

Registered number: 1528617

# **ICE Futures Europe**

**Annual Report and Financial Statements**

**For the Year Ended 31 December 2022**

## **ICE Futures Europe**

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# ICE Futures Europe

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## ICE Futures Europe

### Strategic Report For the Year Ended 31 December 2022

#### Introduction

The directors present their Strategic Report for ICE Futures Europe ('the Company') for the year ended 31 December 2022.

#### Principal activities and review of the business

The Company is a Recognised Investment Exchange and Recognised Auction Platform in the UK and is supervised by the Financial Conduct Authority with oversight by the U.S Commodity Futures Trading Commission ('CFTC') for linked contracts. The Company's ultimate parent and controlling entity is Intercontinental Exchange, Inc., ('ICE'), a corporation registered in Delaware, United States. The Company is registered under the Foreign Boards of Trade ('FBOT') requirements. Related companies in these financial statements refer to members of the ICE Group of companies ('the Group'). ICE Clear Europe Limited ('ICEU'), a Group company and a Recognised Clearing House in the UK, provides clearing services for the contracts traded on the Company's exchange.

The Company is an exchange for futures and options contracts for crude oil, interest rates, equity derivatives, natural gas, power, coal, emissions and soft commodities. These activities include the provision of data derived from the execution business. The Company is also a registered Benchmark Administrator under the UK Benchmark Regulations.

The Company offers a range of futures and options products that are designed to enable our customers to manage their risk across global energy markets. The Company's largest energy contract is the ICE Brent crude oil futures contract which serves as the cornerstone of a global oil network that today includes nearly 730 related crude and refined oil products including locational and refined spreads. The Company also offers a diverse suite of equity futures and options contracts based on ICE Group indices as well as those created by MSCI® and FTSE®. The Company's diverse interest rate complex spans geographies, currencies and tenors, providing participants with tools to manage risk in a capital efficient manner. Key products during 2022 included: Euribor, Gilts, Sterling Overnight Index Average ('SONIA'), and Secured Overnight Financing Rates ('SOFR'), among others. In addition, the Company offers futures and options on the leading global soft commodity markets including: sugar, coffee and cocoa.

Market participants may become members or trade through a member firm. For example, to become a member, an applicant must undergo a thorough review and application process and agree to be bound by the Company's rules. Membership in the Company's futures and options markets totalled 357 member firms as of 31 December 2022 (2021: 392).

The distribution of data derived from the execution business of the Company is managed by Group entity ICE Data LLP. The data is provided to clients both for internal and external use and includes publication of daily indexes, historical price and other transaction data, view-only and mobile access to ICE's trading platform, end of day settlements and price data. In addition to the redistribution of data, ICE Data LLP also has contracts with data distributors, known as quote vendors, such as Bloomberg or Refinitiv, who package this data into real-time, tick, intra-day, delayed, end-of-day and historical data packages to sell to end users. The real-time packages are accessed on a subscription basis. End users include financial information providers, futures commission merchants, pension funds, financial services companies, funds, insurance companies, commodity pools and individual investors.

The regulatory framework applicable to the Company is supplemented by a series of legislative provisions regulating the conduct of participants in the regulated market. The Financial Services and Markets Act 2000 contains provisions making it an offence for participants to engage in certain market behaviour and prohibits market abuse through the misuse of information, the giving of false or misleading impressions or the creation of market distortions. Breaches of those provisions give rise to the risk of sanctions, including financial penalties.

## ICE Futures Europe

### Strategic Report (Continued) For the Year Ended 31 December 2022

The following table presents volume statistics for the years ended 31 December 2022 and 2021.

#### Contracts

|                                     | ADV*         | ADV*         | ADV*        | Total            | Total            | Volume      |
|-------------------------------------|--------------|--------------|-------------|------------------|------------------|-------------|
|                                     | 2022         | 2021         | change      | Volume           | Volume           | change      |
|                                     | '000         | '000         | %           | '000             | '000             | %           |
| ICE Brent Crude Futures and Options | 1,059        | 1,082        | (2)%        | 266,853          | 272,686          | (2)%        |
| ICE Gas Oil Futures and Options     | 246          | 329          | (25)%       | 62,103           | 83,017           | (25)%       |
| ICE Other Oil**                     | 491          | 635          | (23)%       | 123,704          | 159,921          | (23)%       |
| ICE Natural Gas                     | 22           | 26           | (15)%       | 5,498            | 6,590            | (17)%       |
| ICE Emissions & Other***            | 8            | 32           | (75)%       | 1,965            | 8,065            | (76)%       |
| Agricultural                        | 61           | 60           | 2 %         | 15,403           | 15,210           | 1 %         |
| Interest rates                      | 2,071        | 2,089        | (1)%        | 521,811          | 526,478          | (1)%        |
| Equities                            | 335          | 300          | 12 %        | 84,533           | 75,606           | 12 %        |
| <b>Total</b>                        | <b>4,293</b> | <b>4,553</b> | <b>(6)%</b> | <b>1,081,870</b> | <b>1,147,573</b> | <b>(6)%</b> |

\* Average Daily Volume.

\*\* ICE Other Oil includes Global Oil Products, WTI, Heating Oil, RBOB Gasoline, Dubai 1st Line and Midland WTI.

\*\*\* ICE Emissions & Other includes all emissions contracts, Freight, Coal, Iron Ore, Global Carbon Index and Nature-Based Solution Carbon Credit.

The Company also uses open interest to measure the success of its business as it is an indicator of the strength of the Company's competitive position in its contracts. Open interest is the number of contracts (long or short) that a member holds either for its own account or on behalf of its clients. Open interest refers to the total number of contracts that are currently open or, in other words, contracts that have been traded but not liquidated by either an offsetting trade, exercise, expiration or assignment. In general, the higher the level of open interest, the greater the extent it is being used as a hedging and risk management tool. Open interest is also a measure of the health of a market both in terms of the number of contracts which members and their clients continue to hold in the particular contract and by the number of contracts held for each contract listed.

#### Open Interest

|                                     | 2022          | 2021          | Change %     |
|-------------------------------------|---------------|---------------|--------------|
|                                     | '000          | '000          |              |
| ICE Brent Crude Futures and Options | 3,890         | 4,325         | (10)%        |
| ICE Gas Oil Futures and Options     | 529           | 663           | (20)%        |
| ICE Other Oil                       | 4,486         | 5,065         | (11)%        |
| ICE Natural Gas                     | 335           | 557           | (40)%        |
| ICE Emissions & Other               | 243           | 234           | 4 %          |
| Agricultural                        | 748           | 696           | 7 %          |
| Interest rates                      | 16,350        | 19,291        | (15)%        |
| Equities                            | 4,736         | 5,374         | (12)%        |
| <b>Total</b>                        | <b>31,317</b> | <b>36,205</b> | <b>(14)%</b> |

**Strategic Report (Continued)**  
**For the Year Ended 31 December 2022**

**Summary of the Company's financial results**

|   | Year ended 31 December |                |                          |
|---|------------------------|----------------|--------------------------|
|   | 2022<br>\$000          | 2021<br>\$000  | Change<br>fav/(adv)<br>% |
| Transaction fees                                    | 205,915                | 123,529        | 67 %                     |
| Membership fees                                     | 1,791                  | 1,989          | (10)%                    |
| Data services                                       | 146,548                | 141,297        | 4 %                      |
| <b>Turnover</b>                                     | <b>354,254</b>         | <b>266,815</b> | <b>33 %</b>              |
| Administrative expenses                             | (154,467)              | (168,121)      | (8)%                     |
| Other operating income                              | 29,412                 | 30,450         | (3)%                     |
| Operating profit                                    | 229,199                | 129,144        | 77 %                     |
| Interest receivable                                 | 1,474                  | 97             | 1420 %                   |
| Taxation  | (43,681)               | (23,198)       | 88 %                     |
| <b>Profit after tax (before dividends)</b>          | <b>186,992</b>         | <b>106,043</b> | <b>76 %</b>              |
| <i>Profit after tax as a % of turnover</i>          | <i>53%</i>             | <i>40%</i>     |                          |
| <b>Cash and short term deposits and investments</b> | <b>123,400</b>         | <b>123,343</b> | <b>— %</b>               |
| <b>Net assets</b>                                   | <b>179,387</b>         | <b>167,169</b> | <b>7 %</b>               |

