Committee

Escalation of cross-divisional and/or material items

Overview of principal risks

Strategic risks
Global economic and geopolitical
Reputation/Brand/IP
Transformation

Non-financial risks
Technology
Information and cyber security threats
Business continuity
Third-party risk
Data governance
People and talent
Regulatory change and compliance

Financial risks
CCP risk
Model risk

Emerging risks
Disruptive technology
Sustainability risk

Three Lines of Defence

Board/Board Risk Committee/Board Audit Committee

1st line of defence

Business units
— Implementation of business strategy
— Day-to-day risk management and decision making
— Effective implementation of the risk management framework, including reporting and escalation

2nd line of defence

Risk and compliance
— Review and challenge of business units
— Oversee the level of risk appetite within LSEG
— Development of the risk management framework
— Provide specialist advice and training across the organisation

3rd line of defence

Internal audit
— Independent assurance of business risk management activities, including that the risk management framework is both designed and operating effectively

STRATEGIC RISKS

Risks related to our strategy (including the implementation of strategic initiatives and external threats to the achievement of our strategy). The category also includes risks associated with reputation or brand values.

Risk trend key

Increasing	⌃
Stable	–
Decreasing	⌄
Emerging	↗

Risk category	Risk	Mitigation
Global economic and geopolitical **Executive lead** Chief Executive Officer **Risk trend** Increasing	**Risk overview** Whilst the Group is well diversified, global economic underperformance or the influence of geopolitical relations on global financial markets could have an adverse impact on our people, businesses, operations or financial conditions. **Risk description** We operate in a broad range of equity, fixed income, foreign exchange and derivative markets servicing customers who increasingly seek global products and innovative solutions. If the global economy underperforms, or there is reduced activity in our markets, it may lead to lower revenues. Central banks have recently taken steps to counteract inflationary pressures, mainly through raising interest rates. This has impacted on financial markets, raising the risk of recession in advanced economies and the risk of default in some emerging economies. More broadly, geopolitical relations continue to influence global financial markets, particularly the development of Western countries' relations with China and the ongoing conflict between Russia and Ukraine which is severely impacting global energy and food supplies.	The Group's income streams benefit from diversification across both a broad global footprint and large customer base, helping mitigate the exposure to localised economic downturns. Furthermore, a significant proportion of income streams across our business divisions comprise annuity and subscription-fee based recurring revenues, limiting the Group's exposure to shorter-term movements in the global credit cycle. In conditions of volatility the Group benefits from market infrastructure capabilities exposed to trading volumes and pricing movements, including FX venues, LSE secondary markets, Tradeweb, and the London Clearing House (LCH). The Group performs regular monitoring and assessment of the potential impacts of market prices and volume movements. It also monitors and manages exposures to the market through hedging both foreign exchange and interest rate risks, tracking key risk indicators and stress testing financial resilience. The Group regularly monitors external threats and emerging risks including geopolitics, and incorporates the output into business continuity and strategic plans. The Financial Risk Committee monitors and reviews multiple financial metrics and scenarios including response to changes in macroeconomic conditions, with mitigating actions agreed.
Reputation/ brand/IP **Executive lead** Chief Executive Officer **Risk trend** Stable	**Risk overview** Several of the Group's businesses are iconic and trusted international brands, and as these businesses are more closely aligned under one overarching LSEG name, there is potential for an event or incident to damage not only the reputation and value of an individual brand but also the broader set of LSEG branded products. **Risk description** The strong reputations of LSEG's businesses are valuable for the Group, its business credibility with regulators, and its attractiveness to customers and potential workforce alike. As these businesses are more closely aligned under one Group, there is greater potential for an event or incident to damage the reputation and value of the LSEG brand as a whole. In addition, some of the Group's products and processes may include material which is not subject to intellectual property protection by the Group. Competitors of the Group may also independently develop or otherwise protect products or processes that are the same or similar to our products and processes. This could result in reputational damage, impact on LSEG's ability to attract new or retain existing business, and result in financial costs to defend or enforce intellectual property rights.	Policies and procedures are in place to ensure the appropriate use of the Group's brands and to manage the integrity of the Group's reputation. LSEG actively monitors the use of its brands to prevent, identify and address any infringements. The Group protects its intellectual property by relying upon a combination of trademark, copyright, patent and design laws, trade secret protection, database rights, confidentiality agreements and other contractual arrangements with its employees, affiliates, customers, suppliers, strategic partners and others.

Risk trend key

Increasing	
Stable	
Decreasing	
Emerging	

Risk category	Risk	Mitigation
Transformation **Executive lead** Chief Executive Officer, Chief Operating Officer **Risk trend**	**Risk overview** The Group is materially exposed to risk of loss or failure resulting from transformation or integration as it continues to grow rapidly both organically and inorganically. **Risk description** As LSEG makes acquisitions, these may, in some cases, be complex or necessitate change to operating models, business models, technology and people. The Group's success has a high dependency on its ability to integrate all parts of its business, including acquisitions, realise synergies across the Group, and ensure that the Group is able to compete on a global scale. A failure to align the businesses of the Group successfully may lead to: an increased cost base without a commensurate increase in revenue; a failure to capture future product and market opportunities; and risks in respect of capital requirements, regulatory relationships and management time. During 2022, the Group continued to undertake M&A activity, both acquisitions and divestments. Acquisitions require the Group to operate and integrate different technology platforms and systems while divestments require supporting the divested business through provision of transitional services. In addition, challenges for the Group include maintaining the operational resilience and security of legacy platforms, and consolidating services, or developing new services, where underlying assets used to provide those services are subject to contractual commitments with third parties. The Group faces significant competition in each of its main business areas. The businesses have to respond to this at the same time as navigating through various transformation and integration activities. The markets for the Group's data, information, services and products are highly competitive and are subject to rapid technological changes and evolving customer demands and needs. Accordingly, the Group has a sizeable strategic change agenda to transform its products, services and platforms as it leverages growth synergies and upgrades and replaces legacy infrastructure.	Transformation risk is reduced by the application of the Group's Enterprise Risk Management Framework to deploy consistent, appropriate Risk Management and specific mitigations across the Group, both during and post-acquisition. The risk and change governance of the Group following a merger or acquisition is aligned and strengthened as appropriate following review. The Group Transformation Forum, reporting to the Executive Committee, is responsible for the successful delivery and risk management of the Group Strategic Programmes. Oversight and assurance across the Group's change portfolio is provided by Group Risk and Internal Audit. The Group has an effective track record of integrating acquisitions, separating disposals and delivering tangible synergies in an evolving regulatory and technological landscape. This is supported by robust governance and programme management structures through the Group's Change Framework.

FINANCIAL AND MODEL RISKS

The risk of financial failure and loss of earnings and/or capital as a result of investment activity, lack of liquidity, funding or capital, and/or the inappropriate use of models.

Risk trend key

- Increasing
- Stable
- Decreasing
- Emerging

Risk category	Risk	Mitigation
CCP risk **Executive lead** Group Head of Post Trade **Risk trend** Stable	**Risk overview** The Group's CCP activities – through LCH – expose it to a number of financial risks that arise from the CCP's obligation to guarantee the performance of cleared contracts between its members in the event a member defaults. **Risk description** In the event of a member default, the CCP must restore a matched book by liquidating or transferring the defaulting member's positions held with the CCP. This can expose the CCP to both adverse changes in the market value of the positions (such as changes in asset prices, interest rates, credit spreads and foreign exchange) and liquidation costs (such as the cost of finding liquidity to exit the positions). In addition, the CCP has investment risk arising from the investment of member cash and liquidity risk arising from its ongoing payment obligations. If the CCP does not have sufficient cash available, there is a risk of a liquidity shortfall (i.e. the CCP failing to meet its payments). Non-financial risks arise as a result of the CCP's day-to-day operations, such as operational, legal & compliance and reputational risk.	CCPs by design are financially resilient against the largest default risks. The CCP rulebook is the foundation of its resilience. The CCP rulebook is a legally binding document signed by members that governs all clearing activities. It details the powers of the CCP to assess appropriate margins, to place a member in default and to liquidate a defaulting member's positions and collateral. The key lines of defence laid out in the CCP rulebook include minimum standards for member eligibility, initial and additional margins posted by members, a portion of the CCP's own capital, and then member default funds and mutualisation of losses. Additionally, the CCP can use powers of assessment to further absorb losses beyond the default fund. The resilience of these mechanisms is tested via an annual fire-drill. In its cash investment activities, the CCP's primary objective is to protect principal and liquidity and to ensure prompt availability of cash when needed. Establishing strict criteria for the eligibility of counterparties, securities and limits minimises investment risk, but the risk will not be completely eliminated. Deposits at central banks and secured placements (reverse repos) are preferred where possible. Unsecured commercial bank deposits are strictly limited to less than 5% of the investment portfolio. Outright bond purchases are limited to high-quality short-term sovereign bonds or equivalent. All issuers and counterparties are subject to internal credit scoring and regular reviews. The effectiveness of the investment and liquidity risk framework, namely operational capacity, and ability to raise liquidity are tested in quarterly 'war games' exercises to ensure ongoing resilience, as well as annual default fire-drills.
Model risk **Executive lead** Divisional Group Heads, Chief Risk Officer **Risk trend** Increasing	**Risk overview** The Group's model risks could arise from omitting models from inclusion into model inventory, from errors during the data sourcing, development, implementation or use of models, or from errors in the decisions made based on their outputs. **Risk description** The Group utilises an increasing suite of models, including Artificial Intelligence (AI), across all of its business divisions (e.g., margin models used within our CCPs, D&A client facing analytics, market abuse detection models within the Capital Markets division, or stress models used to calculate capital and climate risk). Model risks could impact both the reputation and the financial condition of the Group.	LSEG businesses have an industry standard model risk control and governance framework in place, including our Model Risk Policy, the Model Management System, developer and validation documentation templates and development and documentation standards. Robust model validation, performed by an independent team, is in place to confirm our critical models are fit for purpose, and has been rolled out across the full suite of models within the Group. Model lifecycle controls are in place including ongoing performance monitoring for key models and tracking of model changes for all models. The risk oversight is provided by the Model Risk Committee (MRC), which is a subset of the Financial Risk Committee (FRC). Additionally, Model Risk Management undertakes reviews of vendor systems to identify models that could impact the Group. Furthermore, model risk training has been rolled out across LSEG to all model risk stakeholders to create better awareness of model risk governance and risk policy. The model attestation by business unit model inventory owners is in the process of being completed.

NON-FINANCIAL RISKS

The risk of loss or other adverse consequences to the business resulting from inadequate, or failures associated with, internal processes, people and systems, or from external events.

Risk trend key

Increasing	
Stable	
Decreasing	
Emerging	

Risk category	Risk	Mitigation
Technology **Executive lead** Chief Information Officer **Risk trend**	**Risk overview** LSEG is highly dependent on the development and operation of its sophisticated technology and advanced information systems and those of its third-party service and outsourcing providers. **Risk description** Technology failures potentially leading to system outages may impact our customers and the orderly running of our markets, data services and distribution. Overall, the number and severity of incidents linked to the legacy estate continues to decline.	The Group continues to invest in the resilience of the technology systems and processes that underpin its important business services. These investments are balanced across business growth, risk reduction initiatives and strategic transformation as an enabler to longer term objectives. The performance and availability of the Group's systems are constantly reviewed and monitored to prevent problems arising and, where possible, to ensure a prompt response to any potential service-impacting incident. Enhancements to the technology operating model have enabled continuous risk and control monitoring. They have also improved resilience, helping our technology risk reduction initiatives to identify focus areas for 2023. Regular rigorous business impact and operational risk scenario analysis is performed to identify, assess and remediate potential system and governance vulnerabilities. In addition, technology solutions are comprehensively tested by both LSEG Technology and third-party quality assurance providers as appropriate; functional, non-functional, user-acceptance and other testing is performed across technology environments to ensure products are ready for deployment and have robust business continuity and crisis management plans in place. The Group actively manages relationships with key strategic technology suppliers to minimise disruption to service provision. Where possible the Group has identified alternative suppliers that could be engaged in the event of a third party failing to deliver on its contractual commitments. Service Level Agreements (SLAs) and ongoing monitoring are in place for key suppliers. The risks associated with change are mitigated by effective implementation of the Group's change framework. Appropriate governance, risk and executive oversight is exercised over individual programmes and projects based on the scale, complexity and impact of the change. The purpose of this oversight is to confirm changes do not breach the Group's risk appetite and are compliant with the approved project management policy, as well as to manage budget, resource, escalations, risk, issues and dependencies. For software specific development, software design methodologies, testing regimes and test environments are continuously being enhanced to minimise implementation risk.

NON-FINANCIAL RISKS CONTINUED

Risk trend key

Increasing	
Stable	
Decreasing	
Emerging	

Risk category	Risk	Mitigation
Information and cyber security threats **Executive lead** Chief Information Officer **Risk trend** Stable	**Risk overview** As a global Financial Markets Infrastructure (FMI) and data provider, LSEG is exposed to cyber risk. Increasing in sophistication, frequency and persistence, cyber risks are growing more dangerous and diverse. **Risk description** Significant cyber events continue to be observed in the financial sector and in the broader economy that demonstrate the sophistication of cyber adversaries and the impact they can have on the victim organisation. Cyber risk is driven by the increasing use of data, technology and digital services by LSEG directly and by our supply chain. In addition to the direct impact on ourselves and our customers, our role as an FMI means that a significant cyber event could create a systemic impact to the UK financial sector and the global markets that we serve. We must acknowledge, to remain competitive in this era of data and digitalisation, that cyber risk cannot be eliminated. However, it can be managed to a level of risk that we are prepared to take as a cost of doing business.	We continue to make significant investments in cyber security and have a dedicated Cyber Security function led by our Chief Information Security Officer (CISO) which is focused on protecting and defending LSEG against cyber attacks. Due to the increasing sophistication of cyber adversaries and the techniques that they use, we proactively collect and evaluate threat intelligence. We recognise that the prevention of cyber attacks may not always be possible and our focus and priority is on remaining resilient to withstand cyber attacks with minimal disruption to our business. Our approach to cyber security aligns to industry frameworks such as the National Institute of Standards and Technology (NIST) cybersecurity framework and we will continue to invest and advance our cyber defence, detection, response and recovery capabilities. Our Group operates a three lines of defence framework and we have a dedicated Cyber Risk function within Group Risk providing independent oversight and challenge.
Business continuity **Executive lead** Chief Operating Officer, Chief Risk Officer, Divisional Group Heads **Risk trend** Increasing	**Risk overview** Business continuity is one of the key objectives of the Group's operational resilience strategy. It helps address the Group's ability to prevent, adapt to, respond to and recover from operational disruptions to minimise the impact on our customers and on the financial stability of capital markets. **Risk description** While the Group has processes and controls in place to ensure the continuity of its services and operations, unforeseen events such as physical security or cyber threats and increased geopolitical concerns could impact on the continuity of the Group's services. The Group's operations in Ukraine and Russia were impacted by the conflict, requiring us to comply with relevant sanctions and local legislative concerns and to ensure the wellbeing of affected colleagues.	We have been updating our business continuity plans throughout 2022 to reflect operating model changes following the integration of Refinitiv. We continuously review our plans and ensure they reflect the changing risk landscape. Our plans are being migrated onto a single platform to ensure consistency across the Group for 2023. We have implemented a three-tiered Group crisis management structure to improve our ability to respond effectively at the appropriate level. A revised Group crisis management plan is in place with improved playbooks for key scenarios and is exercised to ensure the Group can respond effectively. We have performed a review of vulnerabilities in our key locations and are implementing a resilience strategy which includes reducing concentration risk and improving resilience standards for our critical locations. Location based business continuity exercises will continue throughout 2023 to provide assurance that key locations are appropriately resilient. Meanwhile, we are dedicated to supporting affected staff and their families as well as our third-party suppliers in countries impacted by current global events.

Risk trend key

Increasing	↑
Stable	–
Decreasing	↓
Emerging	↗

Risk category	Risk	Mitigation
Third-party risk **Executive lead** Chief Operating Officer, Divisional Group Heads, Chief Information Officer **Risk trend** Increasing	**Risk overview** Failure to manage the risks associated with the selection, management and oversight of critical third parties could impact on the Group's ability to deliver its strategic objectives. **Risk description** Our third parties are exposed to a range of risks including geopolitical and cyber security threats and regulatory compliance risk, whereby events may result in suppliers being unable to meet their contractual, regulatory, confidentiality or other obligations to the Group. This could lead to material financial loss, higher costs, regulatory actions and reputational harm. The Group and its entities engage third-party service providers including Cloud Service Providers (CSPs). The Group has engaged CSPs to host critical services and data. The Group also relies on access to certain data used in its business through licences with third parties. Some of this data is provided exclusively by suppliers and may not be obtained from other sources.	The Group continues to refine its third-party risk management framework to provide controls across all stages of the third-party lifecycle, covering: planning and selecting; contracting and onboarding; managing and monitoring; and termination and exit. The framework helps make sure that the Group assesses risk at key stages in the lifecycle and actively manages relationships with critical third parties to avoid a breakdown in service provision. The Group focuses on the ability of critical third parties to continue to supply goods and services in accordance with requirements and in compliance with contractual obligations. Throughout the year, there have been no significant impacts to the supply chain for the Group.
Data management **Executive lead** Divisional Group Heads, Chief Operating Officer **Risk trend** Stable	**Risk overview** LSEG plays a significant role in the financial market infrastructure and data landscape with commitments to its customers, counterparties, owners, vendors, regulators and the public in the proper usage of its data. **Risk description** LSEG collects, processes, licenses, calculates, owns, transforms, administers, and distributes data in many formats (e.g. structured, unstructured, electronic and print formats, audio-visual, production, testing and archive data, derived data and personal data). Failure to govern the Group's data successfully could result in those data being unfit for purpose with respect to quality and usage. This could result in the Group or its customers and stakeholders utilising deficient data when making decisions which could adversely affect the Group's reputation, financial condition and operating results. Data privacy breaches, misuse of personal data or failure to protect confidential information could adversely affect the Group's reputation and expose it to litigation or other legal or regulatory actions. Unauthorised data access or privacy breaches may cause some of the Group's customers to lose confidence in its security measures and could impact on the Group's financial performance.	LSEG's Enterprise Data Governance function, led by the Group Data Officer and the divisional data leadership teams, works to develop and institute a comprehensive programme to ensure Group data is of the highest quality in order to support its intended use and the needs of our stakeholders, customers and regulators. The Group Data Policy and its framework support initiatives that promote a data culture that embodies customers' needs, improves efficiency and quality of decision-making and ensures adherence to regulatory obligations. As such, the Group has defined and implemented a standardised approach to data management oversight, governance, controls, measures and monitoring, as well as efficient issue resolution to mitigate any adverse impacts to the business. In addition, the Group's Data Protection & Privacy Policy sets out a framework for privacy compliance to make sure that personal data that is processed during the Group's business is used fairly, lawfully and in compliance with all applicable data protection and privacy legislation. The Group's Information Security Policy includes a framework for data leakage prevention and information security incident management. LSEG employees complete annual mandatory training courses on the Group's data policies.

NON-FINANCIAL RISKS CONTINUED

Risk trend key

Increasing	
Stable	
Decreasing	
Emerging	

Risk category	Risk	Mitigation
People and talent **Executive lead** Chief People Officer **Risk trend**	**Risk overview** Risks to the Group could arise from a lack of critical skills, talent and knowledge, resulting in the Group being unable to achieve its objectives. **Risk description** People and culture risks can arise from ineffective career development, organisational structures and leadership, all of which could impact on the engagement and wellbeing of our people. Furthermore, increased market competition and challenging geopolitical or economic conditions can result in an ability to attract and retain diverse, high-performing talent, and/or could lead to a disengaged workforce.	In 2022, the Group focused on continued progress towards D&I objectives, aligning benefit frameworks and processes globally, embedding reward and performance frameworks and launching leadership development and acceleration programmes. There has also been a focus on ensuring efficiency in internal processes and on supporting colleagues as they return to office environments through the hybrid working model. Talent identification and career development frameworks were launched in 2022 to support our people in ensuring they have appropriate skills and resources available to undertake their roles effectively and to support their career journey at LSEG.
Regulatory change and compliance **Executive lead** General Counsel, Chief Executive Officer, Divisional Group Heads **Risk trend**	**Risk overview** LSEG is a global business operating within many regulatory environments. The Group is exposed to risks associated with changes to regulatory requirements and how we manage those changes. **Risk description** Regulatory change risks that LSEG may face include: risks arising from the conditions under which LSEG can access a particular market (e.g. EU equivalence for UK CCPs); the regulation and supervision of new activities; the overall reforms in the wholesale markets in the EU and the UK; and the greater focus on information and cyber security, data localisation and ESG data and scoring providers. There is also a risk that one or more of the Group's entities may fail to comply with the laws and regulatory requirements to which it is subject. In this event, the entity may be subject to censures, fines and other regulatory or legal proceedings.	Changes in the regulatory environment form key inputs into our strategic planning, including the political impact on our growth strategies, both organic and inorganic. We monitor regulatory developments continually and engage directly with policymakers as well as regulatory and governmental authorities at local, regional and national levels. The Group continues to maintain systems and controls to mitigate compliance risk. In addition to the overall Group Compliance function, compliance resources with specialised knowledge of each of the regulated services provided by the Group are aligned with the regulated entities operating within each business division. They provide regulatory advice to the business, corporate functions and committees to support them in ensuring that both day-to-day operations and business developments are undertaken in accordance with the relevant regulatory obligations. Compliance policies are reviewed regularly and employees across the Group are reminded of the requirements to which they are subject under these policies through mandatory annual training, the completion of which is tracked.

EMERGING RISKS

Risks which are new to the Group or which are difficult to quantify due to their remote or evolving nature.

Risk trend key

Increasing	
Stable	
Decreasing	
Emerging	

Risk category	Risk	Mitigation
Disruptive technology **Executive lead** Chief Information Officer, Divisional Group Heads **Risk trend** Emerging	**Risk overview** Structural market changes, new business models and advances in cloud, artificial intelligence (AI) and distributed ledger technology (DLT) could lower entry barriers, increase competitive pressures and change the markets we serve. **Risk description** Change driven by disruptive technology could negatively impact on the performance of our core business and disrupt our commercial models. This risk spans the business, and the pace of change of business models, technology advances and market entrants continues to accelerate. Cloud providers are expanding their capabilities from storage to a wide range of data management and analytics solutions. They also enable a whole new ecosystem of providers, including new market entrants, who can now take advantage of cloud providers' customer bases and fast development cycle. The increased use of AI internally and among customers brings with it associated risks such as inherent bias and automated decision-making and data management. It will also introduce new challenges for cyber security defence and detective mechanisms. As technology and regulatory clarity improves, aggressive competitor activity in DLT could increase risk of disruption. DLT presents a potentially disruptive risk to parts of our business as it may result in a reduced need for centralised intermediaries, thereby bypassing some of the services we offer.	The Group actively monitors new technological developments and the pace of change, developing robust innovation strategies to mitigate the risk resulting from emerging technology. The Group, including through our Strategy function, actively scans for potential investment opportunities in emerging technology and has a dedicated innovation function with subject matter expertise in specific areas of technology. The Group partners with advisers and builds proof of concepts to test new hypotheses and, by collaborating with our customers, can identify and quickly react to changing consumption preferences. Regulators are actively exploring the application of new frameworks to manage the development of innovative financial services technologies. We expect these to be important for maintaining resilience and stability in the market while enabling innovation with emerging technology. The Group participates in relevant industry and academic forums, partnering closely with regulators. The Group continues to maintain systems and controls to mitigate the risk resulting from emerging technology. Risk arising from the Group's use of cloud, AI and DLT is identified, assessed, managed and reported through the Group's risk framework. We align with industry best practices and guidance when considering increased use of AI and DLT.

EMERGING RISKS CONTINUED

Risk trend key

Increasing	
Stable	
Decreasing	
Emerging	

Risk category	Risk	Mitigation
Sustainability risk **Executive lead** Chief Corporate Affairs and Marketing Officer, Divisional Group Heads **Risk trend** Emerging	**Risk overview** Sustainability risk can be defined broadly as an environmental, social or governance event or condition that, if it occurs, can cause significant negative financial or non-financial impact on the Group. Sustainability risk also includes the opportunity that may be available to LSEG because of changing social, economic, environmental or regulatory factors. **Risk description** Sustainability risk encompasses a wide variety of other risks which are diverse in nature, ranging from regulatory reporting and Diversity and Inclusion to greenwashing, amongst others, and their individuality needs to be recognised and addressed. The Group's focus to date has been primarily on integrating climate risks and opportunities into investment decision-making, to enable transition to a low-carbon economy (see page 55 on Climate Risk). International organisations, governments and regulators are focused on integrating climate-related risks and opportunities into strategic and investment-related decision-making in order to prepare for a world which will be impacted by rising global temperatures. This remains an area of emerging and wide-ranging policy development, impacting on financial market participants and corporates. We assess climate risk for the Group to encompass both physical and transitional risks. Physical risks are acute and chronic risks which may impact on our people as well as our global, geographically-dispersed property portfolio. Transitional risks are factors such as product availability, policy, regulatory and market-related developments that may impact on our business as the world transitions to a Paris-aligned carbon emission trajectory. Our aim is to reinforce the Group's resilience to both physical and transitional risks including how the transition will impact on demand for financial products and services. These efforts draw on internationally-recognised guidance, including the Task Force on Climate-related Financial Disclosures (TCFD) recommendations, and we aim to be well prepared for ongoing and forthcoming mandatory reporting requirements and to protect the Group's reputation. LSEG continues to report and submit disclosures aligned to TCFD. For more information on our approach to sustainability, please see our "Enabling Sustainable Growth" section on pages 50 to 59 and our 2022 Climate Report which can be found on our website: www.lseg.com/en/sustainability-strategy/disclosures-and-reports.	We support the development and adoption of global standards for sustainable finance and encourage consistency in regulation across jurisdictions. LSEG is an active member of a number of groups that are helping set global standards including: the Transition Plan Taskforce, the Green Technical Advisory Group, the Glasgow Financial Alliance for Net Zero, the Climate Financial Risk Forum, the Voluntary Carbon Markets Forum, the Singapore Green Finance Industry Taskforce, the India-UK Sustainable Finance Working Group, and the Hong Kong Financial Services Agency ESG Focus Group. Internationally, we work with our peers in the financial sector to drive collaboration on sustainable finance and investment, including through the Glasgow Financial Alliance for Net Zero, the Climate Data Steering Committee and the United Nations Sustainable Stock Exchanges initiative. This engagement helps shape the policy and disclosure response to climate-related risks and opportunities and supports the review and enhancement of our market position with regards to sustainable finance. In line with increased disclosure requirements for corporations and financial markets participants, LSEG has taken proactive steps to develop its methodology to understand how climate change impacts its businesses, both from a risk and opportunity perspective. With regards to physical climate-related risks, given incidences of flooding which have impacted on LSEG over the course of 2022, we continue to carry out extensive reviews, including the initiation of detailed environmental assessment of our property locations. This work will continue to progress in 2023, and will feed into our enhanced mitigation response across our portfolio. From a transitional climate risk perspective, we have made progress this year in designing architecture to allow us to potentially deploy departmental-wide carbon budget targets, the first step in a multi-year process of implementing carbon pricing mechanism considerations into business decisions. This initiative will allow us to prepare the business for any potential future regulatory initiatives on carbon pricing, allowing us to better understand the cost and opportunity associated with any such action. Finally, we incorporate sustainability risk into LSEG's taxonomy at different levels to recognise the diversity of risks. This is a nascent area for risk assessment, with key risk projects still being delivered to ensure all sustainability-related risks are subject to adequate and relevant risk processes.

Financial viability statement

In accordance with provision 31 of the Code, the Directors confirm that they have a reasonable expectation that the Group will continue to operate and meet its liabilities, as they fall due, for the next three years. A period of three years has been chosen for the purpose of this viability statement, in line with the Group's business plan.

Viability period

The Directors' assessment has been made with reference to the Group's current position and prospects, the Group's three-year business plan, the Group's risk appetite and the expected impact of severe but plausible downside scenarios and updated based on the observed impact of the Covid-19 pandemic on the business.

Given the Group's acquisitive nature in recent years and future organic growth strategy, a three-year window is considered the most appropriate horizon for the Group's management to make its viability statement because it is the period over which it can forecast with sufficient clarity, the Group's financial performance, cash flows and strategic position. A 12-month period from the expected date of the signing of the financial statements is considered for the going concern assessment (see note 1.2 to the financial statements of page 166).

Business planning process

The business plan makes certain assumptions about the performance of the core revenue streams and segments, using existing product lines as well as assumptions on take up of new product lines. It considers known inorganic activity, as well as assumptions on: the appropriate levels of investment to support expected performance; the ability to refinance debt as required; and expected returns to shareholders.

Assessment of viability

The principal risks and uncertainties facing the Group are set out on pages 74 to 84 of the Strategic report. In addition, the Financial Risk management note on page 220 of the accounts includes: the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; and its exposure to credit risk, liquidity risk and market risk.

The business plan is stress tested using severe but plausible downside scenarios as determined relevant by the Financial Risk Committee, over the full three-year plan period. These scenarios are then assessed against the Group's risk appetite parameters. Impacts on the performance of core revenue streams and segments are modelled through business inputs, with appropriate mitigating factors also considered.

The scenarios modelled are discussed in the table on the right-hand side of this page.

The results show that a repeat of the Global Financial Crisis would have the largest impact on Group EBITDA. No scenario over the three-year period leads to a breach of the Group's risk appetite thresholds, or an inability to meet the Group's financial obligations through insufficient headroom.

A reverse stress test has been completed, to evaluate the financial impacts required to breach the Group's risk appetite thresholds. The likelihood of this scenario materialising is viewed as remote.

Borrowing facilities

The Group's borrowing facilities and respective repayment dates, and the net debt position of the Group, are included in note 22 from page 207. The facilities that mature during the viability period are expected to be refinanced.

Conclusion

The Directors assessed the prospects and viability of the Group in accordance with provision 31 of the UK Corporate Governance Code taking into account the Group's three-year business plan, and the principal risks to the Group's future performance and liquidity. The Directors have a reasonable expectation that the Group has the ability to meet its obligations over the viability period.

Scenario	Assumption	Associated principal risk
Global Financial Crisis	A replay of the 2008 crisis, re-assessed to align with current market conditions. The scenario considers the collapse of a major financial institution and a simultaneous default of one medium-sized (domestic rather than international) bank. Additionally, the scenario includes the consolidation of four medium-sized banks into two.	**Global economic and geopolitical. See page 76 for more information**
Global Pandemic	The scenario considers the proliferation of Covid-19, or a similar pandemic, with significant impacts throughout the global value chain. There are severe, highly synchronised downturns associated with a persistent loss of output in developed and emerging economies. Governments worldwide implement restrictions on human interaction and travel to control virus contagion.	**Global economic and geopolitical. See page 76 for more information**
Severe UK economic downturn	This scenario assumes GBP-USD currency rates move to parity with outsized moves in UK interest rates, inflation, unemployment, house prices and GDP.	**Global economic and geopolitical. See page 76 for more information**
Cyber security threats	The scenario considers a cyber ransomware attack impacting the Group's ability to serve a large portion of its customers.	**Information and cyber security threats. See page 80 for more information**
Change delivery failure	This scenario assumes key supplier unavailability due to geopolitical and technological issues, which results in the delayed delivery of one of the Group's key strategic programmes.	**Transformation. See page 77 for more information**

Governance

This section of the Annual Report describes how LSEG is governed and the control structures we have in place.

Good corporate governance is key to promoting the long-term sustainable success of the Company, achieving the Group's objectives, generating value for shareholders and contributing to wider society.

In this section

Corporate governance introduction

The Board is responsible for the long-term sustainable success of the Company, generating value for shareholders and contributing to wider society.

Don Robert
Chair

Dear Shareholders,

I am very pleased to present the Corporate Governance Report for the year ended 31 December 2022. This report provides an overview of how LSEG is governed and the control structures we have in place. The Board is responsible for the long-term sustainable success of the Company, generating value for shareholders and contributing to wider society. The Board does this by supporting and challenging executive management to ensure we operate to high governance standards. This report explains how we seek to achieve this. It also contains some highlights from my perspective as Chair.

Together with the reports of the Committees, we have set out how the UK Corporate Governance Code has been applied in the year. At the heart of the Code is a set of principles that emphasise the value of good corporate governance to long-term sustainable success.

Board composition and diversity

On 27 April 2022 Jacques Aigrain stepped down following the Annual General Meeting (AGM) after serving almost nine years on the Board. I would like to thank Jacques for the valuable role he has played in the Group's success as a director, and as the Chair of the Remuneration Committee.

On 3 October 2022, William Vereker joined the board as Non-Executive Director. William also joined the Risk, Remuneration and Nomination Committees. His background in the global financial services sector, as well as international experience in developing senior relationships, managing risk and organisational change will benefit the Group as we look to further capitalise on the trends shaping our industry.

On 1 February 2023, Scott Guthrie joined the Board as a Non-Executive Director in connection with the strategic partnership with Microsoft. Scott has worked at Microsoft for the past 25 years and is Executive Vice President, Cloud and AI Group. The Board looks forward to leveraging Scott's deep technology expertise which will provide a distinct perspective to the Group. Further information on the strategic partnership with Microsoft can be found on page 7 and 19.

In accordance with the terms of the Relationship Agreement, Erin Brown, representative of Thomson Reuters, will step down from the Board on 17 March 2023. The purpose of these Board changes is to ensure we continue to refresh the key skills and experience and to enhance the effectiveness of the Board, while having regard to board diversity. The Board believes that diversity of thought, experience and background makes us more dynamic, fosters innovation and boosts performance. The Board seeks to comply with Listing Rule 9.8.6(9) on gender and ethnic diversity. I am pleased to confirm that two of the four senior positions in the Company outlined in the Listing Rule are held by women and that two of its directors are from a minority ethnic background. At the end of 2022, the Board was over 40% female.

The work of the Nomination Committee, including the process followed in relation to Board appointments, is described on pages 102 to 104 of this report.

Board effectiveness review

This year's effectiveness review was externally facilitated by Jan Hall of No 4. The UK Corporate Governance Code recommends that FTSE 350 companies undertake an externally facilitated review every three years. Jan Hall facilitated the 2020 effectiveness review, and it was agreed that she would be invited to undertake a further review following the Refinitiv acquisition given the transformational effect the acquisition had on the Group. Results and agreed areas of focus for the Board are described on page 97 and 98. The Board will ensure that these focus areas are acted upon to further improve Board performance. I can confirm that the actions from the 2021 effectiveness review have been completed.

Board site visits and workforce engagement

Opportunities to visit our operations globally, engage directly with the workforce, and learn about the business continue to be very important and valuable for the Board. After two years of restrictions on in-person engagement, the Board was pleased to be able to visit colleagues in the New York office during the year. Further information on this engagement can be found on pages 66 and 67.

The Board also engaged with the workforce virtually through a series of Board conversations in key regional locations. These meetings were designed to increase Board members' visibility with the workforce, to gain real insights into the culture and any concerns at different levels of the business, and to have meaningful, two-way dialogue with the workforce. This was particularly important in 2022 as we sought to continue with the integration of the Refinitiv business and embed the Company's culture across the Group. The feedback that Board members received from this direct engagement was shared with the Board at each meeting and the Board has encouraged management to respond to any feedback and to take appropriate action. Further information can be found on pages 66 and 67.

Committee governance

The Chairs of the Audit Committee, Risk Committee, Nomination Committee and Remuneration Committee report on the activities of each of the Committees during the year. I would like to thank the Committee Chairs for the work they have done during the year, including attending the AGM in-person to meet with shareholders.

Sustainability

As described in the Enabling Sustainable Growth section of the Strategic Report (pages 50 to 59), LSEG has many initiatives in place to deliver our commitment to be a strategic enabler of sustainable economic growth. Given our central role in capital markets, our global footprint and presence throughout the trade lifecycle, LSEG is uniquely positioned to play a leading role in this respect.

LSEG's role in sustainability, and tackling climate change in particular, is very important to the Board, as well as the Group's shareholders, employees, customers and regulators. The Board is committed to meeting the expectations of our shareholders and stakeholders in this regard.

The Board agreed to put to shareholders at the AGM a resolution on the Group's Climate Transition Plan, and the resolution was passed, with 98.65% of the votes in favour.

Compliance with the UK Corporate Governance Code 2018 (the "Code")

The Company has complied with the principles of the Code throughout the financial year ended 31 December 2022 and to the date of this report, and complied with all provisions of the Code, except for provision 20. Provision 20 of the Code states that companies should generally use open advertising and/or an external search consultancy for the appointment of the Chair and Non-Executive Directors. Scott Guthrie, who was appointed after the financial year end but before the date of this report, was appointed in connection with the strategic partnership with Microsoft.

For more detailed information on the Board appointment process, please see pages 102 to 104 of the Nomination Committee Report.

This report is intended to give shareholders a clear and comprehensive picture of the Group's governance arrangements and how they operated during the year. Pages 94 to 101 set out details of the areas of our focus during the year, followed by the Committee reports.

Conclusion

I hope you find this report helpful and informative in understanding governance at LSEG.

I encourage all shareholders to vote their shares in favour of all resolutions to be considered at our AGM in April 2023, even if you are unable to attend in person. Details of the AGM will be included in the Notice of Meeting.

Don Robert
Chair
14 March 2023

Board of Directors

The Board's membership reflects a wide range of skills and business experience, drawn from a number of industries, which is critical for bringing both the expertise required and to enable different perspectives to be brought to Board discussions.

Don Robert
Chair of the Company and the Nomination Committee

Appointed to the Board in January 2019 and Chair of the Company in May 2019.

Skills, knowledge and contribution
- Strong track record in global financial services, international business and mergers and acquisitions
- Expert regulatory knowledge, accompanied with a deep understanding of technology and data & analytics
- Significant executive and non-executive listed board experience

Experience
Don spent 18 years at multinational information company Experian plc, where he most recently served as Chairman (2014-2019). Prior to that he was Group Chief Executive (2005-2014) and CEO of the North American business (2001-2005). Don has served in a variety of senior roles including Chair of the US Consumer Data Industry Association, Senior Independent Director of Compass Group plc and Non-Executive Director of the Court of Directors, Bank of England.

Other current appointments
Non-Executive Director and Chair-designate, Keywords Studios plc (becoming Chair in May 2023); Chair of Council, The London School of Hygiene & Tropical Medicine; Partner, Corten Capital; Non-Executive Director of Validis Holdings Limited and FlexCharge; Visiting Fellow, Oxford University; and Honorary Group Captain, Royal Air Force.

Committee membership
Nomination (Chair)
Remuneration

David Schwimmer
Group Chief Executive Officer

Appointed to the Board in August 2018.

Skills, knowledge and contribution
- A wealth of knowledge surrounding market structure, investment banking and emerging markets
- Extensive experience in corporate finance, capital markets, and mergers and acquisitions
- Deep understanding of the business and the markets within which the Group operates

Experience
Prior to joining the Group in August 2018, David spent 20 years at Goldman Sachs, where he held a number of senior roles, most recently as Global Head of Market Structure and Global Head of Metals & Mining. During his tenure, he also served as Chief of Staff to Lloyd Blankfein, who was then President and COO of Goldman Sachs, and spent three years in Russia as Co-Head of Russia/CIS. Prior to joining Goldman Sachs, he practised law at Davis Polk & Wardwell.

Other current appointments
Non-Executive Director, Centre for New American Security (Not-for-Profit).

Director changes in 2022

Jacques Aigrain
Stepped down from the Board on 27 April 2022, having served over eight years on the Board.

William Vereker
Joined the Board on 3 October 2022.

*** Director changes since 31 December 2022**

Scott Guthrie
Joined the Board on 1 February 2023.

Erin Brown
In accordance with the terms of the Relationship Agreement, Erin Brown, representative of Thomson Reuters, will step down from the Board on 17 March 2023.

Anna Manz
Group Chief Financial Officer

Appointed to the Board in November 2020.

Skills, knowledge and contribution
- Extensive expertise in accounting, corporate finance and mergers and acquisitions
- Significant financial and strategic leadership in areas such as risk, treasury management and accounting
- Expertise in business diversification and transformation

Experience
Anna is a chartered accountant. Prior to joining the Group in November 2020, Anna was Chief Financial Officer and Executive Director of Johnson Matthey plc (2016-2020), leading its Finance, Procurement, and IT functions. Prior to joining Johnson Matthey plc, Anna spent 17 years at Diageo plc in a number of senior finance roles, including most recently as Chief Strategy Officer and member of the Executive Committee.

Other current appointments
Non-Executive Director of ITV plc.

Dominic Blakemore
Independent Non-Executive Director and Chair of the Audit Committee

Appointed to the Board in January 2020.

Skills, knowledge and contribution
- Extensive experience in corporate finance, investor relations, and capital markets
- Significant financial leadership experience from various international financial institutions
- Strong strategic planning and decision-making experience

Experience
Dominic is a chartered accountant and has been Group Chief Executive Officer of Compass Group plc since 2018. Previously, he served as Group Finance Director (2012-2015), Group Chief Operating Officer, Europe (2015-2017) and Deputy Chief Executive Officer in 2017. Dominic was formerly a Non-Executive Director and Chair of the Audit, Risk and Compliance Committee of Shire plc (2014-2018). He previously served as Chief Financial Officer of Iglo Foods Group Limited (2010-2011). Before joining Iglo, Dominic was European Finance & Strategy Director at Cadbury plc (2008 -2010).

Other current appointments
Group Chief Executive Officer, Compass Group plc; and Vice-Chair, University College London.

Committee membership
Audit (Chair)
Nomination
Risk

Martin Brand
Non-Executive Director

Appointed to the Board in January 2021.

Skills, knowledge and contribution
- Significant board and executive experience across listed companies
- Highly accomplished in corporate finance, with a focus on the financial technology sector
- Extensive experience in strategic planning, data & analytics and mergers & acquisitions

Experience
Martin's work at Blackstone Inc. has seen him involved in several of their high-profile investments including; Sphera, Ellucian, Refinitiv, Bumble, IntraFi and Paysafe. He previously worked as a derivatives trader with Goldman Sachs in New York and Tokyo, and with McKinsey & Company in London. He was a Director of Refinitiv until 2021 and was Chair of Tradeweb Markets (a subsidiary of LSEG) until February 2022.

Other current appointments
Head of North America Private Equity, and Global Co-Head of Technology Investing, Blackstone Inc.; Director, UKG Software; Director Liftoff Mobile; Director, First Eagle; Trustee, American Academy Berlin.

Committee membership
Nomination

Erin Brown*
Non-Executive Director

Appointed to the Board in January 2021.

Skills, knowledge and contribution
- Significant international financial management experience
- Expertise in mergers & acquisitions
- Specialised knowledge of accounting, corporate finance, data & analytics, and treasury-related matters.

Experience
Erin is currently Head of Finance at Thomson Reuters Corporates. Her previous roles at Thomson Reuters includes Treasurer, Vice President of Knowledge Solutions – Tax & Accounting, Vice President, Finance, and Vice President and Assistant Treasurer. In 2018, Erin led Thomson Reuters' sale of a 55% interest in its former Financial & Risk business (now Refinitiv) to certain investment funds affiliated with Blackstone. Prior to joining Thomson Reuters, Erin held a number of finance roles at General Motors (2003-2011).

Current appointments
Head of Finance, Thomson Reuters Corporates; Director, York Parent Limited.

Committee membership
Nomination

Professor Kathleen DeRose
Independent Non-Executive Director and Chair of the Risk Committee

Appointed to the Board in December 2018.

Skills, knowledge and contribution
— Executive leadership experience in capital markets and asset and wealth management
— Significant non-executive listed board experience
— Expertise in the financial technology market, risk management and data & analytics.

Experience
Kathleen held a number of senior roles at Credit Suisse Group AG (2010-2015). Other positions Kathleen has undertaken have included Managing Partner, and Head of Portfolio Management and Research at Hagin Investment Management (2006-2010), and Managing Director, Head of Large Cap Equities at Bessemer Trust (2003-2006). Prior to 2003, Kathleen also held a number of roles at Deutsche Bank and JPMorgan Chase (formerly Chase Manhattan Bank). In addition to her senior executive positions, Kathleen served as a board member of EDGE (Economic Dividends for Gender Equality) (2014-2015), and she was founding Chair of Evolute Group AG (2016-2017).

Other current appointments
Non-Executive Director, Experian plc; Non-Executive Director, Voya Financial Inc.; Non-Executive Director, Enfusion Inc.; Clinical Associate Professor of Finance, New York University Leonard N. Stern School of Business; Director, Fubon Centre for Technology, Business, and Innovation.

Committee membership
Risk (Chair)
Audit
Nomination

Tsega Gebreyes
Independent Non-Executive Director

Appointed to the Board in June 2021.

Skills, knowledge and contribution
— Deep financial services and capital markets experience gained from various global senior executive and non-executive roles
— Significant expertise in international business and technology
— Strong background in strategy and business development.

Experience
Tsega spent seven years at Celtel International, a leading mobile telecommunications provider in the Middle East and North Africa. During her tenure at Celtel, Tsega held a variety of senior roles including Senior Group Adviser, Zain Africa BV (2007-2016), Chief Strategy and Development Officer (2005-2007), Chief Business Development and Mergers & Acquisitions Officer (2003-2005) and Director, Mobile Commerce and New Product Development (2000-2003). In addition to her senior executive positions, Tsega has served as Vice Chair of SES SA, and Non-Executive Director of Hygeia Nigeria Limited (2009-2015), ISON Group (2013-2018) and Sonae SA (2015-2019).

Other current appointments
Founding Director, Satya Capital Limited; Non-Executive Director, Airtel Africa plc.

Committee membership
Audit
Nomination
Risk

Scott Guthrie*
Non-Executive Director

Appointed to the Board in February 2023.

Skills, knowledge and contribution
— Market-leading experience in cloud infrastructure and data & analytics
— A deep and valuable understanding of the technology market
— Specialist in digital transformation.

Experience
Scott has 25 years' experience leading large technology teams at Microsoft, and has been Executive Vice President of Microsoft's Cloud and AI division since 2014. He is responsible for Microsoft's Cloud Platform, Data and AI solutions, Operating Systems, Business Applications, Development Tools, and Industry Solutions. The products and services his team delivers include Microsoft Azure, Dynamics 365, Power BI, SQL Server, Nuance, GitHub, Visual Studio and the core Windows operating system. Scott was previously Corporate Vice President of Microsoft Azure (2011-2014), Corporate Vice President of Microsoft's Developer Division (2008-2011), General Manager Microsoft Developer Division (2005-2008).

Other current appointments
Executive Vice President, Microsoft Cloud and AI Group.

Committee membership
Nomination

Cressida Hogg CBE
Senior Independent Director and Chair of the Remuneration Committee

Appointed to the Board in March 2019.

Skills, knowledge and contribution
— Significant board and executive level experience combined with a strong corporate background in infrastructure, private equity and capital markets
— Strong Chair experience and competency in embedding corporate governance values
— Specialist knowledge in mergers and acquisitions, financial services regulation and pensions.

Experience
Cressida spent nearly 20 years with 3i Group plc and was one of the co-founders of 3i's infrastructure business in 2005, before becoming Managing Partner in 2009. During this time, Cressida advised on all of 3i's infrastructure transactions. She was also Global Head of Infrastructure at Canada Pension Plan Investment Board (2014-2018). In addition to her senior executive positions, Cressida served as a Non-Executive Director of Associated British Ports Holdings Limited and a Non-Executive Director of Anglian Water Group.

Other current appointments
Chair, Land Securities Group PLC (until 16 May 2023); Chair-designate and Non-Executive Director, BAE Systems plc (becoming Chair in May 2023); Non-Executive Director, Troy Asset Management Ltd.

Committee membership
Remuneration (Chair)
Nomination

Dr Val Rahmani
Independent
Non-Executive Director

Appointed to the Board in December 2017.

Skills, knowledge and contribution
— Significant expertise and knowledge of technology and technical risk management
— Deep understanding of digital transformation, innovation, sales and marketing
— Extensive listed director experience accompanied by expert corporate governance knowledge.

Experience
Val worked for IBM for almost 30 years, and was Chief Executive Officer of cyber security start-up, Damballa Inc., for four years. Her past career also included Non-Executive Director positions at Aberdeen Asset Management plc and Teradici Corporation. Val previously ran the Innovation Panel for Standard Life Aberdeen and holds a Doctorate of Philosophy in Chemistry from the University of Oxford.

Other current appointments
Non-Executive Director, RenaissanceRe Holdings Limited; Non-Executive Director, CTG Inc; Non-Executive Director, Elliott Opportunity II SPAC; Non-Executive Director of Entrust.

Committee membership
Nomination
Remuneration
Risk

Douglas Steenland
Non-Executive Director

Appointed to the Board in January 2021.

Skills, knowledge and contribution
— Extensive Chair and executive experience across a range of listed companies
— Background as a legal practitioner, bringing expertise in corporate law and finance
— Detailed understanding of international business, financial services and insurance.

Experience
Douglas is the former President (2001-2004) and Chief Executive Officer (2004-2008) of Northwest Airlines Corporation. Prior to this, he held a number of executive positions at the company including Executive Vice President, Chief Corporate Officer, Senior Vice President and General Counsel. Previously, he was a senior partner at Washington, D.C. law firm Verner, Liipfert, Bernhard, McPherson and Hand and worked in the Office of the General Counsel of the US Department of Transportation. Douglas was Chairman of the Air Transport Association (2008-2009), after serving as a Director (2005-2008).

Other current appointments
Senior Adviser, Blackstone Private Equity Group; Director, American International Group Inc.; Director, Hilton Worldwide Holdings Inc.; Director, American Airlines Group, Inc.

Committee membership
Nomination

Ashok Vaswani
Independent
Non-Executive Director

Appointed to the Board in June 2021.

Skills, knowledge and contribution
— Extensive experience in, and understanding of, banking and the financial services industry
— Deep knowledge and comprehension of technology, risk management, and wealth management
— Expertise in data & analytics and capital markets.

Experience
Ashok held a number of senior roles within Barclays Group, including: Chief Digital Strategy Officer at Barclays plc (2021-2022); CEO, Global Consumer Banking & Payments (2019-2021); CEO, Barclays UK (2016-2019); CEO, Personal and Corporate Banking (2014-2016); CEO, Retail and Business Banking (2012-2014); CEO, UK Retail and Business Banking (2011-2012); CEO, Africa (2010-2011); and CEO of Barclaycard Europe (2010). Prior to joining Barclays, Ashok was a Partner at Brysam Global Partners LLC (2007-2009), a private equity firm specialising in consumer financial services in emerging markets. From 1987 to 2007, Ashok held a number of senior roles within Citigroup Inc. Currently, Ashok serves as the President of Pagaya, a FinTech based in New York. He is responsible for helping the company grow and scale.

Other current appointments
Non-Executive Director, the Forward Institute; Non-Executive Director, S P Jain Institute of Management, UK

Committee membership
Audit
Nomination
Risk

William Vereker
Independent
Non-Executive Director

Appointed to the Board in October 2022.

Skills, knowledge and contribution
— Highly experienced banker, including experience in executive roles
— Significant knowledge and experience of capital markets, post trade and investment banking
— Deep knowledge of financial services and regulatory and government relations.

Experience
William began his career at Morgan Stanley and held a variety of investment banking roles with a focus on the energy and utility sectors, which culminated with him being MD & Head of European Utilities (2001-2005). He also held a number of senior executive roles in the investment banking sector with Lehman Brothers (2005-2008), Nomura (2009-2013), and UBS (2013-2018). William's time at UBS saw him serve as Global Head of Investment Banking from 2016 to 2018. William served as the Prime Minister's Business Envoy (2018-2020), before becoming Vice Chair of the EMEA Investment Bank at JP Morgan.

Other current appointments
Chairman, Santander UK; Member, UK Investment Council; Member, Advisory Board, Celonis GmbH; and Chair, Advisory Board of Gonville and Caius College, Cambridge.

Committee membership
Nomination
Remuneration
Risk

Corporate governance report

Board responsibilities
The LSEG Board is collectively responsible for the long-term, sustainable success of the Company, the delivery of sustainable value to its shareholders and contributing to wider society.

The Board:
— Provides leadership of the Company and is responsible for setting the strategy and maintaining high standards of governance
— Leads the development of the Company's culture, values, and behaviours
— Oversees the execution of the Group's strategy and holds executive management to account for its delivery
— Ensures necessary resources are in place for the Group to be able to meet its objectives and measures performance against these. This includes the establishment of a framework of prudent and effective controls, which enable risk to be assessed and managed
— Reviews and holds management to account for financial and business performance
— Ensures that its responsibilities to shareholders and stakeholders are met, including through effective engagement. This includes having workforce policies and practices that are consistent with the Company's values and support the Company's long-term sustainable success

In carrying out their duties, the Directors act in accordance with all relevant and applicable legislative and regulatory rules. In particular, they take into account Directors' duties contained in the Companies Act 2006 (the "Act") and will consider the factors listed in Section 172 of the Act and any other relevant factors.

LSEG's Section 172(1) statement for the year ended 31 December 2022, including details of certain Board decisions taken during the year, can be found on pages 70 to 73 of the Strategic Report.

The Directors have full access to the advice and services of the Group Company Secretary, who is responsible for advising on corporate governance matters.

Board Committees
The Board has delegated certain responsibilities to four Board Committees: the Audit, Nomination, Remuneration, and Risk Committees. Full details of the Committees' responsibilities are set out in individual terms of reference which are available on the corporate website and the work undertaken by each Committee during the financial year is detailed within the respective Committee reports on pages 102 to 116.

Board composition
As at the date of this report, the Board is composed of 14 members: the Chairman, seven independent Non-Executive Directors, four Non-Executive Directors (the Shareholder-appointed Directors[1] and the Director appointed by Microsoft[2]), and two Executive Directors. Six of the Directors are women; two of the Directors are from a minority ethnic background; and two senior positions are held by female Directors (Senior Independent Director and Chief Financial Officer). The Board Diversity Policy, which is reviewed annually, is available on the corporate website https://www.lseg.com/en/about-us/corporate-governance

Board and Committee meetings
The table shows the number of scheduled and ad-hoc meetings attended against the number of meetings each Director was eligible to attend.

Director	Board	Audit	Risk	Nomination	Remuneration
Don Robert	8/8			2/2	4/4
David Schwimmer	8/8				
Anna Manz	8/8				
Dominic Blakemore	7/8	4/4	4/4	2/2	
Martin Brand	8/8			1/2	
Erin Brown	8/8			2/2	
Kathleen DeRose	8/8	4/4	4/4	2/2	
Tsega Gebreyes	8/8	1/1	4/4	2/2	2/2
Cressida Hogg	8/8			2/2	4/4
Valerie Rahmani	8/8		4/4	2/2	4/4
Douglas Steenland	7/8			2/2	
Ashok Vaswani	8/8	4/4	4/4	2/2	
William Vereker	3/3		1/1	1/2	2/2
Directors who left during the year					
Jacques Aigrain	2/2	1/1			1/1

Dominic Blakemore was unable to attend an ad-hoc Board meeting in November 2022 due to a pre-existing commitment.

Martin Brand was unable to attend the Nomination Committee meeting in November 2022 due to illness.

Douglas Steenland was unable to attend the Board meeting in April 2022 due to a pre-existing commitment.

William Vereker, who joined the Board in October 2022, did not attend the Nomination Committee meeting in December 2022 due to a pre-existing commitment.

1 Directors appointed under the Relationship Agreement York Parent Limited (which is owned by Thomson Reuters Corporation and a consortium of certain investment funds managed by Blackstone Group Inc.), York Holdings II Limited, York Holdings III Limited (each of which are wholly-owned subsidiaries of York Parent Limited) and BCP York Holdings (Delaware) L.P. (which is a holding vehicle for the consortium of investment funds managed by Blackstone Group Inc.).
2 Appointed under the strategic initiatives agreement with Microsoft Corporation.

Attendance at Board meetings

When Directors were not able to attend meetings, they received and reviewed the relevant meeting papers. Where they had comments or concerns on the matters to be discussed, they provided these to the Chair of the Board or Committee in advance of the meeting. The Chair of the Board engaged with Directors between Board meetings to discuss business and strategic issues. The Chair met with the Non-Executive Directors, without the Executive Directors being present, at the end of every scheduled Board meeting.

Comprehensive Board and Committee papers, comprising an agenda and formal reports and briefing papers are sent to Directors in advance of each meeting. Directors are also updated with written and verbal reports, from senior executives and external advisers during the meeting.

Stakeholder engagement

The Board seeks to understand the interests, needs and concerns of shareholders and other key stakeholders (including customers, the workforce and regulators) to enable the Company to pursue long-term sustainable success. For more information on how we engage with our stakeholders as well as how the Board has discharged its duties under Section 172 of the Companies Act, please see pages 70 to 73 of the Strategic Report.

Relations with shareholders

We believe that regular and ongoing engagement with our key stakeholders and, in particular, our shareholders is central to good corporate governance. The Group's Investor Relations (IR) function, reporting to the Chief Financial Officer, manages a shareholder engagement programme throughout the year. In 2022, we welcomed our new Head of Investor Relations, Peregrine Riviere, to the Group, bringing over 20 years' IR experience across a wide range of industries.

The Chair, Senior Independent Director and Chairs of each Board Committee are available to engage with major investors, typically to discuss corporate governance matters. In 2022, the Chair engaged with shareholders on matters including sustainability, remuneration and Board composition, as well as performance against the Company's strategy. The Chair of the Remuneration Committee consulted with major shareholders and proxy voting agencies to understand their views on the proposed approach for our Remuneration Policy and key executive remuneration decisions. Further details and the outcome of this engagement are included within the Directors' Remuneration Report from page 113.

Senior management and the IR team engage with investors to discuss strategy, performance, sustainability and other matters. We saw a strong return to in-person engagement in 2022. Senior executive management and the IR team took part in 12 conferences this year, with 10 of those held in person across the US, London and Continental Europe, hosted by banks or industry organisations. Across the year, we held over 450 engagements with institutional equity and debt investors, primarily from the UK and USA but with increasing interest from countries such as Canada and Australia as we look to broaden our outreach.

As well as expanding our in-person conference schedule following two years of Covid restrictions, we also ran a number of roadshows with executive management both internationally and in the UK, stepping up our efforts to explain our investment case and strategy to a wider range of prospective global investors. We achieved broad coverage of our existing register, meeting with over 80% of our active shareholder base.

Through our external adviser, Makinson Cowell, we ran a comprehensive investor perception study. As part of the study, Makinson Cowell engaged with a broad range of investors and touched on a wide variety of topics including LSEG's disclosure around strategy, financial performance and targets, as well as the general tone and level of insight of our communication with investors. Feedback was broadly positive and investors recognised the growth characteristics and opportunities of our investment case. However, while our investor education events were almost universally regarded as helpful, investors still felt that LSEG could do more to address the perceived complexity of the Group. To this end, investors expressed a desire for more deep dives into the various businesses that make up the Group and to hear more often from divisional management. In terms of shareholder engagement, the LSEG executive team and IR team were broadly seen as accessible and helpful but some shareholders highlighted a lack of communication outside of the UK. In particular, it was suggested that LSEG should step up its involvement at sector conferences in the US, as well as proactive engagement with investors in North America more broadly.

The Board receives a report on IR matters at each of its scheduled meetings, including feedback from investors, market expectations of financial performance and updates on share register composition. Sell-side analyst research notes on LSEG are regularly circulated through the business, including to the Board and senior executives. The Group's corporate brokers also provide the Board with advice on market sentiment, input on market communications and share register analysis.

In addition to information on financial and operational performance, the Group engages with shareholders and relevant shareholder advisory agencies on environmental, social and governance (ESG) matters. The Group produces an annual Sustainability Report that details its approach to ESG matters: www.lseg.com/investor-relations/sustainability.

Our AGM provides the opportunity for all shareholders to meet and to put questions to the Board of Directors. We were delighted that we were able to return to a physical AGM in 2022, held at Butchers' Hall.

The IR section of the Group's website (www.lseg.com/investor-relations) is a primary source of regularly updated information about the Group. All financial reports and statements, regulatory news service announcements and disclosures, presentations and other relevant documents are available on the website, together with a list of analysts producing research on the Company and a summary of analysts' forecasts of performance. Recognising that joining our preliminary and interim results conference calls is not always possible, recordings of these calls are accessible to all shareholders via the Group website.

Workforce engagement

The Board believes that having a diverse workforce makes us more dynamic, fosters innovation and boosts performance. The Board continues to support the goals for senior leadership set by management which include goals for ethnic diversity and gender diversity. The Board regularly tracks progress against these through D&I reporting. Further information on D&I can be found in our culture section on page 60.

Information on workforce engagement can be found in the stakeholder engagement section on page 66. The Board believes that the direct and indirect engagement it undertakes with the workforce, as well as the range of engagement activities that it has undertaken during the year, as described in the stakeholder engagement section, are effective and have facilitated meaningful, two-way dialogue between the Board and employees. The forms of engagement undertaken during the year have enabled the Board to hear from a broad range of our workforce both across our regions and at different levels of seniority and role type, given the size and global footprint of the Group.

Board independence

The Board has evaluated the independence of all the Non-Executive Directors. In assessing each Director, the Board considers whether there are relationships or circumstances which are likely to affect or could appear to affect a Director's judgement.

Scott Guthrie was appointed to the Board as a Non-Executive Director with effect from 1 February 2023. Scott represents Microsoft Corporation and was appointed in connection with the strategic partnership (for further information please see pages 7 and 19). Martin Brand, Erin Brown and Douglas Steenland were appointed to the Board as Non-Executive Directors in 2021. Martin and Douglas represent Blackstone and Erin represents Thomson Reuters. In accordance with the terms of the Relationship Agreement, Erin will step down from the Board on 17 March 2023. Blackstone and Thomson Reuters are each considered to be significant shareholders of LSEG. The Board agreed that Martin, Douglas, Erin and Scott would not be considered independent under the Code given their relationships with Blackstone, Thomson Reuters and Microsoft. They are not members of the Audit, Remuneration or Risk Committees. The Board has evaluated the independence of the other Non-Executive Directors and concluded that each are independent in character and judgement. The Chair was independent on appointment.

In line with the Code, at least half the Board, excluding the Chair, are independent Non-Executive Directors. All Directors are subject to annual re-election at the Company's AGM.

Matters considered by the Board

Each of the regular meetings includes a wide-ranging report from the Chief Executive Officer and reports from the Chief Financial Officer on the Group's financial performance and from the Chief Operating Officer on the continued progress of the Refinitiv integration programme and transformation programme, and operations. Reports from the Committee Chairs and updates on major projects were also provided at each Board meeting.

During the year, the key matters considered by the Board included the following:

Customer

— Customer matters, including meetings with customers and key account executives during the Board visit to New York
— Reviews of updates on customer metrics and key customer initiatives.
— Reviews of new products and services, including the Fundamental Review of the Trading Book and the Yield Book for fixed income analytics, and approved acquisitions that would deliver additional customer benefits.

Strategy, execution and integration

— Regular updates on progress against the strategic objectives, capital expenditure and investment projects and key projects and programmes.
— Regular updates on the Refinitiv integration, including in relation to achieving the stated targets and synergies, customer matters, people and culture, transformation and technology.
— Approval of M&A transactions, including MayStreet, TORA, Global Data Consortium and Acadia, and the divestment of BETA. Subsequently, the Board agreed to use the proceeds of the sale of BETA to return £750 million to shareholders via a share buyback programme.
— Annual Board strategy day at which the Group's strategy was considered and approved.
— Review and approval of the strategic partnership with Microsoft for next-generation data & analytics and cloud infrastructure.

Sustainability

— Review and approval of the sustainability strategy.
— Consideration and agreement of a climate-related resolution that was put to shareholders at the 2022 AGM.
— Considered and challenged updates on sustainability matters and the Group's position on sustainability as well as progress achieved against strategy.
— Review and approval of the annual Sustainability Report, Climate Transition Plan, TCFD Report, and the Modern Slavery and Human Trafficking Statement.

People and culture

— Regular updates on employee welfare, including future ways of working, return to the office, the situation in Sri Lanka and the Ukraine/Russia conflict.
— Reports from Directors on their engagement with colleagues across the Group. The Board requested management to take action in response to the feedback from colleagues. Further information can be found in the stakeholder engagement section on pages 66 and 67.
— Discussion of the results of the annual LSEG Engage survey. The Board endorsed the actions proposed by management in response to the feedback from the workforce.

Finance, investor relations and capital
— Review and detailed examination of the Group's financial performance.
— Approval of the annual budget and three-year strategic plan, with particular focus on capital allocation and investment in technology as well as other strategic priorities.
— Updates from the Investor Relations team on views from shareholders on all aspects of the business.
— Proposal of the 2021 final dividend of 70 pence per share, which was subsequently approved by shareholders on 27 April 2022. The Board also approved the 2022 interim dividend of 31.7 pence per share which was paid to shareholders on 20 September 2022.
— Approval of a share buyback programme to purchase voting ordinary shares with an aggregate value of up to £750 million.

Risk management and internal controls
— Regular updates from the Chief Risk Officer on key risk management and internal control matters, and discussion of key risks and, where applicable, risk reduction activities.
— Review and approval of the Group's Risk Appetite Statements and the Policy Governance Framework, which sets the requirements for all policies within the Group.
— Updates on technology and operational resilience.
— Updates at each Board meeting from the Chairs of the Risk and Audit Committees on matters considered by these Committees. All Board members have access to the materials provided to these Committees.

Board training and deep dives
The Board continued its practice of holding deep dives on key topics. In 2022, it participated in a number of sessions relating to the strategic partnership with Microsoft, a number of business and strategy-related briefings during the Board visit to New York and deep dives on all three divisions as part of the Board strategy offsite. It also held sessions on data strategy and technology risk. Ahead of the publication of the 2022 Annual Report, Board members were invited to a training session on climate and sustainability reporting.

Chairs' Forum
The Chairs' Forum is composed of the Chairs of the Group's principal regulated subsidiaries and the Group Chair, with the Group CEO being invited to meetings on a regular basis. The Forum provides opportunities for relevant subsidiary Chairs from across the Group to engage on common themes and topics of interest. During the year, this included: strategic matters; Board effectiveness and succession planning; customers, people, and regulatory matters; Group financial performance and investor relations; cloud migration strategy, technology, and transformation programmes; and risk management and operational resilience.

Board Effectiveness and Leadership

2022 Effectiveness Review
A Board effectiveness review is carried out annually in line with the UK Corporate Governance Code (the Code), with a review being externally facilitated every three years. In 2022, the Board engaged Jan Hall of No 4 to facilitate this review. Jan facilitated the 2020 review in advance of the acquisition of Refinitiv. The Board invited Jan back to undertake a further review in 2022 to evaluate how the Board was performing following the acquisition. Jan Hall is not currently engaged in any other work on behalf of the Company.

Jan interviewed each of the Directors using agreed discussion guidelines as the basis for each conversation. She sought the views of Directors on:
— boardroom dynamics
— integration and performance delivery
— risk management
— strategy and ambition
— Board knowledge and the executives
— culture, purpose and values
— sustainability matters, and
— succession planning

The outputs of the evaluation were reported to, and considered by, the Board and actions and focus areas for the Board and its Committees to undertake in 2023 were agreed.

The results of the review will also be used to assist the Board in its future development, its Committees, and its individual Directors.

Results
Overall, the review found that the Board and its Committees are performing well and are effective. Board members agreed that good progress had been achieved since the Refinitiv acquisition and they were positive about the Board's performance and effectiveness.

The review identified a number of positive attributes including:
— Board dynamics: how well the Board works together; the Chair's leadership of the Board; current Board composition; and interactions between NEDs and the Executive Committee
— Board Committees: their overall effectiveness; the performance by each of the Committee Chairs; how each Committee member is able to contribute; and quality of discussions
— Board support and management of meetings: Board governance and Board support was positively rated, including the Chair's management of Board meetings
— Risk management: positive views on risk management and oversight of risk matters

The results indicated that the Board considers that it has the appropriate balance of skills, experience, independence and knowledge to enable it and its Committees to discharge their duties and responsibilities effectively.

Next steps
The Board agreed that areas of focus for 2023 should be:
- **Board knowledge:** Board members provided valuable insight regarding the areas where it would be beneficial to spend more time and/or gain further understanding, including further teach-ins on each Division in the Group, moving to the cloud, and acquisitions
- **Board, executives and deeper relationships:** desire from the Board to further deepen Board relationships with the Executive Committee
- **Board composition and succession planning:** Board members provided views and suggested priorities in terms of future composition
- **Stakeholders:** identification of further opportunities to engage with shareholders, including their views on LSEG and growth; and customers, including a deeper understanding of customer needs and the data that is most valuable to them.

