2020 UNIVERSAL REGISTRATION DOCUMENT

EURONEXT

Including the Annual Financial Statements

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DR: Items above in the Contents of the Universal Registration Document with the symbol DR concern the Directors' Report within the meaning of Article 2:391 of the Dutch Civil Code

2020 UNIVERSAL REGISTRATION DOCUMENT
including the Annual Financial Statements

Euronext N.V. (the "Company" or "Euronext" and together with its subsidiaries, the "Group") is a Dutch public company with limited liability (*naamloze Vennootschap*), whose ordinary shares are admitted to listing and trading on regulated markets in the Netherlands, France, Belgium and Portugal. The applicable regulations with respect to public information and protection of investors, as well as the commitments made by the Company to securities and market authorities, are described in this Universal Registration Document (the "Universal Registration Document").

In addition to historical information, this Universal Registration Document includes forward-looking statements and unaudited *pro forma* information.

The forward-looking statements are generally identified by the use of forward-looking words, such as "anticipate", "believe", "estimate", "expect", "intend", "plan", "project", "predict", "target", "will", "should", "may" or other variations of such terms, or by discussion of strategy. These statements relate to Euronext's future prospects, developments and business strategies and are based on analyses or forecasts of future results and estimates of amounts not yet determinable. These forward-looking statements represent the view of Euronext only as of the dates they are made, and Euronext disclaims any obligation to update forward-looking statements, except as may be otherwise required by law. The forward-looking statements in this Universal Registration Document involve known and unknown risks, uncertainties and other factors that could cause Euronext's actual future results, performance and achievements to differ materially from those forecasted or suggested herein. These include changes in general economic and business conditions, as well as the factors described in *section 2.1 – Risk Factors* of this Universal Registration Document.

The unaudited *pro forma* combined financial information included in this Universal Registration Document, which has been prepared using historical consolidated financial information of Euronext N.V. and audited historical consolidated financial information of London Stock Exchange Group Holdings Italia S.p.A., together with its subsidiaries (the "Borsa Italiana Group"), is presented for illustrative purposes only and should not be considered to be an indication of the profit/(loss) or financial position of Euronext N.V. following the contemplated acquisition of the Borsa Italiana Group (the "Combined Group").

This Universal Registration Document has been filed with the *Stichting* Autoriteit Financiële Markten (the "AFM") on 30 March 2021 as competent authority under Regulation (EU) 2017/1129 without prior approval pursuant to Article 9 of Regulation (EU) 2017/1129. This Universal Registration Document may be used for the purposes of an offer to the public of securities or admission of securities to trading on a regulated market if approved by the AFM together with any amendments, if applicable, and a securities note and summary approved in accordance with Regulation (EU) 2017/1129.

A MESSAGE FROM OUR CEO AND CHAIRMAN OF THE MANAGING BOARD

> **As Euronext celebrated its 20th anniversary, the Group reached a turning point in its history with the contemplated acquisition of the Borsa Italiana Group. The combination of Euronext and the Borsa Italiana Group will deliver on Euronext's strategic objectives to build the leading pan-European market infrastructure.**

Stéphane Boujnah
CEO and Chairman of the Managing Board

Dear Shareholders,

2020 was an intense year for Euronext. As the Group celebrated our 20th anniversary, Euronext delivered a strong operating performance while continuing to advance on our *"Let's Grow Together 2022"* strategic plan to build the leading pan-European market infrastructure, connecting local economies to global capital markets.

This year, the Group recorded double-digit growth in revenue, EBITDA and Adjusted EPS, and delivered, two years in advance, on the financial targets in our "*Let's Grow Together 2022*" strategic plan. This is the result of an improved market position, increased post-trade activity, and our widely recognised cost discipline.

Euronext also delivered on many other ambitions outlined in our "*Let's Grow Together 2022*" strategic plan, specifically with the deployment of Optiq®, the state-of-the-art proprietary Euronext trading platform, to Oslo markets in 2020, only 17 months after the acquisition of Oslo Børs VPS. The Euronext single liquidity pool, enabled by a single order book and powered by a single technology platform, remains one of the Group's greatest assets.

During this challenging year, operating resilient, fair and orderly markets has never been more crucial. For several years Euronext has prepared for times like the ones we have been through over the past twelve months, investing heavily in technology, capacity and latency, and processes. These investments proved their worth in the unprecedented trading environment of 2020 and as a result, the Group continued to operate while maintaining a close dialogue with our clients and regulators. In line with our mission to finance the real economy, Euronext has enabled companies to fund their investment and innovation projects, preparing for the future and helping to mitigate the effects of the crisis.

Ensuring the health and safety of our staff, while keeping operations running in highly volatile conditions, was crucial during 2020. During the difficult months of April and May, Euronext demonstrated real solidarity with our communities through numerous local Euronext initiatives to support hospitals and local charitable projects.

Euronext also achieved significant steps towards our ESG ambitions. In June 2020, the Group launched a new suite of ESG-focused products, services and initiatives designed to provide a robust framework of tools for European capital markets to fuel sustainable growth. Our ESG product strategy enables investors to deploy their capital efficiently and transparently to support high-impact projects and companies. In addition, Euronext became the first stock exchange to endorse the UN Global Compact's nine Ocean Principles, having been an Official Supporter of the United Nations' Sustainable Stock Exchanges initiative since 2015.

In the meantime, the Group continued to deploy capital. We pursed our Nordic expansion, entering the power market with Nord Pool while strengthening our post-trade activities with the acquisition of VP Securities. We continued to develop our Corporate Services franchise with bolt-on acquisitions to support our clients as they continue with the digital transformation of their businesses.

In October, Euronext announced the contemplated acquisition of the Borsa Italiana Group, which is expected to close during the first half of 2021. The Proposed Combination will create a leading European market infrastructure in the European Union. Euronext's central role in connecting local economies to global markets is strengthened through the creation of the number one venue for listing and secondary markets for both debt and equity financing in Europe. This transaction significantly enhances Euronext's scale, diversifies our business mix into new asset classes and strengthen our post-trade activities.

As we celebrated our 20th anniversary in 2020, the Euronext Group reached a turning point in our history. The combination of Euronext and the Borsa Italiana Group delivers on the strategic objectives to build the leading pan-European market infrastructure. In 2021, on the back of these achievements and ahead of the acquisition of the Borsa Italiana Group, we will announce our new 2024 guidance for the new scope of the combined company.

Stéphane Boujnah

A STRONG PERFORMANCE IN 2020

€884.3m
+30.2%
REVENUE

€520.0m
58.8%
EBITDA & EBITDA MARGIN

53.5%
EBITDA TO NET OPERATING CASH FLOW

€4.99
+28.1%[1]
ADJUSTED EPS

€2.25
DIVIDEND PER SHARE[2]

IN 2021

EURONEXT EXPECTS ITS OPERATING COSTS EXCLUDING D&A TO **DECREASE** BY A **MID-SINGLE DIGIT**, COMPARED TO THE ANNUALISED 2020 FOURTH QUARTER OPERATING COSTS EXCLUDING D&A, ON THE CURRENT PERIMETER[3]

