

Registered number: 1528617

# **ICE Futures Europe**

**Annual Report and Financial Statements**

**For the Year Ended 31 December 2023**

## **ICE Futures Europe**

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# ICE Futures Europe

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## **ICE Futures Europe**

### **Strategic Report For the Year Ended 31 December 2023**

#### **Introduction**

The directors present their Strategic Report for ICE Futures Europe ('the Company') for the year ended 31 December 2023.

#### **Principal activities and review of the business**

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

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

The Company offers a range of futures and options products that are designed to enable our customers to manage their risk across global energy markets. The Company's largest energy contract is the ICE Brent crude oil futures contract which serves as the cornerstone of a global oil network that today includes nearly 730 related crude and refined oil products including locational and refined spreads. The Company also offers a diverse suite of equity futures and options contracts based on ICE Group indices as well as those created by MSCI® and FTSE®. The Company's diverse interest rate complex spans geographies, currencies and tenors, providing participants with tools to manage risk in a capital efficient manner. Key products during 2023 included: Euribor, Gilts, Sterling Overnight Index Average ('SONIA'), SARON, ESTR and Secured Overnight Financing Rates ('SOFR'), among others. In addition, the Company offers futures and options on the leading global soft commodity markets including: sugar, coffee and cocoa.

Market participants may become members or trade through a member firm. For example, to become a member, an applicant must undergo a thorough review and application process and agree to be bound by the Company's rules. Membership in the Company's futures and options markets totaled 217 member firms as of 31 December 2023 (2022: 223).

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

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

## ICE Futures Europe

### Strategic Report (Continued) For the Year Ended 31 December 2023

The following table presents volume statistics for the years ended 31 December 2023 and 2022.

#### Contracts

	ADV*	ADV*	ADV*	Total	Total	Volume
	2023	2022	change	Volume	Volume	change
	'000	'000	%	'000	'000	%
ICE Brent Crude Futures and Options	1,235	1,059	17 %	308,675	266,853	16 %
ICE Gas Oil Futures and Options	298	246	21 %	74,450	62,103	20 %
ICE Other Oil**	614	491	25 %	153,569	123,704	24 %
ICE Natural Gas	24	22	9 %	6,099	5,498	11 %
ICE Emissions & Other***	9	8	13 %	2,176	1,965	11 %
Agricultural	80	61	31 %	20,071	15,403	30 %
Interest rates	2,160	2,071	4 %	540,095	521,811	4 %
Equities	331	335	(1)%	82,706	84,533	(2)%
<b>Total</b>	<b>4,751</b>	<b>4,293</b>	<b>11 %</b>	<b>1,187,841</b>	<b>1,081,870</b>	<b>10 %</b>

\* Average Daily Volume.

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

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

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

#### Open Interest

	2023	2022	Change %
	'000	'000	
ICE Brent Crude Futures and Options	4,409	3,890	13 %
ICE Gas Oil Futures and Options	732	529	38 %
ICE Other Oil	6,452	4,486	44 %
ICE Natural Gas	398	335	19 %
ICE Emissions & Other	221	243	(9)%
Agricultural	1,264	748	69 %
Interest rates	18,748	16,350	15 %
Equities	4,869	4,736	3 %
<b>Total</b>	<b>37,093</b>	<b>31,317</b>	<b>18 %</b>

## ICE Futures Europe

### Strategic Report (Continued) For the Year Ended 31 December 2023

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

	Year ended 31 December		
	2023 \$000	2022 \$000	Change fav/(adv)
Transaction fees	201,358	205,915	(2)%
Membership fees	1,705	1,791	(5)%
Data services	157,692	146,548	8 %
<b>Turnover</b>	<b>360,755</b>	<b>354,254</b>	<b>2 %</b>
Administrative expenses	(159,917)	(154,467)	(4)%
Other operating income	32,180	29,412	9 %
Operating profit	233,018	229,199	2 %
Interest receivable	6,589	1,474	347 %
Taxation	(55,741)	(43,681)	(28)%
<b>Profit after tax (before dividends)</b>	<b>183,866</b>	<b>186,992</b>	<b>(2)%</b>
<i>Profit after tax as a % of turnover</i>	<i>51%</i>	<i>53%</i>	
<b>Cash and short term deposits and investments</b>	<b>117,353</b>	<b>123,400</b>	<b>(5)%</b>
<b>Net assets</b>	<b>165,322</b>	<b>179,387</b>	<b>(8)%</b>

Transaction fees decreased by \$4,557,000, or 2%, for the year ended 31 December 2023, from the comparable period in 2022, the net result of an increase in gross transaction fees offset by net incentive changes. Data income increased by \$11,144,000, or 8%, in the year ended 31 December 2023 compared with prior year due to increased data usage. Administrative expenses increased by \$5,450,000, or 4% for the year ended 31 December 2023 from the comparable period in 2022, primarily due to increases in certain intercompany charges and staff costs. As a result, operating profit increased by \$3,819,000, or 2%, for the year ended 31 December 2023, from the comparable period in 2022.