The results of the effectiveness reviews of the Board's Committees were positive about the management and composition of the committees as well as the quality of the information received. Areas for focus are summarised in the next column.

Committee 2023 areas of focus

Audit Committee
- Training on climate-related and sustainability financial disclosures and corporate reporting

Nomination Committee
- Continued focus on Board and Executive Committee succession
- Continued focus on ensuring future changes to the Board are appropriately managed to facilitate an orderly refreshing of the Board and avoid the possibility of several Directors stepping down in quick succession
- Continue to ensure there is a diverse talent pipeline

Remuneration Committee
- Simplification and further improvements to the quality of the information received

Risk Committee
- Continued focus on sustainability and climate-related risks
- Continued focus on cyber risks, move to the cloud and technology risks

2021 Effectiveness Review

The 2021 Effectiveness Review identified areas where the Board considered focus would be needed during 2022. These are summarised below, together with the resulting actions taken in 2022.

Area	Description	Summary of actions taken
Future Board composition	Ensuring the Board contains the appropriate mix of skills and experience	— Appointment of William Vereker and Scott Guthrie; their skills and experiences include understanding the markets in which LSEG competes and technological expertise, respectively
Stakeholder oversight	Continue to seek additional opportunities for the Board to be provided with the views of shareholders and customers	— Regular updates on shareholder engagement and views — Makinson Cowell investor perception study — Customer briefings and a customer meeting with a leading global asset manager as part of Board visit to New York — Board engagement/conversations with employees on a regional basis
Board organisation	Continue to allocate Board time for training and deep dives in particular on the Data & Analytics division	— Deep dives throughout the year on various projects, including ad hoc meetings to review the strategic partnership with Microsoft
Strategic oversight	Continue to increase the Board's focus on the external influences and environment impacting strategy, including in relation to customers, competitors, sustainability, other emerging external influences, and risks	— These matters were discussed at the Board strategy offsite — The integration of the Refinitiv business has been a standing agenda item at each of the scheduled Board meetings in 2022 — Competitor update provided to Board in Q2 2022 — Various deep dives and business briefings during Board visit to New York
People and talent	Ensure continued focus on executive succession planning	— Stronger engagement with executives throughout the year, including a practice of inviting an Executive Committee member to attend and participate in each Board meeting

Conflicts of interest
The Company's Articles of Association allow the Board to authorise conflicts of interest that may arise and to impose such limits or conditions as it thinks fit. The Group has established procedures whereby actual and potential conflicts of interest are regularly reviewed, appropriate authorisation is sought prior to the appointment of any new Director, and new conflicts are addressed appropriately.

The decision to authorise a conflict of interest can only be made by non-conflicted Directors and, in making such decisions, the Directors must act in a way they consider, in good faith, would be most likely to promote the Company's success.

Indemnities
Directors have the benefit of indemnity arrangements from the Company in respect of liabilities incurred as a result of their office and execution of their powers, duties and responsibilities. The Company maintained a Directors' and Officers' liability insurance policy throughout the year. This policy covers the Directors for any such liabilities in respect of which they are not indemnified by the Company and, to the extent to which it has indemnified the Directors, also covers the Company. Neither the Company's indemnity nor insurance provides cover for a Director in the event that the Director is proved to have acted fraudulently or dishonestly.

Risk Management and Internal Control

The Board is responsible for ensuring the Group's risk management framework and internal control system is maintained and remains effective. The internal control system ensures the quality and integrity of internal and external financial reporting as well as operational, legal and regulatory compliance. It prescribes the extent of the principal risks the Group is willing to take to achieve its long-term strategy.

The system of internal controls is designed to facilitate the management of the Group and its businesses within the Board's risk appetite rather than eliminate the risk of failure to achieve the Group's objectives, and can only provide reasonable, but not absolute, assurance against material misstatements. The Board remains committed to operating within a strong internal control system, with a view to continuously maturing, embedding, and optimising enhanced risk management throughout the Group.

The Board delegates some of its responsibilities to the Audit Committee and Risk Committee.

The Audit Committee regularly works alongside the Risk Committee to monitor the adequacy and effectiveness of the Company's internal control systems and risk management systems. The Audit Committee reports regularly to the Board on its activities. In 2022, the Audit Committee reviewed the Group's proposals to comply with the UK Government's Corporate Governance and Audit reforms and advised on the Group's principal risks, in relation to its financial position during the reporting period. Further details on the activities of the Audit Committee, can be found on pages 105 to 110.

The Risk Committee assists the Board in fulfilling its responsibilities by advising on risk strategy and overseeing the development, implementation, and maintenance of the Group's Enterprise Risk Management Framework (ERMF) and the Group Risk Appetite statement. The Risk Committee reports regularly to the Board on its activities. Further details on the activities of the Risk Committee can be found on pages 111 to 112.

A summary of some of the Group's risk management and internal control procedures are listed below:

Enterprise Risk Management Framework

The Board annually approves the Group's ERMF. The ERMF sets out a standard approach for managing risk across the Group. It ensures that all risks are adequately understood and managed across all levels of the Group. Further details on the ERMF can be found in the principal risks and uncertainties section from page 74.

Risk Appetite Statement

The Risk Committee approved the Group Risk Appetite statement which outlines the key concepts of risk appetite and risk tolerance that the Group will accept in pursuit of its strategic objectives. It is determined in line with the Group's strategy. The Group Risk Appetite statement allows management to understand the potential risks associated with strategic and operational decisions, assess whether the risk return on capital is acceptable, and put in place mitigating actions to reduce risks to acceptable levels. It maintains the correct balance between risks and rewards, thus ensuring the Group remains more resilient by taking better informed decisions.

Financial Control Framework

LSEG has established a Financial Control Framework (FCF) that sets out to develop and maintain a robust financial control environment, that mitigates the risk of material financial misstatement, and helps protect the Group against financial fraud. The FCF seeks to enhance and align the control environment within the Group and will be of pivotal importance in ensuring that the Group is compliant with the potential future requirements of the UK Government's Audit and Corporate Governance reform. The FCF aims to ensure clear links between the Group's financial reporting risks and the associated processes and controls, making sure these are tested and appropriately documented. The FCF is also focused on ensuring the right culture and training is in place to support a risk-first mindset. The Audit Committee receives regular updates on the progress being made to enhance the FCF.

Financial Reporting Controls

The Group's financial reporting process is facilitated using accounting policies and reporting formats, and is supported by guidance issued to all reporting entities within the Group, in advance of each reporting period end. Management is responsible for the maintenance of the control environment for financial reporting and ensuring policies and procedures exist around the maintenance of records. The submission of financial reports from each reporting entity is subject to a rigorous review. Management must provide assurance regarding the reliability and accuracy of the Group's financial reports. The Audit Committee reviews the application of the Group's accounting policies as well as significant accounting judgements and estimates. It also reviews the externally reported interim and full-year results and satisfies itself that these are fair, balanced and understandable.

Internal Audit

The Board, together with the Audit Committee, is responsible for ensuring the independence and effectiveness of the Internal Audit function. Internal Audit's primary function is to provide independent and objective assurance to the Board, the Audit Committee and executive management on the adequacy and effectiveness of the Group's system of internal controls. The Internal Audit function provides opinion and challenge on the control environment, and provides assurance over the Group's ERMF which supports managing risks to within appetite and achieving the Group's long-term strategic objectives. Throughout 2022, the Internal Audit function performed a programme of assurance over key risks applicable to the Group as well as audits required by regulation. Thereby, Internal Audit assured the adequacy and effectiveness of the Group's framework of governance, risk management and controls. To ensure independence, the Internal Audit function sits within the third line of defence in the Group's risk control structure and has no operational responsibilities for the legal entities or processes which it reviews.

The independence of the Internal Audit function from executive management is ensured through the following measures:

- The Chief Internal Auditor reports directly to the Chair of the Audit Committee and has direct access to the Chair of the Board. For administrative matters she has a secondary reporting line to the Chief Executive Officer (CEO)
- The Chair of the Audit Committee and CEO jointly assess the performance of the Chief Internal Auditor
- The Audit Committee approves the Internal Audit Charter and annual budget

Further details on the Internal Audit function can be found in the internal audit charter which is available on the Group's website at https://www.lseg.com/en/about-us/corporate-governance

Policy Governance Framework
The Group is committed to operating within a strong control environment. LSEG has a Policy Governance Framework (PGF) which details the internal governance for all Group policies. The PGF outlines the development, maintenance, implementation, and compliance of all Group policies. It details how various risks in Group policies are addressed and ensures all Group policies comply with the PGF. During 2022, a review of the PGF was completed, to ensure it remained in line with best practice. The updated PGF was approved by the Board and Risk Committee.

Management Structure/Delegation of Authority
The Group operates a matrix structure designed to optimise resource allocation and organisational capacity. Subject to the Schedule of Matters Reserved for the Board, the Board has delegated the day-to-day running of the Group to the CEO. The CEO is supported by the Group Executive Committee (ExCo), which is designed to ensure open challenge and support effective decision-making. Each ExCo member is accountable for a key operating division, business area or function.

The ExCo meets regularly to assist the CEO in exercising his authority with material matters which have strategic, cross-business area or Group-wide implications. Delegation from the Board requires ExCo members to maintain responsibility and sustain a control environment that is appropriate to their division, business area or function.

The ExCo has established sub-committees, the Financial, Investment & Capital Committee (FICC) and the Executive Risk Committee (ERC). The remit of the FICC is wide ranging and includes reviewing the Group's financial reporting process, reviewing the financial and legal implications of Group contracts, approving changes to the Group's corporate structure, an annual review of the Group's overall tax governance policy and monitoring of the Group's intragroup lending arrangements. The ERC oversees matters such as risk culture, risk profile oversight, risk policy oversight, risk appetite and risk disclosures and reporting.

The Board is satisfied that the operation and effectiveness of the Group's system of internal controls throughout 2022 and until the date of approval of the Annual Report, are sufficiently robust. A thorough assessment of the principal risks facing the Group, including those that would threaten its business model, future performance, and liquidity, have been carried out during the year. Necessary actions have been or are being taken to remedy any control issues identified during these reviews. The Board concluded that the Group's risk management arrangements are adequate to provide assurance that the risk management systems put in place are suitable with regard to the Group's risk profile and long-term strategic objectives. The Board will continue to consider further enhancements to its risk management and internal control system, to ensure it complies with regulatory and legal developments and changes to the external environment.

Further information
Further detail on the Group's risk management and an overview of the principal risks and uncertainties (including a summary of emerging risks) of the Group is provided on pages 74 to 84.

Complying with the provisions of the Code

Throughout the financial year ended 31 December 2022 and to the date of this report, London Stock Exchange Group plc has complied with all principles of the Code, and complied with all provisions of the Code, except for provision 20. Provision 20 of the Code states that companies should generally use open advertising and/or an external search consultancy for the appointment of the Chair and Non-Executive Directors. Scott Guthrie was appointed in connection with the strategic partnership between Microsoft and LSEG. For further detail on appointments to the Board see the report of the Nomination Committee on page 102.

The Code is publicly available at the website of the UK Financial Reporting Council at www.frc.org.uk. Details of how the principles of the Code have been applied can be found throughout this Corporate Governance Report, the Strategic Report, and the Committee reports. The following table outlines where narrative on the principles is positioned throughout the Annual Report:

	Section Heading	Page Number
1. Board leadership and company purpose		
A. Leadership, long-term sustainable success, generating value for shareholders and contributing to wider society	Corporate governance report	94
B. Company purpose, values, and strategy	Our purpose and strategy	30-35, 94
C. Resources and prudent and effective controls	Corporate governance report	94, 99
D. Effective engagement with stakeholders	Board engagement with stakeholders	64-69
E. Workforce policies and practices	Our culture	60-63
2. Division of responsibilities		
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Report of the Nomination Committee

> Key areas of focus for the Committee in the year were Board composition, succession planning and the appointments of William Vereker and Scott Guthrie to the Board.

Don Robert
Chair of the Nomination Committee

This report describes the work of the Committee.

2022 Priorities

The priorities set by the Committee at the start of the year were:

1. Continue to keep Executive Committee succession planning under review;
2. Ensure that the balance of Board skills is appropriate to lead the Group; and
3. Support the Group's aim for increased diversity.

Composition and meetings

The Committee's membership is composed of all of the Non-Executive Directors. Structuring the membership in this way enables Non-Executive Directors to participate in all discussions relating to Board composition and succession planning, reflecting the importance placed by LSEG and the Code on these areas. The names and biographies of the Non-Executive Directors who sit on this Committee can be found on pages 90 to 93 of this report.

The Group Company Secretary is the Secretary to the Committee and attends all meetings. The Group Chief Executive Officer, Chief People Officer and external advisers attend where requested by the Committee.

Committee purpose and responsibilities

The Nomination Committee is responsible for monitoring the balance of skills, knowledge, and experience as well as the diversity of the Board. It is also responsible for making recommendations of new appointments to the Board and overseeing Board and senior management succession planning. Further details on the responsibilities of the Nomination Committee can be found in the Committee's terms of reference which are reviewed annually and available on the Group's website at: https://www.lseg.com/en/about-us/corporate-governance

The Committee met twice during the year and, in addition, Committee members also met with director and senior management candidates.

I am pleased to confirm that the Committee's priorities have been met, as described in this report.

Key activities in the year

Board succession planning and Board appointments

During the year, the Committee reviewed the structure, size and composition of the Board and its Committees, to ensure critical skills and experience were refreshed. In carrying out its review, the Committee took account of recent and likely future Board changes, Board expertise, diversity and tenure. This review helped the Committee to identify Board succession requirements.

Board appointments

Appointments to the Board are subject to a formal, rigorous, and transparent procedure described below:

New Board appointments

The Board recognises the need to regularly refresh the balance of skills, tenure and diversity on the Board. Jacques Aigrain stepped down from the Board following the Annual General Meeting in April 2022, having served almost nine years on the Board. Following his departure, the Board sought to find a candidate with financial expertise, strong experience in capital markets and investments, and knowledge of the international landscape within which the Company operates.
In accordance with the terms of the Relationship Agreement, Erin Brown, representative of Thomson Reuters, will step down from the Board on 17 March 2023.

The Committee reviewed and approved an outline brief and role specification, and appointed MWM Consulting, an external search consultancy, which is a signatory to the Enhanced Voluntary Code of Conduct for executive search firms, to assist in the search for a new independent Non-Executive Director. The search firm was specifically instructed to produce a diverse list of candidates for consideration.

Shortlisted candidates were then interviewed by several Committee members and the Group CEO. Having interviewed the shortlisted candidates, the Nomination Committee recommended, and the Board approved, the appointment of William Vereker to the Board, with effect from 3 October 2022. William joined the joined the Nomination, Remuneration and Risk Committees.

William has significant experience in capital markets, investment, strategy, and M&A, having worked in senior roles for UBS, Nomura, Lehman Brothers and Morgan Stanley. William's biography can be found on page 93.

On 12 December 2022, the Company announced a 10-year strategic partnership with Microsoft. As part of the partnership, it was agreed that Scott Guthrie, Microsoft's Executive Vice President, Cloud and AI Group, would be appointed to the Board as a Non-Executive Director. Scott joined the Board on 1 February 2023. Scott brings a wealth of experience in technology, gained over a 25-year career at Microsoft, which will help the Company navigate its journey to the cloud and with other technological advances. Scott's appointment will also strengthen the partnership between the Company and Microsoft, which, from 30 January 2023, holds a 4.2% equity stake in the Company. A shortlist of proposed candidates were interviewed by the Chairman. Based on Scott's skills, experience and track record as a senior leader at Microsoft, the Nomination Committee made a recommendation to the Board for Scott's appointment, which was subsequently approved.

Executive Committee succession planning

During the year, the Committee, with the Group Chief Executive Officer, discussed the succession plans for the CEO and the Executive Committee including ensuring there was the appropriate mix of skills, experience and diversity, as well as seeking to ensure a pipeline of talent for executive succession. As described in the Executive management team section on pages 8 and 9, Andrea Remyn Stone stepped down from her role as Group Head, Data & Analytics in June. David Schwimmer agreed to lead the Data & Analytics division until a successor is identified.

In October 2022, it was announced that Tim Jones, Chief People Officer, would leave the Group in Q1 2023. Erica Bourne has been appointed as Chief People Officer with effect from January 2023. Erica joins us from Burberry Group where she spent the last four years leading the People function.

The Group Executive Committee is formed of individuals from a diverse range of backgrounds. 40% of the Executive Committee members are female, and the Group is committed to seeking broader diversity in our leadership with the aim of having more representation from different ethnic and other backgrounds. The Group committed to ethnic diversity representation at 20% by the end of 2023 and 25% by the end of 2025 for senior leadership.

The names and biographies for the Group Executive Committee can be found on page 9 of this report.

Time commitment

The Committee reviews the time commitments of the Directors and approves any significant external appointments being undertaken by the Directors. During the year, the Committee reviewed the additional external appointments of myself, Kathleen DeRose and Cressida Hogg. The Committee and/or the Board agreed that the proposed appointments at Keywords Studios plc, Experian plc and BAE Systems plc, respectively, would not create any material conflict of interest, and all Directors had confirmed that they would have sufficient time to undertake these new roles in addition to existing commitments.

Board effectiveness

The results of the 2022 Board effectiveness review are described on pages 97. Ensuring the skills and experience on the Board were of the appropriate mix was a focus for 2022, and this is reflected in the work of the Nomination Committee. This year's results and agreed areas of focus for the Board are described on pages 97 and 98. The Board will ensure that these focus areas are acted on to further improve Board performance.

Diversity & Inclusion

The Board's membership reflects a wide range of skills and business experience, drawn from a number of industries, which is critical for bringing both the expertise required and to enable different perspectives to be brought to Board discussions. The combination of these factors means that the Board benefits from a diverse range of competencies, perspectives, and thoughts, providing an ability to challenge on strategic issues and a dynamic environment for decision-making.

This year, the Board reviewed and approved an updated Board Diversity Policy which outlines the importance of diversity of gender, social and ethnic backgrounds, and of cognitive and personal strengths to the Board. The Policy is available on the Group website at https://www.lseg.com/en/about-us/corporate-governance. At the end of 2022, female representation on the Board was over 40%. The Board is also pleased to confirm that it has met the Parker Review recommendations, and includes two directors from minority ethnic backgrounds. Our CFO and Senior Independent Director, who were appointed into those roles in November 2020 and August 2021, respectively, are both women. The Board will continue to seek to ensure that these goals are met in the longer term.

Appointments and succession plans are based on merit and objective criteria. Other than appointments covered under the Relationship Agreement and the partnership with Microsoft, the Company uses external search consultancies when making appointments to key positions. These firms are required to provide a diverse list of candidates for senior roles. In particular, the Board's succession and appointment approach aims to secure balanced and diverse shortlists for new appointments.

The Group was an early signatory of HM Treasury's Women in Finance Charter in the UK and sought to meet the stretch goal of reaching 40% female representation in our senior leadership population by the end of 2022, which we have met. We also set ourselves a goal of 20% of senior leaders from racial and ethnic diversity groups by the end of 2023, and 25% by the end of 2025, which we are making progress towards.

In 2022, we expanded the population measured by diversity goals to the next level of leadership which is defined as our Group Directors. We are working towards 40% women in Group Director roles by the end of 2027 and 25% underrepresented groups in Group Director roles by the end of 2027. In 2023, we are working on providing more clarity around our ethnicity disclosures to ensure our goals are representative of our growing employee and customer base and are useful measures of our progress.

LSEG is a Valuable 500 Iconic Leader company, a collective of 500 CEOs and their companies, innovating together for disability inclusion.

For further information on senior leadership gender and ethnicity representation please see our culture section on page 60.

2023 areas of focus

The priorities set by the Committee for 2023 are:

1. Continue to ensure a diverse talent pipeline
2. Review succession plans for Non-Executive Directors to ensure that future changes are appropriately managed to avoid several Directors stepping down in quick succession
3. Continue to keep Executive Committee succession planning under review

Committee effectiveness

The Committee's effectiveness was assessed as part of the 2022 Board and Committee effectiveness review, facilitated externally by Jan Hall of No 4. Further details can be found in the Governance section of this report on page 97. The result of the review was that the Committee is performing well and operating effectively.

Board appointments: use of external search consultants

An external search consultancy, MWM Consulting, supported the Board on the appointment of William Vereker. MWM Consulting does not have any additional connection with LSEG. The Company did not use an external search consultancy for the appointment of Scott Guthrie as he is a representative of Microsoft Corporation.

Don Robert
Chair
14 March 2023

Goal achieved for women in senior leadership roles 2022

40%

Report of the Audit Committee

> This year the Committee led a comprehensive external audit tender process, reviewed the progress on further strengthening the Internal Audit function and assessed the Group's preparation for the UK's upcoming Audit and Corporate Governance reform

Dominic Blakemore
Chair of the Audit Committee

Committee role and responsibilities

The Audit Committee assists the Board in overseeing and monitoring financial reporting (including climate-related financial disclosures), internal controls systems and risk management systems.

The key responsibilities of the Committee are:
- Monitoring the integrity of the financial statements
- Reviewing significant financial reporting matters and accounting policies
- Assessing the effectiveness of the Group's internal control and risk management systems (along with the Risk Committee)
- Monitoring and reviewing the effectiveness of the Group's Internal Audit function, including its scope of work and findings, and ensuring that it has adequate resources and appropriate access to information to perform its duties effectively and independently from executive management
- Overseeing the relationship with the external auditor, including monitoring their objectivity and independence, approving the annual audit plan and reviewing external audit findings
- Approving the external audit fees, monitoring non-audit fees paid to the external auditor and ensuring that the external audit is put out to tender on a periodic basis

Further details on the functions and responsibilities of the Committee can be found in the Committee's terms of reference which are reviewed annually and are available from the Group Company Secretary or in the corporate governance section of the Group's website at: www.lseg.com/en/about-us/corporate-governance.

This report considers how the Committee has fulfilled its responsibilities during the year.

Committee membership and attendance

The Committee comprises four (2021: four) independent Non-Executive Directors. Tsega Gebreyes was appointed as a Committee member on 3 October 2022, whilst Jacques Aigrain left the Committee and the Board on 27 April 2022. All other Committee members have been in place for the full year. There were four meetings of the Committee during the year.

The skills and experience of each Committee member are provided in the Board of Directors section on pages 90 to 93. The UK Corporate Governance Code (the Code) requires that at least one member of the Committee should have recent and relevant financial experience and that members shall have competence relevant to the sector in which the company operates. The Committee members have a wide range of experience. The Chair of the Committee, Dominic Blakemore, is a qualified chartered accountant with a career in a variety of senior finance roles. The Chairs of the Audit and Risk Committees each sit on both Committees, which makes sure that issues relevant to both Committees are identified and managed.

The Committee's effectiveness was assessed as part of the 2022 Board effectiveness review. More details on the Committee's effectiveness review can be found in the Governance section of this report on pages 97 and 98.

The Group Chair, Group Chief Executive Officer, Group Chief Financial Officer, Group Financial Controller, Group Chief Risk Officer, Group Chief Internal Auditor, and representatives of the external auditor, EY LLP (EY), are all regular attendees at Committee meetings. Other members of management may also be invited to present specific matters. The Group Company Secretary is the Secretary to the Committee.

In addition to formal meetings, the Chair of the Committee and some Committee members met with senior management during the year. The Chair of the Committee also meets separately with the external auditor, as required, ahead of each meeting.

Activities during the year

Below we set out the main work undertaken by the Audit Committee covering:

1. Financial reporting
2. Internal controls, internal audit and risk management
3. Oversight of the external auditor
4. Other activities in the year

1. Financial reporting

Significant accounting judgements, estimates and assumptions and matters related to the financial statements

The Committee reviewed, discussed, and approved the half-year and full-year financial results, significant accounting judgements and estimates, and the adequacy of disclosures. These are set out below, the first four of which are also identified as key audit matters by the external auditor.

Matter considered	How the Committee addressed the matter
Acquisitions of GDC, MayStreet, TORA and Quantile During 2022, the Group completed four material acquisitions. This required the valuation of acquired tangible and intangible assets, including customer relationships, trade names and goodwill. The fair value of acquired intangible assets and resulting goodwill recognised on acquisition are subject to significant estimates of: — Future performance of the acquired business (e.g. forecast revenue, expected revenue attrition, forecast operating margin) — Any contributory assets charges — Rate of return required to determine an appropriate discount rate (in order to calculate the net present value of the assets acquired)	The Committee reviewed the acquisition accounting for each material acquisition, including: — Determination of the consideration paid — Assessment of arrangements for any contingent payments — Identification and valuation of acquired net assets with a particular focus on acquired intangible assets — Assessment of the resulting goodwill — Alignment of accounting policies to LSEG The Committee satisfied itself that goodwill and purchased intangibles had been recognised appropriately. See note 12 to the **financial statements** on pages 186 to 189.
Impairment assessment of goodwill and acquired intangibles The Group carries significant amounts of goodwill and acquired intangible assets on its balance sheet. In line with IAS 36 Impairment of Assets, these are assessed for impairment: — Annually for goodwill allocated to the Group's cash-generating units (CGUs) — When there are indicators of impairment of acquired intangible assets Impairment tests are based on value-in-use calculations which require significant estimates over: — Future performance — Growth rates — Discount rates	The Committee considered the approach and methodology to performing the detailed annual goodwill impairment assessment as well as the indicators of impairment of other purchased intangible assets. This included reviewing key assumptions: — Cash flow expectations — Short- and long-term growth rates — Discount rates used for the Group's cost of capital Given the significant changes in inflation and interest rates during the year, the Committee was particularly focused on the growth rate assumptions and the discount rates used and approved a revised methodology for considering the growth profile of the CGUs. The Committee also recommended the inclusion of additional sensitivity analysis in the Annual Report and Accounts. See note 14 to the financial statements on pages 191 to 195 for details of the impairment review.
Capitalisation and subsequent impairment of internally developed software The Group continues to develop and capitalise significant levels of software. The capitalisation of software development costs involves management judgement against criteria set in IAS 38 Intangible Assets.	The Committee reviewed the methodology used to capitalise software development costs and satisfied itself that it was adequate and in conformity with IFRS. The Committee also considered possible indicators of impairment for significant internally developed software. The Group recognised an £11 million impairment charge in relation to software assets.
Revenue recognition The Group generates revenue from a variety of sources that are material in size and volume. Judgements are applied to the timing of revenue recognition and year-end revenue accruals, particularly across Refinitiv subscription revenues, Capital Markets trading fees and FTSE Russell revenue accruals.	The Committee was satisfied that sufficient analysis had been performed in this area to conclude that revenue has been recognised appropriately and that there is no evidence that any manipulation of revenues has taken place. The Committee also reviewed the significance of judgements applied and assessed any necessary disclosure requirements. It was concluded that no judgement on revenue recognition required individual disclosure in the Annual Report and Accounts.

Matter considered	How the Committee addressed the matter
Disposal of BETA On 1 July 2022, the Group sold BETA for a total cash consideration of $1.1 billion (£0.9 billion), realising a profit on disposal of £0.5 billion. The calculated gain on disposal is dependent on the identification and measurement of the net assets disposed. In addition, BETA was deemed to be a discontinued operation as it represented a separate major line of business. Its results have therefore been excluded from the continuing results of the Group.	The Committee considered and endorsed the treatment of BETA as a discontinued operation within the Group's results. In addition, the Committee reviewed the calculation of the gain on disposal. See note 13 to the **financial statements** on pages 189 to 191.
Uncertain tax positions The Group is subject to taxation in the many countries in which it operates. There are five main ongoing tax assessments for which the Group has used guidance under IFRIC 23 Uncertainty over Income Tax Treatments to determine the possible outcomes, and any related obligations, and to assign a probability to each of those outcomes: — EU State Aid — US Internal Revenue Service (IRS) Audit — Russian tax audit — Valuation of certain Refinitiv intellectual property — Diverted Profits Tax to Thomson Reuters	The Committee reviewed the main areas at each Committee meeting with a particular focus on the in-year developments below. — **EU State Aid:** The Committee discussed the Group's appeal to the EU Court of Justice to set aside the EU General Court's judgement in June 2022 in respect of petitions to annul the EU Commission's findings in 2019 that the UK had breached EU State Aid rules with regards to its CFC exemption known as the Finance Company Partial Exemption. — **IRS Audit:** The Committee has assessed the financial reporting implications of the Group's ongoing discussions with the IRS in relation to the funding structure within its US subsidiaries. — **Russian tax audit:** The Committee discussed the audit by the Russian Tax Authorities for the period 2018-2020, which could result in additional taxes being paid locally. The Audit Committee determined that the provisions and disclosure for these matters are appropriate. See note 8 to the **financial statements** on pages 179 to 182 for details of the uncertain tax positions.
Non-underlying items/alternative performance measures The Group separately identifies results before non-underlying items (these are referred to as "adjusted"). The Group uses its judgement to classify items as non-underlying (see note 6 to the financial statements).	The Committee discussed and agreed on the classification of non-underlying items in the financial statements for the year, which the Committee acknowledges is a significant judgement in the financial statements. In particular, the Committee discussed the nature and amounts of: — Transaction costs — Integration costs — Restructuring costs — Amortisation of purchased intangibles, mainly linked to the acquisition of Refinitiv in 2021 — Gain on and costs associated with the disposal of BETA The Committee discussed the quality of earnings in relation to the Group's adjusted operating profit. The Committee approved a policy change for an increase in the materiality threshold for non-underlying items, to be enacted for 2023. See note 6 to the financial statements on pages 177 and 178.

2. Internal controls, internal audit and risk management
The Committee continued to exercise disciplined oversight of the effectiveness of the Group's internal controls and Internal Audit function, in line with principles of the Code. It fulfilled its responsibilities by reviewing and discussing regular reports from management, the external auditor and the Internal Audit function including:
— Reports on compliance with the Code – internal controls (including whistleblowing)
— Reports on the Group's plan to comply with the UK Government's Audit and Corporate Governance reform
— Two progress updates on the programme to create a single financial control framework
— Quarterly updates on internal audit delivery
— Regular updates on improvements to the Internal Audit function
— An annual report on the effectiveness of the Internal Audit function at the first Committee meeting of the year
— The external audit management letter from EY. The letter highlighted areas for improvement which were noted by the Committee for follow-up

During the year, the Committee received an update on the Internal Audit function, which included:
— The development of a refreshed target operating model to reflect the enlarged business and global footprint. The Committee endorsed the approach for building out the global audit function
— Internal Audit's balanced scorecard
— The Results of Quality Assurance activities undertaken during the year

Impact of acquisitions and disposals on the risk landscape
As a result of the acquisitions and disposals throughout the year, the internal audit universe was updated to reflect the changed organisation. As part of annual planning, an inherent risk assessment was undertaken which, alongside regulatory requirements for internal audit work, guided the audit plan for 2022 and, similarly, the plan for 2023. Management is undertaking significant work to ensure that the risk landscape is fully understood and that appropriate controls are in place to mitigate risk to within the firm's stated risk appetite over time. This work will be supported by the Risk function and by Internal Audit, both of whom are building out resources to support the necessary oversight and assurance.

As regards the work of Internal Audit, the Committee:
— Approved changes to the audit plan throughout the year and confirmed its support for the coverage model that provides the independent assurance plan
— Approved the 2023 internal audit plan, internal audit budget and resources for the Internal Audit function
— Reviewed the annual Internal Audit Opinion as well as themes/root cause analysis arising from audit work performed
— Satisfied itself that management is closing actions within reasonable timeframes
— Noted Internal Audit's consideration of fraud risk in the annual work programme
— Received an update on the enhancements being made to the Speak-Up and whistleblowing protocols

The Committee undertook its annual review of, and approved, the Internal Audit Charter.

The Internal Audit External Quality Assessment in February 2022, performed by Deloitte LLP, concluded that LSEG Internal Audit demonstrates general conformance (the highest rating) with relevant standards and other criteria. The Assessment noted that there are areas upon which Internal Audit should continue to focus. The Internal Audit function developed an action plan to address these improvement points. Actions are being completed in line with anticipated timescales.

The Committee obtained additional comfort by meeting with the Group Chief Internal Auditor at each Committee meeting without executive management present.

The activities of the Committee relating to internal controls enabled it to satisfy itself that the Internal Audit function is independent, objective and adequately staffed to perform its duties. In addition, the Committee assessed the effectiveness of the Internal Audit function throughout the year using qualitative and quantitative indicators including:
— Completeness of the audit plan
— Results of Quality Assurance activity over audit work (updated at least once a year)
— Quality of the audit reports and the issues raised
— Root cause insights on the issues raised and feedback from executive management on specific audits
— Key performance indicators such as the distribution of audit ratings, percentage of past due actions and percentage of self-identified issues

The Committee concluded that the Internal Audit function is both independent and effective, in line with principle M of the Code. In addition, the Committee (in conjunction with the Risk Committee) relied on this assurance process throughout the year to recommend to the Board that it could report to shareholders on the effectiveness of the Group's internal control system and risk management systems. This assurance satisfies principle O of the Code. The Board statement can be found on page 99.

3. Oversight of the external auditor
The Committee approved the EY audit plan, the methodology used, the scope of the audit, the risks, and areas of focus as well as the materiality threshold for the Group and the threshold for reporting unadjusted differences.

The Committee assessed the effectiveness of the external audit process including the independence and quality of the Group's external auditor (EY) throughout the year in accordance with principle M of the Code. The Committee relied on its own judgement supported by the following evidence:
— A report from management on its own evaluation of the effectiveness of the external auditor
— Reports from EY on the status of their 2022 plan and the results of their work, as well as EY's own assessment of their independence. The external auditor's reports were discussed at each Committee meeting and their views and opinions used to challenge decisions by the Group
— The separate meetings held with EY at each Committee meeting without management being present
— The FRC's 2021/22 Audit Quality Inspection results

In considering the independence of the external auditor, the Committee was made aware of three non-audit tax advisory services which were provided to certain entities within the Group by Deloitte USA, which audited one of the Group's subsidiaries. It was concluded that these services were prohibited under the FRC's Ethical Standard. EY placed reliance on the work performed by this component audit firm.

The Committee reviewed the services provided and the additional audit procedures performed by EY and concluded that the provision of the services did not call into question the independence of the work performed by the auditors. Appropriate safeguards were in place to ensure that individuals who performed the services were not part of the audit teams. Additional reviews of the component auditors' work did not identify any other areas concerning the independence of the audit.

Based on all evidence presented, the Committee satisfied itself that the external audit has been conducted independently and effectively with the appropriate rigour and level of testing.

EY were appointed as the Group's external auditor in 2014. The lead audit partner and other key partners identified are required to rotate every five years. Other partners are required to rotate every seven years. In light of the additional scale and complexity of the Group following the acquisition of Refinitiv, Simon Michaelson was appointed as lead audit partner during the year.

Audit tender

Legislation requires that public companies undertake a tender process for external audit services every ten years. EY were appointed as our auditors in 2014, meaning we have to undertake a tender process ahead of our 2024 financial year. We decided to do this in the first half of 2022 to provide enough time for an orderly transition in the event we changed auditor.

The audit tender process was led by the Audit Committee Chair, supported by a steering committee made up of Audit Committee members and senior management. As well as consulting FRC and other guidance, we asked our main institutional shareholders for input and held discussions with companies that had gone through an audit tender themselves.

Six firms were invited to participate, of which two were audit firms outside of the 'Big Four'. Three of the six firms declined to participate and one further firm was deselected early in the process. The formal process included:

— An extensive selection process (including obtaining references) for the proposed Lead Audit Partners
— More than 40 meetings between the firms and management
— A number of meetings with, and formal presentations to, the Audit Committee
— An assessment of the FRC's Annual Audit Quality Inspection Results
— A scorecard across a range of criteria with results from more than 20 individuals

Firms were assessed over a number of areas including:

— Depth and breadth of capabilities
— Understanding of business and audit risks
— Audit quality
— Culture and people development
— Independence

Having considered the scoring criteria, key factors, input and observations from the Selection Committee and the presentations themselves, the Audit Committee recommended to the Board that Deloitte LLP be appointed as the Group's external auditor for the financial period ending 31 December 2024. This will be subject to shareholder approval and confirmation that Deloitte can satisfactorily demonstrate its independence controls, particularly in light of the issue mentioned above. For the year ending 31 December 2023, the Committee has recommended to the Board that a resolution for the reappointment of EY as the Group's external auditor be proposed to shareholders at the AGM in April 2023.

Report on external auditor's fees and safeguards on non-audit services

The Committee has a policy governing the engagement of the external auditor to provide non-audit services, which is reviewed on an annual basis.

The policy prohibits certain activities from being undertaken by the external auditor such as: accounting/bookkeeping services; internal auditing; certain tax and payroll services; executive recruitment; remuneration services; and more generally any work which could compromise their independence. The policy also places restrictions on the employment of former employees of the external auditor.

Recognising that the external auditor may be best placed to undertake certain work, the policy permits the provision of certain audit-related services and certain non-audit services. During the year the policy was amended to allow approval for any audit and non-audit services below a £100k threshold to be delegated to the Group Chief Financial Officer. Any such approvals are then reported to the Audit Committee at the next meeting.

The Committee fully complied with the policy in the year. It reviewed each of the appointments on their merits and considered management's assessment of:

— The threats to independence and objectivity resulting from the provision of such services
— Whether other audit firms could undertake the work
— Whether there were any conflicts of interest for EY
— The quantum of non-audit fees in the context of the overall audit fee

A breakdown of audit and non-audit service fees paid and payable to the external auditor for the year ended 31 December 2022 is provided below and in note 29 to the financial statements.

Year ended 31 December	**2022 £m**	2021 £m
Services		
Audit of parent and consolidated financial statements	**6**	7
Audit of subsidiary companies	**7**	6
Non-audit services	**1**	1
Total	**14**	14

EY LLP provided non-audit services of £0.9 million; 7% of total fees (2021: £1.2 million; 8% of total fees). This comprised of audit-related assurance services of £0.7 million (2021: £0.8 million) and other non-audit services of £0.2 million (2021: £0.4 million).

In each case, the Committee concluded that the appointment of EY to perform certain services would not impair their independence and represented the most effective, secure, and efficient way of obtaining the necessary advice and services.

The Committee has complied with the relevant parts of the Competition and Markets Authority Final Order on the statutory audit market for the year ended 31 December 2022.

4. Other matters

Going concern and long-term financial viability statement

The Directors are required to assess whether it is appropriate to prepare the financial statements on a going concern basis and, in accordance with the Code, provide a statement on the Group's viability. At its meeting in February 2023, the Committee reviewed the Group's forecasts and projections, taking into account reasonably possible changes in trading performance. It confirmed that the going concern basis in preparing the financial statements continues to be appropriate. See page 147 of the Statement of Directors' responsibilities for the going concern statement. At the same meeting, the Committee also considered the Group's long-term viability with reference to the Group's current position and prospects, three-year business plan, risk appetite and the expected impact of severe but plausible downside scenarios on the business. See page 85 of the Strategic Report for the financial viability statement.

Fair, balanced, and understandable (FBU) reporting

In line with principle N of the Code, the Committee satisfied itself that the Annual Report is fair, balanced and understandable and has presented its conclusions to the Board. The Committee assessed drafts of the Annual Report including the financial statements and discussed with management the process undertaken to ensure that the relevant requirements were met. This process included:

— Independent reviews of the entire report by people not directly involved in preparing the report
— Extensive review and verification processes by the appropriate departments and senior managers to ensure the accuracy of the content
— Consideration of the balance of disclosure between positive and negative points on the Group's performance in the year

See page 147 of the Statement of Directors' responsibilities for the fair, balanced and understandable statement.

Audit and Corporate Governance reform

The Committee received a number of updates on how the Group is preparing for the UK Government's Audit and Corporate Governance reform. This included an assessment of the current financial control landscape and the steps to be taken to make sure that the Group develops a framework that is in line with leading companies.

The Committee reviewed the plans which include:

— Completing a fraud risk assessment
— Establishing governance and ownership of the Group's Audit and Assurance Policy
— The Group's enterprise risk management framework and Operational Resilience programmes
— A comprehensive financial risk assessment together with Design Effectiveness Assessments of key financial processes and controls
— Steps being taken to improve control training and risk-awareness

Sustainability and Climate Risk reporting

During the year, the Committee discussed the Group's disclosure requirements regarding sustainability and climate change. The Committee also reviewed the broader landscape for climate risk reporting and the Group's plans for ensuring it remains compliant with future changes, including the amendments to the Companies Act 2006 that will be required for the financial year ended 31 December 2023.

Whistleblowing investigations

The Group's whistleblowing policy provides a method of addressing concerns while at the same time offering whistleblowers protection from victimisation, harassment or disciplinary proceedings. During the year, the Committee continued to closely monitor the effectiveness and independence of the Speak-Up and whistleblowing arrangements of the Group.

Areas of focus in 2023

— Assessing the Group's readiness to comply with the UK Government's Audit and Corporate Governance reform and climate-related disclosure requirements
— Reviewing the Group's plan for implementing a leading Financial Control Framework
— Receiving early and continuous understanding of the impact of the Group's acquisitions and disposals on financial and tax accounting, and ensuring that the transactions are accurately represented in the Group's annual report and accounts
— Monitoring the Group's uncertain tax positions
— Continuing to assess the impact of developments in accounting standards
— Receiving assurance that the internal control and risk management environment remains robust
— Supporting the build-out of the Internal Audit function to enable timely execution of the annual audit plan

Dominic Blakemore
Chair of the Audit Committee
14 March 2023

Report of the Risk Committee

> Risk management is fundamental to the successful execution of our strategy and to the resilience of our operations. The Group continues to support its key markets and deliver stable and resilient services that meet our clients' needs. The Group's risk culture, objectives, appetite, governance and operations are well established, underpinning the whole organisation.

Kathleen DeRose
Chair of the Risk Committee

2022 priorities

In 2022, the Risk Committee continued to progress the established vision for the risk culture of the Group, and assessed the risk profile against the Group's risk appetite, as well as performing targeted reviews of the Group's key risks. This included:

- Reviewing emerging geopolitical risks, challenging scenario analysis and progress on remediations.
- Providing oversight on high focus topics such as cyber security, platform security, technology risk and operational resilience.
- Continuing to promote risk awareness and transparency through oversight of enhanced assessment and reporting.
- Reviewing and challenging all risks across the Group, including review of key incidents and remediation activities.
- Providing oversight on the embedding of Enterprise Risk Management Framework (ERMF) components.

Composition and meetings

The Committee comprises six independent Non-Executive Directors. The skills and experience of each Committee member are provided in the Board of Directors section on pages 90 to 93. Five of the six Committee members have been in place for more than a year. William Vereker was appointed as a Committee member on 3rd October 2022.

The Group Chair, Group Chief Executive, Group Chief Financial Officer, Group Chief Risk Officer (CRO), and Group Chief Internal Auditor are all standing attendees at Committee meetings. A member of the Company Secretariat is the Secretary to the Committee. In addition to the standing attendees, various other members of management are invited to present specific matters relevant to the Committee's remit.

The Board is satisfied that each member of the Committee has the skills and experience necessary for the Committee to effectively discharge its responsibilities. The Chairs of the Audit and Risk Committees each sit on both Committees, which ensures appropriate identification and management of issues relevant to both Committees.

During 2022, the Risk Committee held four regular meetings. In the ordinary course of business, the Committee regularly reviews the Group's risk profile, risk appetite, and emerging risks. The CRO also provides regular updates to the Chair throughout the year.

Purpose, responsibility, and terms of reference

The Committee has a role overseeing and advising the Board in relation to current and potential future risk exposures and risk profile; and in overseeing the effectiveness of risk management frameworks. The Committee reviews the risk profile of the Group, and its divisions, on a regular basis and comments on the adequacy of the processes in place to identify, manage, mitigate, and report on key risks. It advises the Board on the Group's overall risk appetite, tolerance, and strategy, and reviews the adequacy of the Enterprise Risk Management Framework and its application to decision-making.

The Committee sets the criteria for the accurate and timely reporting of material risks including regular reports on compliance for each regulated entity. As part of this mandate, the Committee also regularly reviews best practices for Enterprise Risk Management.

Further details on the functions and responsibilities of the Risk Committee can be found in the Committee's terms of reference which are reviewed annually and available from the Group Company Secretary, or in the corporate governance section of the Group's website at: www.lseg.com/en/about-us/corporate-governance.

Summary of the key areas of focus

During the year, the Committee focused on programmes to embed the Group risk management framework. The Committee paid particular attention to ensure that key activities supported the vision of the Group Risk function and enabled the fulfilment of the 2022 Group Strategic Objectives. This included embedding of the operational resilience framework, improving the technology environment and the ongoing development of the Group's risk culture and the framework for identifying and managing sustainability-related risks. Given the focus on Data & Analytics and Technology Risk, two deep dive sessions were held where executives updated the Risk Committee:

- Management highlighted the key risk considerations within the Data & Analytics business, focusing on the structural changes needed to address foundational management and oversight of wider operating plans.
- Management presented the Technology risk profile of the Group, detailing the progress in the last 12 months and prioritisation of the remediation activities.

In addition to the review and monitoring of the Group's risk profile, the Risk Committee's priorities are:

- Continue to oversee the embedding of the Enterprise Risk Management Framework across the Group and a strong risk culture.
- Continue to review and challenge the identification, management and mitigation of risks across the Group.
- Oversight of existing and new emerging risks through the geopolitical forecast and their impact on LSEG.
- Continue to provide oversight on developing and enhancing cyber security and operational resilience.

Activities of the Committee

The Committee establishes formal agendas covering all responsibilities delineated in the Committee's terms of reference. During the year, the Committee discharged these responsibilities with the following activities:

- Provided robust reviews of principal risks and of emerging risks with a focus in 2022 on:
  - Review and challenge of management's assessment of the Group's risk profile, across both financial and non-financial risk, as well as management's mitigating actions.
  - Review and challenge of the Group's financial and operational resilience, including the impact on the Group as a result of the Ukraine/Russia conflict and enhancements to the Group's technology resilience.
  - Monitoring of the cyber security framework and enhancement programmes with a focus on the risk event management approach across the Group.
  - Using key risk indicators to monitor whether risks are being managed within risk appetite.
  - Overseeing the adequacy of Group financial resources and monitoring of exposure limits.
  - Reviewing detailed reports of the risk profiles of the Group's material businesses.
  - Review and challenge of the Sustainability Risk Framework and key risks.
- Monitored compliance with the Group risk management procedures as described in the section on internal controls on page 99 which included:
  - Reviewing regulatory compliance reports and the actions in place to ensure ongoing compliance.
  - Reviewing the adequacy of the Group's Business Continuity Management plans including read across and lessons learned exercises.
  - Reviewing and recommending to the Board the Group Risk Appetite, including stress tests, and challenging the scenario results.

Risk management function

The CRO leads and oversees all aspects of risk management for the Group. He reports to the Chief Executive Officer, and also, to ensure independence, to the Chair of the Risk Committee. The Committee approves the CRO's remit and ensures that the CRO has the independence and resources necessary to perform his duty. Group management consults with the Committee on the appointment and dismissal of the Chief Risk Officer.

The Committee meets with the CRO without the presence of executive management at each Committee meeting.

2023 priorities

In 2023, the Committee's priorities include:

- Continued embedding of the Group's Operational Resilience Programme.
- Continued review and monitoring of potential impacts from macroeconomic and geopolitical events on the Group's strategy and business model.
- Enhancing further the approach to sustainability-related risks and associated risk processes.
- Continued focus on technology remediation and enhancement of the Cyber Security Framework.

Committee effectiveness

The Committee's effectiveness was assessed as part of the 2022 Board and Committee effectiveness review. Further details can be found in the Governance section of this report on pages 97 and 98. The result of the review was that the Committee is performing well and operating effectively.

Kathleen DeRose
Chair of the Risk Committee
14 March 2023

Directors' Remuneration Report

> Our remuneration arrangements provide strong alignment between executive pay and shareholders' long-term interests and continue to conform to evolving best practice in corporate governance. We will continue to ensure our policy focuses on securing, retaining and rewarding the best talent in a competitive global market.

Cressida Hogg
Chair of the Remuneration Committee

Contents

Remuneration Committee members (as at 31 December 2022)

	Meeting attendance
Cressida Hogg	4/4
Dr. Val Rahmani	4/4
Don Robert	4/4
William Vereker (appointed on 3 October 2022)	2/2

Purpose, responsibility and terms of reference

The Remuneration Committee is appointed by the Board and comprises the Chair and three independent Non-Executive Directors. The Committee's remit includes the remuneration of the Chair of the Group, Executive Directors and senior management, as well as overseeing arrangements for all of our people.

Details of the Committee's remit and activities are set out in this Report. The Committee has written terms of reference which are available from the Group Company Secretary or in the corporate governance section of our website at https://www.lseg.com/en/sustainability-strategy.

Areas of focus

The Committee focused on the following areas during a busy year:

- 2023 Remuneration Policy review
- 2022 remuneration outcomes and awards, including 2022 bonus, vesting of 2020 LTIP awards and granting of 2022 LTIP awards
- Remuneration approach for 2023, including the approach to 2023 bonus and 2023 LTIP awards, and review of Executive Director salaries and Non-Executive Director fees
- Succession planning
- Pay Equity Study of all LSEG's c.24,000 employees across 65 countries

Our Pay Equity Report can be found at: www.lseg.com/en/sustainability-strategy/disclosures-and-reports

STATEMENT BY THE CHAIR OF THE REMUNERATION COMMITTEE

On behalf of the Board, I am pleased to present the Directors' Remuneration Report for the financial year ended 31 December 2022, which includes our Remuneration Policy Report and the Annual Report on Remuneration.

Remuneration Policy

LSEG's Remuneration Policy was approved by shareholders at the 2020 AGM and is therefore up for renewal at the 2023 AGM. During the year, the Committee undertook a comprehensive review of the policy. Overall, we believe the policy is operating well and as intended, providing strong alignment between executive remuneration and shareholders' long-term interests, and continues to conform to evolving best practice in corporate governance.

LSEG completed the acquisition of Refinitiv in January 2021 and continues to exceed the three-year targets we set out at the time of the announcement. We are delivering at the top of the 5-7% income growth target range (excluding the impact of the Ukraine/Russia conflict); our revenue synergies target has been raised from initial guidance; we are delivering ahead of schedule on cost synergies; and adjusted EPS rose by 16.7%. We have also recently announced a new strategic partnership with Microsoft to develop LSEG's data infrastructure using the Microsoft Cloud and to jointly develop new products and services for data and analytics. The deal significantly accelerates our strategy towards becoming the world's leading financial markets infrastructure, data and analytics provider.

As we approach the end of the integration period for Refinitiv, and in light of the very early stage of the strategic partnership, the Committee has decided to retain the existing policy for a further year and present a new policy to shareholders in 2024. During 2023, the Committee will continue to review our executive remuneration arrangements to ensure they remain fit for purpose and aligned to our strategic direction. This policy will continue to focus on securing, retaining and rewarding the best talent in a competitive global market.

We engaged with our major shareholders and advisory bodies to gain their views and are grateful for the valuable feedback provided, as they understood the rationale for the Committee's approach.

ESG considerations

Our executives are incentivised to drive progress towards our ESG goals through achievement of our Group Strategic Objectives, comprising 40% of the annual bonus pool. For 2022, we introduced a greater level of focus on ESG in our strategic objectives, with one objective solely dedicated to sustainability. In addition, we have enhanced the disclosure around our performance outturn against strategic objectives.

Currently, given the nature of our business, we believe that progress towards our ESG goals is best delivered through the achievement of multiple strategic objectives that can be set annually according to business priorities. The Committee therefore believes that including ESG metrics within our annual bonus scheme is the most appropriate approach at this time and aligned to our strategic ambition. We will continue to review our ESG metrics and how we measure progress against these within our remuneration framework to ensure they are quantifiable and remain aligned to our strategy.

Performance in the year

In 2022, LSEG delivered a strong financial performance, with continued revenue growth across our businesses despite an uncertain macroeconomic environment and geopolitical turmoil. We continue to successfully execute on our multi-year integration of Refinitiv, which is proving transformational for the Group, and are well positioned for further growth.

Highlights:

- Delivered 6.6% income growth[1] (excluding Ukraine/Russia conflict impact) on a constant currency basis.
- Adjusted EPS rose by 16.7% reflecting the Group's strong cash generation.
- Delivered cost synergies ahead of schedule, with £297 million run-rate achieved by the end of 2022, exceeding target of £250 million.
- Delivered run-rate revenue synergies of £68 million by the end of 2022, exceeding stated forecasts of £40-60 million.
- Commenced a new strategic partnership with Microsoft which significantly accelerates our strategy.
- Completed the acquisitions of GDC, MayStreet and TORA within our D&A division, and Quantile within our Post Trade division.
- LSEG became the first global exchange group to publish its own Climate Transition Plan, which received the backing of 99% of our shareholders at our 2022 AGM.
- Launched London Stock Exchange's Voluntary Carbon Market, a market innovation which will scale capital flows into climate change mitigation and adaptation projects which create carbon credits.

2022 bonus outcomes for Executive Directors

Executive Directors are eligible to receive an annual bonus based on meeting or exceeding bonus targets that are set at the beginning of the year, looking at the Group's financial performance, strategic objectives and their personal contribution.

The Committee also receives input from the Risk Committee with regard to performance related to risk culture (awareness, transparency and accountability) when assessing remuneration decisions.

For FY2022 our Group AOP financial target was met and we have outperformed against our strategic objectives. Examples of significant achievements included exceeding our targets for growth and synergies and the delivery of our 40% women in senior leadership target by end of 2022.

As a result of the Group's strong performance and the individual contribution of the Executive Directors, the Committee determined that the Executive Directors will be awarded bonuses of between 62% and 64% of their maximum opportunity.

Impact of the Refinitiv transaction on in-flight 2020 LTIP awards

Given the materiality of the Refinitiv acquisition and its impact on the Group's underlying financial metrics, it was necessary to reconsider the calculation of the AEPS portion of the 2020 LTIP award. The Committee believes that performance for in-flight LTIP awards should be measured on a 'like-for-like' basis pre and post transaction and as such, it was considered necessary to adjust the AEPS target ranges. To accomplish this, the calculated actual AEPS growth was adjusted such that the impact on earnings of the acquisition of Refinitiv and the disposal of Borsa Italiana did not inappropriately affect the vesting.

1 Pro-forma total income excluding recoveries, constant currency growth rate excluding the deferred revenue adjustment.

To reflect the Committee's higher expectations regarding the future growth profile of the combined entity, the revised AEPS target for the 2020 LTIP combines a 6% to 12% CAGR range for the one year pre-acquisition with an increased range of 8% to 18% CAGR for the two years post-acquisition.

No changes have been made to the TSR targets.

2020 LTIP award outcomes

The AEPS element of the LTIP awards made in 2020 will vest at 100% and the TSR element will vest at 56%. These vesting outcomes reflect the delivery of significant value and reflects AEPS growth of 11% year on year and 19% CAGR over the three-year performance period; and 4.3% annualised TSR performance representing 4th decile performance relative to the UK FTSE 100 peer group.

The Committee reviewed LSEG's share price performance in determining the extent to which the 2020 LTIP award should vest and concluded that no windfall gains had occurred. At the time of the grant of the 2020 LTIP award our share price had returned to pre-pandemic levels.

Discretion in relation to incentive outcomes

The incentive outcomes above are reflective of overall Group financial and strategic performance, and the Committee determined that no discretion should be exercised to adjust the formulaic outcomes. In determining these outcomes, the Committee considered whether to adjust for the adverse financial impact of the Ukraine/Russia conflict in 2022. However, the diverse nature of LSEG's business, the strong performance demonstrated across our divisions throughout the year and revenue recovery initiatives have mitigated much of the income loss. No discretion has therefore been exercised.

LTIP awards to be made in 2023

The Committee has given careful attention to the AEPS element of the 2023 grant (60%) and, considering internal and external forecasts, has set the AEPS target at 6% to 11.5% CAGR, or 39% growth over the 3-year performance period. Given the materially higher AEPS baseline and considerable growth in the size of the Group, growth in AEPS CAGR will now deliver far more value to investors than previous targets based on a lower baseline. To achieve threshold vesting, in the region of £500m additional AOP would be required, incremental to 2022. To achieve maximum vesting, in excess of £1 billion of incremental AOP would be required, equivalent to incremental income in the region of £2.6 billion, relative to 2022.

For the TSR element (40%), the relative performance targets will continue to range from median to upper quartile versus the UK FTSE 100 Index.

Salary review for Executive Directors

During the year, the Committee conducted its annual review of the base salary levels of our Executive Directors.

Since Anna Manz joined the company in 2020, she has not received a salary increase. Last year, despite strong performance, we determined not to award an increase as Anna was only in the second year of her role. However, we signalled in our Directors' Remuneration Report in 2022, that we would commit to keeping her salary and total compensation under review alongside the continued success of the company and the delivery of goals related to the Refinitiv transaction.

Anna joined LSEG from a CFO role at a smaller company at an appropriate salary. Since she joined, LSEG has become a significantly larger, more international and complex business. The Refinitiv transaction completed in January 2021 and transformed the company in terms of global breadth, complexity, business diversification and size, and Anna has been key to the delivery of synergies ahead of schedule. LSEG has also continued to grow with the acquisitions of GDC, MayStreet, TORA and Quantile in 2022. This growth and transformation of the business has greatly increased the scope, responsibilities and complexity of the CFO role. In addition, Anna has been critical to the commencement of the strategic partnership with Microsoft and will continue to play a pivotal role in how this collaboration accelerates LSEG's growth and transformation plans.

She is now in her third year in the role and has consistently demonstrated strong performance and has made a meaningful impact at LSEG. Anna is a fully established and critical member of the management team and the Group has demonstrated strong revenue growth and a robust financial position.

Following a recent benchmarking exercise, it was clear to the Committee that Anna's salary and total compensation was significantly lower than her peers in the FTSE 30 and was below the lower quartile. The Board and Committee have a responsibility to retain the very best talent and are committed to pay equity; such a significant gap to market was considered inequitable.

Given the size, scope and complexity of the role, her strong performance and development since joining the Group, and the relative market positioning, the Committee has decided to award a 15% salary increase to £750,000, effective 1 January 2023. This is the first salary increase Anna has received since joining. Even after this increase, Anna's salary and total compensation will continue to be positioned below the median of the FTSE 30.

The Committee is mindful of the sensitivity to large increases in executive base pay levels, particularly in the context of current cost-of-living pressures and average salary increases across the wider workforce (9.15% cumulative for FY21-23 in the UK). However, we believe the implementation of the increase for the CFO is appropriate for the reasons described above. The Committee considered whether to commit to keeping the CFO's new salary unchanged for a certain time period but determined that it would be imprudent in light of the current uncertain macroeconomic climate and positioning relative to peers. Shareholders were consulted on the proposed increase and were broadly supportive given the underlying rationale.

No changes are proposed to the salary of the CEO. This will continue to be reviewed.

Operation of 2023 bonus

The FY2023 Group bonus pool will continue to be determined based on performance measures weighted 60% AOP and 40% strategic deliverables, including key Group initiatives as well as personal and divisional objectives. A high proportion of our strategic objectives continue to be linked to ESG.

50% of any bonus payment for Executive Directors will be paid in March 2024. The remaining 50% will be deferred into shares for a period of three years.

STATEMENT BY THE CHAIR OF THE REMUNERATION COMMITTEE CONTINUED

Wider workforce considerations

As a global company with significant numbers of staff across Europe, North America, and Asia, we have been mindful of inflationary pressures and the rising cost of living in many jurisdictions and have looked at how we can support our people. For Sri Lanka, Turkey, and Argentina in particular, these macroeconomic conditions have been exceptional. In these jurisdictions it was felt important to make several interventions to address these challenges, including exceptional off-cycle salary increases.

In our 2023 annual salary review we have targeted our salary spend so there are higher average increases for the most junior colleagues. The aggregate salary increase for all our Group Executives (3.2%) is less than that of the wider workforce (4.15% in the UK). Additionally, strong business performance has enabled the payment of an annual bonus for the 2022 performance year with over 76% of employees participating in the bonus plan.

During the year, 30% of eligible employees across 22 countries also participated in our employee share ownership plans, offering people around the globe the opportunity to invest and share in the Group's future success. No SharePurchase cycle has yet completed but 647 employees across 7 countries were able to benefit from Sharesave maturities in 2022 including share price appreciation of 84%, reflecting the Group's performance over the previous three years.

LSEG is also a Living Wage accredited employer and a range of benefits are provided to support employee wellbeing, including: access to a 24/7 Employee Assistance Programme, financial education tools and advice, pension and health insurance provision.

Summary of key executive remuneration decisions

Role		Chief Executive Officer	Chief Financial Officer
Name		David Schwimmer	Anna Manz
Previous salary (with effect from 1 April 2022)		£1,000,000	£650,000
Annual salary (with effect from 1 January 2023)		£1,000,000	£750,000
Bonus for financial year ending 31 December 2022	% of salary	143% of salary	123% of salary
	% of maximum	64%	62%
	£ total amount	£1,433,250	£802,100
	Of which 50% is deferred[1]	£716,625	£401,050
Max. annual bonus opportunity (% of salary)		225%	200%
2023 LTIP award (subject to performance)		300% of salary	300% of salary

Notes:
1 Executive Directors must compulsorily defer 50% of bonus into shares for a period of three years.

Committee effectiveness

The Committee's effectiveness was assessed as part of the 2022 Board and Committee effectiveness review, facilitated externally. Further details can be found in the Governance section of this report on pages 97 and 98. The result of the review was that the Committee is performing well and operating effectively.

Concluding remarks

The intent of this statement and the wider Director's Remuneration Report is to explain the Group's approach to remuneration, which takes into account best practice and market trends in the financial services sector and wider market while continuing to support the commercial needs of the Group and the interests of shareholders and of all other stakeholders.

The Remuneration Committee continues to place great importance on ensuring that there is a clear link between pay and performance, including a focus on culture and adherence to the Group's risk framework, and that our remuneration outcomes are reflective of this wider context.

I would like to thank my fellow Committee members and all internal and external stakeholders who have provided valuable input during this year for the Group. We look forward to your support of our current proposals at the forthcoming AGM.

Cressida Hogg
Chair of the Remuneration Committee
14 March 2023

This report has been prepared in accordance with Schedule 8 to The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended), and the relevant sections of the Listing Rules.

REMUNERATION AT A GLANCE

Alignment of executive remuneration with the wider workforce

The Committee has responsibility for overseeing arrangements for all of our people and reviews broader workforce policies and practices in order to support decisions on executive pay. Our single aligned global reward framework was developed to help unify our Group and is based on the following principles: (i) Performance-led; (ii) Competitive; (iii) Transparent and Equitable; and (iv) Inclusive and Consistent.

	Executive Directors	Group Executives	Group Leaders	Group Directors	Wider Workforce
Salary/fees	Salaries are normally reviewed annually by taking into account a range of factors. Reflective of individual roles, job-related knowledge, skills, commensurate experience, and the wider market.				
Benefits	A market aligned benefits plan is offered in each key country in which we operate. For the UK, a flexible benefits plan is offered, in which individuals have certain core benefits (such as private medical, life assurance and income protection) together with a cash allowance which can be spent on elective benefits (such as additional medical, life or dental cover).				
Pension	Colleagues receive an annual pension allowance, invested in the Company's defined contribution plan or taken as a cash allowance. Pension contributions for Executive Directors are in line with the wider workforce.				
Annual bonus	Annual performance-related bonus based on Group, divisional (where applicable) and personal performance against goals.				
Deferral	50% into shares for a period of three years.		50% into shares if the award is more than £150,000. Vesting in equal tranches over three years.		
Share incentive plans	LTIP awards are granted to senior leaders who have the ability to significantly influence the long-term performance of the Group. Subject to stretching performance targets over three years.			Eligible for Restricted Share Awards aligned with long-term company performance and shareholder interests. Vesting in equal tranches over three years.	
Holding period	Additional two-year holding period post-vesting applies to Executive Directors.				
Shareholding requirement	Minimum shareholding requirement (MSR) of 4x base salary for the CEO and 3x base salary for the CFO, to be built up within five years of appointment. Executive Directors are also required to hold the lower of their actual shareholding and 100% of their MSR for two years post-departure.	Minimum shareholding requirement of 2x base salary for the Group Executive team, to be built up within five years of appointment.			
Malus and clawback	Awards are subject to malus and clawback provisions (e.g. in cases of material misstatement. gross misconduct, misbehaviour or material failure of risk management) with judgement applied by the Committee.				
LSEG Employee Share Plan	Our Employee Share Plans offer employees around the globe the opportunity to invest and share in the Group's future success. All permanent UK employees are eligible to participate in the Sharesave plan. There is also a SharePurchase Plan, which is designed to provide share options to employees who are not based in the UK.				

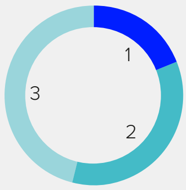
REMUNERATION AT A GLANCE CONTINUED

Elements of remuneration

Fixed vs performance based

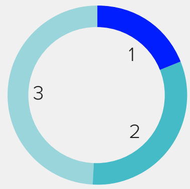
The majority of the remuneration package of our executives is performance-based and subject to stretching performance targets.

Chief Executive Officer



Fixed 19%
1 Salary, pension and benefits
Performance-based 81%
2 Annual Bonus (of which 50% deferred into shares) 35%
3 LTIP 46%

Chief Financial Officer



Fixed 19%
1 Salary, pension and benefits
Performance-based 81%
2 Annual Bonus (of which 50% deferred into shares) 32%
3 LTIP 49%

* Illustrative example based on 'Maximum' scenario of the application of the remuneration policy shown on page 126.

2022 remuneration outcomes

FY2022 Group Bonus Pool Outcome

Performance measure	Threshold	Target	Maximum	Weighting	Outcome achieved
Group AOP	£2,299m	£2,503m	£2,937m	60%	30%
		Actual: £2,503m			
Strategic Objectives	10%	20%	40%	40%	31%
			Actual: 31%		
Total				100%	61%

Group AOP is measured using budget exchange rates on a constant currency basis.

2020 LTIP Award Outcomes

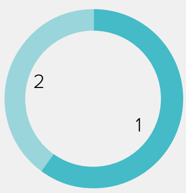
Performance measure	Threshold	Maximum	Weighting	Outcome achieved
Average adjusted EPS growth	7.3%	16%	60%	60%
		Actual: 19%		
Relative TSR growth	Median ranking	Upper quartile ranking	40%	22%
	Actual: Ranked 40th			
Total			100%	82%

Operation of 2023 incentive plans and alignment to strategy

The performance measures used in our incentives are directly aligned to the Group's KPIs and strategic priorities.

FY2023 Group Bonus Pool

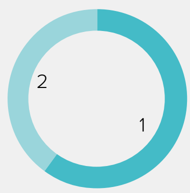
AOP is a key profitability measure for the Group and continues to be the main financial measure for annual bonus plan purposes. The non-financial element is focused on the delivery of key strategic objectives, including ESG goals.



1 Based on Group Adjusted Operating Profit (AOP) performance 60%
2 Based on Group Strategic Objectives 40%

2023 LTIP

The AEPS and TSR measures used for the LTIP are well aligned to our strategy of driving growth and delivering shareholder value over the longer term and ensure a balance of absolute and relative measures.



1 Based on average adjusted EPS growth 60%
2 Based on relative TSR growth 40%

REMUNERATION POLICY REPORT

Our Remuneration Policy was last subject to a binding shareholder vote at the 2020 AGM and was passed with 96.2% support. The current policy has provided strong alignment between executive remuneration and shareholders' long-term interests and continues to conform to evolving best practice in corporate governance.

LSEG completed the acquisition of Refinitiv in January 2021 and continues to exceed the three-year targets we set out at the time of the announcement. We have also recently announced a new strategic partnership with Microsoft which significantly accelerates our strategy towards becoming the world's leading financial markets infrastructure, data and analytics provider. As we are approaching the end of the integration period for Refinitiv, and in light of the very early stage of our strategic partnership with Microsoft, we are not proposing any changes to our policy at this time, save for the minor amendment listed below. This Remuneration Policy Report therefore represents a rollover of our existing policy and will be presented for shareholder approval at our 2023 AGM.

During 2023, the Committee will continue to review our executive remuneration arrangements to ensure they remain fit for purpose and aligned to our strategic direction with the intention of presenting a new policy to shareholders at the 2024 AGM.

Remuneration Policy table

The policy is set out in the following table and includes the following minor change to our existing policy:
— Updates to the treatment of outstanding variable incentives for good leavers to enable compliance with local law requirements (including tax law), where necessary.

