

Registered number
51976196

ICE Clear Netherlands B.V.
Annual Report

31 December 2023

ICE Clear Netherlands B.V.
Report and financial statements
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ICE Clear Netherlands B.V.
Report and financial statements
Company Information

Chair

P. Swann

Executive Directors

E. Bons

P. Röling

Non-Executive Directors

H. Brouwer

E. K. King

M. Post

Company Secretary

Ji A Lee

Company number

51976196

Registered office

Hoogoorddreef 5

1101 BA

Amsterdam

Auditors

EY Accountants B.V.

ICE Clear Netherlands B.V.

Registered number: 51976196

Directors' report

The directors present the director's report and audited financial statements for ICE Clear Netherlands B.V. ('the Company' or 'ICNL') for the year ended 31 December 2023.

Principal activities and objective

The Company's ultimate parent is Intercontinental Exchange, Inc. ('ICE'), a corporation registered in Delaware, United States. Related companies in these financial statements refer to members of the ultimate parent company's group of companies (the 'Group'). The Company is regulated and supervised in the Netherlands by the Authority for the Financial Markets ('AFM') and the Dutch Central Bank ('DNB') and is authorised as a Central Counterparty ('CCP') under the European Market Infrastructure Regulation ('EMIR').

Financial results and review of the business

The Company made a loss before tax of €2,658,000 for the year ended 31 December 2023 (2022: €2,923,000) generating revenue and other operating income of €180,000 (2022: €52,000). No dividends were declared in the General Meeting of Shareholders or paid during the year (2022:€nil).

Highlights 2023

In July 2018 the Company received regulatory authorisation to clear equity and index derivatives traded on ICE Endex Markets B.V. ('ICE Endex'), an ICE Group Regulated Market operating in the Netherlands. Since December 2018 the Company has provided clearing services for equity and index derivatives traded on ICE Endex, an ICE Group exchange also based in the Netherlands. The Company provides clearing services for trades executed on the Central Limit Orderbook and Block Trade segment of ICE Endex. During the year and to date, the Company has only cleared trades executed on the Block Trade Segment, and no trades have been executed on the Central Limit Orderbook.

The Company remains active and licensed as a CCP under EMIR.

Strategy and forecast for 2024 and beyond

In 2024 and beyond, the Company plans to provide further clearing services for equity and index derivatives traded on ICE Endex. These clearing services will be provided for trades executed on the Block Trade segment of ICE Endex. It is the intention of the Company to provide future clearing services for a range of products for hedging, investing and trading with the clearing services built on a foundation of strong governance, proven risk frameworks and capital. The Company directors believe that the Company's clearing services bring additional transparency, discipline and security to the European marketplace.

The Company will continue to work with other ICE Group entities, Clearing Members, Clients and Regulatory Authorities to prepare for a potential transfer of services from the U.K. to the Company as a result of Brexit or other economic, regulatory or geopolitical events.

Regulatory and EMIR

The Company is EMIR authorised to deliver clearing services for equity and index derivative markets traded on Multilateral Trading Facilities ('MTF') and/or Regulated Markets ('RMs') in accordance with the Markets in Financial Instruments Directive (2014/65/EU).

Since becoming EMIR authorised in 2014, the Company has complied with the annual obligation to be re-assessed by the regulatory authorities regarding its EMIR authorisation each year. The Company prepares and publishes its self-assessment based on the PFMI Disclosure Framework of CPMI IOSCO annually.

Brexit

The U.K. left the EU on 31 January 2020 on the basis of the Withdrawal Agreement and the associated Political Declaration, commonly known as 'Brexit'. The future relationship for Financial Services between the U.K. and the EU remains uncertain, as the U.K. and the EU work through time to negotiate the details thereof. On 8 February 2022 the European Commission adopted a decision to extend temporary equivalence for UK CCPs until 30 June 2025. This followed the previous 18-month temporary equivalence decision, which began to apply as of 1 January 2021. This temporary equivalence regime for U.K. CCPs is put in place to make sure there was no cliff edge effect, with the intention that the time is used by the market to allow for a controlled transition of any Euro denominated products from the U.K. to the EU if required. And vice versa, there is a Temporary Recognition Regime in place for non-U.K. CCPs until 31 December 2025 which is applicable to the Company. Under the TRR the Company is

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Directors' report

permitted to provide clearing services in the U.K. for equity and index derivatives during its application for a U.K. CCP license. In December 2023 the Company was granted permanent settlement finality designation under the U.K. Settlement Finality Regulations.

If there is no extension of the current temporary equivalence determination, it would be unlawful for the ICE Group company U.K. based CCP, ICE Clear Europe Limited, to continue to provide clearing services to EU27 Clearing Members and regulated markets and vice versa ICNL in the U.K. to U.K. based Clearing Members and regulated markets. The overall impact of this outcome, or other outcomes, to the ICE Group and Company remains uncertain at this time. The impact is being monitored, and a Group wide scenario analysis has been performed and detailed contingency plans have been developed. This will allow the Company to timely address potential implications to its business.

Risk management

The Company employs its own risk management group for its activities. The activities are organized in a "Three-Lines-of-Defence" model. A distinction is made in this model between the First Line functions (business and operations) that directly own and manage risk, versus the Second Line functions (Enterprise Risk Management, Legal & Compliance, and others) that oversee and challenge the First Line. The Third Line (Internal Audit) provides independent assurance of the functions of the First and Second Lines.

Audits are regularly performed on the Company's core processes as well on ICE intra-group services delivered to it. Business risks are evaluated regularly as well, applying a common methodology from the wider ICE Group. In parallel, the Company has its own compliance function to ensure that it meets its own regulatory and legal obligations at all times.

The Company has a policy framework for its internal control processes and this framework reflects the extremely low appetite the Company has for operational risk and errors. The management team meets on frequent basis to discuss operational risk, the mitigations in place and to consider potential improvements to the control environment. In 2023, the highest inherent risks to the Company as established by the ICE Group were considered to be from Cyber risk, specifically, Economic Sabotage (Destructive attacks to undermine confidence in financial markets) and Asset Theft (Cyber enabled theft of cash/securities collateral assets). These risks are monitored (amongst others) on a continuous basis and mitigated through several control measures by the ICE Group as well as by several Committees within the governance structure of the Company. The manifestation of risks of this nature could potentially have a significant negative impact on Company profits and its reputation. The Company has dedicated resources focused on addressing these risks. The Company continues to develop its risk management program in line with the ICE Group strategy.