Dividends of \$196,000,000 were declared by the directors and paid during the year (2022: \$178,000,000).

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

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

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

The tables that follow on pages 4 to 8, describe how the directors have performed their duty to promote the success of the Company as required by 172(1)(a) to (f) of The Companies Act 2006 during 2023.

**Strategic Report (Continued)  
For the Year Ended 31 December 2023**

Stakeholder group	Form of Engagement	Key topics and impact of engagement
<p><b>Shareholder</b> Intercontinental Exchange, Inc., as ultimate shareholder, and its affiliates (“ICE Group” or “ICE”). ICE is a Fortune 500 company that designs, builds, and operates digital networks that connect people to opportunity. ICE operates financial technology and data services across major asset classes helping our customers across mission-critical workflow tools that increase transparency and efficiency. ICE’s futures, equity and options exchanges, including ICE Futures Europe, and clearing houses help people invest, raise capital and manage risk.</p> <p>The Company is an integral part of this service offering as a provider of exchange, benchmark and auction services.</p>	<p>The Company’s and ICE’s directors and employees collaborate frequently on projects and expertise is shared in both directions in various ways including through directorships of affiliated companies and cross functional management meetings.</p> <p>Directors; Mr. Bland (SVP, ICE Futures) is a member of the ICE Executive Management Team and the ICE Exchange Executive Committee. Mr. Rhodes (President) is a member of the Operational Oversight Committee (as is the Company COO). Mr. Sprecher is the Chairman and CEO of ICE. All attend the Company’s Board meetings.</p>	<p>Key topics during the year included the ongoing impacts of the Russian invasion of Ukraine and the conflict in the Middle-East and governmental and regulatory responses (including the imposition of and compliance with sanctions and the EU market correction mechanism); development and introduction of new products and enhancements to our technology infrastructure to support our extensive trading capabilities; and cybersecurity.</p> <p>The Company also engages with ICE on global best practices for enterprise risk management, operations, business continuity and disaster recovery and other key functions.</p> <p>Outcomes of this engagement included technology releases and Operational Resilience Framework development.</p>
<p><b>People</b> Our people include colleagues directly employed by the Company, consultants and others who work throughout the Group.</p> <p>The Company’s long-term success is predicated on the skills, commitment, engagement and success of our people.</p>	<p>Engagement with our people includes interactive ‘town halls’ and periodic staff update meetings, delivered by the President and other ICE Group and Company senior managers, interactive ‘Lunch and Learn’ sessions and a broad range of email and web-based communications</p> <p>Feedback is gathered across a mix of “always on feedback”, employee surveys and individual employee-focused assessments. This allows actionable feedback to be gathered across a variety of populations, and circumstances, throughout the year.</p> <p>There is also an established whistleblowing policy and a conduct dashboard which is regularly presented to the Board along with an employee conduct risk appetite metric.</p>	<p>The Group continues to conduct a biannual employee survey (most recently conducted in 2022) and feedback gathered on topics such as collaboration, communication, problem solving and leadership is being used to develop our people’s work experience. Employee feedback has resulted in the introduction of new online training tools.</p> <p>In 2023 ICE announced plans for a new London office to be opened and Company employees will re-locate to the new location, which remains in the City of London, in July 2024.</p> <p>The Company continues to develop and refine, with employee feedback, its adopted tiered and flexible work arrangement policy which includes a mix of home-based and office-based working.</p> <p>Succession planning continues to be a focus at both an executive and non executive level, strengthening governance and management structures and ensuring opportunities are being provided to high performers.</p>