€4.5trn
MARKET CAPITALISATION ON EURONEXT MARKETS

1,500+
ISSUERS

90
NEW EQUITY LISTINGS

70.4%
MARKET SHARE ON CASH TRADING

€9.8bn
CASH AVERAGE DAILY VALUE

0.52bps
CASH YIELD

20+
COUNTRIES

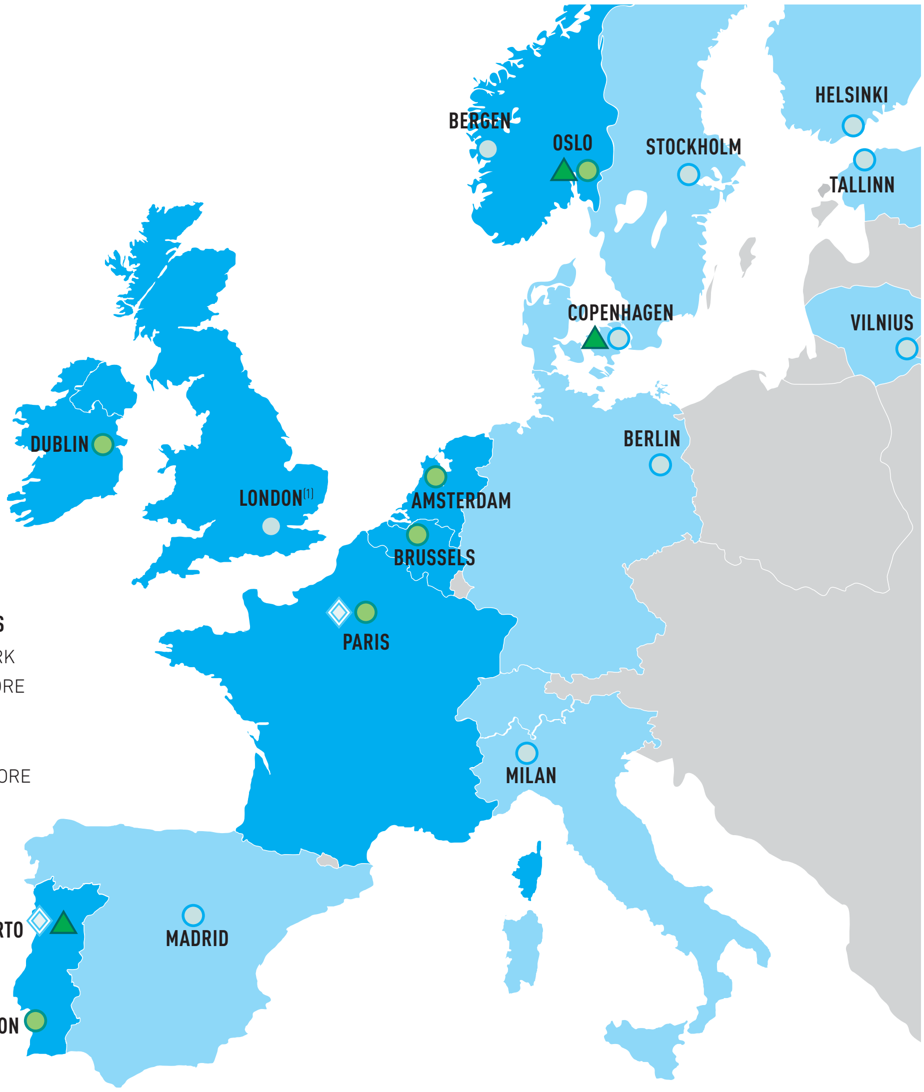
+1,400
EMPLOYEES

1.2x
NET DEBT TO EBITDA RATIO[4]

(1) Percentages compare 2020 data to 2019 data.
(2) To be proposed to the AGM on 11 May 2021.
(3) Amounting to €420.4 million.
(4) Net debt to EBITDA ratio, as defined in section 5.2 - Other financial information, and based on last 12-months pro forma EBITDA including the full year 2020 impact of Nord Pool, VPS Securities, Ticker, OPCVM360, 3Sens.
EBITDA, EBITDA margin and adjusted EPS are defined in section 5.2 - Other Financial Information.

EURONEXT FEDERAL MODEL

Euronext is the first pan-European exchange, spanning Belgium, France, Ireland, the Netherlands, Portugal and Norway.
This unique model unites marketplaces that date back as far as the start of the 17th century, and is designed to incorporate the individual strengths and assets of each market, combining heritage and forward-looking modernity.
We operate six national regulated securities and derivatives markets in Amsterdam, Brussels, Dublin, Lisbon, Oslo and Paris, a regulated derivatives market in Bergen, and the UK-based regulated securities market, Euronext London.[2]

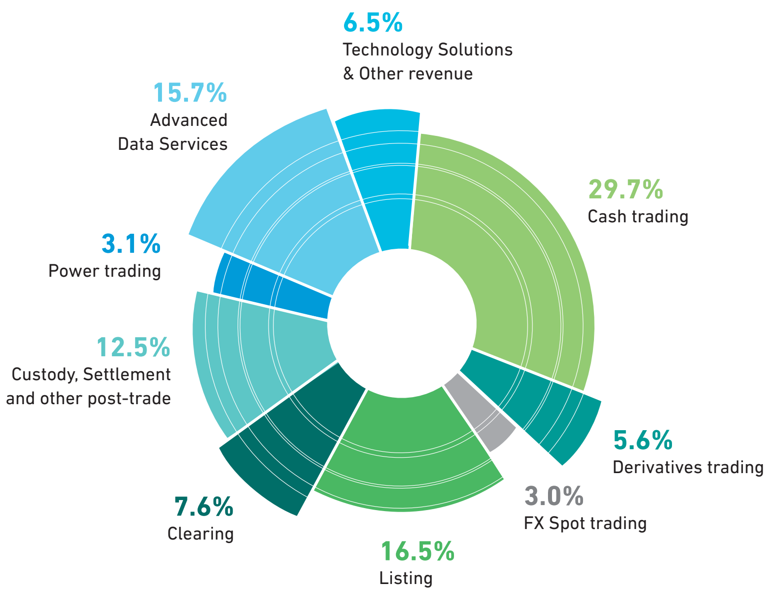


OTHER OFFICES
- NEW YORK
- SINGAPORE
- TOKYO
- DEHLI
- BANGALORE

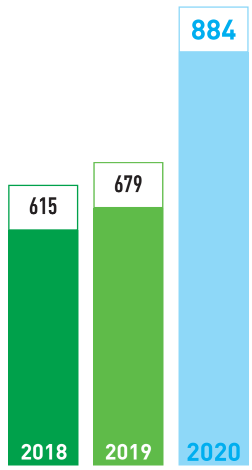
- Euronext historical presence
- Central Securities Depositories
- 6 Regulated markets
- Technology centers
- Offices

[1] Euronext London is recognised as a Recognised Investment Exchange (RIE) by the Financial Conduct Authority (FCA).
[2] On 30 March 2020 Euronext has filed an application for the revocation of its RIE licence, subject to approval from the FCA. Under the applicable rules this implies that Euronext will have to cease all regulated activities in the UK as per 30 June 2020. Euronext will ensure an orderly wind down of its limited regulated activities in close consultation with the FCA.

SOURCE OF 2020 REVENUE



REVENUE IN €M



EURONEXT 'S GOVERNANCE

Euronext N.V. is a Dutch public company with a two-tier governance

SUPERVISORY BOARD

Jim GOLLAN
Independent
Non-executive director
Age: 65

Dick SLUIMERS
Independent
Chairman of the Supervisory Board
Age: 67

Nathalie RACHOU
Independent
Senior Advisor of Rouvier Associés
Age: 63

Manuel FERREIRA DA SILVA
Independent
Non-executive director
Age: 63

Padraic O'CONNOR
Independent
Non-executive director
Age: 71

9 SUPERVISORY BOARD MEMBERS, OF WHICH 3 APPOINTED UPON NOMINATION BY EURONEXT REFERENCE SHAREHOLDERS AND 6 INDEPENDENT MEMBERS

Morten THORSRUD
Independent
President and CEO of If P&C
Age: 50

Franck SILVENT
Reference Shareholders Repr.
Managing partner,
Degroof Petercam Finance
Age: 48

Luc KEULENEER
Reference Shareholders Repr.
Professor financial and treasury management
Age: 61

Lieve MOSTREY
Reference Shareholders Repr.
CEO of Euroclear
Age: 60

SUPERVISORY BOARD COMMITTEES

AUDIT
Jim GOLLAN
Luc KEULENEER
Franck SILVENT
Dick SLUIMERS
Morten THORSRUD

NOMINATION & GOVERNANCE
Dick SLUIMERS
Manuel FERREIRA DA SILVA
Lieve MOSTREY
Padraic O'CONNOR
Nathalie RACHOU

REMUNERATION
Nathalie RACHOU
Manuel FERREIRA DA SILVA
Lieve MOSTREY
Padraic O'CONNOR
Dick SLUIMERS

MANAGING BOARD

Stéphane BOUJNAH
Chief Executive Officer, Chairman of the Managing Board
Age : 56

Chris TOPPLE
CEO Euronext London
Age : 51

Anthony ATTIA
CEO Euronext Paris, Global Head of Listing and Post Trade
Age : 46

Vincent VAN DESSEL
CEO Euronext Brussels
Age : 62

Daryl BYRNE
CEO Euronext Dublin
Age : 48

Øivind AMUNDSEN
CEO Oslo Børs VPS
Age : 53

Simone HUIS IN 'T VELD
CEO Euronext Amsterdam
Age : 50

Isabel UCHA
CEO Euronext Lisbon
CEO Interbolsa
Age : 55

Georges LAUCHARD
Chief Operating Officer
Age : 46

PERMANENT ATTENDEES TO THE MANAGING BOARD

Sylvia ANDRIESSEN
General Counsel

Giorgio MODICA
Chief Financial Officer

Camille BEUDIN
Head of Strategic Development and Mergers & Acquisitions

Simon GALLAGHER
Head of Cash & Derivatives

Amaury HOUDART
Chief Talent Officer

EURONEXT'S 2022 STRATEGIC AMBITIONS

Leveraging Euronext's unique federal model, **creating** a sustainable competitive advantage

- Simplicity of access to European markets
- Proximity to local clients
- Diversity of flows

- Strong links with local regulators
- Strong integration track record
- Large investor customer base