Further details of risk management objectives and policies have been disclosed in the notes to the financial statements and can be found in note 21.

Global market conditions

The Company is affected by global economic conditions, including macroeconomic conditions and geopolitical events or conflicts. Since 2022, macroeconomic conditions, including interest rates volatility, inflation and significant market volatility, along with geopolitical concerns, including the military conflicts in Ukraine, Israel and Gaza, have created ongoing uncertainty and volatility in the global economy and resulted in a dynamic operating environment, and these impacts may continue in 2024. From an operational perspective these events have not resulted in a negative impact on the Company.

The Company expects the macro environment to remain dynamic in the near-term, and continues to monitor macroeconomic conditions, including interest rates, the inflationary environment, any potential impact of the MCM regulation, geopolitical events and military conflicts, including repercussions from the conflicts in Ukraine, Israel and Gaza and the impact that any of the foregoing may have on the global economy and on our business.

Going concern

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. In reaching this determination they have considered the cash flows and capital resources of the Company alongside the events and topics discussed above. Thus, the Directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

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Directors' report

Outlook

The Directors do not foresee any change in the Company's principal activities in the near future.

Corporate social responsibility

All statutory directors have the skills, qualifications, experience and expertise that are essential to meet their responsibilities and obligations. The Company will continue to strive for an adequate and balanced board composition in future appointments, by taking in to account all relevant selection criteria including but not limited to gender balance, executive experience.

The average number of employees during 2023 was 10. The Company is committed to providing a comprehensive and competitive benefits package to ensure employees' health, well-being and financial security for all employees including executive directors. All employees of the Company are subject to the code of conduct of ICE.

Post balance sheet events

On 16 April 2024 the Company's immediate parent company, IntercontinentalExchange Holdings, made a capital contribution to the Company, resulting in an increase in share premium of €5,000,000.

Directors

The executive directors of the Company who served during the year and up to the date of authorisation of these financial statements are as follows:

J. Beckers (resigned 1 March 2024)

E. Bons

P. Röling (appointed 26 March 2024)

This report was approved by the board on 24 July 2024.

Chair and Non-Executive Director

P. Swann

Executive Director and President & COO

E. Bons

Executive Director and CRO

P. Röling

Non-Executive Director

H. Brouwer

Non-Executive Director

E. K. King

Non-Executive Director

M. Post

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Statement of comprehensive income
for the year ended 31 December 2023

	Note	2023 €'000	2022 €'000
Continuing operations			
Revenue	2	180	52
Operating expenses	3	(3,066)	(2,908)
Operating loss		<u>(2,886)</u>	<u>(2,856)</u>
Interest income	4	242	—
Finance costs	5	(14)	(67)
Loss before tax		<u>(2,658)</u>	<u>(2,923)</u>
Income tax expense	8	—	—
Loss for the year		<u>(2,658)</u>	<u>(2,923)</u>
Other comprehensive income		—	—
Total comprehensive income for the year		<u>(2,658)</u>	<u>(2,923)</u>
Attributable to:			
Equity holders of the parent company		<u>(2,658)</u>	<u>(2,923)</u>

The results are derived from continuing operations.

See accompanying notes to the financial statements.

ICE Clear Netherlands B.V.
Statement of financial position
as at 31 December 2023

	Note	2023		2022	
		€'000	€'000	€'000	€'000
Non-current assets					
Property, plant and equipment	9	—	—	95	95
Current assets					
Trade and other receivables	10	109		97	
Member balances: cash relating to margin and guaranty fund contributions	11	3,000		3,000	
Guaranty fund: own contribution	12	1,875		1,875	
Guaranty fund: second own contribution	13	222		—	
Cash and cash equivalents	14	11,197		13,923	
			16,403		18,895
Total assets			<u>16,403</u>		<u>18,990</u>
Current liabilities					
Member balances: cash relating to margin and guaranty fund contributions	11	3,000		3,000	
Trade and other payables	15	726		752	
Current lease liabilities	16	—		98	
			3,726		3,850
Total liabilities			<u>3,726</u>		<u>3,850</u>
Equity					
Issued capital	19		7,000		7,000
Share premium	20		26,811		26,811
Retained earnings			(21,134)		(18,671)
Equity attributable to equity holders of the parent			<u>12,677</u>		<u>15,140</u>
Total equity and liabilities			<u>16,403</u>		<u>18,990</u>

The results are stated after profit appropriation.

See accompanying notes to the financial statements.

ICE Clear Netherlands B.V.
Statement of changes in equity for
the year ended 31 December 2023

	Issued capital €'000	Share premium* €'000	Company contribution s to guaranty fund** €'000	Share- based payments €'000	Retained earnings*** €'000	Total €'000
Balance as at 1 January 2022	7,000	19,936	1,875	964	(16,898)	12,877
Increase in share premium	—	5,000	—	—	—	5,000
Effect of capital contributions relating to IFRS 2 share-based payments	—	—	—	186	—	186
Loss for the year	—	—	—	—	(2,923)	(2,923)
Balance as at 31 December 2022	7,000	24,936	1,875	1,150	(19,821)	15,140
Effect of capital contributions relating to IFRS 2 share-based payments	—	—	—	195	—	195
Guaranty fund: second own contribution	—	(222)	222	—	—	—
Loss for the year	—	—	—	—	(2,658)	(2,658)
Balance as at 31 December 2023	<u>7,000</u>	<u>24,714</u>	<u>2,097</u>	<u>1,345</u>	<u>(22,479)</u>	<u>12,677</u>

* Share premium before Company contribution to guaranty funds, see note 20 for details.

** Share premium.

*** Retained earnings before share-based payments.

See accompanying notes to the financial statements.

ICE Clear Netherlands B.V.
Cash flow statement
for the year ended 31 December 2023

	Note	2023 €'000	€'000	2022 €'000	€'000
Operating activities					
Loss before tax			(2,658)		(2,923)
<i>Adjustments to reconcile profit before tax to net cash flow:</i>					
Depreciation	9	92		100	
Loss on disposal of property, plant and equipment	9	3		—	
Finance costs	5	14		67	
Interest income	4	(242)		—	
Equity-settled share-based payments		195		186	
<i>Working capital adjustments:</i>					
Increase in trade and other receivables		(12)		(83)	
(Decrease)/increase in trade and other payables		(26)		73	
Increase in guaranty fund: second contribution		(222)		—	
		<u>(198)</u>		<u>—</u>	<u>343</u>
Net cash flow from operating activities			(2,856)		(2,580)
Investing activities					
Purchase of property, plant and equipment	9	—		(5)	
Interest received	4	242		—	
Net cash flow from investing activities			242		(5)
Financing activities					
Payment of lease liabilities		(99)		(107)	
Interest paid		(13)		(62)	
Increase in share premium	20	—		5,000	
Net cash flow from financing activities			(112)		4,831
(Decrease)/increase in cash and cash equivalents			(2,726)		2,246
Net cash and cash equivalents at beginning of the year			<u>13,923</u>		<u>11,677</u>
Net cash and cash equivalents at end of the year	14		<u>11,197</u>		<u>13,923</u>

See accompanying notes to the financial statements.