Strategic Report (Continued)  
For the Year Ended 31 December 2023

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

**Strategic Report (Continued)**  
**For the Year Ended 31 December 2023**

Stakeholder group	Form of Engagement	Key topics and impact of engagement
<p><b>Suppliers (continued)</b></p> <p>The Company licenses and sources data from various providers for the purposes of settlement prices for certain of its contracts and other information services.</p> <p>The Company also utilises a wide range of other suppliers and service providers which provide the Company with the goods and services relied upon for operations, ranging from large multinational companies to smaller-scale local service providers.</p>	<p>The Company performs thorough due diligence on its external suppliers both during on-boarding and on a recurring basis.</p> <p>We expect all our suppliers to be compliant with the Modern Slavery Act and we work closely with our suppliers to build on our knowledge and promote best practice.</p>	<p>The Board receives updates on the duty to report on prompt payment, practices and performance. The most recently published payment practices report showed the average time to pay an invoice was 19 days. The Company continues to engage with suppliers to improve workflow and refine payment practices.</p> <p>The Board approves the Company Modern Slavery statement on an annual basis.</p>
<p><b>Regulators and Policy Makers</b></p> <p>The Company's regulators are listed in the 'Principal activities and review of the business' section of this report on page 1.</p> <p>Effective engagement with the Company's regulators and policy makers is fundamental to the business which requires various regulatory permissions to operate (refer to page 1).</p>	<p>The Company is subject to ongoing examination and inspection by its regulators. Members of the Board and senior management meet with the Company's regulators on an ongoing basis.</p> <p>Routine reports capturing a broad range of data are provided to the FCA and other regulators. Further, the President and senior management shares knowledge and expertise with regulators, legislators and industry organisations to contribute to the development of policy initiatives.</p> <p>Information provided by management to the directors and approved by the Board at its meetings is made available to the Company's principal regulators including regulatory compliance reporting produced on a regular basis.</p>	<p>The Board agenda continues to be strongly focused on operational resilience and the functioning of fair and orderly markets.</p> <p>Other key topics included impacts of the Russian invasion of Ukraine and the conflict in the Middle-East, EU location policy with respect to the clearing of euro denominated interest rate derivatives contracts, and a consultation on a new UK position limits framework. The maintenance of fair and orderly markets and governmental and regulatory responses (including the imposition of and compliance with sanctions and the EU market correction mechanism), technology and operational resilience.</p> <p>During the year, discussions with regulators enabled the launch of several new products and programmes to develop liquidity. The Company continues its significant communication and engagement with regulators focusing on ensuring transparency and contributing to market stability.</p> <p>Maintaining good relationships with policy makers and regulators and ensuring compliance with applicable legal and regulatory obligations helps to contribute towards maintaining high standards of business conduct.</p>

Strategic Report (Continued)  
For the Year Ended 31 December 2023

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

**Strategic Report (Continued)**  
**For the Year Ended 31 December 2023**

**Principal decisions**

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

<b>Decision</b>	<b>Impact</b>	<b>Stakeholder considerations</b>
<p><b>Financial resources regulatory requirement</b></p> <p>The Board reviewed and approved the annual FCA regulatory capital requirements and the amount of capital and financial resources allocated to meet these requirements (see note 13 for amounts).</p> <p>The Board also reviews and approves the annual budget which is used as part of the determination of the regulatory capital requirements.</p>	<p>Holding sufficient capital to safeguard against risk and meet ongoing regulatory requirements is necessary for the immediate and long-term sustainability and success of the Company and underpins the business model.</p> <p>The Board has established a risk appetite in respect of the minimum capital and financial resources it determines to be acceptable for the Company to hold.</p>	<p>Restricting and safeguarding appropriate amounts of capital is a fundamental consideration for all the Company's stakeholders. The Company seeks to ensure it has adequate levels of capital to protect against the risk of disruption to the provision of exchange services to customers or be able to wind down or restructure following a stress event, if necessary.</p> <p>The Company's approach to ensuring (i) capital held is sufficient, to ensure the Company is at all times able to comply with its regulatory obligation; and (ii) that it is robustly managed, contributes to overall market stability.</p>
<p><b>Dividends</b></p> <p>The Board reviewed and approved a total of \$196.0 million in dividend distributions which were paid during the year, see note 20.</p>	<p>The Board duly considered the Company's ongoing operational, capital, regulatory and legal requirements and incorporated adequate contingency for reasonable foreseeable future events in order to assess suitability of making a distribution.</p> <p>No alternative use of capital was identified as having been foregone in favour of the dividends paid as all financial resources and capital required for other principal decisions made had been provided for.</p>	<p>The Board considered the dividends to be in the best interests of the Company having carefully considered the impact to all of its stakeholders based on the information provided by senior management at the time of each dividend.</p> <p>No single or combined stakeholder groups were left disadvantaged or lacking resources otherwise needed following the dividend declarations.</p>
<p><b>Board appointments</b></p> <p>In June 2023 Ms. Burggraf was formally appointed to the Company's Board of directors.</p>	<p>Ms Burggraf brings extensive experience, skills and knowledge serving the needs of the Company and its stakeholders.</p>	<p>The appointment of a Director is subject to a rigorous procedure performed by the Nominations Committee of the Company including in consultation with ICE Group. This procedure includes interviews with various members of management and the Board of Directors and notification to certain regulators.</p>

## ICE Futures Europe

### Strategic Report (Continued) For the Year Ended 31 December 2023

#### Principal risks and uncertainties

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

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

The directors believe the following to be key risks:

#### **Regulation**

##### ***EU market participant access***

In February 2022, the European Commission extended the temporary equivalence decision that allows continued access by EU firms to clear trades at U.K. CCPs. In March 2022, ESMA extended ICE Clear Europe Limited's temporary recognition and tiering decision to June 2025. Uncertainty remains regarding what the impact will be on the Company if the temporary equivalence expires without being renewed.