The Remuneration Policy is designed to support the long-term interests of the Group. The Group is committed to paying for performance, rewarding the senior management team only when its goals are achieved. Each year the remuneration framework and the packages of the Executive Directors and members of the Executive Committee are reviewed by the Committee to ensure that they continue to achieve this objective.

The Committee takes into account multiple reference points when setting pay including companies in the FTSE 100, the broader Financial Services sector and other international exchange groups and financial markets infrastructure companies.

The Committee takes the following areas into account when reviewing the policy:
— A focus on shareholder value.
— The continued global expansion of the Group.
— The need to attract and retain senior management from the international finance, data and technology sectors.
— Corporate governance developments.
— Remuneration arrangements for the wider workforce.
— The Group's intent to be mindful of best practice as expressed by institutional shareholders and their representative bodies.
— The unique position of the Group at the centre of global financial markets.

The principles prescribed by the UK Corporate Governance Code are taken into account by the Committee in determining the Remuneration Policy. Details of how these are addressed are provided below.

Principle	How the Committee has addressed the principles
Clarity	— The Committee is satisfied that the remuneration arrangements in the policy are transparent, comprising elements that are commonplace in the market and best practice remuneration provisions. — The Committee is committed to transparent and constructive engagement with all its stakeholders and consults with major shareholders and investor bodies to ensure the rationale for any significant changes proposed to the operation of the policy are fully understood and provide the opportunity for feedback to inform our decision-making process.
Simplicity	— The operation of the Annual Bonus and LTIP is well understood by stakeholders and aligned to Company strategy and UK market best practice.
Risk	— The Committee is satisfied that the policy ensures that the risks from excessive rewards and target-based incentive plans are mitigated by: — Setting defined limits on the maximum awards which can be earned. — Requiring the deferral of a substantial proportion of the incentives into shares for a material period of time. — Aligning the performance conditions of incentives with the strategy and business model of the Company. — Ensuring the Committee has overriding discretion to depart from formulaic outcomes and the ability to apply malus and clawback to incentives where appropriate. — The Committee also receives input from the Risk Committee with regard to performance related to risk culture (awareness, transparency and accountability) when assessing remuneration decisions.
Predictability	— Illustrations of the potential outcomes under the policy are provided on page 126. Defined limits on the maximum awards which can be earned are also disclosed on pages 121 and 122.
Proportionality	— The Company's performance-based remuneration is clearly linked to the implementation of the Company's strategy with key KPIs used as performance measures for incentive plans. — A robust target-setting process is carried out each year, taking into account internal and external forecasts, to ensure stretching yet achievable targets are set for incentive plans. — The Committee also has overriding discretion to adjust incentive outcomes based on a broad set of factors to ensure they fairly and accurately reflect the Company's performance over the relevant period and wider circumstances.
Alignment to culture	— The Group bonus pool assessment will continue to be based on the achievement of financial and strategic goals of the Group, including cultural and ESG objectives. — The Committee places great importance on ensuring our pay policies and incentives support the desired culture and behaviours of the Group. The individual scorecard implemented for our Group Executive team and Executive Directors provides the Committee with greater structure in determining the bonus of senior management. Within this scorecard there is a greater proportion assessing cultural objectives and behavioural performance, including 360° feedback, to allow for a stronger emphasis on how the individuals achieved their targets. — All awards are discretionary and contingent on the requisite standards of personal behaviours; poor behaviour/risk management could result in a zero bonus.

REMUNERATION POLICY REPORT CONTINUED

The Committee recognises and manages any conflict of interest when receiving views from Executive Directors or senior management on executive remuneration and no individual is involved in deciding their own remuneration.

Policy table for Executive Directors

Salary	Benefits
Purpose and link to strategy Provides a core element of remuneration which reflects the responsibilities of the role. Enables the recruitment and retention of individuals of the calibre required to execute the Group's strategy.	**Purpose and link to strategy** Provide local market competitive benefits and support the wellbeing of our people.
Operation Base salaries are normally reviewed annually by taking into account a range of factors, including: — Size and scope of the role. — Size, complexity and global breadth of the organisation. — Skills and experience of the individual. — Market competitiveness/relative positioning. — Performance of the Group and of the individual. — Wider market and economic conditions. — Level of increases being made across the Group.	**Operation** A market aligned benefits plan is offered in each key country in which we operate. For the UK, a flexible benefits plan is offered, in which individuals have certain core benefits (such as private medical, life assurance and income protection) together with a taxable cash allowance which can be spent on elective benefits (such as additional medical, life or dental cover). Car transportation may also be provided for Executive Directors where appropriate. Due to the high profile of the Group, the Committee reserves the right to provide our executives with the appropriate level of security arrangements to allow them to perform their duties in the safest possible conditions. Benefits are reviewed periodically to ensure they remain affordable and competitive. The Committee retains the discretion to provide reasonable additional benefits as appropriate – for example, relocation and other allowances including expatriate assistance, housing and school fees for a finite period, tax preparation and filing assistance and flights back to the home country for the Executive and their family. Repatriation costs are met by the Company if employment is terminated by the Company, other than for just cause. Where necessary any benefits may be grossed up for taxes. Executives are eligible to participate in the Group's HMRC tax-favoured Save As You Earn Option Scheme (or international equivalent) on the same basis as other employees. Executive Directors are covered by the Directors' and Officers' insurance and indemnification.
Maximum Opportunity There is no defined maximum salary. Increases are determined based on the factors described above. The Committee's normal approach is to initially consider increases within the range awarded to other employees. More significant increases may be awarded in certain circumstances, such as where there is a significant change in the scale, scope or responsibility of a role, where the organisation has undergone significant change, development within a role and/or significant market movement. The annual base salaries in FY2022 and for FY2023 for each Executive Director are set out in the Annual Report on Remuneration.	**Maximum Opportunity** There is no defined maximum. Benefits plans are set at (what are in the Committee's opinion) reasonable levels in order to be market competitive for their local jurisdiction and are dependent on individual circumstances. Participation in the Save As You Earn Option Scheme (or international equivalent) is capped at the same level as all other participants, which is determined by the Company within the parameters of applicable legislation.
Performance Measures n/a	**Performance Measures** n/a

Retirement Benefits	Annual Bonus
Purpose and link to strategy Provide Executive Directors with retirement benefits. Support recruitment and retention of high-calibre people.	**Purpose and link to strategy** Rewards annual performance against stretching financial, strategic and individual targets aligned to delivery of the Group's strategy. Deferral reinforces retention and enhances alignment with shareholders by encouraging longer-term focus and sustainable performance.
Operation Provision of annual pension allowance, invested in the Company's defined contribution plan or taken as a cash allowance. In certain jurisdictions, more bespoke pension arrangements may be provided. In such circumstances, the Committee will give appropriate consideration to local employment legislation, market practices and the cost of the arrangement.	**Operation** The Group operates a Group-wide bonus pool which is funded based on the achievement of financial and strategic goals of the Group. Allocations to individual Executive Directors are made from this pool based on the Committee's assessment of their individual performance, taking into account the Group's financial and strategic performance and the achievement of any individual objectives related to their role. Performance targets are reviewed and set by the Committee at the beginning of each performance year. Awards are determined by the Committee after the year end based upon the actual performance against these targets. The Committee applies judgement where necessary to ensure approved pay-out levels are reflective of actual, overall performance and has the ability to exercise discretion in adjusting the formulaic outcome of incentives to ensure the outcome is reflective of the performance of the Company and the individual over the period. — 50% of the annual bonus will be subject to mandatory deferral, normally for a period of three years. — Bonus deferral will be 100% into shares. — Dividends (or equivalents) may be paid in respect of deferred shares on vesting. — Deferred awards are subject to malus provisions as described below. Paid bonuses and vested awards are subject to clawback as described below.
Maximum Opportunity The maximum annual pension contribution/cash allowance for Executive Directors is 10% of salary (except where determined by local market practice or where an Executive Director has given notice to retire at the time this policy takes effect). This is a rate aligned with the wider workforce in the UK.	**Maximum Opportunity** Maximum annual bonus opportunity of 225% of salary for CEO and 200% of salary for the CFO.
Performance Measures n/a	**Performance Measures** Based on a combination of financial (e.g. adjusted operating profit), strategic and individual performance targets. Strategic objectives include key targets and areas of focus, which are set annually, and whilst not an exclusive list, examples can include customer, culture, efficiency, growth, resilience and sustainability. These strategic objectives also impact financial results in the medium term. The Committee will set the detail and mix of performance measures, targets and weighting based on the strategic objectives at the start of each year. At least 50% of the targets relating to the annual bonus pool in any year will be subject to financial measures. No bonuses are paid for below threshold performance. The Committee may award any amount between zero and 100% of the maximum opportunity. The performance measures are applied in the performance year only.

REMUNERATION POLICY REPORT CONTINUED

LTIP (Long Term Incentive Plan) 2014	Share ownership
Purpose and link to strategy Incentivises performance over the longer term through the award of performance-related shares. Aligns reward with long-term, sustainable Group performance and a focus on shareholder value.	**Purpose and link to strategy** Ensures alignment with shareholders' interests.
Operation — Under the LTIP 2014, which was approved by shareholders at the 2014 AGM, awards of shares (or equivalent) are granted annually subject to performance conditions. — Awards normally vest subject to performance targets assessed over a performance period, normally of at least three financial years, with an additional holding period of two years. The Committee has discretion to set different performance periods if it considers them to be appropriate. — The Committee shall determine the extent to which the performance measures have been met. The Committee may make adjustments to performance targets if an event occurs that the Committee determines that an adjustment is appropriate. The performance targets will be at least as challenging as the ones originally set. — The Committee has the ability to exercise discretion in adjusting the formulaic outcome of incentives to ensure the outcome is reflective of the performance of the Company and the individual over the period. — Dividends (or equivalents) may be paid on vesting. Unvested awards are subject to a malus provision and vested awards are subject to clawback, as described below.	**Operation** Executive Directors are expected to build up their share ownership over a period of five years. The minimum shareholding requirement is 4x base salary for the CEO and 3x base salary for other Executive Directors. Executive Directors are expected to hold 100% of their minimum shareholding requirement for two years post-departure from LSEG. In cases where the individual has not had sufficient time to build up their share ownership to meet the minimum shareholding requirement prior to their departure from LSEG, the post-employment shareholding requirement will be based on their actual level of shareholding on departure. The Committee has discretion to vary or waive part or all of the post-employment shareholding requirement in exceptional circumstances.
Maximum Opportunity Although there is a facility for maximum awards of up to 400% of salary under the plan rules in exceptional cases, it is expected that awards under this plan will normally be up to 300% of salary.	**Maximum Opportunity** N/a
Performance Measures The Committee determines performance targets each year to ensure that the targets are stretching and support value creation for shareholders while remaining motivational for management. Vesting of awards is subject to achievement of total shareholder return and other financial performance targets. Any one measure will not exceed two thirds of the award. For each performance element, achievement of the threshold performance level will result in no more than 25% of the maximum award paying out. For achievement of the maximum performance level, 100% of the maximum pays out. Normally, there is straight-line vesting between these points.	**Performance Measures** N/a

Notes to the Policy Table

Selection of performance measures

Performance targets are set by the Committee to be both stretching and achievable, taking into account the Group's strategic priorities and the economic landscape.

The performance measures that are used for our annual bonus and LTIP have been chosen to support the Group's strategy. For the annual bonus plan, the Committee continues to believe that it is appropriate to use a balance between financial targets, strategic objectives and individual performance objectives.

The Committee considers that the measures to be used for the LTIP, i.e. TSR and adjusted EPS, are currently the most appropriate measures of long-term performance for the Group. The Committee reviews the LTIP measures, weightings and targets on an annual basis, to ensure their continued suitability and to ensure they are sufficiently stretching for LSEG.

Malus and clawback provisions

A malus provision applies to awards granted under the 2014 LTIP and to unvested awards under the Deferred Bonus Plan. This would allow the Committee in its absolute discretion to determine, at any time prior to the vesting of an award, to reduce, cancel or impose further conditions in certain circumstances, including;

(i) where there is a material misstatement or restatement of the results of the Group in its audited accounts,

(ii) the negligence, fraud or serious misconduct of the individual which results in significant reputational damage to the Group or which has a material adverse effect on the financial position of the Group or the business opportunities of the Group,

(iii) if the individual is a member of a business unit in the Group which suffers significant reputational damage or material adverse effect on its financial position or on its business opportunities,

(iv) where behaviour of the individual is considered to breach the standards of the Group's Code of Conduct, or where there is serious misconduct that has significant reputational consequences for the Group or a relevant business unit,

(v) where there is a material failure of risk management in the Company or any member of the Group or a relevant business unit,

(vi) where an error in assessing any performance conditions is discovered, or

(vii) any other circumstances that the Committee deems to be similar in nature or effect to those above.

A clawback provision applies to vested awards granted under the 2014 LTIP, vested awards under the Deferred Bonus Plan and annual bonuses paid previously. This would allow the Committee in its absolute discretion to claw back from individuals some or all of the vested awards or paid bonus in certain circumstances, including;

(i) if there is a material misstatement or restatement of the results of the Group in its audited accounts,

(ii) the negligence, fraud or serious misconduct of the individual which results in significant reputational damage to the Group or a material adverse effect on the financial position of the Group or the business opportunities of the Group,

(iii) if the individual is a member of a business unit in the Group which suffers significant reputational damage or material adverse effect on its financial position or on its business opportunities,

(iv) where behaviour of the individual is considered to breach the standards of the Group's Code of Conduct, or where there is serious misconduct that has significant reputational consequences for the Group or a relevant business unit,

(v) where there is a material failure of risk management in the Company or any member of the Group or a relevant business unit,

(vi) where an error in assessing any performance conditions is discovered, or

(vii) any other circumstances that the Committee deems to be similar in nature or effect to those above.

Clawback will normally apply for a period of 3 years following vesting of shares/deferred cash bonus and/or payment of bonus, unless the Committee determines otherwise.

Recruitment policy
When determining the remuneration package for a newly appointed Executive Director, the Committee would seek to apply the following principles:

— The package should be market competitive to facilitate the recruitment of individuals of sufficient calibre required by the Group. Consistent with the UK Corporate Governance Code, the Committee would intend to pay no more than it believes is necessary to secure the required talent.
— The ongoing remuneration package would normally include the key elements on the same terms as those set out in the policy table for Executive Directors.
— The maximum level of variable remuneration which may be awarded on recruitment (excluding any buy-outs referred to below) is 625% of salary. Incentive awards made in the first year of appointment may be subject to different performance measures and targets appropriate to the newly recruited Executive Director.
— Recognising that the Group competes for talent in the FTSE 100 and globally in the broader financial services, data and technology sectors, on an exceptional basis, the Committee has the ability to include other elements of pay which it feels are appropriate taking into account the specific commercial circumstances (e.g. for an interim appointment). However, this would remain subject to the limit on variable remuneration set out above. The rationale for any such component would be appropriately disclosed.
— In addition, where an individual forfeits arrangements as a result of appointment, the Committee may offer a buy-out, in such form as the Committee considers appropriate taking into account all relevant factors which may include the vehicle, expected value and timing of forfeited opportunities. Any such buy-out will be limited to the commercial value of payments and awards forfeited by the individual.
— Where an Executive Director is required to relocate from their home location to take up their role, the Committee may provide reasonable relocation assistance and other allowances including expatriate assistance. Global relocation support (normally for up to five years) and any associated costs or benefits (including but not limited to housing, school fees, tax preparation and filing assistance and flights back to the home country) may also be provided if business needs require it. Should the Executive's employment be terminated without cause by the Group, repatriation costs will be met by the Group.
— In the event that an internal candidate was promoted to the Board, legacy terms and conditions would normally be honoured, including pension entitlements and any outstanding incentive awards.
— The remuneration package for a newly appointed Non-Executive Director would normally be in line with the structure set out in the policy table for Non-Executive Directors (see page 125).

Service contracts and payments for departing Directors
The Group's current policy is that Executive Directors' service agreements should have notice periods that are no longer than 12 months. The Group may terminate an Executive Director's service agreement by making a payment in lieu of notice of a sum equal to 12 months' salary, pension, flexible benefits allowance, and life and medical insurance (but excluding bonus and share incentives), plus any accrued unused holiday entitlement. Consideration will be given to appropriate mitigation terms to reduce payments in lieu of notice made on termination in the event of the Executive Director commencing alternative employment, being appointed as a Non-Executive Director or providing services pursuant to a consultancy agreement in the 12 months following the Executive Director's departure.

The Group may pay an Executive Director's reasonable legal fees for receiving advice in connection with their employment.

The lawful termination mechanisms described above are without prejudice to the Group's ability in appropriate circumstances to terminate in breach of the notice period referred to above, and thereby to be liable for damages to the Executive Director. Liquidated damages clauses are not used.

In the event of termination by the Group, each Executive Director may have an entitlement to compensation in respect of his statutory rights under employment protection legislation in the UK and potentially elsewhere. Directors' and Officers' liability insurance and an indemnity to the fullest extent permitted by the law and the Group's Articles of Association are provided to the Executive Directors for the duration of their employment and for a minimum of 7 years following termination.

The Committee considers that this is consistent with current best practice and this approach will generally be adopted for new appointments. Where appropriate and when recruiting non-UK based Directors, the Committee may agree different terms based on local legal requirements or market practice.

REMUNERATION POLICY REPORT CONTINUED

Treatment of variable incentives

Annual bonus
Individuals may be considered for an annual bonus in respect of the period prior to cessation. Any award would be at the discretion of the Committee, subject to the Executive Director's performance and period of employment.

Deferred Bonus Plan
For good leavers, awards will usually vest at the normal vesting date, although the Committee may determine that awards vest on cessation of employment. The award will usually vest in full, or on a pro-rated basis at the Committee's discretion. If the vesting of a good leaver's award(s) is required to be accelerated due to local law requirements (including tax law), the Committee would ordinarily impose a post-vesting holding period on the resulting net-of-tax shares for the balance of the original vesting period, during which the leaver would not be permitted to sell or transfer those shares. Good leavers are those who cease to be an employee of a member of the Group by reason of death, injury, disability, ill-health, redundancy, the sale of the individual's employing business or the transfer of the Company out of the Group, or any other reason which the Committee decides in its discretion, having regard to a range of relevant factors including the Executive Director's performance, length of service and circumstances of their departure.

Where an individual is not considered to be a good leaver, unvested awards will lapse. Where an individual is summarily dismissed, all awards will lapse.

Deferred awards are subject to malus and vested awards are subject to clawback as detailed above.

Long Term Incentive Plan 2014
For good leavers, awards will normally vest at the normal vesting date and following the end of the performance period, unless the Committee determines that awards should vest following cessation of employment. If the vesting of a good leaver's award(s) is required to be accelerated due to local law requirements (including tax law), the Committee would ordinarily impose a post-vesting holding period on the resulting net-of-tax shares for the balance of the original vesting period, during which the leaver would not be permitted to sell or transfer those shares. Vesting will be subject to performance and unless the Committee determines otherwise (or that another basis of reduction is appropriate) pro-rated for time in employment. Good leavers are those who cease to be an employee of a member of the Group by reason of death, injury, disability, ill-health, redundancy, and the sale of the individual's employing business or transfer of the Company out of the Group, or any other reason which the Committee decides in its discretion, having regard to a range of relevant factors including the Executive Director's performance, length of service and circumstances of their departure.

Where an individual is not considered to be a good leaver, unvested awards will lapse.

Unvested awards are subject to malus and vested awards are subject to clawback as detailed above.

Buy-out awards
If a departing Executive Director holds a buy-out award granted to them in connection with their appointment, that award will be treated in accordance with its terms.

Detailed share plan provisions
Share awards are subject to the terms of the relevant plan rules under which the award has been granted. The Committee may adjust or amend awards only in accordance with the provisions of the plan rules. This includes making adjustments to awards to reflect certain corporate events, including a variation in the Company's share capital, a demerger or a special dividend. In change of control circumstances, all LTIP awards will normally vest on an accelerated basis to the extent that the performance conditions are satisfied, and, unless the Committee determines otherwise, subject to time pro-rating. Deferred Bonus awards will normally vest in full. The Committee may also allow or require some or all of an award to be exchanged if not yet vested.

Individual terms
David Schwimmer entered into a service agreement with the Group on 12 April 2018 and was appointed with effect from 1 August 2018. David Schwimmer's service agreement may be terminated by either party giving at least 12 months' notice. Alternatively, the Group may terminate the contract by payment in lieu of notice of a sum equal to 12 months' salary, pension, flexible benefits allowance, life and private medical insurance (but excluding bonus, share incentives and car transportation). Any payment in lieu of notice will be paid in equal monthly instalments from the date of termination of the employment. Should Mr Schwimmer commence alternative employment, be appointed as a Non-Executive Director or provide services pursuant to a consultancy agreement in the relevant period (of 12 months) following his departure from the Group, the instalments will be reduced by one-twelfth of the annual remuneration earned from the alternative employment, directorship or consultancy. Payments of the instalments may be required to be deferred until six months after termination by US tax rules applying to Mr Schwimmer. To the extent that any payment or benefits payable to Mr Schwimmer under his service agreement or under any bonus or share incentive plan would be subject to US excise tax, the payments and benefits may be reduced if this would result in Mr Schwimmer receiving a greater after tax amount than if the benefits were not reduced. On termination (other than by reason of summary dismissal) Mr Schwimmer will be eligible to receive a pro-rata bonus for the year in which his employment is terminated subject to Company and individual performance.

Anna Manz entered into a service agreement with the Group on 24 June 2020 and was appointed with effect from 21 November 2020. Anna Manz's service agreement may be terminated by either party giving at least 12 months' notice. Alternatively, the Group may terminate the contract by payment in lieu of notice of a sum equal to 12 months' salary, pension, flexible benefits allowance, life and private medical insurance (but excluding bonus, share incentives and car transportation). Any payment in lieu of notice will be paid in equal monthly instalments from the date of termination of the employment. Should Ms Manz commence alternative employment, be appointed as a Non-Executive Director or provide services pursuant to a consultancy agreement in the relevant period (of 12 months) following her departure from the Group, the instalments will be reduced by one-twelfth of the annual remuneration earned from the alternative employment, directorship or consultancy. On termination (other than by reason of summary dismissal) Ms Manz will be eligible to receive a pro-rata bonus for the year in which her employment is terminated subject to Company and individual performance.

Remuneration policy for wider workforce
The Committee has responsibility for overseeing arrangements for all of our people and reviews broader workforce policies and practices in order to support decisions on executive pay.

Paying our people fairly relative to their role, skills, experience and performance is central to our approach to remuneration, and our reward framework and policies support us in doing this. Our Group-wide reward framework establishes a transparent and robust compensation structure, elements and leverage for each career stage in the organisation, providing the Committee with oversight of workforce remuneration.

The Committee places great importance on ensuring our pay policies and incentives support the desired culture and behaviours of the Group. As detailed in the Annual bonus operation section on page 133, bonus awards for our Group Executive team as well as our Executive Directors are determined in accordance with performance against an individual scorecard. This provides the Committee with greater structure in determining the bonus of senior management as well as allowing for a greater focus on culture and behaviours.

The remuneration policy for senior executives and other employees is determined based on similar principles to Executive Directors. For roles below the main Board, the exact structure and balance are tailored based on various factors including the scale, scope or responsibility of the role, development within the role and/or significant market movement. The Committee reviews and comments on the salary, bonus and LTIP awards of the senior executives immediately below Board level and approves the overall design and distribution of incentive awards available to all employees, including share-based plans.

The approach in respect of base salary and benefits is generally consistent across the organisation. Executive Directors' and other senior managers' remuneration includes a greater proportion of performance-related pay when compared to other employees. The Committee considers this is essential to differentiate levels of responsibility and align pay to sustainable long-term performance and shareholders' interests.

All employees are eligible to participate in the annual bonus plan which is subject to similar metrics to those used for the Executive Directors. Opportunities vary by organisational level. Some sales employees are eligible to participate in sales compensation plans rather than the annual bonus plan.

Deferral of a portion of the annual bonus is operated for our Executive Director, Group Executive and Group Leader populations. 50% of the annual bonus for our Executive Directors and Group Executives is deferred into shares for a period of three years. For our Group Leaders, 50% of their annual bonus is deferred if the award is more than £150,000, vesting in equal tranches over three years. This reinforces the alignment of the pay of our senior employees with shareholder interests and the Group's long-term performance.

The malus provision on unvested awards applies automatically to all awards granted under the Deferred Bonus Plan and the 2014 LTIP. The Committee also exercises discretion at each grant date to apply clawback rules to all awards granted, including participants other than Executive Directors.

In setting remuneration for Executive Directors, the Committee considers the overall approach to rewarding employees across the Group taking into account the scale, scope or responsibility of the role, development within the role and/or significant market movement.

Salary increases of Executive Directors in percentage terms are normally in line with those of employees in their local jurisdictions. Engagement with employees on executive remuneration and how it aligns with wider Company pay policy is undertaken as part of our employee forums held in key regional locations.

The Committee receives ongoing regulatory updates and information on external market practices from its independent external advisers who provide additional context for decisions.

Consideration of shareholders' views
The Committee is mindful of shareholder views when setting and evaluating ongoing remuneration principles and commits to consulting with shareholders prior to any significant changes to the remuneration policy.

Policy for Non-Executive Directors

Approach to setting fees	Basis of fees	Other items
The fees for Non-Executive Directors are set at a level which is considered appropriate to attract individuals with the necessary experience and ability to make an important contribution to the Group's affairs. The Chair's fee is determined by the Remuneration Committee, and the Board is responsible for determining all other Non-Executive Director fees. Fees are periodically reviewed to ensure they remain appropriate in the context of: the role scope; company size, complexity and global breadth; and wider market conditions. The Committee retains the flexibility to increase, adjust and make one-off payments to Non-Executive Directors based on their remit. Fees are set taking into account the level of responsibility of each Non-Executive Director and fees at other companies of a similar size and complexity. The aggregate fees payable to all Non-Executive Directors combined (excluding the Chair and excluding fees paid for any appointments on subsidiary boards) are capped as set out in the Group's Articles of Association as they may be amended by a resolution of shareholders from time to time. The current limit on the aggregate fees that are payable is £1,500,000 per financial year.	Non-Executive Directors receive a basic annual fee with additional fees payable for services such as committee chairmanship. Certain Non-Executive Directors are also entitled to receive fees from subsidiary companies. The Non-Executive Chair of the Group receives an all-inclusive fee for the role. Fees are neither performance-related nor pensionable. Non-Executive Directors are not eligible to participate in the annual bonus or LTIP plans and are not entitled to any payments on termination.	Non-Executive Directors receive an allowance for any Board meeting involving intercontinental travel. Travel and other appropriate expenses with associated taxes (including fees incurred in obtaining professional advice in the furtherance of their duties) incurred in the course of performing their duties are reimbursed to Non-Executive Directors. Non-Executive Directors are covered by the Directors' and Officers' insurance and indemnification. Non-Executive Directors are required to build up share ownership of at least 1x basic annual fees within three years of appointment.

REMUNERATION POLICY REPORT CONTINUED

Non-Executive Directors have letters of appointment with no notice period except for the Group Chair who has a notice period of 6 months unless he is not re-elected by shareholders in which case his appointment will terminate immediately. The Non-Executive Directors' appointments are for an initial period of 3 years from the date of appointment and are also subject to re-election by shareholders.

Amendments to the Remuneration Policy Report

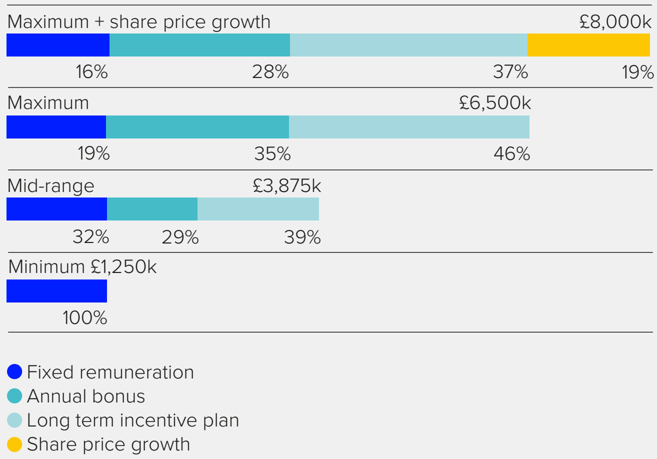
The Committee recognises that remuneration arrangements may need to be amended in order to comply with any new regulations which become applicable to the Group. The Committee reserves the right to make changes to the Policy described above in order to comply with any such regulatory requirements which apply to the Group including any changes required under the UK Corporate Governance Code or for regulatory, exchange control, tax or administrative purposes or to take account of a change in legislation without obtaining shareholder approval for that amendment. Where this results in a major structural change, the Committee would expect to present a revised policy to shareholders for approval at the following AGM.

Illustration of the application of the remuneration policy for Executive Directors

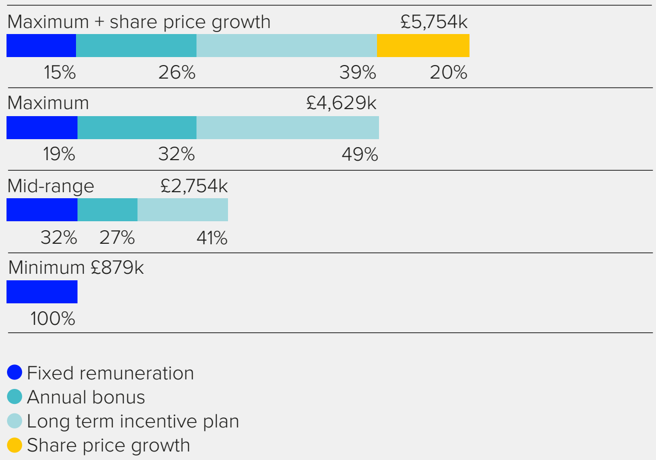
The chart on the right illustrates how much the current Executive Directors could receive under four different performance scenarios in the first year of this policy taking effect i.e. 2023: minimum, mid-range, maximum and maximum assuming a 50% increase in share price for LTIP awards during the vesting period. Note that London Stock Exchange Group plc does not have a stated 'target' level for share awards, so we have assumed 50% of maximum awards to illustrate a mid-range scenario.

Element of remuneration	Detail of assumptions
Fixed remuneration	This comprises: — Base salary with effect from 1 January 2023 — Benefits as they applied on 31 December 2022 and are set out in the single figure table in the Annual Remuneration Report. — Pension
Annual Bonus	Assumes maximum opportunity of 225% of salary for CEO and 200% of salary for the CFO For mid-range scenario: assumes payment of 50% of the maximum opportunity For maximum: assumes payment of 100% of the maximum opportunity
Long Term Incentive Plan	Assumes maximum opportunity of 300% of salary in conditional shares For mid-range scenario: assumes 50% of the maximum opportunity For maximum: assumes vesting of 100% of the maximum opportunity plus a second scenario assuming a 50% increase in share price during the performance period

David Schwimmer
Chief Executive Officer



Anna Manz
Chief Financial Officer



Legacy arrangements

The Committee may make any remuneration payments and payments for loss of office (including exercising any discretions available to it in connection with such payments) where the terms of the payment were agreed/granted (i) before the policy came into effect or (ii) at a time when the relevant individual was not a Director of the Group and, in the opinion of the Committee, the payment was not in consideration for the individual becoming a Director of the Group.

ANNUAL REPORT ON REMUNERATION

This section sets out how remuneration arrangements have operated during the past financial year (FY2022), and also provides details on how we intend to operate our policy during the coming year (FY2023). This report will be put to an advisory vote at the 2023 AGM. The information from this page 127 to page 141 has been audited where required under the regulations and is indicated as audited where applicable.

Single total figure of remuneration for Executive Directors (audited)

	David Schwimmer				Anna Manz			
Single total figure of remuneration	**FY2022 £000**	**% of total**	FY2021 £000	% of total	**FY2022 £000**	**% of total**	FY2021 £000	% of total
Fixed remuneration								
Salary	**1,000**		983		**650**		650	
Flexible benefits allowance	**15**		15		**15**		15	
Benefits	**135[3]**		161[3]		**39[4]**		27	
Other	**–**		–		**–**		453[5]	
Pay for performance								
Annual bonus	**1,433**		1,625		**802**		939	
Long term incentive – performance[1]	**1,974**		2,325		**–**		–	
Long term incentive – share price growth[1]	**85**		1,639[2]		**–**		–	
Pension	**100**		98		**65**		65	
Total remuneration of which	**4,742**		6,847		**1,571**		2,149	
Fixed remuneration	**1,250**	**26%**	1,258	18%	**769**	**49%**	1,210	56%
Variable remuneration	**3,492**	**74%**	5,589	82%	**802**	**51%**	939	44%

Notes to the table:

1 The value delivered through performance is calculated as the number of shares forecast to vest in 2023 multiplied by the share price on the date of grant. The value delivered through share price growth is calculated as the same number of shares multiplied by the difference between the average share price in the last 3 months of the financial year, being £76.66 and the share price on the date of grant. The Committee does not intend to amend the outcome or make any adjustments in regard to share price growth over the period, on the basis that this reflects our view of the Group's underlying performance and returns for shareholders over the performance period.

2 Performance shares vested at 100% on 22 March 2022 at £79.14 per share.

David Schwimmer

3 Benefits include the cash value of private medical, income protection and life assurance plus expatriate allowances and commuting expenses (including car transportation where appropriate) with associated taxes. The housing component of expatriate allowances ceased on 31 July 2021. The total value of the flight allowance used in respect of 2021 and 2022 was £59,578; this allowance will cease in 2023. David Schwimmer contributed £500 per month to the SAYE plan throughout 2022; this benefit has been valued based on the 20% discount to market value on the SAYE option exercise price.

Anna Manz

4 Benefits include the cash value of private medical, income protection and life assurance plus commuting expenses (including car transportation where appropriate) with associated taxes. Anna Manz contributed £500 per month to the SAYE plan throughout 2022; this benefit has been valued based on the 20% discount to market value on the SAYE option exercise price.

5 As previously disclosed, a one-off payment was made in August 2021 to compensate for the forfeiture of 2020 bonus from previous employer, calculated upon publication of Johnson Matthey's 2021 Directors' Remuneration Report. Replicating the structure of the forfeited award, fifty percent was provided as an award over shares under the LSEG Restricted Share Award Plan 2018 on 10 August 2021.

Further notes

6 There were no money or assets reported in any previous financial year that were subject to a recovery of sums paid or withholding during the year.

Payments for loss of office (audited)

No payments were made for loss of office during the year.

Payments to past Directors (audited)

David Warren stepped down as Executive Director on 21 November 2020. Since leaving employment, he received 22,214 shares on vesting of the 2019 LTIP award on 22 March 2022. This award reflects the 100% vesting outcome, pro-rated to the date of leaving. It remains subject to the two-year post-vesting holding period, per the terms of the remuneration policy. Further detail can be found in the Long Term Incentive Plan table on page 140.

ANNUAL REPORT ON REMUNERATION CONTINUED

Additional notes to the Single total figure of remuneration (audited)

Fixed pay

Base salary

When reviewing Executive Director salaries, and in line with our policy, the Committee considers multiple reference points including companies in the FTSE 100, the broader Financial Services sector and other international exchange groups. The Committee considers these reference points remain appropriate in the context of the enlarged Group.

Benefits

A flexible benefits plan is offered, in which individuals have certain core benefits (such as private medical, life assurance and income protection) together with (in the UK) a taxable cash allowance which can be spent on elective benefits (such as additional medical, life or dental cover). Where received as a cash supplement, this allowance is not used to calculate bonus payments or pension contributions.

Benefits are reviewed periodically to ensure they remain affordable and competitive. Executives are eligible to participate in the Group's HMRC tax-favoured SAYE Scheme (or international equivalent). There has been no change to the provision of benefits during the year and all arrangements below have previously been disclosed.

David Schwimmer receives a flexible benefits allowance of £15,000 per annum, which is unchanged from last year. In addition, he receives benefits in kind which include private health care, permanent health insurance and life assurance arrangements. Mr Schwimmer is also provided with car transportation where appropriate.

As an expatriate from the US to UK, David Schwimmer receives the following:

- For the first three years of employment, an annual allowance of £150,000 in respect of accommodation expenses; this allowance ceased on 31 July 2021.
- Tax preparation and filing assistance in the US and the UK.
- The Group will meet the costs of repatriating Mr Schwimmer's effects back to the US if it terminates his employment other than in circumstances such as serious misconduct which would justify summary termination.
- For the first five years of employment, an annual allowance of up to £50,000 to cover flights between London and the US for Mr Schwimmer and his family.

David Schwimmer contributes £500 per month into the 2020 SAYE scheme which will mature in June 2023 with a six-month exercise window. Anna Manz contributes £500 per month into the 2021 SAYE scheme which will mature in November 2024 with a six-month exercise window.

There are no contractual malus or clawback provisions in place in relation to benefits.

Executive Directors are covered by the Directors' and Officers' insurance and indemnification.

Retirement Benefits

In the UK, pension provision for our Executive Directors takes the form of a non-consolidated cash allowance; only base salary is used to calculate pension entitlement and no other pension supplements apply.

David Schwimmer and Anna Manz each receive an allowance equivalent to 10% of base salary as a taxable cash supplement, which is in line with the wider workforce, ensuring we are compliant with the UK Corporate Governance Code.

Bonus awarded for FY2022

Executive Directors are eligible to receive an annual bonus based on meeting or exceeding bonus targets that are set at the beginning of the year, looking at the Group's financial performance, strategic objectives and their personal contribution.

The Committee also receives input from the Risk Committee with regard to performance related to risk culture (awareness, transparency and accountability) when assessing remuneration decisions.

The operation of the FY2022 annual bonus is as per last year. The Group bonus pool continues to be assessed 60% against financial performance and 40% against strategic objectives. The Committee considers AOP to be of particular significance for the Group and believes it should continue to be the main financial measure for annual bonus plan purposes. As per 2021, the maximum bonus opportunity is 225% of salary for the Chief Executive Officer and 200% of salary for other Executive Directors.

The Executive Directors' awards are funded from the Group bonus pool. For FY2022 the performance of the Executive Directors and Group Executive team continues to be assessed as part of a scorecard. This scorecard aligns the bonus assessment with the construct of the Group bonus pool: 60% against Group AOP; 40% against strategic objectives. The 'strategic' element includes key Group strategic initiatives as well as personal and divisional objectives.

Further to our commitment to ensure a greater focus on the development of culture for the Group, the Committee determined that within this scorecard there should be a greater proportion assessing behavioural performance, to allow for a stronger emphasis on how the individuals achieved their targets. A 360° feedback process informs part of the assessment of the personal element of the scorecard.

Determination of Bonus for FY2022

The Committee determined the overall Group bonus pool with reference to the 12-month performance period ending 31 December 2022. The performance measures and targets for the FY2022 Group bonus pool are set out below:

Performance measure	Threshold	Target	Maximum	Weighting	Outcome achieved
Group AOP	£2,299m	£2,503m	£2,937m	60%	30%
		Actual £2,503m			
Strategic Objectives	10%	20%	40%	40%	31%
	Details of performance are set out below		Actual 31%		
Total				100%	61%

1 AOP excludes amortisation of purchased intangibles, non-underlying items.
2 Group AOP is measured using budget foreign exchange rates.

Assessment of strategic objectives

Measure	Objective	ESG alignment	Performance against objectives	Outcome
Growth	Accelerate growth within and across Divisions; identify potential transformational growth opportunities		— Delivered 6.6% income growth (organic, excluding Russia impact). — Delivered run-rate revenue synergies of £68 million by the end of 2022, exceeding stated forecasts of £40-60 million. — Strategically targeted investments that will deliver a more scalable and efficient business and enhance our customer offering, including the acquisitions of GDC, MayStreet, TORA and Quantile. — Established strategic partnership with Microsoft which significantly accelerates our strategy to be the leading global financial markets infrastructure and data provider.	Above target
Culture	Foster a diverse, inclusive culture and a sense of pride; connect, create opportunity, deliver excellence	S	— Significant progress made in embedding an inclusive culture that values a range of perspectives and embraces diversity of every kind. — Achieved our target of 40% women in senior leadership by end of 2022. — Employee engagement score of 75% defied the current external trend by increasing 2 points vs 2021. — Launched career development framework, hybrid working and recognition platform.	Above target
Resilience	Drive risk-based decisions, improve infrastructure and delivery for long-term resilience, compliance, sustainable growth	G	— Further enhanced risk, resilience and control frameworks across LSEG. — Good progress across various cyber programmes; robust mitigation of cyber risks from Ukraine/Russia conflict. — Net debt back within 1.0-2.0x leverage range as communicated to markets. — Continuing to improve resilience and work in partnership with key regulators to address any regulatory changes.	Target

ANNUAL REPORT ON REMUNERATION CONTINUED

Assessment of strategic objectives continued

Measure	Objective	ESG alignment	Performance against objectives	Outcome
Customer	Deliver an exceptional customer experience and engagement through our commitment to open approach, partnerships and transparent markets; demonstrate thought leadership, sustainability, and innovation in our core customer and partner value propositions	S	— Customer metrics stable and improving and timely customer-centric migration delivered. — Investment in automation, self-service & digital solutions to improve customer satisfaction with time to resolve customer queries reduced. — Delivered significant projects relating to Corporate Sustainability Reporting Directive, US Data Privacy & Protection Act and EU DORA. — Demonstrated thought leadership in ecosystem through focused campaigns on top priority advocacy objectives; strong investor engagement on various topics.	Above target
Efficiency	Simplify LSEG's governance, technology, operations, processes and products to enable scalable sustainable growth; integrate organisationally, operationally, and promote learning of our new business; connect our products, services, and experts to enable an improved customer experience	S,G	— Delivered cost synergies ahead of schedule with £297 million run-rate achieved by end of 2022, exceeding target of £250 million. — Exceeded in-year and run rate cost synergy targets at planned cost-to-achieve; demonstrating strong cost control and efficiency. — Driven agility and customer-centricity through implementation of new 'Ways of Working', organisational design and location strategy. — Strong progress made against objectives to simplify operations, processes and products.	Above target
Sustainability	Establish LSEG as a strategic enabler of sustainable economic growth	E,S,G	— Our sustainability strategy has launched and is being embedded. LSEG became the first global exchange to publish its own Climate Transition Plan and has set ambitious, science-based targets to be net zero by 2040. — Launched the 2022 Green Economy Mark Cohort including 108 companies and funds, with a combined market cap of £156 billion. — £10 billion was raised on the London Stock Exchange Green Bond segment and £12 billion was raised on the Sustainable Bond segment. — Launched London Stock Exchange's Voluntary Carbon Market and welcomed Foresight Sustainable Forestry as the first listed issuer to be admitted onto the market.	Target

We track 11 core financial and non-financial KPIs that link to our Group Strategic Objectives. More information can be found on pages 12 to 15.

Application of discretion

These incentive outcomes above are reflective of overall Group financial and strategic performance, and the Committee determined that no discretion should be exercised to adjust the formulaic outcomes.

In determining these outcomes, the Committee considered whether to adjust for the adverse financial impact of the Ukraine/Russia conflict in 2022. However, the diverse nature of LSEG's business, the strong performance demonstrated across our divisions throughout the year, and revenue recovery initiatives have mitigated much of the income loss. No discretion has therefore been exercised.

Assessment of individual performance

Executive Director	Commentary
David Schwimmer, Chief Executive Officer	— David Schwimmer has led the Group's strong performance in a challenging macroeconomic and geopolitical environment. LSEG delivered another year of strong growth and is making excellent progress in realising the benefits of the Refinitiv transaction. The Group continues to exceed the three-year targets we set out at the time of the announcement of the transaction. — Under David's leadership, LSEG has commenced a new long-term strategic partnership with Microsoft for the development of next-generation data and analytics and cloud infrastructure solutions. This partnership significantly accelerates LSEG's growth and transformation plans. — David has driven the strong progress we have made towards implementation of a number of strategic transformation programmes to simplify LSEG's processes and products and enable an improved customer experience. We have also further enhanced our risk, resilience and control frameworks. — David has continued to drive LSEG's leadership role on sustainability through strong engagement with stakeholders and policymakers, as well as our involvement in initiatives such as the Glasgow Financial Alliance for Net Zero, the Climate Data Steering Committee and the UK's Transition Plan Taskforce. We have also developed a number of new propositions to enable sustainable economic growth, including: our Voluntary Carbon Market, Green Economy Mark and ESG data feeds. In 2022, LSEG became the first global exchange group to publish its own Climate Transition Plan, which received the backing of 99% of our shareholders, and has set ambitious, science-based targets to be net zero by 2040. — David has continued to foster a culture of diversity and inclusion, setting the tone from the top and role modelling the values of the Group. — Under David's direction, LSEG has taken a number of steps to progress our culture goals, including: the launch of our career development framework, hybrid working model and global recognition platform. Reflecting the strong progress made on LSEG's cultural transformation, our employee engagement score defied the current external trend by increasing 2 points from 2021 to 75 points. — David has also driven progress towards our gender diversity targets for senior leadership with a strong focus on measurement and accountability across the business and we have met our target of 40% women in senior leadership by end of 2022.
Anna Manz, Chief Financial Officer	— Anna Manz has played a pivotal role as the Group continues to grow and has led the Group's strong financial performance in 2022, supporting new growth opportunities while maintaining a focus on cost control and efficiency. LSEG has demonstrated strong revenue growth across our businesses and a robust financial position. — Anna has been key to the delivery of the synergy and growth targets announced as part of the Refinitiv acquisition; with further saving and efficiency opportunities identified. Our synergy programme is ahead of schedule, with £297 million of run-rate cost synergies and £68 million run rate revenue synergies realised by year-end. — Anna has been critical to the planning, negotiation, and agreement of the new strategic partnership with Microsoft which significantly accelerates our strategy towards becoming the world's leading financial markets infrastructure, data and analytics provider. — Anna has also been central to the Group's capital allocation strategy, M&A activities and strategically targeted investments that will deliver a more scalable and efficient business and enhance our customer offering, including the acquisitions of GDC, MayStreet, TORA and Quantile. — In addition, Anna has overseen the successful completion of the debt refinancing programme and net debt is back within our 1.0-2.0x leverage target range.

Based on the above context and an assessment of individual performance, the Remuneration Committee awarded bonuses to each of the Executive Directors as follows:

Role		Chief Executive Officer	Chief Financial Officer
Name		David Schwimmer	Anna Manz
Bonus for FY2022	% of salary	143% of salary	123% of salary
	% of max	64%	62%
	£ total amount	£1,433,250	£802,100
	Of which 50% is deferred	£716,625	£401,050
Bonus Component	Financial Performance (60%)	50% of maximum	50% of maximum
	Strategic Objectives (20%)	79% of maximum	79% of maximum
	Personal/Divisional Objectives (20%)	90% of maximum	80% of maximum

Compulsory deferral under Remuneration Policy

Executive Directors must compulsorily defer 50% of their bonus into shares for a period of 3 years. Dividend equivalents will be paid in respect of deferred shares on vesting.

ANNUAL REPORT ON REMUNERATION CONTINUED

LTIP Awards granted in March 2019 with a performance period ending in FY2022

The performance period for the absolute TSR element of the Performance Share awards ended in March 2022. The awards granted in 2019 were based on adjusted EPS performance in the three-year performance period to December 2021, and absolute TSR performance in the three-year period from grant. Over the performance period, average adjusted EPS growth was 21% per annum and therefore vested at 100% for this element. The Company also delivered annualised absolute TSR performance of 17% in the 3 years to March 2022 and therefore vested at 100% for this element. The vesting price at 22 March 2022 was £79.14. These values are shown in the single figure table for the financial year ending December 2021.

LTIP Awards granted in April 2020 with a performance period ending in FY2023

The value shown in the single figure table on page 127 for the financial year ending December 2022 represents the estimated value of the 2020 awards which will vest in April 2023. The estimated value is based on the average closing share price in the final 3 months of the financial year of £76.66; the value will be confirmed in April 2023. The Committee does not intend to amend the outcome or make any adjustments in regard to share price growth over the period, on the basis that this vesting reflects our view of the Group's underlying performance and returns for shareholders over the performance period.

As disclosed in the Statement by the Chair of the Remuneration Committee, given the materiality of the Refinitiv acquisition and its impact on the Group's underlying financial metrics, it was necessary to reconsider the AEPS performance targets of the 2020 LTIP award. To accomplish this, the calculated actual AEPS growth was adjusted such that the impact on earnings of the Refinitiv and Borsa Italiana transactions did not inappropriately affect the vesting.

To reflect the Committee's higher expectations regarding the future growth profile of the combined entity, the revised AEPS target for the 2020 LTIP combines a 6% to 12% CAGR range for the one year pre-acquisition with an increased range of 8% to 18% CAGR for the two years post-acquisition.

No change has been made to the TSR targets. The final vesting outcome (including the actual share price at vesting) following the end of the performance period will be disclosed in the next Annual Report on Remuneration covering FY2023.

The performance conditions applying to awards granted in March 2020 are, therefore, as follows:

EPS element (60%) – average adjusted EPS growth	TSR element (40%) – relative TSR growth	Proportion of relevant element which vests
Less than 7.3% p.a.	Less than median	0%
7.3% p.a.	Median ranking	25%
16% p.a. or more	Upper quartile ranking	100%
Straight-line pro-rating applies between these points		

LTIP Awards Granted in FY2022 (audited)

Awards during FY2022 were granted in March under the LTIP and were made with a value of 300% of salary for David Schwimmer and Anna Manz.

Role		Chief Executive Officer	Chief Financial Officer
Name		David Schwimmer	Anna Manz
2014 LTIP (conditional award)	% of salary	300% of salary	300% of salary
	Face value	£3,000,000	£1,950,000
	Share price[1]	£83.60	£83.60
	Number of LTIP shares granted	35,885	23,325

Notes:
1 The share price of £83.60 was determined using the closing price (MMQ) on 5 April 2022.
2 TSR is measured over a 2-month trailing average at the start and end of the performance period and compared to the UK FTSE 100 Index peer group. EPS is measured over the same performance period, 3 financial years ending 31 December 2024, and compared to the FY2021 baseline.

The performance conditions applying to awards granted in March 2022 are as follows:

EPS element (60%) – average adjusted EPS growth	TSR element (40%) – relative TSR growth vs. UK FTSE 100 Index	Proportion of relevant element which vests
Less than 6.5% p.a.	Less than median.	0%
6.5% p.a.	Median ranking	25%
12.5% p.a. or more	Upper quartile ranking	100%
Straight-line pro-rating applies between these points		

Other share plans (SAYE, SharePurchase)

All permanent UK employees, including Executive Directors, are eligible to participate in the HM Revenue & Customs tax-favoured Save As You Earn Scheme (SAYE). Under the rules of the SAYE, participants can save up to £500 each month, for a period of three years. At the end of the saving period, savings may be used to acquire ordinary shares by exercising the related option. The options may be granted at an exercise price which represents a discount of up to 20% to market value at the date of invitation. No performance conditions are attached to SAYE options.

There is also a SharePurchase Plan, which is designed to provide share options to all employees in our Group, including Executive Directors, who are not based in the UK. SharePurchase allows eligible employees in 20 countries to purchase up to an equivalent of £500 of LSEG ordinary shares per month and are then awarded additional shares which vest after the completion of a three-year plan cycle. No performance conditions are attached to the award. During 2022 we launched SharePurchase into nine new countries, meaning that this year 89% of our employees globally were offered the opportunity to benefit from our success and share in LSEG's future by participating in one of our employee share ownership plans.

In 2020 and 2021 respectively, David Schwimmer and Anna Manz commenced saving the maximum £500 per month under the SAYE, pertaining to options granted on exactly the same terms as to all other eligible employees.

These all-employee share plans are a core component of our people proposition and benefits offering, acting as a modest retention tool with 30% of eligible employees participating globally.

Implementation of the Remuneration Policy during 2023 (1 January 2023 to 31 December 2023)

Base salary operation:

During the year, the Committee conducted its annual review of the base salary levels of our Executive Directors.

Since Anna Manz joined the company in 2020, she has not received a salary increase. Last year, despite strong performance, we determined not to award an increase as Anna was only in the second year of her role. However, we signalled in our Directors' Remuneration Report in 2022, that we would commit to keeping her salary and total compensation under review alongside the continued success of the company and the delivery of goals related to the Refinitiv transaction.

Anna joined LSEG from a CFO role at a smaller company at an appropriate salary. Since she joined, LSEG has become a significantly larger, more international and complex business. The Refinitiv transaction completed in January 2021 and transformed the company in terms of global breadth, complexity, business diversification and size, and Anna has been key to the delivery of synergies ahead of schedule. LSEG has also continued to grow with the acquisitions of GDC, MayStreet, TORA and Quantile in 2022. This growth and transformation of the business has greatly increased the scope, responsibilities and complexity of the CFO role. In addition, Anna has been critical to the commencement of the strategic partnership with Microsoft and will continue to play a pivotal role in how this collaboration accelerates LSEG's growth and transformation plans.

She is now in her third year in the role and has consistently demonstrated strong performance and has made a meaningful impact at LSEG. Anna is a fully established and critical member of the management team and the Group has demonstrated strong revenue growth and a robust financial position.

Following a recent benchmarking exercise, it was clear to the Committee that Anna's salary and total compensation was significantly lower than her peers in the FTSE 30 and was below the lower quartile. The Board and Committee have a responsibility to retain the very best talent and are committed to pay equity; such a significant gap to market was considered inequitable.

Given the size, scope and complexity of the role, her strong performance and development since joining the Group, and the relative market positioning, the Committee has decided to award a 15% salary increase to £750,000, effective 1 January 2023. This is the first salary increase Anna has received since joining. Even after this increase, Anna's salary and total compensation will continue to be positioned below the median of the FTSE 30.

The Committee is mindful of the sensitivity to large increases in executive base pay levels, particularly in the context of current cost-of-living pressures and average salary increases across the wider workforce (9.15% cumulative for FY21-23 in the UK). However, we believe the implementation of the increase for the CFO is appropriate for the reasons described above. The Committee considered whether to commit to keeping the CFO's new salary unchanged for a certain time period but determined that it would be imprudent in light of the current uncertain macroeconomic climate and positioning relative to peers. Shareholders were consulted on the proposed increase and were broadly supportive given the underlying rationale.

No changes are proposed to the salary of the CEO. This will continue to be reviewed.

Pension operation:

The CEO and the CFO receive a pension contribution of 10% of salary which is in line with the wider workforce, ensuring we are compliant with the UK Corporate Governance Code.

Annual bonus operation:

- As per prior years, for FY2023 the Group bonus pool will be determined based on performance measures weighted 60% Group AOP and 40% strategic objectives to be assessed over a 12-month performance period.
- For FY2023, we are maintaining our high level of focus on sustainability within the assessment of the strategic objectives element, reflecting our commitment to drive financial stability, empower economies and enable customers to create sustainable growth.
- The Executive Directors' awards are funded from the Group bonus pool. As per 2022, the performance of the Executive Directors and Group Executive team is assessed as part of a scorecard. This scorecard aligns the bonus assessment with the construct of the Group bonus pool: 60% against Group AOP; 40% against strategic deliverables. The 'strategic' element includes key Group strategic initiatives as well as personal and divisional objectives.
- Further to our commitment to ensure a greater focus on the development of culture for the Group, the Committee determined that within this scorecard there should be a greater proportion assessing behavioural performance, to allow for a stronger emphasis on how the individuals achieved their targets. A 360° feedback process informs part of the assessment of the personal element of the scorecard.
- The Committee receives input from the Risk Committee with regard to performance related to risk culture (awareness, transparency and accountability) when assessing remuneration decisions.
- 50% of any bonus payment for Executive Directors and the Group Executive team will be paid in March 2023. The remaining 50% will be deferred into shares for a period of three years.
- Deferred awards are subject to malus and clawback provisions (e.g. in cases of material misstatement. gross misconduct, misbehaviour or material failure of risk management) with judgement applied by the Committee.
- For good leavers, awards will usually vest at the normal vesting date and in full, unless the Committee determines to scale back the award based on any factors deemed relevant. Where an individual is not considered to be a good leaver, unvested awards will lapse.
- The implementation of the scorecard for the Group Executive team and extension of the bonus deferral scheme below Group Executive level to the Group Leader population provides greater alignment with the Executive Directors. In addition, it is in accordance with the revised UK Corporate Governance Code which calls for remuneration committees to determine remuneration for 'senior management' and to more closely align incentives with culture.

ANNUAL REPORT ON REMUNERATION CONTINUED

Long Term Incentive Plan:
LTIP awards will be granted in 2023 under our 2014 shareholder-approved plan in line with our policy. The 2023 LTIP awards will be subject to a two-year holding period in addition to the three-year vesting period, resulting in a total five year period from the date of grant. The Committee approved the use of conditional share awards in lieu of nil-cost options to deliver performance shares to participants for awards made from 2021 onwards.

The Committee has given careful consideration to the LTIP target ranges applicable to the 2023 grant, in particular to ensure that AEPS growth targets are appropriately stretching taking into account both internal and external forecasts. For the AEPS element (60%), the performance targets will range from 6% to 11.5% growth per annum. Given the materially higher AEPS baseline and considerable growth in the size of the Group, growth in AEPS CAGR will now deliver far more value to investors than previous targets based on a lower baseline. To achieve threshold vesting, in the region of £500m additional AOP would be required, incremental to 2022. To achieve maximum vesting, in excess of £1bn of incremental AOP would be required, equivalent to incremental income in the region of £2.6bn, relative to 2022.

For the TSR element (40%), the relative performance targets will continue to range from median to upper quartile versus the UK FTSE 100. The Committee continues to review the appropriateness of the UK FTSE 100 as the comparator group against which to measure relative TSR. It has concluded that it remains the most appropriate comparator group as LSEG is a constituent of this group and it represents an index in which our shareholders may otherwise invest.

Malus and clawback provisions will apply to these awards, allowing the Committee to reduce subsisting awards or request the refund of already paid or vested awards in certain circumstances (e.g. material misstatement, gross misconduct, misbehaviour or material failure in risk management). The 2023 awards will vest three years after the grant date, subject to adjusted EPS and relative TSR performance measures, applicable to the three financial years prior to vest, as follows.

EPS element (60%) – average adjusted EPS growth	TSR element (40%) – relative TSR growth	Proportion of relevant element which vests
Less than 6% p.a.	Less than median	0%
6% p.a.	Median ranking	25%
11.5% p.a. or more	Upper quartile ranking	100%
Straight-line pro-rating applies between these points		

Awards to be made during 2023
Based on the context and an assessment of individual performance, the Remuneration Committee intends to make grants to each of the Executive Directors under the 2014 LTIP as set out below.

Role		Chief Executive Officer	Chief Financial Officer
Name		David Schwimmer	Anna Manz
2023 LTIP award (subject to performance)	% of salary	300% of salary	300% of salary
	Amount	£3,000,000	£2,250,000

Shareholding requirements
The minimum shareholding requirement for the CEO is 4x base salary, for other Executive Directors 3x base salary, and 2x base salary for the Group Executive team. Executive Directors will also be required to hold the lower of their actual shareholding and 100% of their MSR for two years post-departure.

Non-Executive Directors' fees for 2023
During the year, the Board reviewed Non-Executive Director fees. Non-Executive Director base fees and Committee Chair fees were last revised in 2020 and 2016 respectively.

Non-Executive Director fees were not increased at the time of the Refinitiv transaction, which transformed the Company in terms of global breadth, complexity, business diversification and size, and correspondingly increased the time commitment, scope and global complexity of the Non-Executive Director role. The Investment Association's updated Principles of Remuneration notes that Non-Executive Directors should receive fees that reflect these factors. The Board has therefore proposed an increase to base fees and Committee Chair fees, with effect from 1 January 2023.

There are no other changes to fees and the fee schedule for 2023 is as follows:

Fees	With effect from 1 Jan 2022	With effect from 1 Jan 2023
Group Chair	£625,000	£625,000
Senior Independent Director	£150,000	£150,000
Non-Executive Director base fee (inclusive of Committee memberships)	£80,000	£95,000
Audit/Remuneration/Risk Committee Chair	£30,000	£40,000

Non-Executive Directors are also required to build up a shareholding requirement of 1x basic annual fees, to be built up within three years of appointment.

Non-Executive Directors' Remuneration
Non-Executive Directors' remuneration is determined by the Board and is neither performance-related nor pensionable. The Chair's fee is determined by the Remuneration Committee. The fees for Non-Executive Directors are set at a level which is intended to recognise the significant responsibilities of Directors and to attract individuals with the necessary experience and ability to make an important contribution to the Company's affairs. Comparisons are made with fees paid at FTSE 30 companies.

A travel allowance of £4,000 per intercontinental trip for Non-Executive Directors reflects the global nature of the Company's business and the additional time commitment required for travel. The Group Chair will not be eligible for this allowance as he receives an all-inclusive fee for his role.

Travel and other appropriate expenses with associated taxes (including fees incurred in obtaining professional advice) incurred in the course of performing their duties are reimbursed to the Chair and to the Non-Executive Directors.

The Chair and the Non-Executive Directors do not participate in any of the Company's annual bonus or LTIP plans and are not entitled to any payments on termination.

Certain Non-Executive Directors are entitled to receive fees from subsidiary companies, details of which are set out below.

The original date of appointment as Directors of the Company is as follows:

Name	Date Appointed	Date of letter of appointment	Time to expiry	Notice period	Date of resignation	LSEG Committee membership/ chairmanship	Other subsidiaries/ committees
Don Robert	01/01/2019	01/01/2022	31/12/2024	6 months		Group Chair, Nomination Chair, Remuneration	
Dr. Val Rahmani	20/12/2017	20/12/2020	19/12/2023	None		Risk, Nomination, Remuneration	
Professor Kathleen DeRose	28/12/2018	28/12/2021	27/12/2024	None		Risk Chair, Audit, Nomination	
Cressida Hogg CBE	08/03/2019	08/03/2022	07/03/2025	None		SID, Remuneration Chair, Nomination,	
Dominic Blakemore	01/01/2020	20/12/2022	31/12/2025	None		Audit Chair, Nomination, Risk	
Tsega Gebreyes	01/06/2021	01/06/2021	31/05/2024	None		Audit, Nomination, Risk	
Ashok Vaswani	01/06/2021	01/06/2021	31/05/2024	None		Audit, Nomination, Risk	
William Vereker	03/10/2022	03/10/2022	02/10/2025	None		Risk, Remuneration, Nomination	
Directors who stood down from the Board during the Year:							
Jacques Aigrain	01/05/2013	01/05/2019		None	27/04/2022	Audit, Nomination, Remuneration	LCH (Remuneration Committee)
Shareholder directors							
Martin Brand	29/01/2021	29/01/2021				Nomination	
Erin Brown	29/01/2021	29/01/2021			17/03/2023	Nomination	
Douglas Steenland	29/01/2021	29/01/2021				Nomination	

Non-Executive Directors' Remuneration Table (audited)

	FY2022 LSEG Fees £000	**FY2022 Other Fees[1] £000**	**FY2022 Total Fees £000**	**FY2022 Taxable benefits[2] £000**	**FY2022 Total £000**	FY2021 LSEG Fees £000	FY2021 Other Fees[1] £000	FY2021 Total Fees £000	FY2021 Taxable benefits[2] £000	FY2021 Total £000
Don Robert	**625**	**–**	**625**	**34**	**659**	525	–	525	5	530
Dr. Val Rahmani	**80**	**–**	**80**	**50**	**130**	80	–	80	4	84
Professor Kathleen DeRose	**110**	**–**	**110**	**41**	**151**	110	–	110	6	116
Cressida Hogg CBE	**150**	**–**	**150**	**23**	**173**	108	–	108	–	108
Dominic Blakemore	**110**	**–**	**110**	**16**	**126**	110	–	110	–	110
Tsega Gebreyes[3]	**80**	**–**	**80**	**24**	**104**	41	–	41	–	41
Ashok Vaswani[3]	**80**	**–**	**80**	**44**	**124**	41	–	41	–	41
William Vereker[4]	**20**	**–**	**20**	**–**	**20**	–	–	–	–	–
Martin Brand[5]	**–**	**–**	**–**	**–**	**–**	–	–	–	–	–
Erin Brown[5,6]	**–**	**–**	**–**	**43**	**43**	–	–	–	5	5
Douglas Steenland[5]	**–**	**–**	**–**	**23**	**23**	–	–	–	5	5
Directors who stood down from the Board during the year:										
Jacques Aigrain[7]	**20**	**–**	**20**	**1**	**21**	103	5	108	1	109
Total Non-Executive Directors' fees	**1,275**	**–**	**1,275**	**299**	**1,574**	1,118	5	1,123	26	1,149

Notes:
1 Other fees relate to subsidiaries and other committees.
2 Taxable benefits relate to any travel allowance payments and travelling expenses, including grossed up taxes where applicable. The 2022 year-on-year increase in benefits costs for our Non-Executive Directors was due to the level of global travel returning to pre-pandemic levels meaning that increased travel expenses and intercontinental travel fees were incurred.
3 Appointed to the Board on 1 June 2021.
4 Appointed to the Board on 3 October 2022.
5 Shareholder directors appointed to the Board on 29 January 2021, who do not receive a fee for their role.
6 Will step down from the Board on 17 March 2023.
7 Stepped down from the Board on 27 April 2022.

ANNUAL REPORT ON REMUNERATION CONTINUED

Outside appointments

Executive Directors are allowed to accept appointments as Non-Executive Directors of other companies with the prior approval of the Chair. Approval will only be given where the appointment does not represent a conflict of interest with the Company's activities and where the wider exposure gained will be beneficial to the development of the individual. Executive Directors may retain fees to encourage them to seek out the development opportunities and valuable experience afforded by these appointments and in recognition of the personal responsibility executives assume in such roles.

Anna Manz is a Non-Executive Director of ITV plc and is a member of their Remuneration and Audit and Risk Committees. For FY2022 Anna received fees of £75,796 in connection with this appointment.

Director changes during the year

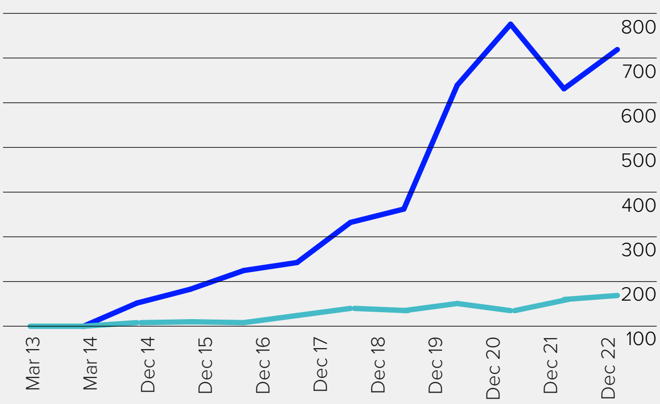
There have been no Executive Director changes during the year.

Alignment between pay and performance

Total Shareholder Return (TSR) performance

The following graph shows, for the financial period ended 31 December 2022 and for each of the previous ten financial periods, the TSR on a holding of the Company's ordinary shares of the same kind and number as those by reference to which the FTSE 100 is calculated. The TSR graph represents the value, at 31 December 2022, of £100 invested in London Stock Exchange Group plc on 31 March 2013, compared with the value of £100 invested in the FTSE 100 Index over the same period. As a member of the FTSE 100, we have chosen the FTSE 100 Index as it is currently the most relevant index for benchmarking our performance over the ten financial periods.

Total shareholder return



Historic levels of CEO pay

Period ended: (12 months unless otherwise stated)	CEO	CEO Single total figure of remuneration (£'000)	Annual bonus payout against maximum opportunity %	Long-term incentive vesting rates against maximum opportunity %
31 December 2022	David Schwimmer	4,742	64%	82%
31 December 2021	David Schwimmer	6,847	72%	100%
31 December 2020	David Schwimmer	6,479	76%	100%
31 December 2019	David Schwimmer	2,456	75%	–[3]
31 December 2018	David Schwimmer[1]	2,153	76%	–[3]
29 November 2017	Xavier Rolet[2]	5,799	79%	100%
31 December 2016	Xavier Rolet	6,880	91%	91%
31 December 2015	Xavier Rolet	6,526	95%	94%
9 months ended 31 December 2014	Xavier Rolet	4,587	89%	50%
31 March 2014	Xavier Rolet	6,383	93%	100%
31 March 2013	Xavier Rolet	6,015	89%	100%

Notes:
1 Appointed as CEO on 1 August 2018 and his data is as per the single total figure of remuneration table for FY2018.
2 Stepped down from the Board on 29 November 2017; data therefore represents 11-month figures.
3 Awards vesting in 2019 and 2020 vested at 89.6% and 100% respectively; these grants were not applicable to David Schwimmer.