1 Accounting policies for the financial statements

Basis of preparation

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU as they apply to the financial statements of the Company for the year ended 31 December 2023 and applied in accordance with Part 9 of Book 2 of the Dutch Civil Code. The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 December 2023. Where accounting policies are not specifically mentioned below, reference should be made to the IFRS's as adopted by the European Union. The financial statements are prepared on a historical cost basis. The financial statements are expressed in Euros and rounded to the nearest thousand, unless otherwise stated.

Foreign Currency

The Euro (EUR) is the functional and presentational currency of the Company. Transactions in foreign currencies are recorded at the foreign exchange rate applying at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the Statement of financial position date are translated to Euros at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the Statement of comprehensive income. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to Euros at the foreign exchange rates ruling at the dates the fair values were determined.

New/amended standards

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Company has adopted all the new and revised standards which are effective for annual periods beginning on or after 1 January 2023.

The adoption of new standards and interpretations did not have a material effect on the financial performance or position of the Company.

Standards issued but not yet effective

Standards and interpretations issued but not yet effective as at the date these financial statements were authorised are listed below. The Company will adopt these standards when they become effective.

Description	Effective for annual periods beginning on or after
Amendments to IFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to IAS 1: Non-current Liabilities with Covenants	1 January 2024
Amendments to IAS 1: Classification of Liabilities as Current or Non-Current	1 January 2024
Amendments to IAS 7 and IFRS 7: Supplier Finance Arrangements	1 January 2024
Amendments to IAS 21: Lack of Exchangeability	1 January 2025

The Company does not expect the adoption of these standards to have a material impact on the financial statements in the period of initial application.

Critical judgements in applying the Company's accounting policies

In the application of the Company's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future

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for the year ended 31 December 2023

periods. Management is of the opinion that any instances of application of judgements are not expected to have a significant effect on the amounts recognised in the financial statements.

Key sources of estimation and uncertainty

Management believes that there are no key assumptions made concerning the future and other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Significant accounting policies

The significant accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Property, plant and equipment

Property, plant and equipment are stated at net accumulated depreciation and accumulated impairment losses, if any.

Depreciation is calculated on a straight-line basis over the estimated useful lives of each part of an item of furniture and equipment. The estimated useful lives are as follows:

Computer equipment	3 years
Fixtures and fittings	5 years
Right-of-use assets	Over the term of the lease

Financial instruments

(a) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Subsequent measurement

Subsequent measurement of financial assets depend on the Company's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of financial assets are:

(i) Amortised cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

(ii) Fair value through other comprehensive income ("FVOCI")

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI.

Financial assets measured at FVOCI are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is de-recognised.

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(iii) Fair value through profit or loss

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a financial asset that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss in the period in which it arises.

De-recognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for financial assets is recognised in profit or loss.

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

The Company's financial liabilities include accruals and other payables and amounts due to related companies.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

Impairment of financial assets

The Company recognises an allowance for expected credit losses ("ECLs") for all financial assets not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For cash at bank, ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade and other receivables the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Company considers a financial asset in default when the relevant counterparty has failed to settle the contractual payments by the contractual due date. The contractual due date varies depending on the nature of the financial asset. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Trade and other receivables

Trade and other receivables are stated at their amortised cost less impairment losses. Trade and other receivables are initially recognised at their fair value and subsequently measured at amortised cost using the effective interest rate method.

Member balances: cash relating to margin and guaranty fund contributions

Cash collateral paid by clearing members to the Company to cover their margin and guaranty fund requirements is included on the Statement of financial position as part of "Member balances: cash relating to margin and guaranty fund contributions" as an asset with a corresponding liability.

Non-cash collateral provided by clearing members to cover their margin and guaranty fund requirements is not recorded on the Company's Statement of financial position unless the Company has sold the asset or repledged it or in the event of a member default where the member is no longer entitled to redeem the pledged asset. In the case of a sale or repledging, the Company records on its Statement of financial position the proceeds of the sale together with a liability representing the obligation to return the non-cash collateral. In the event of a member default, the Company recognises the collateral as its asset initially measured at fair value or, if it has already sold the collateral, derecognises its obligation to return the collateral.

The interest income and associated interest expense payable to clearing members is recognised on a time-apportioned basis.

Cash and cash equivalents

Cash and cash equivalents consist of cash and balances with banks and short-term, highly liquid investments with less than three months original maturity.

Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in the Statement of comprehensive income.

Calculation of recoverable amount

The recoverable amount of the Company's receivables carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e., the effective interest rate computed at initial recognition of these financial assets). Receivables with a duration that is less than one year are not discounted.

Employee benefits

(i) Defined contribution plans

For defined contribution plans, the Company pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available. Obligations for contributions to defined contribution pension plans are recognised as an expense in the Statement of comprehensive income as incurred.

(ii) Share-based payment 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.

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Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. These are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Revenue recognition

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Company satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

Clearing and delivery fees

Clearing fees are recognised, net of exchange incentives if appropriate, when services are rendered.

Finance income and costs

Finance income and costs relate to the costs of transactions and interest receivable and payable. Interest is calculated using the effective interest rate method.

Income Tax

The tax expense for the period comprises current and deferred income tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in Other Comprehensive Income, in which case it is recognised in equity. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the Statement of financial position date in the countries where the company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Going concern

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. In reaching this determination they have considered the cash flows and capital resources of the Company, alongside events which have been discussed in the Directors' Report. Thus, the Directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Lease accounting as a lessee

The Company assesses whether a contract is or contains a lease, at inception of a contract. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (defined as leases with a value of \$5,000 or less). For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Right-of-use assets are recognized at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. The depreciation starts at the commencement date of the lease. Right-of-use assets are recognised as a component of Property, plant and equipment comprise office space, depreciated over the remaining terms of the leases at the date of adoption, being 3 years.