## **ICE Futures Europe**

### **Strategic Report (Continued) For the Year Ended 31 December 2023**

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

In December 2022, the EU adopted a price cap on certain Dutch Title Transfer Facility, or TTF, derivatives traded on ICE Endex effective February 2023. In order to continue to provide customers with continued market access so that they can be supported in their need to manage risk, seamlessly hedge, and access and participate in the price discovery process, regardless of the level of the natural gas price, the Company launched a parallel market for TTF futures and options contracts, cleared by ICE Clear Europe Limited, on 20 February 2023. In December 2023, the EU extended until 31 January 2025 the price cap on certain Dutch TTF derivatives traded on ICE Endex. In December 2022, a coalition of G7 and other nations set the price of certain Russian crude oil at or below \$60 a barrel. This policy intervention remains in place and although the impact is uncertain it may negatively affect our business and impact the services we offer to clients.

#### ***U.K. Financial Services and Markets Act 2023***

The Financial Services and Markets Act 2023, or FSMA 2023, makes significant changes to UK financial services. The FSMA 2023 grants the Bank of England additional powers relating to CCPs, which authorise the Bank of England to act before a special resolution regime is triggered including temporarily restricting or prohibiting discretionary payments to specified shareholders or employees of CCPs and directing CCPs to take actions to achieve financial stability. The special resolution regime also authorises the Bank of England to act in certain circumstances including taking control of a CCP, transferring ownership or terminating clearing member contracts. This legislation could in certain extreme circumstances impact the ability of ICE Clear Europe Limited to provide clearing services to the Company.

#### ***EMIR 3.0***

In February 2024, the European Commission, European Parliament, and Council of the EU reached agreement on the final text of the European Market Infrastructure Regulation, or EMIR, known as EMIR 3.0. EMIR 3.0 contains provisions requiring EU market participants to establish accounts for euro-denominated short-term interest rate derivatives, or STIRs, at an EU CCP and a requirement to clear a certain number of trades in an EU account. At this time, the number of trades required to be cleared in an EU account is not finalised however these requirements could result in a reduction of traded and cleared contracts at the Company and ICE Clear Europe Limited, respectively, for these contracts.

#### ***Deforestation Regulations***

Effective in December 2024, the EU Deforestation Regulation, or EUDR, requires that certain commodities (including cocoa and coffee) and their products be from deforestation-free land and meet other requirements before they can be placed or made available on the EU market, or exported from it. Similarly the UK Forest Risk Commodities Regulations will require due diligence to be undertaken by supply chain participants to ascertain that relevant products (which include cocoa) have not been produced on deforested land. Together these requirements may decelerate the physical trade of cocoa and coffee, impact the usability of EU and UK coffee and cocoa physical inventories, and reduce trading volumes of the Robusta Coffee Contract and London Cocoa Contract traded at the Company.

#### ***UK Commodity Derivatives Reform***

In December 2023, the FCA published a consultation proposing to revise the U.K. commodity derivatives framework. The FSMA 2023 reformed the U.K.'s commodity derivatives regulatory regime including revoking the MIFID II requirement to set position limits on all exchange traded and over-the-counter contracts and transferring the powers to set position limits from the FCA to trading venue operators. The FCA is proposing to require trading venues to set position limits for critical and related contracts including the Company's softs commodity and energy contracts such as Brent, WTI, gasoil and natural gas, to establish accountability thresholds and to report enhanced position data. These requirements could make trading on the Company's exchange more difficult and could result in a reduction in volumes and liquidity.

## **ICE Futures Europe**

### **Strategic Report (Continued) For the Year Ended 31 December 2023**

#### **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 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 material negative impact to the Company.

The Company expects the macroeconomic environment to remain dynamic in the near-term, and continues to monitor macroeconomic conditions, including interest rates, the inflationary environment, 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.

#### **Risk management**

##### *Credit risk*

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

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

##### *Market risk*

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

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

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

##### *Liquidity risk*

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

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

## ICE Futures Europe

### Strategic Report (Continued) For the Year Ended 31 December 2023

#### *Capital management*

As a Recognised Investment Exchange, the Company is subject to regulatory capital and liquid financial asset maintenance requirements which are based on the Company's level of operating costs and a risk-based assessment performed in accordance with its recognition requirements regulations. Adherence to the requirements is monitored and reported to the Financial Conduct Authority on a monthly basis.

#### *Operational risk*

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

This report was approved by the board on 24 April 2024 and signed on its behalf.