- 7 local markets
- Attractive workplace

Building on strong assets to deliver future growth

- Expertise in liquidity and yield management
- Largest liquidty pool in Europe
- Strong national and ESG indices

- Comprehensive suite of Corporate and Investors Services
- Strong listing franchise

- Cutting-edge proprietary technology platform Optiq®
- Strong listing franchise
- Culture of efficiency
- Agile capital deployment, flexibility

LET'S GROW TOGETHER 2022

OUR AMBITION

Build the leading pan-European market infrastructure

OUR MISSION

Connect local economies to global capital markets, to accelerate innovation and sustainable growth

EURONEXT STRATEGIC PLAN TO FULFILL ITS AMBITION

- Diversify local and global infrastructures
- Enhance client connectivity
- Deliver operational excellence
- Empower people to grow, perform and innovate
- Enable sustainable finance
- Execute value-creative M&A programme

2022 FINANCIAL TARGETS REFLECTING EURONEXT GROWTH AMBITIONS AND ACHIEVED TWO YEARS IN ADVANCE

	2018	2022e TARGETS *VS. PROFORMA*	2020
Revenue	*PROFORMA* €734m	€795m to €826m +2 to 3% CAGR $_{2018PF-2022e}$	*COMPARABLE PERIMETER* €831m
EBITDA margin	*PROFORMA* 57.0%	≥60%	60.5%
Dividend Policy	50% of Reported Net Income *Current*	50% of Reported Net Income	50% of Reported Net Income

Proforma / comparable perimeter excludes Nord Pool, Ticker, 3Sens and VP Securities.

✓ Significant diversification and change of perimeter since October 2019, with Nord Pool and VP Securities acquisitions in 2020.

✓ Borsa Italiana group contemplated transformational transaction expected to be completed in H1 2021.

▶ Euronext no longer intends to pursue its 2022 guidance which is withdrawn. Euronext will provide the market with new 2024 guidance reflecting the extended perimeter during the fourth quarter of 2021. As a result, investors should disregard the 'Let's Grow Together 2022' financial targets.

EXECUTING DISCIPLINED AND VALUE ACCRETIVE M&A

Rigorous capital allocation policy

▶ Investment criteria:
ROCE > WACC in year 3 to 5

▶ Optimised leverage with credit floor rating
≥ Strong investment grade

1 Take recent successes to the next level
- Corporate Services
- FX stack
- Index & data franchise

2 Develop new growth and diversification initiatives
- Investor services
- New asset classes
- Post trade solutions

3 Transformational deals
- Expansion of the federal model
- Diversification of the revenue base

BUSINESS MODEL

Inputs

Financial capital
The pool of funds that is available to an organization for use in the production of goods or the provision of services or obtained through financing: Listing fees, trading fees, clearing fees, market data's fees, ...

Intellectual capital
Organizational, knowledge-based intangibles, including intellectual property, such as patents, copyrights, software, rights and licenses

Human capital
Skills, team, people, knowledge, ...

Social capital
The institutions and the relationships within and between communities, groups of stakeholders and other networks, and the ability to share information to enhance individual and collective well-being

Natural capital
All renewable and non-renewable environmental resources and processes that provide goods or services, *i.e.* energy, database

5
Impact areas

Our Markets
Our environnement
Our People
Our Partners
Our Society

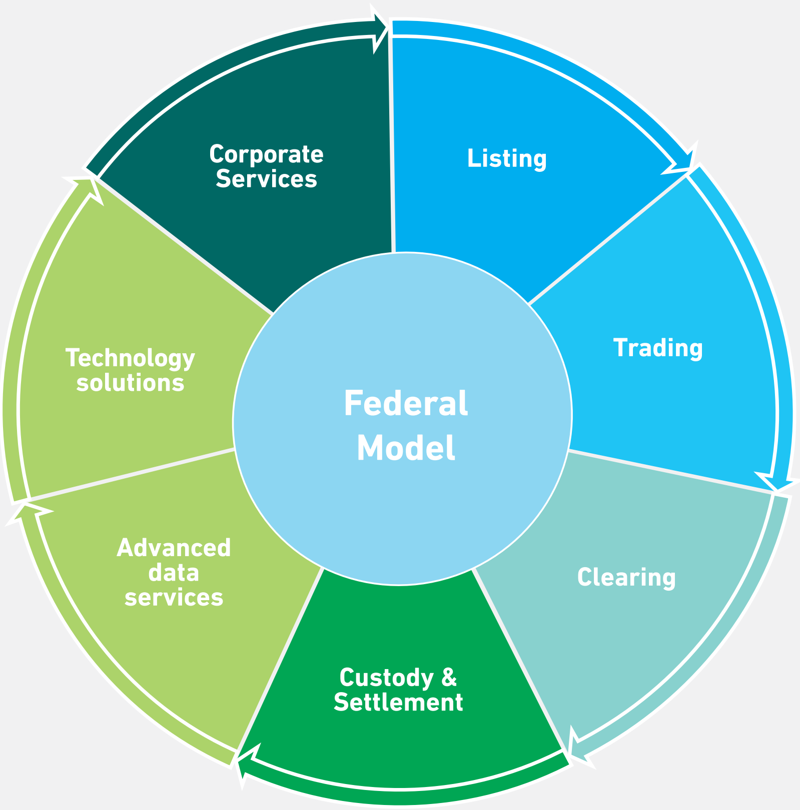
11
Key issues

- Act ethically, with integrity and the highest standards in terms of good governance
- Develop skills and retain talents in an open culture of dialogue
- Educate and engage with local communities
- Educate partners on financial literacy and Regulations
- Foster "Issuer-Investor" dialogue
- Maintain an ongoing dialogue with multi stakeholder partnerships
- Organise a trusted, fair, transparent and efficient market, thereby enhancing access to capital
- Promote and develop sustainable and innovative products
- Promote diversity
- Reduce our own carbon footprint and contribute to the protection of the Environment
- Respect human rights and local labour laws

FEDERAL MODEL

Euronext's Business Model: to connect local economies to global markets, to accelerate innovation and sustainable growth

Euronext ESG mission: to accelerate the transition to a more sustainable economy



Outputs

Financial capital
Net operating income, dividend, capital raised, market cap, EPS, share price, ...

Social capital
Access to capital, Shareholder value, Transparent and reliable market place
Services to issuers, Sustainable products
Deep liquidity pool

Human capital
Talent development, Financial education

Impacts

Euronext is the only pan-European exchange operating across multiple jurisdictions with an harmonised regulatory framework, a Single Order Book and a single trading platform offering access to all markets through a single connection.

LET'S GROW TOGETHER 2022 WILL DELIVER ON SUSTAINABLE DEVELOPMENT GOALS IN 5 IMPACT AREAS

"Euronext has a key position in the financial ecosystem. It serves the real economy by bringing together buyers and sellers in high integrity trading venues that are transparent, efficient and reliable. In this key role, Euronext has a responsibility *vis-à-vis* the whole finance community to contribute to the financial stability and the sustainable agenda in the countries in which it operates"

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE | 4 QUALITY EDUCATION | 13 CLIMATE ACTION | 5 GENDER EQUALITY | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION | 14 LIFE BELOW WATER | 16 PEACE, JUSTICE AND STRONG INSTITUTIONS | 17 PARTNERSHIPS FOR THE GOALS

Market

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

- Organise a trusted, fair, transparent and efficient market, thereby enhancing access to capital
- Promote and develop sustainable and innovative products

Euronext Green Bond section, Cleantech franchise and ESG ETF suite Expand our suite of ESG indices in partnership with specialised provider

Environment

13 CLIMATE ACTION

- Reduce our own carbon footprint and contribute to the protection of the environment

Enhance Euronext's ESG reporting on agreed material issues on the basis of GRI standards Group wide carbon footprint analysis

People

5 GENDER EQUALITY

- Develop skills and retain talents in an open culture of dialogue
- Promote diversity
- Respect human rights and local labour laws

Continue implementation **of diversity action plan** Improved performance **& development cycle**

Partners

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

- Foster "Issuer-Investor" dialogue
- Maintain an ongoing dialogue with multi-stakeholder partnerships
- Educate partners on financial literacy and regulations
- Leverage on Oslo Børs expertise

Publish dedicated material to help issuers with their ESG obligations

Society

4 QUALITY EDUCATION

- Act ethically, with integrity and the highest standards in terms of good governance
- Educate and engage with local communities