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Notes to the Financial Statements
for the year ended 31 December 2023

The lease liability is initially measured at the present value of the remaining lease payments at the commencement date, discounted using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses the Group's incremental borrowing rate.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. Lease payments included in the measurement of the lease liability comprise fixed lease payments less any lease incentives, variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date, the amount expected to be payable by the Company under residual value guarantees, the exercise price of purchase options, if the Company is reasonably certain to exercise the options, and payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The Company re-measures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is re-measured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is re-measured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is re-measured by discounting the revised lease payments using a revised discount rate.

Lease liabilities are recognised as separate line items on the face of the Statement of financial position.

2 Revenue from contracts with customers

The Company derives its revenue from contracts with customers for the transfer of services over time and at a point in time in the following major product lines:

	2023	2022
	€'000	€'000
Net clearing and delivery fees	6	4
Interest income on margin and guaranty fund contributions	101	24
Interest expense on margin and guaranty fund contributions	(93)	(17)
Revenue from contracts with customers	<u>14</u>	<u>11</u>
Intergroup	166	41
Total revenue	<u>180</u>	<u>52</u>

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3 Operating expenses

	2023	2022
	€'000	€'000
Compensation and benefits (note 7)	2,405	2,328
Technology costs	35	45
Depreciation	92	100
Professional services	118	114
Intercompany charges	277	200
Dues and subscriptions	46	37
Selling, general and administrative costs	88	78
Foreign exchange losses	5	6
	<u>3,066</u>	<u>2,908</u>

Professional services costs include auditor's remuneration for audit services of €52,000 in 2023 (2022: €44,000). There were no non-audit services provided by the Company's auditor during the current year (2022: none).

4 Interest income

	2023	2022
	€'000	€'000
Bank interest income	5	—
Other interest income	237	—
	<u>242</u>	<u>—</u>

5 Finance costs

	2023	2022
	€'000	€'000
Interest expense on lease liabilities	1	5
Other interest expense	13	62
	<u>14</u>	<u>67</u>

6 Remuneration of key management personnel of the Company

	2023	2022
	€'000	€'000
Short-term benefits	567	562
Post-employment pension and medical benefits	67	55
Total compensation fees paid to key management personnel	<u>634</u>	<u>617</u>

Key management personnel consists of the directors of the Company.

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Notes to the Financial Statements
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7 Compensation and benefits

The average number of persons employed by the Company during the year, including the directors, was as follows:

Staff members	2023	2022
	Number	Number
Monthly average number of staff members	10	10

The aggregate payroll costs of these persons was as follows:

Compensation and benefits	2023	2022
	€'000	€'000
Wages and salaries	1,657	1,605
Share-based payment transactions	195	186
Social security costs	104	92
Pension costs	231	213
Other personnel costs	218	232
	2,405	2,328

8 Income tax

The major components of income tax expense for the year ended 31 December are:

Recognised in the statement of profit or loss

	2023	2022
	€'000	€'000
Total current income tax	—	—
Total deferred tax	—	—
Income tax expense in the statement of profit or loss	—	—

Tax payable	2023	2022
	€'000	€'000
Tax payable at 1 January	—	—
Tax payable at 31 December	—	—

There is no tax payable in respect of the current year as the Company had tax losses for the period (2022: €nil).

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	2023	2022
	€'000	€'000
The actual tax charge differs from the expected tax charge as follows:		
Profit before tax	(2,658)	(2,923)
Corporation income tax at 25.8% (2022: 25.8%)	(686)	(754)
<i>Effects of:</i>		
Expenses not deductible for tax purposes	52	50
Unutilised tax losses and other timing differences not recognised	634	704
Income tax expense in profit or loss	—	—

The Company had an unrecognised deferred tax asset relating to unutilised tax losses and temporary differences in respect of fixed assets of €16,838,000 (2022: €14,380,000). The Company would benefit from these in the event that it generates taxable profits in the future.

On 19th December 2023, the Minimum Tax Act 2024 was approved by the Dutch Senate and is applicable for financial years starting on or after 31 December 2023. Under the legislation, the Company would be required to pay, in the Netherlands, a top-up tax on profits in each jurisdiction in which the Company operates that are taxed at an effective tax rate of less than 15 per cent. The Company is in scope of the legislation and has performed an assessment of its potential exposure to Pillar Two income taxes. The assessment of the potential exposure to Pillar Two income taxes is based on the most recent tax filings, country-by-country reporting and financial statements. Based on the assessment performed, the Pillar Two effective tax rates in all jurisdictions in which the Company operates are above 15% and, therefore, the Company does not anticipate a potential exposure to Pillar Two top-up taxes.

9 Property, plant and equipment

	Computer equipment	Fixtures and fittings	Right-of-use assets	Total
	€'000	€'000	€'000	€'000
Net book value as at 1 January 2022	—	—	204	204
Additions	4	1	—	5
Depreciation	(1)	—	(99)	(100)
Re-assessment of lease liability	—	—	(14)	(14)
Net book value as at 31 December 2022	3	1	91	95
Depreciation	(1)	—	(91)	(92)
Disposals	(2)	(1)	—	(3)
Net book value as at 31 December 2023	—	—	—	—

10 Trade and other receivables

	2023	2022
	€'000	€'000
Amounts due from group undertakings	52	49
Prepayments	56	13
Accrued income	1	—
Other taxes	—	35
	109	97

Further details of amounts due from group undertakings can be found in Note 22.

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11 Member balances: cash relating to margin and guaranty fund contributions

	2023	2022
	€'000	€'000
Guaranty fund contributions	<u>3,000</u>	<u>3,000</u>

Clearing members are required to place initial and variation margin funds to cover their outstanding positions. The margin can take the form of either cash or non-cash collateral or a combination of the two. The contributions made to these margin accounts and to the guaranty fund are recorded in the Statement of financial position as current assets with corresponding liabilities to the clearing members that contributed them. Margin amounts will fluctuate over time as a result of, among other things, the extent of open positions held at any point in time by market participants in contracts and the margin rates then in effect for such contracts. As there is no open interest as at 31 December 2023 there are no margin contributions.

No non-cash collateral was held in respect of the margin and guaranty fund contributions as at 31 December 2023 (2022: €nil).

12 Guaranty fund: own contribution

	2023	2022
	€'000	€'000
Guaranty fund: own contribution	<u>1,875</u>	<u>1,875</u>

The Company's own contributions to its guaranty fund are held in accordance with EMIR and could be used in the event of a clearing member default where the amount of the defaulting clearing member's original margin and guaranty fund contributions are insufficient. The Company's own contributions to the guaranty fund are cash and cash equivalents held at central banks or invested in government securities.

