FINANCIAL STATEMENTS

ICE Clear Europe Limited
Years Ended December 31, 2023 and 2022
With Report of Independent Registered Public Accounting Firm

ICE Clear Europe Limited

Financial Statements

Years Ended December 31, 2023 and 2022

Contents

Report of Independent Auditors

To the Shareholders and the Board of Directors of ICE Clear Europe Limited

Opinion

We have audited the financial statements of ICE Clear Europe Limited (the Company), which comprise the balance sheets as of December 31, 2023 and 2022, and the related statements of comprehensive income, changes in stockholder's equity and cash flows for the years then ended, and the related notes (collectively referred to as the ¨financial statements¨).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

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 of 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 absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such

procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Ernst + Young LLP

Ernst & Young LLP

London, United Kingdom

5 March 2024

ICE Clear Europe Limited

Balance Sheets

(Dollars, In Thousands, except share data)

	December 31, 2023	December 31, 2022
Assets		
Current assets:		
Cash and cash equivalents	$ 121,829	$ 216,524
Short-term restricted cash and cash equivalents	50,000	730,000
Restricted short-term investments	680,000	—
Customer accounts receivable	189,112	136,588
Income tax receivable	—	1,126
Due from affiliates	949	5,297
Cash and cash equivalent margin deposits and guaranty funds	42,298,420	102,788,805
Invested margin deposits	229,924	2,615,854
Prepaid expenses and other current assets	126,564	143,824
Total current assets	43,696,798	106,638,018
Property and equipment, net	1,155	931
Non-current assets:		
Long-term restricted cash and cash equivalents	197,000	247,000
Deferred tax asset	1,058	898
Other non-current assets	33,993	32,596
Total non-current assets	232,051	280,494
Total assets	$ 43,930,004	$ 106,919,443
Liabilities and shareholder equity		
Current liabilities:		
Accounts payable and accrued liabilities	$ 205,846	$ 260,400
Accrued salaries and benefits	5,875	4,422
Deferred revenue	11,407	12,196
Income tax payable	8,096	—
Due to affiliates	61,187	38,946
Margin deposits and guaranty funds	42,298,420	102,788,805
Invested margin deposits	229,924	2,615,854
Total current liabilities	42,820,755	105,720,623
Total liabilities	42,820,755	105,720,623
Shareholders' equity:		
Share capital, $1 nominal value; 257,000,100 shares allotted at both December 31, 2023 and 2022	257,000	257,000
Contributed capital	9,072	9,072
Additional paid-in capital	(24,096)	(24,156)
Retained earnings	867,273	956,904
Total shareholders' equity	1,109,249	1,198,820
Total liabilities and shareholders' equity	43,930,004	106,919,443

ICE Clear Europe Limited

Statements of Comprehensive Income

(Dollars, In Thousands)

	Year ended December 31, 2023	Year ended December 31, 2022
Revenues		
Clearing fees, net	$ 1,528,817	$ 1,237,705
Affiliate revenues	135	512
Other revenues	128,650	220,150
Total revenues	1,657,602	1,458,367
Operating expenses		
Compensation and benefits	30,411	29,226
Professional services	4,830	4,462
Selling, general and administrative	45,552	43,714
Service and license fees to affiliates	271,957	235,136
Depreciation and amortisation	578	384
Total operating expenses	353,328	312,922
Operating income	1,304,274	1,145,445
Other income/(expense):		
Interest income	57,241	13,527
Interest expense	(2,054)	(2,344)
Other income/(expense), net	(4,870)	(5,498)
Total Other income, net	50,317	5,685
Income before income taxes	1,354,591	1,151,130
Income tax (expense)	(318,222)	(218,240)
Net income	$ 1,036,369	$ 932,890
Total Comprehensive Income	$ 1,036,369	$ 932,890

Changes in Shareholder's Equity

(Dollars, In Thousands)

	Share Capital	**Contributed capital**	**Additional paid-in capital**	**Retained Earnings**	**Total Shareholder Equity**
Balance at January 1, 2022	257,000	9,072	(23,034)	800,014	1,043,052
Dividends paid	—	—	—	(776,000)	(776,000)
Stock-based compensation	—	—	(1,122)	—	(1,122)
Net income	—	—	—	932,890	932,890
Balance at December 31, 2022	257,000	9,072	(24,156)	956,904	1,198,820
Dividends paid	—	—	—	(1,126,000)	(1,126,000)
Stock-based compensation	—	—	60	—	60
Net income	—	—	—	1,036,369	1,036,369
Balance at December 31, 2023	257,000	9,072	(24,096)	867,273	1,109,249

Statements of Cash Flows

(Dollars, In Thousands)

	Year ended December 31, 2023	Year ended December 31, 2022
Operating activities		
Net income	$ 1,036,369	$ 932,890
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortisation	578	384
Foreign currency remeasurement, net	4,870	5,498
Deferred taxes	(160)	(410)
Stock-based compensation	2,951	2,659
Changes in assets and liabilities:		
Customer accounts receivable	(52,524)	17,822
Prepaid expenses and other assets	7,809	(111,853)
Income tax	9,222	41
Due to affiliates, net	23,698	(5,679)
Accounts payable and accrued liabilities	(54,554)	215,820
Other current and non-current liabilities	664	(3,269)
Other non-current assets	(1,397)	(11,995)
Total adjustments	(58,843)	109,018
Net cash provided by operating activities	977,526	1,041,908
Investing activities		
Capital expenditures	(802)	(885)
Purchases of restricted short-term investments	(1,311,881)	—
Proceeds from sales of restricted short-term investments	641,332	—
Purchases of invested margin deposits	(1,587,883)	(6,934,834)
Proceeds from sales of invested margin deposits	3,973,813	7,482,911
Net cash provided by investing activities	1,714,579	547,192
Financing activities		
Dividend paid	(1,126,000)	(776,000)
Change in cash and cash equivalent margin deposits and guaranty funds	(62,876,315)	7,219,165