Transaction fees increased by \$82,386,000, or 67%, for the year ended 31 December 2022, from the comparable period in 2021, the net result of a reduction in gross transaction fees offset by net incentive changes. Data income increased by \$5,251,000, or 4%, in the year ended 31 December 2022 compared with prior year due to increased data usage. Administrative expenses decreased by \$13,654,000, or 8% for the year ended 31 December 2022 from the comparable period in 2021, primarily due to decreases in certain intercompany charges and staff costs. As a result, operating profit increased by \$100,055,000, or 77%, for the year ended 31 December 2022, from the comparable period in 2021.

Dividends of \$178,000,000 were declared by the directors and paid during the year (2021: \$90,500,000).

**Section 172(1) statement - Stakeholder engagement**

The following disclosures describe how the directors have had regard to the matters set out in section 172(1)(a) to (f) and form the directors' statement required under section 414CZA of The Companies Act 2006.

The Board oversees, counsels and directs management in the long-term interests of the Company, its customers, shareholders and other stakeholders. It is the duty of the Board to serve as a prudent fiduciary for shareholders, to oversee the management of the Company and to promote the success of the Company. Board decisions are undertaken with regard to the success and long-term stability of the Company for the benefits of its stakeholders and the Board is regularly engaged in business strategy, risk oversight, financial reporting and corporate responsibility matters.

The tables that follow on pages 4 to 8, describe how the directors have performed their duty to promote the success of the Company as required by 172(1)(a) to (f) of The Companies Act 2006 during 2022.

**Strategic Report (Continued)**  
**For the Year Ended 31 December 2022**

| Stakeholder group   | Form of Engagement   | Key topics and impact of engagement  |
|---|--|--|
| <p><b>Shareholder</b></p> <p>Intercontinental Exchange, Inc., as ultimate shareholder, and its affiliates (“ICE Group” or “ICE”). ICE’s network of exchanges, clearing houses, data and technology services enables market participants around the world to raise and invest capital and manage risk across global financial and commodity markets. The Company is an integral part of this service offering as a provider of exchange, benchmark and auction services.</p> | <p>The Company’s and ICE’s directors and employees collaborate frequently on projects and expertise is shared in both directions in various ways including through directorships of affiliated companies and cross functional management meetings.</p> <p>Directors; Mr. Bland (SVP, ICE Futures) is a member of the ICE Executive Management Team and the ICE Exchange Executive Committee. Mr. Rhodes (President) is a member of the Operational Oversight Committee (as is the Company COO). Mr. Sprecher is the Chairman and CEO of ICE. All attend the Company’s Board meetings.</p>                          | <p>Key topics during the year included; impacts of the Russian invasion of Ukraine, including high volatility in markets (including but not limited to those in which the Exchange has products), the maintenance of fair and orderly markets and governmental and regulatory responses (including the imposition of and compliance with sanctions and the EU market correction mechanism), the post-Brexit regulatory and commercial landscape, development and introduction of new products and enhancements to our technology infrastructure to support our extensive trading capabilities and cybersecurity.</p> <p>The Company also engages with ICE on global best practices for enterprise risk management, operations, business continuity and disaster recovery and other key functions.</p>  |
| <p><b>People</b></p> <p>Our people include colleagues directly employed by the Company, consultants and others who work throughout the Group.</p> <p>The Company’s long-term success is predicated on the skills, commitment, engagement and success of our people.</p>   | <p>Engagement with our people includes interactive ‘town halls’ and periodic staff update meetings, delivered by the President and other ICE Group and Company senior managers.</p> <p>Feedback is gathered across a mix of “always on feedback”, employee surveys and individual employee-focused assessments. This allows actionable feedback to be gathered across a variety of populations, and circumstances, throughout the year.</p> <p>There is also an established whistleblowing policy and a conduct dashboard which is presented to the Board along with an employee conduct risk appetite metric.</p> | <p>The Group continues to conduct a biannual employee survey (most recently conducted in 2022) and feedback gathered on topics such as collaboration, communication, problem solving and leadership is being used to develop our people’s work experience.</p> <p>Following the onset of the COVID-19 pandemic and over two years of largely remote work for many employees, we have demonstrated that new ways of working are possible and have adopted a tiered and flexible work arrangement policy. The new policy includes a mix of home-based, office-based and hybrid scenarios depending on the day-to-day function of the role and the extent to which each role manages people or teams.</p> <p>Succession planning continues to be a focus at both an executive and non executive level, strengthening governance and management structures and ensuring opportunities are being provided to high performers.</p> |

**Strategic Report (Continued)**  
**For the Year Ended 31 December 2022**

| Stakeholder group  | Form of Engagement   | Key topics and impact of engagement  |
|--|--|--|
| <p><b>People (continued)</b></p>   |  | <p>The ICE Group have a number of culture and conduct corporate initiatives to promote and reinforce ICE's culture across new and existing employees. There is a goal to increase diversity throughout employee ranks and the ICE Group have identified several strategies to assist in meeting the targets.</p>   |
| <p><b>Customers</b><br/>                     The Company's customers include its Members and market participants including financial institutions, asset managers, pension funds, commodity producers and refiners, utilities and governments, as well as industrial and manufacturing businesses that are increasingly engaging in hedging, trading and risk management strategies.</p>   | <p>Regular meetings at senior management and operational levels, such as a periodic Technology and Operations Group call and bilateral customer meetings at senior management and operational levels.</p> <p>Collaboration by senior management and certain directors with, and membership of, various industry organisations to help further engage with and understand multiple perspectives from a variety of customers and industry participants.</p> <p>Industry representation, where appropriate, on certain governance and product committees of the Exchange, chaired by certain directors, providing a forum to discuss matters such as membership, the Exchanges' regulations and the evolution of the ICE Brent Index.</p> | <p>Continuous dialogue with customers on enhancing transparency and liquidity in the markets we serve, developing and launching new derivative contracts, maintaining fair and orderly markets and the impacts of the Russian invasion of Ukraine, including high volatility in energy markets (and consequent increases in margin levels) and governmental and regulatory responses (including the imposition of and compliance with sanctions and the EU market correction mechanism).</p> <p>Outcomes of engagement included; the launch of several new markets and liquidity programmes and strategic alignment on preparations for the end of the Brexit transition period.</p> <p>Our customer base continues to grow due to our expansion into new markets and the expansion of our product set which has facilitated the continued emergence of new participants; the increased use of hedging programs by commercial enterprises and the increased access to our markets as a result of electronic trading.</p> |
| <p><b>Suppliers</b><br/>                     To support operations, ICE, through various agreements, provides assorted services to the Company including those critical to supporting the matching and execution of contracts on its markets, distribution of data and the running of emissions auctions (UKAs) under UK ETS. The Company uses technology owned and developed by ICE for the provision of services to its customers.</p> | <p>Management and the Board utilise the mechanisms discussed in the Shareholder section, on page 4, to engage effectively with suppliers of services from the ICE Group.</p> <p>The Company has contractual outsourcing and data provision arrangements in place with its outsourced service providers. The Board reviews the performance of material outsourcing arrangements annually.</p>   | <p>Key applications, hardware and hosting services in relation to the ICE Group suppliers centered on market administration applications, technology development and operational resilience, cybersecurity and business continuity arrangements.</p> <p>Generally, any changes to services or goods supplied and developing needs are worked on concurrently between the Company and its suppliers.</p>  |