CEO to employee pay ratio (audited)

Paying our people fairly relative to their role, skills, experience and performance is central to our approach to remuneration, and our reward framework and policies support us in doing this. The Committee considers pay ratios as a useful reference point to inform pay decisions, but also takes into account a number of other internal and external factors when determining executive pay outcomes, including:
- Our reward framework which establishes the compensation structure, elements and leverage for each career stage in the organisation, providing the Committee with oversight of workforce remuneration.
- The Group's financial and strategic performance, including consideration of risk.
- Each individual's performance, including conduct and behaviour, against personal objectives.
- External market surveys.
- Wider context and the views of shareholders and investor bodies.

The table below shows the ratios of the CEO single total figure of remuneration (as disclosed on page 127) to the total pay and benefits of UK people at the 25th, 50th and 75th percentile.

Year	Method	25th percentile pay ratio	50th percentile pay ratio	75th percentile pay ratio
2022	C	61	40	31
2021	C	97	63	49
2020	C	93	67	49
2019	C	31	21	19

The Committee has reviewed the ratios and pay data for the individuals identified at each of the relevant quartiles and believe they are a fair reflection of the Company's wider pay policies. The remuneration received by each of the individuals is in line with our reward framework. Executive Directors' and other senior managers' remuneration include a greater proportion of performance-related pay when compared to the identified people. The Committee considers this is essential to differentiate levels of responsibility and align pay to sustainable long-term performance and shareholders' interests. As a significant proportion of the CEO's remuneration is linked to performance and share price over the longer term, it is expected that annual changes in the pay ratio will be significantly influenced by LTIP outcomes each year and will fluctuate accordingly.

Notes to the calculation:

- We have chosen to use Option C in the regulations to determine the pay ratios. The best equivalents for the UK individuals at the 25th, 50th and 75th percentiles were determined using the hourly rate from our additional gender pay disclosure. This option leverages the comprehensive analysis we have completed as part of our UK gender pay gap reporting exercise. It comprises 95% of the UK population (from the entities with 250 or more employees) and all compensation awards in the financial year to ensure that the best equivalents determined are a fair and true representation of workforce pay at the relevant percentiles. Further information on our additional gender pay disclosure is provided in our Gender Pay Report which is available at: www.lseg.com.
- The 2022 total pay and benefits of the identified people was determined based on data as at 31 December 2022.
- The 2022 total pay and benefits for the 25th, 50th and 75th percentile people are as follows: £77,423, £119,112, £153,299.
- The 2022 base salary for the 25th, 50th and 75th percentile people are as follows: £59,892, £85,000, £111,702.

Percentage change in remuneration of all directors and our people

The table below shows the percentage year-on-year change in salary, benefits and annual bonus for each Executive Director and Non-Executive Director compared to the global average remuneration of our employees. Where appropriate, amounts have been annualised to provide a like-for-like comparison. The 2020/2021 year-on-year reduction in benefits costs for our Non-Executive Directors was largely due to the decrease in travel-related expenses during the Covid-19 pandemic. The 2021 year-on-year reduction in the benefits and bonus costs for our employees was reflective of the newly combined company following the Refinitiv transaction and a change in the geographic mix of our employee population. The 2022 year-on-year increase in benefits costs for our Non-Executive Directors was due to the level of global travel returning to pre-pandemic levels meaning those based in the US travelled to the UK several times during the year incurring both intercontinental travel fees and travel expenses; a Board meeting was also held in New York in June.

	2022			2021			2020		
	Salary/fees	Benefits	Annual Bonus	Salary/fees	Benefits	Annual Bonus	Salary/fees	Benefits	Annual Bonus
Executive Directors[1]									
David Schwimmer	2%	-14%	-12%	24%	-23%	19%	2%	-11%	5%
Anna Manz	0%	27%	-15%						
Non-Executive Directors[2]									
Don Robert	19%	584%		0%	-85%		0%	-30%	
Dr. Val Rahmani	0%	1093%		0%	-73%		7%	-67%	
Professor Kathleen DeRose[3]	0%	640%		38%	-44%		7%	-74%	
Cressida Hogg CBE[4]	39%			35%			7%	0%	
Dominic Blakemore	0%			9%					
Tsega Gebreyes[5]	0%								
Ashok Vaswani[5]	0%								
William Vereker[6]									
Martin Brand[7]									
Erin Brown[7,8]		770%							
Douglas Steenland[7]		352%							
Directors who stood down from the Board during the year:									
Jacques Aigrain[9]	-26%	8%		-6%			5%	-99%	
Average pay of our employees	14%	17%	-15%	-29%	-37%	-47%	3%	10%	4%

Indicates where figures are not applicable

Notes:
1 Calculated using data from the single total figure of remuneration table on page 127.
2 Calculated using data from the Non-Executive Directors' Remuneration Table on page 135.
3 Kathleen DeRose was appointed as Chair of the Risk Committee on 1 January 2021.
4 Cressida Hogg was appointed as Senior Independent Director on 6 August 2021.
5 Appointed to the Board on 1 June 2021.
6 Appointed to the Board on 3 October 2022.
7 Shareholder directors, who do not receive a fee for their role.
8 Will step down from the Board on 17 March 2023.
9 Jacques Aigrain stepped down from the Board on 27 April 2022.

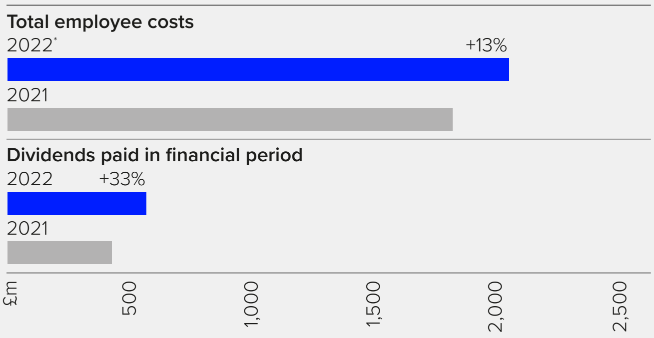
ANNUAL REPORT ON REMUNERATION CONTINUED

Relative importance of spend on pay

The table below shows the relative FY2022 versus FY2021 expenditure of the Group on dividends versus total employee costs. These figures are underpinned by amounts from the notes to the financial statements at the back of this report.

Year-on-year increases (%)	FY2022	FY2021	Annual Increase
Dividends paid In financial period	£567m	£426m	+33%
Total employee costs	£2,053m	£1,822m	+13%

Relative importance of spend on pay



* Including underlying and non-underlying from continuing operations only

Statement of Directors' shareholdings and share interests as at 31 December 2022 (audited)

All Directors are subject to a Minimum Shareholding Requirement (MSR), as set out in the Remuneration Policy. Any Executive Director who steps down from the Board continues to be subject to an MSR for two years post-employment. Current shareholdings are summarised in the following table:

	Shares held	Options/Awards held					
	Owned outright	Unvested and subject to performance conditions	Unvested and subject to continued employment[1]	Vested but not exercised	Requirement (% salary/ fee)	Shareholding as at 31 December 2022 (% salary/ fee)[2,4]	Requirement met[3]
Executive Directors							
David Schwimmer	61,762	111,018	29.374	–	400	551%	Yes
Anna Manz[5]	–	62,656	9,508	–	300	54%	
Non-Executive Directors							
Don Robert	10,000	–	–	–	100	114%	Yes
Val Rahmani	1,429	–	–	–	100	127%	Yes
Kathleen DeRose	1,500	–	–	–	100	134%	Yes
Cressida Hogg CBE[6]	1,150	–	–	–	100	55%	
Dominic Blakemore[7]	928	–	–	–	100	83%	
Martin Brand[8]	–	–	–	–	–	N/A	N/A
Erin Brown[8,9]	–	–	–	–	–	N/A	N/A
Tsega Gebreyes	1,200	–	–	–	100	107%	Yes
Douglas Steenland[8]	–	–	–	–	–	N/A	N/A
Ashok Vaswani[10]	–	–	–	–	100	–	
William Vereker[11]	–	–	–	–	100	–	
Directors who stood down from the Board during the year:							
Jacques Aigrain[12]	1,400	–	–	–	100	91%	N/A

1 Refers to Deferred Bonus Plan and SAYE.
2 Includes shares held outright plus, on a 'net of expected taxes' basis, share options awarded under the DBP that are unvested and subject to continued employment.
3 MSR required to be reached within five years of appointment (percentage of base salary) for Executive Directors and within three years (percentage of basic annual fees) for Non-Executive Directors.
4 Based on a share price of £71.36 (being the closing share price – MMQ – on 31 December 2022).
5 Has five years from date of appointment on 21 November 2020 to achieve MSR.
6 Cressida Hogg's base fee and corresponding shareholding requirement increased significantly upon her appointment to Senior Independent Director in April 2021. She will be required to meet her new shareholding requirement by April 2024.
7 Dominic Blakemore purchased shares in December 2020 to fully meet his shareholding requirement. A subsequent share price reduction has reduced his shareholding below 100%.
8 Not applicable for MSR as are not paid a fee for their service.
9 Will step down from the Board on 17 March 2023.
10 Has three years from date of appointment on 1 June 2021 to achieve MSR.
11 Has three years from date of appointment on 3 October 2022 to achieve MSR.
12 Shareholding as at 27 April 2022.

Note: On 6 March 2023, David Schwimmer exercised a nil-cost option over 9,640 ordinary shares vesting under the Deferred Bonus Plan ("DBP Award"). 4,539 ordinary shares were sold on exercise of the DBP Award to satisfy taxes, social security and associated dealing costs. There have been no other changes in Directors' share interests between 31 December 2022 and 14 March 2023.

Directors' Interests in Ordinary Shares – Beneficial, Family and any Connected Persons Interests (audited)

	Ordinary Shares Held		Options/Awards with performance conditions[1]		Options/Awards without performance conditions[2,3]		Total Interests	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
Executive Directors								
David Schwimmer	61,762	32,109	111,018	125,219	29,374	25,598	202,154	182,926
Anna Manz[4]	–	–	62,656	43,093	9,508	3,892	72,164	46,985
Non-Executive Directors								
Don Robert	10,000	10,000	–	–	–	–	10,000	10,000
Val Rahmani	1,429	1,429	–	–	–	–	1,429	1,429
Kathleen DeRose	1,500	1,280	–	–	–	–	1,500	1,280
Cressida Hogg CBE	1,150	1,150	–	–	–	–	1,150	1,150
Dominic Blakemore	928	928	–	–	–	–	928	928
Martin Brand	–	–	–	–	–	–	–	–
Erin Brown[5]	–	–	–	–	–	–	–	–
Tsega Gebreyes	1,200	1,200	–	–	–	–	1,200	1,200
Douglas Steenland	–	–	–	–	–	–	–	–
Ashok Vaswani	–	–	–	–	–	–	–	–
William Vereker	–	–	–	–	–	–	–	–
Directors who stood down from the Board during the year:								
Jacques Aigrain[6]	1,400	1,400	–	–	–	–	1,400	1,400

1 LTIP performance shares are structured as nil-cost options prior to 2021, since 2021 awards were granted as conditional awards.
2 Unvested awards in the Deferred Bonus Plan and share options granted under SAYE.
3 Deferred Bonus Plan shares are structured as nil-cost options, prior to 2021. Since 2021 awards were granted as conditional awards. All subject to continued employment and malus provisions.
4 Award over 3,762 shares which is subject to performance of a previous employer, Johnson Matthey Plc, as previously disclosed forfeited during 2022. Not included in the 2022 outstanding figure.
5 Will step down from the Board on 17 March 2023.
6 Shareholding as at 27 April 2022.
Note: On 6 March 2023, David Schwimmer exercised a nil-cost option over 9,640 ordinary shares vesting under the Deferred Bonus Plan ("DBP Award"). 4,539 ordinary shares were sold on exercise of the DBP Award to satisfy taxes, social security and associated dealing costs. There have been no other changes in Directors' share interests between 31 December 2022 and 14 March 2023.

ANNUAL REPORT ON REMUNERATION CONTINUED

Long Term Incentive Plan table

The 2014 Long Term Incentive Plan has one element applicable only to Executive Directors, which is a 2-year holding period post vesting.

Awards of Performance shares are granted in the form of a conditional award since 2021, prior awards were granted as a nil-cost option.

The 2019 awards are dependent on an adjusted EPS growth target for 50% of the award (60% for 2020 awards onwards), with the other 50% dependent on Absolute TSR performance (40% Relative TSR performance for 2020 awards onwards). Details of performance conditions are set out on page 132.

The table below sets out the Executive Directors' Long Term Incentive Plan awards (including the exercise of vested shares in FY2022), as at 31 December 2022:

	Number of shares													
	Date of award	**Price at award date £**	**At start of year**	**Award during the year**	**Vested during year**	**Lapsed during year**	**At end of year**	**Vesting date**	**Price at vesting date £**	**Value at vesting date £**	**Exercise date**	**Price at exercise date £**	**Value at exercise date £**	**Comment**
David Schwimmer	22/03/2019	46.42	50,086	–	50,086	–	–	22/03/2022	79.140	3,963,806	30/03/2022	78.6453	3,939,027	FY2022 Actual
	22/04/2020	73.50	32,653	–	–	–	32,653	22/04/2023	**76.659**	**2,058,831**	–	–	–	**FY2023 Estimate[1]**
	26/03/2021	70.62	42,480	–	–	–	42,480	26/03/2024	–	–	–	–	–	
	06/04/2022	83.60	–	35,885	–	–	35,885	07/04/2025	–	–	–	–	–	
			125,219	35,885	50,086	–	111,018			3,963,806			3,939,027	FY2022 Actual
										2,508,831			–	**FY2023 Estimate[1]**
Anna Manz	24/11/2020	78.84	11,719	–	–	–	11,719	26/03/2024	–	–	–	–	–	
	26/03/2021	70.62	27,612	–	–	–	27,612	26/03/2024	–	–	–	–	–	
	06/04/2022	83.60	–	23,325	–	–	23,325	07/04/2025	–	–	–	–	–	
			39,331	23,325	–	–	62,656			–			–	
David Warren	22/03/2019	46.42	29,620	–	22,214	7,406	–	22/03/2022	79.140	1,758,016	31/03/2022	79.5268	1,766,608	FY2022 Actual

Notes:
1 FY2023 Estimate: Average share price over the period from 1 October 2022 to 31 December 2022 with vesting forecast at 82.25%.
All estimates are shown separately in bold. They will be fully disclosed in next year's Annual Report on Remuneration.

Remuneration Committee – meetings

During the financial period ending 31 December 2022, the Committee held four scheduled meetings and discussed the following items:

	Routine	Non-Routine
February 2022	— FY2021 Performance and Bonus approval — FY2022 Bonus Design — FY2022 LTIP grants and anticipated vesting of previous LTIP and DBP schemes — FY2021 Directors' Remuneration Report — Gender pay reporting and disclosure — LCH Remuneration Committee proposals	
June 2022	— FY2022 Performance and Bonus update — Governance update, including shareholder feedback on FY2021 Directors' Remuneration Report — Gender pay update — Reward Framework update	— 2023 Remuneration Policy review — Succession planning
October 2022		— 2023 Remuneration Policy review — Pay Equity review — Incentive design for high performing individuals below Group Executive level — Succession planning
November 2022	— FY2022 Performance and Bonus update — Share plans vesting update — Remuneration Committee terms of reference review	— Shareholder consultation update
February 2023 Meetings which took place during FY2023 will be repeated in next year's report	— FY2022 Performance and Bonus approval — FY2023 Bonus considerations — Performance and determination of CEO and Group Executive Directors' remuneration — FY2023 LTIP grants and anticipated vesting of previous LTIP and DBP schemes — FY2022 Directors' Remuneration Report	— Shareholder consultation feedback

To assist the Committee, the results of market surveys are made available. Where appropriate, the Committee invites the views of the Chief Executive Officer, Chief Financial Officer, Chief People Officer and the Chief Risk Officer via the Risk Committee. None of these individuals nor the Chair participated in any discussion relating to their own remuneration.

Statement of shareholder voting

The table below sets out the results of the advisory vote on the Directors' Remuneration Report at the 2022 AGM and the binding vote on the Remuneration Policy Report at the 2020 AGM.

	Votes for		Votes against			
	Number	%	Number	%	Votes cast	Votes withheld
Remuneration Policy Report (2020 AGM)	276,299,114	96.21	10,890,666	3.79	287,189,780	122,331
Annual Report on Remuneration (2022 AGM)	440,038,024	97.93	9,282,036	2.07	449,320,060	1,489,942

Advisors

The Remuneration Committee continues to be mindful of recommendations from key stakeholders, including institutional investor bodies. The Committee consults with major shareholders on any key decisions taken. Willis Towers Watson were appointed as independent remuneration consultants to the Committee following a competitive tender process in 2020. During the year, Willis Towers Watson received £193,582 (excluding VAT) based on actual time spent for their services to the Committee.

Willis Towers Watson are members of the Remuneration Consultants Group and, as such, voluntarily operate under the code of conduct in relation to executive remuneration consulting in the UK. The Committee is satisfied that their advice was independent and objective.

Signed on behalf of the Board of Directors

Cressida Hogg
Chair of the Remuneration Committee
14 March 2023

Directors' Report

The Directors of the Company are pleased to present their Annual Report to shareholders, together with the financial statements for the year ended 31 December 2022 with comparatives for the year ended 31 December 2021.

This report has been prepared in accordance with requirements outlined within The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 and forms part of the management report as required under Disclosure Guidance and Transparency Rule (DTR) 4. This section, together with the Strategic Report and other sections of the Annual Report as set out in the table below, fulfils the requirements of the Directors' report.

Index to Directors' Report and other disclosures

Information required to be disclosed by LR 9.8.4 R (starting on the page indicated)

Listing Rule 9.8.4 R cross-reference table

Interest capitalised	N/A
Publication of unaudited financial information	N/A
Details of long-term incentive schemes	N/A
Waiver of emoluments by a director	N/A
Waiver of future emoluments by a director	N/A
Non pre-emptive issues of equity for cash	N/A
Item 7 (in relation to major subsidiary undertakings)	N/A
Parent participation in a placing by a listed subsidiary	N/A
Contracts of significance	145
Provision of services by a controlling shareholder	N/A
Shareholder waivers of dividends	142
Shareholder waivers of future dividends	142
Agreements with controlling shareholders	N/A

Strategic Report

LSEG presents a fair review of the Group during the financial year in the Strategic Report set out on pages 2 to 85, as required by the Companies Act 2006. The Strategic Report, which includes a review of the Group's business areas, a financial review and the principal risks and uncertainties of the Company, was approved by the Board on 28 February 2023 and is incorporated into this Directors' Report by reference.

Results

The Group made a profit before taxation from continuing operations, before amortisation of purchased intangible assets and non-underlying items for the year, of £2,568 million (2021: £2,116 million). After taking into account amortisation of purchased intangible assets and non-underlying items, the profit of the Group before taxation for the year from continuing operations was £1,241 million (2021: £894 million). Profit after taxation from continuing operations for the year was £979 million (2021: £592 million).

Dividends

The Directors are recommending a final dividend for the year of 75.3 pence (2021: 70.0 pence) per share which is expected to be paid on 24 May 2023 to shareholders on the register on 21 April 2023. Together with the interim dividend of 31.7 pence (2021: 25.0 pence) per share paid on 20 September 2022, this produces a total dividend for the period of 107.0 pence (2021: 95.0 pence) per share estimated to amount to £594 million (2021: £529 million). The Group maintains a progressive dividend policy, with the interim dividend being calculated as one-third of the prior full-year dividend.

A standard dividend waiver agreement is in place for the employee benefit trust. Further information can be found in the share capital notes on page 226.

Share Capital

As at 31 December 2022, the Company had 558,244,024 ordinary shares made up of: (i) 503,322,303 voting ordinary shares of $6^{79/86}$ pence each (excluding treasury shares) (90.2%), which carry one vote each; (ii) 51,124,377 limited-voting ordinary shares of $6^{79/86}$ pence each (9.2%), which carry one-tenth of a vote each; and (iii) 3,797,344 ordinary shares held in treasury (0.7%). The total number of voting rights in LSEG on 31 December 2022 was 508,434,741. More information on the Company's share capital can be found in note 24 on page 226.

During the year to 31 December 2022, LSEG plc started a share buyback programme to purchase voting ordinary shares in the Company with an aggregate value of up to £750 million. This is phased over multiple tranches over a period of up to 12 months, with the first tranche having commenced on 5 August 2022 and the second tranche having commenced on 1 December 2022. Please see page 143 for further information on the Company's ongoing share buyback programme. The Buyback is funded, in large part, using the proceeds of the divestment of the BETA business which completed on 1 July 2022.

The Company issued 833,174 new ordinary shares during the year.

As at 14 March 2023, the total number of voting rights in the Company is 507,687,118. The figure 507,687,118 may be used by shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the Company under the FCA's Disclosure Guidance and Transparency Rules.

Share rights

The rights and obligations attached to the Company's ordinary shares are set out in the Company's Articles of Association, copies of which can be obtained from Companies House in the UK or by writing to the Group Company Secretary. The rights and obligations attached to the limited-voting ordinary shares issued in connection with the acquisition of Refinitiv on 29 January 2021 are available on the LSEG website and in the Articles of Association.

No shareholder shall be entitled to vote at a general meeting, either in person or by proxy, in respect of any share held by him or her unless all monies presently payable by him or her in respect of that share have been paid. In addition, no shareholder shall be entitled to vote, either in person or by proxy, if he or she has been served with a notice under section 793 of the Companies Act 2006 (concerning interests in those shares) and has failed to supply the Company with the requisite information.

As a result of the Company's acquisition of Refinitiv, a Relationship Agreement is in effect. Further information on the principal terms of the Relationship Agreement can be found on the LSEG website.

In connection with Microsoft's acquisition of a 4.2% equity stake in LSEG, LSEG agreed to a limited variation of the lock-up arrangements contained in the Relationship Agreement to enable the sale of these LSEG shares to Microsoft. The amendment to the Relationship Agreement was entered into on 12 December 2022 with BCP York Holdings (Delaware) L.P., York Parent Limited, York Holdings II Limited and York Holdings III Limited, entities owned by certain investment funds affiliated with Blackstone and by Thomson Reuters, the former Refinitiv shareholders. The amendment constituted a small related party transaction under the Listing Rules.

Other than restrictions considered to be standard for a UK listed company (for example, restrictions on partly paid certificated shares), there are no limitations on the holding, transfer or voting rights of ordinary shares in the Company, all of which are governed and regulated by the Company's Articles of Association and applicable legislation and regulation.

The Company is not aware of any other agreements between holders of shares that may result in restrictions on the transfer of shares or on voting rights.

Corporate Governance Statement

The Company has complied throughout the year with the principles of the 2018 UK Corporate Governance Code (the Code), which is publicly available on the Financial Reporting Council website (www.frc.org.uk).

The Corporate Governance Statement that sets out how the Company complies with the Code, and which includes a description of the main features of our internal control and risk management arrangements in relation to the financial reporting process is set out on pages 99 to 101. The information required by DTR 7.2 can be found in the Directors' Report on page 142. Further information regarding the composition and operation of the Board and its Committees, including the Board Diversity Policy, can be found on pages 90 to 94.

Articles of Association

The Company's Articles of Association may only be amended by special resolution at a general meeting of the shareholders. The Company's Articles of Association contain provisions relating to the appointment and removal of Directors. The Articles of Association are available on the Company's website and can also be obtained from Companies House in the UK.

More information on the Board Appointment process can be found in the Report of the Nomination Committee on pages 102 to 104 of this report.

Authority to Issue Shares

Subject to the provisions of the Companies Act 2006 and without prejudice to any rights attached to any existing shares or class of shares, any share may be issued with such rights or restrictions as the Company may by ordinary resolution determine or, subject to and in default of such determination, as the Board shall determine.

Authority to Purchase Shares

The authority for the Company to purchase in the market up to 55,814,730 of its ordinary shares (representing 10% of the issued share capital of the Company as at the latest practicable date before publication of the Notice of the Company's last AGM) granted at the Company's last AGM, expires on the date of the forthcoming AGM. The Company has utilised the authority obtained at the last AGM to conduct a share buyback programme to purchase voting ordinary shares with an aggregate value of up to £750 million, as announced on 5 August 2022. This has been funded, in large part, using the proceeds of the divestment of the BETA business, announced in March 2022 and which completed on 1 July 2022. The buyback has been phased over a period of 12 months in multiple tranches with the first tranche commencing on 5 August 2022 and completing on 5 October 2022 and the second tranche commencing on 1 December 2022 and due to complete in March 2023. The third tranche is expected to commence in due course and is expected to end in July 2023.

Given the arrangements entered into with the Consortium Shareholders (as defined in the Notice of Meeting for the forthcoming AGM) to enable them to participate in the buyback, as described in further detail in the announcements made on 5 August 2022 and 7 October 2022, the first tranche of the buyback constituted a small related party transaction under the Listing Rules and the second and third tranches of the buyback constitute or are expected to constitute smaller related party transactions.

As at 31 December 2022, 3,797,344 voting ordinary shares (nominal value of 6$^{79/86}$ pence) had been purchased by the Company at an average purchase price of £79.00 per voting ordinary share for the total consideration of £300 million. These voting ordinary shares are held in treasury, representing 0.7% of the Company's issued ordinary share capital (comprising ordinary shares and limited-voting ordinary shares) as at 31 December 2022.

A further 2,651,875 voting ordinary shares (nominal value of 6$^{79/86}$ pence) were purchased by the company from 1 January to 14 March 2023 at an average purchase price of £74.00 per voting ordinary share for the total consideration of £196 million.

In aggregate, the Company had as at 14 March 2023 purchased 6,449,219 voting ordinary shares (nominal value of 6$^{79/86}$ pence) as part of the share buyback programme for the total consideration of £496 million. The purchased voting ordinary shares that are held in treasury represents 0.82% of the company's issued ordinary share capital (comprising ordinary shares and limited-voting ordinary shares) as at 14 March 2023.

Shareholders will be asked to give a similar authority to purchase shares at the forthcoming AGM. The third and final tranche of the £750 million share buyback programme announced on 5 August 2022 is expected to start in due course and is expected to end no later than 24 July 2023 and will therefore utilise this authority.

In addition, shareholders will be asked to approve a special resolution to give the Company authority to make off-market purchases of shares from the Consortium Shareholders (as defined in the Notice of Meeting for the forthcoming AGM), or their nominee(s), the Consortium Shareholders being entities owned by certain investment funds affiliated with Blackstone, an affiliate of Canada Pension Plan Investment Board and an affiliate of GIC Special Investments Pte. Ltd, and by Thomson Reuters, the former Refinitiv shareholders.

Further details of the proposed resolution and accompanying explanatory notes can be found in the Notice of Meeting for the forthcoming AGM, available on the Company's website https://www.lseg.com/en/investor-relations/annual-general-meeting.

Authority to Allot Shares

The authority conferred on the Directors at last year's AGM to allot shares in the Company up to a maximum nominal amount of £12,872,002 (representing 33.3% of the issued share capital of the Company (excluding treasury shares) as at the latest practicable date before publication of the Notice of the Company's last AGM) or, in connection with a pre-emptive offer to existing shareholders by way of a rights issue, up to a maximum nominal amount of £25,744,003 (representing 66.6% of the issued share capital of the Company (excluding treasury shares) as at the latest practicable date before publication of the Notice of the Company's last AGM), expires on the date of the forthcoming AGM. Shareholders will be asked to give a similar authority to allot shares at the forthcoming AGM.

Directors' Interests

Directors' interests in the shares of the Company as at 31 December 2022, according to the register maintained under the Companies Act 2006, are set out in the Directors' Remuneration Report on pages 138 to 139. No company in the Group was, during or at the end of the year, party to any contract of significance in which any Director was materially interested.

Directors' Indemnity

Details of qualifying third-party indemnity provisions (as defined by section 234 of the Companies Act 2006) in force during the course of the year ended 31 December 2022 can be found on page 98. Such qualifying third-party indemnity provisions remain in force as at the date of approving this Directors' Report.

Employees

Information on the Company's employees including the Company's approach to human rights and diversity, the outcomes relating to the Company's employee engagement survey and further examples of employee engagement can be found in the People and Culture section starting on page 60. Information on the Group's share schemes is provided in the Directors' Remuneration Report on pages 113 to 141.

The Group welcomes and gives full and fair consideration to applications for employment from persons with a disability (both visible and non-visible). Our focus is on providing the right tools to support both current and future employees to be successful in the workplace. The Group assists employees who have a disability with training, career development and progression opportunities and, in a situation where an existing employee develops a disability, our approach is to provide continuing support and training wherever possible. Where changes to working practices or structure affect employees, they are consulted and given the appropriate assistance.

LSEG is a Valuable 500 Iconic Leader and as such has made a pledge to ensure we:

- drive towards removing bias related to disability hiring and provide the necessary tools for people with a disability succeed
- have inclusive hiring and onboarding practices
- make subtitles available for all videos we publish
- create inclusive offices and infrastructure across all our locations, relying on consistent guidelines
- have a Company-wide leadership pledge and commit to support disability, and
- improve physical accessibility for existing locations

The LSEG Accessibility Network is committed to ensure that we create a safe and inclusive environment for our people and continues to work with the Group to ensure our commitments are well implemented across all areas of the Group.

All employees are provided with information on matters of concern to them in their work, through regular briefing meetings and internal publications. To inform employees of the economic and financial factors affecting our business, regular updates are posted on our intranet and engagement events are hosted, such as townhall style meetings with members of our Executive Committee, providing a briefing on specific areas of the business. Alongside this, information is cascaded to employees through people leaders, also boosting employee engagement.

Sustainability

As a Group, we recognise that we must use resources in ways that deliver long-term sustainability and profitability for the business and have regard for its impact on the environment. We also take such factors into account in developing our products and services.

The Group's primary direct environmental impact arises from energy use in our data centres, our offices that host approximately 24,000 colleagues around the world, and from employees travel. The Group also affects the environment indirectly, from purchased goods and services from our supply chain and through our products and services. We are aware of the risks and opportunities for our business arising from climate change and have developed measures to address them. We will actively monitor these changes so that we can adapt and respond as necessary.

Further details of our approach to climate, our targets and progress on environmental matters, as well as methodology and verification can be found in Enabling Sustainable Growth on pages 50 to 59.

Research and Development

LSEG undertakes research and development activities that align with new revenue opportunities in financial services. The research combines significant domain expertise with modern quantitative, data science and cloud engineering practices, leading to innovative solutions relevant to LSEG. The variety of research reflects the range of opportunities available to LSEG. Technical expertise features prominently in LSEG research functions, including Quantitative & Data Driven Modelling, Machine Learning, Deep Learning, Natural Language Processing and AI Cloud Services. Research also includes significant expertise in customer experience design and UX.

Political Donations

During the year the Group did not make any direct political donations to EU or non-EU organisations or incur any political expenditure.

It remains the Company's policy not to make political donations or to incur political expenditure; however, the application of the relevant provisions of the Companies Act 2006 is potentially very broad in nature and, like last year, the Board is seeking shareholder authority to ensure that the Group does not inadvertently breach these provisions as a result of the breadth of its business activities, although the Board has no intention of using this authority. As with previous years the Board is proposing that shareholders pass a resolution at the forthcoming AGM to authorise the Group to:

- make political donations to political parties and independent election candidates not exceeding £100,000 in total
- make political donations to political organisations other than political parties not exceeding £100,000 in total
- incur political expenditure not exceeding £100,000 in total, provided that in any event the aggregate amount of any such donations and expenditure made or incurred by the Group shall not exceed £100,000

Notwithstanding the Company's policy not to make political donations, we recognise the rights of our employees to participate in the political process. Their rights to do so are governed by the applicable laws in the countries in which we operate. For example, in the US under the Federal Election Campaign Act, eligible US employees can establish non-partisan political action committees known as 'PACs' that encourage voluntary employee participation in the political process. PACs are a common feature of the US political system and operate independently of any political party or candidate.

LSEG US Holdco, Inc. operates a PAC for eligible US employees. Consistent with US law, LSEG US Holdco, Inc. pays for the PAC's administrative expenses; providing such support is not considered to be a political donation or expenditure under US law. In accordance with the applicable law, contributions from the PAC are funded entirely by voluntary contributions from eligible employees. All decisions on the amounts and recipients of contributions are directed by a steering committee comprising employees eligible to contribute to the PAC.

During the year, no donations were made to political organisations by the LSEG US Holdco, Inc. employee operated PAC, due to the PAC being dormant since the beginning of 2021. Looking ahead to 2023, there are plans to enable donations to be made again.

Significant agreements

The following are significant agreements as at 31 December 2022 to which the Company is a party that take effect, alter or terminate upon a change of control of the Company following a takeover bid:

Strategic Initiatives Agreement with Microsoft

As part of the strategic partnership with Microsoft Corporation (see https://www.lseg.com/en/investor-relations/regulatory-news), certain subsidiaries of the Company are party to a strategic initiatives agreement with Microsoft Ltd (the Strategic Initiatives Agreement). Under the Strategic Initiatives Agreement, the parties have agreed to jointly pursue strategic initiatives in relation to LSEG's data architecture, Workspace solution and analytics capabilities, as well as explore the development of digital market infrastructure based on cloud technology. The Strategic Initiatives Agreement includes a provision permitting Microsoft to terminate the agreement in circumstances where the Company comes under the control of an entity that Microsoft are prohibited from dealing with by a sanctioning body, or that is based in a jurisdiction subject to international sanctions.

Relationship Agreement

The Company is party to a Relationship Agreement with York Parent Limited (which is owned by Thomson Reuters Corporation and a consortium of certain investment funds managed by Blackstone Group Inc.), York Holdings II Limited, York Holdings III Limited (each of which are wholly-owned subsidiaries of York Parent Limited) and BCP York Holdings (Delaware) L.P. (which is a holding vehicle for the consortium of investment funds managed by Blackstone Group Inc.). The Relationship Agreement governs the relationship between the parties following completion of the Refinitiv acquisition, including the shareholders' rights to nominate directors for appointment to the LSEG Board. The Relationship Agreement would terminate in the event of a change of control of LSEG that resulted in the shareholders ceasing to hold, in aggregate, 10% or more of LSEG shares. Further information on the Relationship Agreement can be found on pages 65-70 of the shareholder prospectus dated 9 December 2020 which is available on the LSEG website www.lseg.com/investor-relations.

Thomson Reuters News Agreement

Certain subsidiaries within the Group are party to an agreement with Reuters News dated 1 October 2018, under which Reuters News provides, for a 30-year term, various categories of general news and financial content, alongside certain accompanying intellectual property licence agreements in relation to the provision of such content (the Thomson Reuters News Agreement). The Thomson Reuters News Agreement includes a provision requiring Refinitiv to obtain consent to assign the agreement pursuant to a change in control in certain circumstances, a breach of which could potentially lead to a termination of the agreement.

Facility Agreements

– Amended 2017 Revolving Credit Facility Agreement

On 29 January 2021, at the time of the Refinitiv acquisition, the amended and restated £1.425 billion syndicated, committed, revolving credit facility agreement (dated 16 December 2020) came into effect (the Amended 2017 Facility). The facility provides flexible financing capacity for the general corporate purposes of the Group and includes £1.35 billion as backstop support for commercial paper issuances.

– 2020 Credit Facility Agreement

The Company has entered into a syndicated, committed $2 billion and €500 million term and £1.075 billion revolving credit facility agreement dated 16 December 2020 (the 2020 Facility), which came into effect upon the completion of the Refinitiv acquisition. $1.56 billion of the term loans remain outstanding. The revolving facility offers the Group additional flexible financing and is available for the general corporate purposes of the Group.

The revolving facility contains two one-year extension options. These were exercised in December 2021 and December 2022 respectively, and consequently the final maturity date of the revolving credit facility is now 16 December 2027. The maturity of the remaining term loan remains unchanged at 15 December 2023.

– Terms of Facility Agreements

The terms of the Amended 2017 Facility and the 2020 Facility are appropriate for an investment grade borrower and each includes change of control provisions which, if triggered, allow the relevant facility agent, upon instructions from the majority lenders, to cancel the facility and declare all outstanding loans under the relevant agreement, together with accrued interest and all other amounts accrued, due and payable. As a result of the market shift away from LIBOR rates, these facilities have transitioned from sterling and US dollar LIBOR reference rates to SONIA and SOFR rates respectively (including an appropriate credit adjustment spread) where applicable.

Notes

– Euro Medium-Term Notes

The Company has issued to the wholesale fixed income market under its Euro Medium Term Notes Programme (the value of which is £2.5 billion), three €500 million tranches of euro notes due in 2024, 2027 and 2029. The notes contain a 'redemption upon change of control' provision which, if triggered by the combination of a change of control and, within 120 days thereafter, a credit rating downgrade to non-investment grade, allows noteholders to exercise their option to require the Company to redeem the notes and pay any accrued and unpaid interest due.

– Global Medium-Term Notes

The Company, together with its subsidiaries LSEG Netherlands B.V. and LSEGA Financing plc, has issued to the wholesale fixed income market under its Global Medium Term Notes Programme (the value of which is £10 billion) £500 million of GBP notes due in 2030, three €500 million tranches of euro notes due in 2025, 2028 and 2033, $500m of USD notes due in 2024, two $1 billion tranches of USD notes due in 2026 and 2028, $1.25 billion of USD notes due in 2031 and $750 million of USD notes due in 2041. The notes contain a 'redemption upon change of control' provision which, if triggered by the combination of a change of control and, within 120 days thereafter, a credit rating downgrade to non-investment grade, allows noteholders to exercise their option to require the Company and/or its subsidiaries to redeem the notes and pay any accrued and unpaid interest due.

The Company issues commercial paper to the debt capital markets from time to time under its £1 billion Euro Commercial Paper Programme and $1 billion US Commercial Paper Programme. The programmes provide flexible financing capacity for the general corporate purposes of the Group and are backstopped by £1.35 billion of the Amended 2017 Facility. There were no issuances under either programme at 31 December 2022.

Employee Share Plans

The rules of the Company's employee share plans set out the consequences of a change of control of the Company on employees' rights under the plans. Generally, such rights will vest on a change of control and participants will become entitled to acquire shares in the Company (although in certain circumstances the Remuneration Committee has the discretion to defer vesting and to require rights to be exchanged for equivalent rights over the acquiring company's shares).

Events since the financial year-end

For further information on events since the reporting date, please see note 27 on page 231.

Employee Benefit Trust

As at 31 December 2022, the trustee of the London Stock Exchange Employee Benefit Trust, which is an independent trustee, held 259,129 shares under the terms of the trust for the benefit of employees and former employees of the Company and its subsidiaries. The trust is a discretionary trust, and the shares are held to meet employees' entitlements under the Company's share plans. Employees have no voting rights in relation to the unencumbered shares while they are held in trust. The trustee has full discretion to exercise the voting rights attached to the unencumbered shares or to abstain from voting. Shares acquired by employees through the Company's employee share plans rank equally with the ordinary shares in issue and have no special rights.

Branches outside the UK

Certain of the Company's subsidiaries have established branches in a number of different countries in which they operate.

Financial risk management

The use of financial instruments by the Group and the Group's financial risk management have been specifically considered by the Directors, and relevant disclosures appear in principal risks and uncertainties, on pages 74 to 84 of this Annual Report, and in the notes to the financial statements, on pages 166 to 245 of this Annual Report, and in each case are incorporated by reference into this Directors' Report.

Directors' statement as to disclosure of information to auditors

In accordance with Section 418(2) of the Companies Act 2006, the Directors confirm, in the case of each Director in office at the date the Directors' Report is approved as listed on pages 90 to 93, that:

- So far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- They have taken all the steps that they ought to have taken as a Director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Future developments

The Group's likely future developments can be found in the Market Trends and Our Response section of the Annual Report (pages 26 to 29). This section covers financial, technological and societal trends that are affecting the Group and demonstrates how we are evolving as an organisation to adapt appropriately going forward.

Auditors

A resolution to reappoint EY LLP as the Company's auditors will be proposed at the AGM.

By Order of the Board

Lisa Condron
Group Company Secretary
14 March 2023

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report, the Directors' Remuneration Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. The Directors have prepared the Group and Company financial statements in accordance with UK-adopted international accounting standards (IFRSs).

Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the Group and the Company and of the profit or loss for that year.

In preparing those financial statements, the Directors are required to:
— Select suitable accounting policies in accordance with IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently
— Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information
— Make judgements and estimates that are reasonable and prudent
— Provide additional disclosures when compliance with the specific requirements in IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group and the Company's financial position and financial performance
— In respect of the Group financial statements, state whether UK-adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
— In respect of the parent Company financial statements, state whether UK-adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
— Prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Group and the Company will continue in business

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006, other applicable laws and regulations, including the requirements of the Listing Rules and the Disclosure Guidance and Transparency Rules. As regards the Group financial statements, the Directors are also responsible for safeguarding the assets of the Company and the Group and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under applicable law and regulations, the directors are also responsible for preparing a strategic report, directors' report, directors' remuneration report and corporate governance statement that comply with that law and those regulations. The Directors are responsible for the maintenance and integrity of the corporate and financial information on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Overview and Strategic Report sections of the Annual Report on pages 2 to 85.

In particular, the current economic conditions continue to pose a number of risks and uncertainties for the Group and these are set out in Principal Risks and Uncertainties on pages 74 to 84.

The Financial Risk Management objectives and policies of the Group and the exposure of the Group to capital risk, credit risk, market risk and liquidity risk are discussed on pages 220 to 225. The Group continues to meet Group and individual entity capital requirements and day-to-day liquidity needs through the Group's cash resources and available credit facilities.

The combined total of committed facilities and bonds issued at 31 December 2022 was £10,699 million (2021: £10,206 million).

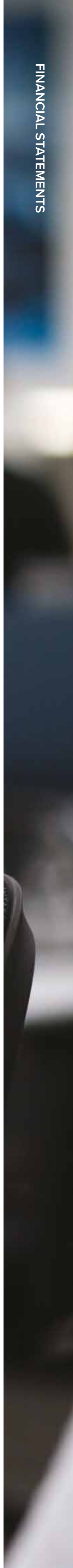
The Directors have reviewed the Group's forecasts and projections, taking into account reasonably possible changes in trading performance, which show that the Group has sufficient financial resources. On the basis of this review, and after making due enquiries, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements. The Group's business activities, together with the factors likely to affect its future development, performance and position and its objectives and policies in managing the financial risks to which it is exposed, and its capital are set out in the Strategic Report on pages 2 to 85.

Each of the Directors, whose names and functions are set out on pages 90 to 93 of this Annual Report confirms that, to the best of their knowledge and belief:
— The Group and the Company financial statements, which have been prepared in accordance with IFRSs give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the Group taken as a whole
— The report of the Directors contained in the Annual Report, including the strategic report, includes a fair review of the development and performance of the business and the position of the Company and the Group taken as a whole, together with a description of the principal risks and uncertainties that they face
— They consider that the Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group and the Company's performance, business model and strategy

By Order of the Board

Lisa Condron
Group Company Secretary
14 March 2023

Financial Statements



In this section

Key to symbols used in this section

Accounting policy

Significant accounting judgements

Independent Auditor's Report to the members of London Stock Exchange Group plc

We have audited the financial statements of London Stock Exchange Group plc (the parent Company) and its subsidiaries (the Group) for the year ended 31 December 2022. In our opinion:

— the financial statements give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 December 2022 and of the Group's profit for the year then ended;
— the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
— the parent Company financial statements have been properly prepared in accordance with UK adopted international accounting standards as applied in accordance with section 408 of the Companies Act 2006; and
— the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

The financial statements comprise:

Group	Parent company
Consolidated balance sheet as at 31 December 2022	Balance sheet as at 31 December 2022
Consolidated income statement for the year then ended	Statement of changes in equity for the year then ended
Consolidated statement of comprehensive income for the year then ended	Statement of cash flows for the year then ended
Consolidated statement of changes in equity for the year then ended	Related notes 1 to 29 to the financial statements including a summary of significant accounting policies
Consolidated statement of cash flows for the year then ended	
Related notes 1 to 29 to the financial statements, including a summary of significant accounting policies	
Tables within the Directors' Remuneration Report identified as 'audited'	

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted International Accounting Standards and as regards the parent Company financial statements, as applied in accordance with section 408 of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group and parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

During the course of our independence procedures, it was identified that three non-audit services were provided by Deloitte USA[1], having been subcontracted from Deloitte LLP in the UK. These services are prohibited under the FRC's Ethical Standard as Deloitte USA are also the auditor of the Tradeweb Markets Inc. component.

The services provided to the Group related to tax advice to certain employees in 2021, 2022 and 2023, tax planning advice in 2022 and tax advice relating to a debt restructuring in 2021. Total fees for these services were £268,500. These services are no longer being provided. As a result of the breach, we performed a further review of Deloitte USA's audit working papers for key judgments and estimates for both 2021 and 2022. We also discussed with Deloitte USA their approach to identifying these breaches and assessed the services provided to conclude on the extent of the breaches.

We considered that the provision of the services did not create a self-review threat for either 2021 or 2022 as the prohibited services were not provided to the entity being audited by Deloitte USA, Tradeweb Markets Inc., and there was therefore no risk of Deloitte USA reviewing their own work. In addition, EY audited the balances impacted by the prohibited services performed by Deloitte USA so there was no risk of EY reviewing our own work. Appropriate safeguards also existed as the individuals who performed the prohibited services were not part of the Deloitte USA audit engagement team. We informed the Audit Committee following identification in February 2023. We considered this to be a minor breach of the FRC's Ethical Standard; that an objective, reasonable and informed third party would not conclude that our independence was impaired; and that we remain independent of the Group and the parent Company in conducting the audit.

1 Non-audit services were provided by Deloitte Tax LLP. The component auditor is Deloitte & Touche LLP.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Group and parent Company's ability to continue to adopt the going concern basis of accounting for a period of twelve months from the date of signing the financial statements included:

- Obtaining an understanding of the Directors' use of the going concern basis of preparation. This included reviewing their going concern assessment and associated underlying forecasts and assumptions and performing inquiries of management and those charged with governance;
- Assessing the appropriateness of key assumptions made in the Group's business plan, together with our valuation specialists, by comparing them to historical performance and challenging the achievability of budgeted growth. In assessing the reasonableness of these key assumptions, we considered planned cost and revenue synergies, the trading environment, and the current uncertain geopolitical and economic outlook including the impact of high inflation and increased interest rates, principal risks and appropriate mitigating factors. We performed back-testing by comparing the budget of prior periods to actual results to assess the historical accuracy of the forecasting process;
- Testing the clerical accuracy of the going concern assessment including the data used in stress testing;
- Evaluating the reasonableness of adverse forecasts by benchmarking the stress testing scenario assumptions against external data;
- Evaluating the plausibility of management actions available to mitigate the impact of the reverse stress test by comparing them to our understanding of the Group including the ability to refinance debt;
- Evaluating the level of liquidity of the Group to support ongoing requirements for a period of 12 months from the date of signing the financial statements; and
- Assessing the appropriateness of the going concern disclosures by evaluating the consistency with the going concern assessment and for compliance with the relevant reporting requirements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and parent Company's ability to continue as a going concern for a period of twelve months from when the financial statements are authorised for issue.

In relation to the Group and parent Company's reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

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

Overview of our audit approach

Audit scope	— We performed an audit of the complete financial information of 8 components, specified audit procedures on specific balances for a further 11 components and other procedures on the remaining 126 components. — The components where we performed full or specific audit procedures accounted for 93% of absolute pre-tax profit, 96% of Revenue and 99.9% of Total assets. — A component is defined as an entity for which management prepares component financial information that is included in the Group financial statements.
Key audit matters	— Accounting for acquisitions. — Revenue recognition. — Impairment of goodwill and purchased intangible assets. — Internally developed software capitalisation and impairment.
Materiality	— Overall Group materiality of £61 million which represents 5% of adjusted pre-tax profit from continuing operations, calculated by adjusting for certain non-underlying items relating to gain on disposal of property, plant and equipment of £133 million, investment remeasurement gain of £23m, impairment of associates of £7 million, finance expenses of £16 million, retention costs of £35 million and separation costs of £13 million.

An overview of the scope of the parent Company and Group audits

Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for each component within the Group. Taken together, this enables us to form an opinion on the consolidated financial statements. We take into account size, risk profile, the organisation of the Group and effectiveness of Group-wide controls, changes in the business environment and other factors such as recent Internal audit results when assessing the level of work to be performed at each component.

In assessing the risk of material misstatement to the Group financial statements and to ensure we had adequate quantitative coverage of significant accounts in the financial statements, of the 126 reporting components (2021: 320 reporting components) of the Group, we selected 19 components.

Full scope components – Of the 19 components selected (2021: 39 components), we performed an audit of the complete financial information of 8 components (2021: 12 components) which were selected based on their size or risk characteristics.

Specific scope components – For the remaining 11 components (2021: 27 components), we performed audit procedures on specific accounts within that component which we considered had the potential for the greatest impact on the significant accounts in the financial statements either because of the size of these accounts or their risk profile.

The primary audit team is defined as the EY London audit team responsible for issuing the opinion on the Group financial statements and coordinating the Group audit. The component team is defined as an audit team, who, at the request of the primary audit team, performs work on the financial information related to a component for the Group audit.

5 of the full scope components and all of the specific scope components are audited by the primary audit team, with the remaining 3 full components audited by component teams as set out in the table below:

Component	Headquartered location	Scope	Auditor
LSEG US Holdco Inc.*	United States of America	Full	EY New York
Tradeweb Markets Inc	United States of America	Full	Deloitte USA
LCH S.A.	France	Full	EY France

* Some specific accounts within LSEG US Holdco Inc. were audited by the primary audit team.

The table below reflects the proportion of the group that is included within the full scope and specific scope components. The audit scope of these components may not have included testing of all significant accounts of the component but will have contributed to the coverage of significant accounts tested for the Group.

Significant account	Full scope		Specific scope		Other procedures		Total	
	2022	2021	**2022**	2021	**2022**	2021	**2022**	2021
Group's absolute pre-tax profit	**79%**	58%	**14%**	24%	**7%**	18%	**100%**	100%
Group's revenue	**93%**	65%	**3%**	19%	**4%**	16%	**100%**	100%
Group's total assets	**99.8%**	99.4%	**0.1%**	0.4%	**0.1%**	0.2%	**100%**	100%

Of the remaining 107 components that together represent 7% of the Group's absolute pre-tax profit, none are individually greater than 2% of the Group's absolute pre-tax profit. The absolute pre-tax profit has been used within our assessment, as a result of there being loss making components within the Group. For these components, we performed other procedures, including analytical reviews, testing of Group entity level controls, testing of consolidation journals and intercompany eliminations, and risk assessment procedures based on the outcome of internal audit reports and of prior year local statutory audits, to respond to any potential risks of material misstatement to the Group financial statements.

Changes from the prior year

In the current year, there has been a decrease in the number of reporting components, as well as the number of in-scope components for the Group audit. This is as a result of treating the Refinitiv Data & Analytics business as one component due to the common processes and controls. Audit procedures have been designed and updated to reflect this change in scoping approach.

Involvement with component teams

In establishing our overall approach to the Group audit, we determined the type of work that needed to be undertaken at each of the components by us, as the primary audit engagement team, or by component auditors from other Ernst & Young Global Limited network firms and Deloitte USA operating under our instruction. For the 3 full scope components where the work was performed by component auditors, we determined the appropriate level of involvement to enable us to determine that sufficient audit evidence had been obtained as a basis for our opinion on the Group as a whole.

The primary audit team interacted regularly with the component teams during various stages of the audit and were responsible for the scope and direction of the audit process. Physical site visits were undertaken by the Senior Statutory Auditor and other senior members of the primary audit team during the current year's audit cycle to the component teams in United States of America, France and India. These physical site visits and regular virtual meetings involved discussing and challenging the audit approach with the component team and any findings arising from their work, meeting with local management, attending planning and closing meetings and reviewing relevant audit working papers on risk areas, through direct access or through the use of shared screen functionality. This, together with the additional procedures performed at Group level, gave us appropriate evidence for our opinion on the Group financial statements and ensured that the Senior Statutory Auditor exercised appropriate oversight of the principal locations of the Group.

Climate change

Stakeholders are increasingly interested in how climate change will impact the Group. The Group has determined that the most significant future impacts from climate change will be from physical risk to operations and the opportunities and risks associated with market shifts in the transition to a net zero economy. These are explained in "Enabling sustainable growth" within the Strategic Report and in the principal risks and uncertainties, where the Group has also explained its climate commitments. All of these disclosures form part of the "Other information," rather than the audited financial statements. Our procedures on these unaudited disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated, in line with our responsibilities on "Other information".

In planning and performing our audit we assessed the potential impacts of climate change on the Group's business and any consequential material impact on its financial statements.

The Group has explained in note 1.7 its articulation of how climate change has been reflected in the financial statements. The principal areas of consideration by management include going concern and viability and the valuation of assets and liabilities.

Our audit effort in considering the impact of climate change on the financial statements was focused on evaluating management's assessment of the impact of climate risk, both physical and transition and on ensuring that the effects of emerging climate risks disclosed have been appropriately reflected by management in reaching their judgements in relation to the valuation of assets and liabilities. We also challenged the Directors' considerations of climate change risks in their assessment of going concern and viability and associated disclosures.

Based on our work we have not identified the impact of climate change on the financial statements to be a key audit matter or to impact a key audit matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

<table>
<tr><th>Risk</th><th>Our response to the risk</th><th>Key observations communicated to the Audit Committee</th></tr>
<tr>
<td>Accounting for acquisitions
During 2022, the Group completed the acquisitions of Global Data Consortium, Inc. (GDC), MayStreet, Inc. (MayStreet), TORA Holdings, Inc. (TORA) and Quantile Group Limited (Quantile), together the ‘acquirees’.
<table>
<tr><th>Entity</th><th>Net assets acquired</th><th>Goodwill recognised</th></tr>
<tr><td>GDC</td><td>£88 million</td><td>£153 million</td></tr>
<tr><td>MayStreet</td><td>£45 million</td><td>£108 million</td></tr>
<tr><td>TORA</td><td>£85 million</td><td>£173 million</td></tr>
<tr><td>Quantile</td><td>£70 million</td><td>£135 million</td></tr>
</table>
There is a complexity in auditing the accounting for these acquisitions as there are significant judgements and assumptions required in the determination of the fair value of net assets acquired and the resulting goodwill.

Refer to the Report of the Audit Committee; Accounting policies); and Note 12 of the Financial Statements

The risk has reduced this year given the lower value of the acquisitions compared to the Refinitiv acquisition in the prior year.</td>
<td>— Control assessment: We confirmed our understanding of the business combinations accounting process including process and controls relevant to the acquisitions. We held discussions with management to understand the governance structures and oversight of the accounting for each of the transactions.
— Technical accounting: Together with our technical accounting specialists, we reviewed management’s business combinations accounting papers and management’s assessment of the acquirees’ accounting policies, understanding the differences with the Group and resulting impact.
— Net assets acquired and resulting goodwill: We verified the completeness and accuracy of the carrying value of acquired net assets. This included tests of detail and analytical review procedures over significant balance sheet accounts at the acquisition date. We also assessed the reasonableness of the fair values of identifiable assets and liabilities assumed, and resulting goodwill at each acquisition date with our valuation specialists. We assessed the appropriateness of intangible asset valuation models, tested the accuracy and completeness of the key inputs used and the reasonableness of the key assumptions including discount rates, royalty rates, attrition rates, contributory asset charge rates, long-term growth rates and cash flow forecasts. This included developing independent valuation ranges for net assets acquired for each acquisition. We involved our Tax specialists to evaluate the appropriateness of deferred taxes related to the assets acquired and liabilities assumed and to assess the appropriateness of the tax rate used in relation to each acquisition.
— Disclosure: We assessed the adequacy of the disclosures made in the financial statements.</td>
<td>We concluded that the fair value of net assets acquired, and the resulting goodwill are reasonable and fall within our independently developed range for each transaction.

We are satisfied that the material acquisitions and the related disclosures are reasonable and are in accordance with IFRS 3 ‘Business Combinations’.</td>
</tr>
</table>

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Revenue recognition The Group reported £7,454 million of revenue from external customers, which consisted of £5,259 million in Data & Analytics, £1,459 million in Capital Markets and £736 million in Post Trade. Auditing revenue recorded is complex due to the complexity of the IT systems used in the initiation, processing and recording of transactions and the manual nature of certain revenue streams. This includes: — recognising revenue in accordance with the non-standard terms present in subscription revenue agreements in Data & Analytics; and — the level of judgement used in estimating FTSE Russell revenue accruals presented within fees receivable based on historic billing and expected assets under management (AUM). *Refer to the Report of the Audit Committee; Accounting policies; Notes 2 and 3 of the Financial Statements* The risk has remained consistent with the prior year.	— **Control assessment:** We confirmed our understanding of the processes and controls relevant to the material revenue streams of the Group. We also evaluated the design effectiveness and tested operating effectiveness of key controls including IT systems and related IT controls for certain revenue streams. — **Overall procedures:** We evaluated the appropriateness of the revenue recognition policy in accordance with IFRS 15 'Revenue from Contracts with Customers'. Additionally, we benchmarked the accounting policies with industry peers to ensure they are in line with industry standards. We performed cut-off testing to verify that revenue was recognised in the correct period. We performed analytical procedures and journal entry testing in order to identify and test the risk of misstatement arising from management override of controls. — **Subscription revenue in Data & Analytics:** For a sample of significant contracts, we obtained the executed contract and performed a review of the contract terms against the requirements of IFRS 15 'Revenue from Contracts with Customers' and verified the invoices raised and cash collected as applicable. We used artificial intelligence looking for discrepancies and anomalies in contracts to identify potential issues related to the authenticity of contracts to mitigate the risk of falsified contracts. — **FTSE Russell revenue accruals:** We selected a sample of revenue accruals and obtained appropriate supporting evidence such as tying the basis for the accrued amounts to third party sources or prior period billings. We also agreed to invoices raised post year-end and cash collected where applicable. We also performed substantive analytical procedures over revenue accruals recognised across the period, in comparison to total revenue recognised by month and counterparty to identify outliers on which to perform further procedures. For revenue based on AUM, we independently reperformed the revenue calculation and tested a sample using AUM amounts from supporting customer agreements, independent third-party sources, where available, or customer declarations.	We are satisfied that revenue related to subscription revenue and FTSE Russell revenue accruals within the Data & Analytics business are reasonable and recorded in accordance with IFRS 15 'Revenue from Contracts with Customers'.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Impairment of goodwill and purchased intangible assets The Group reported goodwill of £19,829 million (2021: £17,486 million) and net purchased intangible assets of £12,584 million (2021: £11,920 million). The complexity in auditing goodwill and purchased intangible assets relates to the use of judgement in the impairment assessment. Both goodwill and purchased intangible assets are sensitive to a number of judgements and estimates; in particular cash flow forecasts, long-term growth rates (LTGR), discount rates, amortisation periods for purchased intangible assets, customer retention rates and royalty rates. *Refer to the Report of the Audit Committee; Accounting policies; and Note 14 of the Financial Statements* The risk has increased in the current year due to the increase in economic uncertainty linked to the impact of higher interest rates on discount rates.	— **Control assessment:** We confirmed our understanding of the impairment assessment process and assessed the design effectiveness of key controls. — **Carrying value of goodwill:** For material cash generating units (CGUs), we examined the cash flow forecasts and tested compliance with the requirements of IAS 36 'Impairment of Assets'. We tested the clerical accuracy of these forecasts and compared them to the three-year business plans approved by the Board. We evaluated the reasonableness of the cash flow forecasts using our understanding of the CGU and analysing the budgeted growth rates, its historical growth rates and other relevant market expectations and developments including changes in inflation and increasing interest rates. We compared prior periods' cash flow forecasts to actual results to assess management's forecasting accuracy. We tested the discount rates used by each of the CGUs, as well as the LTGRs, with involvement of our valuation specialists; we evaluated these model inputs within each impairment model, by comparing them to a range of economic and industry forecasts and market data where appropriate, as well as to other similar companies. We also performed sensitivity analysis on the key assumptions (including the model inputs, cash flow forecasts, royalty rates and customer retention rates) to understand the impact that reasonably possible changes would have on the overall carrying value of the goodwill and purchased intangible assets. — **Purchased intangible assets:** We evaluated management's assessment of impairment indicators by considering internal and external factors specific to each class of assets and our understanding of the business. This included performing back-testing of customer retention rates within specific business lines and the current returns made on intellectual property. We also assessed the appropriateness of the remaining amortisation period of purchased intangible assets by considering management's business plan and comparing management's forecasts against historic data. — **Disclosure:** We assessed the adequacy of the relevant disclosures made in the financial statements, including the completeness of the sensitivity disclosure.	We are satisfied that the carrying values of goodwill and purchased intangible assets are reasonable and the related disclosures are compliant with IAS 36 'Impairment of Assets' and IAS 38 'Intangible Assets'.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Internally developed software capitalisation and impairment The Group reported capitalised internally developed software of £2,653 million (2021: £2,318 million) and an impairment charge of £11 million (2021: £13 million) Auditing the capitalisation of expenses to internally developed software is complex as it involves management judgement when making the assessment of capitalisation against criteria set out in IAS 38 'Intangible Assets'. This includes identifying when events or changes in circumstances indicate that the carrying amounts may not be recoverable and involves key judgements and estimates in the annual impairment assessments. These include discount rates, LTGRs, cash flow forecasts and the amortisation periods for internally developed software. *Refer to the Report of the Audit Committee; Accounting policies; and Note 14 of the Financial Statements* The risk has remained consistent with the prior year.	— **Control assessment:** We confirmed our understanding of both the capitalisation and impairment assessment processes and assessed the design and operating effectiveness of key controls. — **Additions testing:** For a sample of additions, we have agreed amounts capitalised to supporting documentation to verify whether the costs were incurred and meet the capitalisation criteria of IAS 38 'Intangible Assets'. — **Impairment assessment:** To assess the completeness of indicators of impairment identified by management, we selected a sample of assets, including those not yet brought into use or projects put on hold, and tested and challenged management's assessment of indicators of impairment. This included analysis against budgeted spend and identifying projects with no recent spend. Where an impairment has been recognised, we tested the key assumptions used within the assessment, such as the discount rates, LTGR and cash flow forecasts with involvement of our valuation specialists as needed. We also assessed the sensitivity analysis performed by management and performed independent additional sensitivity analysis on the impairment model inputs, to understand the impact that reasonably possible changes to key assumptions would have on the overall carrying value of the internally developed software. — **Disclosure:** We assessed the adequacy of the disclosures made in the financial statements.	We are satisfied that the capitalisation of and carrying value of internally developed software and the related disclosures are reasonable and compliant with IAS 36 'Impairment of Assets' and IAS 38 'Intangible Assets'.

In the prior year, our auditor's report included a key audit matter relating to the risk that the Refinitiv Parent Limited acquisition was accounted for or disclosed incorrectly; and the risk that the disposal of the Borsa Italiana Group was accounted for or disclosed incorrectly. As these were 2021 events, they were removed in 2022.

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Group to be £61 million (2021: £68 million), which is 5% (2021: 5%) of adjusted pre-tax profit from operations, calculated by adjusting for certain non-underlying items relating to gain on disposal of property, plant and equipment of £133 million, investment remeasurement gain of £23m, impairment of associates of £7 million, finance expenses of £16 million, retention costs of £35 million and separation costs of £13 million. Pre-tax profit includes pre-tax profit from continuing operations (£1,241 million), as well as pre-tax profit from discontinued operations to the point of disposal (£74 million – Note 13.1). In addition, in the current year, the costs associated to acquisitions have not been adjusted due to the same scale expected to form part of the Group's strategy.

We consider the basis of our materiality to be one of the important considerations for shareholders of the Group in assessing the financial performance of the Group. It is linked to the key earnings measures discussed when the Group presents the financial results. In addition, within non-underlying items, the Group also excludes amortisation of purchased intangibles to present adjusted operating profit; this amount is not excluded from our materiality calculation.

Starting basis
— £1,315 million
— Profit before tax from continuing operations (£1,241 million) and discontinued operations to the point of disposal (£74 million– Note 13.1)

Adjustments
— £85 million reduction
— Certain non-underlying items relating to gain on disposal of property, plant and equipment of £133m, investment remeasurement gain of £23m, impairment of associates of £7m, finance expenses of £16m, retention costs of £35m and separation costs of £13m.

Adjusted basis
— £1,230 million
— Adjusted profit before tax from continuing operations

Materiality
— Materiality of £61 million (5% of materiality basis)

We determined materiality for the parent Company to be £228 million (2021: £239 million), which is 1% (2021: 1%) of equity of the parent Company. However, since the parent Company was a full scope component, for accounts that were relevant for the Group financial statements, performance materiality, as defined below, of £26 million was applied.

During the course of our audit, we reassessed initial materiality and made adjustments based on the final financial performance of the Group.

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Group's overall control environment, our judgement was that performance materiality was 75% (2021: 50%) of our planning materiality, namely £46 million (2021: £34 million). We have set performance materiality at this percentage due to our understanding of the Group's overall control environment and limited number and value of audit differences which were identified in the prior year audit. Our approach is designed to have a reasonable probability of ensuring that the total of uncorrected and undetected misstatements does not exceed our overall materiality of £61 million (2021: £68 million) for the Group financial statements as a whole.

Audit work at component locations for the purpose of obtaining audit coverage over significant financial statement accounts is undertaken based on a percentage of total performance materiality. The performance materiality set for each component is based on the relative scale and risk of the component to the Group as a whole and our assessment of the risk of misstatement at that component. In the current year, the range of performance materiality allocated to components was £10 million to £36 million (2021: £6 million to £7 million).

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of £3 million (2021: £3 million), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other information

The other information comprises the information included in the annual report, including the Strategic Report, Governance information and disclosures (including Board of Directors, Corporate governance, Complying with the provisions of the Code, Report of the Nomination Committee, Report of the Audit Committee, Report of Risk Committee, Directors' Remuneration Report, Directors' Report and Statement of Directors' responsibilities), other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:
— the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
— the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:
— adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
— the parent Company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
— certain disclosures of Directors' remuneration specified by law are not made; or
— we have not received all the information and explanations we require for our audit

Corporate Governance Statement

We have reviewed the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Group and parent Company's compliance with the provisions of the UK Corporate Governance Code specified for our review by the Listing Rules.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit:
— Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified;
— Directors' explanation as to its assessment of the Group's prospects, the period this assessment covers and why the period is appropriate;
— Director's statement on whether it has a reasonable expectation that the group will be able to continue in operation and meets its liabilities;
— Directors' statement on fair, balanced and understandable;
— Board's confirmation that it has carried out a robust assessment of the emerging and principal risks;
— The section of the annual report that describes the review of effectiveness of risk management and internal control systems; and
— The section describing the work of the audit committee.

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the Group and management.

— We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and determined that the most significant are the UK adopted International Accounting Standards, the UK Companies Act 2006, UK Corporate Governance Code 2016, The Financial Conduct Authority's (FCA) Listing Rules, other relevant FCA rules and regulations, Financial Services and Markets Act 2000, European Markets Infrastructure Regulations, and tax legislation (governed by HM Revenue and Customs).
— The Group operates in multiple countries and locations around the world which are regulated by the local regulator and is required to comply with local frameworks.
— We understood how the Group is complying with those frameworks by making inquiries of senior management, including the Chief Financial Officer, the Group General Counsel, the Chief Risk Officer, the Group Head of Compliance, and the Group Head of Internal Audit. We reviewed significant correspondence between the Group and regulatory bodies, reviewed minutes of the Board and Risk Committee and gained an understanding of the Group's approach to governance, demonstrated by the Board's approval of the Group's governance framework and the Board's review of the Group's risk management framework and internal control processes.
— Carried out an assessment of matters reported through the Group's whistleblowing programmes where these related to the financial statements.
— We assessed the susceptibility of the Group's financial statements to material misstatement, including how fraud might occur by considering the controls that the Group has established to address risks identified by the Group, or that otherwise seek to prevent, deter or detect fraud. We considered performance and incentive plan targets and their potential to influence management to manage earnings or influence the perceptions of investors. Our procedures over our key audit matters and other significant accounting estimates included challenging management on the assumptions and judgements made in determining these estimates.
— Identified and tested journal entries, including those posted with certain descriptions or unusual characteristics, backdated journals or posted by infrequent and unexpected users.
— Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved inquiries of senior management, legal counsel, the compliance officer and internal audit, review of significant correspondence with regulatory bodies, minutes of meetings of the Board and certain Board committees, the whistleblowing log, and focused testing, as referred to in the key audit matters section above.
— The Group operates in the exchange, benchmarks and central clearing counterparty industries which are regulated environments. As such, the Senior Statutory Auditor reviewed the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities, which included the use of specialists where appropriate.