ICE Clear Europe Limited

Statements of Cash Flows

(Dollars, In Thousands)

	Year ended December 31, 2023	Year ended December 31, 2022
Net cash (used in)/provided by financing activities	(64,002,315)	6,443,165
Effect of exchange rate changes on cash, cash equivalents, restricted cash and cash equivalents, and cash and cash equivalent margin deposits and guaranty funds	(4,870)	(5,498)
Net (decrease)/increase in cash, cash equivalents, and restricted cash and cash equivalents, and cash and cash equivalent margin deposits and guaranty funds	(61,310,210)	8,032,265
Cash, cash equivalents, restricted cash and cash equivalents, and cash and cash equivalent margin deposits and guaranty funds at beginning of year	103,982,329	95,955,562
Cash, cash equivalents, restricted cash and cash equivalents, and cash and cash equivalent margin deposits and guaranty funds at end of year	$ 42,667,249	$ 103,982,329

Supplemental cash flow disclosure

Cash paid for income taxes	$ 308,700	$ 218,553
Interest paid	$ 61	$ 344

1. Formation, Organisation and Description of the Business

Incorporated in 2007, ICE Clear Europe Limited ('the Company' or 'Clearing House') is primarily regulated in the UK by the Bank of England ('BOE') as a Recognised Clearing House. It is also subject to regulation by: the US Commodity Futures Trading Commission ('CFTC') as a U.S. Derivatives Clearing Organization ('DCO'); the European Securities and Markets Authority ('ESMA') as a third-country central counterparty ('TCCCP') under the European Market Infrastructure Regulation ('EMIR'); the Swiss Financial Market Supervisory Authority ('FINMA') as a foreign central counterparty; and the Abu Dhabi Global Market ('ADGM') Financial Services Regulation Authority ('FSRA') as a Remote Clearing House. With effect from 9 November 2023, the Company withdrew its registration with the Securities and Exchange Commission as a Securities Clearing Agency in the United States because the Company no longer clears security-based swaps following the cessation of credit default swaps ('CDS') clearing on 27 October 2023.

The Company is a wholly-owned subsidiary of IntercontinentalExchange Holdings, whose ultimate parent and controlling entity is Intercontinental Exchange, Inc., ('ICE'), a corporation registered in Delaware, United States.

As a clearing house the Company acts as a central counterparty, or CCP, that, for its clearing members, becomes the buyer to every seller and the seller to every buyer. Through this CCP function, the clearing house provides financial security for each transaction, for the duration of the position, by limiting counterparty credit risk. The Company is responsible for providing clearing services to a number of ICE group exchanges ICE Futures Europe, ICE Futures U.S., ICE Endex and ICE Futures Abu Dhabi. Between these exchanges it clears futures and options contracts for interest rates, equity indices, energy and agricultural underlyings.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements have been prepared by us in accordance with U.S. generally accepted accounting principles, or U.S. GAAP.

Use of Estimates

Preparing financial statements in conformity with U.S. GAAP requires us to make certain estimates and assumptions that affect the amounts reported in our financial statements and accompanying disclosures. Actual amounts could differ from those estimates.

Cash and Cash Equivalents

We consider all short-term, highly liquid investments with maturities of three months or less at the time of purchase to be cash equivalents.

Short-Term and Long-Term Restricted Cash and Cash Equivalents

We classify all cash and cash equivalents that are not available for immediate or general business use by the Company as restricted in the accompanying balance sheets. This includes amounts set aside due to regulatory requirements, earmarked for specific purposes, or restricted by specific agreements.

Cash and Cash Equivalent Margin Deposits and Guaranty Fund (Cash and Cash Equivalent Margin)

Initial margin, variation margin and guaranty funds received may be in the form of cash, government obligations, European emission allowance certificates, or on rare occasions, gold. We hold the cash deposits at central banks, highly-rated financial institutions or secure the cash through reverse repurchase agreements or direct investments, certain of which are not cash equivalents. See "Credit Risk and Significant Customers", below. Although not included in short term restricted cash and cash equivalents, cash and cash equivalent margin represent a form of restricted cash, and exclude invested margin deposits, delivery contracts receivable and unsettled variation margin since those amounts represent invested cash and not a form of restricted cash.

Invested Margin Deposits

We classify all margin deposits and guaranty fund investments that are not cash and cash equivalents with original maturity dates of less than one year as short-term investments, included as invested margin deposits in current assets in the balance sheets.

Investments

We have made investments in the debt securities of other companies. We classify all other investments that are not cash equivalents with original maturity dates of less than one year as short-term investments. Short-term investments are included in other current assets in the accompanying balance sheets.

Debt securities

The Company periodically purchases debt securities including U.S. Treasury securities or other high quality sovereign debt for purposes of meeting regulatory capital requirements. These investments are classified as trading securities with changes in fair value included in interest income in the accompanying statements of comprehensive income. These short term debt securities are primarily included in restricted short-term investments in the accompanying balance sheets.

Equity Investments

For investments that we do not control and which do not have readily determinable fair market values, we apply the measurement alternative under *ASU 2016-01, Financial Instruments- Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities*. Under the measurement alternative, these investments are recorded at cost minus impairment and adjusted to fair value if and when there is an observable price change in an orderly transaction of a similar or identical investment, with any change in fair value recognized in net income.

Statements of Cash Flows Presentation

A reconciliation of the components of cash, cash equivalents, restricted cash and cash equivalents, and cash and cash equivalent margin and guaranty funds as presented in the statements of cash flows to the balance sheet is as follows:

$ in thousands	**As of December 31, 2023**	**As of December 31, 2022**
Cash and cash equivalents	121,829	216,524
Short-term restricted cash and cash equivalents	50,000	730,000
Long-term restricted cash and cash equivalents	197,000	247,000
Cash and cash equivalent margin deposits and guaranty funds	42,298,420	102,788,805
Total	42,667,249	103,982,329

Property and Equipment

Property and equipment is recorded at cost, reduced by accumulated depreciation (see Note 4). Depreciation expense related to property and equipment is computed using the straight-line method based on estimated useful lives of the assets. We review the remaining estimated useful lives of property and equipment at each balance sheet date and will make adjustments to the estimated remaining useful lives whenever events or changes in circumstances indicate that the remaining useful lives have changed. Gains on disposals are included in other income and losses on disposals are included in depreciation expense. Maintenance and repair costs are expensed as incurred.