Define common goals and motto for **community actions and employee engagement**

ACCELERATING THE TRANSITION TOWARDS SUSTAINABLE FINANCE

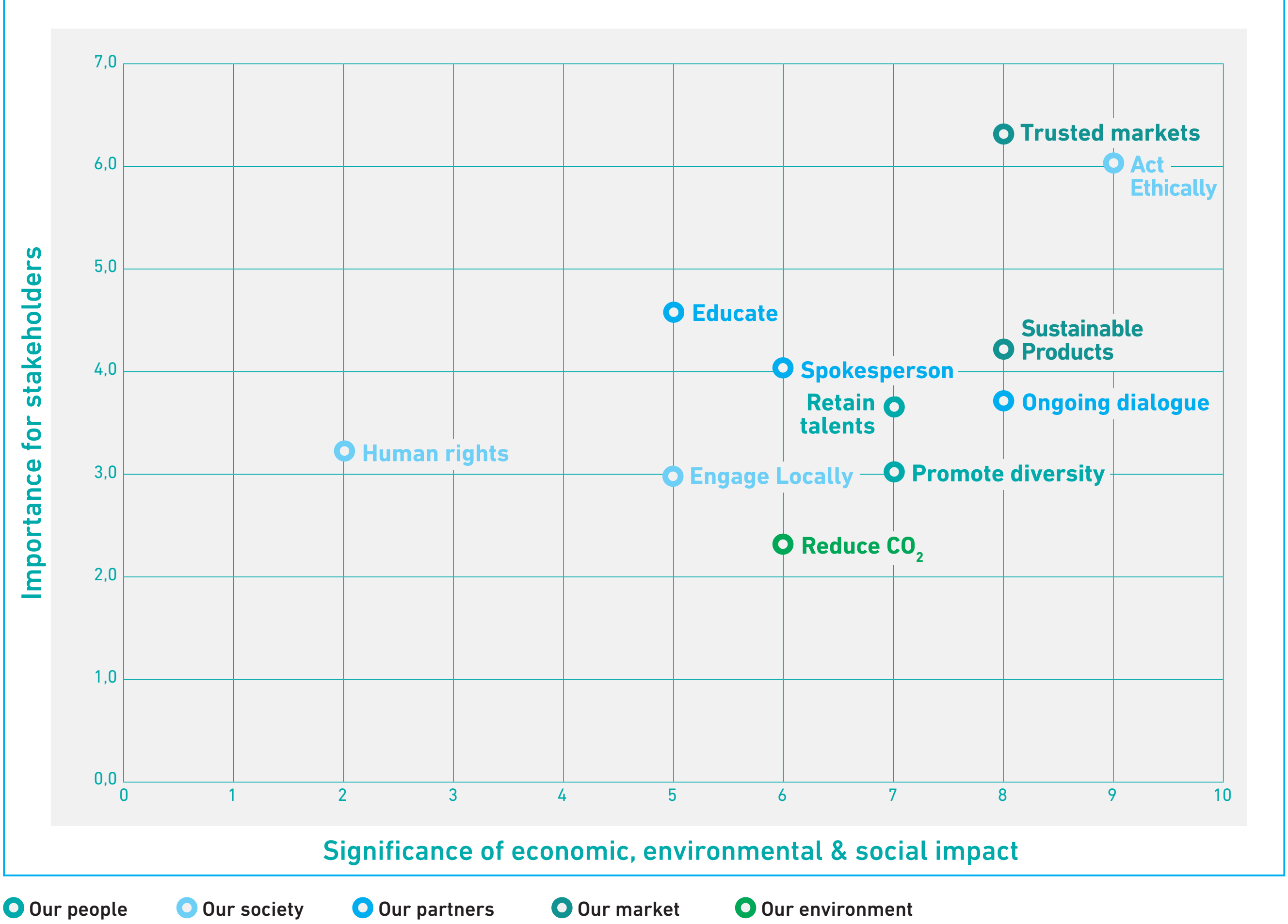
Driving investment in innovative, sustainable products and services through secure and transparent markets, in continuous dialogue between the players of the financial community

Inspiring and promoting sustainable tangible practices within the company and towards our communities, by respecting and developing our people and by supporting our ecosystem

STAKEHOLDERS EXPECTATIONS AND MATERIALITY MATRIX

At the end of the year 2019, the internal and external stakeholders were invited to prioritise the 11 key issues – labelled under the 5 material impact areas: *"In terms of their influence on the company's stakeholders and the significance for Euronext's ESG impact?"*.

MATERIALITY MATRIX




MARQUIS
BUILDING
BRUSSELS

1 PRESENTATION OF THE GROUP

DR

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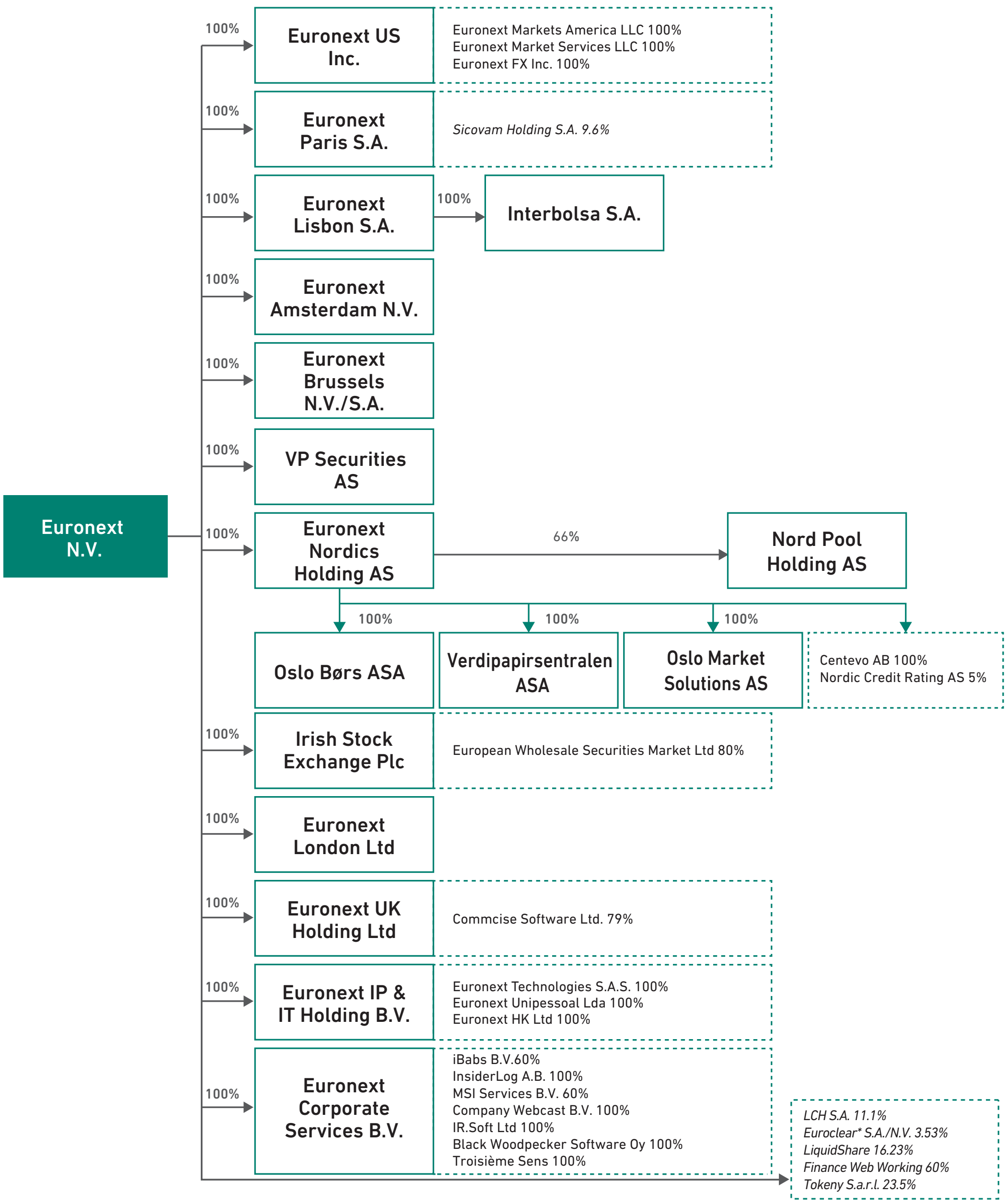
1.1 Company Profile

Euronext N.V. is a Dutch public company with limited liability (*naamloze Vennootschap*) with its registered office in Amsterdam. the Netherlands, Euronext N.V. is registered with the trade register of the Chamber of Commerce for Amsterdam, the Netherlands, under number 60234520. Euronext N.V. has its main subsidiaries in Belgium, France, Ireland, the Netherlands, Norway, Portugal and the United Kingdom. Euronext N.V. has expanded its European federal model, with the acquisition of 100% of the Irish Stock Exchange on 27 March 2018 and of 100% of Oslo Børs VPS since 4 July 2019. Euronext N.V. has a two-tier governance structure with a Supervisory Board and a Managing Board.

Euronext was incorporated under the name Euronext Group N.V. on 15 March 2014 in the context of a demerger of Euronext N.V., which was a company owned by ICE. Euronext Group N.V. changed its name to Euronext N.V. on 2 May 2014.