**Strategic Report (Continued)**  
**For the Year Ended 31 December 2022**

| Stakeholder group  | Form of Engagement   | Key topics and impact of engagement   |
|--|--|---|
| <p><b>Suppliers (continued)</b></p> <p>The Company licenses and sources data from various providers for the purposes of settlement prices for certain of its contracts and other information services.</p> <p>The Company also utilises a wide range of other suppliers and service providers which provide the Company with the goods and services relied upon for operations, ranging from large multinational companies to smaller-scale local service providers.</p> | <p>The Company performs thorough due diligence on its external suppliers both during on-boarding and on a recurring basis.</p> <p>We expect all our suppliers to be compliant with the Modern Slavery Act and we work closely with our suppliers to build on our knowledge and promote best practice.</p>  | <p>The Board receives updates on the duty to report on prompt payment, practices and performance. The most recently published payment practices report showed the average time to pay an invoice was 29 days. The Company continues to engage with suppliers to improve workflow and refine payment practices.</p> <p>The Board approves the Company Modern Slavery statement on an annual basis.</p>   |
| <p><b>Regulators and Policy Makers</b></p> <p>The Company's regulators are listed in the 'Principal activities and review of the business' section of this report on page 1.</p> <p>Effective engagement with the Company's regulators and policy makers is fundamental to the business which requires various regulatory permissions to operate (refer to page 1).</p>  | <p>The Company is subject to ongoing examination and inspection by its regulators. Members of the Board and senior management meet with the Company's regulators on an ongoing basis.</p> <p>Routine reports capturing a broad range of data are provided to the FCA and other regulators. Further, the President and senior management shares knowledge and expertise with regulators, legislators and industry organisations to contribute to the development of policy initiatives.</p> <p>Information provided by management to the directors and approved by the Board at its meetings is made available to the Company's principal regulators including regulatory compliance reporting produced on a regular basis.</p> | <p>The Board agenda has been strongly focused on operational resilience and the functioning of fair and orderly markets.</p> <p>Other key topics included impacts of the Russian invasion of Ukraine, including high volatility in energy markets, the maintenance of fair and orderly markets and governmental and regulatory responses (including the imposition of and compliance with sanctions and the EU market correction mechanism), technology and operational resilience.</p> <p>During the year, discussions with regulators enabled the launch of several new products and programmes to develop liquidity. The Company continues its significant communication and engagement with regulators focusing on ensuring transparency and contributing to market stability.</p> <p>Maintaining good relationships with policy makers and regulators and ensuring compliance with applicable legal and regulatory obligations helps to contribute towards maintaining high standards of business conduct.</p> |

**Strategic Report (Continued)**  
**For the Year Ended 31 December 2022**

| Stakeholder group   | Form of Engagement  | Key topics and impact of engagement  |
|---|---|--|
| <p><b>Community and society</b></p> <p>The global financial market community and wider society including the environment are stakeholders impacted by the actions and continued success of the Company.</p> <p>As a globally important futures exchange, the Company’s business and success or failure impacts the community in which it operates and the wider society.</p> <p>The ICE Group’s annual Sustainability Report provides an overview of ICE’s approach to Environmental, Social and Governance (‘ESG’) and can be found at <a href="https://www.ice.com/about/sustainability-report">https://www.ice.com/about/sustainability-report</a>.</p> <p>This report addresses a range of key topics that are also relevant for the Company.</p> | <p>The President and certain members of senior management and the Board engage in consultation and advisory activities with governments and policy makers on matters concerning key industry developments and initiatives. Additionally, the Company regularly responds to consultation documents issued by various regulatory bodies during policy formation. Such responses may be submitted on behalf the Company or as part of a response from the ICE Group.</p> <p>Staff Members and occasionally directors, present at industry events, for example Eurofi, FIA, CityUK, City Week and Institutional Investors.</p> <p>The global markets operated by the Company provide transparent, market based pricing to help companies make better decisions when allocating resources and investing in more sustainable technologies and innovative solutions.</p> <p>We assess the impacts of our suppliers’ products and services and engage with them whenever possible to limit environmental impacts.</p> <p>We believe that it is important to create opportunities for ICE and its people to make a difference by helping others in our communities. We pursue that goal through financial support and volunteering our time and talents using several channels, including, charitable donations funded both by ICE and through fine income generated by enforcement action taken by the Company, an employee matching program, corporate sponsorships and community investments.</p> | <p>Key topics of engagement include impacts of the Russian invasion of Ukraine, including high volatility in energy markets, the maintenance of fair and orderly markets and governmental and regulatory responses (including the imposition of and compliance with sanctions and the EU market correction mechanism), and energy transition. A focus on mitigating climate change is driving a transition toward cleaner energy sources. As demand for transparent pricing in carbon grows, the Company supports market-based solutions through its suite of environmental products.</p> <p>Our customers can access a broad portfolio of derivatives covering emissions, carbon offsets, renewable energy and renewable fuels. We offer critical risk management tools and help businesses meet government-mandated emissions reduction targets in a cost-effective manner.</p> <p>The Company operates a certified environmental management system to ensure that we meet and, wherever possible, exceed compliance obligations such as legal and regulatory requirements, industry standards and other voluntary commitments related to our environmental aspects.</p> <p>The ICE Group’s Modern Slavery Statement and GDPR Statements are available on the ICE website and these statements apply to the Company.</p> <p>The Company’s Streamlined Energy and Carbon Report (‘SECR’) disclosures are presented at an ICE UK Group level in the financial statements of ICE Europe Parent Limited, which will be publicly available via Companies House.</p> |

**Strategic Report (Continued)**  
**For the Year Ended 31 December 2022**

**Principal decisions**

The Company defines principal decisions as those made during the year that are material and significant to any key stakeholder groups as defined in the Stakeholder engagement section of the Strategic Report. In making the following principal decisions the Board considered the outcome from its stakeholder engagement as well as the need to maintain a reputation for high standards of business conduct.

| <b>Decision</b>  | <b>Impact</b>  | <b>Stakeholder considerations</b>   |
|--|--|---|
| <p><b>Financial resources regulatory requirement</b></p> <p>The Board reviewed and approved the annual FCA regulatory capital requirements and the amount of capital and financial resources allocated to meet these requirements (see note 14 for amounts).</p> <p>The Board also reviews and approves the annual budget which is used as part of the determination of the regulatory capital requirements.</p> | <p>Holding sufficient capital to safeguard against risk and meet ongoing regulatory requirements is necessary for the immediate and long-term sustainability and success of the Company and underpins the business model.</p> <p>The Board has established a risk appetite in respect of the minimum capital and financial resources it determines to be acceptable for the Company to hold.</p>   | <p>Restricting and safeguarding appropriate amounts of capital is a fundamental consideration for all the Company's stakeholders. The Company seeks to ensure it has adequate levels of capital to protect against the risk of disruption to the provision of exchange services to customers or be able to wind down or restructure following a stress event, if necessary.</p> <p>The Company's approach to ensuring (i) capital held is sufficient, to ensure the Company is at all times able to comply with its regulatory obligation; and (ii) that it is robustly managed, contributes to overall market stability.</p> |
| <p><b>Dividends</b></p> <p>The Board reviewed and approved a total of \$178.0 million in dividend distributions which were paid during the year, see note 21.</p>  | <p>The Board duly considered the Company's ongoing operational, capital, regulatory and legal requirements and incorporated adequate contingency for reasonable foreseeable future events in order to assess suitability of making a distribution.</p> <p>No alternative use of capital was identified as having been foregone in favour of the dividends paid as all financial resources and capital required for other principal decisions made had been provided for.</p> | <p>The Board considered the dividends to be in the best interests of the Company having carefully considered the impact to all of its stakeholders based on the information provided by senior management at the time of each dividend.</p> <p>No single or combined stakeholder groups were left disadvantaged or lacking resources otherwise needed following the dividend declarations.</p>  |
| <p><b>Board appointments</b></p> <p>In July 2022 and October 2022, respectively, Mr. Rhodes and Mr. Bland were formally appointed to the Company's Board of directors.</p>   | <p>Mr. Rhodes and Mr Bland each bring extensive experience, skills and knowledge serving the needs of the Company and its stakeholders.</p>  | <p>The appointment of a Director is subject to a rigorous procedure performed by the Nominations Committee of the Company including in consultation with ICE Group. This procedure includes interviews with various members of management and the Board of Directors and notification to certain regulators.</p>  |