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

Other matters we are required to address

— Following the recommendation from the Audit Committee, we were appointed as auditors of the Group and signed an engagement letter on 12 June 2014 and were appointed by the Group at the AGM on 16 July 2014, to audit the financial statements for the nine months period ended 31 December 2014 and subsequent financial periods. We signed an updated engagement letter on 25 October 2021 to audit and report on the financial statements of London Stock Exchange Group Plc and its subsidiaries for the year ended 31 December 2022 and subsequent financial periods.
— The period of total uninterrupted engagement including previous renewals and reappointments is eight years and nine months, covering the nine month period ended 31 December 2014 to the year ended 31 December 2022.
— The audit opinion is consistent with the additional report to the audit committee.

Use of our report

This report is made solely to the Group's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Group's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Group and the Group's members as a body, for our audit work, for this report, or for the opinions we have formed.

Ernst & Young LLP

Simon Michaelson (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

14 March 2023

Consolidated income statement

Year ended 31 December	Notes	2022 Underlying £m	2022 Non-underlying £m	2022 Total £m	2021 (Re-presented)[1] Underlying £m	2021 (Re-presented)[1] Non-underlying £m	2021 (Re-presented)[1] Total £m
Continuing operations							
Revenue	2, 3.1	**7,454**	**–**	**7,454**	6,297	–	6,297
Net treasury income from CCP clearing business	2, 3.1	**255**	**–**	**255**	207	–	207
Other income	2, 3.1	**34**	**–**	**34**	31	–	31
Total income		**7,743**	**–**	**7,743**	6,535	–	6,535
Cost of sales	2	**(1,064)**	**–**	**(1,064)**	(859)	–	(859)
Gross profit		**6,679**	**–**	**6,679**	5,676	–	5,676
Operating expenses before depreciation, amortisation and impairment	4, 6	**(3,140)**	**(389)**	**(3,529)**	(2,725)	(334)	(3,059)
Profit on disposal of property, plant and equipment	6	**–**	**133**	**133**	–	–	–
Remeasurement gain	6, 12.1	**–**	**23**	**23**	–	–	–
Income from equity investments	16	**12**	**–**	**12**	22	–	22
Share of loss after tax of associates		**(1)**	**–**	**(1)**	(4)	–	(4)
Earnings before interest, tax, depreciation, amortisation and impairment		**3,550**	**(233)**	**3,317**	2,969	(334)	2,635
Depreciation, amortisation and impairment	6, 14, 15	**(822)**	**(1,078)**	**(1,900)**	(687)	(883)	(1,570)
Operating profit/(loss)		**2,728**	**(1,311)**	**1,417**	2,282	(1,217)	1,065
Finance income	7.1	**111**	**–**	**111**	46	–	46
Finance costs	7.2	**(271)**	**(16)**	**(287)**	(212)	(5)	(217)
Net finance costs	6, 7	**(160)**	**(16)**	**(176)**	(166)	(5)	(171)
Profit/(loss) before tax		**2,568**	**(1,327)**	**1,241**	2,116	(1,222)	894
Taxation	6, 8.1	**(540)**	**278**	**(262)**	(432)	130	(302)
Profit/(loss) from continuing operations		**2,028**	**(1,049)**	**979**	1,684	(1,092)	592
Discontinued operations							
Profit after tax from discontinued operations	13.1	**59**	**453**	**512**	160	2,511	2,671
Profit/(loss) for the year		**2,087**	**(596)**	**1,491**	1,844	1,419	3,263
Profit/(loss) from continuing operations attributable to:							
Equity holders		**1,770**	**(980)**	**790**	1,465	(1,004)	461
Non-controlling interests	11.2	**258**	**(69)**	**189**	219	(88)	131
Profit/(loss) from continuing operations		**2,028**	**(1,049)**	**979**	1,684	(1,092)	592
Profit from discontinued operations attributable to:							
Equity holders		**59**	**453**	**512**	156	2,512	2,668
Non-controlling interests		**–**	**–**	**–**	4	(1)	3
Profit after tax from discontinued operations		**59**	**453**	**512**	160	2,511	2,671
Profit/(loss) for the year		**2,087**	**(596)**	**1,491**	1,844	1,419	3,263
Earnings per share attributable to equity holders							
Continuing operations							
Basic earnings per share	9			**141.8p**			85.8p
Diluted earnings per share	9			**141.1p**			85.2p
Adjusted basic earnings per share	9	**317.8p**			272.4p		
Adjusted diluted earnings per share	9	**316.1p**			270.7p		
Total operations							
Basic earnings per share	9			**233.8p**			581.7p
Diluted earnings per share	9			**232.5p**			578.1p
Adjusted basic earnings per share	9	**328.4p**			301.4p		
Adjusted diluted earnings per share	9	**326.6p**			299.5p		
Dividend per share in respect of the financial year							
Dividend per share paid during the year	10			**31.7p**			25.0p
Dividend per share declared for the year	10			**75.3p**			70.0p

1 The 2021 results have been re-presented to exclude the results of the discontinued operations (see note 13).

Consolidated statement of comprehensive income

Year ended 31 December	Notes	2022 £m	2021 (Re-presented)[1] £m
Continuing operations			
Profit from continuing operations		**979**	592
Other comprehensive income			
Items that will not be subsequently reclassified to the income statement			
Actuarial (losses)/gains on defined benefit schemes	17.2	**(329)**	101
Gain on equity instruments designated as fair value through other comprehensive income	16.1	**21**	59
Income tax relating to these items	8.1	**83**	(25)
		(225)	135
Items that may be subsequently reclassified to the income statement			
Gains on cash flow hedges	23	**–**	22
Gains on cash flow hedges recycled to the income statement	23	**(3)**	(2)
Net (losses)/gains on net investment hedges	23	**(113)**	87
Debt instruments at fair value through other comprehensive income:			
— Net (losses)/gains from changes in fair value		**(15)**	2
— Losses/(gains) recycled to the income statement		**1**	(4)
Net exchange gains on translation of foreign operations		**2,653**	13
Income tax relating to these items	8.1	**2**	1
		2,525	119
Other comprehensive income net of tax from continuing operations		**2,300**	254
Total comprehensive income from continuing operations		**3,279**	846
Discontinued operations			
Total comprehensive income from discontinued operations	13.1	**512**	2,566
Total comprehensive income		**3,791**	3,412
Total comprehensive income from continuing operations attributable to:			
Equity holders		**2,889**	707
Non-controlling interests	11.2	**390**	139
Total comprehensive income from continuing operations		**3,279**	846
Total comprehensive income from discontinued operations attributable to:			
Equity holders		**512**	2,564
Non-controlling interests		**–**	2
Total comprehensive income from discontinued operations		**512**	2,566
Total comprehensive income		**3,791**	3,412

1 The 2021 results have been re-presented to exclude the results of the discontinued operations (see note 13).

Balance sheet

At 31 December	Notes	Group 2022 £m	Group 2021 £m	Company[1] 2022 £m	Company[1] 2021 £m
Assets					
Non-current assets					
Intangible assets	14	**35,066**	31,724	**–**	–
Property, plant and equipment	15	**797**	832	**–**	–
Investments in subsidiaries	29.2	**–**	–	**24,922**	24,792
Investments in associates		**34**	25	**1**	2
Investments in financial assets	16, 23	**394**	351	**–**	–
Derivative financial instruments	23	**12**	2	**–**	–
Other receivables	18	**209**	202	**76**	92
Retirement benefit assets	17.3	**231**	568	**–**	–
Deferred tax assets	8.2	**622**	508	**8**	–
		37,365	34,212	**25,007**	24,886
Current assets					
Trade and other receivables	18	**1,364**	967	**1,296**	1,496
Clearing member financial assets		**687,727**	665,031	**–**	–
Clearing member cash and cash equivalents		**104,707**	83,795	**–**	–
Clearing member assets	23	**792,434**	748,826	**–**	–
Investments in financial assets	16, 23	**226**	–	**–**	–
Derivative financial instruments	23	**36**	25	**11**	10
Current tax receivable		**522**	398	**–**	–
Cash and cash equivalents	19, 23	**3,209**	2,665	**77**	142
Assets held for sale		**–**	16	**–**	–
		797,791	752,897	**1,384**	1,648
Total assets		**835,156**	787,109	**26,391**	26,534
Liabilities					
Current liabilities					
Trade and other payables	20	**2,143**	1,782	**1,494**	644
Contract liabilities	3.2	**257**	245	**–**	–
Borrowings	22.1, 23	**1,295**	–	**–**	–
Clearing member financial liabilities	23	**792,594**	748,644	**–**	–
Derivative financial instruments	23	**9**	7	**–**	5
Current tax payable		**142**	73	**–**	–
Provisions		**29**	16	**–**	–
		796,469	750,767	**1,494**	649
Non-current liabilities					
Borrowings	22.1, 23	**6,856**	7,654	**1,815**	1,740
Other payables	20	**1,182**	1,059	**188**	202
Contract liabilities	3.2	**89**	101	**–**	–
Derivative financial instruments	23	**87**	45	**84**	43
Retirement benefit obligations	17.3	**64**	85	**–**	–
Deferred tax liabilities	8.2	**2,200**	1,835	**–**	–
Provisions		**58**	44	**–**	–
		10,536	10,823	**2,087**	1,985
Total liabilities		**807,005**	761,590	**3,581**	2,634
Net assets		**28,151**	25,519	**22,810**	23,900
Equity					
Capital and reserves attributable to the Company's equity holders					
Ordinary share capital	24	**39**	39	**39**	39
Share premium	24	**978**	978	**978**	978
Retained earnings		**3,840**	3,816	**2,996**	4,086
Other reserves	24	**21,139**	18,807	**18,797**	18,797
Total shareholders' funds		**25,996**	23,640	**22,810**	23,900
Non-controlling interests	11.2	**2,155**	1,879	**–**	–
Total equity		**28,151**	25,519	**22,810**	23,900

1 The Company recorded a loss for the year of £82 million (2021: profit of £2,554 million). The profit in 2021 reflected additional dividends received as a consequence of the profit on disposal of the Borsa Italiana group.

The financial statements on pages 161-245 were approved by the Board on 1 March 2023 and signed on its behalf by:

David Schwimmer
Chief Executive Officer

Anna Manz
Chief Financial Officer

14 March 2023
London Stock Exchange Group plc
Registered number 5369106

Cash flow statements

Year ended 31 December	Notes	Group 2022 £m	Group 2021 (Re-presented)[1] £m	Company 2022 £m	Company 2021 (Re-presented)[3] £m
Operating activities					
Profit/(loss) from continuing operations		**979**	592	**(82)**	2,554
Adjustments to reconcile profit to net cash flow:					
— Taxation	8.1	**262**	302	**(19)**	(61)
— Net finance costs	7	**176**	171	**32**	74
— Amortisation and impairment of intangible assets	14	**1,603**	1,289	**–**	–
— Depreciation and impairment of property, plant and equipment	15	**290**	281	**–**	–
— Profit on disposal of property, plant and equipment		**(133)**	–	**–**	–
— Share based payments	25	**158**	141	**–**	–
— Foreign exchange losses/(gains)		**38**	112	**113**	(163)
— Dividend income	16, 28	**(12)**	(22)	**(250)**	(3,303)
— Impairment of investments in subsidiaries	29.2	**–**	–	**–**	563
— Other movements		**121**	84	**2**	10
Working capital changes and movements in other assets and liabilities:					
— (Increase)/decrease in receivables, contract and other assets		**(407)**	747	**12**	(16)
— (Decrease)/increase in payables, contract and other liabilities		**(119)**	(347)	**123**	300
— Decrease/(increase) in clearing member financial assets		**709**	(72,668)	**–**	–
— (Decrease)/increase in clearing member financial liabilities		**(383)**	72,408	**–**	–
Cash generated from/(used in) operations		**3,282**	3,090	**(69)**	(42)
Interest received		**29**	14	**1**	1
Interest paid		**(171)**	(152)	**(45)**	(74)
Net taxes paid		**(351)**	(390)	**–**	–
Royalties paid		**(89)**	(70)	**–**	–
Net cash flows from continuing operations[2]		**2,700**	2,492	**(113)**	(115)
Net cash flows from discontinued operations	13	**37**	110	**–**	–
Net cash flows from operating activities		**2,737**	2,602	**(113)**	(115)
Investing activities					
Purchase of intangible assets	14	**(773)**	(542)	**–**	–
Purchase of property, plant and equipment	15	**(193)**	(90)	**–**	–
Proceeds from disposal of property, plant and equipment		**153**	–	**–**	–
Acquisition of subsidiaries, net of cash acquired	12	**(768)**	762	**–**	–
Proceeds from sale of disposal group, net of cash disposed	13	**903**	3,592	**–**	–
Investments in financial assets		**(227)**	(28)	**–**	–
Dividends received		**12**	22	**250**	2,654
Loans made to subsidiary companies[3]		**–**	–	**(384)**	(672)
Repayment of loans made to subsidiary companies[3]		**–**	–	**561**	256
Net cash flows from continuing operations		**(893)**	3,716	**427**	2,238
Net cash flows from discontinued operations	13	**(16)**	(32)	**–**	–
Net cash flows from investing activities		**(909)**	3,684	**427**	2,238
Financing activities					
Payment of principal portion of lease liabilities	21	**(150)**	(118)	**–**	–
Proceeds from borrowings	22	**–**	6,944	**–**	500
Repayment of borrowings	22	**(209)**	(11,614)	**–**	(586)
Dividends paid to equity holders of the parent	10	**(567)**	(426)	**(567)**	(426)
Dividends paid to non-controlling interests		**(82)**	(95)	**–**	–
Repurchase of shares by Parent Company	24	**(303)**	–	**(303)**	–
Repurchase of shares by subsidiary (Tradeweb)		**(80)**	(55)	**–**	–
Additional capital paid to subsidiary companies	29.2	**–**	–	**(130)**	(1,600)
Loans received from subsidiary companies		**–**	–	**617**	131
Other financing activities		**(77)**	24	**(1)**	13
Net cash flows from continuing operations		**(1,468)**	(5,340)	**(384)**	(1,968)
Net cash flows from discontinued operations	13	**–**	(6)	**–**	–
Net cash flows from financing activities		**(1,468)**	(5,346)	**(384)**	(1,968)
Increase in cash and cash equivalents		**360**	940	**(70)**	155
Foreign exchange translation		**184**	(60)	**5**	(14)
Cash and cash equivalents at 1 January		**2,665**	1,785	**142**	1
Cash and cash equivalents at 31 December	19	**3,209**	2,665	**77**	142

1 The 2021 results have been re-presented to exclude the results of the discontinued operations (see note 13).
2 The Group's net cash inflow from continuing operating activities of £2,700 million (2021: £2,492 million) includes £226 million (2021: £202 million) of expenses related to non-underlying items.
3 For 2021, loans made to subsidiary companies of £672 million and repayment of these loans of £256 million were presented as a financing activity. These have been reclassified to investing activities in accordance with IAS 7 *Statement of Cash Flows*. This change has no overall impact on the total movement in cash and cash equivalents in the prior year.

Statement of changes in equity

Group

Year ended 31 December	Notes	Attributable to equity holders: Ordinary share capital £m	Share premium £m	Retained earnings £m	Other reserves[1] £m	Total attributable to equity holders £m	Non-controlling interests (Re-presented)[2] £m	Total equity £m
1 January 2021		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	24	–	7	–	–	7	–	7
Issue of shares for acquisition of subsidiaries (with non-controlling interest)		15	–	(25)	16,981	16,971	1,442	18,413
Dividends	10, 11.2	–	–	(426)	–	(426)	(97)	(523)
Share-based payments	25	–	–	76	–	76	67	143
Tax benefit on share-based payments in excess of expense recognised	8.1	–	–	30	–	30	–	30
Disposal of business	13	–	–	–	–	–	(65)	(65)
Tradeweb share buyback[3]		–	–	–	–	–	(55)	(55)
Shares withheld from employee options exercised (Tradeweb)[4]		–	–	–	–	–	(52)	(52)
Tax benefit on investment in partnerships	8.1	–	–	–	–	–	25	25
Adjustments to non-controlling interest		–	–	–	–	–	59	59
31 December 2021		39	978	3,816	18,807	23,640	1,879	25,519
Total comprehensive income for the year		**–**	**–**	**1,069**	**2,332**	**3,401**	**390**	**3,791**
Share buyback by Parent Company	24	**–**	**–**	**(503)**	**–**	**(503)**	**–**	**(503)**
Dividends	10, 11.2	**–**	**–**	**(567)**	**–**	**(567)**	**(80)**	**(647)**
Share-based payments	25	**–**	**–**	**99**	**–**	**99**	**63**	**162**
Tax expense on share-based payments less than expense recognised	8.1	**–**	**–**	**(78)**	**–**	**(78)**	**–**	**(78)**
Purchase of non-controlling interests	11.2	**–**	**–**	**4**	**–**	**4**	**(19)**	**(15)**
Tradeweb share buyback[3]		**–**	**–**	**–**	**–**	**–**	**(80)**	**(80)**
Shares withheld from employee options exercised (Tradeweb)[4]		**–**	**–**	**–**	**–**	**–**	**(82)**	**(82)**
Tax benefit on investment in partnerships	8.1	**–**	**–**	**–**	**–**	**–**	**100**	**100**
Adjustments to non-controlling interest		**–**	**–**	**–**	**–**	**–**	**(16)**	**(16)**
31 December 2022		**39**	**978**	**3,840**	**21,139**	**25,996**	**2,155**	**28,151**

1 Movements in other reserves are detailed in note 24.
2 The disaggregated movements in non-controlling interests for the year ended 31 December 2021 have been re-presented to be consistent with 2022.
3 On 4 February 2021, Tradeweb Markets Inc. (Tradeweb)., a subsidiary of the Group, announced a share repurchase programme, primarily to offset annual dilution from stock-based compensation plans. Its share repurchase programme authorises the purchase of up to US$150 million of Tradeweb's common stock until 31 December 2023.
4 Tradeweb Markets Inc. is required to net-settle options exercised by employees by reducing the shares to be issued by the number of shares with a fair market value on the date of exercise equal to taxes payable by employees in respect of the number of options exercised.

Company

Year ended 31 December	Notes	Attributable to equity holders: Ordinary share capital £m	Share premium £m	Retained earnings £m	Other reserves: Capital redemption reserve £m	Other reserves: Merger reserve £m	Total attributable to equity holders £m
1 January 2021		24	971	1,896	514	1,305	4,710
Profit for the year		–	–	2,554	–	–	2,554
Dividends	10	–	–	(426)	–	–	(426)
Issue of shares	24	–	7	–	–	–	7
Issue of shares for acquisition of subsidiaries		15	–	2	–	16,978	16,995
Share-based payments	25	–	–	60	–	–	60
31 December 2021		39	978	4,086	514	18,283	23,900
Loss for the year		**–**	**–**	**(82)**	**–**	**–**	**(82)**
Dividends	10	**–**	**–**	**(567)**	**–**	**–**	**(567)**
Share buyback	24	**–**	**–**	**(503)**	**–**	**–**	**(503)**
Share-based payments	25	**–**	**–**	**62**	**–**	**–**	**62**
31 December 2022		**39**	**978**	**2,996**	**514**	**18,283**	**22,810**

Notes to the financial statements

Reporting entity

These financial statements have been 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.

During 2022, the Group acquired the businesses listed below. The results of these businesses have been consolidated since the date of acquisition (see note 12).

Acquired business	Acquisition date	Segment
Global Data Consortium, Inc (GDC)	31 May 2022	Data & Analytics
MayStreet Inc. (MayStreet)	31 May 2022	Data & Analytics
Tora Holdings, Inc. (TORA)	9 August 2022	Data & Analytics
Quantile Group Limited (Quantile)	30 November 2022	Post Trade

On 1 July 2022, the Group disposed of the BETA, Maxit and Digital Investor businesses (collectively BETA) (see note 13). On 21 March 2022, the disposal of BETA was assessed to be highly probable and the business was treated as a disposal group from that date. BETA is also deemed to be a discontinued operation as it represented a separate major line of business of the Group. 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.

1. Accounting policies

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 an accounting policy or a significant accounting judgement or estimate relates to a particular note, it is disclosed in that note. These policies have been consistently applied to all the periods presented, unless otherwise stated. We have also detailed below the new accounting pronouncements that we will adopt in future years and how we have assessed the impact of climate change on our financial statements.

1.1 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 and endorsed by the UK Endorsement Board.

1.2 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 Group's business activities (together with the factors likely to affect its future development, performance and position), its objectives, policies in managing risk and its capital are set out in the Strategic Report on pages 2-85. In addition:

— the Group's borrowing facilities and respective repayment dates, and the net debt position of the Group, are included in note 22

— the financial risk management objectives and policies of the Group, together with its exposure to capital, credit and concentration, country, liquidity, settlement, custodial and market risk are discussed in note 23.5

Business planning process

The Group's forecasting and planning process includes the Group's three-year business plan. The business plan makes certain assumptions about the performance of the core revenue streams and segments, the use of existing product lines as well as the take up of new product lines. It also makes assumptions on appropriate levels of investment to support expected performance, known inorganic activity, the ability to refinance debt as required, and expected returns to shareholders.

Performance management

The Group's performance is analysed monthly by management, when the monthly results are reviewed and compared with the plan a well as, together with prior and updated full year forecasts. The key variances and associated drivers are reviewed and reported, as necessary.

Cash flows and liquidity headroom

The Group's cash-flow and liquidity headroom are outputs of the business plan and are the main factors considered in the going concern assessment. The business plan is stress tested using severe but plausible downside scenarios as determined by the Financial Risk Committee, over the full three-year plan period. Impacts on the performance of core revenue streams and segments are modelled, with appropriate mitigating factors also considered.
The output of this stress-testing on the Group's cash flow and liquidity are then tested against thresholds set by the Group's risk appetite. These thresholds include liquidity headroom (cash less credit facilities), leverage ratio (net debt to adjusted earnings before interest, tax, depreciation, amortisation and impairment (EBITDA) and before foreign exchange gains or losses) and interest cover (adjusted EBITDA to interest expense).

No scenario over the three-year period leads to a breach in the Group's risk appetite thresholds or would mean the Group is unable to meet its obligations as a result of insufficient liquidity.

A reverse stress test has also been completed, to evaluate the financial impacts that would breach the Group's risk appetite thresholds. The scenarios required to breach the thresholds are all deemed improbable.

1. Accounting policies continued

Conclusion
The Directors, therefore, 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 12 months from the date when these financial statements are authorised for issue. Accordingly, the going concern basis has been adopted 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 is consistent with the way that financial performance is measured by management and reported to the Executive Committee and Board (see note 2).

The "adjusted" measures reported by the Group include:
- Adjusted operating expenses before depreciation, amortisation and impairment
- Adjusted EBITDA
- Adjusted depreciation, amortisation and impairment
- Adjusted operating profit
- Adjusted earnings per share (EPS)

These measures are not measures of performance under IFRS and should be considered in addition to, and not as a substitute 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.

The "profit before non-underlying items" measure is used to calculate adjusted EPS. 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 6.

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

As permitted by Section 408 of the Companies Act 2006, the Company's income statement has not been included in these financial statements.

Current and non-current classification
The Group presents assets and liabilities in the balance sheet based on current and non-current classification. An asset is current when it is:
- Held primarily for trading purposes;
- Expected to be realised within one year from the reporting period;
- Expected to be realised or intended to be sold or consumed in the course of the Group's operating cycle; or
- Cash or cash equivalents.

All other assets are classified as non-current.

A liability is current when it is:
- Held primarily for trading purposes;
- Expected to be settled in the course of the Group's operating cycle; or
- Due to be settled within one year from the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

1.3 Basis of consolidation
The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Subsidiaries are consolidated from the date on which control is obtained by the Group. They are deconsolidated from the date on which control ceases. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The results of subsidiaries are consolidated for the period to 31 December, even if the subsidiary's financial year-end is different.

The acquisition method of accounting is used by the Group to account for business combinations (see note 12). Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated income statement, statement of comprehensive income, balance sheet and statement of changes in equity (see note 11).

Intercompany transactions and balances between group companies are eliminated on consolidation. Where necessary, adjustments are made to the results of subsidiaries and associates to bring their accounting policies in line with those of the Group.

1.4 Foreign currencies
Functional and presentation currency
The consolidated financial statements are presented in sterling, which is also the functional currency of London Stock Exchange Group plc, the Parent Company. The Group determines the functional currency for each of its subsidiary entities and items included in the financial statements of each entity are measured using that functional currency.

1. Accounting policies continued

Transactions and balances in foreign currencies
Transactions in foreign currencies are initially recorded and translated into the functional currency of the relevant Group entity at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the respective functional currency of the entity at the exchange rate prevailing at the reporting date.

Foreign exchange gains and losses resulting from the settlement of such foreign currency transactions or from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement within operating expenses.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated at the exchange rate at the date of the initial transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value was determined. The foreign exchange gain or loss on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. This means foreign exchange gains and losses on non-monetary assets and liabilities held at fair value through profit or loss are recognised in the income statement (within operating expenses), and foreign exchange gains and losses on non-monetary assets classified as at fair value through other comprehensive income are recognised in other comprehensive income.

Translation of non-sterling entities on consolidation
The results and financial position of all Group entities that have a non-sterling functional currency are translated into sterling on consolidation into the Group's results as follows:
— assets and liabilities (including goodwill, purchased intangible assets and fair value adjustments[1]) are translated at the reporting date exchange rates
— income and expenses and other comprehensive income are translated at the average exchange rate for the year. Where this average is not a reasonable approximation of the rate prevailing on the date of a material transaction, these items are translated at the rate on the date of the transaction
— all resulting exchange differences are recognised in other comprehensive income

On consolidation, exchange differences arising from the translation of net investments in foreign operations, borrowings and other currency instruments designated as hedging instruments (see note 23) are recognised in other comprehensive income. On disposal of a foreign currency operation, the cumulative exchange differences previously recognised in other comprehensive income relating to that operation are reclassified to the income statement as part of the profit or loss on disposal.

1 Any goodwill and any fair value adjustments to the carrying amounts of assets and liabilities on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the reporting date exchange rate.

1.5 New and amended standards and interpretations

Standards, interpretations and amendments to published standards effective for the year ended 31 December 2022
During the year, the following amendments to standards became effective. These have not had a material impact on the Group's financial statements:
— Amendments to IFRS 3 *Business Combinations:* reference to the Conceptual Framework
— Amendments to IAS 16 *Property, Plant and Equipment:* proceeds before intended use
— Amendments to IAS 37 *Provisions, Contingent Liabilities and Contingent Assets:* onerous contracts – cost of fulfilling a contract
— Annual Improvements to IFRS 2018-2020

Standards, interpretations and amendments to published standards which are not yet effective
New and amended standards that have been issued, but are not yet effective, up to the date of the Group's financial statements are disclosed below. We intend to adopt these, if applicable, when they become effective. We are 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
IFRS 17 *Insurance Contracts*, including amendments to IFRS 17 (and initial application of IFRS 17 and IFRS 9 *Financial Instruments* – comparative information)	1 January 2023
Amendments to IAS 1 and IFRS Practice Statement 2: disclosure of accounting policies	1 January 2023
Amendments to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors:* definition of accounting estimate	1 January 2023
Amendments to IAS 12 *Income Taxes:* deferred tax related to assets and liabilities arising from a single transaction	1 January 2023
Amendments to IFRS 16 *Leases*: lease liability in a sale and leaseback	1 January 2024[1]
Amendments to IAS 1 *Presentation of Financial Statements:* non-current liabilities with covenants and classification of liabilities as current or non-current	1 January 2024[1]
Amendments to IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures:* sale or contribution of assets between an investor and its associate or joint venture	Deferred[1]

1 Not yet endorsed by UK Endorsement Board.

1. Accounting policies continued

1.6 Significant accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are regularly reviewed based on historical experience, current circumstances and expectations of future events.

Significant accounting estimates and assumptions are those that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Significant judgements are those made by management in applying the Group's significant accounting policies that have a material impact on the amounts presented in the financial statements. Significant judgement may be exercised in management's accounting estimates and assumptions.

Estimates, assumptions and judgements are described in the relevant notes to the financial statements (identified by the following symbol/icon)

Note		Significant estimates and assumptions	Significant judgement
6	Non-underlying items		●
8.3	Uncertain tax positions	●	●
12	Business combinations	●	
14	Intangible assets	●	
17	Pension and other retirement benefit schemes	●	●

Management has discussed significant accounting estimates, assumptions and judgements with the Audit Committee.

1.7 Climate change

We have considered the impact of climate change on the Group's operations as outlined in the risks disclosed on pages 24-84 of the Strategic Report as well as in the Climate Report. We have also reviewed the potential impact of climate change on the Group's financial results and position. The areas that are deemed to be most relevant to climate change are set out below. Based on an assessment in each area, we have concluded that climate change is not expected to have a material impact on the Group's financial position, estimates or judgements. The directors monitor this on an on-going basis.

- **Going concern and viability** – The Group has committed to a long-term ambition to achieve net zero by 2040 and set targets to reduce selected carbon emissions by 50% by 2030. There is no other direct impact on the viability period of the Group. There is no climate-related scenario that is deemed to have a probable likelihood of occurring which could also impact the Group's going concern assessment.
- **Impairment of goodwill and intangible assets** – Forecasted cash flows are not expected to be impacted by climate change over the period for which forecasts have been prepared, due to the nature of the Group's revenue streams. The impact on costs mainly relates to reducing our carbon footprint by encouraging responsible employee travel.
- **Useful lives of assets** – The Group's assets consist mainly of property and IT equipment. Given the type of IT equipment owned by the Group, there is no expected impact of climate change on the future useful lives of these assets. The useful lives of our property could be impacted by climate change in the form of physical obsolescence of assets or because of a natural disaster (such as flooding), however any such impact on the carrying value of related assets is not deemed material.
- **Deferred tax assets** – Deferred tax asset recoverability can be affected by climate if there is an expectation that it will impact on the future taxable profits that are expected to be generated. The revenue of the Group is of such a nature that it is not expected to be impacted by climate change over the period for which forecasts are prepared. There is a potential reduction in costs as we reduce our carbon footprint and encourage responsible employee travel.
- **Pension scheme asset valuation and defined benefit liability** – Changes in interest rates, as a result of climate change, could impact the future valuation of defined benefit liabilities and pension asset valuations. While these are considered in the valuation, there was no discernible impact from climate change on the current year's valuation.
- **Trade and other receivables** – The Group has a diverse client base that operates in various industries. The Group's expected credit loss provision considers the credit risk of its client base, which could be impacted by the assessment of climate change in a particular market or industry. Given that receivables are mainly due within one year, the impact of climate change on the short term is unlikely to be material.

2. Segment information

The Group reports three main operating segments:
— Data & Analytics includes the core Refinitiv business and the FTSE Russell businesses
— Capital Markets includes the London Stock Exchange, Tradeweb, FXall and Turquoise
— Post Trade includes the Group's CCPs (LCH) and other post trade services

Selected financial data is presented for our operating segments below.

Accounting policy
IFRS 8 *Operating Segments* requires operating segments to be identified on the same basis as is reported internally for the review of performance and allocation of resources by the "chief operating decision maker". For the Group, this is the Executive Committee.

The Executive Committee uses a measure of adjusted EBITDA to assess the profitability and performance of the operating segments.

During the year, some revenue items were reallocated between business lines to better reflect our operating model. The comparative results have been re-presented to reflect this. At a divisional level, the impact on the 2021 results previously reported is:
— £6 million of revenue from Capital Markets to Data & Analytics
— £7 million of revenue from Post Trade to Data & Analytics

Results by operating segment for the year ended 31 December 2022 are as follows:

Continuing operations	Notes	Data & Analytics £m	Capital Markets £m	Post Trade £m	Other £m	Group £m
Revenue from external customers[1]	3.1	**5,259**	**1,459**	**736**	**–**	**7,454**
Net treasury income from CCP clearing business	3.1	**–**	**–**	**255**	**–**	**255**
Other income	3.1	**–**	**–**	**–**	**34**	**34**
Total income		**5,259**	**1,459**	**991**	**34**	**7,743**
Cost of sales		**(879)**	**(34)**	**(150)**	**(1)**	**(1,064)**
Gross profit		**4,380**	**1,425**	**841**	**33**	**6,679**
Adjusted operating expenses before depreciation, amortisation and impairment	4	**(2,142)**	**(665)**	**(324)**	**(9)**	**(3,140)**
Income from equity investments		**–**	**–**	**–**	**12**	**12**
Share of loss after tax of associates		**–**	**–**	**–**	**(1)**	**(1)**
Adjusted EBITDA		**2,238**	**760**	**517**	**35**	**3,550**
Underlying depreciation, amortisation and impairment	14, 15	**(607)**	**(103)**	**(112)**	**–**	**(822)**
Adjusted operating profit (before non-underlying items)		**1,631**	**657**	**405**	**35**	**2,728**
Non-underlying depreciation, amortisation and impairment	6, 14, 15					**(1,078)**
Other non-underlying items excluding net finance expense	6					**(233)**
Operating profit						**1,417**
Net finance costs (including non-underlying items)	7					**(176)**
Profit before tax from continuing operations						**1,241**
Profit before tax from discontinued operations	13					**692**
Profit before tax						**1,933**

1 Data & Analytics revenue includes recoveries of £315 million. Post Trade revenue includes net settlement and similar expenses recovered through the CCP clearing businesses of £12 million which comprises gross settlement income of £47 million less gross settlement expenses of £35 million.

2. Segment information continued

Re-presented 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]	3.1	4,427	1,171	699	–	6,297
Net treasury income from CCP clearing business	3.1	–	–	207	–	207
Other income	3.1	–	–	–	31	31
Total income		4,427	1,171	906	31	6,535
Cost of sales		(709)	(27)	(123)	–	(859)
Gross profit		3,718	1,144	783	31	5,676
Adjusted operating expenses before depreciation, amortisation and impairment	4	(1,857)	(536)	(329)	(3)	(2,725)
Income from equity investments		–	–	–	22	22
Share of loss after tax of associates		–	–	–	(4)	(4)
Adjusted EBITDA		1,861	608	454	46	2,969
Underlying depreciation, amortisation and impairment	14, 15	(481)	(110)	(96)	–	(687)
Adjusted operating profit (before non-underlying items)		1,380	498	358	46	2,282
Non-underlying depreciation, amortisation and impairment	6, 14, 15					(883)
Other non-underlying items excluding net finance expense	6					(334)
Operating profit						1,065
Net finance costs (including non-underlying items)	7					(171)
Profit before tax from continuing operations						894
Profit before tax from discontinued operations	13					2,702
Profit before tax						3,596

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

3. Total income and contract liabilities

We report total income, which is made up of revenue, net treasury income and other income. Most of the Group's revenue is generated in the Data & Analytics division. By geographic location, two-thirds of the Group's revenue is earned in the UK and USA. We report contract liabilities where amounts received or receivable from a customer exceed revenue recognised for a contract, for example if the Group receives an advance payment from a customer.

3.1. Total income

Accounting policy
The Group reports total income, which is made up of:
— Revenue
— Net treasury income
— Other income

Revenue
The main source of the Group's revenue is fees for services provided. Revenue is measured based on the consideration specified in a contract with a customer. The following are excluded from revenue:
— value added tax and other sales related taxes
— certain revenue share arrangements (whereby as part of an agreement amounts are due back to the customer)
— certain pass-through costs where the Group acts as an agent and has arrangements to recover specific costs from its customers with no mark-up

The Group recognises revenue as services are performed and as it satisfies its obligations to provide a product or service to a customer. The Group's revenue accounting policies are set out below:

Data & Analytics	The Data & Analytics division generates revenue by providing information and data products including indexes, benchmarks, real-time pricing data and trade reporting and reconciliation services. **Data subscription and index licence fees** are recognised over the licence or usage period in line with the Group's obligation to deliver data consistently throughout the licence period. Services are billed on a monthly, quarterly or annual basis. **Other information services** include licences to the regulatory news service and reference data businesses. Revenue from licences that grant the right to access intellectual property are recognised over time, consistent with the pattern of the service provision and how the performance obligation is satisfied throughout the licence period. Revenues from other information services, including from the sale of right to use licences, are recognised at the point the licence is granted or service is delivered. Various **brokerage processing, risk solutions and professional services**, which are generally billed in arrears, are recognised as revenue at the point in time when the Group meets its obligation to complete the transaction or service. **Recoveries** consist of fees for third-party content, such as exchange data that is distributed directly to customers, and communications fees. Recoveries are generally recognised over the contract term.
Capital Markets	Revenue in the Capital Markets division is generated from: Primary and Secondary market services; contracts to develop capital market technology solutions; software licences; network connections; and hosting services. We have assessed that **primary market initial admission and the ongoing listing services** represent one performance obligation. The Group therefore recognises revenue from initial admission and any subsequent issues over the period that the Group provides the listing services. All admission fees are billed to the customer at the time of admission to trading and become payable when invoiced. The estimated period for admission services (over which initial admission fees are spread) is determined 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 the Group's control. We reassess the estimated service periods at each reporting date. The current estimated deferral period is five years or seven years, depending on the market. We estimate 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 £24 million decrease in revenue recognised in the year. **Primary market annual fees, secondary market membership and subscription fees** are generally paid in advance on the first day of membership or the subscription period. The Group recognises revenue on a straight-line basis over the period to which the fee relates, as this reflects the extent of the Group's progress towards completion of the performance obligation under the contract. Revenue from **secondary market trading and associated capital market services** is recognised on a per transaction basis at the point that the service is provided. **Capital markets software licence** contracts contain multiple deliverables including: providing licences; installing software; and ongoing maintenance services. The transaction price for each contract is allocated to these performance obligations based upon the relative standalone selling price. Revenue is recognised based on the actual service provided during the reporting period as a proportion of the total services to be provided. This is determined by measuring the inputs consumed in delivering the service (for example material and labour) relative to the total expected input consumption over the contract. This best reflects the transfer of economic benefits to the customer which generally occurs as the Group incurs costs on the contract. **Network connection and hosting services** revenues are recognised on a straight-line basis over the period to which the fee relates as this reflects the continuous transfer of technology services and measures the extent of progress towards the completion of the performance obligation.

3. Total income and contract liabilities continued

Post Trade	Revenue in the Post Trade division is generated from clearing, settlement and other post trade services. **Over-the-counter (OTC) derivatives, and securities clearing and reporting** generate fees from: individual transactions or contracts cleared and settled; transaction reporting; risk management; and other financial resources management services. These revenues are earned at the point in time when the Group meets its obligations to complete the transaction or service. Revenue is recognised and billed monthly in arrears. **Non-cash collateral** fees are earned from handling non-cash collateral balances. These are recognised on a straight-line basis over the service period, representing the continuous transfer of services during that time. Fees received for third-party content or services, such as settlement fees, are recognised net within revenue on the date of the transaction.

Customer contracts across the Group that contain a single performance obligation at a fixed price do not require variable consideration to be calculated. Some businesses in the Group provide services to customers under a tiered or tariff pricing structure that generates a degree of variability in the revenue streams from the contract as a result of additional charges or discounts given. Where the future revenue from a contract varies due to factors that are outside the Group's control, the Group limits the total transaction price at contract inception and recognises the minimum expected revenue guaranteed by the terms of the contract over the contract period. Any variable element is subsequently recognised in the period in which the variable condition is satisfied and there is no significant risk of reversal of that revenue.

Rebates given to customers as part of an operating agreement are calculated on a pro rata basis on revenue earned and recognised as they fall due.

The Group does not have any contracts where the period between the transfer of services to a customer and when the customer is expected to pay for that service is longer than one year. As a result, no adjustments are made to revenue for any financing component.

Net treasury income
The CCP businesses securely invest the cash collateral lodged with them and earn treasury income from various investments (including government debt and reverse repos) and cash deposits with central banks. At the same time, the CCPs pay interest at an overnight benchmark rate to their members on the collateral placed with the business, whilst charging a spread on that rate as a fee. The resulting net treasury income is recognised within total income and disclosed separately from revenue.

Other income
Other income typically relates to operating lease income and fees from service agreements. Fees are generated from the provision of events and media services, which are typically recognised as revenue at the point the service is rendered.

Cost of sales
Cost of sales comprises:
— Data and licence fees
— Data feed costs
— Royalties
— Expenses incurred in respect of profit share arrangements
— Costs directly attributable to the construction and delivery of goods or services
— Any other costs linked and directly incurred to generate revenues and provide services to customers

Profit share expenses recognised as cost of sales relate to arrangements with certain customers where the payment to the customer is linked to the total profit of the particular business concerned.

3. Total income and contract liabilities continued

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 2022 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	1,612	–	–	–	1,612
Enterprise data solutions	1,307	–	–	–	1,307
Investment solutions	1,325	–	–	–	1,325
Wealth solutions	275	–	–	–	275
Customer & third-party risk solutions	425	–	–	–	425
Recoveries	315	–	–	–	315
Equities	–	248	–	–	248
FX	–	258	–	–	258
Fixed income, derivatives and other	–	953	–	–	953
OTC derivatives	–	–	402	–	402
Securities & reporting	–	–	234	–	234
Non-cash collateral	–	–	100	–	100
Total revenue	5,259	1,459	736	–	7,454
Net treasury income[1]	–	–	255	–	255
Other income	–	–	–	34	34
Total income	5,259	1,459	991	34	7,743
Timing of revenue recognition					
Services satisfied at a point in time	173	1,015	721	–	1,909
Services satisfied over time	5,086	444	15	–	5,545
Total revenue	5,259	1,459	736	–	7,454

1 Net treasury income is earned from instruments held at amortised cost or fair value as follows:
– A net loss of £69 million was recognised from financial assets and financial liabilities held at amortised cost (£1,158 million income and £1,227 million expense)
– A net gain of £324 million was earned from assets held at fair value (£326 million income and £2 million expense)

3. Total income and contract liabilities continued

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 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	1,369	–	–	–	1,369
Enterprise data solutions	1,058	–	–	–	1,058
Investment solutions	1,119	–	–	–	1,119
Wealth solutions	227	–	–	–	227
Customer & third-party risk solutions	330	–	–	–	330
Recoveries	324	–	–	–	324
Equities	–	241	–	–	241
FX	–	204	–	–	204
Fixed income, derivatives and other	–	726	–	–	726
OTC derivatives	–	–	358	–	358
Securities & reporting	–	–	246	–	246
Non-cash collateral	–	–	95	–	95
Total revenue	4,427	1,171	699	–	6,297
Net treasury income[1]	–	–	207	–	207
Other income	–	–	–	31	31
Total income	4,427	1,171	906	31	6,535
Timing of revenue recognition					
Services satisfied at a point in time	154	790	670	–	1,614
Services satisfied over time	4,273	381	29	–	4,683
Total revenue	4,427	1,171	699	–	6,297

1 Net treasury income is earned from instruments held at amortised cost or fair value as follows:
– A net gain of £195 million was earned from financial assets and financial liabilities held at amortised cost (£399 million income and £204 million expense)
– A net gain of £12 million was earned from assets held at fair value (£23 million income and £11 million expense)

3. Total income and contract liabilities continued

Total revenue by geographical location
The Group's revenue from continuing operations disaggregated by geographical location of service provided is as follows:

Continuing operations	2022 £m	2021 (Re-presented) £m
UK	**2,292**	2,035
USA	**2,685**	2,120
EU countries	**982**	875
Asia	**963**	787
Other	**532**	480
Total revenue	**7,454**	6,297

3.2. Contract liabilities

Accounting policy
Revenue relating to future periods is classified as a contract liability on the balance sheet to reflect the Group's obligation to transfer goods or services to a customer in the future for which it has received consideration, or an amount of consideration is due, from the customer.

Contract liabilities are amortised and recognised as revenue over the period the services are rendered.

The Group has the following contract liabilities:

Group	2022 £m	2021 £m
Current	**257**	245
Non-current	**89**	101
Total contract liabilities	**346**	346

The changes in the Group's contract liabilities during the year are as follows:

	Notes	2022 £m	2021 £m
1 January		**346**	262
Contract liabilities assumed on acquisition of subsidiaries	12	**4**	612
Disposal of business	13	**(11)**	(14)
Recognised as revenue during the year		**(249)**	(764)
Deferred during the year		**243**	254
Foreign exchange translation		**13**	(4)
31 December		**346**	346

4. Operating expenses before depreciation, amortisation and impairment

Operating expenses mainly relate to staff costs, IT costs and professional fees.

Accounting policy
Costs are recognised in the income statement as incurred and measured after deducting any time- and value-limited discounts from suppliers. Other discounts are spread over the contract term.

Continuing operations	Notes	2022 £m	2021 (Re-presented) £m
Staff costs	5	**1,896**	1,666
IT costs		**567**	447
Professional fees		**420**	327
Short-term lease costs		**13**	43
Other costs		**243**	252
Foreign exchange losses/(gains)		**1**	(10)
Underlying operating expenses before depreciation, amortisation and impairment		**3,140**	2,725
Non-underlying operating expenses before depreciation, amortisation and impairment	6	**389**	334
Total operating expenses before depreciation, amortisation and impairment		**3,529**	3,059

5. Staff costs and employees

This note shows amounts earned by employees (including Executive Directors), the average number of employees during the year and their location and amounts paid to "key management personnel" as defined by IAS 24 Related Party Disclosures. Key management personnel are those employees that have authority for planning, directing and controlling the activities of the Group. The Group recognises all executive directors and the Executive Committee (see pages 90-93) as its key management personnel.

5.1. Staff costs

Continuing operations	Notes	2022 £m	2021 (Re-presented) £m
Salaries and other benefits		**1,905**	1,626
Social security costs		**191**	164
Pension costs	17.1	**81**	81
Share-based payment expense	25	**158**	141
Total payments made to employees		**2,335**	2,012
Amounts capitalised as development costs	14	**(281)**	(190)
Total staff costs from continuing operations		**2,054**	1,822

Underlying staff costs	**1,896**	1,666
Non-underlying staff costs	**158**	156
Total staff costs from continuing operations	**2,054**	1,822

Discontinued operations	Note	2022 £m	2021 (Re-presented)[1] £m
Salaries and other benefits		**18**	53
Social security costs		**2**	7
Pension costs		**1**	3
Share-based payment expense		**–**	3
Total payments made to employees		**21**	66
Amounts capitalised as development costs	14	**(1)**	(2)
Total staff costs from discontinued operations		**20**	64

Underlying staff costs	**20**	62
Non-underlying staff costs	**–**	2
Total staff costs from discontinued operations	**20**	64

1 The 2021 discontinued operations staff costs have been re-presented to include the costs from BETA and the Borsa Italiana group (see note 13).

Compensation for key management personnel

	2022 £m	2021 £m
Salaries and other benefits	**16**	19
Pension costs	**1**	1
Share-based payments	**8**	9
Total compensation	**25**	29

Details of Directors' emoluments are included in the Remuneration Report on pages 113-141.

5.2. Employees

The average number of employees[1], including executive directors, in the Group from continuing operations was:

Continuing operations	2022	2021 (Re-presented)
UK	**4,559**	4,416
USA	**3,127**	3,664
India	**6,113**	5,737
EU countries	**2,292**	2,132
Philippines	**2,090**	1,974
Sri Lanka	**1,572**	1,423
Mainland China	**1,452**	1,373
Other Asia	**1,860**	1,717
Africa and Middle East	**623**	640
Other	**753**	792
Average number of employees	**24,441**	23,868

1 Average employee numbers represent full time equivalent members of staff. They 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. The average number of employees from discontinued operations during the year was 285 (2021: 1,000). Employees from discontinued operations in 2022 were located in the USA and India (2021: USA, India, UK, and EU countries).

The Company had no employees in the year (2021: nil).

6. Non-underlying items

The Group separately identifies results before non-underlying items (we refer to these results as 'adjusted'). These measures are not measures of performance under IFRS and should be considered in addition to, and not as a substitute for, IFRS measures of financial performance and liquidity. This note explains the main non-underlying items in the year, most of which have arisen as a result of acquisition or disposal activity.

Significant accounting judgements

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

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

6. Non-underlying items continued

Continuing operations	Notes	2022 £m	2021 (Re-presented) £m
Non-underlying operating expenses before interest, tax, depreciation, amortisation and impairment			
Transaction costs		**85**	109
Integration and separation costs		**278**	225
Restructuring and other costs		**26**	–
		389	334
Profit on disposal of property, plant and equipment		**(133)**	–
Remeasurement gain	12.1	**(23)**	–
		(156)	–
Non-underlying operating expenses before interest, tax, depreciation, amortisation and impairment		**233**	334
Non-underlying depreciation, amortisation and impairment			
Amortisation and impairment of purchased intangible assets	14	**1,044**	851
Depreciation of property, plant and equipment	15	**15**	10
Impairment of property, plant and equipment	15	**12**	22
Impairment of other non-current assets		**7**	–
		1,078	883
Non-underlying items before interest and tax		**1,311**	1,217
Non-underlying finance costs	7.2	**16**	5
Non-underlying items before tax		**1,327**	1,222
Non-underlying tax		**(278)**	(130)
Non-underlying items after tax		**1,049**	1,092

The main non-underlying items are as follows:

Transaction costs
Transaction costs mainly relate to the following acquisitions:
- Refinitiv – mainly fair value adjustment to the outstanding Tradeweb equity-settled awards (as if the acquisition date were the grant date) of £26 million (2021: £36 million) and post-acquisition Management Incentive Plan (MIP) share-based payment expense of £16 million (2021: £10 million)
- GDC, MayStreet, TORA and Quantile (see note 12.4)

Integration and separation costs
Integration and separation costs relate to activities to:
- Integrate acquired businesses with the Group and mainly consist of Refinitiv integration costs of £242 million (2021: £201 million)
- Separate disposed businesses and mainly consists of BETA separation costs of £12 million (2021: £24 million to separate the Thomson Reuters Financial & Risk Business from Thomson Reuters and then restructure it)

Profit on disposal of property, plant and equipment
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 gain on disposal of £133 million.

Remeasurement gain
Prior to the acquisition of GDC on 31 May 2022, LSEG held an 11% equity interest in GDC. The acquisition date fair value of the previously held interest resulted in a remeasurement gain of £23 million.

Depreciation, amortisation and impairment
Amortisation of intangibles of £1,044 million (2021: £851 million) mainly relates to the amortisation of intangible assets recognised as a result of the acquisition of Refinitiv.

We have continued to review our property needs following the acquisition of Refinitiv. The decision to exit and sub-lease some of our property has resulted in £27 million of accelerated depreciation and impairment (2021: £32 million) to right-of-use property assets and some fixtures and fittings.

Taxation
We have recognised a £278 million (2021: £130 million) non-underlying tax benefit which mainly reflects the tax impact of the Group's non-underlying items computed based on the tax rates applicable to the respective territories.

7. Net finance costs

Finance income includes interest on cash deposits and interest income on retirement benefit assets. Finance costs include interest on borrowings, interest costs on retirement benefit obligations and lease interest expense.

Accounting policy
The accounting policies for the following finance income and finance costs are described in the relevant notes to the financial statements:

	Note	
— Interest income on retirement benefit assets — Interest costs on retirement benefit obligations	17	Pension and other retirement benefit schemes
— Lease interest income — Lease interest expense	21	Lease liabilities and net investments in leases
— Interest on borrowings	22	Borrowings and net debt

Interest earned on cash deposited with financial counterparties and interest paid on borrowings, which reflect the agreed market-based or contractual rate for each transaction, are calculated using the effective interest rate method. Where negative interest rates apply, the Group recognises interest paid on cash deposits as an expense and interest received on borrowings as income.

Recurring fees and charges levied on committed bank facilities, cash management transactions and the payment services provided by the Group's banks are charged as accrued in other finance expenses. Credit facility arrangement fees are capitalised and then amortised over the term of the facility based on the projected utilisation of the facility.

7. Net finance costs continued

7.1 Finance income

Continuing operations	Note	2022 £m	2021 £m
Bank deposit and other interest income		**29**	3
Lease interest income		**1**	2
Interest income on retirement benefit assets	17.1	**81**	41
Underlying finance income		**111**	46

7.2 Finance costs

Continuing operations	Notes	2022 £m	2021 £m
Interest payable on bank and other borrowings[1]		**(156)**	(151)
Amortisation of arrangement fees		**(10)**	(12)
Lease interest expense	21	**(15)**	(12)
Other finance expenses		**(20)**	(2)
Interest cost on retirement benefit obligations	17.1	**(70)**	(35)
Underlying finance costs		**(271)**	(212)
Non-underlying finance costs	6	**(16)**	(5)
Total finance costs		**(287)**	(217)

1 Interest payable on bank and other borrowings includes amounts where the Group suffers negative interest on its cash deposits. It is net of amortisation of the realised gain on interest rate derivatives held in the hedging reserve.

8. Taxation

This note explains how our Group tax charge arises. The note also provides information on deferred tax and uncertain tax positions.

Accounting policy
Income tax comprises current and deferred tax. Current and deferred tax charges and benefits are recognised in the income statement except to the extent that they relate to items recognised directly in equity or in other comprehensive income.

Current income tax is calculated based on the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group operates and generates taxable income. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to taxation authorities.

When applicable tax regulation is subject to interpretation, management evaluates the positions taken in tax returns and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures such tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred tax is recognised using the liability method for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. Deferred tax is determined using tax rates that are substantively enacted and expected to apply in the period when the asset is realised or the liability settled.

Deferred tax is not recognised for:
- Taxable temporary differences arising on the initial recognition of goodwill;
- Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither the accounting profit nor taxable profit or loss; and
- Temporary differences associated with interests in subsidiaries and associates to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which these can be utilised, except:
- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with interests in subsidiaries and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority on either the same taxable entity or on different taxable entities which intend to settle the current tax assets and liabilities on a net basis.

8. Taxation continued

8.1 Income tax

Tax recognised in the income statement

Continuing operations	Note	2022 £m	2021 (Re-presented) £m
Current tax			
UK corporation tax for the year at 19% (2021: 19%)		**67**	49
Overseas tax for the year		**125**	79
Adjustments in respect of previous years		**81**	2
Total current tax		**273**	130
Deferred tax			
Deferred tax (benefit)/expense for the year		**(29)**	214
Adjustments in respect of previous years		**(4)**	(9)
Deferred tax expense/(benefit) on amortisation and impairment of purchased intangible assets		**22**	(33)
Total deferred tax	8.2	**(11)**	172
Total tax		**262**	302

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% (2021: 19%) as explained below:

Continuing operations	2022 £m	2021 (Re-presented) £m
Profit before tax from continuing operations	**1,241**	894
Profit multiplied by standard rate of corporation tax in the UK	**236**	170
Overseas earnings taxed at higher rate	**4**	8
Adjustment arising from changes in tax rates	**(3)**	171
Income not taxable	**(53)**	(36)
Adjustments in respect of previous years	**77**	(7)
Deferred tax not recognised	**1**	(4)
Total tax	**262**	302

Tax on items recognised in other comprehensive income

Continuing operations	2022 £m	2021 £m
Deferred tax benefit/(expense) on:		
— Actuarial (losses)//gains on retirement benefit obligations	**98**	(25)
— Gains/losses of financial assets (at fair value through other comprehensive income)	**(13)**	1
Total tax recognised in other comprehensive income	**85**	(24)

Tax on items recognised in equity

	2022 £m	2021 £m
Current tax benefit on:		
— Share-based payments in excess of expense recognised	**14**	12
Total current tax recognised in equity	**14**	12
Deferred tax benefit/(expense) on:		
— Share-based payments less than/in excess of expense recognised	**(92)**	18
— Investment in partnerships (recognised in non-controlling interests)	**100**	25
Total deferred tax recognised in equity	**8**	43
Total tax recognised in equity	**22**	55

On 24 May 2021, the UK Finance Act 2021 was substantively enacted, increasing the corporation tax rate to 25% with effect from 1 April 2023.

Global Minimum Tax

To address concerns about uneven profit distribution and the tax contributions of large multinational corporations, various agreements have been reached at the global level, including an agreement by over 135 countries to introduce a global minimum tax rate of 15%. In December 2021, the Organisation for Economic Co-operation and Development (OECD) released a draft legislative framework, followed by detailed guidance in March 2022. This is expected to be used by individual jurisdictions that signed the agreement to amend their local tax laws. Enactment is currently expected to occur with effect from 1 January 2024. Once changes to the tax law in any jurisdiction are enacted or substantively enacted, the Group may be subject to the 15% minimum tax rate. We are closely monitoring these developments.

8.2 Net deferred tax liabilities

	2022 £m	2021 £m
Deferred tax assets	**622**	508
Deferred tax liabilities	**(2,200)**	(1,835)
Net deferred tax liabilities	**(1,578)**	(1,327)

8. Taxation continued

The movements in deferred tax assets and liabilities during the year are shown below:

Group	Goodwill and intangible assets[1] £m	Tax losses and other carry-forward attributes £m	Property, plant and equipment £m	Share schemes £m	Retirement benefit obligations £m	Investment in partner-ships[2] £m	Provisions and other temporary differences £m	Total £m
1 January 2021	(398)	27	5	27	(28)	–	7	(360)
Deferred tax on acquisition of subsidiaries	(1,738)	322	102	62	(49)	425	43	(833)
Deferred tax derecognised on disposal of business	79	–	–	–	–	–	4	83
Tax recognised in the income statement	(184)	94	20	15	(28)	(99)	(12)	(194)
Tax recognised in other comprehensive income	–	–	–	–	(25)	–	1	(24)
Tax recognised in equity	–	–	–	18	–	25	–	43
Foreign exchange translation and other	(41)	1	2	1	–	–	(5)	(42)
31 December 2021	(2,282)	444	129	123	(130)	351	38	(1,327)
Deferred tax on acquisition of subsidiaries (note 12.2)	**(87)**	**24**	**–**	**–**	**–**	**–**	**–**	**(63)**
Tax recognised on discontinued operations (note 13)	**(77)**	**(69)**	**–**	**–**	**–**	**–**	**9**	**(137)**
Tax recognised in the income statement	**(79)**	**153**	**(46)**	**12**	**(13)**	**(43)**	**27**	**11**
Tax recognised in other comprehensive income	**–**	**–**	**–**	**–**	**98**	**–**	**(13)**	**85**
Tax recognised in equity	**(3)**	**–**	**–**	**(92)**	**–**	**102**	**1**	**8**
Foreign exchange translation and other	**(288)**	**65**	**4**	**10**	**–**	**44**	**10**	**(155)**
31 December 2022	**(2,816)**	**617**	**87**	**53**	**(45)**	**454**	**72**	**(1,578)**

1 The intangible assets have mainly arisen from acquired subsidiaries, creating a deferred tax liability due to the difference between their accounting and tax treatment. On 31 December 2022 this liability was £2,816 million (2021: £2,282 million), primarily relating to the Refinitiv acquisition.

2 Tradeweb Markets LLC is a multiple member limited liability company taxed as a partnership and accordingly, any taxable income generated by Tradeweb Markets LLC is passed through to its members. The investment in partnership deferred tax asset is the difference between the financial statement amount and the tax basis of the Tradeweb Markets Inc. investment in Tradeweb Markets LLC.

Unrecognised deferred tax assets

On 31 December 2022, the gross amount of unrecognised temporary differences in respect of losses available for carry forward was £122 million (2021: £115 million), all with unlimited expiration.

The assets will be recognised in the future only if suitable taxable profit arises within the Group.

8.3. Uncertain tax positions[1]

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 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. In accordance with IFRIC 23 *Uncertainty over Income Tax Treatments*, provisions are 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. The method chosen depends 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. This would require the Group to make an adjustment in a subsequent period which could have a material impact on the Group's results.

1 Amounts presented exclude interest and penalties.

8. Taxation continued

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.

In December 2019 and the beginning of 2021, HMRC issued determinations to the Group totalling £10.5 million which the Group paid.

The Group, several other UK PLCs and the UK Government submitted appeals to the EU General Court to annul the EU Commission's findings. On 8 June 2022, the EU General Court rejected the appeals. The Group has appealed this decision to the Court of Justice of the European Union (CJEU). It will be some time before the issues are conclusively determined by the CJEU. Until then, the UK Government is required to continue recovering amounts determined to be State Aid.

The Group's view is that no provision is required. Additionally, and in accordance with IFRIC 23 *Uncertainty over Income Tax Treatments*, the Group continues to recognise a receivable against the HMRC determinations paid to date of £10.5 million. The maximum potential exposure remains between nil and £65 million.

IRS Audit
The Group has been under audit in the USA by the Internal Revenue Service (IRS) in relation to the interest rate applied on certain cross border intercompany loans from the UK to the USA for the 2014-2021 period. During the year, the Group reached a settlement with the IRS on this matter for the 2014-2015 period. This resulted in additional tax of £1 million ($1 million) for this period and a £4 million ($5 million) increase in the uncertain tax liability resulting from the remeasurement of the open period.

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 believes that resolution of this matter will not have a material impact on the Group's financial position. 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 & 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.

Russian tax audit
The Group is under audit by the Russian Tax Authorities for the 2018-2020 period, which could result in additional taxes being paid locally. We do not agree with the Tax Authorities' view and will continue to defend our position through all available administrative and judicial remedies. We have recorded an uncertain tax liability in accordance with the requirements of IFRS. Management believes that resolution of this matter will not have a material impact on the Group's financial position[1].

1 Amounts presented exclude interest and penalties.

9. Earnings per share

Earnings per share is presented on four bases: basic earnings per share, diluted earnings per share, adjusted basic earnings per share and adjusted diluted earnings per share. Earnings per share is calculated as the Group's profit for the financial year divided by the weighted average number of shares in issue during the year.

Accounting policy
Basic earnings per share is in respect of all activities. Diluted earnings per share takes into account the dilutive effect that would arise on conversion or vesting of all outstanding share options and share awards under the Group's share option and award schemes. Adjusted basic earnings per share and adjusted diluted earnings per share exclude non-underlying items from earnings.

	2022			2021 Re-presented		
	Continuing	Discontinued	Total	Continuing	Discontinued	Total
Basic earnings per share	**141.8p**	**91.9p**	**233.8p**	85.8p	495.9p	581.7p
Diluted earnings per share	**141.1p**	**91.4p**	**232.5p**	85.2p	492.9p	578.1p
Adjusted basic earnings per share	**317.8p**	**10.6p**	**328.4p**	272.4p	29.0p	301.4p
Adjusted diluted earnings per share	**316.1p**	**10.5p**	**326.6p**	270.7p	28.8p	299.5p

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

		2022			2021 Re-presented		
	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		**790**	**512**	**1,302**	461	2,668	3,129
Adjustments:							
— Total non-underlying items net of tax	6	**1,049**	**(453)**	**596**	1,092	(2,511)	(1,419)
— Non-underlying items attributable to non-controlling interests		**(69)**	**–**	**(69)**	(88)	(1)	(89)
Adjusted profit for the year attributable to the Company's equity holders		**1,770**	**59**	**1,829**	1,465	156	1,621

Weighted average number of shares

	2022 millions	2021 millions
Weighted average number of shares[1]	**557**	538
Effect of dilutive share options and awards	**3**	3
Diluted weighted average number of shares	**560**	541

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

10. Dividends

We seek to reward our shareholders through the payment of dividends. The interim dividend is generally paid in September and the final dividend in May. Under the Group's dividend policy, the interim dividend is calculated as one-third of the prior full year dividend.

Accounting policy
Dividend distributions to the Company's equity holders are recognised as a liability in the Group financial statements in the period in which the dividends are approved by the Company's shareholders.

	2022 £m	2021 £m
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
Final dividend for 31 December 2021 paid 25 May 2022: 70.0p per ordinary share	**390**	–
Interim dividend for 31 December 2022 paid 20 September 2022: 31.7p per ordinary share	**177**	–
	567	426

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 2022 of 75.3p per share, which amounts to an expected payment of £417 million on 24 May 2023. This is not reflected in the financial statements.

11. Group companies and non-controlling interests

Subsidiaries are entities controlled by the Company. The financial results of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. A non-controlling interest arises when the Group does not own all of a subsidiary, but the Group retains control. The principal operating subsidiaries of the Group are given below and a full list of subsidiaries is given in note 29.2.

11.1 Principal operating subsidiaries

Name	Principal activity	Country of incorporation and principal operations	Group ultimate economic interest %
Banque Centrale De Compensation SA (LCH SA)	CCP clearing services	France	73.45
Financial & Risk Organisation Limited	IP owner	England & Wales	100.00
Frank Russell Company	Market indices provider	USA	100.00
FTSE International Limited	Market indices provider	England & Wales	100.00
LCH Limited	CCP clearing services	England & Wales	82.61
London Stock Exchange plc	Recognised investment exchange	England & Wales	100.00
Refinitiv Asia Pte. Ltd	Market and financial data provider	Singapore	100.00
Refinitiv France SAS	Market and financial data provider	France	100.00
Refinitiv Germany GmbH	Market and financial data provider	Germany	100.00
Refinitiv Hong Kong Limited	Market and financial data provider	Jersey[1]	100.00
Refinitiv Japan K.K.	Market and financial data provider	Japan	100.00
Refinitiv Limited	Market and financial data provider	England & Wales	100.00
Refinitiv US LLC	Market and financial data provider	USA	100.00
Tradeweb Markets LLC	Multilateral trading facility	USA	51.24

1 Operates in Hong Kong.

11. Group companies and non-controlling interests continued

11.2 Non-controlling interests

Accounting policy
Non-controlling interests
The Group recognises non-controlling interests in a business either at fair value or at the non-controlling interest's proportionate share of the net assets. This treatment is determined on an acquisition-by-acquisition basis. After initial recognition, the carrying value of the non-controlling interest is adjusted for any changes in equity and the total comprehensive income attributable to the non-controlling interest holders, less dividends paid.

Change in the ownership interest of a subsidiary company, without loss of control
For acquisitions or disposals of non-controlling interests where control of the subsidiary remains with the Group, the difference between any consideration paid or received, and the relevant share of net assets acquired or sold, is recognised in equity.

Financial information for subsidiary entities or groups that have material non-controlling interests is provided below:

Proportion of economic interest held by non-controlling interests	2022	2021
Tradeweb group	48.8%	48.7%
LCH group	17.4%	17.4%
Turquoise Global Holdings Limited[1]	15.8%	48.6%

1 During the year, the Group acquired an additional 32.8% of Turquoise Global Holdings Limited for £15 million. The Group recognised a decrease in non-controlling interests of £19 million and an increase in equity attributable to owners of the parent of £4 million.

Profit from continuing operations allocated to non-controlling interests	2022 £m	2021 £m
Tradeweb group	116	63
LCH group	72	65
Other	1	3
	189	131

Accumulated balance of non-controlling interests	2022 £m	2021 £m
Tradeweb group	1,813	1,552
LCH group	333	302
Other	9	25
	2,155	1,879

Summarised financial information for the Tradeweb and LCH groups is provided below.

Tradeweb group

The Group has a 46.7% economic interest in Tradeweb Markets Inc, a US company. Tradeweb Markets Inc is the parent company of Tradeweb Markets LLC in which the Group holds a further direct interest. This gives the Group an effective economic interest of 51.2% in Tradeweb Markets LLC.

The Tradeweb group's summarised financial information below differs from that reported by Tradeweb. The numbers disclosed here include adjustments to bring their accounting policies in line with those used by the Group and to include the impact of acquisition accounting.

Summarised financial information attributable to non-controlling interests[1]	2022 £m	2021 £m
Profit for the year attributable to non-controlling interests	116	63
Total comprehensive income for the year attributable to non-controlling interests	308	92
Dividends paid to non-controlling interests in the year	30	26

1 The summarised financial information includes any amortisation and impairment of goodwill and purchased intangible assets, and the related deferred tax benefit attributable to non-controlling interests.

Summarised balance sheet[1]	2022 £m	2021 £m
Non-current assets	8,500	7,653
Current assets	1,245	876
Current liabilities	(212)	(174)
Non-current liabilities	(470)	(529)
Net assets	9,063	7,826
Attributable to:		
Equity holders of the company	7,250	6,274
Non-controlling interests	1,813	1,552
Total equity	9,063	7,826

1 The summarised balance sheet includes goodwill and purchased intangible assets together with associated amortisation, impairment and deferred tax.

Summarised total comprehensive income[1] and cash flows	2022 £m	2021 £m
Total income for the year	961	720
Total profit for the year	328	234
Total comprehensive income for the year	805	308
Net increase in cash and cash equivalents	331	142

1 The summarised total comprehensive income of the Tradeweb group excludes any amortisation and impairment of goodwill and purchased intangible assets (together with any associated deferred tax) attributable to non-controlling interests.