13 Guaranty fund: second own contribution

	2023	2022
	€'000	€'000
Guaranty fund: second own contribution	<u>222</u>	<u>—</u>

The Company's second contribution to its guaranty fund is held in accordance with the CCP Recovery and Resolution Regulation, effective from February 2023, as a recovery tool to cover potential default or non-default losses. The Company's second own contributions to the guaranty fund are cash and cash equivalents held at central banks or invested in government securities.

14 Cash and cash equivalents

	2023	2022
	€'000	€'000
Cash and cash equivalents	<u>11,197</u>	<u>13,923</u>

The Company, as a continental European derivatives clearing house, is regulated and supervised in the Netherlands by the AFM and the DNB and is required to maintain regulatory capital equal to various solvency and risk based calculations, subject to EMIR minimum regulations. As of 31 December 2023 €9,910,000 of the cash and cash equivalents balance was invested in government securities.

As of 31 December 2023 the regulatory capital, including the Company's own resources contribution to the guaranty funds (note 12 and 13) was €10,347,000 (2022: €10,125,000). Regulatory capital forms

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part of the cash and cash equivalents balance, with the exception of the Company's own resources contributions to the guaranty fund which are presented separately in the Statement of financial position.

15 Trade and other payables

	2023	2022
	€'000	€'000
Trade creditors	—	44
Amounts due to group undertakings	131	123
Accruals	538	537
Other taxes and social security	57	48
	<u>726</u>	<u>752</u>

Accruals mainly relate to legal fees, employee bonuses, and holiday allowances.

16 Lease liabilities

	2023	2022
	€'000	€'000
Current	—	98
	<u>—</u>	<u>98</u>

	2023	2022
	€'000	€'000
Maturity profile of gross undiscounted lease liabilities		
Not later than 1 year	—	99
	<u>—</u>	<u>99</u>

The Company does not face a significant liquidity risk with regard to its lease liabilities.

17 Leases (Company as a lessee)

The Company does not face a significant liquidity risk with regard to its lease liabilities.

Carrying amounts of right-of-use assets as at 31 December 2023 and 31 December 2022, additions for the years then ended and respective depreciation expenses are disclosed in note 9.

The interest expense on lease liabilities for the years to 31 December 2023 and 31 December 2022 is disclosed in note 5.

No expense relating to short-term leases, low value assets or variable lease payments not included in the measurement of the lease liability has been recognised for the years to 31 December 2023 and 31 December 2022.

No gains or losses arising from sale and leaseback transactions has been recognised for the years to 31 December 2023 and 31 December 2022.

The total cash outflow for leases amount to €99,000 (2022: €107,000).

18 Employee benefits

Share-based transactions

Restricted shares have been reserved for potential issuance as performance-based or time-based restricted shares for certain Company employees. Performance-based shares vest over a three year period based on ICE's financial performance targets set by the ICE Compensation Committee. Time based shares vest based on a three or four year vesting schedule. Granted but unvested shares are

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forfeited upon termination of employment. The grant date fair value of each award is based on the closing share price at the date of grant.

Restricted shares

A table of restricted shares outstanding as at 31 December 2023 and 31 December 2022 is shown below:

	2023	2023	2022	2022
	Number	Weighted average fair value	Number	Weighted average fair value
Outstanding at 1 January	3,174	\$118.34	3,274	\$98.90
Granted	2,204	\$114.28	1,543	\$109.69
Performance grant amendment	(10)	\$129.76	61	\$114.19
Forfeited	(413)	\$115.15	—	\$—
Vested	(1,590)	\$112.13	(1,704)	\$93.72
Outstanding at 31 December	<u>3,365</u>	<u>\$115.15</u>	<u>3,174</u>	<u>\$118.34</u>

The total charge for the year relating to restricted shares under the employee share-based payment plans was €179,000 (2022: €176,000) all of which related to equity-settled share-based payment transactions. The weighted average share price during the period for restricted shares vested over the year was US\$108.90 (2022: US\$125.95).

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 of €16,000 (2022: €10,000) has been recognised for the 15% discount given to participating employees.

Pension scheme

The Company operates defined contribution 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 unpaid contributions at 31 December 2023 (2022: €nil).

19 Share capital

	2023	2022	2023	2022
	Number	Number	€'000	€'000
Authorised:				
Equity: Ordinary shares of €1,000 each	10,000	10,000	10,000	10,000
			<u>10,000</u>	<u>10,000</u>
	2023	2022	2023	2022
	Number	Number	€'000	€'000
Allotted, called up and fully paid:				
Equity: Ordinary shares of €1,000 each	7,000	7,000	7,000	7,000
			<u>7,000</u>	<u>7,000</u>

20 Share premium

	2023	2022
	€'000	€'000
At 1 January	26,811	21,811
Additions	—	5,000
At 31 December	<u>26,811</u>	<u>26,811</u>

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Should a Clearing Member become insolvent, the Company has financial resources which can be used. The Company will apply its dedicated own resources contribution into a guaranty fund, also known as “skin in the game”, in the event of a member default, prior to the use of clearing fund contributions of non-defaulting clearing members. The Company must commit financial resources of at least 25% of the minimum required capital. Current skin in the game is €1,875,000, is presented separately on the face of the balance sheet, and forms part of share premium balance.

The Company also maintains an additional amount of dedicated own resources contribution in the guaranty fund, also known as “second skin in the game” as a recovery tool. The second contribution to the guaranty fund will be used to cover default or non-default losses and is the amount calculated at 10% of the annual calculated risk-based capital requirements. Current second skin in the game is €222,000, is presented separately on the face of the balance sheet, and forms part of share premium balance.

21 Financial risk management objectives and policies

Financial risk management objectives

The Company follows the policies approved by the ultimate parent company's board of directors, which provide written principles on interest rate risk, credit risk, the use of non-derivative financial instruments and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed on a continuous basis. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. The Company has a one-tier board structure ('the Board').

The Board

The Board's responsibilities and activities are governed by Dutch company law. As of 31 December 2023, the composition was as follows:

- Paul Swann, non-executive; Chairman of the Board
- Christopher Edmonds, non-executive; ICE nominee
- Mark Post, Independent; non-executive
- Hans Brouwer, Independent; non-executive
- Joost Beckers, President/COO ICNL; executive; statutory director
- Edwin Bons, Chief Risk Officer ICNL; executive; statutory director

Subsequent to the year end, Joost Beckers resigned as President/COO and executive statutory director on 1 March 2024 and was succeeded by Edwin Bons; Patrick Röling was appointed as Chief Risk Officer and statutory executive director on 26 March 2024; and Elizabeth King was appointed as non-executive director and ICE nominee on 1 March 2024.