C. Rhodes  
Director

## **ICE Futures Europe**

### **Directors' Report For the Year Ended 31 December 2023**

The directors present their report and the financial statements for the year ended 31 December 2023.

#### **Directors' responsibilities statement**

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

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

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

#### **Results and dividends**

The profit for the year, after taxation, amounted to \$183,866,000 (2022: \$186,992,000).

Dividends of \$196,000,000 were declared by the directors and paid during the year (2022: \$178,000,000).

#### **Directors**

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

J. Sprecher  
R. Barton (resigned 31 December 2023)  
Lord W. Hague  
V. Sharp  
A. Whittaker  
C. Dubin  
J. Abbott  
C. Rhodes  
T. Bland  
S. Burggraf (appointed 8 June 2023)  
M. Ibbotson (appointed 9 April 2024)

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

## **ICE Futures Europe**

### **Directors' Report (Continued) For the Year Ended 31 December 2023**

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

The Company's Streamlined Energy and Carbon Report ('SECR') disclosures are presented at an ICE UK Group level in the financial statements of ICE Europe Parent Limited, registered company number 7295772, which will be publicly available on Companies House prior to 30 September 2024.

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

On 22 March 2024 the Company paid a dividend of \$30,000,000.

#### **Future developments**

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

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

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

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

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

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

#### **Auditors**

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

This report was approved by the board on 24 April 2024 and signed on its behalf.



C. Rhodes  
Director

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

### **Opinion**

We have audited the financial statements of ICE Futures Europe for the year ended 31 December 2023 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 25, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the Company's affairs as at 31 December 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

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

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

### **Conclusions relating to going concern**

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period up to 24 April 2025, being not less than twelve months from when the financial statements are authorised for issue.

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

### **Other information**

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

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion :

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 13, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**Use of our report**

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



Thomas Slater  
Senior statutory auditor  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
London  
25 April 2024

## ICE Futures Europe

### Statement of Comprehensive Income For the Year Ended 31 December 2023

	Note	2023 \$000	2022 \$000
Turnover	2	360,755	354,254
<b>Gross profit</b>		<b>360,755</b>	354,254
Administrative expenses		(159,917)	(154,467)
Other operating income	3	32,180	29,412
<b>Operating profit</b>	4	<b>233,018</b>	229,199
Interest receivable	8	6,589	1,474
<b>Profit before tax</b>		<b>239,607</b>	230,673
Tax on profit	9	(55,741)	(43,681)
<b>Profit for the financial year</b>		<b>183,866</b>	186,992
Other comprehensive income for the year		—	—
<b>Total comprehensive income for the year</b>		<b>183,866</b>	186,992

There were no recognised gains and losses for 2023 or 2022 other than those included in the Statement of Comprehensive Income.

The notes on pages 21 to 34 form part of these financial statements.

**ICE Futures Europe**  
**Registered number: 1528617**

**Balance Sheet**  
**As at 31 December 2023**

	Note	2023 \$000	2023 \$000	2022 \$000	2022 \$000
<b>Fixed assets</b>					
Tangible assets	10		1,391		3,042
Investments	11		32,000		32,000
			<u>33,391</u>		<u>35,042</u>
<b>Current assets</b>					
Debtors: amounts falling due after more than one year	12	4,032		9,743	
Debtors: amounts falling due within one year	12	90,721		65,375	
Cash at bank and in hand	13	<u>117,353</u>		<u>123,400</u>	
			<b>212,106</b>		<b>198,518</b>
<b>Current liabilities</b>					
Creditors and other payables: amounts falling due within one year	14	(72,966)		(47,305)	
Other provisions	16	<u>(674)</u>		<u>—</u>	
			<b>(73,640)</b>		<b>(47,305)</b>
<b>Net current assets</b>			<u><b>138,466</b></u>		<u><b>151,213</b></u>
<b>Total assets less current liabilities</b>			<b>171,857</b>		<b>186,255</b>
Creditors: amounts falling due after more than one year	15		(6,535)		(5,284)
Other provisions	16		—		(1,584)
<b>Net assets</b>			<u><u><b>165,322</b></u></u>		<u><u><b>179,387</b></u></u>
<b>Capital and reserves</b>					
Called up share capital	19		—		—
Share premium account			10,000		10,000
Profit and loss account			<u>155,322</u>		<u>169,387</u>
			<u><u><b>165,322</b></u></u>		<u><u><b>179,387</b></u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 24 April 2024.



C. Rhodes  
Director

The notes on pages 21 to 34 form part of these financial statements.