**Strategic Report (Continued)  
For the Year Ended 31 December 2022**

**Principal risks and uncertainties**

The management of the business and the execution of the Company's strategy are subject to a number of risks:

1. Global economic, political and financial market events or conditions may negatively impact the Company, including the impact of climate change and the transition to renewable energy and a net zero economy.
2. The Company's business and the business of many of the Company's clients has been and continues to be subject to increased legislation and regulatory scrutiny. The Company's compliance and risk management methods, as well as its fulfilment of its regulatory obligations, might not be effective, which could lead to enforcement actions by the Company's regulators. The Company could also be impacted by the actions of regulatory and tax authorities such as the introduction of higher taxes or other governmental charges in connection with the undertaking of its business.
3. The Company's business is subject to the impact of inflation and financial markets volatility, including the prices and interest rates underlying derivative products, due to conditions that are beyond the Company's control.
4. The Company faces intense competition; failure to keep up with rapid changes in technology and client preferences could negatively impact our competitive position. The Company may not be successful in offering new products or technologies or in identifying opportunities and damage to the Company's reputation could damage our business. Financial benchmark reform and the evolution of energy benchmark product are factors that could have an adverse impact on transaction volumes.
5. The Company's systems and those of ICE and other of the Company's third party service providers may be vulnerable to cyber-attacks, hacking and other cyber security risks, which could result in wrongful manipulation, disclosure, destruction, or use of our information or that of a third party, or which could make the Company's members unable or participants unable or reluctant to use our electronic platforms.
6. The Company relies on intercompany and third party service providers and other suppliers for a number of services that are important to the business, including ICE's trading platform. An interruption or cessation of an important service, data or content supplied by any party, or the loss of an exclusive license, could have a material adverse effect on the business.
7. The Company's success largely depends on key personnel, including senior management, and having adequate succession plans in place. The Company may not be able to attract, retain and develop the highly skilled employees needed to support the business.

The directors believe the following to be key risks:

**Regulation**

***EU market participant access***

In February 2022, the European Commission extended the temporary equivalence decision that allows continued access by EU firms to clear trades at U.K. CCPs. In March 2022, ESMA extended ICEU's temporary recognition and tiering decision to June 2025. Separately, the Company will continue to be able to permit access to its platform from relevant EU jurisdictions. The absence of an equivalence decision by the EU for U.K. trading venues, however, may result in increased costs for certain EU market participants, which could impact the Company's trading volumes and the impact to our business and the potential for regulatory changes remain uncertain at this time.

## ICE Futures Europe

### Strategic Report (Continued) For the Year Ended 31 December 2022

#### *Policy intervention to address high energy prices*

In December 2022, the EU adopted a price cap on certain Dutch Title Transfer Facility, or TTF, derivatives traded on ICE Endex effective February 2023.

In order to continue to provide customers with continued market access so that they can be supported in their need to manage risk, seamlessly hedge, and access and participate in the price discovery process, regardless of the level of the natural gas price, the Company launched a parallel market for TTF futures and options contracts, to be cleared by ICEU, on 20 February 2023.

#### **Global Market Conditions**

The Company is affected by global economic conditions, including macroeconomic conditions and geopolitical events or conflicts. During 2022, macroeconomic conditions, including rising interest rates, recent spikes in inflation rates and market volatility, along with geopolitical concerns, including the war in Ukraine and the sanctions and other measures that have been and continue to be imposed in response to the war, created uncertainty and volatility in the global economy and resulted in a dynamic operating environment.

From an operational perspective, the Company has not suffered a material negative impact as a result of these events in Ukraine and the surrounding region.

The Company expects the macro environment to remain dynamic in the near-term, and continues to monitor macroeconomic conditions, including interest rates and inflation rates, as well as the uncertainty surrounding the extent and duration of the ongoing conflict between Russia and Ukraine, and the impact that any of the foregoing may have on the global economy and the Company.

#### **Risk management**

##### *Credit risk*

Credit risk is the risk that customers will fail to honour their agreed obligations and will fail to perform under their contractual commitments in relation to services provided by the Company.

Credit risk is managed by credit dispensing policies and compliance monitoring in relation to credit sanctioning procedures. Credit exposures from related accounts are aggregated and monitored on a consolidated basis. Note that the Company faces limited exposure to credit risk as a high proportion of its revenues are collected by a fellow subsidiary which has rigorous risk management policies.

##### *Market risk*

Market risk arises from adverse movements in foreign exchange rates, interest rates, equity shares and other securities prices, and commodity and energy prices. Those risks are managed by the Company on the basis of agreed limits which are kept under continuous review. Compliance is monitored through management reporting and the audit process.

Interest rate risk arises as a result of timing differences on the repricing of assets and liabilities. The Company has exposure to market risk for changes in interest rates relating to its cash and cash equivalents and short-term investments. The Company would not expect its operating results or cash flows to be significantly affected by changes in market interest rates. This risk is managed by regularly reviewing the returns received on the Company's investments.

Currency risk results from adverse movements in the rates of exchange between currencies arising as a result of the existence of a net currency position in one or more currencies. The Company seeks to mitigate the effect of currency exposures by ensuring, as far as is possible, that it holds an equal amount of monetary assets and liabilities that are denominated in currencies other than the USD.

## ICE Futures Europe

### Strategic Report (Continued) For the Year Ended 31 December 2022

#### *Liquidity risk*

Liquidity risk is the risk that the Company is unable to fully or promptly meet payment obligations and potential payment obligations as and when they fall due. This risk includes the possibility that the Company may have to raise funding at higher cost or sell assets at a discount.

The Company is highly cash-generative but still aims to mitigate liquidity risk by managing cash generated by its operations and applying cash collection targets for its membership fee income.

#### *Capital management*

As a Recognised Investment Exchange, the Company is subject to regulatory capital and liquid financial asset maintenance requirements which are based on the Company's level of operating costs. Adherence to the requirements is monitored and reported to the Financial Conduct Authority on a monthly basis.

#### *Operational risk*

Operational risk arises from disruption in the provision of exchange services. The Company aims to proactively reduce the probability and severity of unexpected losses.

This report was approved by the board on 27 April 2023 and signed on its behalf.



C. Rhodes  
Director

## ICE Futures Europe

### Directors' Report For the Year Ended 31 December 2022

The directors present their report and the financial statements for the year ended 31 December 2022.

#### Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations. Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK 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 Company will continue in business.

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

#### Results and dividends

The profit for the year, after taxation, amounted to \$186,992,000 (2021: \$106,043,000).

Dividends of \$178,000,000 were declared by the directors and paid during the year (2021: \$90,500,000).