LCH group

The Group owns 82.6% of LCH Group Holdings Limited, which is the parent of LCH Limited, based in the UK, and LCH SA, based in France. There is a further direct non-controlling interest in LCH SA, giving the Group an effective 73.4% economic interest in LCH SA.

Summarised financial information attributable to non-controlling interests[1]	2022 £m	2021 £m
Profit for the year attributable to non-controlling interests	72	65
Total comprehensive income for the year attributable to non-controlling interests	82	43
Dividends paid to non-controlling interests in the year	50	71

1 The summarised financial information includes any amortisation and impairment of goodwill and purchased intangible assets and the related deferred tax benefit attributable to non-controlling interests.

11. Group companies and non-controlling interests continued

Summarised balance sheet[1]	2022 £m	2021 £m
Non-current assets	**557**	585
Current assets	**794,130**	749,964
Current liabilities	**(793,064)**	(749,041)
Non-current liabilities	**(52)**	(91)
Net assets	**1,571**	1,417
Attributable to:		
Equity holders of the company	**1,238**	1,115
Non-controlling interests	**333**	302
Total equity	**1,571**	1,417

1 The summarised balance sheet includes goodwill and purchased intangible assets together with associated amortisation, impairment and deferred tax.

Summarised total comprehensive income[1] and cash flows for LCH Group Holdings Limited	2022 £m	2021 £m
Total income for the year	**952**	856
Total profit for the year	**368**	317
Total comprehensive income for the year	**411**	214
Net increase/(decrease) in cash and cash equivalents	**126**	(211)

1 The summarised total comprehensive income of the LCH group excludes any amortisation and impairment of goodwill and purchased intangible assets (together with any associated deferred tax) attributable to non-controlling interests.

12. Business combinations

During the year, the Group acquired the businesses listed below. The results of the businesses have been consolidated since the date of acquisition.
— Global Data Consortium, Inc (GDC)
— MayStreet Inc. (MayStreet)
— Tora Holdings, Inc. (TORA)
— Quantile Group Limited (Quantile)

Accounting policy
Business combinations are accounted for using the acquisition method:
— **Identifiable assets, liabilities and contingent liabilities** acquired are measured at fair value at acquisition date.
— The cost of an acquisition is measured as the aggregate of the **consideration transferred and contingent consideration**, which are measured at fair value, and the value of any non-controlling interests in the acquiree.
— On an acquisition-by-acquisition basis, the Group elects whether to measure the **non-controlling interests** in the acquiree, if any, at fair value or at the proportionate share of the acquiree's identifiable net assets (see note 11.2).
— **Goodwill** is initially measured at the amount by which the aggregate of the consideration transferred and the amount recognised for non-controlling interests (plus any previous interest held), exceeds the net identifiable assets acquired and liabilities assumed.

The Group considers the nature of any compensation for the selling shareholders' continuing employment to determine if any contingent payments are for post-combination employee services. These are excluded from consideration and together with other acquisition-related costs are classified as a non-underlying transaction costs in the income statement (see note 6).

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), any 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).

The purchase price allocations (PPAs) (shown in 12.2 below) have been prepared on a provisional basis in accordance with IFRS 3 *Business Combinations*. If new information obtained within one year of the acquisition date, about facts and 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.

12. Business combinations continued

12.1 Details of businesses acquired

Acquired business	Description of business	Reason for acquisition	Acquisition date	Voting equity interest acquired
Global Data Consortium, Inc. (GDC)	A global provider of high-quality identity verification data to support clients with Know Your Customer (KYC) requirements.	GDC's services are used within LSEG's Customer & Third-Party Risk Solutions business within the Data & Analytics division, to provide global digital identity verification to customers. Adding GDC to the Group's suite of digital identity solutions will enable the Group to continue to expand capabilities in this segment.	31 May 2022	89%[1]
MayStreet Inc. (MayStreet)	A market data solutions provider. MayStreet provides global low latency technology and market data to over 65 industry participants, including banks, asset managers and hedge funds.	The acquisition enhances the Group's Enterprise Data Solutions business, within the Data & Analytics division, expanding our capabilities across the latency spectrum through a global low latency network of over 300 cross asset, exchange and trading venue feeds. This broadens and complements our real-time feeds and historical market data value proposition.	31 May 2022	100%
Tora Holdings, Inc. (TORA)	A cloud-based technology provider that supports customers trading multiple asset classes across global markets. TORA's solutions include an order and execution management system (OEMS) and portfolio management system (PMS) for customers trading equities, fixed income, FX, derivatives and digital assets.	The transaction will further enhance the global footprint of the Group's Trading & Banking Solutions business, within the Data & Analytics division, with TORA's established presence in Asia and North America and operations in Europe. Our customers will benefit from a differentiated trading solution that combines the multi-asset class capabilities of TORA's software with the Group's rich data and analytics services.	9 August 2022	100%
Quantile Group Limited (Quantile	A leading provider of portfolio, margin and capital optimisation and compression services for the global financial services market. Quantile is led by a team of industry experts with significant experience in risk management, quantitative analysis and trading technology.	Quantile's powerful optimisation engine provides advanced trade compression and risk rebalancing services to banks, hedge funds and other financial institutions trading OTC derivatives. Quantile will therefore complement our global OTC Derivatives clearing services, which provide risk management and capital efficiencies to customers. It will also allow the Group to expand its range of Post Trade risk management solutions through trade compression as well as capital and margin optimisation services.	30 November 2022	100%

1 Prior to the acquisition LSEG held an 11% interest in GDC and on 31 May 2022 recognised a £23 million non-underlying remeasurement gain on this investment in associate (see note 6).

12. Business combinations continued

12.2 Consideration transferred, assets acquired and liabilities assumed, and resulting goodwill

Goodwill arising from the acquisitions has been recognised as follows:

	Notes	GDC £m	MayStreet £m	TORA £m	Quantile £m	Total £m
Purchase consideration						
— Cash (including settlement of share options)		213	153	258	162	786
— Fair value of previous interest held		28	–	–	–	28
— Deferred consideration		–	–	–	5	5
— Contingent consideration payable[1]	20,23	–	–	–	38	38
Total purchase consideration		241	153	258	205	857
Less: Fair value of identifiable net assets acquired						
— Intangible assets: Customer and supplier relationships[2]	14	(67)	(28)	(49)	(44)	(188)
— Intangible assets: Software[2]	14	(28)	(39)	(47)	(35)	(149)
— Intangible assets: Licences[2]	14	–	–	(3)	–	(3)
— Other non-current assets		–	(1)	(3)	–	(4)
— Cash and cash equivalents		(5)	(2)	(6)	(5)	(18)
— Other current assets		(4)	(3)	(7)	(9)	(23)
— Total liabilities, excluding deferred tax liabilities		4	19	6	5	34
— Deferred tax liabilities[3]		12	9	24	18	63
Fair value of identifiable net assets acquired		(88)	(45)	(85)	(70)	(288)
Goodwill	14	153	108	173	135	569
Allocated to cash-generating unit		Data & Analytics	Data & Analytics	Data & Analytics	Post Trade	

1 The contingent consideration payable is linked to performance targets of Quantile. The contingent consideration is calculated with reference to qualifying revenue and relevant valuation multiples which determines the payment, discounted to a present value. The payable is classified as Level 3 (of the fair value hierarchy) due to inputs used in the valuation that are not based on observable data. A 1% change in the discount rate applied would not have a material effect on the valuation of the payable.

2 The fair values of the net assets acquired 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). The following valuation methodologies were used to determine fair value:
– Customer relationships: multi-period excess earnings method (MEEM) (income approach).
– Supplier relationships: replacement cost approach.
– Software: relief from royalty method (income approach).
– Licences: replacement cost approach.

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

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

None of the goodwill recognised is expected to be deductible for income tax purposes.

12.3 Revenue and profit contribution

From the respective acquisition dates, the acquired businesses contributed revenue and profit before tax as follows:

	2022			
	GDC Seven months £m	MayStreet Seven months £m	TORA Five months £m	Quantile One month £m
Revenue	12	8	12	1
Adjusted EBITDA	4	2	–	–
Profit/(loss) before tax	–	(3)	(8)	–

If the acquisitions had all occurred on 1 January 2022, the acquired businesses would have contributed additional revenue and adjusted EBITDA as follows:

	2022					
	LSEG	GDC	MayStreet	TORA	Quantile	
Continuing	Year ended 31 Dec £m	Five months ended 31 May £m	Five months ended 31 May £m	Seven months ended 31 Jul £m	11 months ended 30 Nov £m	Pro-forma Group £m
Revenue	7,454	8	6	20	11	7,499
Adjusted EBITDA	3,550	2	(11)	(3)	–	3,538

12. Business combinations continued

12.4 Acquisition-related costs, including employment-linked management incentive and earn-out arrangements

Acquisition-related costs are recognised as non-underlying transaction costs in the income statement (see note 6). The Group incurred acquisition-related costs (on advisor and professional fees and management incentive and retention costs) as follows:

	GDC £m	MayStreet £m	TORA £m	Quantile £m
Advisor and professional fees	3	5	3	8
Employment-linked management incentive and earn-out arrangements[1]	–	22	3	–
Acquisition-related costs	3	27	6	8

1 As part of the MayStreet and TORA purchase agreements, employment-linked management retention incentives and earn-out arrangements have been agreed with the former founders and senior management. These arrangements are contingent on continuing employment, and will be:
– recognised as post-combination compensation over the arrangement period within salaries and other benefits in the income statement.
– classified as non-underlying transaction costs.

13. Disposal of businesses and discontinued operations

This year we made one material disposal, BETA. It has been treated as a discontinued operation which means that it has been excluded from the results of continuing operations for the year.

Accounting policy

The Group classifies disposal groups as **held for sale** if the carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Disposal groups classified as held for sale are measured at the lower of the carrying amount or fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the sale of a disposal group, excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the disposal group will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale is expected to be completed within one year from the date of the classification.

Assets and liabilities classified as held for sale are presented separately as current items on the balance sheet and measured at the lower of carrying amount and fair value less cost to sell. Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale.

An operation is regarded as a **discontinued operation** if it is held for sale or has already been sold and comprised a major line of business or geographical area of operation. Discontinued operations are excluded from the results of continuing operations and are presented as a single amount of profit or loss after tax from discontinued operations in the income statement. The comparative results are re-presented accordingly to show the continuing operations.

Disposal of BETA during the year ended 31 December 2022

On 21 March 2022, the disposal of BETA, Maxit and Digital Investor (collectively BETA) was assessed to be highly probable and it has been treated as a disposal group from that date. BETA provides back-office processing to the wealth management industry, including securities processing and tax reporting. BETA has also been treated as a discontinued operation as it represented a separate major line of business. Its results have been excluded from the continuing results of the Group for the year ended 31 December 2022. The results for the prior year have been re-presented to exclude the BETA results from the continuing operations of the Group.

On 1 July 2022, BETA was sold for total cash consideration of US$1.1 billion (£0.9 billion) to affiliates of Clearlake Capital Group, L.P. (Clearlake) and Motive Partners (Motive), realising a profit on disposal, after tax, of £0.5 billion. We announced that we have entered into a new long-term strategic partnership for data, content and tools with BETA and portfolio companies owned by Clearlake and Motive.

Disposal of the Borsa Italiana group during the year ended 31 December 2021

On 29 April 2021, the Group disposed of Borsa Italiana. It was presented as a discontinued operation and its results are excluded from the continuing operations of the Group for the year ended 31 December 2021. As part of the disposal agreement the Group continues to provide services to the Borsa Italiana group on an arm's length basis.

13. Disposal of businesses and discontinued operations continued

13.1 Profit and total comprehensive income from discontinued operations

Until the respective disposal dates, the profit and total comprehensive income from discontinued operations are as follows:

	2022 £m	2021 (Re-presented) £m
Profit from discontinued operations		
BETA	**512**	68
Borsa Italiana group	**–**	2,603
Profit from discontinued operations	**512**	2,671
Other comprehensive income from discontinued operations		
Borsa Italiana group	**–**	(105)
Other comprehensive income from discontinued operations	**–**	(105)
Total comprehensive income from discontinued operations	**512**	2,566

Profit and total comprehensive income from BETA

	Note	2022 £m	2021 £m
Total income		**132**	205
Underlying cost of sales and operating expenses		**(57)**	(103)
Adjusted profit before tax		**75**	102
Non-underlying expenses		**(1)**	(9)
Profit before tax		**74**	93
Underlying tax		**(16)**	(27)
Non-underlying tax		**–**	2
Profit after tax of discontinued operation		**58**	68
Profit on disposal of discontinued operation, after tax (non-underlying)	13.2	**454**	–
Profit (and total comprehensive income) from discontinued operation		**512**	68

Profit and total comprehensive income from Borsa Italiana group

	Note	2021 £m
Total income		146
Underlying cost of sales and operating expenses		(52)
Adjusted profit before tax		94
Non-underlying expenses		(4)
Profit before tax		90
Underlying tax		(9)
Non-underlying tax		3
Profit after tax of discontinued operation		84
Profit on disposal of discontinued operation (non-underlying)	13.2	2,519
Profit from discontinued operation		2,603
Other comprehensive income		
Recycled from hedging reserve on disposal		17
Net losses from debt instruments held at FVOCI		(10)
Foreign exchange losses on translation in the period		(53)
Cumulative foreign exchange adjustments recycled on disposal		(62)
Tax on items in other comprehensive income		3
Other comprehensive loss from discontinued operations		(105)
Total comprehensive income from discontinued operations		2,498

13.2 Profit on disposal of discontinued operations, after tax

	2022 BETA £m	2021 Borsa Italiana group £m
Proceeds from disposal	**903**	3,876
Carrying value of cash disposed	**–**	(284)
Proceeds from disposal, net of cash disposed	**903**	3,592
Carrying value of net assets disposed, excluding cash	**(241)**	(1,129)
Non-controlling interests disposed	**–**	65
Transaction costs	**(44)**	(46)
Other expenses	**–**	(8)
Profit on disposal of discontinued operations, before tax and recycling of reserves	**618**	2,474
Recycling of cumulative foreign exchange translation reserve	**–**	62
Recycling of amounts held in hedging reserve	**–**	(17)
Income tax on gain	**(164)**	–
Profit on disposal of discontinued operations, after tax	**454**	2,519

13. Disposal of businesses and discontinued operations continued

13.3 Cash flows from discontinued operations

	2022 £m	2021 £m
Operating activities		
BETA	**37**	87
Borsa Italiana group	**–**	23
Net cash flows from operating activities	**37**	110
Investing activities		
BETA	**(16)**	(30)
Borsa Italiana group	**–**	(2)
Net cash flows from investing activities	**(16)**	(32)
Financing activities		
Borsa Italiana group	**–**	(6)
Net cash flows from financing activities	**–**	(6)
Foreign exchange translation (of cash and cash equivalents)	**–**	(10)
Net increase in cash from discontinued operations	**21**	62

14. Intangible assets

The balance sheet includes significant intangible assets, mainly in relation to goodwill and customer and supplier relationships. Goodwill arises when we acquire a business and pay an amount higher than the fair value of its net assets primarily due to the synergies we expect to create. Goodwill is not amortised but is subject to annual impairment reviews. Customer and supplier relationships are amortised over their useful economic lives.

Accounting policy
Goodwill
Goodwill arising on the acquisition of a business is initially measured at cost, being the amount by which the aggregate of the consideration transferred and the amount recognised for non-controlling interests (plus any previous interest held), exceeds the net identifiable assets acquired and liabilities assumed.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, on the date of acquisition, goodwill acquired in a business combination is allocated to one or more of the Group's cash-generating units (CGUs) that are expected to benefit from the combination.

Where goodwill has been allocated to a CGU and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount when determining its gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the CGU retained.

Purchased intangible assets
Purchased intangible assets are initially recognised at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition which is determined using valuation methodologies such as multi-period excess earnings method (MEEM) or relief from royalty. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

These assets are amortised on a straight-line basis over their useful economic lives which are as follows:
— Customer and supplier relationships – 2 to 25 years
— Brands – 10 to 25 years
— Databases and content – 5 to 12 years
— Software, licences and intellectual property – 1 to 25 years (the majority of material assets are amortised over a life not exceeding 5 years)

14. Intangible assets continued

Software and other

Internally developed software

Expenditure on internal product development is capitalised if: the costs can be reliably measured; the product or process is technically and commercially feasible; future economic benefits are probable; and the Group has sufficient resources to complete the development and to use or sell the asset. The assets are initially recorded at cost, which includes labour, directly attributable costs and any third-party expenses. They are then amortised over their useful economic lives of 3 to 12 years.

Internally generated intangibles, excluding capitalised development costs, are expensed as incurred.

Third-party software costs for the development and implementation of systems which enhance the services provided by the Group are capitalised and amortised over their estimated useful economic lives of 3 to 5 years.

Contract costs

Incremental costs of obtaining a customer contract, such as sales commissions paid to employees, are recognised as an intangible asset if the benefit of such costs is expected to be longer than one year. The asset is initially recognised at cost and is amortised over the period from which a customer benefits from the associated software technology supporting the underlying product or service. The Group has determined this to be between 3 and 5 years.

The Group recognises the incremental cost of obtaining a contract as an expense when incurred, if the amortisation period is less than one year.

Impairment of intangible assets, including goodwill

Goodwill is tested for impairment annually. Impairment is determined for goodwill by assessing the recoverable amount of each CGU. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets are assessed for any indicators of impairment at each balance sheet date. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognised when the recoverable amount of the asset, or CGU, is less than its carrying amount. Impairment losses are recognised in the income statement within depreciation, amortisation and impairment. CGU impairment losses are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro-rata basis.

Significant accounting estimates and assumptions

Intangible assets and goodwill form a significant part of the balance sheet and are key assets for the Group's businesses. See note 12 for the significant accounting estimates of intangible assets obtained through the purchase of subsidiaries.

Recoverable amounts of CGUs and intangible assets

The recoverable amounts of CGUs and intangible assets are based on value-in-use calculations. The value-in-use calculations use cash flow projections based on business plans prepared by management for the three-year period ending 31 December 2025. These use management's best estimate of future performance together with estimates of the return required by investors, which is used to determine an appropriate discount rate to derive the present value.

Estimated useful economic lives

Intangible assets are amortised over their estimated useful economic lives, being 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 of brands; and pace of change of regulation.

14. Intangible assets continued

			Purchased intangible assets					
Group	Notes	Goodwill[1] £m	Customer and supplier relationships £m	Brands £m	Databases and content £m	Software, licences and intellectual property £m	Software and other £m	Total £m
Cost								
1 January 2021		2,402	1,847	953	–	569	1,260	7,031
Intangible assets acquired on acquisition of subsidiaries		16,520	7,455	983	2,398	199	1,608	29,163
Additions		–	–	–	–	–	642	642
Disposal of business (re-presented)[1]		(1,371)	(692)	(1)	–	(66)	(181)	(2,311)
Disposals and write-off		–	–	–	–	(1)	(59)	(60)
Foreign exchange translation		(42)	111	21	36	1	(38)	89
31 December 2021 (re-presented)[1]		17,509	8,721	1,956	2,434	702	3,232	34,554
Intangible assets acquired on acquisition of subsidiaries	12.2	**569**	**188**	**–**	**3**	**149**	**–**	**909**
Additions[2]		**–**	**–**	**–**	**–**	**–**	**868**	**868**
Disposal of business	13	**–**	**–**	**(51)**	**–**	**–**	**(174)**	**(225)**
Disposals and write-off		**–**	**–**	**–**	**–**	**–**	**(70)**	**(70)**
Foreign exchange translation		**1,781**	**1,016**	**208**	**297**	**52**	**273**	**3,627**
31 December 2022		**19,859**	**9,925**	**2,113**	**2,734**	**903**	**4,129**	**39,663**
Accumulated amortisation and impairment								
1 January 2021		546	868	265	–	345	683	2,707
Amortisation charge for the year		–	491	130	220	33	425	1,299
Impairment		–	–	–	–	–	13	13
Disposal of business (re-presented)[1]		(498)	(409)	–	–	(58)	(139)	(1,104)
Disposals and write-off		–	–	–	–	(1)	(43)	(44)
Foreign exchange translation		(25)	6	3	4	(4)	(25)	(41)
31 December 2021 (re-presented)[1]		23	956	398	224	315	914	2,830
Amortisation charge for the year[3]		**–**	**590**	**150**	**232**	**41**	**587**	**1,600**
Impairment		**–**	**–**	**–**	**–**	**–**	**11**	**11**
Disposal of business	13	**–**	**–**	**(4)**	**–**	**–**	**(31)**	**(35)**
Disposals and write-off		**–**	**–**	**–**	**–**	**–**	**(70)**	**(70)**
Foreign exchange translation		**7**	**104**	**40**	**34**	**11**	**65**	**261**
31 December 2022		**30**	**1,650**	**584**	**490**	**367**	**1,476**	**4,597**
Net book values[4]								
31 December 2022		**19,829**	**8,275**	**1,529**	**2,244**	**536**	**2,653**	**35,066**
31 December 2021		17,486	7,765	1,558	2,210	387	2,318	31,724

1 The prior year comparatives for cost and accumulated impairment of goodwill have both been re-presented by a reduction of £444 million to reflect the correct gross disposal of goodwill cost and accumulated impairment related to Borsa Italiana group. There is no impact on the net book value.

2 During the year, consideration for additions comprised £787 million (2021: £611 million) in cash, nil (2021: £2 million) of leased assets and £81 million (2021: £29 million) in accruals. During the year, the Group:
- recognised additions of nil (2021: £2 million) as right-of-use assets, with a right-of-use assets amortisation charge of nil (2021: £6 million).
- capitalised sales commissions paid to employees (contract costs) of £40 million (2021: £46 million).

3 Includes non-underlying amortisation of intangible assets of £1,044 million (2021: £851 million). Includes amortisation of £8 million related to discontinued operations (2021: £25 million).

4 At 31 December 2022, software and other net book value includes contract costs of £75 million (2021: £71 million).

14. Intangible assets continued

14.1 Goodwill

Carrying value of goodwill allocated to each of the Group's CGUs and annual impairment test

Goodwill is allocated to and monitored by management at the level of the Group's four CGUs as set out below:

	Net book value of goodwill	
	2022 **£m**	2021 £m
Data & Analytics[1]	**14,414**	12,771
Capital Markets, excluding Tradeweb	**2**	2
Tradeweb[1]	**5,152**	4,594
Post Trade[1]	**261**	119
	19,829	17,486

1 Goodwill allocated to the Data & Analytics, Tradeweb and Post Trade CGUs include foreign exchange translation during the year of £1,209 million, £558 million and £7 million, respectively. The increase also reflects the acquisitions (see note 12).

Goodwill as at 31 December 2022 was tested for impairment. For each CGU, the estimated recoverable amount is higher than its carrying value (being the net book value as at 31 December 2022) and therefore no impairment was identified or recognised.

Key assumptions used in the impairment assessments and sensitivity to changes

Every year, the Group tests whether goodwill has suffered any impairment. For 2022, the recoverable amount of each CGU was determined based on value-in-use calculations.

Value-in-use calculations

The value-in-use calculations are based on, and most sensitive to, the following key assumptions:

Assumption	Determination of assumption
Short- and medium-term revenue and cost growth	The short- and medium-term revenue and cost growth assumptions are based on the business plans prepared by management for the three-year period ending 31 December 2025 and extended by a further three years for expected medium-term growth rates. Business plans are based on an assessment of current trends, anticipated market and regulatory developments, discussions with customers and suppliers, and management's experience
Long-term economic growth rates (used to determine terminal values)	Cash flows beyond an initial six-year period are extrapolated using estimated long-term growth rates, which are based on external estimates of GDP and inflation
Pre-tax discount rates	Weighted average cost of capital was determined using market risk free rates based on the yields of government bonds most relevant to the operations of the CGU, adjusted for country and operational risk and the cost of borrowing for the Group

Value-in-use assumptions

	Data & Analytics		Capital Markets, excluding Tradeweb		Tradeweb		Post Trade	
Assumptions	**2022** **%**	2021 %	**2022** **%**	2021 %	**2022** **%**	2021 %	**2022** **%**	2021 %
Long-term growth rates	**4.2**	3.9	**3.5**	3.5	**3.9**	4.0	**3.4**	3.2
Pre-tax discount rates	**11.4**	9.7	**12.2**	10.7	**10.7**	10.1	**14.3**	12.5

Sensitivity analysis

The estimated value-in-use of each CGU exceeds their carrying values. The table below shows the relative changes in the main assumptions, in isolation, that could lead to the value-in-use amounts reducing to the carrying value. Changes beyond those amounts would therefore lead to an impairment loss being recognised for the year ended 31 December 2022.

	Change required for value-in-use to equal carrying amount			
Assumptions	Data & Analytics	Capital Markets, excluding Tradeweb	Tradeweb	Post Trade
Reduction in terminal cash flow (%)	**(29.9)**	**N/A[1]**	**(32.1)**	**N/A[1]**
Reduction in long-term growth rates (percentage points)	**(2.0)**	**N/A[1]**	**(2.2)**	**N/A[1]**
Increase in pre-tax discount rates (percentage points)	**2.2**	**N/A[1]**	**2.3**	**N/A[1]**

1 N/A indicates that the change required is outside of a reasonably expected change.

14. Intangible assets continued

14.2 Purchased intangible assets

Purchased intangible assets are recognised on acquisition of a business.

The material purchased intangible assets are set out below:

	Carrying value of material purchased intangible assets		Remaining amortisation period	
	2022 £m	2021 £m	**2022**	2021
Customer and supplier relationships				
Refinitiv	**6,428**	6,135	**14 years**	15 years
Tradeweb	**954**	922	**11-18 years**	12-19 years
Brands				
Refinitiv	**660**	717	**3-13 years**	4-14 years
Tradeweb	**194**	186	**13 years**	14 years
Frank Russell	**498**	470	**17 years**	18 years
Databases and content				
Refinitiv	**2,219**	2,184	**9-10 years**	10-11 years

There are no other individual purchased intangible assets that are considered material to each class of intangible assets.

14.3 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.

The £2,653 million (2021: £2,318 million) net book value of software and other intangibles, includes £647 million (2021: £447 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 an £11 million impairment charge (2021: £13 million) in relation to assets with a recoverable amount less than the carrying value.

During the year the Group recognised disposals and write-offs of assets which are no longer in use of £70 million with nil net book value (2021: £60 million with £16 million net book value).

15. Property, plant and equipment

Most of our tangible assets relate to property (owned and leased) and equipment, furniture and fittings. These assets are depreciated over their useful economic lives.

Accounting policy
Property, plant and equipment
Property, plant and equipment assets are recorded at cost less accumulated depreciation and accumulated impairment losses.

Land is not depreciated. Freehold buildings, plant and equipment are depreciated to a residual value on a straight-line basis over their estimated useful economic lives as follows:
— Freehold buildings – 30 to 50 years
— Plant and equipment – 3 to 20 years

Leasehold improvements are recorded at cost and depreciated to a residual value over the shorter of the period of the lease and the useful economic life of the asset.

At each reporting date, the Group assesses whether there is an indication that an asset may be impaired. If any indication exists, the Group estimates the asset's recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognised when the recoverable amount of the asset, or CGU, is less than its carrying amount. Impairment losses are recognised in the income statement within depreciation, amortisation and impairment. CGU impairment losses are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro-rata basis.

Right-of-use assets (leases)
The Group recognises a right-of-use asset where it has control of an asset for a period of more than 12 months. Assets are recorded initially at cost and depreciated on a straight-line basis over the shorter of the lease term and the estimated useful economic life. Cost is defined as the net present value of the initial lease liability plus any initial costs and dilapidation provisions less any lease incentives received.

The lease term is the non-cancellable term plus any periods for which the Group is reasonably certain to exercise any extension options.

Where a property is no longer used by the business or there is surplus space, an impairment in the value of the right-of-use asset is recognised and the asset is recognised at its estimated recoverable value.

Where a lease is terminated early, this is recognised as a disposal and any difference in value between the asset (being the carrying value of the right-of-use asset) and the liability (being the net present value of future lease obligation) is recognised as a profit or loss on disposal. Any penalty fees payable for early termination are recognised directly in the income statement as an operating expense.

15. Property, plant and equipment continued

Group	Notes	Land & Buildings			Plant and equipment		
		Freehold property £m	Right-of-use assets £m	Leasehold improve-ments £m	Right-of-use assets £m	Owned £m	Total £m
Cost							
1 January 2021		62	197	59	5	292	615
Property, plant and equipment acquired on acquisition of subsidiaries		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		–	(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
Property, plant and equipment acquired on acquisition of subsidiaries	12	**–**	**1**	**–**	**–**	**2**	**3**
Additions		**14**	**44**	**12**	**41**	**130**	**241**
Lease modifications		**–**	**14**	**–**	**–**	**–**	**14**
Disposals and other		**(14)**	**(12)**	**3**	**(1)**	**(19)**	**(43)**
Disposal of business	13	**–**	**(12)**	**–**	**(34)**	**(15)**	**(61)**
Foreign exchange translation		**(2)**	**32**	**7**	**4**	**24**	**65**
31 December 2022		**53**	**672**	**125**	**70**	**624**	**1,544**
Accumulated depreciation and impairment							
1 January 2021		29	50	45	2	192	318
Depreciation charge for the year		3	99	19	18	135	274
Impairment		–	22	–	–	–	22
Disposals and other		–	(1)	(12)	–	(39)	(52)
Disposal of business		–	(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
Depreciation charge for the year[1]		**1**	**101**	**20**	**18**	**143**	**283**
Impairment[1]		**–**	**12**	**–**	**–**	**–**	**12**
Disposals and other		**(3)**	**(10)**	**(3)**	**–**	**(19)**	**(35)**
Disposal of business	13	**–**	**(4)**	**–**	**(16)**	**(5)**	**(25)**
Foreign exchange translation		**–**	**10**	**1**	**1**	**7**	**19**
31 December 2022		**29**	**267**	**67**	**22**	**362**	**747**
Net book values							
31 December 2022		**24**	**405**	**58**	**48**	**262**	**797**
31 December 2021		24	447	54	41	266	832

1 Includes non-underlying accelerated depreciation and impairment of £27 million (2021: £32 million) and depreciation from discontinued operations of £5 million (2021: £15 million).

16. Investments in financial assets

The Group holds equity investments in a number of companies which fall below the level that would result in recognition of an interest in a subsidiary or associate. The Group also holds some debt investments in Government bonds.

Accounting policy
These financial assets are all recognised at fair value through other comprehensive income (FVOCI). See note 23 for the relevant accounting policy, specifically in relation to:
— **equity instruments**
— **debt instruments**

Investments in equity instruments and convertible instruments (excluding listed instruments) are classified as Level 3 (of the fair value hierarchy described in the accounting policy of note 23). Listed instruments are classified as Level 1.

Investment in financial assets are as follows:

Group	Notes	2022 £m	2021 £m
Non-current			
Equity instruments	16.1, 23	**394**	351
Current			
Debt instruments	16.2, 23	**226**	–
Total investments in financial assets		**620**	351

16.1 Equity instruments

Movements in the fair value of the investments in equity instruments (which are almost entirely classified as Level 3) are as follows:

Group	2022 £m	2021 £m
1 January	**351**	261
Investments in equity instruments acquired on acquisition of subsidiaries	**–**	22
Additions	**1**	28
Transfer to investments in associates	**(1)**	–
Fair value gain recognised in other comprehensive income	**21**	59
Foreign exchange translation	**22**	(19)
31 December	**394**	351

Fair value of equity instruments
In determining the fair value, recent market transactions are taken into account. If no such transactions can be identified, internal valuations are calculated using discounted cash flow forecasts using a terminal growth rate of 2% to 3% and a risk adjusted discount rate depending on the size and maturity of the investee. These valuations are also benchmarked against other available approaches such as the dividend discount model, regression analysis, and trading multiples. Valuation models generate a range of values by considering reasonable changes in the key unobservable inputs (including terminal growth rates and discount rates). The investments are recognised at the lowest value in the range.

The fair values of the material investments are as follows:

	2022 £m	2021 £m
Euroclear	**314**	297
PrimaryBid Limited	**31**	10
Sumscope Inc.	**17**	15

Income from equity investments
Income from equity investments of £12 million represents dividends received from the Group's investment in Euroclear (2021: £22 million).

16.2 Debt instruments

Group	2022 £m	2021 £m
1 January	**–**	–
Additions[1]	**217**	–
Foreign exchange translation	**9**	–
31 December	**226**	–

1 In the last quarter of 2022, we invested £217 million in French Government and European Central Bank bonds.

17. Pension and other retirement benefit schemes

Substantially all of the Group's employees participate in defined benefit or defined contribution future benefit schemes.

	Description
Defined contribution schemes	Defined contribution schemes are savings plans that provide for matching contributions from the Group. Most new employees are eligible to participate in these schemes. The main scheme within the Group is the London Stock Exchange Group Pension Plan.
Defined benefit schemes	Defined benefit schemes provide pension and other post-retirement benefits for covered employees. The most significant defined benefit schemes (collectively referred to as the 'Large UK' schemes) are: — the Reuters Pension Fund (RPF) — the Reuters Supplementary Pension Scheme (SPS) — the London Stock Exchange Group Pension Scheme (LSEGPS) — LSE Section of LSEGPS (previously the London Stock Exchange Retirement Plan) — LCH Section of LSEGPS (previously the LCH Pension Scheme in the UK) Benefits are payable generally based on salary and years of service, although each plan has a unique benefits formula. Employees of the Large UK schemes (and in some smaller schemes) may also make voluntary contributions to augment future benefits. The retirement age is typically in the range of 60 and 65 years and benefits are generally payable as an annuity or lump sum upon retirement. Most schemes include provisions for early retirement or death and include survivor and disability benefits. Under the Large UK schemes, vested benefits of former employees who are not yet of retirement age are held in deferment. Eligible benefits under the Large UK schemes are subject to increases based on inflation. Except when required by law, virtually all defined benefit schemes are closed to new employees. Outside of the UK, some countries operate pension schemes in accordance with the local regulations and practices. All schemes are governed by the local regulatory framework and employment laws in the country in which they operate.

Accounting policy

For **defined contribution schemes**, the operating charge represents the contributions payable in the year and is recognised in the income statement as incurred.

For the **defined benefit schemes** the income statement expense is allocated between service cost and net finance expense. The service charge represents benefits accruing to employees and is included as an operating expense.

Costs of future employee benefits are accrued over the period in which employees earn the benefits. Scheme obligations and costs are determined by an independent qualified actuary, on a regular basis, in line with IAS 19 *Employee Benefits*, using the projected unit credit method. The obligations are measured by discounting the best estimate of future cash flows to be paid out of the scheme and are reflected in the Group balance sheet.

Where a scheme has a net defined benefit liability, interest cost is recognised in finance expense, calculated by applying a discount rate to the net defined benefit liability at the start of each annual reporting period. Where a scheme has a net defined asset, interest is recognised in finance income and calculated in the same way. The discount rate used is based on market interest rates of high-quality, fixed-rate debt securities adjusted to reflect the duration of expected future cash outflows for pension benefit payments.

The net asset or liability recognised on the balance sheet comprises the difference between the present value of pension obligations and the fair value of scheme assets.

Actuarial gains and losses are recognised at each reporting date, net of tax, in the statement of comprehensive income. These gains and losses arise from experience adjustments, changes in actuarial assumptions or differences between actual and expected returns on assets.

Significant accounting judgements

The Group judges that, on the winding up of the schemes, it can expect any remaining pension surplus to be refunded in full to the Group. In line with the current accounting standards, it therefore continues to recognise these **retirement benefit assets** on the balance sheet in full.

17. Pension and other retirement benefit schemes continued

Significant accounting estimates and assumptions
Defined benefit pension or liabilities are determined based on the present value of future pension obligations using assumptions determined by the Group with advice from an independent qualified actuary. An actuarial valuation involves making various assumptions that may differ from what actually happens in the future.

The assumptions that are the most significant to the amounts reported are the discount rate, inflation rate, salary growth and mortality levels. Assumptions about these variables are based on the environment in each country. Due to the complexities involved in a valuation, and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. In particular, changes to the discount rate and inflation rate, could result in material changes to the carrying amounts of the group's pension and other post-retirement benefit obligations within the next financial year.

17.1 Pension costs

Pensions costs arising from all group retirement benefit arrangements recognised in the income statement are as follows:

Continuing	Notes	2022 £m	2021 (Re-presented) £m
Defined contribution schemes		**74**	65
Defined benefit scheme – current/past service cost, curtailment, and expenses		**7**	16
Pension costs recognised in staff costs	5	**81**	81
Net finance income	7	**(11)**	(6)
		70	75

17.2 Actuarial gains and losses on retirement benefit assets and obligations

Experience adjustments and the effects of changes in actuarial assumptions during the year are recognised in the statement of comprehensive income.

	2022 £m	2021 £m
1 January	**116**	15
Net actuarial (losses)/gains recognised in the year	**(329)**	101
31 December	**(213)**	116

17.3 Retirement benefit assets and obligations

The amounts recognised in the balance sheet include the assets and liabilities of the Large UK schemes, as well as various smaller schemes. All pension scheme assets are held separately from those of the Group.

Retirement benefit assets and obligations recognised on the balance sheet are as follows:

	2022 £m	2021 £m
Retirement benefit assets	**231**	568
Retirement benefit obligations	**(64)**	(85)
Net retirement benefit asset	**167**	483

The net defined benefit assets/(liabilities) in respect of defined benefit schemes are as follows:

	2022 £m	2021 £m
RPF[1]	**145**	433
SPS[1]	**11**	4
LSE Section of LSEGPS[1]	**21**	33
LCH Section of LSEGPS[1]	**39**	75
Other plans	**(49)**	(62)
Net retirement benefit asset	**167**	483

1 As at 31 December 2022, the Group recognised net defined benefit assets on the basis that the Group would have access to the surplus in the event of a winding-up of the scheme. No asset ceiling has therefore been applied to the net surplus recognised. Furthermore, none of these schemes have minimum funding commitments.

Changes in the net retirement benefit asset during the year are as follows:

	2022 £m	2021 £m
1 January	**483**	63
Net defined benefit assets acquired and obligations assumed on acquisition of subsidiaries	**–**	282
Disposal of business	**–**	8
Pension income/(expense), including interest	**5**	(10)
Actuarial (losses)/gains	**(329)**	101
Employer contributions and benefits paid	**17**	33
Other	**(11)**	6
Foreign exchange translation	**2**	–
31 December	**167**	483

17. Pension and other retirement benefit schemes continued

17.4 Large UK schemes

The detail that follows relates to the Large UK schemes. In this section we show the movement of the scheme assets and defined benefit obligations in the year, alongside the asset classes and expected benefit payments. We also explain the schemes' investment policy, key assumptions and risk management.

Scheme assets

The movements in the fair value of scheme assets during the year are as follows:

	2022 £m	2021 £m
1 January	**3,811**	774
Scheme assets acquired on acquisition of subsidiaries	**–**	3,043
Interest income	**79**	49
Movement on plan assets, excluding interest income, recognised in other comprehensive income[1]	**(1,426)**	27
Employer contributions[2]	**21**	26
Plan participants' contributions	**1**	1
Benefits paid	**(117)**	(109)
31 December	**2,369**	3,811

1 The decrease in plan assets in 2022 is mainly driven by poor asset performance in all countries with funded plans, in particular the UK non-insured plans.
2 The group contributed £21 million (2021: £26 million) to its Large UK schemes. The Group expects to contribute approximately £15 million to its Large UK schemes in 2023. For the Large UK schemes, the Trustees have the right to call for special valuations, which could subsequently result in the Group having to make an unexpected contribution. Market-related factors may also affect the timing and amount of contributions.

The fair values of each major class of scheme assets are as follows:

Fair value of assets	2022 £m	2021 £m
Equities		
— Quoted	**29**	190
— Not quoted	**20**	25
Bonds		
— Quoted	**250**	475
— Not quoted	**773**	1,713
Buy-in policy	**723**	1,016
Cash and cash equivalents	**366**	56
Multi-assets and other	**208**	336
Total fair value of assets	**2,369**	3,811

Investment policy

The Group bears the cost of the Large UK schemes (less employee contributions). However, the responsibility for managing and governing the Large UK schemes lies with an independent trustee board for each scheme (the "Trustees"). Scheme Trustees set investment policies and strategies for each plan and oversee investment allocation. This includes selecting investment managers, commissioning periodic asset-liability studies, and setting long-term targets. The scheme Trustees may consult with the Group in setting investment policy, but the Trustees are ultimately accountable for it.

The principal investment objectives are to:
— ensure funds are available to pay pension benefits as they become due under a broad range of future economic scenarios
— maximise long-term investment return with an acceptable level of risk
— diversify across capital markets to insulate asset values against risk in any one market

Investment allocation

Investment allocation takes into account a number of factors, including: the funded status of the scheme; setting the right balance between risk and return; the scheme's liquidity needs; current and expected economic and market conditions; specific asset class risk; as well as the risk profile and maturity pattern of the scheme.

Target investment allocation ranges provide guidelines, not limitations. Plans may have diversified portfolios with investments in equities, fixed income, real estate, insurance contracts, derivatives, and other asset classes through direct ownership or through other instruments such as mutual funds, commingled funds, and hedge funds. Derivatives may be used to achieve investment objectives or as a component of risk management (such as for interest rate and currency management strategies).

The assets held by the Large UK schemes mainly consist of cash and cash equivalents, government and corporate bonds, and various investment vehicles. Plan assets are invested to adequately secure benefits and to minimise the need for long-term contributions to the schemes. However, specific investment allocation will vary across schemes.

The Trustees invest the schemes' assets in a portfolio of physical assets and liability-matching assets:
— The physical assets have the objective of outperforming the liabilities by investing in a suitably diversified range of assets, consisting of risk premia strategies, corporate bonds (and other credit alternatives) and property which together are expected to reduce investment volatility.
— The liability-matching assets seek to hedge against the interest rate and inflation risks associated with liabilities. The assets are predominantly gilts, both nominal and index-linked. The RPF, SPS and LSE Section of LSEGPS also include bulk annuity transactions (buy-ins) insuring the benefit for a part of the schemes' liabilities.

This combination of physical assets and liability-matching assets is expected to provide an appropriate risk and return profile, with suitable interest rate and inflation hedging characteristics, consistent with lower volatility and improved funding levels.

Funding valuations and arrangements

The Trustees are responsible for carrying out triennial valuations (unless circumstances require an earlier review) and securing funding for benefit payments. In order to develop funding valuations and investment policies, the Trustees consult with the scheme's actuary (who is independent of the Group's actuary), the scheme's investment advisors (also independent of the Group's investment advisors) and the Group.

Of the Large UK schemes, only the LSEGPS requires the Group to make deficit contributions. For the LSE Section of LSEGPS, the Group contributed £14 million in 2022, with a contingent contribution of £12 million in 2023 and nothing in 2024. No contributions are required for the LCH Section of LSEGPS over these three years.

The Group has provided guarantees to the Trustees of the RPF and to the Trustees of the SPS in conjunction with triennial valuation and funding obligations. As at 31 December 2022, the aggregate maximum liability under the guarantees was £700 million for the RPF and £120 million for the SPS. These amounts are unchanged from last year.

17. Pension and other retirement benefit schemes continued

Defined benefit obligations

The changes in the present value of the defined benefit obligations during the year are as follows:

	2022 £m	2021 £m
1 January	**3,267**	693
Defined benefit obligations assumed on acquisition of subsidiaries	**–**	2,684
Pension expense/(income) recognised in the income statement		
— Past/current service cost and administrative fees	**7**	10
— Interest cost	**66**	42
— Curtailment	**(7)**	(1)
Remeasurements recognised in other comprehensive income		
— Actuarial gains – financial assumptions[1]	**(1,213)**	(112)
— Actuarial (gains)/losses – demographic assumptions	**(23)**	1
— Actuarial losses – experience	**164**	60
Benefits paid	**(117)**	(109)
Plan participants' contributions	**1**	1
Other	**7**	(2)
31 December	**2,152**	3,267

1 The gain is mainly driven by the increase in discount rates in 2022.

Duration of the defined benefit obligations

The weighted average duration of the defined benefit obligations at the end of the reporting period are estimated to be:

	2022 years	2021 years
RPF		
— Non-insured	**16**	17
— Insured	**10**	12
SPS	**10**	12
LSE Section of LSEGPS		
— Non-insured	**16**	20
— Insured	**9**	11
LCH Section of LSEGPS	**18**	23

The following table provides expected benefit payments under the Group's Large UK schemes:

	2022 £m	2021 £m
Less than 1 year	**98**	114
Between 1 and 2 years	**97**	93
Between 2 and 5 years	**324**	318
Over 5 years	**576**	607
Total expected benefit payments	**1,095**	1,132

The Group used the following weighted-average assumptions in determining the defined benefit obligation:

	2022	2021
Discount rate		
— Non-insured	**4.80%**	1.89%
— Insured	**4.80%**	1.89%
Price inflation	**3.33%**	3.38%
Rate of increase in salaries	**3.30%**	3.83%

Mortality assumptions used for the Large UK Schemes are based on SAPS S3 Tables published by the Institute and Faculty of Actuaries. They are adjusted to take account of projected future improvements in life expectancy based on the Continuous Mortality Investigation (CMI) 2021 Mortality Projections Model, which was published in 2022 by the Institute and Faculty of Actuaries' CMI body. A 1.25% p.a. long-term mortality improvement trend has been applied within the CMI model for men and women to increase life expectancy (2021: 1.25% p.a.).

Risks for the defined benefit schemes and risk mitigation

Some key financial risks for the defined benefit schemes are:

- if there is a reduction in corporate bond yields, this increases the schemes' liabilities which may not be accompanied by a corresponding increase in the schemes' assets
- if investment returns are lower than assumed. The schemes invest a proportion of their assets in growth assets so a fall in the value of these assets will worsen the schemes' funding positions
- if inflation is higher than expected, or average inflation expectations increase, this will increase the liabilities through higher indexing of pension payments
- if members live longer than expected, the length of time for which pensions have to be paid increases

An increase in pension liabilities could lead to an increase in the pension deficit or a reduction in any surplus. Defined benefit schemes are normally revalued by actuaries every three years. Where any material funding gap is identified by this process, the Trustees will agree a schedule of contributions with the sponsor company. Such contributions would have a financial impact on the Group.

In addition, for the RPF, the SPS and the LSE Section of LSEGPS, the Group is exposed to the creditworthiness of the buy-in insurance provider. A failure of the buy-in insurance provider would reduce the pension assets and could lead to a pension deficit materialising, or an increase in the pension deficit and the need for contributions from the Group.

The Large UK schemes hold a range of liquid assets that can be sold for use as collateral for the liability-matching assets if required, and the Trustees consider the liquidity needs of the schemes when setting investment strategy. The schemes' investment strategies have performed as expected during the market volatility that followed the UK government's mini budget on 23 September 2022. The RPF and LSEGPS Trustees make use of liability-driven investments, but there was no interruption to the interest rate and inflation hedges in place. The SPS does not hold any liability-driven investments. The RPF, SPS and LSE Section of LSEGPS also hold bulk annuity policies, which insure the benefit for a part of the schemes' liabilities and hedge both the market and life expectancy risks associated with these liabilities.

17. Pension and other retirement benefit schemes continued

Risk management
On 1 September 2022, the RPF was closed to future accrual. All 121 remaining active members accepted the new terms and conditions, and their status changed to deferred. They were automatically enrolled into the London Stock Exchange Group Pension Plan, a defined contribution pension plan, unless they opted out. This constitutes an "exit" and triggered curtailment. A curtailment gain of £7 million was recognised.

On 30 September 2021, the Trustees of SPS entered into a bulk annuity policy with Legal & General (L&G) covering all of the scheme's deferred and retiree obligations. The purpose of the arrangement is to reduce pension volatility by transferring longevity risk to L&G and further improve inflation risk and the matching of assets and liabilities. As at 31 December 2022, the SPS buy-in amounted to £182 million (2021: £254 million).

The RPF and the LSE Section of LSEGPS have partial buy-in arrangements in place amounting to £404 million (2021: £576 million) and £137 million (2021: £186 million), respectively.

Sensitivity analysis
The sensitivities regarding the principal assumptions used to measure the Large UK schemes obligations are:

		(Decrease)/increase in scheme obligations	
Assumption	**Change in assumption**	**2022 £m**	2021 £m
Discount rate	+0.5%	**(138)**	(268)
Price inflation	+0.5%	**81**	146
Increase in salaries	+0.5%	**–**	5
Mortality rate	+1 year	**64**	110

The sensitivity analysis above shows how a reasonably possible increase in a particular assumption would, in isolation, result in an increase or decrease in the present value of the defined benefit obligation at the end of the reporting period. The analysis is done in a similar way to calculating the defined benefit obligation recognised in the balance sheet in that it uses the projected unit credit method at the end of the year.

18. Trade and other receivables

Trade and other receivables mainly consist of amounts owed to us by customers and amounts that we pay to our suppliers in advance. This note includes finance lease receivables recognised where the Group acts as a lessor. See note 21 for more information on the Group's leasing activities.

Accounting policy
Trade receivables are initially recognised at the amount of the consideration that is unconditionally due to the Group. They are subsequently measured at amortised cost, less any expected credit loss (ECL). Our approach to calculating ECL provisions is described in note 23. The creation and release of such provisions are recognised in operating expenses in the income statement.

Fees receivable are recognised when the Group has an unconditional right to consideration in exchange for goods or services transferred, but no fee invoice has been issued. Amounts are transferred to trade receivables when an invoice has been issued.

Other receivables are initially recognised at fair value and subsequently at amortised cost, less any loss allowance as described in note 23.

When a receivable is no longer expected to be recovered, the full amount is written off. We will continue to seek recovery and any subsequent amounts recovered against amounts previously written off are recognised in the income statement.

See note 21 for the **net investment in leases** accounting policy, when the Group sub-lets property right-of-use assets.

The Group has a **tax indemnity receivable** from Thomson Reuters for any tax liabilities incurred before Refinitiv (previously the Thomson Reuters Financial & Risk Business) separated from Thomson Reuters on 1 October 2018. The tax indemnity receivable is measured on the same basis as the corresponding indemnified tax liabilities. When there is a change in the indemnified tax liabilities, which is recognised within tax in the income statement, there is an offsetting change in the tax indemnity receivable. This change is recognised within operating expenses in the income statement.

Contract assets are recognised when the Group has a conditional right to consideration from a customer in exchange for goods or services transferred. Contract assets are transferred to trade receivables when the entitlement to payment becomes unconditional and only the passage of time is required before payment is due.

18. Trade and other receivables continued

	Notes	Group 2022 £m	Group 2021 £m	Company 2022 £m	Company 2021 £m
Non-current					
Net investments in leases		**71**	80	**–**	–
Tax indemnity receivable		**79**	73	**56**	52
Convertible loan notes		**12**	6	**–**	–
Other receivables		**47**	42	**–**	–
Amounts due from Group companies	28.1	**–**	–	**20**	40
Fees receivable		**–**	1	**–**	–
Total non-current receivables classified as financial assets	23.1	**209**	202	**76**	92
Current					
Trade receivables		**766**	497	**–**	2
Fees receivable		**263**	230	**–**	–
Expected credit loss on trade receivables		**(9)**	(7)	**–**	–
Net trade receivables		**1,020**	720	**–**	2
Amounts due from Group companies	28.1	**–**	–	**1,199**	1,333
Group relief receivable		**–**	–	**85**	105
Net investments in leases		**12**	11	**–**	–
Deposits receivable within one year		**20**	18	**–**	–
Other receivables		**95**	75	**–**	46
Current trade and other receivables classified as financial assets	23.1	**1,147**	824	**1,284**	1,486
Prepayments		**214**	141	**12**	10
Contract assets		**3**	2	**–**	–
Total current trade and other receivables		**1,364**	967	**1,296**	1,496
Total receivables		**1,573**	1,169	**1,372**	1,588

The carrying amounts of the Group's current trade and other receivables are denominated in the following currencies:

	2022 £m	2021 £m
Sterling	**442**	310
Euro	**100**	66
US dollar	**703**	503
Other currencies	**119**	88
	1,364	967

Provision for expected credit losses
Movements in the Group's provision for expected credit losses on trade receivables are as follows:

	2022 £m	2021 £m
1 January	**7**	11
New provisions for expected credit losses	**6**	1
Amounts written off as uncollectible	**(3)**	(3)
Disposal of business	**–**	(2)
Foreign exchange translation	**(1)**	–
31 December	**9**	7

Net investments in leases: Group as lessor
The Group sub-lets a number of its properties where there is surplus space or the office is no longer used by the business. The Group has both finance and operating sub-leases. Net investments in leases are shown within trade and other receivables above.

18. Trade and other receivables continued

The future minimum rentals receivable as at 31 December are as follows:

	2022 £m	2021 £m
Less than 1 year	12	11
Between 1 and 2 years	10	11
Between 2 and 5 years	17	21
Over 5 years	52	57
Total	**91**	100

The future minimum rentals receivable above reflect the gross rental receivable and are not discounted. The net investment in leases disclosed within trade and other receivables are discounted to reflect the net present value to the Group at the period end.

19. Cash and cash equivalents

Cash and cash equivalents comprise cash at bank, short-term deposits, money market funds and other instruments and structures that are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

		Group		Company	
	Note	2022 £m	2021 £m	2022 £m	2021 £m
Cash at bank		922	758	18	3
Cash equivalents		2,287	1,907	59	139
Total cash and cash equivalents	23	**3,209**	2,665	**77**	142

At 31 December 2022, cash and cash equivalents include £1,219 million (2021: £1,261 million) of amounts held by regulated entities for regulatory and operational purposes. Cash held by subsidiaries which operate in countries where exchange controls or other legal restrictions apply, which is therefore not available for general use by the Group, has been fully provided against. Cash and cash equivalents do not include amounts held by the CCPs on behalf of their clearing members.

20. Trade and other payables

Trade and other payables mainly consist of amounts owed to suppliers that have been invoiced or are accrued. They also include social security and other amounts due in relation to the Group's role as an employer.

Accounting policy
Trade payables are initially recognised at fair value, which is usually the amount invoiced. They are subsequently measured at amortised cost.

Accrued expenses are recognised for goods and services received before the end of the year for which no invoice has been received. They are measured at amortised cost.

Contingent consideration, resulting from business combinations, sometimes arises when additional consideration to the sellers will need to be paid if certain performance targets for the business are achieved. Contingent consideration is valued at fair value at the acquisition date as part of the business combination (see note 12). When the contingent consideration meets the definition of a financial liability, it is subsequently remeasured to fair value through profit or loss at each reporting date. The fair value gain or loss is classified as non-underlying transaction costs in the income statement (see note 6). The determination of the fair value is based on discounted cash flows. The key assumptions take into consideration the probability of meeting each performance target and the discount factor.

Trade and other payables include the **Tradeweb tax receivable agreement liability**. In connection with Tradeweb's initial public offering (IPO), Tradeweb entered into a tax receivable agreement with the owners of Tradeweb Markets LLC (the LLC Owners) immediately prior to Tradeweb's IPO. Under the agreement, Tradeweb is required to make cash payments to the LLC Owners equal to 50% of the amount of any tax savings that Tradeweb realises as a result of certain future tax benefits which Tradeweb is entitled to. The Tradeweb tax receivable agreement liability is measured at amortised cost.

The Group has a **tax indemnity payable** to Thomson Reuters with a matching tax receivable. The tax indemnity payable is measured on the same basis as the indemnified tax receivable. When there is a change in the indemnified tax receivable, which is recognised within tax in the income statement, there is an offsetting change in the tax indemnity payable. This change is recognised within operating expenses in the income statement.

20. Trade and other payables continued

	Notes	Group 2022 £m	Group 2021 £m	Company 2022 £m	Company 2021 £m
Non-current					
Contingent consideration payable	12.2	**38**	–	**–**	–
Lease liabilities	21	**533**	547	**–**	–
Tradeweb tax receivable agreement liability		**323**	276	**–**	–
Tax indemnity payable		**264**	215	**188**	202
Other payables		**24**	21	**–**	–
Total non-current payables classified as financial liabilities	23.2	**1,182**	1,059	**188**	202
Current					
Trade payables		**413**	259	**6**	4
Other payables		**266**	271	**16**	15
Lease liabilities	21	**139**	168	**–**	–
Share buyback obligation[1]		**200**	–	**200**	–
Accrued expenses		**1,049**	969	**23**	28
Amounts due to group companies	28.1	**–**	–	**1,249**	597
Amounts owed to associates	28.2	**–**	1	**–**	–
Current payables classified as financial liabilities	23.2	**2,067**	1,668	**1,494**	644
Social security and other taxes		**76**	114	**–**	–
Total current trade and other payables		**2,143**	1,782	**1,494**	644
Total payables		**3,325**	2,841	**1,682**	846

1 In August 2022, the Company launched a £750 million share buyback programme (see note 24). As part of tranche two of the programme, the Company entered into an irrevocable commitment with its corporate brokers to repurchase shares, which in part covers the close period from 1 January 2023 up to the announcement of the Group's full year 2022 results. At 31 December 2022, the remaining obligation was £200 million.

21. Lease liabilities and net investments in leases

The Group leases assets from other parties (the Group is a lessee) and also leases assets to other parties (the Group is a lessor). This note describes how the Group accounts for leases and provides details about its lease arrangements.

Accounting policy
Group as lessee
Lease liabilities
Lease liabilities are recognised at the net present value of the remaining future payments to be made over the lease term.

The net present value is determined using a discount rate equivalent to the incremental borrowing rate of the leasing entity unless there is a rate implicit within the lease agreement. Subsequently, the value of the discount is recognised over the life of the lease on a reducing balance basis as lease interest in finance expenses.

The Group leases many properties around the world and lease terms vary from monthly up to 15 years. Many of these leases contain option clauses to extend the lease or break clauses to terminate the lease. The lease term recognised is the non-cancellable period of the lease plus any periods for which the Group is reasonably certain of exercising any extension options. The Group values its right-of-use assets and lease liabilities based on its intentions at the balance sheet date. Any change in these intentions is accounted for as a lease modification and the assets and liabilities are amended accordingly. Any effect on the net assets of the Group is not significant.

Variable lease payments based on an index are estimated at the commencement date and revalued on an annual basis.

Lease payments due within 12 months are classified as current liabilities. Payments due after 12 months are classified as non-current liabilities.

Short-term leases and leases of low value assets
Rental costs for leased assets that are for less than 12 months or are for assets with an individual value of less than £5,000 are recognised directly in the income statement on a straight-line basis over the life of the lease.

21. Lease liabilities and net investments in leases continued

Group as lessor
Finance leases
Where the Group sub-lets a property right-of-use asset for substantially all the useful life of that asset, this is recognised as a finance lease. On commencement of a finance sub-lease, the property right-of-use asset is treated as disposed of and a net investment in lease, equivalent to the net present value of the future rent receipts is recognised (see note 18). The value of the discount is recognised over the life of the sub-lease on a reducing balance basis as interest income in finance income.

Where the value of the receipts from the sub-lease is lower than the amount payable on the head-lease, we recognise a loss on disposal of the right-of-use asset in the income statement.

Operating leases
A right-of-use asset that is sub-let for less than its expected useful life is recognised as an operating lease and rental income is recognised as received in other income. We continue to recognise the property right-of-use asset on the balance sheet.

Movements in lease liabilities were as follows:

	Notes	2022 £m	2021 £m
1 January		**715**	189
Lease liabilities assumed on acquisition of subsidiaries	12	**1**	588
Lease liabilities derecognised on disposal of business	13	**(22)**	(31)
Leases terminated early		**(2)**	(2)
New lease contracts		**80**	54
Lease modifications		**16**	33
Lease interest expense	7.2	**15**	12
Lease payments – principal		**(150)**	(118)
Lease payments – interest		**(15)**	(12)
Foreign exchange translation		**34**	2
31 December		**672**	715
Current	20	**139**	168
Non-current	20	**533**	547
Total lease liabilities		**672**	715

The maturity of the Group's lease commitments is disclosed within the risk management note (see note 23.5).

The weighted average discount rate used by the Group for lease liabilities was 2.3% (2021: 1.8%).

A limited number of the Group's leases are subject to variable lease payments linked to publicly available indexes. Adjustments to the value of the lease liabilities and associated assets are made annually, but do not have a material impact on the Group's net assets.

22. Borrowings and net debt

The Group's sources of borrowing for funding and liquidity purposes come from a range of committed bank facilities and through short-term and long-term bond issuances in the capital markets. Net debt comprises cash and cash equivalents less lease liabilities and interest-bearing loans and borrowings, adjusted for derivative financial instruments.

22.1 Borrowings

Accounting policy
Borrowings are initially recorded at the fair value of amounts received, net of capitalised direct issue costs and arrangement fees (including upfront facility fees).

Subsequently, these liabilities are carried at amortised cost. Interest payable on the borrowings is recognised in the income statement over the period of the borrowings using the effective interest rate method. Similarly, direct issue costs and arrangement fees (including upfront facility fees) are recognised in the income statement over the period of the borrowings using the effective interest rate method.

Where borrowings are identified as a hedged item in a designated fair value hedge relationship, fair value adjustments are recognised in accordance with our policy (see note 23).

22. Borrowings and net debt continued

	Group 2022 £m	Group 2021 £m	Company 2022 £m	Company 2021 £m
Non-current				
Bank borrowings – committed bank facilities and term loans[1]	**(5)**	1,347	**(5)**	(6)
Bonds	**6,860**	6,306	**1,820**	1,746
Trade finance loans	**1**	1	**–**	–
Total non-current borrowings	**6,856**	7,654	**1,815**	1,740
Current				
Bank borrowings – term loan	**1,295**	–	**–**	–
Total current borrowings	**1,295**	–	**–**	–
Total borrowings	**8,151**	7,654	**1,815**	1,740

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:

	Maturity date	Facility/ bond £m	Carrying value 2022 £m	Carrying value 2021 £m	Interest rate %
Committed bank facilities					
Multi-currency revolving credit facility	Dec 2024	1,425	**(2)**	(3)	see note[2]
Multi-currency revolving credit facility	Dec 2027	1,075	**(3)**	(3)	see note[2]
Total committed bank facilities[1]		2,500	**(5)**	(6)	
Committed term loans					
€500 million term loan	Dec 2023		**–**	126	EURIBOR + 0.725
$2,000 million term loan	Dec 2023		**1,295**	1,227	see note[2]
Total committed term loans			**1,295**	1,353	
Bonds					
$500 million bond, issued April 2021	Apr 2024	416	**415**	369	0.650
€500 million bond, issued September 2017	Sep 2024	444	**443**	419	0.875
€500 million bond, issued April 2021	Apr 2025	444	**443**	419	–
$1,000 million bond, issued April 2021	Apr 2026	831	**828**	738	1.375
€500 million bond, issued December 2018	Dec 2027	444	**441**	417	1.750
€500 million bond, issued April 2021	Apr 2028	444	**441**	417	0.250
$1,000 million bond, issued April 2021	Apr 2028	831	**828**	737	2.000
€500 million bond, issued September 2017	Sep 2029	444	**441**	417	1.750
£500 million bond, issued April 2021	Apr 2030	500	**494**	493	1.625
$1,250 million bond, issued April 2021	Apr 2031	1,039	**1,033**	919	2.500
€500 million bond, issued April 2021	Apr 2033	444	**438**	413	0.750
$750 million bond, issued April 2021	Apr 2041	623	**615**	548	3.200
Total bonds		6,904	**6,860**	6,306	
Trade finance loans	Nov 2025		**1**	1	7.274
Total committed facilities, loans and unsecured bonds			**8,151**	7,654	

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 replaced with SOFR and SONIA rates respectively in the bank facilities. The CAS is variable and depends on the tenor and currency of the borrowings.

Committed bank facilities: Multi-currency revolving credit facilities

In December 2020, the Group arranged a £1,075 million syndicated committed facility maturing in December 2025, which replaced a former £600 million facility. In December 2022, the second of two 1-year extension options was taken up (first option exercised in December 2021), extending the maturity to December 2027. The Group continues to have access to a £1,425 million Revolving Credit Facility, which became effective in January 2021 and matures in December 2024. The revolving credit facilities were drawn down during the year and fully repaid as at 31 December 2022.

22. Borrowings and net debt continued

Committed term loans

The term loans were fully drawn in January 2021. During the year the Euro term loan was fully repaid and the US Dollar term loan was partly repaid by US$100 million (2021: repayments of €350 million and US$340 million, respectively). The increase in the carrying value amount of the US Dollar term loan compared with last year reflects the impact of foreign exchange movements.

Commercial paper

During the year the Group maintained its Euro Commercial Paper Programme limit of £1 billion and entered into a US Commercial Paper Programme with a limit of $1 billion. There were no outstanding issuances at 31 December 2022 and 31 December 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 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 French Central Bank and 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. These facilities were drawn down during the year and fully repaid as at 31 December 2022.

Fair values

All the Group's borrowings are recognised at amortised cost on the balance sheet. In some cases this may differ from their fair value.

Bonds are classified as Level 1 of the fair value hierarchy for determining and disclosing the fair value of financial instruments (as described in the accounting policy of note 23). Bond fair values are as quoted in the relevant fixed income markets.

Bank borrowings and commercial paper are classified as Level 2 (see definition in note 23). The fair values of these instruments are based on cash flows which are discounted using a rate based on borrowing cost.

The fair values of the Group's borrowings are as follows:

	2022		2021	
Group	**Carrying value £m**	**Fair value £m**	Carrying value £m	Fair value £m
Non-current	**6,856**	**5,903**	7,654	7,765
Current	**1,295**	**1,301**	–	–
Total borrowings	**8,151**	**7,204**	7,654	7,765

The fair values of the Company's borrowings are as follows:

	2022		2021	
Company	**Carrying value £m**	**Fair value £m**	Carrying value £m	Fair value £m
Non-current	**1,815**	**1,624**	1,740	1,826
Total borrowings	**1,815**	**1,624**	1,740	1,826

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

	2022			2021		
Currency	**Drawn £m**	**Swapped £m**	**Effective £m**	Drawn £m	Swapped £m	Effective £m
Sterling	**485**	**–**	**485**	484	–	484
Euro	**2,652**	**(695)**	**1,957**	2,630	(619)	2,011
US dollar	**5,014**	**695**	**5,709**	4,540	619	5,159
Total	**8,151**	**–**	**8,151**	7,654	–	7,654

22. Borrowings and net debt continued

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

	2022			2021		
Currency	Drawn £m	Swapped £m	Effective £m	Drawn £m	Swapped £m	Effective £m
Sterling	**484**	**–**	**484**	483	–	483
Euro	**1,331**	**(695)**	**636**	1,257	(619)	638
US dollar	**–**	**695**	**695**	–	619	619
Total	**1,815**	**–**	**1,815**	1,740	–	1,740

22.2 Net debt

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

		Group		Company	
	Notes	2022 £m	2021 £m	2022 £m	2021 £m
Current					
Cash and cash equivalents	19	**3,209**	2,665	**77**	142
Bank borrowings	22.1	**(1,295)**	–	**–**	–
Lease liabilities	21	**(139)**	(168)	**–**	–
Derivative financial assets		**36**	25	**11**	10
Derivative financial liabilities		**(9)**	(7)	**–**	(5)
Net amounts owed (to)/from subsidiary companies	18, 20	**–**	–	**(50)**	736
Total due within one year		**1,802**	2,515	**38**	883
Non-current					
Bank borrowings	22.1	**5**	(1,347)	**5**	6
Bonds	22.1	**(6,860)**	(6,306)	**(1,820)**	(1,746)
Trade finance loans	22.1	**(1)**	(1)	**–**	–
Lease liabilities	21	**(533)**	(547)	**–**	–
Derivative financial assets		**12**	2	**–**	–
Derivative financial liabilities		**(87)**	(45)	**(84)**	(43)
Net amounts owed from subsidiary companies	20	**–**	–	**20**	40
Total due after one year		**(7,464)**	(8,244)	**(1,879)**	(1,743)
Net debt		**(5,662)**	(5,729)	**(1,841)**	(860)

Reconciliation of net cash flow to movement in net debt

	Group		Company	
	2022 £m	2021 £m	2022 £m	2021 £m
Increase/(decrease) in cash and cash equivalents	**360**	940	**(70)**	155
Bond issue proceeds	**–**	(5,061)	**–**	(500)
Bond repayment	**–**	300	**–**	300
Net repayments on commercial paper	**–**	170	**–**	170
Net repayments on short-term bank borrowings	**–**	122	**–**	116
Additional drawdowns from bank credit facilities	**–**	(1,883)	**–**	–
Repayments made towards bank credit facilities	**209**	548	**–**	–
Arrangement fees paid	**–**	52	**–**	11
Principal lease payments	**150**	118	**–**	–
Change in net debt resulting from cash flows	**719**	(4,694)	**(70)**	252
Foreign exchange	**(547)**	8	**(67)**	108
Movement on derivative financial assets and liabilities	**(23)**	(8)	**(35)**	(21)
Movement in bank credit facility arrangement fees	**(9)**	(19)	**(3)**	(15)
Net movements in amounts owed (to)/from subsidiary companies	**–**	–	**(806)**	926
Movement on lease liabilities	**(73)**	(644)	**–**	–
Net debt at 1 January	**(5,729)**	(372)	**(860)**	(2,110)
Net debt at 31 December	**(5,662)**	(5,729)	**(1,841)**	(860)

22. Borrowings and net debt continued

22.3 Liabilities from financing activities

Movement in the Group's financial liabilities arising from financing activities:

	31 December 2021 £m	Cash flows from financing activities £m	Arrangement fees paid £m	Foreign exchange £m	Other movements[2] £m	31 December 2022 £m
Bank borrowings	1,347	**(209)**	**–**	**148**	**4**	**1,290**
Bonds	6,306	**–**	**–**	**549**	**5**	**6,860**
Trade finance loans	1	**–**	**–**	**–**	**–**	**1**
Lease liabilities	715	**(150)**	**–**	**34**	**73**	**672**
	8,369	**(359)**	**–**	**731**	**82**	**8,823**

	31 December 2020 £m	Cash flows from financing activities £m	Arrangement fees paid[1] £m	Foreign exchange £m	Other movements[2] £m	31 December 2021 £m
Bank borrowings	133	1,214	(10)	(4)	14	1,347
Bonds	1,647	4,761	(42)	(65)	5	6,306
Trade finance loans	1	–	–	–	–	1
Commercial paper	170	(170)	–	–	–	–
Lease liabilities	189	(118)	–	2	642	715
	2,140	5,687	(52)	(67)	661	8,369

1 Arrangement fees paid on funding arrangements are included in other financing activities within the Group's cash flows from financing activities.
2 Other movements comprise non-cash movements relating to amortisation of arrangement fees of £9 million (2021: £19 million) and movements in lease liabilities (refer to note 21).