Allowance for Doubtful Accounts

The allowance for doubtful accounts is maintained at a level that we believe to be sufficient to absorb probable losses over the expected life in our accounts receivable portfolio in accordance with *ASC 326, Financial Instruments - Credit Losses*. We estimate our allowance for doubtful accounts using an aging method, disaggregated based on major revenue stream categories as well as other unique revenue stream factors. The allowance is based on several factors, including continuous assessments of risk characteristics, specific customer events that may impact its ability to meet its financial obligations, and other reasonable and supportable economic characteristics. Accounts receivable are written-off against the allowance for doubtful accounts when collection efforts cease.

Software Development Costs

We capitalise costs related to software we develop or obtain for internal use. The costs capitalised include both internal and external direct and incremental costs. General and administrative costs related to developing or obtaining such software are expensed as incurred. Development costs incurred during the preliminary or maintenance project stages are expensed as incurred. Costs incurred during the application development stage are capitalised and amortised using the straight-line method over the useful life of the software, generally not exceeding three years. Amortisation begins only when the software becomes ready for its intended use.

Derivatives and Hedging Activity

Periodically, we may use derivative financial instruments to manage exposure to changes in currency exchange rates. All derivatives are recorded at fair value. We generally do not designate these derivatives as hedges for accounting purposes. Accordingly, changes in fair value are recognised in income. We entered into foreign currency hedging transactions during 2023 and 2022 as economic hedges to help mitigate a portion of our foreign exchange risk exposure. The gains and losses on these transactions were not material during these years.

Income Taxes

We recognise income taxes under the liability method. We recognise a current tax liability or tax asset for the estimated taxes payable or refundable on tax returns for the current year. We recognise deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the financial statement carrying amounts and the tax bases of assets and liabilities. We establish valuation allowances if we believe that it is more likely than not that some or all of our deferred tax assets will not be realised. Deferred tax assets and liabilities are measured using current enacted tax rates in effect. We do not recognise a tax benefit unless we conclude that it is more likely than not that the benefit will be sustained on audit by the taxing authority based solely on the technical merits of the associated tax position. If the recognition threshold is met, we recognise a tax benefit measured at the largest amount of the tax benefit that, in our judgment, is greater than 50 percent likely to be realised. We recognise accrued interest and penalties related to uncertain tax positions as a component of income tax expense.

Revenue Recognition

Our revenues primarily consist of revenues for transactions cleared through our clearing platform. We recognise revenue when we transfer promised goods or services to customers in an amount that reflects the consideration to which we expect to be entitled in exchange for those goods or services. We enter into contracts that can include various combinations of products and services, which are generally capable of being distinct and accounted for as separate performance obligations. We also evaluate all contracts in order to determine appropriate gross versus net revenue reporting.

Substantially all of our revenues are considered to be revenues from contracts with customers. The related accounts receivable balances are recorded in our balance sheets as customer accounts receivable. We do not have obligations for warranties, returns or refunds to customers, other than certain incentive payments, which are settled each period and therefore do not result in variable consideration. We do not have significant revenue recognised from performance obligations that were satisfied in prior periods. Certain judgments and estimates are used in the identification and timing of satisfaction of performance obligations and the related allocation of transaction price. We believe that these represent a faithful depiction of the transfer of services to our customers.

Clearing fees contain two performance obligations: (1) clearing novation and (2) risk management of open interest. While the Company allocates the transaction price between these two performance obligations, since they generally are satisfied almost simultaneously, there is no significant deferral of revenue. Deferred revenue that is recognised represents our contract liabilities related to our clearing services.

We have elected not to provide disclosures about transaction price allocated to unsatisfied performance obligations if contract durations are less than one year, or if we are not required to estimate the transaction price. In addition, we have elected the practical expedient of excluding sales taxes from transaction prices.

Clearing fees are recorded net of certain incentives and revenue share agreements of $521.4 million for the year ended December 31, 2023 and $443.9 million for the year ended December 31, 2022. We offer incentive schemes in certain markets primarily to support market liquidity and trading volume by providing qualified participants in those markets a discount to the applicable commission rate. Such amounts are calculated based on volumes traded. Clearing fees can be variable based on trade volume discounts used in the determination of incentives, however virtually all volume discounts are calculated and recorded on a monthly basis. Clearing fees, as well as any volume discounts available to our customers, are calculated and billed monthly in accordance with our published fee schedules.

We also have revenue share agreements and incentive programs in place with certain ICE Group affiliate execution venues. These are at varying rates and are determined based on revenue or volumes, subject to certain minimum requirements being met. Revenue is also stated exclusive of value added tax. Other revenues represent interest income and expense on member margin and guaranty funds. In certain revenue share arrangements with third parties the Company controls the delivered contract; in these arrangements the Company is acting as a principle and the revenue is recorded gross.

Interest on Margin Deposits and Fees Charged for Non-cash Margin

For purposes of safeguarding customer funds, guaranty fund and original margin deposits of clearing members and their customers are maintained in accounts with national banks and highly-rated financial institutions or secured through other vehicles. Interest earned on these deposits is provided back to clearing members net of certain costs and administrative fees charged and retained by the Company. The Company also charges fees for clearing members pledging non-cash margin in lieu of cash margin, and these fees are fully retained by the Company. The safeguarding of clearing member funds is considered a core part of the clearing house's operations, and therefore, the net interest and fees are included in total revenues within the accompanying statements of comprehensive income.

Affiliate Revenues and Expenses

Affiliate revenues are recognised when the related services are provided to the Company’s affiliates and performance obligations are satisfied. Affiliate expenses are recognised at the time the services are provided to the Company by its affiliates and performance obligations are satisfied (see Note 5).