The Board meets at least four times a year in its full composition. Board meetings are generally held at the Company's offices in Amsterdam. Board members are appointed at general shareholder meetings. The tasks, duties and appointment procedure for statutory directors are set out in the Articles of Association of the Company.

The Board is accountable to the Company's shareholders for the performance of its duties and is responsible for the general policy and the strategy, as well as the day-to-day management of the Company, including but not limited to:

- administering the Company's general affairs, operations and finance;
- representing the Company when entering into agreements on its behalf;
- monitoring the Company's compliance with all relevant legislation and regulations and managing risks associated with the Company's business;
- preparing operational and financial objectives and strategies;
- execution of operation plans and applying sound business practices; and
- approving annual budget and financing, operational- and investment plans;

In discharging its duties, the Board aims to take into account the interests of the Company, its business, shareholders, other stakeholders and all other parties (including employees) involved in or with the Company. Additionally, Board members are provided with direct access to senior executives and external advisors.

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Director Qualifications

All Statutory Directors and Board members have skills, qualifications, experience and expertise that are essential to meet their responsibilities and obligations. All Board members have been screened and approved by the Dutch Central Bank. Board members must be able to devote a sufficient amount of time to prepare, attend and participate in the Board meetings.

Independence

Some members of the Board during 2023 have an indirect relationship with the Company as a result of their position with companies that hold shares in the ICE Group:

- Christopher Edmonds. Chief Development Officer of ICE Inc. (shareholder)

Audit Committee

The Company has an Audit Committee in place. In 2023 the Committee met 4 times. The composition is as follows:

- Mark Post (Independent; non-executive; Chair)
- Paul Swann (ICE nominee; non- executive; Member)
- Hans Brouwer (Independent; non-executive; Member)

The Committee is allowed to invite certain individuals (Invitees) in a non-voting capacity. In practice these are employees of ICE Internal Audit, External Auditors and/or the Company.

Rules have been set for the way the Committee operates. The Audit Committee assists and advises the Board in decision making and reports its findings to the Board. The Audit Committee convenes at least once a year. The Audit Committee is charged with monitoring the adequacy and effectiveness of the Company's financial reporting, its financial reporting policy and procedures, its internal control framework, risk management, the independent external audit of the financial statements and the performance and evaluation of the external auditor. Given the specific tasks of the Audit Committee, its members have sufficient business, industry and financial expertise to act effectively.

Internal Control Framework

The Board is responsible for developing the Company's strategy and achieving business objectives, operating within relevant rules and regulations, managing the business risks, and is accountable to the General Meeting of Shareholders.

The Company has set a framework for policies regarding internal control processes. The Board is responsible for managing processes within this framework for the Company. The Company is required to prepare annual plans including operating budgets, investment plans and financing requirements. The consolidated business plan is subsequently approved by the Board and the General Meeting of Shareholders, as laid out in the Articles of Association.

New business activities and investments that are outside the scope of the approved business plan require specific approval by the Board and the Shareholders. The Audit Committee monitors the quality of the financial reporting and internal controls. The Audit Committee together with the Board discusses the annual report and the underlying accounting principles on an annual basis.

The Company has aligned its internal control framework with the ICE framework. Features of the framework include periodic analysis of risks to the business objectives of the Company and an integrated system of risk and control monitoring and reporting. This will continue to be developed and improved in the future.

Having assessed its internal risk management and control systems, the Board is of the opinion that the Company's risk management and control systems provide reasonable assurance that this annual report does not contain material inaccuracies.

Externally imposed capital requirements

See note 14 for information on capital requirements imposed on the Company.

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Categories of financial instruments

	2023	2022
	€'000	€'000
<i>Financial assets:</i>		
Trade and other receivables	109	97
Member balances: cash relating to margin and guaranty fund contributions	3,000	3,000
Guaranty fund: own contribution	1,875	1,875
Guaranty fund: second own contribution	222	—
Cash and cash equivalents	11,197	13,923
	<u>16,403</u>	<u>18,895</u>
<i>Financial liabilities:</i>		
Trade and other payables	669	704
Member balances: cash relating to margin and guaranty fund contributions	3,000	3,000
Lease liabilities	—	98
	<u>3,669</u>	<u>3,802</u>

The fair value approximates the book value of these assets and liabilities, therefore fair value disclosures have not been included. The maximum credit risk amounts to the sum of the financial assets.

Clearing house specific risk

Although the types of risk to which the Company is exposed are similar to those faced by many companies, its core business as a clearing house centres on the explicit assumption of the risks of financial failure and default in the various derivatives markets in which it acts as central counterparty. In order to ensure that defaults of clearing members can be effectively managed, and the integrity of the markets preserved, the Company has adopted specific risk management policies and practices to limit the counterparty credit risk represented by clearing members and to cover the market risk relating to price movements in any contracts that it would have to manage should any of the clearing members default.

The collection of initial margin, in the form of cash and non-cash collateral, the collection of marked-to-market losses and the payment of corresponding gains, and the maintenance of the guaranty fund, expose the Company to a different set of counterparty credit risk, market risks, as well as liquidity and concentration risks.

Counterparty credit risk

The Company seeks to reduce its exposure through a risk management program that includes initial and ongoing financial standards for clearing member admission and continued membership, original and variation margin requirements, and mandatory contributions to the guaranty fund. The amounts that the clearing members are required to maintain in the original margin and guaranty fund accounts are determined by standardised parameters. The Company also has powers of assessment that provide the ability to collect additional funds from the clearing members to cover a defaulting member's remaining obligations up to the limits established under the rules of the Company.

Should a particular clearing member fail to deliver original margin, or to make a variation margin payment, when and as required, the Company may liquidate or hedge the clearing member's open positions and use the clearing member's margin and guaranty fund contributions to make up the amount owed. In the event that those amounts are not sufficient to pay the amount owed in full, the Company may utilise its own guaranty fund contribution followed by the respective guaranty fund contributions of all clearing members on a prorata basis for that purpose.