The following chart provides with an overview of Euronext N.V. main entities as of 31 December 2020. Percentages refer to both share of capital and voting rights.



* Sicovam owns a 15.89% stake in Euroclear.

1.1.1 HISTORY

Today, Euronext is a pan-European market infrastructure group, offering a diverse range of products and services and combining transparent and efficient equity, fixed income securities and derivatives markets in Amsterdam, Brussels, Dublin (since March 2018), Lisbon, Oslo (since June 2019) and Paris[(1)]. Euronext's businesses comprise: equity, debt, fund and ETF listing, corporate and investor services, cash trading, foreign exchange trading, derivatives trading, power trading, advanced data services, post-trade services as well as Technology Solutions.

Euronext in its original form was created in 2000 and takes its roots from the European construction. It was first the result of a three-way merger of the Paris, Amsterdam and Brussels exchanges, soon completed by the acquisition of the London-based derivatives market, LIFFE, and the merger with the Portuguese exchange. The continental exchanges were combined into a unique federal model with unified rules and a Single Order Book (except for Portugal), operating on the same electronic trading platform and cleared by LCH S.A. CCP, creating the first genuinely cross-border exchange in Europe and predating all initiatives by policy makers to allow for the creation of pan-European market places.

In May 2006, Euronext entered into an agreement with NYSE group for the combination of their respective businesses. The new holding company of these combined businesses, NYSE Euronext, was subsequently listed on the New York Stock Exchange and on Euronext Paris.

In 2010, NYSE Euronext launched Euronext London, a London-based securities market aiming at attracting international issuers looking to list in London and benefiting from Euronext's value proposition.

In November 2013, ICE, an operator of global markets and clearing houses, acquired NYSE Euronext. A key element of the overall transaction was the separation and IPO of NYSE Euronext's continental European exchanges as a stand-alone entity. In order to do this, ICE carved out the continental European operations of NYSE Euronext and Euronext London into a newly formed entity, which was subsequently renamed Euronext N.V. Since its successful IPO on 20 June 2014, Euronext N.V. has been an independent listed company.

In May 2016, Euronext N.V. launched its strategic plan named "Agility for Growth" which defined the growth ambitions for 2019, both through organic growth and bolt-on acquisitions. In 2017, Euronext N.V. diversified its revenue, through the acquisition of 90% of the shares of the forex platform FastMatch, and by investing in corporates services companies.

In 2018, Euronext N.V. expanded its listing franchise, welcoming a new exchange in its federal model with the acquisition of the Irish Stock Exchange. The Group also strengthened its Corporate Services offering with the acquisition of InsiderLog and widened its products offering with the launch of Investors Services through the acquisition of Commcise in December 2018.

In 2019, Euronext N.V. pursued the expansion of its federal model with the acquisition of Oslo Børs VPS, strengthening its post-trade franchise and marking the first step of its Nordics expansion ambitions. The Group also continued to invest into innovative solutions, investing in Tokeny Solutions and acquiring a majority stake in OPCVM360 (renamed as Euronext Funds 360). In October 2019, Euronext launched its strategic plan named "Let's Grow Together 2022" under which Euronext aims to build the leading pan-European market infrastructure, connecting local economies to global capital markets, by growing and seizing opportunities, to accelerate innovation and sustainable growth *(see section 1.2 – Strategy: "Let's Grow Together 2022" Strategic Plan for more information on Euronext's strategy)*.

In 2020, Euronext N.V. pursued both its Nordic and federal model expansion. The Group acquired a majority stake in Nord Pool, a leading power trading infrastructure operating in the Nordic region, Baltics and Central and Western Europe region, widening its range of asset classes. The Group also strengthened its post-trade offering with the acquisition of VP Securities, the Danish domestic CSD and expanded its corporate services franchise with the acquisition of Troisième Sens and Ticker. On 9 October 2020, Euronext announced it had entered into a binding agreement with London Stock Exchange Group plc and London Stock Exchange Group Holdings (Italy) Limited to acquire 100% of the entire issued share capital of London Stock Exchange Group Holdings Italia S.p.A., the holding company of the Borsa Italiana Group *(see section 1.2.2 – Update in 2020 for more information on the Proposed Combination)*. Euronext expects the completion of this transaction in the first half of 2021.

1.1.2 AMBITION

Euronext is the leading pan-European market place for the financing of the real economy. Its core mission and the driver of its strategy is to connect local economies to global capital markets, to accelerate innovation and sustainable growth and fulfil its ambition of building the leading pan-European market infrastructure.

As a pan-European group with a profile that is 'united in diversity', Euronext's ambition is to play a constructive role in the local ecosystems and act as an industry problem solver while contributing to making Europe an attractive block in a multipolar world. Euronext believes that the Group's model is best suited to contribute to the construction of a true pan-European market. It operates regulated markets in Belgium, France, Ireland, the Netherlands, Norway and Portugal, all of which are connected *via* a unique, single trading platform, with a single order book and with a harmonized regulatory framework. Euronext has a proven track record in connecting other independent exchanges to its single trading platform, as demonstrated with the migration of Euronext Dublin in 2019 and the migration of Oslo Børs markets in 2020. Euronext's unique Single Order Book allows investors to get the benefit of being able to trade, clear and settle in a uniform way throughout various jurisdictions while also accessing a broad and deep pool of liquidity. Euronext is also ready to welcome other independent Eurozone

(1) On 30 March 2020, Euronext filed an application for the revocation of its RIE licence, subject to approval from the FCA. Under the applicable rules this requires that Euronext will have to cease all regulated activities in the UK as per 30 June 2020. Euronext will ensure an orderly wind down of its limited regulated activities in close consultation with the FCA. It is intended that the FCA will leave the Euronext College of Regulators.

market platforms within the Euronext model, which is demanding in terms of commercial and financial performance, ambitious in terms of innovation, and fundamentally federal in its governance with local presence and representation retained.

As an operator of regulated capital markets, Euronext's mission is to bring together buyers and sellers in venues that are transparent, efficient and reliable. The Group combines cash, fixed income securities and derivatives markets in its six locations together with a global foreign exchange trading venue. Euronext's broad portfolio of products, services and platforms covers the full range of market services, including the provision of market information, the development and operation of information technology systems, investor services and the ease of access to settlement and clearing facilities.

In recent years, Euronext has expanded into fast growing revenue services and new asset classes. Euronext has built a complete Corporate Services offering through successive bolt-on deals. This offering, also aimed at non-issuers, was designed to meet clients' needs in critical areas such as regulation, governance, communication, and compliance.

Euronext has also entered new asset classes to diversify its asset classes with the acquisition of Euronext FX (formerly FastMatch) in 2017, expanding into the FX market, and in 2020 with the acquisition of Nord Pool, a leading power trading infrastructure in the Nordics, expanding into the power market. These acquisitions enabled Euronext to target a new set of clients around the globe.

With the acquisition of the Irish Stock Exchange, now Euronext Dublin, in 2018, Euronext became the global leader in the listing of debt and funds securities.

With Interbolsa in Portugal, and following the acquisition of Oslo Børs VPS in Norway in 2019 and VP Securities in Denmark in 2020, Euronext has positioned itself as a leading Central Securities Depository ("CSD") operator in Europe. The Group intends to leverage this enlarged footprint to support the development of new post-trade services and upgraded technology for each of the Euronext CSDs, while maintaining highly reliable and cost-efficient services supporting each local ecosystem.

These successful integrations highlight Euronext's value proposition to benefit from Euronext's extended client base and several cross-selling opportunities.

Euronext aims to be the trusted choice for its clients providing them access to European financial markets and to transform from an exchange into a market infrastructure, boosting its presence across the full value chain of financial markets, offering best-in-class services to all its clients.

1.1.3 BUSINESS ENVIRONMENT

As an exchange operator, Euronext's operations and performance depend significantly on market and economic conditions in Europe, but also the United States, Asia and the rest of the world. Euronext is operating in a business environment that is best described as a complex non-linear system with dependencies on decisions of policy makers and regulators worldwide, with subsequent developments in the legal, regulatory and tax environment as well as the macroeconomic environment both in Europe and abroad.

Competition

On the corporate listing side, competition between exchanges for domestic issuers is rare. When a domestic issuer lists on another exchange, it tends to be on an sector specific market rather than on another European stock exchange, in particular in respect of global companies and SMEs in the technology sector. As part of its strategy, Euronext strives to attract issuers from new markets: Germany, Switzerland, Italy and Spain and therefore will face the competition of local market operators. Euronext has offices in two European cities outside its core markets – in Milan (Italy) and in Madrid (Spain) – to assist Tech companies in developing their business on a greater scale through capital markets.