Stock-based Compensation

We currently have employee and non-employee director incentive plans from which we grant stock options, restricted shares, and restricted stock units with various service, performance, and/or market conditions. An ICE Employee Stock Purchase Plan, or ESPP, also provides additional and incentive-based compensation to our employees and directors (see Note 11). Stock options and restricted stock are granted at the discretion of ICE’s Compensation Committee of the Board of Directors. We measure and recognise compensation expense for share-based payment awards, including employee stock options, restricted stock and shares purchased under the ESPP based on estimated fair values on the date of grant. The value of the portion of the award that is ultimately expected to vest is recognised as stock-based compensation expense over the requisite service period.

We use the Black-Scholes pricing model to value stock option awards as well as shares purchased as part of our ESPP. The values estimated by the model are affected by the price of our stock as well as subjective variables that include assumed interest rates, our expected dividend yield, our expected share price volatility over the term of the awards and actual and projected employee stock option exercise behavior. Under our ESPP, employees may purchase shares of our common stock at a price equal to 85% of the lesser of the fair market value of the stock on the first or the last trading day of each offering period. We record compensation expenses related to the discount given to our 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 or exercise. Any amounts paid under these agreements have been recorded as additional paid-in capital.

Credit Risk and Significant Customers

We are exposed to credit risk as a result of maintaining clearing member cash deposits at various financial institutions (see Note 13). Cash deposit accounts are established at large, highly-rated financial institutions and entered into so that they restrict the rights of offset or imposition of liens by the banks. We also limit our risk of loss by holding the majority of the cash deposits in cash accounts high quality short-term sovereign debt reverse repurchase agreements with several different counterparty banks or direct investments in short-term high quality sovereign and supranational debt issues primarily with original maturities of less than three months. While we seek to achieve a reasonable rate of return which may generate interest income for our clearing members, we are primarily concerned with preservation of capital and managing the risks associated with these deposits. As the clearing house passes on interest revenues, minus costs, to the members, this could include negative or reduced yield due to market conditions.

When engaging in reverse repurchase agreements, we take delivery of the underlying securities in custody accounts under clearing house control. Additionally, the securities purchased have a market value greater than the reverse repurchase amount. The typical haircut received for high quality sovereign debt is 2% of the reverse repurchase amount. Thus, in the event that a reverse repurchase counterparty defaults on its obligation to repurchase the underlying reverse repurchase securities, we will have possession of securities with a value potentially greater than the reverse repurchase counterparty's obligation to the clearing house.

We maintain a euro-denominated account at the European Central Bank, or ECB, the central bank of the Netherlands, as well as pounds sterling- and euro -denominated accounts at the Bank of England, or BOE, the central bank of the U.K. These accounts provide us the flexibility to place euro- and pounds sterling-denominated cash margin securely at national banks, in particular during periods when liquidity in repo markets may temporarily become contracted. Such accounts are intended to decrease our custodial, liquidity and operational risk as compared to alternative custodial and investment arrangements.

Revenue from the top two clearing members accounted for 20% and 9%, respectively, of our futures and options contracts revenue for the year ended December 31, 2023 and 18% and 11%, respectively, of the Company's futures and options contracts revenue for the year ended December 31, 2022.

Foreign Currency Exchange Rate Risk

We are exposed to foreign currency risk on a transactional basis, where receipts and payments occur in currencies other than the US Dollar, and on a remeasurement basis, whereby assets and liabilities are denominated in currencies other than the US Dollar. We manage this risk by ensuring, as far as is possible, that we hold an equal amount of monetary assets and liabilities that are denominated in currencies other than the US Dollar. In addition, we also use forward contracts on Euros and pound sterling in order to specifically manage exchange rate risk.

Interest Rate Risk

We have exposure to market risk for changes in interest rates relating to cash and cash equivalents, short-term and long-term restricted cash and cash equivalents, invested deposits, and investment balances we hold. Our cash is subject to interest rate volatility and is invested according to our operating cash requirements; it is not used for trading or other speculative purposes.

Fair Value of Financial Instruments

Fair value is the price that would be received from selling an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. Our financial instruments consist primarily of certain short-term and long-term assets and liabilities, customer accounts receivable, margin deposits and guaranty funds, and short-term and long-term debt (see Note 13).

The fair value of our financial instruments is measured based on a three-level hierarchy:

- **Level 1 inputs** — quoted prices for identical assets or liabilities in active markets.
- **Level 2 inputs** — observable inputs other than Level 1 inputs such as quoted prices for similar assets and liabilities in active markets or inputs other than quoted prices that are directly observable.
- **Level 3 inputs** — unobservable inputs supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The Company uses Level 1 inputs to determine fair value. The Level 1 assets consist of U.S. Treasury and other foreign government securities. All other financial instruments are determined to approximate carrying value due to the short period of time to their maturities. The Company did not use Level 2 or 3 inputs to determine the fair value of assets or liabilities measured at fair value on a recurring or non-recurring basis during 2023 or 2022.

Foreign Currency Transaction Gains and Losses

Our functional and reporting currency is the U.S. dollar. We have foreign currency transaction gains and losses related to the settlement of foreign currency denominated assets and liabilities that occur through our operations. The transaction gains and losses are due to the increase or decrease in the foreign currency exchange rates between periods. Forward contracts on foreign currencies can be entered into to manage the foreign currency exchange rate risk. Gains and losses from the remeasurement of the transactions denominated in foreign currency are included in other income/(expense), net in the accompanying Statements of Comprehensive Income and resulted in net losses of $4,870 thousand, and $5,498 thousand for the years ended December 31, 2023 and 2022, respectively.

Recently Adopted Accounting Pronouncements

No recently adopted accounting pronouncements have had a material impact on the financial statements.