#### Directors

The directors who served during the year and up to the date of authorisation of these financial statements were:

J. Sprecher  
P. Reed (resigned 8 September 2022)  
R. Barton  
D. Goone (resigned 30 April 2022)  
Lord W. Hague  
V. Sharp  
A. Whittaker  
C. Dubin  
S. Williams (resigned 30 June 2022)  
J. Abbott  
C. Rhodes (appointed 1 July 2022)  
T. Bland (appointed 20 October 2022)

## **ICE Futures Europe**

### **Directors' Report (Continued) For the Year Ended 31 December 2022**

Information on how the directors have discharged their duties under s. 172 of the Companies Act 2006 is available in the Company's Strategic Report.

#### **Streamlined Energy and Carbon Report**

The Company's Streamlined Energy and Carbon Report ('SECR') disclosures are presented at an ICE UK Group level in the financial statements of ICE Europe Parent Limited, registered company number 7295772, which will be publicly available on Companies House prior to 30 September 2023.

#### **Non-adjusting post balance sheet event**

On 22 March 2023 the Company paid a dividend of \$38,000,000.

#### **Future developments**

The directors do not foresee any change in the Company's principal activities.

#### **Qualifying third party indemnity provisions**

The Company has granted an indemnity to directors against liabilities in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. Such qualifying third party indemnity provisions were in place during the relevant financial year and remain in force as at the date of approving the Directors' Report.

#### **Disclosure of information to auditors**

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

#### **Auditors**

The auditors, Ernst & Young LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 27 April 2023 and signed on its behalf.



C. Rhodes  
Director



## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ICE FUTURES EUROPE

### Opinion

We have audited the financial statements of ICE Futures Europe for the year ended 31 December 2022 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 26, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the Company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

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

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

### Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period up to 27 April 2024, being not less than twelve months from when the financial statements are authorised for issue.

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

### Other information

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

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in 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, 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 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 Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or 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 or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 12, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's responsibilities for the audit of the financial statements**

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

***Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud***

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are the regulations, license conditions and supervisory requirements of the Company's primary regulators the Financial Conduct Authority (FCA) and U.S. Commodity Futures Trading Commission (CFTC). We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Financial Reporting Standard 102 and the relevant direct and indirect taxation regulations.
- We understood how the Company is complying with those frameworks to prevent override of controls designed to prevent fraud by enquiry of management and the directors to understand how the Company maintains and communicates its policies and procedures as well as through the evaluation of corroborating documentation. We also reviewed correspondence with relevant authorities.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by making enquiries of management, and those charged with governance, and by considering their incentives to manage earnings or influence the perceptions of stakeholders.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved testing controls that exist at the entity level, as well as controls at the individual transaction level. We tested specific manual adjusting journal entries, where we exercised a heightened level of professional scepticism and included an element of unpredictability in the nature, timing and extent of our testing.

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.

**Use of our report**

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Ernst & Young LLP*

Andrew Bates  
Senior statutory auditor  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
London  
28 April 2023

## ICE Futures Europe

### Statement of Comprehensive Income For the Year Ended 31 December 2022

|  | Note | 2022<br>\$000  | 2021<br>\$000 |
|--|------|----------------|---------------|
| Turnover                                       | 2    | 354,254        | 266,815       |
| <b>Gross profit</b>                            |      | <b>354,254</b> | 266,815       |
| Administrative expenses                        |      | (154,467)      | (168,121)     |
| Other operating income                         | 3    | 29,412         | 30,450        |
| <b>Operating profit</b>                        | 4    | <b>229,199</b> | 129,144       |
| Interest receivable                            | 8    | 1,474          | 97            |
| <b>Profit before tax</b>                       |      | <b>230,673</b> | 129,241       |
| Tax on profit                                  | 9    | (43,681)       | (23,198)      |
| <b>Profit for the financial year</b>           |      | <b>186,992</b> | 106,043       |
| Other comprehensive income for the year        |      | —              | —             |
| <b>Total comprehensive income for the year</b> |      | <b>186,992</b> | 106,043       |

There were no recognised gains and losses for 2022 or 2021 other than those included in the Statement of Comprehensive Income.

The notes on pages 20 to 33 form part of these financial statements.

Balance Sheet  
As at 31 December 2022

|   | Note | 2022<br>\$000  | 2022<br>\$000  | 2021<br>\$000  | 2021<br>\$000  |
|---|------|----------------|----------------|----------------|----------------|
| <b>Non-current assets</b>   |      |                |                |                |                |
| Intangible assets   | 10   |                | —              |                | 35             |
| Tangible assets   | 11   |                | 3,042          |                | 4,349          |
| Investments   | 12   |                | 32,000         |                | 32,000         |
| Debtors: amounts falling due after more than one year             | 13   |                | 9,743          |                | 4,519          |
|   |      |                | <u>44,785</u>  |                | <u>40,903</u>  |
| <b>Current assets</b>   |      |                |                |                |                |
| Debtors: amounts falling due within one year                      | 13   | 65,375         |                | 69,532         |                |
| Cash at bank and in hand  | 14   | 123,400        |                | 123,343        |                |
|   |      | <u>188,775</u> |                | <u>192,875</u> |                |
| Creditors and other payables: amounts falling due within one year | 15   | (47,305)       |                | (55,912)       |                |
| <b>Net current assets</b>   |      |                | <u>141,470</u> |                | <u>136,963</u> |
| <b>Total assets less current liabilities</b>                      |      |                | <u>186,255</u> |                | <u>177,866</u> |
| Creditors: amounts falling due after more than one year           | 16   |                | (5,284)        |                | (8,926)        |
| Other provisions  | 17   |                | (1,584)        |                | (1,771)        |
| <b>Net assets</b>   |      |                | <u>179,387</u> |                | <u>167,169</u> |
| <b>Capital and reserves</b>                                       |      |                |                |                |                |
| Called up share capital   | 20   |                | —              |                | —              |
| Share premium account   |      |                | 10,000         |                | 10,000         |
| Profit and loss account   |      |                | 169,387        |                | 157,169        |
|   |      |                | <u>179,387</u> |                | <u>167,169</u> |

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27 April 2023.



C. Rhodes  
Director

The notes on pages 20 to 33 form part of these financial statements.

## ICE Futures Europe

### Statement of Changes in Equity For the Year Ended 31 December 2022

|  | Called up<br>share capital<br>\$000 | Share<br>premium<br>\$000 | Profit and<br>loss account<br>\$000 | Total equity<br>\$000 |
|--|-------------------------------------|---------------------------|-------------------------------------|-----------------------|
| At 1 January 2021  | —                                   | 10,000                    | 144,288                             | 154,288               |
| <b>Comprehensive income for the year</b>                                   |                                     |                           |                                     |                       |
| Profit for the year  | —                                   | —                         | 106,043                             | 106,043               |
| <b>Total comprehensive income for the year</b>                             | —                                   | —                         | 106,043                             | 106,043               |
| Dividends: Equity capital  | —                                   | —                         | (90,500)                            | (90,500)              |
| Payments under share-based payment agreements                              | —                                   | —                         | (7,153)                             | (7,153)               |
| Effect of capital contributions relating to share-based payment agreements | —                                   | —                         | 6,091                               | 6,091                 |
| Increase in amounts due under share-based payments recharge agreements     | —                                   | —                         | (1,600)                             | (1,600)               |
| <b>Total transactions with owners</b>                                      | —                                   | —                         | (93,162)                            | (93,162)              |
| At 1 January 2022  | —                                   | 10,000                    | 157,169                             | 167,169               |
| <b>Comprehensive income for the year</b>                                   |                                     |                           |                                     |                       |
| Profit for the year  | —                                   | —                         | 186,992                             | 186,992               |
| <b>Total comprehensive income for the year</b>                             | —                                   | —                         | 186,992                             | 186,992               |
| Dividends: Equity capital  | —                                   | —                         | (178,000)                           | (178,000)             |
| Payments under share-based payment agreements                              | —                                   | —                         | (7,389)                             | (7,389)               |
| Effect of capital contributions relating to share-based payment agreements | —                                   | —                         | 6,679                               | 6,679                 |
| Decrease in amounts due under share-based payments recharge agreements     | —                                   | —                         | 3,936                               | 3,936                 |
| <b>Total transactions with owners</b>                                      | —                                   | —                         | (174,774)                           | (174,774)             |
| <b>At 31 December 2022</b>   | <b>—</b>                            | <b>10,000</b>             | <b>169,387</b>                      | <b>179,387</b>        |

The notes on pages 20 to 33 form part of these financial statements.