While competition in the cash trading market is relatively mature, in recent years Euronext has faced increased pressure on pricing and market share in equity options trading, in particular from new entrants to the market that have fee structures that are significantly lower than the Company's fee structure and a reduced cost structure aligned with their narrower service offering. However, Euronext remained the largest liquidity pool in Europe, with a market share on its cash equity markets above 60%.

The competition for proprietary real-time market data is still limited as trading participants prefer to receive and use market data from the home exchange rather than using substitute pricing. However, Euronext is experiencing an increasing pressure, both from a regulatory (MiFID II) and competitive perspective (alternative trading platforms, including MTFs such as CBOE who focus on the most liquid blue chip stocks). Nevertheless, Euronext believes that diversity in a wide range of stocks listed on its markets is Euronext's strength in this increasingly competitive environment and will help Euronext retain its position as preferred data source.

In less time critical areas such as reference data – and particularly corporate actions and historical data – participants want a consolidated European feed from a single source. Euronext is not the only source of corporate actions or historical data so there is more competition in these areas.

As for market operator technology, the market for financial information technology is intensely competitive and characterised by rapidly changing technology and new entrants. Euronext has built the next generation trading platform, Optiq®, and is well positioned to benefit from its state-of-the art stability, scalability and latency.

Regulated Markets

Regulated markets are markets constituted in an EEA Member State's territory that fulfill the criteria of MiFID. Regulated markets have higher disclosure and transparency requirements than multilateral trading facilities. Trading on regulated markets is subject to stricter rules than on other types of trading venues.

A regulated market cannot operate without securing prior authorisation from its regulator(s). Authorisation is subject to compliance with organisational requirements pertaining to conflicts of interest, identification and management of operational risks, systems resilience, the existence of transparent and non-discriminatory trading rules, as well as sufficient financial resources.

Multilateral Trading Facilities

Multilateral trading facilities ("MTFs") are primarily institutional investor-focused marketplaces offering trading in pan-European securities on low latency, low cost platforms and are usually operated by financial institutions (*e.g.* banks and brokerages) or operators of regulated markets. MTFs are also subject to less stringent disclosure, transparency and trading rules than regulated markets and have more discretion to operate and organise themselves.

Euronext operates a number of MTFs, including its SME and midcap-dedicated marketplace Euronext Growth (formerly Alternext) (Belgium, France, Portugal, Norway, Ireland), Euronext Access (formerly the Marché Libre) in Belgium, in Portugal and in France, and Euronext Expand in Norway. Euronext also operates several MTFs in Ireland: Global Exchange Market, for listing debt securities aimed at professional investors and investment funds, Atlantic Securities Market, for US listed companies seeking to access euro pools of capital. In Norway, Euronext operates Euronext NOTC, a platform to provide quotes and allow non-listed firms to benefit from a level of liquidity. Finally, Euronext operates Euronext Block, a pan-European equity block pool in the United Kingdom.

Systematic Internaliser

The systematic internaliser ("SI") regime was introduced by MiFID in 2007 which defines a SI as an investment firm which, on an organised, frequent systematic and substantial basis, deals on an own account basis when executing client orders outside a regulated market, an MTF or an organised trading facility ("OTF") without operating a multilateral system. SIs are bilateral trading platforms usually operated by banks or brokers and offering them the possibility to match client orders against their own capital, as an alternative to sending their orders to multilateral trading venues such as regulated markets or MTFs. SIs are subject to much lighter organisational, disclosure, and transparency requirements than regulated markets and MTFs while some elements of the framework could be amended (see Risk chapter).

Over-the-counter ("OTC")

In all asset classes, Euronext is faced with competition from unlicensed marketplaces operating over-the-counter.

1.2 Strategy: "Let's Grow Together 2022" Strategic Plan

1.2.1 "LET'S GROW TOGETHER 2022", MAPPING PATH TO BUILD THE LEADING PAN-EUROPEAN MARKET INFRASTRUCTURE

Since its IPO in 2014, through optimal resource allocation and cost control, as well as stronger development of underexploited businesses, Euronext has strived to deliver its solutions for the real economy.

Following the delivery of its IPO objectives a year in advance, in May 2016 Euronext published its strategic plan, Agility for Growth, outlining its growth ambitions to 2019. Euronext achieved most of its Agility for Growth ambitions one-year in advance, and announced in October 2019 its new strategic plan, Let's Grow Together 2022, introducing its growth ambition to 2022.

Under this plan, Euronext is determined to build the leading pan-European market infrastructure, connecting local economies to global capital markets, by growing and seizing opportunities, to accelerate innovation and sustainable growth. The Group will continue to extend its business across the full value chain of financial markets, enhancing its best-in-class services to all clients, and consolidating its key role within the pan-European financial ecosystem.

The strategic plan relies on leveraging Euronext's unique federal model, creating a sustainable competitive advantage, and building on its strong assets to deliver future growth.

Euronext's 2022 Business Ambitions

Euronext aims to build on its existing core assets to grow and diversify its local and global infrastructures. Euronext aims to proactively address the changing landscape by developing innovative solutions and models and capitalizing on local expertise.

Euronext aims to leverage its leadership in listing to expand its sectoral, Tech and SME expertise and attract even more international issuers. Euronext aims to be positioned upstream in the IPO process to accompany entrepreneurs and corporate leaders while getting closer to private equity players to become the preferred exit strategy. The Group also aims to develop its innovation and sustainable offering in Corporate Services to better meet the needs of its clients.

Euronext aims to develop its leading global position in the listing of debt and funds, expand ancillary services and its leading green bond offering.

Euronext aims to continue to extract value in cash trading, by leveraging its federal model and unrivalled European footprint, strengthening client relationships, and deploying new codesigned market models. The Group aims to roll out its successful cash yield and liquidity management expertise to the derivatives business. Euronext aims to further expand its commodities franchise and target international clients.

Euronext FX aims to diversify through the development of new product sets, specifically derivatives, and target new client segments and geographies.

Euronext aims to invest in advanced data and build analytics products, while adapting its offering to the evolving needs of clients and to regulation. The Group will expand its agile and cost-effective index franchise.

Euronext aims to exploit the power of Optiq®, its proprietary cutting-edge trading platform to build an entire ecosystem and become the trusted alternative trading platform.

Following the acquisition of VPS and VP Securities, Euronext aims to transform its post-trade assets from core local market infrastructures to value-added, innovative solutions.

Euronext's 2022 Transformation

Euronext has engaged in transformation projects that enable the Group to grow and make its model scalable.

Euronext aims to empower teams to grow, perform and innovate. It will support teams to execute, collaborate and challenge within a positive performance culture focused on clients.

Euronext aims to enhance client connectivity by developing new solutions through a focused client culture, cross-business alignment, improved data management and innovative tools deployment.

Euronext aims to deliver operational excellence by improving operating efficiency through an integrated technology backbone, enhance client service interaction and integrate new businesses while keeping its trademark cost discipline.

Innovation and Sustainable Finance at the Heart of the Strategy

Innovation

Euronext aims to pursue the development of innovation solutions and services to enable the Group to capture new opportunities and proactively address challenges from the industry. Euronext's innovation framework to 2022 will be articulated around:

- collective intelligence and codesign;
- accelerated digitalisation;
- enriching Euronext's core technology capabilities;
- leveraging innovative technology such as tokenisation, bespoke trading models and artificial intelligence.

Sustainable Finance

As a key market infrastructure, at the heart of the financial ecosystem, Euronext aims to support the acceleration of the transition towards sustainable growth and finance, notably by capitalizing on Oslo Børs VPS's expertise and the Group's franchise in green bonds and ESG indices.

Euronext commits to:

- the development and active support of innovative and sustainable products and services for clients and other members of the financial community;
- the promotion of tangible sustainable practices in Euronext and within its wider ecosystem to support the transition to sustainable growth and to contribute to the Sustainable Development Goals.

Euronext 2022 Financial Targets[1]

Euronext's growth ambition is reflected in the 2022 financial targets and a rigorous capital allocation strategy.

- Revenue is aimed to grow by 2% to 3% CAGR[2] $2018_{ProForma}$-$2022_{Expected}$, excluding potential acquisitions, driven by (i) organic growth, (ii) cross-cycle trading growth in line with European GDP and (iii) continued focus on revenue diversification and services.
- EBITDA[3] margin is aimed to be above 60%, excluding potential acquisitions, driven by (i) continued best-in-class cost discipline, (ii) investments in operational excellence and (iii) uplift profitability of already-acquired companies to Euronext's level.
- To realise these ambitions, Euronext expects to record one-off costs of €12m relating to internal project costs over the period.
- Euronext expects to achieve €12m of run-rate cost synergies by 2022 at Oslo Børs VPS, to incur €18m of restructuring costs[4], and to achieve a ROCE[5] on this transaction above the WACC[6] by year 3.
- Capex is expected to remain between 3% and 5% of revenue.
- Dividend policy set with a 50% pay-out of reported net income.