Accounting Pronouncements Not Yet Adopted in These Financial Statements

Standard/Description	Effective Date and Adoption Considerations	Effect on Financial Statements
ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures, requires greater disaggregation of income tax disclosures related to the income tax rate reconciliation and income taxes paid. The ASU also requires disclosure of income (or loss) from continuing operations before income tax expense (or benefit) disaggregated between domestic and foreign and disclosure of income tax expense (or benefit) from continuing operations broken out between federal, state/local and foreign. This standard is effective for our annual periods beginning after December 15, 2024, with early adoption permitted. The ASU applies on a prospective basis to the annual financial statements for the periods beginning after the effective date. Retrospective application in all prior periods presented is permitted.	We do not expect to adopt this ASU early and plan to adopt the ASU for our 2025 annual financial statements.	We are currently evaluating the impact of adopting this ASU on our income taxes disclosures.

3. Restricted Cash, Cash equivalents, and Investments

Short-term restricted cash and investments

The Company operates as a U.K. Recognised Clearing House and as such is required by the BOE and the European Market Infrastructure Regulation, or EMIR, to restrict as cash, cash equivalents or investments in an amount to reflect an estimate of the capital required to wind down or restructure the activities of the clearing house, cover operational, legal and business risks and to reserve capital to meet credit, counterparty and market risks not covered by the members' margin and guaranty funds. As such, it is calculated taking into account the operating expenditures, revenues and credit exposures associated with the assets and investments. $680 million is included in restricted short-term investments at December 31, 2023, and $50 million and $730 million is included in short-term restricted cash and cash equivalents held for these purposes at December 31, 2023 and 2022, respectively. In addition to being regulated by the BOE, the Company is also regulated by the CFTC, as a U.S. Derivatives Clearing Organization, or DCO and by ESMA as a TCCCP. The regulatory capital available, as described above, exceeds the CFTC requirements.

Long-term restricted cash

We have contributed our own capital to the guaranty fund that could be used if a defaulting member's initial margin and guaranty fund deposits are insufficient. Such amounts are recorded as long-term restricted cash and cash equivalents in our balance sheets. The Company has contributed cash of $197 million as part of its futures and options guaranty fund. See Note 6 for additional information on the guaranty fund.

4. Property and Equipment

Property and equipment consisted of the following as of December 31, 2023 and December 31, 2022:

	December 31, 2023	**Depreciation Period**
	(In Thousands)	*(In Years)*
Software and internally developed software	$ 3,539	3
Computer and network equipment	16	3
	3,555	
Less accumulated depreciation	(2,400)	
Property and equipment, net	$ 1,155	

For the year ended December 31, 2023, accumulated depreciation of software and internally developed software was $2.4 million, and accumulated depreciation of all other property and equipment was $16 thousand.

	December 31, 2022	Depreciation Period
	(In Thousands)	*(In Years)*
Software and internally developed software	$ 2,753	3
Computer and network equipment	105	3
	2,858	
Less accumulated depreciation	(1,927)	
Property and equipment, net	$ 931	

For the year ended December 31, 2022, accumulated depreciation of software and internally developed software was $1.8 million, and accumulated depreciation of all other property and equipment was $105 thousand.

5. Related-Party Transactions

We have entered into agreements with ICE and other affiliates which are wholly owned subsidiaries of ICE to support the operations of the Company. These subsidiaries of ICE may make payments to vendors on behalf of us and we may also make payments to vendors on behalf of these subsidiaries.

ICE and the other subsidiaries of ICE make various charges to the Company. These include, but are not limited to charges for clearing and settlement services, ancillary technology licenses, trade repository fees and various management and other administrative service charges. During the years ended December 31, 2023 and 2022, the Company has recorded $272.0 million and $235.1 million, respectively, for these affiliate charges. These affiliates include, but are not limited to: Intercontinental Exchange Holdings, Inc., ICE Futures Europe and ICE Futures U.S., Inc.

At December 31, 2023 and 2022, the Company owed its affiliates $61.2 million and $38.9 million, respectively, in relation to these agreements and other intergroup transactions arising in the normal course of business. The Company settles these balances on a regular basis, which is normally monthly.

Transaction fees for contracts executed on the ICE Group affiliate trading platforms of ICE Futures Europe, ICE Futures U.S., Inc., ICE Endex and ICE Futures Abu Dhabi are cleared and collected through the Company and remitted to these entities.

The Company paid dividends to its immediate parent company, IntercontinentalExchange Holdings, for the years ended December 31, 2023 and 2022 of $1,126 million and $776 million respectively. For details regarding the Company share-based award schemes see Notes 2 & 11.

The Company also makes certain payments, including incentives payments, to its affiliate exchanges and trading venues for contracts executed thereon and submitted for clearing by the Company. The payments totaled $412.3 million and $357.5 million for the years ended December 31, 2023 and December 31, 2022, respectively, and such expense is recorded net in Clearing fee revenue in the accompanying Statements of Comprehensive Income.

6. Clearing House Operations

As a clearing house the Company acts as a central counterparty that becomes the buyer to every seller and the seller to every buyer for its clearing members. Through this central counterparty function the Company provides financial security for each transaction for the duration of the position by limiting counterparty credit risk. The Company clears for ICE Group exchanges ICE Futures Europe, ICE Futures U.S., ICE Endex and ICE Futures Abu Dhabi. Between these exchanges it clears Energy, agricultural, interest rates and equity index futures and options contracts and European CDS instruments that are predominantly OTC.

The credit and performance assurance provided by the Company to clearing members is designed to substantially reduce counterparty risk and is a critical component of the Company's contribution to providing a reliable and secure marketplace for global transactions. The clearing house is designed to protect the financial integrity of its markets by maintaining strong governance and rules, managing collateral, facilitating payments and collections, enhancing capital efficiency and limiting counterparty credit risk. The Company has a risk management program with both initial and ongoing membership standards.

Initial & Variation Margin

The Clearing House requires members to deposit cash or non-cash collateral via certain pledged assets. The collateral deposits are known as “initial margin”. In addition, the Clearing House may make intraday initial margin calls in circumstances where market conditions require additional protection. The daily profits and losses due to the marking-to-market of open contracts is known as “variation margin.” The Clearing House marks all outstanding contracts to market, and therefore pays and collects variation margin, at least once daily.