Market risk

The Company requires all clearing members to maintain cash on deposit or pledge certain assets, which may include government obligations or certificates of deposit, to guarantee performance on the clearing members' open positions. Such amounts in total are known as "original margin." The Company may make intra-day original margin calls in circumstances where market conditions require additional

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protection. The daily profits and losses from and to the Company in respect of marking to market open contracts are known as "variation margin". The Company marks all outstanding contracts to market, and therefore pays and collects variation margin, at least once daily, and in some cases multiple times throughout the day. Marking-to-market allows the Company to identify any clearing members that may be unable to satisfy the financial obligations resulting from changes in the prices of their open contracts before those financial obligations become exceptionally large and jeopardize the ability of the Company to ensure financial performance of clearing members' open positions.

Should a Clearing Participant become insolvent, the Company has financial resources which can be used. The Company will apply its own dedicated financial resources into a guaranty fund, also known as "skin in the game", in the event of a member default, prior to the use of clearing fund contributions of non-defaulting clearing members. In January of each calendar year, the Company must commit financial resources which represent 25% of the minimum required capital. Current skin in the game is €1,875,000 and forms part of share premium and the guaranty fund: own contribution balance.

The Company requires that each clearing member make contributions into a fund known as the guaranty fund, which is maintained by the Company. These amounts serve to secure the obligations of a clearing member to the Company to which it has made the guaranty fund contribution and may be used to cover losses sustained by the Company in the event of a default of a clearing member.

The Company also maintains an additional amount of dedicated own resources contribution into the guaranty fund, also known as "second skin in the game" as a recovery tool. The second contribution to the guaranty fund will be used to cover default or non-default losses after the use of clearing fund contributions of non-defaulting clearing members and is the amount calculated at 10% of the annual calculated risk-based capital requirements. Current second skin in the game is €222,000.

The Company has equal and offsetting claims to and from its clearing members on opposite sides of each cleared contract; this allows the Company to serve as the central financial counterparty on every cleared contract. Accordingly, the Company accounts for this central counterparty guarantee as a performance guarantee. The Company performs calculations to determine the fair value of its counterparty performance guarantee taking into consideration factors such as daily settlement of contracts, margining requirements, other elements of the Company's risk management program, historical evidence of default payments, and estimated probability of potential default payouts. Based on this analysis, the estimated counterparty performance guaranty liability was determined to be nominal and no liability has been recorded.

Non-clearing house specific risk

Market risk - foreign exchange

The Company has transactional currency exposures. Such exposures arise from revenue, costs or expenses generated/incurred in currencies other than the Company's functional currency. The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the United States Dollars ("USD") exchange rate, with all other variables held constant, of the Company's loss before tax (due to changes in the fair value of monetary assets and liabilities).

	Increase/ (decrease) in exchange rate	Increase/ (decrease) in loss before tax	
		2023	2022
	%	€'000	€'000
If the Euro weakens against USD	5	8	(52)
If the Euro strengthens against USD	(5)	(8)	52

Market risk - interest rate risk

The Company is exposed to interest rate risk with the cash and investment balances it holds. The Company's cash is subject to interest rate volatility and is invested on a short to medium-term basis, according to the Company's operating cash requirements.

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Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The carrying amount of financial assets recorded in the financial statements, which is net of any impairment losses, represents the Company's maximum exposure to credit risk. The Company does not hold collateral over these balances.

For cash and cash equivalents, the Company only transacts with entities that are rated the equivalent to investment grade and above. Other financial assets consist of amounts receivable from related parties. The Company's exposure to significant concentration of credit risk on receivables from related parties is detailed in Note 22. For clearing member counterparty credit risk see 'Counterparty credit risk' section.

Liquidity risk management

The Company has an appropriate risk management framework for the management of short, medium and long-term funding and liquidity management requirements. The Company's primary investment policy objective is to provide sufficient liquidity to meet all operational requirements.

Liquidity tables

The following tables detail the Company's remaining contractual maturities for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

	3					Total
	Less than 1 month	1 - 3 months	to 1 year	1 - 5 years	5 + years	
	€'000	€'000	€'000	€'000	€'000	€'000
2023						
Non-interest bearing	669	—	—	—	—	669
Variable interest rate	3,000	—	—	—	—	3,000
	<u>3,669</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>3,669</u>
2022						
Non-interest bearing	704	—	—	—	—	704
Variable interest rate	3,000	—	—	—	—	3,000
	<u>3,704</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>3,704</u>

The maturity profile of the Company's undiscounted gross lease liabilities is disclosed in note 16.

Capital risk management

The primary objective of the Company's own capital management is to maximise shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and its minimum EMIR regulatory capital requirements. To maintain or adjust the capital structure, the Company may adjust any dividend payments to shareholders, return capital to shareholders or issue new shares if required.

Concentration risk

The Company determines concentration risk by determining the exposure to an individual counterparty and by country for received securities.

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22 Related party transactions

Transactions with parent and subsidiary companies

Some of the Company's transactions and arrangements are with related parties, the effect of these on the basis determined between the parties at arm's length is reflected in these financial statements. The intercompany balances are interest-free, unsecured and repayable on demand, unless otherwise stated.

The nature of transactions with other companies within the Group is as follows:

	Nature of relationship	Nature of transaction
Intercontinental Exchange, Inc.	Ultimate holding company	Guarantee provider, management charges and share-based payment charges
ICE Endex Markets B.V.	Fellow group subsidiary	Clearing services
ICE Futures Europe	Fellow group subsidiary	Service charges
ICE Securities Netherlands B.V.	Fellow group subsidiary	Service charges
ICE Endex Holding B.V.	Fellow group subsidiary	Lease of office space and service charge

	2023	2022
	€'000	€'000

Service charges from related parties during the year were:

ICE Futures Europe	267	200
ICE Endex Holding B.V.	10	—
	<u>277</u>	<u>200</u>

Charges during the year to related parties were:

ICE Securities Netherlands B.V.	166	41
	<u>166</u>	<u>41</u>

The previous lease of office space from ICE Endex Holding B.V. is in the scope of IFRS 16 and as such is not disclosed as a service charge. Payments totalling €99,000 (2022: €107,000) were made to ICE Endex Holding B.V. in 2023 in relation to the lease agreement for office space. Subsequent to the lease termination on 30 November 2023, the Company commenced a new facility agreement with ICE Endex Holding B.V. from 1 December 2023, which is disclosed as a service charge.