In February 2021, Euronext announced that it reached its 2022 financial targets two years in advance. Accordingly and ahead of the expected closing of the contemplated acquisition of the Borsa Italiana Group, the 2022 financial targets were withdrawn *(see section 1.2.3 – Strategic targets and prospects in 2021).*

1.2.2 UPDATE IN 2020

Acquisition of VP Securities

On 4 August 2020, Euronext announced that it completed the settlement of shares under its offer launched on 23 April 2020 to acquire 100% of VP Securities, the Danish Central Securities Depository. Euronext's offer to acquire the remaining shares in VP Securities remained open until 31 August 2020. The acquisition of VP Securities positions Euronext as a leading CSD operator in Europe with three CSDs (Euronext VPS in Norway, Interbolsa in Portugal and VP Securities in Denmark) representing €2.2 trillion in assets under custody, 31 million settlement instructions per year and 4.5 million accounts in 2019.

(1) Based on 2018 proforma figures (including FY 2018 for Oslo Børs VPS and Euronext Dublin) of €734M revenue and 57% EBITDA margin, rebased for the adoption of IFRS16.
(2) Compound annual growth rate.
(3) As defined in section 5.2 – Other financial Information.
(4) Do not meet IAS 37 recognition criteria.
(5) Return on Capital Employed.
(6) Weighted average cost of capital.

Contemplated Acquisition of the Borsa Italiana Group (the "Proposed Combination")

On 9 October 2020, Euronext announced that it has entered into a binding agreement with London Stock Exchange Group plc ("LSEG") and London Stock Exchange Group Holdings (Italy) Limited to acquire 100% the entire issued share capital of London Stock Exchange Group Holdings Italia S.p.A, the holding company of the Borsa Italiana Group (the "Proposed Combination"), for a cash consideration of €4,325 million[(1)]. This announcement followed the previous announcement made on 18 September 2020 by Euronext and CDP Equity that they had entered into exclusive discussions with LSEG regarding the potential acquisition of the Borsa Italiana Group.

The Proposed Combination is expected to create a leading European market infrastructure in the European Union, whose central role to connect local economies to global markets is strengthened through the creation of the number one venue for listing and secondary markets for both debt and equity fi nancing in Europe. This Transaction signifi cantly enhances the scale of Euronext, diversifi es its business mix into new asset classes and strengthen its post-trade activities. With this transaction, Euronext delivers on its ambition to build the leading pan-European market infrastructure

The Borsa Italiana Group Overview

The Borsa Italiana Group is the integrated Italian market infrastructure, with operations diversified across regulated markets (Borsa Italiana), ELITE, fixed income trading (MTS, 62.5% owned by the Borsa Italiana Group), central counterparty clearing (CC&G), a central securities depositary ("CSD") (Monte Titoli) and other Business Lines. As of 31 December 2020, 337 companies were listed on Borsa Italiana, with a total domestic market capitalisation of €607 billion. Over 2020, average daily volumes of c.€2.4 billion in cash equity and more than c. €360 billion in fixed income (including reported deals) were traded on the Borsa Italiana Group's markets. In 2020, the Borsa Italiana Group generated €479.2 million of total revenue and income and €277.9 million of EBITDA[(2)].

The proforma revenue for the Combined Group amounted to €1.4 billion and EBITDA to €789.7 million for the Financial Year ended 31 December 2020 *(these information are derived from pro forma financial information disclosed in section 5 – Selected historical consolidated financial information and other financial information)*. Italy is expected be the largest revenue contributor to the Combined Group with 33.9 % of the total 2020 proforma revenue. The Italian eco-system will benefit from best-in-class offering and technology, while local expertise in fixed-income trading and post-trade will be further enhanced by the Group's enlarged scale.

Strategic Rationale

The Proposed Combination of the Borsa Italiana Group and Euronext is expected to create the leading pan-European market infrastructure. This transformational project positions the Combined Group to deliver the ambition of further building the backbone of the Capital Markets Union in Europe, while at the same time supporting local economies. The Combined Group will benefit from an attractive and more diversified geographical footprint.

Based on Euronext's and the Borsa Italiana Group's performance in 2020, had the Proposed Combination occurred in 2020, the Combined Group would have been:

- the #1 listing venue in Europe by total market capitalization with more than 1,870 companies listed and €5.1 trillion aggregate market capitalization of listed companies[(3)];
- the #1 venue for secondary markets in Europe by equities value traded, with c.€11.2 billion worth of equities traded on a daily basis[(4)]; and
- the #1 venue in equity financing, with more than €63.6 billion raised in 2020 from investors to finance companies across Europe.

The Borsa Italiana Group and Euronext are expected to combine their strong listing franchises to facilitate access to equity financing for companies, with a specific focus on small and medium-sized enterprises ("SMEs"), family-owned and tech companies, and to develop ELITE, the international business support and capital raising platform for ambitious and fast growing companies, in a pan-European framework.

Borsa Italiana is expected join the Euronext single order book which offers a unique gateway to investors accessing the largest liquidity pool in Europe. This single liquidity pool is powered by Optiq®, a proprietary state-of-the-art technology, offering a unique entry point to all Euronext's securities and products to both local and global institutional and retail investors.

Euronext expects to achieve enhanced business diversification with new capabilities in fixed income trading and clearing, as well as consolidation of CSD businesses. With the addition of MTS, the Combined Group will operate the leading European government bonds trading platform covering the full scope of fixed income products. The acquisition of CC&G, a multi-asset clearing house, is expected to complete the post-trade value chain by becoming the clearing house within the Combined Group and a key pillar of the enlarged Euronext's post-trade strategy. The addition of Monte Titoli is expected to more than double the size of Euronext's CSD franchise, increasing assets under custody from €2.5 trillion to €5.9 trillion[(5)].

(1) Plus an additional amount reflecting the cash generated to completion. Excluding cash and liquid assets (after deduction of regulatory requirements) and borrowings, representing a total net liability of €42m as of 30 June 2020.

(2) As defined as in section 5.2 – Other financial information.

(3) At end of December 2020.

(4) As of January to December 2020.

(5) As of December 2020.

Financial Impact and Synergies Potential

The Proposed Combination is expected to provide compelling shareholder benefits. The transaction is expected to be immediately accretive on an adjusted EPS[(1)] basis before synergies and is expected to deliver double digit accretion including run-rate synergies in year three. Through the Proposed Combination, the Combined Group expects to deliver pretax run-rate synergies of €60 million *per annum* by year three as follows:

- pretax run-rate cost synergies of €45 million, primarily driven by (i) the migration of Borsa Italiana's cash equity and derivatives markets to Optiq®, Euronext's state-of-the-art proprietary trading platform, (ii) additional technology synergies from cooperation of CSD businesses and (iii) leveraging the Combined Group capabilities, processes and systems;
- pretax run-rate revenue synergies of €15 million, driven by the roll-out of Euronext's single liquidity pool and single order book in Italy, development of a pan-European offering in derivatives products, product cross-selling and business growth opportunities such as deployment of corporate services in Italy and identified opportunities to grow the span of market data and analytics offering.

Restructuring costs to deliver those synergies are expected to amount to €100 million.

In addition, in relation to the Proposed Combination, the Group expects mid-single digit Adjusted EPS accretion before synergies, and double-digit Adjusted EPS accretion after run-rate synergies, in year three.

Principal Terms of the Transaction and Financing

The cash consideration to be paid to LSEG for the Proposed Combination is expected to amount to €4,325 million[(2)]. The consideration will be paid in cash at closing. The financing is fully secured through bridge loan facilities underwritten by a group of banks (Bank of America Merrill Lynch International Designated Activity Company, Crédit Agricole Corporate and Investment Bank, HSBC France and J.P. Morgan Securities plc.).

At the date of this Universal Registration Document, the contemplated financing of the Proposed Combination includes:

- ~€0.3 billion of use of existing cash;
- ~€1.8 billion of new debt to be issued;
- ~€2.4 billion of new equity to be issued, including (i) a private placement (~€0.7 billion[(3)]) to CDP Equity and Intesa Sanpaolo, two cornerstone Italian investors and (ii) a rights offer to Euronext's existing shareholders (including CDP Equity and Intesa Sanpaolo).

Euronext is committed to maintaining an investment grade credit rating aligned with its robust financial structure, with *pro forma* net debt to pro forma EBITDA leverage ratio[(4)] estimated at 3.2x at 31 December 2020 and expected to reduce below 3x by 2022. Euronext does not expect any change in dividend policy.

Governance, Management and Supervision

As a new major country in the Euronext federal model and as the largest revenue contributor, Italy will be represented at Group level in Euronext's governance by Italian representatives, among the Reference Shareholders, and also within the Supervisory Board, the Managing Board and the College of Regulators *(see Section 1.4.1 Overview)* supervising the Combined Group's activities.