The amounts that members are required to maintain are determined by proprietary risk models established by the Clearing House and are reviewed by the relevant regulators, independent model validators, risk committees and the board of directors. The amounts required may fluctuate over time. The Company is a separate legal entity within the ICE Group and is not subject to the liabilities of the other clearing houses within the Group, or the obligations of their members.

Should a particular clearing member fail to pay its initial margin or fail to make a variation margin payment, when and as required, the Clearing House may liquidate or hedge the defaulting member's open positions and use their initial margin and guaranty fund deposits to pay any amount owed. In the event that the defaulting member's deposits are not sufficient to pay the amount owed in full, the Clearing House will first use its contribution to the guaranty fund, often referred to as Skin In The Game, or SITG, to pay any remaining amount owed. In the event that the SITG is not sufficient, the Clearing House may utilise the respective guaranty fund deposits and default insurance, or collect limited additional funds from their respective non-defaulting members on a pro-rata basis, to pay any remaining amount owed.

Guaranty Funds & ICE Contribution

As described above, mechanisms have been created, called guaranty funds, to provide partial protection in the event of a member default. We require that each clearing member make contributions to the guaranty fund. The amounts in the guaranty fund will serve to secure the obligations of a clearing member to the Company and may be used to cover losses in excess of the margin and clearing firm accounts sustained by the Company in the event of a default of a clearing member. In addition, we have contributed our own capital that could be used if a defaulting member's initial margin and guaranty fund deposits are insufficient. Such amounts are recorded as long-term restricted cash and cash equivalents in our balance sheets.

The Company has contributed $197 million and $247 million at December 31, 2023 and 2022, respectively, to its guaranty fund including exchange contributions of $72 million at both December 31, 2023 and 2022 in total arising from clearing services agreements with Group exchanges ICE Futures Europe, ICE Futures U.S., ICE Endex and ICE Futures Abu Dhabi. Such amounts are at risk and could be used in the event of a clearing member default where the amount of the defaulting clearing member's initial margin and guaranty fund contributions are insufficient. Included in the total contribution to the Company as of 31 December 2022, was a $50 million guaranty fund contribution related to CDS clearing. This requirement was removed when CDS clearing ceased at the Company in October 2023, after which the contributions solely relate to the futures and options guaranty fund.

The exchange contributions would be utilised pro rata along with the other contributions in the event of default and are subject to a minimum of $10 million and based on average clearing member futures and options guaranty fund contributions and are re-assessed at least annually.

We also maintain default insurance as an additional layer of clearing member default protection. The default insurance was renewed in September 2022 and has a three-year term for $100 million. The default insurance layer resides after and in addition to the Company's SITG contributions and before the guaranty fund contributions of the non-defaulting members.

Similar to SITG, the default insurance layer is not intended to replace or reduce the position risk-based amount of the guaranty fund. As a result, the default insurance layer is not a factor that is included in the calculation of the members' guaranty fund contribution requirement. Instead, it serves as an additional, distinct, and separate default resource that should serve to further protect the non-defaulting members' guaranty fund contributions from being mutualised in the event of a default.

Cash and Invested Margin deposits

The Company has recorded cash and invested margin deposits and amounts due as current assets with corresponding current liabilities to the clearing members.

At December 31, 2023 and 2022, the total amount of cash and invested deposits held in respect of margin was $40.2 billion, respectively, and in respect of the guaranty funds was $2.4 billion and $4.2 billion, respectively.

Our cash and invested margin and guaranty fund deposits are maintained in accounts with central banks and highly-rated financial institutions or secured through direct investments, primarily in U.S. Treasury and other highly-rated government securities or reverse repurchase agreements with primarily overnight maturities. We primarily use Level 1 inputs when evaluating the fair value of the non-cash equivalent direct investments, as highly-rated government securities are quoted in active markets. The carrying value of these deposits are deemed to approximate fair value. Cash held of $3.7 billion and $19.9 billion and invested deposits of $0.2 billion and $2.6 billion at December 31, 2023 and 2022, respectively is secured through direct investments in sovereign debt. Cash held of $32.7 billion and $65.4 billion at December 31, 2023 and 2022, respectively is secured in reverse repurchase agreements with primarily overnight maturities. Cash held of $40.0 million and $152.9 million at December 31, 2023 and 2022, respectively is held in demand deposits.

The Company maintains a euro-denominated account at the European Central Bank, or ECB, as well as pounds sterling- and euro-denominated accounts at the BOE, the central bank of the U.K. These accounts provide the flexibility for the Company to place euro- and pounds sterling-denominated cash margin securely at national banks, in particular during periods when liquidity in repo markets may temporarily become contracted. The Company held the equivalent of $12.2 million and $12.5 billion at the ECB at December 31, 2023 and 2022, respectively, and $5.8 billion and $4.9 billion at the BOE at December 31, 2023 and 2022, respectively. Such accounts are intended to decrease the Company's custodial, liquidity and operational risk as compared to alternative custodial and investment arrangements.

The Company has entered into Committed Repurchase Agreement Facilities, or Committed Repos, to provide a tool to address the liquidity needs of the Company and manage the liquidation of margin and guaranty fund contributions held in the form of cash and high quality sovereign debt. As of December 31, 2023 the Company had $1.0 billion in Committed Repos to finance U.S. dollar, euro and pound Sterling sovereign debt deposits (2022: $1.0 billion).

Other Deposits

Non-cash initial margin and guaranty fund deposits are not reflected in the accompanying balance sheets as the risks and rewards of these assets remain with the clearing members unless the Clearing House has sold or re-pledged the assets or in the event of a clearing member default, where the clearing member is no longer entitled to redeem the assets. Any income, gain or loss accrues to the clearing members.

In addition to the cash deposits above, we have also received other assets from members, which include government obligations, and may include other non-cash collateral such as European emission allowance certificates, on rare occasions gold, to mitigate credit risk. For certain deposits, we may impose discount or "haircut" rates to ensure adequate collateral if market values fluctuate. The value-related risks and rewards of these assets remain with the members. Any gain or loss accrues to the member. The Clearing House does not, in the ordinary course, rehypothecate or re-pledge these assets. These assets are not reflected in our balance sheets.