**Notes to the Financial Statements  
For the Year Ended 31 December 2022**

**1. Accounting policies**

**1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard ('FRS') 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

**1.2 Financial Reporting Standard 102 - reduced disclosure exemptions**

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland':

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Intercontinental Exchange, Inc., as at 31 December 2022 and these financial statements may be obtained from [www.ice.com](http://www.ice.com).

**1.3 Going concern**

The Company has considerable financial resources and receives transaction revenues from a broad range of futures and options contracts across a diverse set of customers. As a consequence, the directors believe that the Company is well placed to manage its business risks successfully in spite of the current uncertain economic and regulatory outlook. The Russia-Ukraine conflict together with the associated geopolitical tensions are being closely monitored but, at present, do not materially impact the ability of the Company to continue as a going concern.

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for a period up to 27 April 2024, being not less than twelve months from when the financial statements are authorised for issue. In reaching this determination they have considered the strong cash flows and capital resources of the Company. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

**1.4 Turnover**

Turnover comprises revenue recognised by the Company in respect of services supplied during the year, net of value added tax and incentive payments.

**Notes to the Financial Statements  
For the Year Ended 31 December 2022**

**1.5 Intangible assets and amortisation**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

**1.6 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following basis:

|   |   |              |
|---|---|--------------|
| Leasehold improvements and office equipment | - | 5 - 15 years |
| Computer equipment                          | - | 3 - 5 years  |

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

**1.7 Investments**

Fixed asset investments are shown at cost, less provision when it is considered that an impairment in value has occurred. Fixed asset investments include instruments that are non-convertible and non-puttable.

**1.8 Impairment review**

At each reporting date, the Company reviews the carrying amounts of its fixed assets to determine whether there is any indication of impairment. If such indication exists, the assets' recoverable amount is estimated. The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. An impairment loss is recognised if the carrying amount exceeds its recoverable amount. Impairment losses are recognised in the Statement of Comprehensive Income.

**1.9 Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and in hand and cash equivalents, which are short-term, highly liquid investments that are readily convertible to known amounts of cash, that are subject to an insignificant risk of changes in value. Therefore, an investment qualifies as a cash equivalent only when it has a short maturity of three months or less from the date of acquisition.

**1.10 Financial instruments**

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities.



**Notes to the Financial Statements  
For the Year Ended 31 December 2022**

Debt instruments that are payable or receivable within one year, typically trade receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

Basic financial liabilities including trade and other payables are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the liability is measured at the present value of the future payments discounted at a market rate of interest. Basic financial liabilities, other than short-term payables, are subsequently carried at amortised cost, using the effective interest rate method. The effective interest rate amortisation is included in interest payable and similar expenses in the Statement of Comprehensive Income. Short-term trade and other payables with no stated interest rate which are payable within one year are recorded at transaction price.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**1.11 Dilapidations provision**

The Company is required to perform dilapidation repairs on leased properties prior to the properties being vacated at the end of their lease term. Provision for such costs is made where a legal obligation is identified and the liability can be reasonably quantified.

**1.12 Foreign currencies**

The Company's functional and presentational currency is US dollars ('USD' or '\$'). Monetary assets and liabilities denominated in foreign currencies are translated into US dollars at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into US dollars at the rate ruling on the date of the transaction. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction.

Exchange gains and losses are recognised in the Statement of Comprehensive Income.

**1.13 Derivatives**

The Company enters into forward foreign currency contracts to mitigate the exchange rate risk for certain foreign currency receivables or payables.

Derivative financial instruments are initially measured at fair value on the date on which a derivative contract is entered into and are subsequently measured at fair value through profit or loss. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative. The fair value of the forward currency contracts is calculated by reference to current forward exchange contracts with similar maturity profiles. The Company does not undertake any hedge accounting transactions.

**Notes to the Financial Statements  
For the Year Ended 31 December 2022**

**1.14 Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid.

**1.15 Pensions**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

**1.16 Interest receivable**

Interest receivable is recognised as earned.

**1.17 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**1.18 Operating leases**

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

**Notes to the Financial Statements  
For the Year Ended 31 December 2022**

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

**1.19 Share-based transactions**

The cost of employees' services received in exchange for the grant of rights under ICE group equity-based employee compensation schemes is measured at the fair value of the equity instruments at the date of the grant and is expensed over the vesting period. This expense in the profit and loss account is offset by the recognition of a capital contribution in reserves. In the case of Employee Stock Purchase Plans ('ESPP') and options granted, fair value is measured using the Black-Scholes pricing model. Under ESPP, employees may purchase ICE shares at a price equal to 85% of the lesser of the fair market value of the shares on the first or the last trading day of each offering period. A share-based payment expense is recognised for the 15% discount given to participating employees.

The Company has entered into recharge agreements with ICE in respect of ICE group incentive plans. Under the terms of the recharge agreements, the Company may be charged for the benefit of share-based compensation at the date of vesting/exercise, pro-rated over the period that the employees were in the service of the Company. Any amounts paid under these agreements have been recorded as a reduction of reserves.

Any liability under the recharge agreements with respect to outstanding share-based compensation, calculated at the share price at the balance sheet date and pro-rated over the life of the equity instrument, is also recorded as a distribution of reserves.

**2. Turnover**

An analysis of turnover by class of business is as follows:

|                  | <b>2022</b>           | 2021           |
|------------------|-----------------------|----------------|
|                  | <b>\$000</b>          | \$000          |
| Transaction fees | <b>205,915</b>        | 123,529        |
| Membership fees  | <b>1,791</b>          | 1,989          |
| Data services    | <b>146,548</b>        | 141,297        |
|                  | <b><u>354,254</u></b> | <u>266,815</u> |

All turnover arose within the United Kingdom.

Turnover, which is stated net of value added tax and net incentives amounting to \$156,382,000 in 2022 (2021: \$315,726,000), is derived from the continuing business of the Company, and is comprised as above.

Turnover from Data services is revenue received for the Company's market data which is primarily distributed by an affiliated Group entity.

## ICE Futures Europe

### Notes to the Financial Statements For the Year Ended 31 December 2022

#### 3. Other operating income

|                                     | <b>2022</b>   | 2021   |
|-------------------------------------|---------------|--------|
|                                     | <b>\$000</b>  | \$000  |
| Services provided to group entities | <b>28,754</b> | 29,058 |
| Fine income                         | <b>658</b>    | 1,392  |
|                                     | <b>29,412</b> | 30,450 |

#### 4. Operating profit

The operating profit is stated after charging:

|                      | <b>2022</b>  | 2021  |
|----------------------|--------------|-------|
|                      | <b>\$000</b> | \$000 |
| Exchange differences | <b>3,641</b> | 1,611 |

#### 5. Audit remuneration

|   | <b>2022</b>  | 2021  |
|---|--------------|-------|
|   | <b>\$000</b> | \$000 |
| Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts | <b>410</b>   | 327   |
| Auditors' remuneration - non-audit  | <b>154</b>   | 143   |
|   | <b>564</b>   | 470   |

#### 6. Employees

Staff costs, including directors' remuneration, were as follows:

|                                     | <b>2022</b>   | 2021   |
|-------------------------------------|---------------|--------|
|                                     | <b>\$000</b>  | \$000  |
| Wages and salaries                  | <b>36,826</b> | 39,590 |
| Social security costs               | <b>3,782</b>  | 4,024  |
| Cost of defined contribution scheme | <b>1,896</b>  | 2,029  |
|                                     | <b>42,504</b> | 45,643 |

Included in the wages and salaries costs disclosed above was a charge of \$6,679,000 (2021: \$6,091,000) in respect of share-based payment transactions.