## ICE Futures Europe

### Statement of Changes in Equity For the Year Ended 31 December 2023

	Called up share capital	Share premium	Profit and loss account	Total equity
	\$000	\$000	\$000	\$000
At 1 January 2022	—	10,000	157,169	167,169
<b>Comprehensive income for the year</b>				
Profit for the year	—	—	186,992	186,992
<b>Total comprehensive income for the year</b>	—	—	186,992	186,992
Dividends: Equity capital	—	—	(178,000)	(178,000)
Payments under share-based payment agreements	—	—	(7,389)	(7,389)
Effect of capital contributions relating to share-based payment agreements	—	—	6,679	6,679
Increase in amounts due under share-based payments recharge agreements	—	—	3,936	3,936
<b>Total transactions with owners</b>	—	—	(174,774)	(174,774)
At 1 January 2023	—	10,000	169,387	179,387
<b>Comprehensive income for the year</b>				
Profit for the year	—	—	183,866	183,866
<b>Total comprehensive income for the year</b>	—	—	183,866	183,866
Dividends: Equity capital	—	—	(196,000)	(196,000)
Payments under share-based payment agreements	—	—	(5,662)	(5,662)
Effect of capital contributions relating to share-based payment agreements	—	—	5,764	5,764
Decrease in amounts due under share-based payments recharge agreements	—	—	(2,033)	(2,033)
<b>Total transactions with owners</b>	—	—	(197,931)	(197,931)
<b>At 31 December 2023</b>	<b>—</b>	<b>10,000</b>	<b>155,322</b>	<b>165,322</b>

The notes on pages 21 to 34 form part of these financial statements.

**Notes to the Financial Statements  
For the Year Ended 31 December 2023**

**1. Accounting policies**

**1.1 Basis of preparation of financial statements**

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

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

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

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

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

This information is included in the consolidated financial statements of Intercontinental Exchange, Inc., as at 31 December 2023 and these financial statements may be obtained from [www.ice.com](http://www.ice.com).

**1.3 Going concern**

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

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for a period up to 24 April 2025, being not less than twelve months from when the financial statements are authorised for issue. In reaching this determination they have considered the strong cash flows and capital resources of the Company. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

**1.4 Turnover**

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

**Notes to the Financial Statements  
For the Year Ended 31 December 2023**

**1.5 Tangible fixed assets and depreciation**

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

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

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

**1.6 Investments**

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

**1.7 Impairment review**

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

**1.8 Cash and cash equivalents**

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

**1.9 Financial instruments**

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

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

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

Basic financial liabilities including trade and other payables are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the

**Notes to the Financial Statements  
For the Year Ended 31 December 2023**

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

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

**1.10 Dilapidations provision**

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

**1.11 Foreign currencies**

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

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

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

**1.12 Derivatives**

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

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

**1.13 Dividends**

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

**1.14 Pensions**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate

**Notes to the Financial Statements  
For the Year Ended 31 December 2023**

entity. Once the contributions have been paid the Company has no further payment obligations.

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

**1.15 Interest receivable**

Interest receivable is recognised as earned.

**1.16 Current and deferred taxation**

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

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

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

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

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

**1.17 Operating leases**

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

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

**1.18 Share-based transactions**

The cost of employees' services received in exchange for the grant of rights under ICE group equity-based employee compensation schemes is measured at the fair value of the equity

## ICE Futures Europe

### Notes to the Financial Statements For the Year Ended 31 December 2023

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

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

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

## 2. Turnover

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

	2023 \$000	2022 \$000
Transaction fees	201,358	205,915
Membership fees	1,705	1,791
Data services	157,692	146,548
	<u>360,755</u>	<u>354,254</u>

All turnover arose within the United Kingdom.

Turnover, which is stated net of value added tax and net incentives amounting to \$231,317,000 in 2023 (2022: \$156,382,000), is derived from the continuing business of the Company, and is comprised as above.

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

## 3. Other operating income

	2023 \$000	2022 \$000
Services provided to group entities	31,064	28,754
Fine income	1,116	658
	<u>32,180</u>	<u>29,412</u>

## ICE Futures Europe

### Notes to the Financial Statements For the Year Ended 31 December 2023

#### 4. Operating profit

The operating profit is stated after charging:

	2023	2022
	\$000	\$000
Exchange differences	<u>777</u>	<u>3,641</u>

#### 5. Audit remuneration

	2023	2022
	\$000	\$000
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	378	410
Auditors' remuneration - non-audit	<u>139</u>	<u>154</u>
	<u>517</u>	<u>564</u>

#### 6. Employees

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

	2023	2022
	\$000	\$000
Wages and salaries	37,898	36,826
Social security costs	3,969	3,782
Cost of defined contribution scheme	<u>2,037</u>	<u>1,896</u>
	<u>43,904</u>	<u>42,504</u>

Included in the wages and salaries costs disclosed above was a charge of \$5,764,000 (2022: \$6,679,000) in respect of share-based payment transactions.