Movement in the Company's financial liabilities arising from financing activities:

	31 December 2021 £m	Cash flows from financing activities £m	Arrangement fees paid £m	Foreign exchange £m	Other movements[2] £m	31 December 2022 £m
Bank borrowings	(6)	**–**	**–**	**(1)**	**2**	**(5)**
Bonds	1,746	**–**	**–**	**73**	**1**	**1,820**
	1,740	**–**	**–**	**72**	**3**	**1,815**

	31 December 2020 £m	Cash flows from financing activities £m	Arrangement fees paid[1] £m	Foreign exchange £m	Other movements[2] £m	31 December 2021 £m
Bank borrowings	127	(116)	(4)	(26)	13	(6)
Bonds	1,647	200	(7)	(96)	2	1,746
Commercial paper	170	(170)	–	–	–	–
	1,944	(86)	(11)	(122)	15	1,740

1 Arrangement fees paid on funding arrangements are included in other financing activities within the Company's cash flows from financing activities.
2 Other movements relate to amortisation of arrangement fees.

23. Financial assets and financial liabilities

The Group has a number of financial assets and financial liabilities. Financial assets mainly consist of clearing member assets, trade and other receivables, cash and cash equivalents, and investments in financial instruments. Financial liabilities are mainly clearing member balances, trade and other payables and borrowings.

This note also details our financial risk management such as how we manage our exposure to country, foreign exchange and interest rate risk.

Accounting policy
Recognition and measurement
Financial assets and financial liabilities are initially recognised at fair value. The Group classifies its financial instruments at: amortised cost; fair value through other comprehensive income (FVOCI); or fair value through profit or loss (FVPL). The classification depends on the Group's business model for managing its financial instruments and whether or not the cash flows generated are 'solely payments of principal and interest'.

Financial assets
— **Financial assets at amortised cost** are financial assets that are held in order to collect the contractual cash flows and the contractual terms give rise to cash flows that are solely payments of principal and interest. These include: cash and cash equivalents; trade and other receivables; clearing member trading balances relating to certain collateralised transactions; and other receivables from clearing members of the CCP businesses.

After initial recognition these assets are measured using the effective interest rate method. Interest income from these financial assets is included in finance income. Any gain or loss arising on derecognition is recognised directly in the income statement and presented in other income or operating expenses together with any foreign exchange gains and losses.

— **Financial assets at FVOCI – debt instruments** are assets where the objective is achieved by both collecting the contractual cash flows and selling the asset. The contractual cash flows received are solely payments of principal and interest. They include quoted debt instruments (predominantly government bonds) held by the CCP businesses, which are used under the business model to both collect the contractual cash flows and, on occasion, to profit from their sale.

Interest received from these assets is recognised in the income statement as finance income. Where negative interest rates apply, the interest is recognised in finance expense. Any accumulated profit or loss previously recognised in other comprehensive income is recycled to the income statement on derecognition of the asset.

— **Financial assets at FVOCI – equity instruments** are strategic equity investments which are held for the long-term but do not give the Group control or significant influence. The Group has irrevocably elected to classify these investments as FVOCI.
Dividends received from these investments are recognised in the income statement within other income when the right of receipt has been established. Accumulated gains or losses on equity instruments remain in equity on derecognition and are not recycled through the income statement.

— **Financial assets at FVPL** include all other financial assets not classified as amortised cost or FVOCI. They include CCP businesses' clearing member trading balances comprising derivatives, as well as equity and debt instruments that are marked to market on a daily basis.

Financial liabilities
— **Financial liabilities at FVPL** include the CCP businesses' clearing member trading balances, comprising derivatives, as well as equity and debt instruments that are marked to market on a daily basis.

— **Financial liabilities at amortised cost** are all financial liabilities that are not classified as financial liabilities at FVPL. They include trade and other payables, borrowings and other payables to clearing members.

Impairment
The Group adopts a forward-looking approach to estimating impairment losses on financial assets. An expected credit loss (ECL) arises if the expected cash flows are lower than the contractual cash flows due. The difference is discounted at the asset's original effective interest rate and recognised as an impairment of the original value of the asset.

— **Financial assets at amortised cost** – the ECL for trade receivables (including fees receivable), contract assets, and lease receivables is derived using the simplified approach in IFRS 9 *Financial Instruments* to calculate a lifetime ECL. The allowance is based on historical experience of collection rates, adjusted for forward looking factors specific to each counterparty and the economic environment at large, to create an expected loss matrix.

The ECL on other financial assets held at amortised cost and those at fair value that are held to collect and sell is measured using the general approach. An allowance is calculated based on the 12-month ECL at each reporting date unless there is a significant increase in the financial instrument's credit risk, in which case a loss allowance based on the lifetime ECL is calculated.

— **Financial assets at FVOCI – debt instruments** held at FVOCI comprise high-quality government bonds that have a low credit risk. The Group's policy is to calculate a 12-month ECL on these assets. If there is a significant increase in credit risk, then a lifetime ECL will be recognised. A significant increase in credit risk is considered to have occurred when contractual payments are more than 30 days past due.

— **Financial assets at FVOCI – equity instruments** are revalued to fair value on a regular basis and no further impairment analysis is required.

— **Financial assets at FVPL** – no ECL is calculated for assets held at FVPL as any expected loss is already recognised in the recorded fair value of the asset.

23. Financial assets and financial liabilities

Offsetting
Financial assets and financial liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Fair value hierarchy
The Group uses the following valuation hierarchy for determining and disclosing the fair value of financial instruments:
— Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities
— Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly
— Level 3: techniques which use inputs, which have a significant effect on the recorded fair value, that are not based on observable market data

For Level 1, the fair value is based on market price quotations at the reporting date. For assets and liabilities classified as Level 2, the fair value is calculated using one or more valuation techniques (e.g. the market approach or the income approach) with market observable inputs. The selection of the appropriate valuation techniques may be affected by the availability and reliability of the relevant inputs. The inputs may include currency rates, interest rates, forward rate curves, and net asset values.

When observable market data is not available, the Group uses one or more valuation techniques for which sufficient and reliable data is available. The inputs used in estimating the fair value of Level 3 financial instruments typically include expected timing and amount of future cash flows, timing of settlement, discount rates and the net asset values of certain investments.

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

Derivative financial instruments and hedging activities
Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at regular intervals. The method of recognising any resulting measurement gain or loss depends on whether or not the derivative is designated as a hedging instrument and the nature of the item being hedged.

The Group has embedded foreign currency derivatives, primarily in revenue contracts where the currency of the contract is different from the functional or local currencies of the parties involved. The Group records these derivative instruments at fair value in the balance sheet as either assets or liabilities. Changes in fair value are recognised in the income statement.

The Group hedges a proportion of its net investment in foreign subsidiaries by designating some euro and US dollar borrowings and derivative instruments as net investment hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income and remains in the hedging reserve until the underlying asset or liability is derecognised.

In order to qualify for hedge accounting, a transaction must meet strict criteria regarding documentation, effectiveness, probability of occurrence, and reliability of measurement. We document the relationship between hedging instruments and hedged items at the inception of the transaction, as well as documenting the risk management objectives and strategy for undertaking various hedging transactions. The effectiveness of the hedge is tested at each reporting date and at the commencement and conclusion of any hedge in order to verify that it continues to satisfy all the criteria for hedge accounting. Any ineffective portion is recognised in the income statement as finance income or expense.

Amounts that have accumulated through other comprehensive income in the hedging reserve are recognised in the income statement in the period when the hedged item affects profit or loss (for example, when the forecast transaction that is hedged takes place). When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss remains in the hedging reserve: it is only recognised in the income statement when the forecast transaction itself is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported through other comprehensive income is immediately recognised in the income statement.

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

23. Financial assets and financial liabilities continued

23.1 Financial assets

31 December 2022	Group Amortised cost £m	Group FVOCI £m	Group FVPL £m	Group Total £m	Company Amortised cost £m	Company FVPL £m	Company Total £m
Clearing business financial assets[1]							
— Clearing member trading assets	1,997	–	661,370	663,367	–	–	–
— Other receivables from clearing members	5,945	–	–	5,945	–	–	–
— Other financial assets[2]	–	18,415	–	18,415	–	–	–
— Clearing member cash and cash equivalents[2]	104,707	–	–	104,707	–	–	–
Total clearing member assets	112,649	18,415	661,370	792,434	–	–	–
Trade and other receivables	1,344	–	12	1,356	1,360	–	1,360
Cash and cash equivalents	3,209	–	–	3,209	77	–	77
Investments in financial assets – debt instruments	–	226	–	226	–	–	–
Investments in financial assets – equity instruments	–	394	–	394	–	–	–
Derivative financial instruments	–	–	48	48	–	11	11
Total financial assets	117,202	19,035	661,430	797,667	1,437	11	1,448

1 At 31 December 2022, there are no provisions for expected credit losses in relation to any of the CCP businesses' financial assets held at amortised cost or FVOCI (2021: nil). The Group closely monitors its CCP investment portfolio and invests only in government debt and other collateralised instruments where the risk of loss is minimal. There was no increase in credit risk in the year and none of the assets are past due (2021: nil).

2 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). Other financial assets represent the CCP investment in government bonds.

31 December 2021	Group Amortised cost £m	Group FVOCI £m	Group FVPL £m	Group Total £m	Company Amortised cost £m	Company FVPL £m	Company 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	83,795	–	–	83,795	–	–	–
Total clearing member assets	89,455	13,784	645,587	748,826	–	–	–
Trade and other receivables	1,020	–	6	1,026	1,578	–	1,578
Cash and cash equivalents	2,665	–	–	2,665	142	–	142
Investments in financial assets – equity instruments	–	351	–	351	–	–	–
Derivative financial instruments	–	–	27	27	–	10	10
Total financial assets	93,140	14,135	645,620	752,895	1,720	10	1,730

23. Financial assets and financial liabilities continued

23.2 Financial liabilities

31 December 2022	Group			Company		
	Amortised cost £m	FVPL £m	Total £m	Amortised cost £m	FVPL £m	Total £m
Clearing business financial liabilities						
— Clearing member trading liabilities	**1,997**	**661,370**	**663,367**	**–**	**–**	**–**
— Other payables to clearing members	**129,227**	**–**	**129,227**	**–**	**–**	**–**
Total clearing member financial liabilities	**131,224**	**661,370**	**792,594**	**–**	**–**	**–**
Trade and other payables	**3,211**	**38**	**3,249**	**1,682**	**–**	**1,682**
Borrowings	**8,151**	**–**	**8,151**	**1,815**	**–**	**1,815**
Derivative financial instruments	**–**	**96**	**96**	**–**	**84**	**84**
Total financial liabilities	**142,586**	**661,504**	**804,090**	**3,497**	**84**	**3,581**

31 December 2021	Group			Company		
	Amortised cost £m	FVPL £m	Total £m	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	–	–	–
Total clearing member financial liabilities	103,057	645,587	748,644	–	–	–
Trade and other payables	2,727	–	2,727	846	–	846
Borrowings	7,654	–	7,654	1,740	–	1,740
Derivative financial instruments	–	52	52	–	48	48
Total financial liabilities	113,438	645,639	759,077	2,586	48	2,634

23. Financial assets and financial liabilities continued

23.3 Fair values

Other than borrowings, we have assessed that the fair values of financial assets and financial liabilities categorised as being at amortised cost approximate to their carrying values. The fair values of the Group's borrowings are disclosed in note 22.

Fair value measurement hierarchy

The Group's financial assets and financial liabilities held at fair value consist largely of securities which are restricted in use for the operations of the Group's CCPs as managers of their respective clearing and guarantee systems.

The following tables provide the fair value measurement hierarchy of the Group's financial assets and financial liabilities measured at fair value.

Financial assets

	Group			
31 December 2022	**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	**98**	**7,418**	**–**	**7,516**
— Non-derivative instruments	**–**	**653,854**	**–**	**653,854**
— Other financial assets	**18,415**	**–**	**–**	**18,415**
	18,513	**661,272**	**–**	**679,785**
Investments in financial assets – debt	**226**	**–**	**–**	**226**
Investment in financial assets – equity	**–**	**–**	**394**	**394**
Derivatives not designated as hedges:				
— Foreign exchange forward contracts	**–**	**48**	**–**	**48**
— Trade and other receivables – convertible loan notes	**–**	**–**	**12**	**12**
Total financial assets measured at fair value[1]	**18,739**	**661,320**	**406**	**680,465**

1 There were no transfers between levels during the year.

Company: At 31 December 2022, the Company's derivative assets of £11 million were all classified as Level 2.

	Group			
31 December 2021	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	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[1]	13,832	645,567	356	659,755

1 There were no transfers between levels during 2021.

Company: At 31 December 2021, the Company's derivative assets of £10 million were all classified as Level 2.

23. Financial assets and financial liabilities continued

Financial liabilities

	Group			
31 December 2022	**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	**98**	**7,418**	**–**	**7,516**
— Non-derivative instruments	**–**	**653,854**	**–**	**653,854**
	98	**661,272**	**–**	**661,370**
Contingent consideration payable	**–**	**–**	**38**	**38**
Derivatives not designated as hedges:				
— Foreign exchange forward contracts	**–**	**12**	**–**	**12**
Derivatives designated as hedges:				
— Cross-currency interest rate swaps	**–**	**84**	**–**	**84**
Total financial liabilities measured at fair value[1]	**98**	**661,368**	**38**	**661,504**

1 There were no transfers between levels during the year.

Company: At 31 December 2022, the Company's derivative liabilities of £84 million were all classified as Level 2.

	Group			
31 December 2021	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[1]	47	645,592	–	645,639

1 There were no transfers between levels during 2021.

Company: At 31 December 2021, the Company's derivative liabilities of £48 million were all classified as Level 2.

23.4 Hedging activities and derivatives

The Group hedges its exposure to foreign exchange and interest rate movements using derivative instruments. This includes net investment hedges, foreign currency forwards and interest rate swaps, where the Group hedges its currency risk from its investment in foreign operations, cash flows and movements in interest rates, respectively.

Net investment hedges

The Group has designated some of its euro borrowings as net investment hedges. In addition, a proportion of the euro borrowings have been swapped into US dollar debt via cross-currency interest rate swaps that are also designated as a net investment hedge.

There is an economic relationship between the hedged items and the hedging instruments (the borrowings) as the euro and US dollar borrowings are matched by the Group's investments in euro and US dollar assets. The Group has established a ratio of 1:1 for the hedging relationships as the underlying foreign exchange risk of the borrowings is identical to the investments. To ensure the hedge is effective, the Group makes sure that the borrowings are always less than the value of the investments. Hedge ineffectiveness only arises if the value of the hedging instrument exceeds the value of the underlying net investment. The hedging instruments are detailed below.

23. Financial assets and financial liabilities continued

Cross-currency interest rate swaps
In 2017, the Group entered into cross-currency interest rate swaps in order to more closely match the Group's currency of borrowing to the currency of its net assets and earnings.

As disclosed in note 22, two €500 million bonds (maturing in 2024 and 2029) were issued in 2017. €700 million of these bonds were swapped into US$836 million through a series of cross-currency interest rate swaps which mature on the same dates as the bonds. These instruments effectively exchange some of the obligations and coupons of the bonds from euros into US dollars. These swaps have been designated as a hedge of the Group's net investments in its US dollar reporting subsidiaries and qualify for hedge accounting.

€700 million cross-currency interest rate swap	2022	2021
Fair value of derivative liability on the balance sheet	**(£84m)**	(£44m)
Nominal value of hedging instrument	**$836m**	$836m
Hedge ratio	**1:1**	1:1
Hedge effectiveness	**100%**	100%
Change in fair value of derivative	**(£40m)**	(£33m)
Change in value of net investment	**£40m**	£33m
Cumulative amount held in hedging reserve	**(£84m)**	(£44m)

Non-derivative hedges
Non-derivative hedges relate to euro borrowings which are matched against the Group's investments in euro denominated subsidiaries.

The remaining €300 million of the two €500 million bonds issued in 2017 which were not swapped into US dollars, together with the €500 million bond issued in 2018 (see note 22), qualify as hedging instruments against euro denominated subsidiaries and qualify for hedge accounting. The €700 million that has been swapped is included below and is netted against the fair value movement of the US dollar derivative in the hedging reserve.

Euro denominated bonds	2022	2021
Carrying value of debt on the balance sheet	**(£1,326m)**	(£1,253m)
Nominal value of hedging instrument	**€1,500m**	€1,500m
Hedge ratio	**1:1**	1:1
Hedge effectiveness	**100%**	100%
Change in carrying value of hedging instrument	**(£73m)**	£94m
Change in value of net investment	**£73m**	(£94m)
Cumulative amount held in hedging reserve	**(£2m)**	£71m

During the year the Group drew down on its committed bank facilities in euros and US dollars, but these drawings were not designated as net investment hedges. In 2021, the Group had also drawn down on these facilities, which were designated as hedges of the Group's net investments. At 31 December 2022 and 31 December 2021, there were no amounts drawn down on these facilities.

There were no issuances of commercial paper in the year. In 2021, the Group issued euro denominated commercial paper and designated this as a hedge of the Group's net investments. The commercial paper was repaid by 31 December 2021.

Revolving credit facility, bridge facility and commercial paper	2022	2021
Change in carrying value of hedging instruments	**–**	£26m
Change in value of net investments	**–**	(£26m)
Cumulative amount held in hedging reserve	**£8m**	£8m

Cash flow hedges
Interest rate swaps
In February 2021, the Group entered into a series of US dollar interest rate swaps with tenures of 3, 5 and 10 years, with aggregate principal amounts of US$500 million, US$1,000 million and US$1,250 million respectively. The interest rate swaps were designated as cash flow hedges with the hedged item being planned bond issuances that were deemed highly probable at the time and related to the Refinitiv acquisition. The interest rate swaps were settled in March and April 2021 when the new bonds were issued (refer to note 22 for details). At the date of settlement, a gain of US$31 million (£22 million) was recognised in the hedging reserve, representing the effective portion of the gain on the hedging instrument. This will be recycled to the income statement over the term of the debt. During the year £3 million (2021: £2 million) was recycled to the income statement within continuing operations.

Hedging reserve

	Note	2022 £m	2021 £m
1 January		**14**	(110)
Net gains on cash flow hedges taken out in the year		**–**	22
Amounts recycled to the income statement – continuing operations	24	**(3)**	(2)
Amounts recycled to the income statement – discontinued operations		**–**	17
Net (losses)/gains on net investment hedges	24	**(113)**	87
31 December		**(102)**	14

As at 31 December 2022, £40 million of losses (2021: £40 million of losses) remain in reserves that have not been recycled to the income statement, as the Group continues to hold the underlying investments.

23. Financial assets and financial liabilities continued

Foreign currency forwards
The Group uses foreign exchange contracts to manage foreign exchange risk. It has a series of exchange contracts to purchase or sell certain currencies against sterling and US dollars in the future at fixed amounts. The cumulative sterling notional amounts of contracts outstanding as at 31 December 2022 and 2021 were as follows:

	Traded against sterling		Traded against US dollars	
Sell/(buy)	**2022 £m**	2021 £m	**2022 £m**	2021 £m
US dollar	**(40)**	408	**–**	–
Euro	**(784)**	(237)	**48**	(1)
Sterling	**–**	–	**(309)**	(109)
Japanese Yen	**–**	–	**(36)**	(28)
Singapore Dollar	**–**	–	**(32)**	(19)
Australian Dollar	**–**	–	**(22)**	(17)
Canadian Dollar	**–**	–	**(14)**	(12)
Swiss Franc	**–**	–	**(8)**	–

The fair value of these derivatives as at 31 December 2022 was an asset of £14 million (2021: £14 million) and a liability of £6 million (2021: £5 million).

Embedded derivatives
The fair value of embedded derivatives as at 31 December 2022 was an asset of £34 million (2021: £13 million) and a liability of £6 million (2021: £3 million). The fair value gain has been recognised in the income statement.

Hedge accounting is not applied to outstanding foreign currency forwards or embedded derivatives.

23. Financial assets and financial liabilities continued

23.5 Financial risk management

The Group seeks to protect its financial performance and the value of its business from various risks including exposure to capital, credit, concentration, country, liquidity, settlement, custodial and market (including foreign exchange, cash flow and fair value interest rate) risks. Details of these risks, which should be read in conjunction with the Principal Risks and Uncertainties on pages 24-84, are provided below.

Capital risk

Risk description

Capital risk relates to the Group's ability to meet regulatory capital requirements and minimum internal investment returns.

There is a risk that the Group's entities may not maintain, or have continued access to, sufficient high-quality capital to meet their regulatory, or other obligations. This could result in a loss of regulatory approvals and/or the imposition of financial sanctions.

Either separately, or in combination, the main capital risks faced by the Group are:
— An increased regulatory capital requirement of its regulated companies
— Realised, negative yields on its investments
— An inability to raise debt or equity financing as a result of its own poor financial performance, or poor financing conditions

Risk management approach

The Group, which consists of both regulated and unregulated entities, is profitable and strongly cash generative. It can manage its capital structure (which consists of equity and debt capital) and react to changes in economic conditions by varying returns to shareholders, issuing new shares or increasing or reducing borrowings. The Board reviews dividend policy and funding capacity on a regular basis and the Group maintains comfortable levels of debt facility headroom. A high-level summary of the Group's capital structure is presented below:

Book vale of capital	**2022 £m**	2021 £m
Total shareholders' funds	**25,996**	23,640
Group borrowings	**8,151**	7,654

The Group maintains a Capital Management Policy, the execution of which is overseen by the Group's Financial, Investment and Capital Committee. The Group seeks to optimally allocate capital in order to maintain a strong balance sheet, meet regulatory requirements, drive growth and offer suitable returns to shareholders. Regulated entities within the Group monitor compliance with policy and the capital requirements set by their respective regulatory authorities.

Regulatory and operational capital represents:
— Amounts held as cash and cash equivalents and investments in financial assets by regulated entities to satisfy their local regulatory capital requirements
— Letters of credit issued by the Group to customers and suppliers

The Group's total regulatory and operational capital is shown below:

Regulatory and operational capital	**2022 £m**	2021 £m
Total regulatory and operational capital[1]	**1,427**	1,294
Amount included in cash and cash equivalents	**1,219**	1,261

1 Includes investments in financial assets of £191 million (2021: nil) and letters of credit totalling £17 million (2021: £33 million).

To ensure ongoing financial strength, access to new capital at a reasonable cost, and to sustain an investment grade credit rating, the Group monitors its leverage ratio against a target range of 1-2 times. Leverage is calculated as operating net debt (i.e. net debt after excluding amounts set aside for regulatory and operational purposes) to adjusted EBITDA before foreign exchange gains or losses. At 31 December 2022, leverage was 1.8 times (2021: 1.9 times).

While the Group's bank borrowing facilities no longer include leverage and interest cover ratio covenants, the Group takes into account the potential impact to the key metrics monitored by credit rating agencies when considering whether to increase the size of its borrowings and net debt. The Group seeks to maintain a strong investment grade credit rating and will always seek to return leverage to its target range if it rises temporarily.

23. Financial assets and financial liabilities continued

Credit and concentration risk

Risk description	Risk management approach
Credit risk relates to the potential for a Group counterparty (including CCP members, and any counterparty where there is exposure through payment, clearing or settlement processes) to be unable to meet its financial obligations to the Group when due. Credit concentration risk may arise through Group entities having large individual or connected exposures to groups of counterparties whose likelihood of default is driven by common underlying factors.	**Group** Credit risk is governed by policies developed at Group level by the Group Risk function. Limits and thresholds for credit and concentration risk are reviewed regularly. Group companies make judgements on the credit quality of their clients. This is based on the client's financial position, the recurring nature of billing and collection arrangements and historical evidence relating to the client's ability to meet its financial liabilities as they fall due. The Group is exposed to a large number of clients and so management deems concentration risk on the Group's receivables to be low. The Group's main credit risk exposure arises on the financial assets shown earlier in note 23.1. There have been no significant increases in credit risk for these assets and no estimated credit losses have been recognised on other financial instruments. **Non-CCP entities** The principal source of non-CCP credit risk is the creditworthiness of the investment counterparties with which the Group deposits cash. The Group manages its credit risk by outlining the maximum financial exposure that may be taken against any one counterparty, based on an assessment of the counterparty's credit quality. Cash and cash equivalents are held with authorised counterparties of a high credit standing. Cash is held in unsecured interest bearing current and call accounts. Cash equivalents comprise short-term deposits and AAA-rated money market funds. Derivative transactions (and other treasury receivable structures) must be in line with the Group's policy framework and may only be undertaken with highly rated counterparties. **CCPs** The principal source of CCP credit risk lies in the potential for one or more clearing members to default. Group CCPs manage this risk through robust financial risk management. Clearing members are selected based on an assessment of their supervisory capital as well as their technical and organisational strength. Each member must pay margins to the relevant Group CCP. This must include a minimum level of cash and can also include highly liquid securities. Clearing members also contribute to default funds managed by the Group CCPs. These aim to protect the integrity of the markets in the event of multiple defaults in extreme market circumstances. Group CCPs use stress tests to determine the appropriate margin and default fund requirements. These are reviewed by CCP risk committees who can take action as appropriate. CCPs are required by regulation to hold a minimum amount of capital (regulatory capital). Each of the Group's CCPs maintains this regulatory capital requirement, together with an additional holding of its own capital. This additional capital is to help manage credit risk during a significant market stress event or member default. The total clearing member contributions of margin and default funds across the Group CCPs is shown below:

Total collateral held		**2022 £bn**	2021 £bn
Collateral security	Cash received	**127**	96
	Non-cash pledged	**147**	135
	Guarantees pledged	**2**	2
Total collateral as at 31 December		**276**	233
Maximum collateral held during the year		**310**	246

Group CCPs manage the credit risk associated with margin and default fund contributions by investing the cash element in instruments or structures deemed 'secure' by the relevant regulatory bodies. This includes direct investments in highly rated, 'regulatory qualifying' sovereign bonds and supra-national debt, investments in tri-party and bilateral reverse repos (receiving high-quality government securities as collateral) and, in certain jurisdictions, deposits with the central bank. The small proportion of cash that is invested unsecured is placed for short durations with highly rated counterparties where limits are applied with respect to credit quality, concentration and tenor.

	2022 £bn	2021 £bn
Total investment portfolio	**123**	98
Maximum portfolio size during the year	**157**	108
Additional portfolio information:		
Amount invested securely	**99.99%**	99.94%
Weighted average maturity (days)	**53**	33

23. Financial assets and financial liabilities continued

Risk description	Risk management approach
	Associated liquidity risks are considered in the investment mix and discussed further below in the Liquidity, Settlement and Custodial risk section.

To address concentration risk, the Group maintains a diversified portfolio of high-quality, liquid investments and uses a broad range of custodians, payment and settlement banks and agents. The largest concentration of treasury exposures as at 31 December 2022 was with the French Government with an aggregate exposure of 40% of the total investment portfolio (2021: 41% with the French Government).

Trade receivables (including fees receivable)

An impairment analysis of trade and fees receivable is performed monthly using a provision matrix to measure expected credit losses based on factors such as the counterparty's historic payment practices, expected future payments and the economic environment at large. The calculation reflects current conditions together with forecasts of future economic conditions. None of the Group's trade receivables are material by individual counterparty.

		Trade receivables		
31 December 2022	**Fees receivable £m**	**<180 days £m**	**>180 days £m**	**Total £m**
Expected credit loss rate	**<1%**	**<1%**	**11.2%**	
Total receivables	**263**	**706**	**60**	**1,029**
Expected credit loss	**–**	**(2)**	**(7)**	**(9)**
Net trade and fees receivables	**263**	**704**	**53**	**1,020**

		Trade receivables		
31 December 2021	Fees receivable £m	<180 days £m	>180 days £m	Total £m
Expected credit loss rate	<1%	<1%	15.2%	
Total receivables	230	463	34	727
Expected credit loss	–	(2)	(5)	(7)
Net trade and fees receivables	230	461	29	720

Country risk

Risk description

Country risk relates to those risks that are inherent when doing business with, or operating in, a country.

Some governments may be unable or find it difficult to service their debts. This could have adverse effects, particularly on the Group's CCPs, potentially impacting cleared products, margin collateral, investments, the clearing membership and the financial industry as a whole.

In addition, geopolitical events could impact our ability to operate in a country or impact the value of our assets in that country. We may even need to relocate activities or change our operating model in response.

Risk management approach

The Group has a country risk framework which facilitates assessment and monitoring of the risk associated with doing business with, or operating in, a country.

Group CCPs have specific risk management frameworks that address country risk for both clearing and margin operations. Contained in these frameworks are a suite of stress scenarios that consider deterioration of sovereign credit quality as well as other risk factors. These scenarios support CCPs in developing and maintaining the appropriate country risk measurement, monitoring and mitigation tools. Risk Committees oversee these risks and the associated policy frameworks to protect the Group against a potentially adverse impact arising from volatility in the sovereign debt markets.

The Group CCPs' sovereign exposures at the end of the financial reporting periods were:

Country/organisation	**2022 £bn**	2021 £bn
France	**30**	28
European Union (supranational)	**20**	17
USA	**15**	11
UK	**7**	12
Other	**2**	–
Germany	**–**	1

23. Financial assets and financial liabilities continued

Liquidity, settlement and custodial risk

Risk description	Risk management approach
The Group's liquidity risk relates to its ability to meet its short- and long-term payment obligations as they fall due. Additionally, the Group's CCPs, and certain other Group entities, must maintain a level of liquidity (consistent with regulatory requirements) to ensure the smooth operation of their respective services and to be able to continue to operate in the event of a significant stress event. The Group's settlement and custodial risks relate to the potential for a partner firm to default on its obligations in respect of custody, settlement, payment or other administration activities, or that no action is taken by the Group to mitigate these risks. This also includes the risk that client assets are immobilised as a result of a third-party bankruptcy.	**Group** The Group maintains sufficient liquid resources to meet its financial obligations as they fall due, and to invest in capital expenditure, pay dividends, meet its pension commitments and appropriately support or fund acquisitions or repay borrowings. Subject to regulatory constraints impacting certain entities, funds can (generally) be lent across the Group and cash earnings remitted through regular dividend payments by subsidiary companies. This is an important component of the Group Treasury cash management policy and approach. The Group is profitable, has strong free cash flow and generates annuity-like revenue which is not significantly impacted by seasonal variations. Management monitors forecasts of the Group's cash flow and overlays sensitivities to these forecasts to reflect assumptions about more challenging market conditions or stress events. The Group will take the appropriate actions to satisfy working capital requirements when committing to large scale acquisitions, including making sure there is comfortable liquidity headroom projected over a reasonable time frame. **Non-CCP entities** The Group Treasury Policy requires the Group to maintain adequate credit facilities provided by a diversified lending group to cover its expected funding requirements and ensure a minimum level of headroom for at least the next 24 months. The financial strength of the Group's lenders is monitored regularly. For full details of the Group's borrowings and facilities, refer to note 22. **CCPs** In order to meet the cash requirements of the clearing and settlement cycle, the Group's CCPs maintain sufficient cash and cash equivalents and, in certain jurisdictions, have access to central bank refinancing or commercial bank credit lines. Regulations require CCPs to ensure that appropriate levels of back-up liquidity are in place to underpin the dynamics of a largely secured cash investment requirement, ensuring that the maximum potential outflow under extreme market conditions is covered (see credit and concentration risk section above). In the event of a member default, Group CCPs can liquidate the defaulting member's portfolio to cover both losses associated with the default and settlement of any other financial obligations of the defaulting member. In addition, certain Group companies, including the CCPs, maintain commercial bank facilities which support management of intraday and overnight liquidity. Custodians are subject to minimum eligibility requirements, ongoing credit assessments and robust contractual arrangements. They are also required to have appropriate contingency arrangements in place. **Financial liability maturity** The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table reflect the contractual undiscounted cash flows. The borrowings and lease liabilities include future interest that has not been accrued at the balance sheet date.

30 December 2022	**Less than 1 year £m**	**Between 1 and 2 years £m**	**Between 2 and 5 years £m**	**Over 5 years £m**	**Total £m**
Borrowings	**1,440**	**967**	**2,008**	**4,754**	**9,169**
Trade and other payables (excluding lease liabilities)	**2,004**	**–**	**–**	**–**	**2,004**
Lease liabilities	**158**	**110**	**216**	**283**	**767**
Clearing member liabilities	**792,594**	**–**	**–**	**–**	**792,594**
Derivative financial instruments	**9**	**57**	**–**	**30**	**96**
Other non-current payables (excluding lease liabilities)	**–**	**64**	**338**	**247**	**649**

31 December 2021	Less than 1 year £m	Between 1 and 2 years £m	Between 2 and 5 years £m	Over 5 years £m	Total £m
Borrowings	78	1,467	2,229	4,870	8,644
Trade and other payables (excluding lease liabilities)	1,614	–	–	–	1,614
Lease liabilities	149	124	204	275	752
Clearing member liabilities	748,644	–	–	–	748,644
Derivative financial instruments	6	1	30	14	51
Other non-current payables (excluding lease liabilities)	–	14	3	495	512

23. Financial assets and financial liabilities continued

Market risk – foreign exchange risk

Risk description

The Group operates globally with primary centres in the UK, Europe and North America. It also has growing and strategically important businesses in Asia. The Group's principal currencies of operation are sterling, US dollars, and the euro.

The Group is exposed to transactional foreign exchange risk and translational risk. Transactional risk arises when we buy or sell goods or services in a currency other than our entities' functional currencies. We may be exposed to movements in that currency. Translational risk arises due to the requirement to translate non-reporting currency earnings into an entity's reporting currency for the purpose of statutory reporting.

Transactional foreign exchange risk may present itself in payment of intragroup dividends or when interest obligations, which are in a different currency, are due. However, both of these operations play their part in controlling the level of translational foreign exchange exposure the Group faces.

Transactional foreign exchange risk may also arise when investing in, or divesting from, operations denominated in currencies other than sterling.

In addition, the Group has some contracts/cashflow profiles with a foreign exchange component that could trigger embedded derivative recognition and, as such, fair value accounting treatment.

Risk management approach

Translational risk

The Group manages its translational risk, where possible, by matching the currency of its debt to the currency of its earnings, to make sure certain key financial ratios (leverage and interest coverage) are protected from material foreign exchange rate volatility. The Group also seeks to balance the currency of its assets with its liabilities. In order to mitigate the impact of unfavourable currency exchange rate movements on earnings and net assets, non-sterling cash earnings are centralised and applied to debt and interest payments in the same currency. Where required, currency of debt is re-balanced using cross-currency swaps to better match the currency of debt to the overall currency of earnings.

A material proportion of the Group's debt is held in or swapped into euros and US dollars as noted below:

Currency of debt	2022 £m	2021 £m
Euro denominated drawn debt	**2,652**	2,630
Euro denominated cross-currency interest rate swaps	**(695)**	(619)
US dollar denominated drawn debt	**5,014**	4,540
US dollar denominated cross-currency interest rate swaps	**695**	619

The cross-currency interest rate swaps are directly linked to euro fixed debt. The euro and US dollar denominated debt, including the cross-currency swaps, provide a hedge against the Group's net investment in euro and US dollar denominated entities.

At 31 December 2022, the Group's designated hedges of its net investments were effective.

Transactional risk

While transactional foreign exchange exposure is limited, the Group mitigates this by either hedging material transactions with appropriate derivative instruments or by settling currency payables or receivables within a short timeframe. The Group Treasury Policy requires cash flows of single transactions or a series of linked transactions of more than £10 million or equivalent per annum to be hedged. The risk is also minimised by the periodic exchange of cash into each Group entity's functional currency. Where appropriate, hedge accounting for derivatives is considered in order to mitigate material levels of income statement volatility.

Governance and sensitivity

The Group's Risk Committee reviewed the approach to foreign exchange risk management during the quarter ended 31 December 2022.

In addition to projecting and analysing its earnings and debt profile by currency, the Group reviews sensitivities to movements in exchange rates. The Group has considered movements in the euro and the US dollar over 2022 and 2021 and, based on actual market observations between its principal currency pairs, has concluded that a 10% movement in rates is a reasonable level to illustrate the risk to the Group. The impact on profit after tax and equity is set out in the table below:

		2022		2021	
		Profit after tax £m	**Equity £m**	Profit after tax £m	Equity £m
Euro	Sterling weakens	**6**	**(71)**	(13)	(67)
	Sterling strengthens	**(5)**	**64**	12	61
US dollar	Sterling weakens	**18**	**(68)**	9	(62)
	Sterling strengthens	**(16)**	**61**	(8)	56

The sensitivity of profit after tax reflects foreign exchange gains or losses on translation of financial assets and financial liabilities, including cash and borrowings.

The sensitivity of equity reflects the foreign exchange gains or losses on translation of euro and US dollar borrowings that have been designated as hedges of a net investment in foreign operations.

23. Financial assets and financial liabilities continued

Market risk – interest rate risk

Risk description	Risk management approach
The Group's interest rate risk arises from the impact of changes in interest rates on cash held and investments in financial assets, and on borrowings held at floating rates. The Group may also face future interest rate exposure connected to M&A transactions where significant debt financing is involved. The Group's CCPs have member liabilities, and separately achieve returns which support the payment of these liabilities. A CCP's interest rate risk can increase if the reference rates used to calculate liabilities increase while the reference rates that underpin investment returns decrease (or do not increase by the same amount). Group companies that offer guaranteed settlement of traded securities can also be exposed to latent interest rate risk (and market risk more generally) in the event of a counterparty default.	The Group's interest rate management policy focuses on protecting the Group's credit rating and limiting the impact of interest rate increases on Group earnings. To support this objective, the Group targets a minimum coverage of interest expense by adjusted EBITDA of 7 times, and a maximum debt floating rate component of 50%. This approach reflects: — a focus on the Group's cost of gross debt rather than its net debt given the material cash and cash equivalents set aside for regulatory purposes; — the short duration allowed for investments of cash and cash equivalents held for regulatory purposes which, by their nature, generate low investment yields; and — the broad natural hedge of floating rate borrowings provided by the significant balances of cash and cash equivalents held effectively at floating rates of interest At 31 December 2022, consolidated net interest expense cover by adjusted EBITDA was 19.0 times (2021: 17.9 times) and the floating rate component of total debt was 16% (2021: 18%). Where the Group has committed to M&A transactions and is exposed to prospective interest rate risk on borrowings, the Group Treasury function will assess the exposure and consider hedging solutions that conform with policy and seek to limit future interest costs. In the Group's CCPs, interest bearing assets are generally invested in secured instruments or structures and for a longer term than interest bearing liabilities, whose interest rate is reset daily. This makes investment returns vulnerable to volatility in overnight rates and shifts in spreads between overnight and term rates. Interest rate exposures (and the risk to CCP capital) are managed within defined risk appetite parameters against which sensitivities are monitored daily. In its review of the sensitivities to potential movements in interest rates, the Group has considered interest rate volatility over the last year and prospects for rates over the next 12 months. It has concluded that a 1 percentage point upward movement (with a limited prospect of material downward movement) reflects a reasonable level of risk to current rates. If interest rates on cash and cash equivalents and borrowings had been 1 percentage point higher, with all other variables held constant, profit after tax for 2022 would have been £8 million higher (2021: £10 million higher) mainly as a result of higher interest income on floating rate cash and cash equivalents, partially offset by higher interest expense on floating rate borrowings. At the CCP level (in aggregate), if interest rates on the common interest bearing member liability benchmarks of EONIA, Fed Funds and SONIA, (for euro, US dollar and sterling liabilities respectively), had been 1 percentage point higher, with all other variables held constant, the Group's profit after tax would have been £1 million lower (2021: £1 million lower).

23. Financial assets and financial liabilities continued

23.6 Offsetting financial assets and financial liabilities

Accounting policy
The Group reports financial assets and financial liabilities on a net basis on the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liabilities simultaneously.

The Group applies the rules of legal right of set off and intent to net settle within clearing member balances. The carrying values of the balances are offset at an appropriate level to arrive at the net balances reported in the balance sheet. The approach adopted is reviewed on a regular basis to ensure it remains the most appropriate. Any change in approach would not materially affect the net assets of the Group.

The following tables show the impact of netting arrangements on all financial assets and financial liabilities that are reported net on the balance sheet:

31 December 2022	Gross amount £m	Amount offset £m	Net amount as reported £m
Other financial assets	**2,404,794**	**(2,397,255)**	**7,539**
Repurchase agreements	**798,844**	**(145,013)**	**653,831**
Total assets	**3,203,638**	**(2,542,268)**	**661,370**
Other financial liabilities	**(2,413,095)**	**2,405,556**	**(7,539)**
Reverse repurchase agreements	**(798,844)**	**145,013**	**(653,831)**
Total liabilities	**(3,211,939)**	**2,550,569**	**(661,370)**

31 December 2021	Gross amount £m	Amount offset £m	Net amount as reported £m
Other financial assets	1,286,359	(1,283,682)	2,677
Repurchase agreements	794,543	(150,157)	644,386
Total assets	2,080,902	(1,433,839)	647,063
Other financial liabilities	(1,302,809)	1,300,132	(2,677)
Reverse repurchase agreements	(794,543)	150,157	(644,386)
Total liabilities	(2,097,352)	1,450,289	(647,063)

All offset amounts are clearing member trading assets and trading liabilities within the Group's CCP businesses' financial instruments.

The Group's CCP companies sit in the middle of members' transactions and hold default funds and margin amounts as a contingency against the default of a member. As such, further amounts are available to offset in the event of a default reducing the asset and liability of £661,370 million (2021: £647,063 million) to nil.

24. Share capital, share premium and other reserves

This note details our share capital, share premium and other capital reserves. During the year, a number of shares were repurchased under the share buyback programme launched in August 2022.

Accounting policy
The **share capital** of the Company is the number of shares in issue at their par value and includes balances relating to the Company's ordinary equity shares, own shares held by the Employee Benefit Trust (EBT) and any treasury shares held by the Company.

Shares acquired by the Company from the open market as part of share buyback programmes are referred to as treasury shares and are held by the Company. The consideration payable is deducted from retained earnings. The par value of purchased treasury shares is recorded as a transfer from the Company's ordinary equity shares to treasury shares within share capital. No gain or loss is recognised by the Company in the income statement on the purchase, sale, issue or cancellation of the Company's treasury shares or of own shares held by the EBT.

When the Company issues new shares to the EBT at par, the share capital of the Company is increased by the par value of these own shares, and a corresponding deduction or debit is recorded in the share-based payment reserve.

The Company may also issue new shares to the EBT to satisfy vesting of specific employee share schemes. These shares may be issued at a subscription price above par value, reflecting the option cost payable by the participant in the employee share scheme. In such instances, the share capital of the Company is increased by the par value of these own shares and the difference between the subscription price and the par value is recorded in share premium. A corresponding deduction or debit is recognised in the share-based payment reserve.

24. Share capital, share premium and other reserves continued

Ordinary share capital issued and fully paid

	Number of shares millions	Ordinary share capital[1] £m	Share premium[2] £m	Total £m
1 January 2021	351	24	971	995
Acquisition of subsidiaries	204	15	–	15
Issue of shares to the Employee Benefit Trust[3]	2	–	7	7
31 December 2021	557	39	978	1,017
Issue of shares to the Employee Benefit Trust[3]	**1**	**–**	**–**	**–**
Share buyback[4]	**(4)**	**–**	**–**	**–**
31 December 2022	**554**	**39**	**978**	**1,017**

1 Ordinary share capital consists of ordinary shares of $6^{79/86}$ pence.
2 Share premium is the amount subscribed for share capital in excess of par value.
3 The Board approved the allotment and issue of 883,174 ordinary shares at par to the EBT (2021: 1,368,896 ordinary shares at par and 177,894 at a weighted average price of £35.74) to settle employee share plans. A share premium of £nil (2021: £7 million) has been recognised in the year in respect of these.
4 At 31 December 2022, the Group held 3,797,344 (2021: nil) treasury shares which were acquired as part of its share buyback programme.

Share buyback programme
In August 2022, the Company launched a £750 million share buyback programme which will be phased over multiple tranches over a 12 month period. During the year, the Company repurchased 3.8 million of its own shares from the market for £300 million, which are being held as treasury shares. Total costs directly attributable to the share buyback programme was £3 million. The consideration paid and costs incurred have been deducted from retained earnings.

The Company entered into an irrevocable commitment with its corporate brokers to repurchase shares as part of tranche two of the programme, which in part covers the close period from 1 January 2023 up to the announcement of the Group's full year results. At 31 December 2022, the remaining obligation in relation to the share purchase was £200 million and is presented within trade and other payables. See note 27 for shares repurchased after the reporting date.

Other reserves

	Note	Merger relief reserve[1] £m	Capital redemption reserve[2] £m	Reverse acquisition reserve[3] £m	Hedging reserve[4] £m	Foreign exchange translation reserve[5] £m	Total £m
1 January 2021		1,305	514	(512)	(110)	608	1,805
Acquisition of subsidiaries		16,981	–	–	–	–	16,981
Amounts recycled on disposal		–	–	–	17	(62)	(45)
Foreign exchange differences on translation of foreign operations		–	–	–	–	(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
Foreign exchange differences on translation of foreign operations		**–**	**–**	**–**	**–**	**2,448**	**2,448**
Amount recycled to income statement	23.4	**–**	**–**	**–**	**(3)**	**–**	**(3)**
Changes in fair value recognised	23.4	**–**	**–**	**–**	**(113)**	**–**	**(113)**
31 December 2022		**18,286**	**514**	**(512)**	**(102)**	**2,953**	**21,139**

1 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 by the Company to acquire Refinitiv. 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 reserve and retained earnings.
2 The capital redemption reserve was set up as a result of a court approved capital reduction scheme and is non-distributable.
3 The reverse acquisition reserve arose as a result of the acquisition of London Stock Exchange plc in 2007. It is recognised on consolidation as a result of a capital reduction scheme and is non-distributable.
4 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. Gains realised on cash flow hedges during the year are amortised through the income statement over the life of the underlying instrument. During the year £3 million (2021: £2 million) was recycled back through the income statement.
5 The foreign exchange translation reserve records the cumulative impact of foreign exchange rate movements on the translation of non-sterling subsidiary companies into sterling. It is distributable under certain circumstances. Net gains and losses on translation are recognised in other comprehensive income and amounts remain in equity until the subsidiary is derecognised.

25. Share-based payments

We operate various employee share-based compensation plans which allow employees to receive or acquire shares in the Company in different ways. This note describes our main share plans.

Accounting policy
The Group issues equity settled share-based awards to certain employees. The share-based payment expense recognised in the income statement is determined by the fair value (using a stochastic valuation model) of the options granted or shares awarded at the date of grant. The calculated expenses are recognised over the relevant vesting periods.

The fair value of the awards granted:
— includes any market performance conditions (for example, Total Shareholder Return (TSR)); and
— excludes the impact of any service and non-market performance vesting conditions (for example, the need to remain an employee for a specified period of time).

In very few countries where the Group cannot issue equity-settled awards due to restrictions, cash settled share-based awards are issued instead.

The charges arising from equity-settled share-based payment plans are as follows:

Continuing operations	Note	2022 £m	2021 £m
Group share plans[1]	25.1	79	64
Shares issued to the MIP participants	25.2	16	10
		95	74
Tradeweb share schemes (recognised in non-controlling interests)	25.3	63	67
Total share-based payment expense	5.1	158	141

1 Charges of £1 million (2021: nil) relate to plans that are cash-settled as a result of local regulations.

The following amounts were recognised in equity:

	Group		Company	
	2022 £m	2021 £m	2022 £m	2021 £m
Share-based payments	94	74	78	64
Fair value movement on loans to the Employee Benefit Trust	–	–	(20)	(4)
Issue of shares to the Employee Benefit Trust	–	(6)	–	(6)
Cash receipts from employees on vesting	5	8	4	6
	99	76	62	60

25.1 Group share plans
The Group has the following share plans:
- **Save As You Earn and International Sharesave Plan 2018 (SAYE)**
  The SAYE schemes provide for grants of options over the Company's shares to employees who enter into a savings contract. The options are granted at 20% below the market price on the date of grant and vest after three years, subject to continuing employment.
- **Long-Term Incentive Plan 2014 (LTIP)**
  Awards are granted at nil cost to employees. Vesting of LTIP awards is dependent on both market and non-market performance conditions. The performance conditions include achievement of relative TSR (40%) and adjusted EPS (60%) targets.
- **Restricted Share Award Plan 2018 (RSAP)**
  The Group operates a restricted share plan, the RSAP. It consists of an award of restricted stock units and matching shares. Matching shares are linked to an investment by the employee in the Company's shares. Awards are granted at nil cost to employees and generally vest in tranches after one, two and three years, subject to continuing employment.
- **Deferred Bonus Plan (DBP)**
  DBP awards are granted at nil cost to employees. Awards usually vest after two or three years, subject to continuing employment and malus and clawback provisions.
- **International Share Incentive Plan (ISIP)**
  The ISIP is a scheme in which employees can buy shares in the Company monthly via salary deduction. For every four shares purchased by the employee, the Group awards them one additional share which vests after completion of a three-year plan cycle.

25. Share-based payments continued

Further details on the Group's share plans are provided in the Directors' Remuneration Report on pages 113-141.

The Company has an EBT to administer the share plans and to acquire Company shares to meet the commitments to Group employees. At 31 December 2022, 259,129 Company shares were held by the trust (2021: 566,034). The EBT is fully funded by the Company via loans, cash gifts and the issue and transfer of shares. The cost of the Group's shares held by the EBT are recognised directly in equity.

Movements in the number of share options and awards outstanding and their weighted average exercise prices are as follows:

	SAYE		LTIP/RSAP[1,2]	ISIP[2]
	Number	Weighted average exercise price £	Number	Number
1 January 2021	568,246	42.42	3,053,099	470
Granted	307,961	64.94	1,371,625	638
Exercised	(227,265)	35.15	(1,222,619)	–
Lapsed/forfeited	(66,768)	47.65	(355,671)	(90)
31 December 2021	582,174	56.57	2,846,434	1,018
Granted	**150,359**	**63.71**	**1,527,435**	**14,662**
Exercised	**(127,662)**	**38.83**	**(1,038,073)**	**–**
Lapsed/forfeited	**(70,601)**	**58.47**	**(250,125)**	**(828)**
31 December 2022	**534,270**	**62.57**	**3,085,671**	**14,852**

Exercisable at				
31 December 2022	**3,183**	**63.39**	**–**	**–**
31 December 2021	10,822	52.45	–	–

1 At 31 December 2022, RSAP awards of 1,078,328 shares were outstanding (2021: 812,746).
2 The LTIP/RSAP and ISIP awards have a nil exercise price. 106,637 matching shares were granted under the RSAP in the year (2021: nil).

The weighted average share price of London Stock Exchange Group plc shares during the year was £76.11 (2021: £77.76).

The range of exercise prices and weighted average remaining contractual life of awards and options outstanding are as follows:

	2022		2021	
	Number outstanding	Weighted average remaining contractual life Years	Number outstanding	Weighted average remaining contractual life Years
SAYE				
— Between £30 and £50	**–**	**–**	135,130	0.4
— More than £50	**534,270**	**1.8**	447,044	2.3
LTIP/RSAP	**3,085,671**	**1.3**	2,846,434	1.1
ISIP	**14,852**	**2.1**	1,018	1.8
Total	**3,634,793**		3,429,626	

A Monte Carlo simulation was used to calculate the fair value of the 40% of the LTIP awards granted during the year that are subject to a relative TSR condition. The model simulates the TSR and compares it against the constituents of the UK FTSE 100.

For the remaining 60% of LTIP awards that are subject to adjusted EPS, and all other share awards including the SAYE, the Black-Scholes model was used to determine the related fair value.

The inputs into both models include the share price at grant date, expected volatility, dividend yields and the annual risk-free interest rate. The volatility assumption is based on the historical 3-year volatility of the LSEG plc share price as at the date of grant. The risk-free interest rate represents the yield available on a UK zero-coupon government bond on the date of grant for a term commensurate with the vesting period of the award. The expected life refers to the time from the date of grant to the date the awards vest. Holders of share awards and share options are not entitled to receive dividends declared during the vesting period.

25. Share-based payments continued

The key assumptions used in the valuations were as follows:

		LTIP Performance Shares		RSAP			
Date of grant		**6-Apr**	**13-Sep**	**6-Apr**	**28-Jun**	**13-Sep**	**15-Dec**
Grant date share price (£)		83.60	80.98	83.60	76.64	80.98	76.14
Expected life (years)	from	3.0	3.0	0.40	0.72	1.00	0.25
	to	–	–	4.00	2.93	3.01	2.96
Exercise price (£)		nil	nil	nil	nil	nil	nil
Dividend yield (%)	from	0.94	0.96	0.94	0.94	0.96	1.01
	to	–	–	1.05	1.16	1.16	1.32
Risk-free interest rate (%)	from	1.59	2.90	1.28	2.10	2.75	3.37
	to	–	–	1.59	2.19	2.99	3.58
Volatility (%)	from	32.15	31.58	27.56	28.99	28.43	25.05
	to	–	–	32.86	32.55	31.57	31.18
Fair value (£)	from	–	–	80.34	74.56	78.67	73.92
	to	–	–	83.22	76.00	80.05	75.89
Fair value TSR (£)		63.50	62.43	–	–	–	–
Fair value EPS (£)		81.29	78.68	–	–	–	–

		SAYE	DBP	ISIP
	from	**29-Sep**	**6-Apr**	**1-Jan**
Date of grant	to	**–**	**–**	**31-Dec**
Grant date share price (£)	from	76.96	83.60	65.72
	to	–	–	85.39
Expected life (years)	from	3.30	1.00	3.00
	to	–	3.00	–
Exercise price (£)		63.71	nil	nil
Dividend yield (%)	from	1.11	–	0.92
	to	–	–	0.99
Risk-free interest rate (%)	from	4.28	1.28	1.01
	to	–	1.59	3.06
Volatility (%)	from	32.10	28.25	28.56
	to	–	32.20	34.68
Fair value (£)		26.07	83.60	74.58

25.2 Management Incentive Plan (MIP)

Members of Refinitiv's senior management team participated in the MIP set up by Refinitiv Holding Limited (now York Parent Limited). At the time of the Refinitiv acquisition, 6,041,336 shares relating to MIP participants were transferred to York Parent Limited as a part of the purchase consideration. To improve the retention of the participants, amendments were made to the MIP to include additional service vesting conditions. The Group recognises the MIP as a share-based payment settled by an external shareholder under IFRS 2 and recognises post combination compensation until the end of the vesting period. The MIP share-based payment expense is classified as a non-underlying transaction cost (see note 6).

25.3 Tradeweb share schemes

Tradeweb grants awards, including performance-based restricted share units (PRSUs), stock options, restricted stock units (RSUs) and dividend equivalent rights. The awards may have performance-based and time-based vesting conditions. Stock options have a maximum contractual term of 10 years.

- **PRSUs (Equity-Settled)**
  PRSUs are promises to issue actual shares at the end of a three-year vesting period. The fair value of the equity-settled PRSUs is calculated as at the grant date using the share price.
- **Options**
  Tradeweb awards options with a four-year graded vesting schedule, one half vesting based solely on the passage of time and one half vesting only if Tradeweb achieves certain performance targets. Costs related to options are recognised as an expense in the income statement over the service period.
  The fair value of options is calculated as at the grant date using the Black-Scholes model.
- **RSUs**
  RSUs are promises to issue shares at the end of a vesting period. RSUs granted to employees vest over a three-year period. RSUs granted to non-employee directors vest after one year. The fair value of the RSUs is calculated as at the grant date using the share price.

26. Commitments and contingencies

A commitment is a contractual obligation to make a payment in the future. These amounts are not recorded in the balance sheet as we have not yet received the related goods or services. The amounts below are the minimum amounts that we are committed to pay.

The Group has the following contracts in place for future expenditure which are not provided for in the consolidated financial statements:

Contract	Description	Minimum commitment
Agreement with **Reuters News**, entered into in 2018, for a 30-year term	To receive news and editorial content	Minimum CPI adjusted payment, which was US$360 million for 2022
10-year strategic partnership with **Microsoft**	To architect LSEG's data infrastructure using the Microsoft Cloud, and to jointly develop new products and services for data and analytics	Minimum cloud-related spend of US$2.8 billion over the term of the partnership

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 some 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.

27. Events after the reporting period

Acadia acquisition
On 19 December 2022, LSEG announced it has agreed to acquire Acadia Soft, Inc. (Acadia) a leading provider of automated uncleared margin processing and integrated risk and optimisation services for the global derivatives community. Acadia provides risk management, margining and collateral services to global financial institutions for the uncleared derivatives markets. Acadia's risk and margining products span all OTC derivative asset classes and provide direct connectivity to over 2,000 market participants.

LSEG has held a minority stake in Acadia since 2018. Following completion, Acadia will be part of LSEG's Post Trade division.

The purchase price consideration is $700 million (subject to customary adjustments) and the acquisition is expected to close in H1 2023, subject to regulatory approvals.

Share buyback programme
Since the reporting date, the Company repurchased 2.7 million of its own shares from the market for £196 million which are being held as treasury shares.

28. Transactions with related parties

The Group has a number of related parties including associates, Directors and Executive Committee members. In addition, the Company transacts with some of its subsidiaries. A full list of subsidiaries is included in note 29.2. All significant transactions with related parties are carried out on an arm's length basis.

28.1 Transactions with subsidiaries

For the year, the Company recognised the following recharges and charges, dividend receipts and balances with its subsidiaries:

	Note	2022 £m	2021 £m
Other income (recharges) – services provided to subsidiaries		**8**	27
Operating expenses (charges) – services provided by subsidiaries		**(166)**	(119)
Charges for share-based payment expense charged to subsidiaries	25	**79**	67
Dividends received from subsidiaries		**250**	3,303
Amounts due from group companies, split as:			
— Loans receivable		**1,101**	1,235
— Other receivables		**118**	138
	18	**1,219**	1,373
Amounts due to group companies, split as:			
— Loans payable		**(1,071)**	(423)
— Other payables		**(178)**	(174)
	20	**(1,249)**	(597)

28.2 Transactions with associates

During the year, the Group recognised the following transactions with its associates:

	2022 £m	2021 £m
Sales to associates	**1**	1
Amounts due from associates	**1**	–
Amounts owed to associates	**–**	1

28.3 Transactions with other related parties

Stephen O'Connor, a director of London Stock Exchange plc, is a director and former shareholder of Quantile, a company registered in England & Wales. The Group acquired Quantile during the year (see note 12).

29. Other information

29.1 Audit, audit-related and other non-audit services

The following fees were paid or are payable to the company's auditors, Ernst and Young LLP and its associates:

	2022 £m	2021 £m
Audit of parent and consolidated financial statements	**6**	7
Audit of subsidiary companies	**7**	6
Non-audit services[1]	**1**	1
Total auditors' remuneration	**14**	14

1 Ernst and Young LLP provided non-audit services of £0.9 million; 7% of total fees (2021: £1.2 million; 8% of total fees). This comprised audit related assurance services of £0.7 million (2021: £0.8 million) and other non-audit services of £0.2 million (2021: £0.4 million). Further details of the services provided by Ernst and Young LLP are given in the Report of the Audit Committee on pages 105-110.

29.2 Group subsidiary companies

A company is considered to be a subsidiary company of the Group when the Parent Company is able to direct and control the activity of that company and to benefit from its variable returns.

Accounting policy

Interests in subsidiaries, as well as loans and other contributions to subsidiaries, are recognised by the Parent Company at cost less accumulated impairment.

Interests in subsidiaries are reviewed for impairment when events indicate the carrying amount may not be recoverable. When an indication of impairment is identified, the interest's recoverable amount is estimated based on value-in-use calculations. An impairment loss is recognised when the recoverable amount of an interest is less than its carrying amount.

Investment in subsidiaries

The Company recognises the following amounts as investment in subsidiaries:

Company	Shares £m	Other[1] £m	Total £m
1 January 2021	5,789	1,017	6,806
Acquisition of subsidiaries	18,549	–	18,549
Impairment	(563)	–	(563)
31 December 2021	23,775	1,017	24,792
Additional investments in subsidiaries[2]	**130**	**–**	**130**
31 December 2022	**23,905**	**1,017**	**24,922**

1 Other includes amounts invested in subsidiaries by way of capital contributions and awards granted under the Group's share schemes.
2 During the year, the Company invested £15 million in London Stock Exchange Group Holdings (R) Limited to fund the acquisition of an additional 32.8% of the issued shares of Turquoise Global Holdings Limited (see note 11.2) and £115 million in London Stock Exchange Reg Holdings Limited to fund acquisitions and investments.

29. Other information continued

A list of the Group's subsidiaries as at 31 December 2022 is given below including the percentage of each class of share held and the Group's ownership percentages.

The share ownership percentage records the percentage of each subsidiary's share capital owned by its immediate parent company. Shares owned directly by LSEG plc are listed as being a 'direct' shareholding; shares owned by other Group companies are listed as an 'indirect' shareholding. Where more than one LSEG Group company owns shares in a subsidiary these interests have been combined.

The ultimate economic interest percentage is the Group's effective overall interest in a subsidiary, reflecting situations where subsidiaries are owned indirectly by intermediate subsidiaries who may themselves have non-controlling interests.