**Notes to the Financial Statements  
For the Year Ended 31 December 2022**

The average monthly number of employees, including the executive directors, during the year was as follows:

| <b>2022</b> | 2021 |
|-------------|------|
| <b>No.</b>  | No.  |
| <b>200</b>  | 199  |

**7. Directors' remuneration**

|   | <b>2022</b>  | 2021  |
|---|--------------|-------|
|   | <b>\$000</b> | \$000 |
| Directors' emoluments   | <b>1,610</b> | 2,325 |
| Company contributions to defined contribution pension schemes | <b>50</b>    | 62    |
|   | <b>1,660</b> | 2,387 |

During the year retirement benefits were accruing to 2 director (2021: 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of \$644,000 (2021: \$1,460,000).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to \$29,000 (2021: \$62,000).

9 directors (2021: 9) received shares in respect of qualifying services during the year.

Additional directors' remuneration in respect of qualifying services borne by the ultimate parent company, ICE, for the year is currently estimated at \$1,336,000 (2021: \$1,100,000).

**8. Interest receivable**

|                           | <b>2022</b>  | 2021  |
|---------------------------|--------------|-------|
|                           | <b>\$000</b> | \$000 |
| Other interest receivable | <b>1,474</b> | 97    |
|                           | <b>1,474</b> | 97    |

**Notes to the Financial Statements  
For the Year Ended 31 December 2022**

**9. Taxation**

|  | <b>2022</b>   | 2021   |
|--|---------------|--------|
|  | <b>\$000</b>  | \$000  |
| <b>Current tax</b>                                 |               |        |
| Current tax on profit for the year                 | <b>43,404</b> | 24,089 |
| Adjustments in respect of previous periods         | <b>(41)</b>   | (167)  |
|  | <b>43,363</b> | 23,922 |
| <b>Foreign tax</b>                                 |               |        |
| Foreign tax on income for the year                 | <b>10</b>     | 3      |
| <b>Total current tax</b>                           | <b>43,373</b> | 23,925 |
| <b>Deferred tax</b>                                |               |        |
| Origination and reversal of timing differences     | <b>364</b>    | 175    |
| Changes to tax rates                               | <b>(74)</b>   | (902)  |
| Adjustments in respect of prior periods            | <b>18</b>     | —      |
| <b>Total deferred tax</b>                          | <b>308</b>    | (727)  |
| <b>Tax charge on profit on ordinary activities</b> | <b>43,681</b> | 23,198 |

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2021: lower than) the standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are explained below:

|   | <b>2022</b>    | 2021    |
|---|----------------|---------|
|   | <b>\$000</b>   | \$000   |
| <b>Profit on ordinary activities before tax</b>   | <b>230,673</b> | 129,241 |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%) | <b>43,828</b>  | 24,556  |
| <b>Effects of:</b>  |                |         |
| Adjustments to tax charge in respect of prior periods   | <b>(23)</b>    | (167)   |
| Expenses not deductible for the year  | <b>30</b>      | 70      |
| Statutory deduction on share schemes in excess of accounting charges                                      | <b>(90)</b>    | (362)   |
| Change in rates   | <b>(74)</b>    | (902)   |
| Foreign tax on income for the year  | <b>10</b>      | 3       |
| <b>Total tax charge for the year</b>  | <b>43,681</b>  | 23,198  |

**Factors that may affect future tax charges**

The headline rate of UK corporation tax for the period was 19%. On 3 March 2021 it was announced, and later enacted on 10 June 2021, that the UK corporation tax rate would increase from 19% to 25% from 1 April 2023.

**Notes to the Financial Statements**  
**For the Year Ended 31 December 2022**

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Given the 25% rate was enacted at the time of the balance sheet date, the closing deferred tax balance have been calculated with reference to this rate. The deferred tax asset is expected to decrease by \$795,000 before 31 December 2023.

**10. Intangible assets**

|                       | <b>Other<br/>intangibles<br/>\$000</b> |
|-----------------------|--|
| <b>Cost</b>           |  |
| At 1 January 2022     | 1,265                                  |
| At 31 December 2022   | <u>1,265</u>                           |
| <b>Amortisation</b>   |  |
| At 1 January 2022     | 1,230                                  |
| Charge for the year   | 35                                     |
| At 31 December 2022   | <u>1,265</u>                           |
| <b>Net book value</b> |  |
| At 31 December 2022   | <u><u>—</u></u>                        |
| At 31 December 2021   | <u><u>35</u></u>                       |

The intangible fixed assets recognised are in relation to the costs associated with prepaid incentive schemes from which the Company expected to derive future revenue. The intangible fixed assets were amortised evenly over their useful lives which were between 4.5 and 7 years on recognition for the costs of the initial incentive scheme and subsequent drawdowns, and became fully amortised in 2022. The estimated useful life was based on the expiry of the prepaid incentive scheme. Amortisation is included in administrative expenses in the Statement of Comprehensive Income.

## ICE Futures Europe

### Notes to the Financial Statements For the Year Ended 31 December 2022

#### 11. Tangible fixed assets

|                       | Leasehold<br>improvements<br>and office<br>equipment<br>\$000 | Computer<br>equipment<br>\$000 | Total<br>\$000 |
|-----------------------|---|--------------------------------|----------------|
| <b>Cost</b>           |   |                                |                |
| At 1 January 2022     | 25,150  | 5,479                          | 30,629         |
| Additions             | 236   | 190                            | 426            |
| Disposals             | (1)   | (2,516)                        | (2,517)        |
| At 31 December 2022   | <u>25,385</u>   | <u>3,153</u>                   | <u>28,538</u>  |
| <b>Depreciation</b>   |   |                                |                |
| At 1 January 2022     | 21,098  | 5,182                          | 26,280         |
| Charge for the year   | 1,587   | 146                            | 1,733          |
| Disposals             | (1)   | (2,516)                        | (2,517)        |
| At 31 December 2022   | <u>22,684</u>   | <u>2,812</u>                   | <u>25,496</u>  |
| <b>Net book value</b> |   |                                |                |
| At 31 December 2022   | <u>2,701</u>  | <u>341</u>                     | <u>3,042</u>   |
| At 31 December 2021   | <u>4,052</u>  | <u>297</u>                     | <u>4,349</u>   |

#### 12. Fixed asset investments

|                                | Other fixed<br>asset<br>investments<br>\$000 |
|--------------------------------|--|
| <b>Cost and net book value</b> |  |
| At 1 January 2022              | <u>32,000</u>                                |
| At 31 December 2022            | <u>32,000</u>                                |

Pursuant to the Company's ongoing agreement with ICE Clear Europe Limited for clearing services, the Company's investments relate to the purchased of \$32 million preference shares issued by a Group entity, Exchange Participations Limited. The proceeds from the preference share issuance have been contributed to ICE Clear Europe Limited which has added the amount to its own resources contribution to the guaranty fund. This reflects the alignment of risk sharing between the Company in its role as the exchange, the clearing house and its members. The amount of the minimum contribution is reassessed annually; no additional contribution is required in 2023. The investments are an integral part of the agreement with ICE Clear Europe Limited and are expected to be held without curtailment for the foreseeable future.