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

	2023	2022
	No.	No.
	<u>209</u>	<u>200</u>

## ICE Futures Europe

### Notes to the Financial Statements For the Year Ended 31 December 2023

#### 7. Directors' remuneration

	<b>2023</b>	2022
	<b>\$000</b>	\$000
Directors' emoluments	<b>1,416</b>	1,610
Company contributions to defined contribution pension schemes	<b>47</b>	50
	<b><u>1,463</u></b>	<u>1,660</u>

During the year retirement benefits were accruing to 1 director (2022: 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of \$802,000 (2022: \$644,000).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to \$47,000 (2022: \$29,000).

8 directors including the highest paid director (2022: 9) received shares in respect of qualifying services during the year.

Additional directors' remuneration in respect of qualifying services borne by the ultimate parent company, ICE, for the year is currently estimated at \$2,204,000 (2022: \$1,336,000).

#### 8. Interest receivable

	<b>2023</b>	2022
	<b>\$000</b>	\$000
Other interest receivable	<b>6,589</b>	1,474
	<b><u>6,589</u></b>	<u>1,474</u>

## ICE Futures Europe

### Notes to the Financial Statements For the Year Ended 31 December 2023

#### 9. Taxation

	2023	2022
	\$000	\$000
<b>Current tax</b>		
Current tax on profit for the year	55,629	43,404
Adjustments in respect of previous periods	4	(41)
	<u>55,633</u>	<u>43,363</u>
<b>Foreign tax</b>		
Foreign tax on income for the year	6	10
	<u>55,639</u>	<u>43,373</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	144	364
Changes to tax rates	(42)	(74)
Adjustments in respect of prior periods	—	18
	<u>102</u>	<u>308</u>
<b>Tax charge on profit on ordinary activities</b>	<u>55,741</u>	<u>43,681</u>

#### Factors affecting tax charge for the year

The tax assessed for the year is lower than (2022: lower than) the standard rate of corporation tax in the UK of 23.5% (2022: 19%). The differences are explained below:

	2023	2022
	\$000	\$000
<b>Profit on ordinary activities before tax</b>	<u>239,607</u>	<u>230,673</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.5% (2022: 19%)	56,308	43,828
<b>Effects of:</b>		
Adjustments to tax charge in respect of prior periods	4	(23)
(Income not taxable)/expenses not deductible for the year	(474)	30
Statutory deduction on share schemes in excess of accounting charges	(61)	(90)
Change in rates	(42)	(74)
Foreign tax on income for the year	6	10
<b>Total tax charge for the year</b>	<u>55,741</u>	<u>43,681</u>

#### Factors that may affect future tax charges

On 3 March 2021 it was announced, and later enacted on 10 June 2021, that the UK corporation tax rate would increase from 19% to 25% from 1 April 2023. The blended rate of UK corporation tax for the period was therefore 23.5%.

**Notes to the Financial Statements**  
**For the Year Ended 31 December 2023**

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Given the 25% rate was enacted at the time of the balance sheet date, the closing deferred tax balance have been calculated with reference to this rate. The deferred tax asset is expected to decrease by \$795,000 before 31 December 2024.

On 11 July 2023, the UK Finance (No. 2) Act 2023 enacted the Pillar Two income taxes legislation effective from 1 January 2024. Under the legislation, the Company would be required to pay, in the United Kingdom, 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 enacted 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.

**10. Tangible fixed assets**

	<b>Leasehold improvements and office equipment</b>	<b>Computer equipment</b>	<b>Total</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
<b>Cost</b>			
At 1 January 2023	25,385	3,153	28,538
Additions	—	488	488
Disposals	(58)	(2,190)	(2,248)
At 31 December 2023	25,327	1,451	26,778
<b>Depreciation</b>			
At 1 January 2023	22,684	2,812	25,496
Charge for the year	1,757	377	2,134
Disposals	(53)	(2,190)	(2,243)
At 31 December 2023	24,388	999	25,387
<b>Net book value</b>			
At 31 December 2023	939	452	1,391
At 31 December 2022	2,701	341	3,042

## ICE Futures Europe

### Notes to the Financial Statements For the Year Ended 31 December 2023

#### 11. Fixed asset investments

	<b>Other fixed asset investments \$000</b>
<b>Cost and net book value</b>	
At 1 January 2023	<u>32,000</u>
At 31 December 2023	<u><u>32,000</u></u>

Pursuant to the Company's ongoing agreement with ICE Clear Europe Limited for clearing services, the Company's investments relate to the purchased of \$32 million preference shares issued by a Group entity, Exchange Participations Limited. The proceeds from the preference share issuance have been contributed to ICE Clear Europe Limited which has added the amount to its own resources contribution to the guaranty fund. This reflects the alignment of risk sharing between the Company in its role as the exchange, the clearing house and its members. The amount of the minimum contribution is reassessed annually; no additional contribution is required in 2024. The investments are an integral part of the agreement with ICE Clear Europe Limited and are expected to be held without curtailment for the foreseeable future.