The total net amount of non-cash collateral in the form of government securities at face value held in respect of initial margin was $45.7 billion and $75.0 billion at December 31, 2023 and 2022, respectively, and in respect of the guaranty funds was $764.8 million and $640.8 million at December 31, 2023 and 2022, respectively. The total amount of non-cash collateral held in the form of emissions certificates at fair value in respect of initial margin was $904 million at December 31, 2023.

7. Clearing House Exposure

The Company bears financial counterparty credit risk and provides a central counterparty guarantee, or performance guarantee, to its clearing members or participants. In its guarantor role, the Company has equal and offsetting claims to and from members on opposite sides of each contract, standing as an intermediary on every contract cleared. To reduce exposure, the Company has a risk management program with both initial and ongoing membership standards and marks all outstanding contracts to market and pays and collects variation margin, at least once daily.

Excluding the effects of initial and variation margin, guaranty fund and collateral requirements and default insurance, the Company's maximum estimated exposure for this guarantee would be the intra-day or full day change in fair value if all members who have open positions with unrealised losses simultaneously defaulted which is an extremely unlikely scenario. The levels of initial margin are calibrated such that a portfolio the clearing house may be required to liquidate post clearing member default can be closed or auctioned without recourse to resources other than those deposited by the defaulting clearing member, assuming an appropriate risk confidence level and liquidation period. In addition to the base margin model, the Company is able to employ a number of margin add-ons related to position concentration, clearing member capital, volatility, spread responses, recovery rate sensitivity, jump-to-default, and wrong way risk.

Calculations were performed to determine the fair value of the company's counterparty performance guarantee taking into consideration factors such as daily settlement of contracts, margining and collateral requirements, other elements of the Company's risk management program, historical evidence of default payments, and estimated probability of potential default payouts. Based on these analyses, the estimated counterparty performance guaranty liability was determined to be nominal and no liability was recorded as of December 31, 2023 or 2022. The Company has not experienced an incident of a clearing member default which has required the use of the guaranty funds of non-defaulting clearing members or the assets of the Company.

8. Commitments and Contingencies

In the ordinary course of our business, from time to time we are subject to legal proceedings, lawsuits, government investigations and other claims with respect to a variety of matters. In addition, we are subject to periodic reviews, inspections, examinations and investigations by regulators, any of which may result in claims, legal proceedings, assessments, fines, penalties, restrictions on our business or other sanctions. We record estimated expenses and reserves for legal or regulatory matters or other claims when these matters present loss contingencies that are probable and the related amount is reasonably estimable. Any such accruals may be adjusted as circumstances change. Assessments of losses are inherently subjective and involve unpredictable factors. While the outcome of legal and regulatory matters is inherently difficult to predict and/or the range of loss often cannot be reasonably estimable, we do not believe that the liabilities, if any, which may ultimately result from the resolution of the various legal and regulatory matters that arise in the ordinary course of our business, including the matters described below, are likely to have a material adverse effect on our financial condition, results of operations, or liquidity. It is possible, however, that future results of operations for any particular period could be materially and adversely affected by any developments relating to these legal and regulatory matters. The Company does not have any ongoing material lease commitments.

9. Income Taxes

Income taxes reflected in the accompanying financial statements are calculated on the basis that the Company files its own income tax return and are accounted for under the liability method.

For the years ended December 31, 2023 and 2022, the current tax expense recognised in the Statements of Comprehensive Income was $318.4 million and $218.7 million, respectively.

For the years ended December 31, 2023 and 2022, the deferred tax credit recognised in the Statements of Comprehensive Income was $160 thousand and $410 thousand, respectively.

The tax effects of temporary differences between the carrying amounts of assets and liabilities in the financial statements and their respective tax bases which give rise to deferred tax liabilities or assets as of December 31, 2023 and 2022 are as follows (in thousands):

	December 31, 2023	December 31, 2022
Deferred Tax Assets:		
Other deferred assets including Stock-based Compensation	$1,126	$848
Property and Equipment	($68)	$50
Total Deferred Tax Assets	$1,058	$898
Valuation Allowances	—	—
Total Deferred Tax Assets, net of Valuation Allowances	$1,058	$898
Deferred Tax Liabilities:		
Total Deferred Tax Liabilities	—	—
Net Deferred Tax Asset	$1,058	$898
Reported as:		
Net Noncurrent Deferred Tax asset	$1,058	$898
Net Deferred Tax Asset	$1,058	$898

The Company does not recognise a tax benefit unless it concludes that it is more likely than not that the benefit will be sustained on audit by the taxing authority based solely on the technical merits of the associated tax position. If the recognition threshold is met, the Company recognises a tax benefit measured at the largest amount of the tax benefit that, in its judgment, is greater than 50 percent likely to be realised.

For the year ended December 31, 2023, the Company had no unrecognised tax benefits. Based on an evaluation of these requirements, no provisions for uncertain tax positions have been made. The Company's effective tax rate for the year ended December 31, 2023 is 23.5%, changed from 19% for the year ended December 31, 2022.

10. Investments

The Company has a 50% interest in ICE Clear EU CDS LLP. ICE Clear EU CDS LLP was incorporated on December 20, 2010 and is currently dormant. The investment has no cost and IntercontinentalExchange Holdings, a fellow subsidiary, holds the remaining 50% interest.

11. Share-Based Compensation

ICE sponsors employee restricted stock plans and an employee stock purchase plan for the Company. The non-cash compensation expense for restricted stock and the employee stock purchase plan was $2,951 thousand in 2023 (2022: $2,659 thousand) and was recognised in the accompanying Statements of Comprehensive Income.

Restricted stock plans

Restricted shares are used as an incentive to attract and retain qualified employees and to align our and our stockholders' interests by linking actual performance to both short and long-term stockholder return as well as retention objectives. The grant date fair value of each award is based on the closing stock price of ICE stock at the date of grant.