These amounts may be utilised under certain circumstances set out in the clearing house rules. The ICE Clear Europe Limited guaranty fund is a pool of resources established by the clearing house that provides additional cover in the event that the resources of a defaulting clearing member are insufficient to cover the cost of closing out their positions. Any amounts utilised by ICE Clear Europe Limited in accordance with clearing house rules are subject to replenishment by the Company. There have been no utilisations of these amounts since the first contribution was made.



## ICE Futures Europe

### Notes to the Financial Statements For the Year Ended 31 December 2022

The investments are held at cost less impairment as there is no reliable estimate of fair value.

The Company also owns 100% of the ordinary share capital of ICE Futures Limited, a company incorporated and registered in England and Wales. ICE Futures Limited is currently dormant.

#### 13. Debtors

|                                     | <b>2022</b>   | 2021          |
|-------------------------------------|---------------|---------------|
|                                     | <b>\$000</b>  | \$000         |
| <b>Due after more than one year</b> |               |               |
| Other debtors                       | 5,532         | —             |
| Deferred taxation (note 18)         | 4,211         | 4,519         |
|                                     | <u>9,743</u>  | <u>4,519</u>  |
|                                     | <b>2022</b>   | 2021          |
|                                     | <b>\$000</b>  | \$000         |
| <b>Due within one year</b>          |               |               |
| Amounts owed by group undertakings  | 34,344        | 28,156        |
| Other debtors                       | 1,006         | 1             |
| Prepayments and accrued income      | 28,629        | 40,320        |
| Tax recoverable                     | 1,396         | 1,055         |
|                                     | <u>65,375</u> | <u>69,532</u> |

#### 14. Cash at bank and in hand

|                          | <b>2022</b>    | 2021           |
|--------------------------|----------------|----------------|
|                          | <b>\$000</b>   | \$000          |
| Cash at bank and in hand | <u>123,400</u> | 123,343        |
|                          | <u>123,400</u> | <u>123,343</u> |

As a Recognised Investment Exchange, the Company is required by the Financial Conduct Authority to hold an amount equivalent to at least six months of operating costs in cash or cash equivalents or investments at all times.

As of 31 December 2022 the amount held and restricted by the Company in order to meet this requirement was \$100,000,000 (2021: \$100,000,000) and these amounts form part of the cash at bank and in hand balance.

## ICE Futures Europe

### Notes to the Financial Statements For the Year Ended 31 December 2022

#### 15. Creditors and other payables: Amounts falling due within one year

|                                    | <b>2022</b>   | 2021          |
|------------------------------------|---------------|---------------|
|                                    | <b>\$000</b>  | \$000         |
| Trade creditors                    | 23            | 627           |
| Amounts owed to group undertakings | 3,283         | 5,394         |
| Other taxation and social security | 2,236         | 2,427         |
| Accruals and deferred income       | 41,763        | 47,464        |
|                                    | <u>47,305</u> | <u>55,912</u> |

All creditors are unsecured. Accruals and deferred income include \$2,277,000 (2021: \$2,978,000) due under share-based payments recharge agreements.

#### 16. Creditors and other payables: Amounts falling due after more than one year

|                              | <b>2022</b>  | 2021         |
|------------------------------|--------------|--------------|
|                              | <b>\$000</b> | \$000        |
| Accruals and deferred income | 5,284        | 8,926        |
|                              | <u>5,284</u> | <u>8,926</u> |

Accruals and deferred income include \$5,064,000 (2021: \$8,299,000) due under share-based payments recharge agreements.

#### 17. Provisions

|                            | <b>Provision<br/>for<br/>dilapidation<br/>\$000</b> |
|----------------------------|---|
| At 1 January 2022          | 1,771   |
| Credited to profit or loss | (187)   |
| At 31 December 2022        | <u>1,584</u>  |

The above provision has been recognised for expected costs to remove alterations to leased premises on lease expiry in September 2024.

#### 18. Deferred taxation

|                                       | <b>2022</b>  | 2021         |
|---------------------------------------|--------------|--------------|
|                                       | <b>\$000</b> | \$000        |
| At beginning of year                  | 4,519        | 3,792        |
| (Debit)/credit to the profit and loss | (308)        | 727          |
| <b>At end of year</b>                 | <u>4,211</u> | <u>4,519</u> |

**Notes to the Financial Statements  
For the Year Ended 31 December 2022**

The deferred tax asset is made up as follows:

|                                | <b>2022</b>  | 2021  |
|--------------------------------|--------------|-------|
|                                | <b>\$000</b> | \$000 |
| Decelerated capital allowances | <b>2,741</b> | 2,991 |
| Other timing differences       | <b>1,470</b> | 1,528 |
|                                | <b>4,211</b> | 4,519 |

**19. Derivatives**

The Company did not recognise an asset or liability at 31 December 2022 (2021: none) for its forward foreign currency contracts held at fair value. During the year the Company recognised total gains in the fair value of forward foreign currency contracts of \$1,426,000 (2021: losses of \$479,000), these are included in administrative expenses in the Statement of Other Comprehensive Income.

**20. Share capital**

|  | <b>2022</b>  | 2021     |
|--|--------------|----------|
|  | <b>\$000</b> | \$000    |
| <b>Allotted, called up and fully paid</b>      |              |          |
| 101 (2021: 101) Ordinary shares of \$1.00 each | <u>—</u>     | <u>—</u> |

The Company is a private company limited by shares and incorporated under the laws of England and Wales.

**21. Dividends**

|                                  | <b>2022</b>    | 2021   |
|----------------------------------|----------------|--------|
|                                  | <b>\$000</b>   | \$000  |
| Dividends paid on equity capital | <b>178,000</b> | 90,500 |
|                                  | <b>178,000</b> | 90,500 |

**22. Pension commitments**

The Company operates money purchase pension schemes for eligible employees. The assets of the schemes are held separately from those of the Company in independently administered funds. There were no contributions outstanding at 31 December 2022 (2021: nil).

**Notes to the Financial Statements  
For the Year Ended 31 December 2022**

**23. Operating lease commitments**

At 31 December the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

|  | <b>2022</b>         | 2021          |
|--|---------------------|---------------|
|  | <b>\$000</b>        | \$000         |
| Not later than 1 year                        | <b>4,532</b>        | 5,076         |
| Later than 1 year and not later than 5 years | <b>3,363</b>        | 8,829         |
|  | <b><u>7,895</u></b> | <u>13,905</u> |

Total lease payments recognised as an expense during the year were \$4,279,000 (2021: \$4,777,000).

The Company's operating lease commitment relating to its registered office is due to expire in September 2024.

**24. Ultimate parent undertaking and controlling party**

The Company is owned by ICE Futures Holdco No. 1 Limited and ICE Futures Holdco No. 2 Limited, both companies incorporated and registered in England and Wales. ICE Futures Holdco No. 1 Limited holds substantially all of the shares of the Company, with ICE Futures Holdco No. 2 Limited holding one nominee share. The ultimate parent company and controlling entity is Intercontinental Exchange, Inc., a corporation registered in Delaware, United States.

The Company's financial statements have been included in the group financial statements of the ultimate parent company, Intercontinental Exchange, Inc.

The group financial statements of Intercontinental Exchange, Inc., may be obtained from the website [www.ice.com](http://www.ice.com).

**25. Non-adjusting post balance sheet events**

On 22 March 2023 the Company paid a dividend of \$38,000,000.

**26. Registered office**

The registered office of the Company is:

Milton Gate  
60 Chiswell Street  
London  
EC1Y 4SA  
United Kingdom