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

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

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

#### 12. Debtors

	<b>2023 \$000</b>	2022 \$000
<b>Due after more than one year</b>		
Other debtors	<b>4,032</b>	5,532
Deferred taxation (note 17)	—	4,211
	<u><b>4,032</b></u>	<u>9,743</u>
	<b>2023 \$000</b>	2022 \$000
<b>Due within one year</b>		
Amounts owed by group undertakings	<b>41,316</b>	34,344
Other debtors	<b>1,927</b>	1,006
Prepayments and accrued income	<b>43,011</b>	28,629
Corporation tax recoverable	<b>358</b>	1,396
Deferred taxation (note 17)	<b>4,109</b>	—
	<u><b>90,721</b></u>	<u>65,375</u>

## ICE Futures Europe

### Notes to the Financial Statements For the Year Ended 31 December 2023

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

	2023	2022
	\$000	\$000
Cash at bank and in hand	117,353	123,400
	<u>117,353</u>	<u>123,400</u>

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

As of 31 December 2023 the amount held and restricted by the Company in order to meet this requirement was \$100,000,000 (2022: \$100,000,000) and these amounts form part of the cash at bank and in hand balance.

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

	2023	2022
	\$000	\$000
Trade creditors	2,393	23
Amounts owed to group undertakings	8,462	3,283
Other taxation and social security	2,198	2,236
Accruals and deferred income	59,913	41,763
	<u>72,966</u>	<u>47,305</u>

All creditors are unsecured. Accruals and deferred income include \$2,839,000 (2022: \$2,277,000) due under share-based payments recharge agreements.

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

	2023	2022
	\$000	\$000
Accruals and deferred income	6,535	5,284
	<u>6,535</u>	<u>5,284</u>

Accruals and deferred income include \$6,535,000 (2022: \$5,064,000) due under share-based payments recharge agreements.

## ICE Futures Europe

### Notes to the Financial Statements For the Year Ended 31 December 2023

#### 16. Provisions

	Provision for dilapidation \$000
At 1 January 2023	1,584
Credited to profit or loss	(910)
At 31 December 2023	<u>674</u>

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

#### 17. Deferred taxation

	2023 \$000	2022 \$000
At beginning of year	4,211	4,519
Debit to the profit and loss	(102)	(308)
At end of year	<u>4,109</u>	<u>4,211</u>

The deferred tax asset is made up as follows:

	2023 \$000	2022 \$000
Decelerated capital allowances	2,592	2,741
Other timing differences	1,517	1,470
	<u>4,109</u>	<u>4,211</u>

#### 18. Derivatives

The Company did not recognise an asset or liability at 31 December 2023 (2022: none) for its forward foreign currency contracts held at fair value. During the year the Company recognised total losses in the fair value of forward foreign currency contracts of \$2,387,000 (2022: gains of \$1,426,000), these are included in administrative expenses in the Statement of Other Comprehensive Income.

#### 19. Share capital

	2023 \$000	2022 \$000
<b>Allotted, called up and fully paid</b>		
101 (2022: 101) Ordinary shares of \$1.00 each	<u>—</u>	<u>—</u>

## ICE Futures Europe

### Notes to the Financial Statements For the Year Ended 31 December 2023

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

#### 20. Dividends

	<b>2023</b>	2022
	<b>\$000</b>	\$000
Dividends paid on equity capital	<b>196,000</b>	178,000
	<b><u>196,000</u></b>	<u>178,000</u>

#### 21. Pension commitments

The Company operates money purchase pension schemes for eligible employees. The assets of the schemes are held separately from those of the Company in independently administered funds. There were no contributions outstanding at 31 December 2023 (2022: nil).

#### 22. Operating lease commitments

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

	<b>2023</b>	2022
	<b>\$000</b>	\$000
Not later than 1 year	<b>3,541</b>	4,532
Later than 1 year and not later than 5 years	<b>—</b>	3,363
	<b><u>3,541</u></b>	<u>7,895</u>

Total lease payments recognised as an expense during the year were \$4,186,000 (2022: \$4,279,000).

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

#### 23. Ultimate parent undertaking and controlling party

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

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

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

## **ICE Futures Europe**

### **Notes to the Financial Statements For the Year Ended 31 December 2023**

#### **24. Non-adjusting post balance sheet events**

On 22 March 2024 the Company paid a dividend of \$30,000,000.

#### **25. Registered office**

The registered office of the Company is:

Milton Gate  
60 Chiswell Street  
London  
EC1Y 4SA  
United Kingdom