Granted but unvested shares are generally forfeited upon termination of employment, whereby compensation costs previously recognised for unvested shares are reversed. Until the shares vest and are issued, participants have no voting or dividend rights and the shares may not be sold, assigned, transferred, pledged or otherwise encumbered. Unvested restricted stock earns dividend equivalents which are paid in cash on the vesting date.

The grant date fair value of time-based restricted stock units is recognised as expense ratably over the vesting period, which is typically three or four years, net of forfeitures. The equity plans include a change in control provision that may accelerate vesting on both the time-based and performance-based restricted shares if the awards are not assumed by an acquirer in the case of a change in control.

For awards with performance conditions, we recognise compensation costs, net of forfeitures, using an accelerated attribution method over the vesting period. Compensation costs are recognised only if it is probable that the performance condition will be satisfied. If we initially determine that it is not probable of being satisfied and later determine that it is, or vice versa, a cumulative catch-up adjustment is retroactively recorded in the period of change based on the new estimate. We recognise the remaining compensation costs over the remaining vesting period.

For awards with a market condition, fair value is estimated based on a simulation of various outcomes and includes inputs such as ICE stock price on the grant date, the valuation of historical awards with market conditions, the probability that the market condition will affect the number of shares granted (as the market condition only affects shares granted in excess of certain financial performance targets), and our expectation of achieving the financial performance targets.

A reconciliation of restricted share movements over the year to December 31, 2023 and 2022 is shown below:

	2023	**2023**	**2022**	**2022**
	Number of shares	**Weighted average fair value**	**Number of shares**	**Weighted average fair value**
Outstanding at 1 January	50,243	$115.88	57,222	$103.27
Granted	32,031	$107.96	31,685	$121.97
Transfers	(4,098)	$124.27	1,653	$84.79
Performance grant adjustments	(154)	$129.76	1,072	$114.19
Forfeited	(1,936)	$116.36	(8,569)	$108.65
Vested	(26,861)	$109.32	(32,820)	$100.04
Outstanding at 31 December	49,225	$114.37	50,243	$115.88

Restricted stock shares granted in the table above include both time-based and performance-based grants. Performance-based stock awarded in prior years has been adjusted to reflect the actual stock to be issued based on the achievement of past performance targets, also considering the impact of any market conditions. The fair value per restricted share granted is the market value of the share on the date of grant. The weighted average share price during the period for restricted stock vested over the year was $109.08 (2022: $118.85). The total charge for the year relating to restricted stock under the employee share-based payment plans was $2,801 thousand (2022: $2,513 thousand).

Employee Stock Purchase Plan

The Company's employees are offered participation in the Group ESPP, under which ICE has reserved and may sell up to 25 million shares of its common stock to employees. The ESPP grants participating employees the right to acquire ICE stock in increments of 1% of eligible pay, with a maximum contribution of 25% of eligible pay. Under the ESPP, participating employees are limited to $25,000 of common stock annually, and a maximum of 1,250 shares of common stock each offering period. There are two offering periods each year, from January 1st (or the first trading day thereafter) through June 30th (or the last trading day prior to such date) and from July 1st (or the first trading day thereafter) through December 31st (or the last trading day prior to such date). The purchase price per share of common stock is 85% of the lesser of the fair market value of the stock on the first or the last trading day of each offering period. We recorded compensation expenses of $150 thousand and $146 thousand during 2023 and 2022, respectively, related to the 15% discount given to our participating employees.

12. Pension commitments

The Company operates money purchase pension schemes (defined contribution 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 December 31, 2023 or 2022. Defined pension contributions were $1.2 million for the year ended December 31, 2023 (2022: $1.2 million).

13. Fair Value Measurements

Financial assets and liabilities recorded or disclosed at fair value in the accompanying balance sheets as of December 31, 2023 and 2022 are classified in their entirety based on the lowest level of input that is significant to the asset or liability's fair value measurement.

Our financial instruments consist primarily of cash and cash equivalents, short-term and long-term restricted cash and investments, customer accounts receivable, margin and guaranty fund contributions, invested margin deposits and certain other short-term assets and liabilities. See Note 6 for the fair value considerations related to our margin deposits and guaranty funds.

Financial instruments measured at fair value on a recurring basis as of December 31, 2023 are as follows (in millions):

	Level 1	Level 2	Level 3	Total
Assets at fair value:				
U.S. Treasury and Other Foreign Government Securities	932	—	—	932
Total assets at fair value	932	—	—	932

Financial instruments measured at fair value on a recurring basis as of December 31, 2022 are as follows (in millions):

	Level 1	Level 2	Level 3	Total
Assets at fair value:				
U.S. Treasury and Other Foreign Government Securities	980	—	—	980
Total assets at fair value	980	—	—	980

As of December 31, 2023, the Company held $932 million in U.S. Treasury and other foreign government securities which are considered cash equivalents. Of these securities, $50 million were recorded as short-term restricted cash and cash equivalents, $680 million were recorded as restricted short-term investments, $5 million were recorded as cash and cash equivalents and $197 million were recorded as long-term restricted cash and cash equivalents in the accompanying balance sheets as of December 31, 2023.

As of December 31, 2022, the Company held $980 million in U.S. Treasury and other foreign government securities which are considered cash equivalents. Of these securities, $730 million were recorded as short-term restricted cash and cash equivalents, $3 million were recorded as cash and cash equivalents and $247 million were recorded as long-term restricted cash and cash equivalents in the accompanying balance sheets as of December 31, 2022.

The Company accounts for the U.S. Treasury and other foreign government securities held using the available-for-sale method. All of the U.S. Treasury and other foreign government securities recorded as cash and cash equivalents have original maturities of three months or less.

14. Subsequent Events

The Company has evaluated subsequent events through March 04, 2024, the date of issuance of the financial statements and determined that no events or transactions met the definition of a subsequent event for purposes of recognition or disclosure in the accompanying financial statements.