Outstanding unsecured balances as at year end were as follows:

	2023	2022
	€'000	€'000

Amounts due to group undertakings

Intercontinental Exchange, Inc.	50	37
ICE Futures Europe	47	39
ICE Endex Holding B.V.	34	33
ICE Data Services, Inc.	—	6
ICE Data Pricing and Reference Data LLC	—	3
ICE Clear Credit LLC	—	5
	<u>131</u>	<u>123</u>

	2023	2022
	€'000	€'000

Amounts due from group undertakings

ICE Securities Netherlands B.V.	52	49
	<u>52</u>	<u>49</u>

ICE Clear Netherlands B.V.
Notes to the Financial Statements
for the year ended 31 December 2023

The Company has been issued an Intercompany Promissory Note from its ultimate parent company, Intercontinental Exchange, Inc., for the amount of €10,000,000 on demand. As of both 31 December 2023 and 31 December 2022 the loan is unutilised and a 0.125% annual commitment fee is charged totaling €13,000 for 2023 (2022: €13,000).

23 Ultimate holding company

The Company is a wholly owned subsidiary of IntercontinentalExchange Holdings, a company incorporated and registered in England and Wales.

The ultimate parent company and controlling party is Intercontinental Exchange, Inc., a corporation registered in Delaware, United States.

Intercontinental Exchange, Inc.. is the largest group in which the results of the Company are consolidated.

24 Subsequent events

On 16 April 2024 the Company's immediate parent company, IntercontinentalExchange Holdings, made a capital contribution to the Company, resulting in an increase in share premium of €5,000,000.

25 Profit distribution

No dividend is recommended in relation to the financial year 2023. It is proposed that the current year result will be added to the Company's retained earnings.

ICE Clear Netherlands B.V.

Other information

for the year ended 31 December 2023

Company's Articles of Association

Profits shall be at the disposal of the General Meeting of Shareholders for the distribution of a dividend or in order to be added to the reserves or for such other purposes within the Company's objectives as the meeting will decide. In calculating the amount of profit to be distributed in respect of each share, only the amount of the mandatory payments on the nominal shares shall be taken into account.

Independent auditor's report

To: the shareholders and management of ICE Clear Netherlands B.V.

Report on the audit of the financial statements 2023 included in the annual report

Our opinion

We have audited the financial statements for the financial year ended 31 December 2023 of ICE Clear Netherlands B.V. based in Amsterdam.

In our opinion the accompanying financial statements give a true and fair view of the financial position of ICE Clear Netherlands B.V. as at 31 December 2023 and of its result and its cash flows for 2023 in accordance with International Financial Reporting Standards as adopted in the European Union (EU-IFRSs) and with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

- The statement of financial position as at 31 December 2023
- The following statements for 2023: the income statement, changes in equity and cash flows
- The notes comprising material accounting policy information and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the Our responsibilities for the audit of the financial statements section of our report.

We are independent of ICE Clear Netherlands B.V. in accordance with the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

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

Information in support of our opinion

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The following information in support of our opinion and any findings were addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Our focus on fraud and non-compliance with laws and regulations

Our responsibility

Although we are not responsible for preventing fraud or non-compliance and we cannot be expected to detect non-compliance with all laws and regulations, it is our responsibility to obtain reasonable assurance that the financial statements, taken as a whole, are free from material misstatement, whether caused by fraud or error.

Our audit response related to fraud risks

We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of ICE Clear Netherlands B.V. and its environment and the components of the

system of internal control, including the risk assessment process and management's process for responding to the risks of fraud and monitoring the system of internal control, as well as the outcomes.

We refer to section 'Risk Management' of the Director's report for management's (fraud) risk assessment.

We evaluated the design and relevant aspects of the system of internal control and in particular the fraud risk assessment, as well as the code of conduct and whistle blower procedures. We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness, of internal controls designed to mitigate fraud risks.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption. We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present.

We incorporated elements of unpredictability in our audit. We also considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance.

We addressed the risks related to management override of controls, as this risk is present in all companies. For these risks we have performed procedures among other things to evaluate key accounting estimates for management bias that may represent a risk of material misstatement due to fraud, in particular relating to important judgment areas and significant accounting estimates as disclosed in notes to the financial statements. We have also used data analysis to identify and address high-risk journal entries and evaluated the business rationale (or the lack thereof) of significant extraordinary transactions, including those with related parties.

We did not identify a risk of fraud in revenue recognition, other than the risks related to management override of controls.

We considered available information and made enquiries of relevant executives, directors, internal audit, those responsible for legal and compliance, and the audit committee.

The fraud risks we identified, enquiries and other available information did not lead to specific indications for fraud or suspected fraud potentially materially impacting the view of the financial statements.

Our audit response related to risks of non-compliance with laws and regulations

We performed appropriate audit procedures regarding compliance with the provisions of those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. Furthermore, we assessed factors related to the risks of non-compliance with laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general industry experience, through discussions with the management board, reading minutes, inspection of internal audit and compliance reports, and performing substantive tests of details of classes of transactions, account balances or disclosures.

We also correspondence with regulatory authorities and remained alert to any indication of (suspected) non-compliance throughout the audit. Finally we obtained written representations that all known instances of non-compliance with laws and regulations have been disclosed to us.

Our audit response related to going concern

As disclosed in section 'Going concern' in note 1 to the financial statements, the financial statements have been prepared on a going concern basis. When preparing the financial statements, management made a specific assessment of ICE Clear Netherlands B.V.'s ability to continue as a going concern and to continue its operations for the foreseeable future.

We discussed and evaluated the specific assessment with management exercising professional judgment and maintaining professional skepticism.

We considered whether management's going concern assessment, based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, contains all relevant events or conditions that may cast significant doubt on ICE Clear Netherlands B.V.'s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion.

Based on our procedures performed, we did not identify material uncertainties about going concern. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern.

Report on other information included in the annual report

The annual report contains other information in addition to the financial statements and our auditor's report thereon.

Based on the following procedures performed, we conclude that the other information:

- Is consistent with the financial statements and does not contain material misstatements
- Contains the information as required by Part 9 of Book 2 of the Dutch Civil Code for the management report and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements. By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information, including the management report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information required by Part 9 of Book 2 of the Dutch Civil Code.

Description of responsibilities regarding the financial statements

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRSs and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the ICE Clear Netherlands B.V.'s ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate ICE Clear Netherlands B.V. or to cease operations, or has no realistic alternative but to do so. Management should disclose events and circumstances that may cast significant doubt on the ICE Clear Netherlands B.V.'s ability to continue as a going concern in the financial statements.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

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. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. The Information in support of our opinion section above includes an informative summary of our responsibilities and the work performed as the basis for our opinion. Our audit included among others:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion
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
- Obtaining 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 ICE Clear Netherlands B.V.'s internal control
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Communication

We communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

Amsterdam, 24 July 2024

EY Accountants B.V.

signed by P. Sira