Name of subsidiary undertaking	Location of incorporation	Registered office address	Class of share held	Direct or indirect holding	Share ownership %	LSEG plc ultimate economic interest %
Alta Limited	Cook Islands	c/o Cook Islands Trust Corporation Limited, First Floor, BCI House, PO Box 141, Avaura, Rarotonga, Cook Islands	Ordinary	Indirect	100.00	100.00
Avox Limited	England & Wales	Five Canada Square, Canary Wharf, London, United Kingdom, E14 5AQ	Ordinary	Indirect	100.00	100.00
Banque Centrale de Compensation SA (LCH SA)	France	18 Rue du Quatre-Septembre, 75002 Paris, France	Ordinary	Indirect	88.91	73.45
Beyond Ratings	France	18 Rue du Quatre-Septembre, 75002 Paris, France	Ordinary	Indirect	100.00	100.00
Blaxmill (Eleven) Limited	England & Wales	Five Canada Square, Canary Wharf, London, United Kingdom, E14 5AQ	Ordinary	Indirect	100.00	100.00
Blaxmill (Nine) Limited	England & Wales	Five Canada Square, Canary Wharf, London, United Kingdom, E14 5AQ	Ordinary	Indirect	100.00	100.00
Blaxmill (Six)	England & Wales	Five Canada Square, Canary Wharf, London, United Kingdom, E14 5AQ	Ordinary	Indirect	100.00	100.00
Blaxmill (Ten) Limited	England & Wales	Five Canada Square, Canary Wharf, London, United Kingdom, E14 5AQ	Ordinary	Indirect	100.00	100.00
Blaxmill (Thirteen) Limited	England & Wales	Five Canada Square, Canary Wharf, London, United Kingdom, E14 5AQ	Ordinary	Indirect	100.00	100.00
Blaxmill (Thirty-Three) Limited	England & Wales	Five Canada Square, Canary Wharf, London, United Kingdom, E14 5AQ	Ordinary	Indirect	100.00	100.00
Blaxmill (Twelve) Limited	England & Wales	Five Canada Square, Canary Wharf, London, United Kingdom, E14 5AQ	Ordinary	Indirect	100.00	100.00
Blaxmill (Twenty-Eight) Limited	England & Wales	Five Canada Square, Canary Wharf, London, United Kingdom, E14 5AQ	Ordinary	Indirect	100.00	100.00
BondClear Limited	England & Wales	10 Paternoster Square, London, United Kingdom, EC4M 7LS	Ordinary	Indirect	100.00	82.61
BondDesk Group LLC	USA	c/o Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808, United States	Membership Interest	Indirect	100.00	51.24
Caspian Holdings, Ltd.	Cayman Islands	One Nexus Way, Camana Bay, Grand Cayman, KY1-9005, Cayman Islands	Ordinary	Indirect	100.00	100.00
Caspian, Ltd.	Cayman Islands	One Nexus Way, Camana Bay, Grand Cayman, KY1-9005, Cayman Islands	Ordinary	Indirect	100.00	100.00
CommodityClear Limited	England & Wales	10 Paternoster Square, London, United Kingdom, EC4M 7LS	Ordinary	Indirect	100.00	82.61
Criminal Law Week Limited	England & Wales	Five Canada Square, Canary Wharf, London, United Kingdom, E14 5AQ	Ordinary	Indirect	100.00	100.00
Data Development Services Limited	Cook Islands	c/o Cook Islands Trust Corporation Limited, First Floor, BCI House, PO Box 141, Avaura, Rarotonga, Cook Islands	Ordinary	Indirect	100.00	100.00
Dealerweb Inc.	USA	c/o Corporation Service Company, 80 State Street, Albany, NY 12207, United States	Common A	Indirect	100.00	51.24
			Common B	Indirect	100.00	
DW SEF LLC	USA	c/o Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808, United States	Membership Interest	Indirect	100.00	51.24
EPIC Acquisition Sub LLC	USA	c/o United Agent Group Inc, 3411 Silverside Road, Tatnall Building #104, Wilmington, DE 19810, United States	Membership Interest	Indirect	100.00	100.00
EnergybankLink Pty Ltd	Australia	c/o TMF Corporate Services (Aust) Pty Limited, Suite 1, Level 11, 66 Goulburn Street, Sydney, NSW 2000, Australia	Ordinary	Indirect	100.00	100.00

29. Other information continued

Name of subsidiary undertaking	Location of incorporation	Registered office address	Class of share held	Direct or indirect holding	Share ownership %	LSEG plc ultimate economic interest %
Enterprise Risk Management Technology Limited	England & Wales	5 Canada Square, Canary Wharf, London, United Kingdom, E14 5AQ	Ordinary	Indirect	100.00	100.00
EquityClear Limited	England & Wales	10 Paternoster Square, London, United Kingdom, EC4M 7LS	Ordinary	Indirect	100.00	82.61
Financial & Risk Organisation Limited	England & Wales	Five Canada Square, Canary Wharf, London, United Kingdom, E14 5AQ	Ordinary	Indirect	100.00	100.00
Financial & Risk Transaction Services Ireland Limited	Ireland	12/13 Exchange Place, IFSC, Dublin, Ireland, D01P8H1	Ordinary	Indirect	100.00	100.00
ForexClear Limited	England & Wales	10 Paternoster Square, London, United Kingdom, EC4M 7LS	Ordinary	Indirect	100.00	82.61
Frank Russell Company	USA	c/o United Agent Group Inc. 707 W. Main Avenue #B1, Spokane, WA 99201, United States	Common	Indirect	100.00	100.00
FTSE (Australia) Limited	England & Wales	10 Paternoster Square, London, United Kingdom, EC4M 7LS	Ordinary	Indirect	100.00	100.00
FTSE (Beijing) Consulting Limited	China	Room 02D-H, 6/F Dongwai Diplomatic Building, 23 Dongzhimenwai Dajie, Beijing, China	Ordinary	Indirect	100.00	100.00
FTSE (Japan) Limited	England & Wales	10 Paternoster Square, London, United Kingdom, EC4M 7LS	Ordinary	Indirect	100.00	100.00
FTSE Americas, Inc.	USA	c/o United Agent Group Inc. 600 Mamaroneck Avenue #400, Harrison, NY 10528, United States	Ordinary	Indirect	100.00	100.00
FTSE China Index Ltd.	Hong Kong	c/o Primasia Corporate Services Limited, Suite 1106-8, Tai Yau Building, 181 Johnston Road, Wanchai, Hong Kong	Ordinary	Indirect	100.00	100.00
FTSE Fixed Income LLC	USA	c/o United Agent Group Inc, 3411 Silverside Road, Tatnall Building #104, Wilmington, DE 19810, United States	Membership Interest	Indirect	100.00	100.00
FTSE Fixed Income Europe Limited	England & Wales	10 Paternoster Square, London, United Kingdom, EC4M 7LS	Ordinary	Indirect	100.00	100.00
FTSE Global Debt Capital Markets Inc.	Canada	c/o Miller Thompson LLP, Suite 5800, 40 King Street West, Toronto, ON, Canada, M5H 3S1	Ordinary	Indirect	100.00	100.00
FTSE Global Debt Capital Markets Limited	England & Wales	10 Paternoster Square, London, United Kingdom, EC4M 7LS	Ordinary	Indirect	100.00	100.00
FTSE International (Hong Kong) Limited	Hong Kong	c/o Primasia Corporate Services Limited, Suite 1106-8, Tai Yau Building, 181 Johnston Road, Wanchai, Hong Kong	Ordinary	Indirect	100.00	100.00
FTSE International (MEA) Ltd	United Arab Emirates	Office 50, Level 15, The Gate, PO Box 121208, Dubai, United Arab Emirates	Ordinary	Indirect	100.00	100.00
FTSE International Brasil Representações Limitada	Brazil	Edificio Argentina, Praia de Botafogo 228, 16 andar, Sala1617, Rio de Janeiro	Ordinary	Indirect	100.00	100.00
FTSE International Limited	England & Wales	10 Paternoster Square, London, United Kingdom, EC4M 7LS	Ordinary	Indirect	100.00	100.00
FTSE Mexico Sociedad de Responsabilidad Limitada de Capital Variable	Mexico	Torre 3, Privada Paseo de los Tamarindos 120, Bosques de las Lomas, Mexico City	Ordinary	Indirect	100.00	100.00
FTSE International Taiwan Limited	Taiwan	26/F, No. 100, Song Ren Road, Xinyi District, Taipei City 11073, Taiwan	Ordinary	Indirect	100.00	100.00
FTSE Italy S.P.A.	Italy	Piazza Generale Armando Diaz 2, Milan, 20123	Ordinary	Indirect	100.00	100.00
FX Alliance International, LLC	USA	c/o United Agent Group Inc, 3411 Silverside Road, Tatnall Building #104, Wilmington, DE 19810, United States	Common	Indirect	100.00	100.00
FX Alliance, LLC	USA	c/o United Agent Group Inc, 3411 Silverside Road, Tatnall Building #104, Wilmington, DE 19810, United States	Common	Indirect	100.00	100.00
Giact Systems, LLC	USA	c/o United Agent Group Inc, 3411 Silverside Road, Tatnall Building #104, Wilmington, DE 19810, United States	Membership Interest	Indirect	100.00	100.00
Global Data Consortium Australia Pty Limited	Australia	7C, BDO Services Pty Limited, Level 11, 1 Margaret St, Sydney, NSW 2000, Australia	Ordinary	Indirect	100.00	100.00

29. Other information continued

Name of subsidiary undertaking	Location of incorporation	Registered office address	Class of share held	Direct or indirect holding	Share ownership %	LSEG plc ultimate economic interest %
Global Data Consortium Netherlands B.V.	Netherlands	Barbara Strozzilan 201, Zuidas 2, 1083HN, Amsterdam, Netherlands	Ordinary	Indirect	100.00	100.00
Global Data Consortium Singapore Pte. Ltd.	Singapore	11, Collyer Quay, 17-00 The Arcade, Singapore 04931	Ordinary	Indirect	100.00	100.00
Global Data Consortium, Inc.	USA	c/o United Agent Group Inc,15720, Brixham Hill Avenue #300, Charlotte, NC 28277, United States	Common	Indirect	100.00	100.00
Global World-Check	England & Wales	Five Canada Square, Canary Wharf, London, United Kingdom, E14 5AQ	Ordinary	Indirect	100.00	100.00
Global World-Check Holdings (Nominee) Limited	England & Wales	Five Canada Square, Canary Wharf, London, United Kingdom, E14 5AQ	Ordinary	Indirect	100.00	100.00
Global World-Check Holdings Limited	England & Wales	Five Canada Square, Canary Wharf, London, United Kingdom, E14 5AQ	Ordinary	Indirect	100.00	100.00
globeSettle S.à r.l.	Luxembourg	c/o Crestbridge Luxembourg, 1 Boulevard de la Foire, L-1528, Luxembourg	Ordinary	Indirect	100.00	100.00
Guangzhou Data Development Services Limited	China	Part 1-8 self compiled 21-016, 21 / F 15 Zhujiang West Road, Guangzhou, Guangzhou, TianHe District	Contribution Unit	Indirect	100.00	100.00
IAG US LLC	USA	c/o United Agent Group Inc, 3411 Silverside Road, Tatnall Building #104, Wilmington, DE 19810, United States	Member Shares	Indirect	100.00	100.00
Infosight Singapore Pte. Ltd.	Singapore	One Raffles Quay, #28-01, Singapore 048583	Ordinary	Indirect	100.00	100.00
IntegraScreen (Malaysia) Sdn. Bhd.	Malaysia	13.03 Menara Tan & Tan, 207 Jalan Tun Razak, Kuala Lumpur 50400, Malaysia	Ordinary	Indirect	100.00	100.00
IntegraScreen (Panama), Inc.	Panama	The Century Tower, Via Ricardo J. Alfaro y Calle 65, Oeste Piso 10, Local 1005, Panama	Ordinary	Indirect	100.00	100.00
IntegraScreen Limited	Hong Kong	c/o Primasia Corporate Services Limited, Suite 1106-8, Tai Yau Building, 181 Johnston Road, Wanchai, Hong Kong	Ordinary	Indirect	100.00	100.00
IntegraScreen Spolka Z o.o.	Poland	40-084 Katowice, Ul. Opolska 22, Poland	Ordinary	Indirect	100.00	100.00
International Commodities Clearing House Limited	England & Wales	10 Paternoster Square, London, United Kingdom, EC4M 7LS	Ordinary	Indirect	100.00	100.00
Intrinsic Research Systems, Inc.	USA	c/o United Agent Group Inc, 3411 Silverside Road, Tatnall Building #104, Wilmington, DE 19810, United States	Common-A	Indirect	100.00	100.00
			Common-B	Indirect	100.00	
LCH Group Holdings Limited	England & Wales	10 Paternoster Square, London, United Kingdom, EC4M 7LS	Ordinary (Voting)	Indirect	82.61	82.61
LCH Limited	England & Wales	10 Paternoster Square, London, United Kingdom, EC4M 7LS	Ordinary	Indirect	100.00	82.61
LCH.Clearnet Group Limited	England & Wales	10 Paternoster Square, London, United Kingdom, EC4M 7LS	Ordinary	Indirect	100.00	82.61
LCH.Clearnet LLC	USA	c/o United Agent Group Inc, 3411 Silverside Road, Tatnall Building #104, Wilmington, DE 19810, United States	Ordinary	Indirect	100.00	82.61
Lipper Asia Limited	Cook Islands	c/o Cook Islands Trust Corporation Limited, First Floor, BCI House, PO Box 141, Avaura, Rarotonga, Cook Islands	Ordinary	Indirect	100.00	100.00
Lipper Australia Pty Ltd	Australia	Level 10, 60 Margaret Street, Sydney, NSW, Australia 2000	Ordinary	Indirect	100.00	100.00
Lipper Inc.	USA	c/o United Agent Group Inc, 155 E. Boardwalk #490, Fort Collins, CO 80525, United States	Ordinary	Indirect	100.00	100.00
Lipper Limited	England & Wales	Five Canada Square, Canary Wharf, London, United Kingdom, E14 5AQ	Ordinary	Indirect	100.00	100.00
London Produce Clearing House Limited (The)	England & Wales	10 Paternoster Square, London, United Kingdom, EC4M 7LS	Ordinary	Indirect	100.00	82.61
London Stock Exchange (C) Limited	England & Wales	10 Paternoster Square, London, United Kingdom, EC4M 7LS	£ Ordinary	Direct	100.00	100.00
			€ Ordinary	Direct	100.00	
London Stock Exchange Connectivity Solutions LP	England & Wales	10 Paternoster Square, London, United Kingdom, EC4M 7LS	Partnership interest	Indirect	100.00	100.00

29. Other information continued

Name of subsidiary undertaking	Location of incorporation	Registered office address	Class of share held	Direct or indirect holding	Share ownership %	LSEG plc ultimate economic interest %
London Stock Exchange Group (Services) Limited	England & Wales	10 Paternoster Square, London, United Kingdom, EC4M 7LS	Ordinary	Direct	100.00	100.00
London Stock Exchange Group Holdings Limited	England & Wales	10 Paternoster Square, London, United Kingdom, EC4M 7LS	Ordinary	Direct	100.00	100.00
London Stock Exchange Group Holdings (Italy) Limited	England & Wales	10 Paternoster Square, London, United Kingdom, EC4M 7LS	Ordinary	Direct	100.00	100.00
London Stock Exchange Group Holdings (R) Limited	England & Wales	10 Paternoster Square, London, United Kingdom, EC4M 7LS	Ordinary	Direct	100.00	100.00
London Stock Exchange LEI Limited	England & Wales	10 Paternoster Square, London, United Kingdom, EC4M 7LS	Ordinary	Indirect	100.00	100.00
London Stock Exchange plc	England & Wales	10 Paternoster Square, London, United Kingdom, EC4M 7LS	Ordinary	Direct	100.00	100.00
London Stock Exchange Reg Holdings Limited	England & Wales	10 Paternoster Square, London, United Kingdom, EC4M 7LS	Ordinary	Direct	100.00	100.00
LSEG (ELT) Limited	England & Wales	10 Paternoster Square, London, United Kingdom, EC4M 7LS	Ordinary	Indirect	100.00	100.00
LSEG (F) Limited	England & Wales	10 Paternoster Square, London, United Kingdom, EC4M 7LS	Ordinary	Indirect	100.00	100.00
LSEG (G) Inc.	USA	c/o United Agent Group Inc, 3411 Silverside Road, Tatnall Building #104, Wilmington, DE 19810, United States	Ordinary	Indirect	100.00	100.00
LSEG (M) Financing Limited	England & Wales	10 Paternoster Square, London, United Kingdom, EC4M 7LS	Ordinary	Indirect	100.00	100.00
LSEG Business Services Colombo (Private) Limited	Sri Lanka	Trace Expert City, Maradana, Colombo 10, Colombo, Sri Lanka	Ordinary	Indirect	100.00	100.00
LSEG Business Services Limited	England & Wales	10 Paternoster Square, London, United Kingdom, EC4M 7LS	Ordinary	Indirect	100.00	100.00
LSEG Business Services RM S.R.L	Romania	Campus 6.1, Bulevardul Iuliu Maniu 6G, Bucuresti 061344, Romania	Ordinary	Indirect	100.00	100.00
LSEG Employment Services Limited	England & Wales	10 Paternoster Square, London, United Kingdom, EC4M 7LS	Ordinary	Indirect	100.00	100.00
LSEG Foundation (formerly Refinitiv Charities)	England & Wales	10 Paternoster Square, London, United Kingdom, EC4M 7LS	Charitable incorporated organisation	–	–	–
LSEG F1 Limited	England & Wales	10 Paternoster Square, London, United Kingdom, EC4M 7LS	Ordinary	Direct	0.53	100.00
			Ordinary	Indirect	99.47	
LSEG F2 Limited	England & Wales	10 Paternoster Square, London, United Kingdom, EC4M 7LS	Ordinary	Indirect	100.00	100.00
LSEG F3 Limited	England & Wales	10 Paternoster Square, London, United Kingdom, EC4M 7LS	Ordinary	Indirect	100.00	100.00
LSEG HK Financing Limited	Hong Kong	c/o Primasia Corporate Services Limited, Suite 1106-8, Tai Yau Building, 181 Johnston Road, Wanchai, Hong Kong	Ordinary	Indirect	100.00	100.00
LSEG Information Services (US) Inc.	USA	c/o United Agent Group Inc, 3411 Silverside Road, Tatnall Building #104, Wilmington, DE 19810, United States	Ordinary	Indirect	100.00	100.00
LSEG Financing Corporation	USA	c/o United Agent Group Inc, 3411 Silverside Road, Tatnall Building #104, Wilmington, DE 19810, United States	Ordinary	Indirect	100.00	100.00
LSEG Financing LLC	USA	c/o United Agent Group Inc, 3411 Silverside Road, Tatnall Building #104, Wilmington, DE 19810, United States	Membership Units	Indirect	100.00	100.00
LSEG Ireland Limited	Ireland	10 Earlsfort Terrace, Dublin, Ireland, DO2 T380	Ordinary	Indirect	100.00	100.00
LSEG Ireland 2 Limited	Ireland	1 Stokes Place, St Stephen's Green, Dublin, Ireland DO2 DE03	Ordinary	Indirect	100.00	100.00
LSEG Ireland 3 Limited	Ireland	1 Stokes Place, St Stephen's Green, Dublin, Ireland DO2 DE03	Ordinary	Indirect	100.00	100.00

29. Other information continued

Name of subsidiary undertaking	Location of incorporation	Registered office address	Class of share held	Direct or indirect holding	Share ownership %	LSEG plc ultimate economic interest %
LSEG LuxCo 1 S.à r.l.	Luxembourg	c/o Crestbridge Luxembourg, 1 Boulevard de la Foire, L-1528, Luxembourg	Ordinary	Indirect	100.00	100.00
LSEG LuxCo 2 S.à r.l.	Luxembourg	c/o Crestbridge Luxembourg, 1 Boulevard de la Foire, L-1528, Luxembourg	Ordinary	Indirect	100.00	100.00
LSEG Malaysia Sdn. Bhd.	Malaysia	13.03 Menara Tan & Tan, 207 Jalan Tun Razak, Kuala Lumpur 50400, Malaysia	Ordinary	Indirect	100.00	100.00
LSEG Netherlands B.V.	Netherlands	Suite 108, Nieuwezijds Voorburgwal 162, Amsterdam, 1012 SJ, Netherlands	Ordinary	Direct	100.00	100.00
LSEG Pension Trustees Limited	England & Wales	10 Paternoster Square, London, United Kingdom, EC4M 7LS	Ordinary	Indirect	100.00	100.00
LSEG Post Trade Services Limited	England & Wales	10 Paternoster Square, London, United Kingdom, EC4M 7LS	Ordinary	Indirect	100.00	100.00
LSEG Technology Limited	England & Wales	10 Paternoster Square, London, United Kingdom, EC4M 7LS	Ordinary	Indirect	100.00	100.00
LSEG US Fin Corp (formerly Refinitiv US Fin Corp)	USA	c/o United Agent Group Inc, 3411 Silverside Road, Tatnall Building #104, Wilmington, DE 19810, United States	Ordinary	Indirect	100.00	100.00
LSEG US Holdco, Inc.	USA	c/o United Agent Group Inc, 3411 Silverside Road, Tatnall Building #104, Wilmington, DE 19810, United States	Common	Direct	100.00	100.00
LSEGA Financing plc	England & Wales	10 Paternoster Square, London, United Kingdom, EC4M 7LS	Ordinary	Direct	100.00	100.00
LSEGA Limited	England & Wales	10 Paternoster Square, London, United Kingdom, EC4M 7LS	Ordinary	Direct	100.00	100.00
LSEGA, Inc.	USA	c/o United Agent Group Inc, 3411 Silverside Road, Tatnall Building #104, Wilmington, DE 19810, United States	Common Stock	Indirect	100.00	100.00
LSEGA Jersey Limited	Jersey	c/o Crestbridge Jersey, 47 Esplanade, St Helier, JE1 0BD, Jersey	Ordinary	Indirect	100.00	100.00
LSEGA2 Limited	England & Wales	10 Paternoster Square, London, United Kingdom, EC4M 7LS	Ordinary	Direct	100.00	100.00
LSEGH (I) LLC	USA	c/o United Agent Group Inc, 3411 Silverside Road, Tatnall Building #104, Wilmington, DE 19810, United States	Ordinary	Indirect	100.00	100.00
LSEGH (Luxembourg) Limited	England & Wales	10 Paternoster Square, London, United Kingdom, EC4M 7LS	Ordinary	Direct	100.00	100.00
LSEGH Inc.	USA	c/o United Agent Group Inc, 3411 Silverside Road, Tatnall Building #104, Wilmington, DE 19810, United States	Common	Indirect	100.00	100.00
LSEGH US PT, Inc.	USA	c/o United Agent Group Inc, 3411 Silverside Road, Tatnall Building #104, Wilmington, DE 19810, United States	Common Stock	Direct	100.00	100.00
LUH Financing Limited	England & Wales	10 Paternoster Square, London, United Kingdom, EC4M 7LS	Limited by Guarantee	Indirect	100.00	100.00
Maystreet Inc.	USA	c/o United Agent Group Inc, 3411 Silverside Road, Tatnall Building #104, Wilmington, DE 19810, United States	Common Stock	Indirect	100.00	100.00
Mergent Japan K.K.	Japan	1-2-1, Otemachi First Square East Tower 11F, Otemachi, Chiyoda0ku, Tokyo, 100-0004	Ordinary	Indirect	100.00	100.00
Mergent, Inc.	USA	c/o United Agent Group Inc, 3411 Silverside Road, Tatnall Building #104, Wilmington, DE 19810, United States	Ordinary	Indirect	100.00	100.00
Millennium Information Technologies (India) Private Limited	India	One World Center, 12th Floor, Tower 1, 841 Senapati Bapat Marg, Mumbai, 400013 India	Ordinary	Indirect	100.00	100.00
Millennium IT (USA) Inc.	USA	c/o United Agent Group Inc, 3411 Silverside Road, Tatnall Building #104, Wilmington, DE 19810, United States	Common	Indirect	100.00	100.00
Millennium I.T. Services (Private) Limited	Sri Lanka	65/2, Sir Chittampalam A Gardiner Mawatha, Colombo, 02	Ordinary	Indirect	100.00	100.00
Millennium IT Software (Canada) Inc.	Canada	Suite 2400, 333 Bay Street, Toronto, Ontario, Canada, M5H 2T6	Common	Indirect	100.00	100.00
Millennium IT Software (Private) Limited	Sri Lanka	1 Millennium Drive, Malabe, Colombo 10115, Sri Lanka	Ordinary	Indirect	100.00	100.00

29. Other information continued

Name of subsidiary undertaking	Location of incorporation	Registered office address	Class of share held	Direct or indirect holding	Share ownership %	LSEG plc ultimate economic interest %
Monitor Services Hong Kong Limited	Cook Islands	c/o Cook Islands Trust Corporation Limited, First Floor, BCI House, PO Box 141, Avaura, Rarotonga, Cook Islands	Ordinary	Indirect	100.00	100.00
Monitor Trading Limited	England & Wales	Five Canada Square, Canary Wharf, London, United Kingdom, E14 5AQ	Ordinary	Indirect	100.00	100.00
PT Refinitiv Services Indonesia	Indonesia	Menara Astra, #37-118, Jl. Jendral Sudirman Kav 5-6, Jakarta Pusat, Jakarta 10220, Indonesia	Ordinary	Indirect	100.00	100.00
PT LSEG Transaction Services Indonesia	Indonesia	Menara Astra, #37-118, Jl. Jendral Sudirman Kav 5-6, Jakarta Pusat, Jakarta 10220, Indonesia	Class A	Indirect	100.00	100.00[1]
			Class B	–	–	
Quantile B.V.	Netherlands	Stadhouderskade 5H, 1054 ES Amsterdam, Netherlands	Ordinary	Indirect	100.00	100.00
			Preference	Indirect	100.00	
Quantile Group Limited	England & Wales	Cannon Green Building, 27 Bush Lane, London, United Kingdom, EC4R 0AN	Ordinary	Indirect	100.00	100.00
Quantile Inc.	USA	c/o Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808, United States	Common	Indirect	100.00	100.00
Quantile Technologies Limited	England & Wales	Cannon Green Building, 27 Bush Lane, London, United Kingdom, EC4R 0AN	Ordinary	Indirect	100.00	100.00
Quorate Technology Limited	Scotland	8th Floor, Appleton Tower, 11 Crichton Street, Edinburgh, Scotland, United Kingdom, EH8 9LE	Ordinary	Indirect	100.00	100.00
R.M.E. Bahrain Limited W.L.L.	Bahrain	Flat 1002, Building 1459, Road 4626, Block 346, Manama	Ordinary	Indirect	100.00	100.00
REDI Technologies Ltd	England & Wales	Five Canada Square, Canary Wharf, London, United Kingdom, E14 5AQ	Ordinary	Indirect	100.00	100.00
REDI Global Technologies LLC	USA	c/o United Agent Group Inc, 600 Mamaroneck Avenue, #400, Harrison, NY 10528, United States	Member Interest	Indirect	100.00	100.00
Refinitiv (Canvas) Holdings 1 Limited	Bermuda	c/o Conyers Corporate Service (Bermuda) Limited, Clarendon House, 2 Church Street, Hamilton, Bermuda, HM 11	Common	Indirect	100.00	100.00
Refinitiv (Canvas) Holdings 2 Limited	Bermuda	c/o Conyers Corporate Service (Bermuda) Limited, Clarendon House, 2 Church Street, Hamilton, Bermuda, HM 11	Common	Indirect	100.00	100.00
Refinitiv (Canvas) Holdings 3 Limited	Bermuda	c/o Conyers Corporate Service (Bermuda) Limited, Clarendon House, 2 Church Street, Hamilton, Bermuda, HM 11	Common	Indirect	100.00	100.00
Refinitiv (Thailand) Limited	Thailand	968 U Chu Liang Building, 34th Floor, Rama IV Road, Silom, Bangrak, Bangkok, Thailand, 10500	Ordinary	Indirect	100.00	100.00[1]
			Preference	Indirect	49.00	
Refinitiv Asia Pte. Ltd.	Singapore	1 Raffles Quay, #28-01, Singapore 048583	Ordinary	Indirect	100.00	100.00
Refinitiv Australia Pty Limited	Australia	c/o TMF Corporate Services (Aust) Pty Limited, Suite 1, Level 11, 66 Goulburn Street, Sydney, NSW 2000, Australia	Ordinary	Indirect	100.00	100.00
Refinitiv Austria GmbH	Austria	The ICON Vienna, Wiedner Gürtel 13, A/12.OG/1123, 1100 Vienna, Austria	Ordinary	Indirect	100.00	100.00
Refinitiv Benchmark Services (UK) Limited	England & Wales	Five Canada Square, Canary Wharf, London, United Kingdom, E14 5AQ	Ordinary	Indirect	100.00	100.00
Refinitiv Brasil Servicos Economicos Limitada	Brazil	Avenida Doutour Cardoso de Melo, 1855 – 4 e 12 andares, Conj 41 e 122, Vila Olimpia, Sao Paulo – SP, Brazil CEP 04548-005	Ordinary	Indirect	100.00	100.00
Refinitiv Canada Holdings Limited	Canada	Suite 400, 333 Bay Street, Suite 400, Toronto, Canada, M5H 2R2	Common	Indirect	100.00	100.00
Refinitiv Costa Rica Sociedad De Responsabilidad Limitada	Costa Rica	San Jose, Santa Ana radial a San Antionio de Belen, Doscientos metros norte de la Cruz Roja de Santa Ana, Edificio Murano, Piso Uno, Oficina 13, Costa Rica	Ordinary	Indirect	100.00	100.00
Refinitiv Cyprus Limited	Cyprus	Neas Egkomis 33, 1st floor, Flat/Office 208, Egkomi, Nicosia, Cyprus, 2409	Ordinary	Indirect	100.00	100.00
Refinitiv Czech Republic s.r.o.	Czechia	Na Perstyne 342/1, Staré Mesto, 110 00 Praha 1, Czechia	Ordinary	Indirect	100.00	100.00

29. Other information continued

Name of subsidiary undertaking	Location of incorporation	Registered office address	Class of share held	Direct or indirect holding	Share ownership %	LSEG plc ultimate economic interest %
Refinitiv de Mexico, S.A. de C.V.	Mexico	Torre Esmeralda II. Blvd. Manuel Avila Camacho #36, Floor 19th, Lomas de Chapultepec, Mexico City, Mexico 11000	Common	Indirect	100.00	100.00
Refinitiv Denmark A/S	Denmark	Vesterbrogade 1 E, 4, DK-1620, Copenhagen V, Denmark	Ordinary	Indirect	100.00	100.00
Refinitiv Enformasyon Limited Sirketi	Turkey	Is Kuleleri, Kule 2, Kat 1-2, 4. Levent, Istanbul, Turkey, 34330	Ordinary	Indirect	100.00	100.00
Refinitiv Europe Middle East and Africa (Central Region) Limited	Guernsey	c/o Alternative Risk Management Limited, Level 5, Mill Court, La Charroterie, St Peter Port, Guernsey, GY1 1EJ	Ordinary	Indirect	100.00	100.00
Refinitiv Financial Technology Information Service (China) Group Co. Ltd.	China	Room 1811, The Towers Offices at Oriental Plaza, No.1 East Chang'an Avenue, WangFuJing, Dongcheng Qu, Beijing 100006, China	Contribution Unit	Indirect	100.00	100.00
Refinitiv Finland OY AB	Finland	Spaces Postitalo, Mannerheiminaukio 1A, Helsinki, Finland 00100	Ordinary	Indirect	100.00	100.00
Refinitiv France Holdings S.à r.l.	France	18 Rue du Quatre-Septembre, 75002 Paris, France	Ordinary	Indirect	100.00	100.00
Refinitiv France SAS	France	18 Rue du Quatre-Septembre, 75002 Paris, France	Ordinary	Indirect	100.00	100.00
Refinitiv Germany GmbH	Germany	Friedrich-Ebert-Anlage 49, 60327 Frankfurt am Main, Germany	Ordinary	Indirect	100.00	100.00
Refinitiv Germany Holdings GmbH	Germany	Friedrich-Ebert-Anlage 49, 60327 Frankfurt am Main, Germany	Ordinary	Indirect	100.00	100.00
Refinitiv Global Markets Inc.	USA	c/o United Agent Group Inc, 3411 Silverside Road, Tatnall Building #104, Wilmington, DE 19810, United States	Common	Indirect	100.00	100.00
Refinitiv Global Private Limited	India	One World Center, 12th Floor, Tower 1, 841 Senapati Bapat Marg, Maharashtra, Mumbai, 400013	Ordinary	Indirect	100.00	100.00
Refinitiv Group Nominees Limited	England & Wales	Five Canada Square, Canary Wharf, London, United Kingdom, E14 5AQ	Limited by Guarantee	Indirect	100.00	100.00
Refinitiv Hellas Single-member Societe Anonyme	Greece	53 Solonos Street, Athens, Greece, 10672	Ordinary	Indirect	100.00	100.00
Refinitiv Holdings (Thailand) Limited	Thailand	30th floor, U Chu Liang Building, 968 Rama IV, Bangkok, Silom Bangrak, Thailand, 10500	Ordinary	Indirect	100.00	100.00[1]
			Preference	–	–	
Refinitiv Hong Kong Limited	Jersey	c/o Crestbridge Jersey, 47 Esplanade, St Helier, JE1 0BD, Jersey	Ordinary	Indirect	100.00	100.00
Refinitiv Hungary Kft.	Hungary	Alkotás utca 53, A torony, 6. emelet, Budapest, 1123 Hungary	Ordinary	Indirect	100.00	100.00
Refinitiv India Private Limited	India	One World Center, 12th Floor, Tower 1, 841 Senapati Bapat Marg, Maharashtra, Mumbai, 400013	Ordinary	Indirect	100.00	100.00
Refinitiv India Shared Services Private Limited	India	One World Center, 12th Floor, Tower 1, 841 Senapati Bapat Marg, Maharashtra, Mumbai, 400013	Ordinary	Indirect	100.00	100.00
Refinitiv India Transaction Services Private Limited	India	One World Center, 12th Floor, Tower 1, 841 Senapati Bapat Marg, Maharashtra, Mumbai, 400013	Ordinary	Indirect	100.00	100.00
Refinitiv Information Services (China) Co Limited	China	Unit 3006, No 1223, Azia Centre, Lujiqzui Huang Road, Shanghai, China	Contribution Unit	Indirect	100.00	100.00
Refinitiv International Holdings SARL	Switzerland	153 Route de Thonon, 1245 Collonge-Bellerive, Switzerland	Ordinary	Indirect	100.00	100.00
Refinitiv Ireland Limited	Ireland	12/13 Exchange Place, IFSC, Dublin, Ireland, D01P8H1	Ordinary	Indirect	100.00	100.00
Refinitiv Israel Ltd.	Israel	121-123 Derech Menachem Begin, Azrieli Sarona Building – 30 Fl, Tel Aviv, Israel, 6701203	Ordinary	Indirect	100.00	100.00
Refinitiv Italy Holding S.P.A.	Italy	Piazza Armando Diaz, 2, Milano, Italy, 20123	Ordinary	Indirect	100.00	100.00
Refinitiv Italy S.P.A	Italy	Piazza Armando Diaz, 2, Milano, Italy, 20123	Ordinary	Indirect	100.00	100.00
Refinitiv Japan K.K.	Japan	30/F Akasaka Biz Tower, 5-3-1 Akasaka, Minato-Ku, Tokyo 107-6330, Japan	Ordinary	Indirect	100.00	100.00

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Name of subsidiary undertaking	Location of incorporation	Registered office address	Class of share held	Direct or indirect holding	Share ownership %	LSEG plc ultimate economic interest %
Refinitiv Korea Limited	Korea	9F S Tower, 82 Saemunanro, Jongnogu, Korea, 03185	Common – Voting	Indirect	100.00	100.00
Refinitiv Latam Trading Limited	England & Wales	Five Canada Square, Canary Wharf, London, United Kingdom, E14 5AQ	Ordinary	Indirect	100.00	100.00
Refinitiv Limited	England & Wales	Five Canada Square, Canary Wharf, London, United Kingdom, E14 5AQ	Ordinary	Indirect	100.00	100.00
Refinitiv Malaysia Sdn. Bhd.	Malaysia	Suite 13.03, 13th floor, Menara Tan & Tan, 207 Jalan Tun Razak, Kuala Lumpur 50400, Malaysia	Ordinary	Indirect	100.00	100.00
Refinitiv Middle East FZ-LLC	United Arab Emirates	Premises 501, 5th Floor, Building 01, Dubai, United Arab Emirates	Ordinary	Indirect	100.00	100.00
Refinitiv Netherlands B.V.	Netherlands	Antonio Vivaldistraat 50, 1083 HP Amsterdam, Netherlands	Ordinary	Indirect	100.00	100.00
Refinitiv Netherlands Finance B.V.	Netherlands	Antonio Vivaldistraat 50, 1083 HP Amsterdam, Netherlands	Ordinary	Indirect	100.00	100.00
Refinitiv Netherlands Holdings B.V.	Netherlands	Antonio Vivaldistraat 50, 1083 HP Amsterdam, Netherlands	Ordinary	Indirect	100.00	100.00
Refinitiv Netherlands Overseas Holdings B.V.	Netherlands	Antonio Vivaldistraat 50, 1083 HP Amsterdam, Netherlands	Ordinary	Indirect	100.00	100.00
Refinitiv New Zealand Limited	New Zealand	c/o The Business Advisory Group Limited, Level 9, 55 Shortland Street, Auckland, New Zealand, 1010	Ordinary	Indirect	100.00	100.00
Refinitiv Norge AS	Norway	Dronning Eufemias gate 16, Oslo, Norway, 0191	Ordinary	Indirect	100.00	100.00
Refinitiv Parent Limited	Cayman Islands	c/o Intertrust Corporate Services (Cayman) Limited, 1 Nexus Way, Camana Bay, Grand Cayman, KY1-9005, Cayman Islands	Ordinary	Direct	67.51	100.00
				Indirect	32.49	
Refinitiv Peru Srl	Peru	102, WeWork Real 2, Avenida Victor Andrés Belaúnde 147, Via Principal 133, Lima, Peru, 15073	Ordinary	Indirect	100.00	100.00
Refinitiv Poland Spolka Z o.o.	Poland	126/134 Marszalkowska St, 00-008, Warsaw, Poland	Ordinary	Indirect	100.00	100.00
Refinitiv Portugal Unipessoal Limitada	Portugal	10, Rua Mouzinho da Silveira, Lisboa, Portugal, 1250-167	Ordinary	Indirect	100.00	100.00
Refinitiv Romania S.R.L.	Romania	6L, Iuliu Maniu Boulevard, Campus 6.1, 4th Floor, District 6, Bucharest, Romania, 061344	Ordinary	Indirect	100.00	100.00
Refinitiv RUS LLC	Russian Federation	5 Petrovka Street, Berlin Haus, Business Centre, Moscow, Russian Federation, 107031	Ordinary	Indirect	100.00	100.00
Refinitiv SA	Switzerland	153 Route de Thonon, 1245 Collonge-Bellerive, Switzerland	Ordinary	Indirect	100.00	100.00
Refinitiv Saudi for Information and Communication Technology	Saudi Arabia	Al Thalatten Commercial Centre, 2nd Floor, Olaya Thalateen, Corner Dhabab Street, PO Box 62422, Riyadh, Saudi Arabia, 11585	Ordinary	Indirect	75.00	100.00[2]
Refinitiv Software (Thailand) Limited	Thailand	U Chu Liang Building, 968 Rama IV Road, Silom, Bangrak, Bangkok, Thailand, 10500	Ordinary	Indirect	100.00	100.00
Refinitiv Sweden AB	Sweden	PO Box 1732, Stockholm, Sweden, SE 111 87	Ordinary	Indirect	100.00	100.00
Refinitiv Technology (China) Co., Limited	China	A2 Tower, ZhongGuanCun #1, 81 BeiQing Road, Haidian District, Beijing, China, 100193	Contribution Unit	Indirect	100.00	100.00
Refinitiv Tecnologia em Sistemas Brasil Limitada	Brazil	Av. Doutor Cardoso de Melo 1855, Andar 4, Conj. 42, Vila Olimpia, Sao Paulo, Brazil, 04548-005	Ordinary	Indirect	100.00	100.00
Refinitiv Transaction Services Limited	England & Wales	Five Canada Square, Canary Wharf, London, United Kingdom, E14 5AQ	Ordinary	Indirect	100.00	100.00
Refinitiv Transaction Services Malaysia Sdn. Bhd.	Malaysia	Suite 13.03, 13th floor, Menara Tan & Tan, 207 Jalan Tun Razak, Kuala Lumpur 50400, Malaysia	Ordinary	Indirect	100.00	100.00
Refinitiv Transaction Services Pte. Ltd.	Singapore	One Raffles Quay, #28-01, Singapore 048583	Ordinary	Indirect	100.00	100.00
Refinitiv TW Holdings Ltd.	Cayman Islands	c/o Intertrust Corporate Services (Cayman) Limited, 1 Nexus Way, Camana Bay, Grand Cayman, KY1-9005, Cayman Islands	Ordinary	Indirect	100.00	100.00

29. Other information continued

Name of subsidiary undertaking	Location of incorporation	Registered office address	Class of share held	Direct or indirect holding	Share ownership %	LSEG plc ultimate economic interest %
Refinitiv UK (Rest Of World) Holdings Limited	England & Wales	Five Canada Square, Canary Wharf, London, United Kingdom, E14 5AQ	Ordinary	Indirect	100.00	100.00
Refinitiv UK Eastern Europe Limited	England & Wales	Five Canada Square, Canary Wharf, London, United Kingdom, E14 5AQ	Ordinary	Indirect	100.00	100.00
Refinitiv UK Financial Limited	England & Wales	Five Canada Square, Canary Wharf, London, United Kingdom, E14 5AQ	Ordinary	Indirect	100.00	100.00
Refinitiv UK Holding Company Limited	Bermuda	c/o Conyers Corporate Services (Bermuda) Limited, Clarendon House, 2 Church Street, Hamilton, Bermuda, HM 11	Ordinary	indirect	100.00	100.00
Refinitiv UK Holdings Limited	England & Wales	Five Canada Square, Canary Wharf, London, United Kingdom, E14 5AQ	Ordinary	Indirect	100.00	100.00
Refinitiv UK Overseas Holdings Limited	England & Wales	Five Canada Square, Canary Wharf, London, United Kingdom, E14 5AQ	Ordinary	Indirect	100.00	100.00
Refinitiv UK Parent Limited	England & Wales	Five Canada Square, Canary Wharf, London, United Kingdom, E14 5AQ	Ordinary	Indirect	100.00	100.00
Refinitiv US IP Corp	USA	c/o United Agent Group Inc, 3411 Silverside Road, Tatnall Building #104, Wilmington, DE 19810, United States	Ordinary	Indirect	100.00	100.00
Refinitiv US LLC	USA	c/o United Agent Group Inc, 3411 Silverside Road, Tatnall Building #104, Wilmington, DE 19810, United States	Member Interest	Indirect	100.00	100.00
Refinitiv US Organization LLC	USA	c/o United Agent Group Inc, 3411 Silverside Road, Tatnall Building #104, Wilmington, DE 19810, United States	Member Interest	Indirect	100.00	100.00
Refinitiv US Personal Focus Inc.	USA	c/o United Agent Group Inc, 3411 Silverside Road, Tatnall Building #104, Wilmington, DE 19810, United States	Ordinary	Indirect	100.00	100.00
Refinitiv US PME LLC	USA	c/o United Agent Group Inc, 3411 Silverside Road, Tatnall Building #104, Wilmington, DE 19810, United States	Class A	Indirect	100.00	100.00
			Class B	Indirect	100.00	
Refinitiv US SEF LLC	USA	c/o United Agent Group Inc, 3411 Silverside Road, Tatnall Building #104, Wilmington, DE 19810, United States	Ordinary	Indirect	100.00	100.00
Refinitiv US Services Corp	USA	c/o United Agent Group Inc, 3411 Silverside Road, Tatnall Building #104, Wilmington, DE 19810, United States	Ordinary	Indirect	100.00	100.00
Refinitiv US Tradeweb LLC	USA	c/o Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808, United States	Ordinary	Indirect	100.00	46.67[3]
Refinitiv, S.L.	Spain	Paseo de la Castellana 95, 7a, Edificio Torre Europa, Madrid, Spain, 28046	Ordinary	Indirect	100.00	100.00
RepoClear Limited	England & Wales	10 Paternoster Square, London, United Kingdom, EC4M 7LS	Ordinary	Indirect	100.00	82.61
Reuters Asia Pacific Limited	Mauritius	c/o Ocorian Corporate Administrators Limited, 6th Floor Tower A, Ebene, Cyber City, Mauritius, 72201	Ordinary	Indirect	100.00	100.00
Reuters Pension Fund Limited	England & Wales	Five Canada Square, Canary Wharf, London, United Kingdom, E14 5AQ	Limited by Guarantee	Indirect	100.00	–
Reuters SPS Trustee Limited	England & Wales	Five Canada Square, Canary Wharf, London, United Kingdom, E14 5AQ	Limited by Guarantee	Indirect	100.00	–
RRP Pension Trustee Limited	England & Wales	Five Canada Square, Canary Wharf, London, United Kingdom, E14 5AQ	Limited by Guarantee	Indirect	100.00	–
SSC Global Business Services Limited	England & Wales	10 Paternoster Square, London, United Kingdom, EC4M 7LS	Ordinary	Indirect	100.00	100.00
SwapAgent Limited	England & Wales	10 Paternoster Square, London, United Kingdom, EC4M 7LS	Ordinary	Indirect	100.00	82.61
SwapClear Limited	England & Wales	10 Paternoster Square, London, United Kingdom, EC4M 7LS	Ordinary	Indirect	100.00	82.61
Stock Exchange (Holdings) Limited (The)	England & Wales	10 Paternoster Square, London, United Kingdom, EC4M 7LS	Ordinary	Indirect	100.00	100.00
Tech Hackers LLC	USA	c/o Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808, United States	Membership Interest	Indirect	100.00	51.24
Telfer Investments Australia Pty Limited	Australia	c/o TMF Corporate Services (Aust) Pty Limited, Suite 1, Level 11, 66 Goulburn Street, Sydney, NSW 2000, Australia	Ordinary	Indirect	100.00	100.00
			Special	Indirect	100.00	

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Name of subsidiary undertaking	Location of incorporation	Registered office address	Class of share held	Direct or indirect holding	Share ownership %	LSEG plc ultimate economic interest %
Telfer Pty. Limited	Australia	c/o TMF Corporate Services (Aust) Pty Limited, Suite 1, Level 11, 66 Goulburn Street, Sydney, NSW 2000, Australia	Ordinary	Indirect	100.00	100.00
			Special	Indirect	100.00	
The London Clearing House Limited	England & Wales	10 Paternoster Square, London, United Kingdom, EC4M 7LS	Ordinary	Indirect	100.00	82.61
The Red Flag Group (Australia) Pty Limited	Australia	c/o Pilot Partners, Waterfront Place, Level 10, 1 Eagle Street, Brisbane, QLD 4000, Australia	Ordinary	Indirect	100.00	100.00
The Red Flag Group (BVI) Limited	British Virgin Islands	Jayla Place, 2nd Floor, Road Town, Tortola, British Virgin Islands	Ordinary	Indirect	100.00	100.00
The Red Flag Group (France) SAS	France	20 Avenue Andre Malraux – 92300, Levallois Perret, France	Ordinary	Indirect	100.00	100.00
The Red Flag Group (HK) Limited	Hong Kong	18/F ICBC Tower, 3 Garden Road, Hong Kong	Ordinary	Indirect	100.00	100.00
The Red Flag Group (Malaysia) Sdn. Bhd.	Malaysia	12th Floor, Menara Symphony, No. 5 Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor, Malaysia	Ordinary	Indirect	100.00	100.00
The Red Flag Group (Netherlands) B.V.	Netherlands	Antonio Vivaldistraat 50, 1083 HP Amsterdam, Netherlands	Ordinary	Indirect	100.00	100.00
The Red Flag Group (Philippines) Inc.	Philippines	Unit 7-2, 7/F Net Square, 3rd Avenue Corner 28th Street E-Square, Crescent Park West Bonifacio Global City, Taguig Metro Manila, Philippines	Ordinary	Indirect	100.00	100.00
The Red Flag Group (Poland) Spolka Z o.o.	Poland	Ul. Kotlarska 11, 31-539, Krakow, Poland	Ordinary	Indirect	100.00	100.00
The Red Flag Group (Shanghai) Limited	China	3F. Agile International Plaza, No. 525 Middle Xizang Road, Huangpu District, Shanghai, China	Ordinary	Indirect	100.00	100.00
The Red Flag Group (Spain) SL	Spain	Paseo de la Castellana, No 161, 2 Planta, Madrid 28046, Spain	Ordinary	Indirect	100.00	100.00
The Red Flag Group (Switzerland) AG	Switzerland	Baarerstrasse 112, 6300 Zug, Switzerland	Ordinary	Indirect	100.00	100.00
The Red Flag Group (UK) Limited	England & Wales	Five Canada Square, Canary Wharf, London, United Kingdom, E14 5AQ	Ordinary	Indirect	100.00	100.00
The Red Flag Group FZ-LLC	United Arab Emirates	Office 104, Building 3, PO Box 500 630, Dubai Internet City, Dubai, United Arab Emirates	Ordinary	Indirect	100.00	100.00
The Red Flag Group Inc.	USA	c/o United Agent Group Inc, 3411 Silverside Road, Tatnall Building #104, Wilmington, DE 19810, United States	Ordinary	Indirect	100.00	100.00
The Red Flag Group International (Panama) SA	Panama	Obarrio, 55th East, "Santa Rita O" St., SFC Tower, 15th Floor, Office 15-ABC, Panama City	Ordinary	Indirect	100.00	100.00
The Red Flag Group Limited	Hong Kong	18/F Champion Tower and ICBC Tower, 3 Garden Road, Hong Kong	Ordinary	Indirect	100.00	100.00
The Red Flag Group Products (HK) Limited	Hong Kong	18/F Champion Tower and ICBC Tower, 3 Garden Road, Hong Kong	Ordinary	Indirect	100.00	100.00
The Red Flag Group Pte Limited	Singapore	1 Raffles Quay, #28-01, Singapore 048583	Ordinary	Indirect	100.00	100.00
The Yield Book, Inc.	USA	c/o United Agent Group Inc, 3411 Silverside Road, Tatnall Building #104, Wilmington, DE 19810, United States	Common	Indirect	100.00	100.00
TicketAid Limited	England & Wales	Five Canada Square, Canary Wharf, London, United Kingdom, E14 5AQ	Ordinary	Indirect	100.00	–
TIPS LLC	USA	c/o Corporation Service Company, 1821 Logan Avenue, Cheyenne, WY 82001, United States	Membership Interest	Indirect	100.00	51.24
Tora Holdings, Inc.	USA	c/o United Agent Group Inc, 3411 Silverside Road, Tatnall Building #104, Wilmington, DE 19810, United States	Common	Indirect	100.00	100.00
Tora Trading Investments, LLC	USA	c/o CT Corporation, 1209 Orange Street, Wilmington, DE 19801, United States	Common	Indirect	100.00	100.00
Tora Trading Services (Asia) Limited	Hong Kong	20th Floor, The Wellington, 198 Wellington St, Central, Hong Kong	Ordinary	Indirect	100.00	100.00
Tora Trading Services (Jersey) Limited	Jersey	De Carteret House, 7, Castle St, St. Helier, Jersey, JE2 3BT	Ordinary	Indirect	100.00	100.00

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Name of subsidiary undertaking	Location of incorporation	Registered office address	Class of share held	Direct or indirect holding	Share ownership %	LSEG plc ultimate economic interest %
Tora Trading Services K.K.	Japan	KDX Kojimachi Bldg, 2nd Floor, 3-3-4 Kojimachi, Chiyoda-ku, Tokyo, 102-0083, Japan	Ordinary	Indirect	100.00	100.00
Tora Trading Services, LLC	USA	c/o CT Corporation, 1209 Orange Street, Wilmington, DE 19801, United States	Common	Indirect	100.00	100.00
Tora Trading Services Limited	Cayman Islands	1 Nexus Way, Camana Bay, Grand Cayman, KY1-9005, Cayman Islands	Ordinary	Indirect	100.00	100.00
Tora Trading Services Limited	Hong Kong	20th Floor, The Wellington, 198 Wellington St, Central, Hong Kong	Ordinary	Indirect	100.00	100.00
Tora Trading Services Limited	England & Wales	10 Paternoster Square, London, United Kingdom, EC4M 7LS	Ordinary	Indirect	100.00	100.00
Tora Trading Services Pte Ltd.	Singapore	Level 58, Republic Plaza, 9, Raffles Place, Singapore 048619	Ordinary	Indirect	100.00	100.00
Tora Trading Services Pty Limited	Australia	Level 5, Deutsche Bank Place, 126 Phillip St, Sydney, NSW 2000, Australia	Ordinary	Indirect	100.00	100.00
Tora Trading Services S.R.L.	Romania	Strada Nicolae Iorga 1, Cluj-Napoca 400063, Romania	Ordinary	Indirect	100.00	100.00
TradeWeb Commercial Information Consulting (Shanghai) Company Limited	China	Floors 3 & 4, No. 1 Lane, 65 Huanlong Road, Shanghai Free Trade Zone	Contribution Unit	Indirect	100.00	51.24
Tradeweb Direct LLC	USA	c/o Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808, United States	Contribution Unit	Indirect	100.00	51.24
Tradeweb EU B.V.	Netherlands	Antonio Vivaldistraat 50, Amsterdam, 1083 HP, Netherlands	Membership Interest	Indirect	100.00	51.24
Tradeweb Europe Limited	England & Wales	1 Fore Street Avenue, London, United Kingdom, EC2Y 9DT	Ordinary	Indirect	100.00	51.24
Tradeweb Execution Services Limited	England & Wales	1 Fore Street Avenue, London, United Kingdom, EC2Y 9DT	Ordinary	Indirect	100.00	51.24
Tradeweb Execution Services B.V.	Netherlands	Strawinskylaan 4117, Amsterdam, 10777ZX	Ordinary	Indirect	100.00	51.24
Tradeweb Global Holding LLC	USA	c/o Corporation Service Company, 2711 Centerville Road, Suite 400, DE 19808, United States	Ordinary	Indirect	100.00	51.24
Tradeweb Global LLC	USA	c/o Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808, United States	Ordinary	Indirect	100.00	51.24
Tradeweb IDB Markets, Inc.	USA	c/o Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808, United States	Ordinary	Indirect	100.00	51.24
Tradeweb Japan K.K.	Japan	30/F Akasaka Biz Tower, 5-3-1 Akasaka, Minato-Ku, Tokyo 107-0052, Japan	Ordinary	Indirect	100.00	51.24
Tradeweb LLC	USA	c/o Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808, United States	Common	Indirect	100.00	51.24
Tradeweb Markets Inc.	USA	c/o Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808, United States	Common A	–	–	46.67[3]
			Common B	Indirect	100.00	
			Common C	–	–	
			Common D	Indirect	99.50	
Tradeweb Markets LLC	USA	c/o Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808, United States	Membership interest	Indirect	100.00	51.24
Turquoise Global Holdings Europe B.V.	Netherlands	Suite 108, Nieuwezijds Voorburgwal 162, Amsterdam, 1012 SJ, Netherlands	Ordinary	Indirect	100.00	84.17
Turquoise Global Holdings Limited	England & Wales	10 Paternoster Square, London, United Kingdom, EC4M 7LS	Ordinary A	Indirect	100.00	84.17
			Ordinary B	Indirect	67.46	
Turquoise Global Holdings US, Inc.	USA	c/o United Agent Group Inc, 3411 Silverside Road, Tatnall Building #104, Wilmington, DE 19810, United States	Common	Indirect	100.00	84.17
TW SEF LLC	USA	c/o Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808, United States	Limited Liability Company Interest	Indirect	100.00	51.24

29. Other information continued

Name of subsidiary undertaking	Location of incorporation	Registered office address	Class of share held	Direct or indirect holding	Share ownership %	LSEG plc ultimate economic interest %
TWC Limited	Cayman Islands	1 Nexus Way, Camana Bay, Grand Cayman, KY1-9005, Cayman Islands	Ordinary	Indirect	100.00	51.24
TWEL Holding LLC	USA	c/o Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808, United States	Limited Liability Company Interest	Indirect	100.00	51.24
UK LSEG Financing 1 Limited	England & Wales	10 Paternoster Square, London, United Kingdom, EC4M 7LS	Ordinary	Indirect	100.00	100.00
UK LSEG Financing Limited	England & Wales	10 Paternoster Square, London, United Kingdom, EC4M 7LS	Ordinary	Indirect	100.00	100.00
Unavista Limited	England & Wales	10 Paternoster Square, London, United Kingdom, EC4M 7LS	Ordinary	Indirect	100.00	100.00
UnaVista TRADEcho B.V.	Netherlands	Suite 108, Nieuwezijds Voorburgwal 162, Amsterdam, 1012 SJ, Netherlands	Ordinary	Indirect	100.00	100.00
World Bureau of Metal Statistics Limited	England & Wales	5 Canada Square, Canary Wharf, London, United Kingdom, E14 5AQ	Ordinary	Indirect	100.00	100.00
Yield Book Tangible Property BRE LLC	USA	c/o United Agent Group Inc, 3411 Silverside Road, Tatnall Building #104, Wilmington, DE 19810, United States	Member Interest	Indirect	100.00	100.00
Yield Book Software BRE LLC	USA	c/o United Agent Group Inc, 3411 Silverside Road, Tatnall Building #104, Wilmington, DE 19810, United States	Member Interest	Indirect	100.00	100.00
Zawya Internet Content Provider LLC	United Arab Emirates	P.O. Box 41640, Green Tower, District-Deira, Dubai, PO Box 1426	Ordinary	Indirect	49.00	100.00[1]
Zawya Limited	Cayman Islands	1 Nexus Way, Camana Bay, Grand Cayman, KY1-9005, Cayman Islands	Common	Indirect	100.00	100.00
Zhi Cheng Worldwide Management Consulting (Shenzhen) Co., Ltd.	China	Room 312-04, New Times Square, No 1 Taizi Road, Shuiwan Community, Zhao Shang Street, Nanshan District, Shenzhen, China	Ordinary	Indirect	100.00	100.00

1 The Group's equity interest is 49.00%, but the economic interest is 100.00%.
2 The Group's equity interest is 75.00%, but the economic interest is 100.00%.
3 The Group's voting interest is 91.2%.

29. Other information continued

29.3 Associates

An associate is where the Group is able to significantly influence the activity of an entity, but not control it.

The Group's associate undertakings are:

Associate name	Location of incorporation	Registered office address	Identity of each class of share held in the associate undertaking	Direct or indirect holding	Share ownership % held by the investing company	Group ultimate economic interest %
AcadiaSoft, Inc.	United States	c/o The Corporation Trust Company, 1209 Orange Street, Wilmington, New Castle, 19801 United States	Convertible Preferred	Indirect	15.67	15.67[1]
ASX Refinitiv Charity Foundation Ltd	Australia	Level 10,60 Margaret Street, Sydney , NSW2000, Australia	Charitable incorporated organisation	Indirect	50.00	–
Citywire Holdings Limited	England and Wales	3 Spring Mews, London, England, SE11 5AN	Ordinary	Indirect	16.40	16.40[2]
Curve Global Limited[3]	England and Wales	156 Great Charles Street, Queensway, Birmingham, England, B3 3HN	Ordinary A	Direct	43.99	40.90
			Ordinary B	Direct	46.01	
			Ordinary C	–	–	
Fomtech Limited	England and Wales	107 Cheapside, London, England, EC2V 6DN	Ordinary	Indirect	19.50	19.50[2]
LabCi Holding Inc.	British Virgin Island	OMC Chambers, Wickhams Cay1, Road Town, Tortola	Ordinary	Direct	47.62	47.62
Nivaura Ltd	England and Wales	107 Cheapside, London, England, EC2V 6DN	Ordinary	Indirect	23.70	23.70
Seabridge Holdings Pte. Limited	Singapore	80 Raffles Place, 32-01 UOB Plaza 1, Singapore, 048624	Ordinary	Indirect	10.00	10.00[2]

1 The Group has significant influence over AcadiaSoft, Inc. due to its right to appoint three of the company's directors.
2 The Group has significant influence over Citywire Holdings Limited, Fomtech Limited and Seabridge Holdings Pte. Limited due to its right to appoint one of the company's directors.
3 Curve Global Limited is in liquidation.

All associates have the same year end as the Group, except Fomtech Limited which has a 31 August year end.

Glossary

ADV
Average daily volumes or average daily value traded.

AI
Artificial Intelligence.

AIM
The Group's market for smaller and growing companies established in London.

API
Application Programming Interface.

ASV
Annual Subscription Value. A point in time measure of our recurring book of subscription contracts vs 12 months ago.

BEIS
UK Department for Business, Energy and Industrial Strategy.

BETA
A securities processing system that LSEG divested to Clearlake Capital Group L.P and Motive Partners in July 2022. BETA previously sat within the Wealth Solutions business.

Beyond Ratings
LSEG completed the acquisition of Beyond Ratings in 2019. Beyond Ratings is a provider of ESG data and analytics for fixed income investors.

Borsa Italiana
(BIt) Borsa Italiana S.p.A., the Italian exchange business. Borsa Italiana was included in the H1 2021 divestment of the Borsa Italiana Group.

Borsa Italiana Group
Includes Borsa Italiana, CC&G, Monte Titoli, MTS and ELITE. The Borsa Italiana Group was divested to Euronext N.V. in H1 2021.

Bridge Facility
A syndicated, committed, term facility agreement comprising $9.325 billion and €3.58 billion. On 16 December 2020, the Bridge Facility was reduced by an amount of US$2 billion and €500 million, and drawn at completion of the Refinitiv acquisition. The facility was partially replaced by long-term finance in April 2021, with the remainder repaid using the proceeds from the Borsa Italiana Group divestment.

CAGR
Compound annual growth rate.

CCP
Central Counterparty – stands between two parties to a trade to eliminate counterparty risk by ensuring that settlement takes place.

CC&G
Formerly Cassa di Compensazione e Garanzia S.p.A., now known as Euronext Clearing. CC&G was divested as part of the Borsa Italiana Group in H1 2021.

CDSClear
LCH's over-the-counter credit default swap (CDS) clearing service.

Central Securities Depository (CSD)
An entity that enables securities to be processed, settled and held in custody.

CFC
Controlled foreign company

Combined Group
Combination of LSEG and Refinitiv following completion of the Refinitiv acquisition on 29 January 2021.

Company or LSEG or London Stock Exchange Group
London Stock Exchange Group plc and its subsidiaries.

CurveGlobal
An interest rate derivatives venture between LSEG and a number of major dealer banks together with Cboe. The venture was closed in January 2022.

Datascope
The Group's securities data solution that features globally sourced securities, and delivers end-of-day pricing and intra-day reference data.

Depositary Receipts/Global Depositary Receipts (GDR)
Tradable certificates representing ownership of a number of underlying shares, mainly for companies in developing or emerging markets.

Derivatives
Tradable financial instruments whose value is determined by the value of underlying instruments; this could be equity, an index, a commodity or any other tradable instrument.
- Exchange traded derivatives (ETD)
  Listed derivatives traded on an electronic trading venue such as an exchange and cleared through a clearing house.
- Over the counter (OTC)
  Derivatives are negotiated privately between two parties and may be cleared through a clearing house.

EBITDA
Earnings before interest, tax, depreciation and amortisation.

ESMA
The European Securities and Markets Authority (ESMA), the EU securities markets regulator.

Exchange Traded Fund (ETF)
Low-cost and flexible investments that track indices and sectors.

FCA
Financial Conduct Authority, the current regulator of conduct of providers of financial services in the UK and of UK trading venues such as Recognised Investment Exchanges (RIEs) and MTFs.

Fintech
Financial technology.

ForexClear
LCH's over-the-counter foreign exchange clearing service.

FRTB
Fundamental Review of the Trading Book, an international standard that sets out the rules governing the capital that banks must hold against market risk exposures.

FTSE Russell
FTSE International Limited and its subsidiaries, the Group subsidiary that is a leading global provider of index and analytics solutions.

FXall
The Group's dealer-to-client electronic FX trading and workflow platform.

FX Matching
The Group's dealer-to-dealer FX trading venue.

GIACT
The Group's digital identity and payments verification platform. Refinitiv acquired GIACT in December 2020 and it was included in the acquisition of Refinitiv in January 2021.

Green Economy Mark
Mark recognising equity issuers on London Stock Exchange with 50% or more green revenues.

Group
The Company and its Group undertakings.

Group undertakings
Group undertakings shall be construed in accordance with section 1161 of the Companies Act 2006 and, in relation to the Company.

Hampton-Alexander Review
An independent, business-led initiative established in 2016 to increase the representation of women in senior leadership positions and on boards of FTSE 350 Companies.

IPO
Initial Public Offering – the process whereby companies join our markets and raise capital for the first time.

KYC
'Know your customer' screening.

LCH or LCH Group
LCH Group Limited and its subsidiaries, the Group's 82.6% owned global clearing and risk management business.

Lipper
Lipper provides global, independent fund performance data in a precise, granular fund classification system, and includes mutual funds, closed-end funds (CEFs), exchange-traded funds (ETFs), hedge funds, domestic retirement funds, pension funds, and insurance products.

LSE
London Stock Exchange plc.

LSEG
London Stock Exchange Group plc.

LSEG Business Services Limited (BSL)
Our shared services company providing a range of technology and corporate functions Group-wide.

Main Market
The market for companies which have been admitted to trading on the London Stock Exchange's principal market.

Mergent Inc.
LSEG completed the acquisition of Mergent Inc., a provider of business and financial data on public and private companies, in January 2017 and has been integrated within FTSE Russell.

Monte Titoli
Monte Titoli S.p.A., an Italian Central Securities Depository and settlement provider. Monte Titoli was divested as part of the Borsa Italiana Group in H1 2021.

MTS
MTS S.pA. was divested as part of the Borsa Italiana Group in H1 2021.

Multilateral Trading Facility (MTF)
Alternative electronic trading systems as categorised under MiFID.

Non-Executive Director (NED)
A Non-Executive Director (NED) is a member of the Board, who is not part of the company's executive management team.

OTC
Over-the-counter trades in financial instruments executed outside a Regulated Market or MTF – see also Derivatives.

Paris Agreement
A legally binding international treaty on climate change, signed at the COP21 conference in Paris in 2015

Parker Review
An independent review commissioned in 2017 to consider how to improve the ethnic and cultural diversity of UK boards.

PrimaryBid
A technology platform which connects retail investors with listed companies raising capital, of which LSEG is a minority owner.

Primary Market
The listing of securities for the first time via an IPO or introduction of existing securities.

Prospectus
LSEG published a shareholder prospectus on 9 December 2020, ahead of the Refinitiv transaction completion and readmission of the new LSEG to trading on London Stock Exchange's main market.

PRS
Pricing and Reference Services.

Race to Zero
A UN-led campaign to rally leadership and support from businesses, cities, regions and investors for a healthy, resilient, zero carbon recovery. All members are committed to achieving net zero emissions as soon as possible, and by 2050 at the very latest.

Real-Time Data Access Control System (DACS)
LSEG system which allows customers to manage data entitlement, usage and reporting across their enterprise.

Refinitiv
Refinitiv, a global provider of financial market data and infrastructure, was founded in 2018. It became a subsidiary of London Stock Exchange Group as of 29 January 2021.

Refinitiv transaction/acquisition
The all-share acquisition of Refinitiv by London Stock Exchange Group plc, completed on 29 January 2021.

Red Flag
The Group's provider of workflow, data, due diligence and ratings solutions that help corporate compliance customers to evaluate money laundering, bribery and corruption, reputational and ESG risk. Refinitiv acquired Red Flag in October 2020 and it was included in the acquisition of Refinitiv in January 2021.

Regulated Market
A multilateral system which brings together multiple third party buying and selling in financial instruments in accordance with rules, authorised under provisions of MiFID.

Relationship Agreement
The relationship agreement effective 29 January 2021 between the Company, York Parent Limited, York Holdings II Limited, York Holdings III Limited and BCP York Holdings (Delaware) L.P. which governs the relationship between the parties following completion of the Refinitiv acquisition. Further information on the Relationship Agreement can be found at pages 65–70 of the shareholder prospectus dated 9 December 2020 and available on the LSEG website.

Repo
Repurchase Agreement – the process of borrowing money by combining the sale and subsequent repurchase of an asset cleared through LCH.

RNS
Regulatory News Service, the Group's Primary Information Provider, for dissemination of regulatory and non-regulatory news to the market.

Science Based Targets Initiative (SBTi)
A coalition established in 2015 between the CDP, the United Nations Global Compact, World Resources Institute and WWF which aims to enable companies to set emission reduction targets in line with leading climate science.

Secondary Market
The public market on which securities once issued are traded.

SEDOL
The Group's securities identification service.

SETS
The electronic order book operated by the London Stock Exchange for the trading of the most liquid securities.

SSE
Sustainable Stock Exchanges. UN-led initiative to oversee the application of the Sustainable Development Goals (SDGs), as agreed upon by the General Assembly within the 2030 Agenda for Sustainable Development.

Sustainable Bond Market (SBM)
A dedicated segment of London Stock Exchange for social and sustainable bonds.

SwapAgent
LCH's service designed to simplify the processing, margining and settlement of non-cleared derivatives.

SwapClear
LCH's over-the-counter interest rate swap clearing service.

The Yield Book
The Yield Book provides fixed income analytics that enables market makers and institutional investors to perform portfolio analysis and risk management. LSEG acquired The Yield Book in August 2017 and incorporated it within FTSE Russell.

Tick History Data
LSEG's historical archive of real-time pricing data, covering OTC and exchange-traded instruments from trading venues and third-party contributors.

Turquoise
Turquoise Global Holdings Limited, the Group's 84.2% owned pan-European MTF equity trading subsidiary, a venture between the Group and a number of global investment bank clients.

UnaVista
The Group's web-based matching, reconciliation and data integration engine that provides matching of post trade data in a simple, automated process and the Trade Repository approved by ESMA.

Voluntary Carbon Market (VCM)
The Voluntary Carbon Market enables private investors, governments, non-governmental organisations, and businesses to voluntarily purchase carbon offsets to offset their emissions.

Workspace
LSEG's data & analytics workflow solution designed to provide access to company financial data and economic indicators as well as news, analytics and productivity tools.

World-Check
The Group's risk intelligence database designed to assist organisations in meeting their KYC and third-party due diligence screening obligations.

Investor Relations

Shareholder services

Equiniti registrars Shareview services

Shareholders who hold London Stock Exchange Group shares in certificated form or within an Equiniti Investment Account or ISA can access Shareview. Shareview is a free service provided by our registrars, Equiniti. It may be accessed through the internet at: www.shareview.co.uk.

By creating a Shareview portfolio, shareholders will gain online access to information about their London Stock Exchange Group shares and other investments including:
— Direct access to information held for you on the share register including share movements
— A daily indicative valuation of all investments held in your portfolio
— A range of information and practical help for shareholders

To register at Shareview shareholders will need their shareholder reference (which can be found on your share certificate) and they will be asked to select their own personal identification number. A user ID will then be posted to them.

If shareholders have any problems in registering their portfolio for the Shareview service, contact Equiniti on 0371 384 2544. For calls from outside the UK, contact Equiniti on +44 (0)121 415 7047.

Group's share price service

To obtain share price information for London Stock Exchange Group plc, see our website at: www.lseg.com.

By clicking on the Investor Relations tab, you will find the Company's share price, historical closing prices and volumes and an interactive share price graph.

Substantial Shareholders

As at 14 March 2023 the Company had been informed of the following notifiable voting rights in the issued share capital of the Company in accordance with DTR 5 of the FCA's Disclosure Guidance and Transparency Rules:
— BCP York Holdings (Delaware) LP 17.9%[1]
— Qatar Investment Authority 7.0%
— BlackRock (Index/BGI) 5.2%
— The Capital Group Companies, Inc. 5.0%
— Lindsell Train Limited 4.4%
— Microsoft Corporation 4.2%

In connection with LSEG's acquisition of the Refinitiv business, Refinitiv's former owners, Thomson Reuters Corporation and a consortium of certain investment funds managed by Blackstone Group Inc. collectively hold an approximate 25% stake in LSEG via the entities York Holdings II Limited, York Holdings III Limited and BCP York Holdings (Delaware) L.P..

Financial calendar (provisional)

— AGM – 27 April 2023
— Q1 Trading Statement (revenues only) – 27 April 2023
— Ex dividend date for final dividend – 20 Apr 2023
— Final dividend record date – 21 Apr 2023
— Final dividend payment – 24 May 2023
— Half year end – 30 June 2023
— Interim Results (for six months ended 30 June 2023) – 03 August 2023
— Q3 Trading Statement (revenues only) – 19 October 2023
— Financial year end 31 December 2023
— Preliminary Results February 2024

Please refer to our website: www.lseg.com/investor-relations and click on the shareholder services section for up-to-date details.

For Tradeweb reporting dates please refer to their website: investors.tradeweb.com

2023 AGM

The AGM for the year ended 31 December 2022 will be held on 27 April 2023 at Butchers' Hall, 87 Bartholomew Close, London, EC1A 7EB, starting at 10.30 am.

1 Represents total voting rights held by BCP York Holdings (Delaware) LP, York Holdings II Limited and York Holdings III Limited.

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Shareholder helpline: +44 (0)20 7797 3322. Email: ir@lseg.com

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

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