CDP Equity and Intesa Sanpaolo will join the Group of Euronext's long-term Reference Shareholders through the subscription of a private placement, taking place in connection with the completion of the transaction, with CDPE acquiring a stake of c.7.3%, in line with stakes held by the largest Reference Shareholders *(see Section 6.4.1 Reference Shareholders)* of Euronext (post dilution of the private placement), and having a representative on the Supervisory Board of Euronext. Post completion of the private placement, Intesa Sanpaolo will own a c.1.3% stake.

The presence of strategic investors with long term investment horizon such as CDP Equity and Intesa Sanpaolo, is expected to further support the Borsa Italiana Group and Euronext's growth ambitions while facilitating the access of SMEs to capital markets.

As part of the transaction, CDP Equity and Intesa Sanpaolo intend to become long-term Reference Shareholders. As such, Euronext has been informed that its Reference Shareholders, CDP Equity and Intesa Sanpaolo will enter into an extension and amendment agreement in relation to the Reference Shareholders' agreement before completion of the Proposed Combination. The Reference Shareholders (on completion of the Proposed Combination, including CDP Equity and Intesa Sanpaolo), acting jointly, will continue to have the right to propose one third of Euronext's Supervisory Board seats, which will include a representative of CDP Equity. The amended Reference Shareholders' agreement will provide for a three-year lock-up of certain of the Reference Shareholders' ordinary shares in Euronext, subject to certain exceptions *(see section 6.4.1 Reference Shareholders)*.

(1) EPS adjusted from PPA, exceptional items and tax related to those items, as defined in section 5, based on a price per Ordinary Share of €102.50 as of 8 October 2020.

(2) Plus an additional amount reflecting the cash generated to completion. Excluding cash and liquid assets (after deduction of regulatory requirements) and borrowings, representing a total net liability of €42m as of 30 June 2020.

(3) Based on a price per Ordinary Share of €102.50 as of 8 October 2020. The private placement agreement provides that the such private placement subscription price will be the lower of: (1) the volume weighted average share price of the period ending five trading days before the trading day prior to the completion date; and (2) the volume weighted average share price of the period ending three calendar months before the trading day prior to the completion date.

(4) As defined in section 5.2 - Other Financial Information.

An Italian candidate will also be proposed as an independent member of the Supervisory Board[1] *(see section 4.2.3 - Supervisory Board)* and will become the Chair of the Combined Group[2]. Euronext will recommend that Commissione Nazionale per le Società e la Borsa ("CONSOB") is invited to join Euronext's College of Regulators, becoming part of the supervision of Euronext at Group level pari passu with other European regulators with a rotating chair every semester. Direct regulatory oversight of the Borsa Italiana Group will remain unchanged allowing CONSOB and Banca d'Italia to continue directly supervision of the Borsa Italiana Group's activities.

The Borsa Italiana Group will maintain its current functions, structure and relationships within the Italian ecosystem and preserve its Italian identity and strengths. The Italian CEO of the Borsa Italiana Group will join the Managing Board *(see section 4.2.3 Managing Board)* of Euronext[2]. The CEO of MTS will join the extended Managing Board *(see section 4.2.3 Managing Board)*, alongside the other key leaders of large business units and key central functions of Euronext, with Group-wide responsibilities for fixed income trading. Borsa Italiana's knowledge, expertise and understanding of the specific features of the Italian market will be a fundamental element of enrichment for Euronext and will be valued and preserved.

The Combined Group will strengthen Borsa Italiana as the go-to venue for listing and trading in Italy and continue to develop their programmes to facilitate the access to equity financing for companies, with a specific focus on SMEs.

Key businesses and some central functions of the Combined Group will be based in Milan and Rome and the leadership of the Group finance function will be located in Milan.

Timetable

LSEG's shareholders approved the Proposed Combination on 3 November 2020. Euronext received the German Federal Cartel Office clearance of the Proposed Combination on 11 November 2020. Euronext's shareholders approved the Proposed Combination on 20 November 2020. Euronext received the foreign direct investment clearance of the Proposed Combination by the Italian Council of Ministers on 11 December 2020. The European Commission has conditionally approved, under the EU Merger Regulation, LSEG proposed acquisition of Refinitiv on 13 January 2021. On 29 January 2021, LSEG closed its acquisition of Refinitiv. On 25 February 2021, the Financial Conduct Authority ("FCA") approved the Proposed Combination. On 26 February 2021, the European Commission approved Euronext under the EU Merger Regulation as a suitable purchaser for the Proposed Combination. On 17 March 2021, the Autorité de Contrôle Prudentiel et de Résolution ("ACPR") approved the Proposed Combination. On 11 March 2021, Euronext received a declaration of non-objection from Euronext's College of Regulators in relation with the Proposed Combination. On 9 March 2021, Euronext received a declaration of non-objection from the National Bank of Belgium in relation with the Proposed Combination. On 25 March 2021, LSEG received the approval of the Financial Industry Regulatory Authority ("FINRA") in relation with the Proposed Combination.

The Proposed Combination is, as of the date of publication of this Universal Registration Document, still subject to regulatory approvals in several jurisdictions.

Euronext expects to complete the Proposed Combination in the first half of 2021.

1.2.3 STRATEGIC TARGETS AND PROSPECTS IN 2021

In February 2021, Euronext announced that it achieved most of the objectives of its 2022 strategic plan:

- Euronext achieved two years in advance its 2022 guidance:
  - 2020 revenue at comparable perimeter at €831 million vs. €826 million expected for 2022, primarily as a result of to improved market position and increased post-trade activity,
  - 2020 EBITDA margin[3] at comparable perimeter at 60.5%, above 60% expected for 2022, primarily as a result of continued costs discipline;
- confirmed 50% dividend pay-out ratio;
- significant diversification into new asset classes and new revenue models since October 2019.

Since Euronext achieved its 2022 guidance and expects the closing of the contemplated acquisition of the Borsa Italiana Group to transform the Company profile, Euronext no longer intends to pursue its 2022 guidance which is withdrawn. Euronext will provide the market with new 2024 guidance reflecting the extender perimeter during the fourth quarter of 2021. As a result, investors should disregard the 'Let's Grow Together 2022' financial targets highlighted in section 1.2.1 of this Universal Registration Document.

In 2021, Euronext will pursue delivering on the contemplated acquisition of the Borsa Italiana Group *(see section 1.2.2 Update in 2020)* and provides the market with a single cost guidance for 2021: Euronext expects its operating costs excluding D&A to decrease by a mid-single digit in 2021[4], compared to the annualised 2020 fourth quarter operating costs excluding D&A[5].

Despite the high level of uncertainty resulting from the Covid-19 pandemic, the management believes that – on the basis of strong credit worthiness, flexible financial structure, high level of profitability and significant percentage of non-volume related revenues – the Group is well equipped to cope with the evolving situation and pursue the strategic objectives mentioned above. Please refer to Section 2.1 Risk Factors for more details on the Covid-19 pandemic.

(1) On February 2021, the Group announced that Piero Novelli has been nominated by the Supervisory Board as an independent member of the Supervisory Board, to become the next Chairman of Euronext N.V. Mr. Novelli will step down from all executive positions before becoming Chairman. The appointment of Mr. Novelli remains subject to the approval of the relevant regulatory authorities and of Euronext shareholders

(2) Subject to regulatory approval.

(3) As defined in section 5.2 – Other Financial Information.

(4) Ernst & Young Accountants LLP provides no assurance on prospective financial information included in this Universal Registration Document and performed no service with respect to it.

(5) Annualised 2020 fourth quarter operating costs excluding D&A amounted to €420.4 million, excluding consolidation of the Borsa Italiana Group.

1.3 Description of the Business

In accordance with Article 19 of Regulation (EU) 2017/1129, the following information is incorporated by reference in the Universal Registration Document:

For Financial Year 2018

The description of principal activities of the Company for the financial year 2018, presented on pages 22 to 41 the 2018 Registration Document filed with the Autoriteit Financiële Markten on 3 April 2019 and available at: https://www.euronext.com/sites/default/files/2019-04/euronext_2018_registrationdocument.pdf

For Financial Year 2019

The description of principal activities of the Company for the financial year 2019, presented on pages 19 to 41 of the 2019 Universal Registration Document filed with the Autoriteit Financiële Markten on 1 April 2020 and available at: https://www.euronext.com/sites/default/files/financial-event-doc/2020-04/EURONEXT_URD_EN_2019.pdf

1.3.1 BUSINESS OVERVIEW

Euronext is a pan-European market infrastructure offering a diverse range of products and services and combining transparent and efficient equity, fixed income securities and derivatives markets in Amsterdam, Brussels, Dublin, Lisbon, London[(1)], Oslo and Paris. Euronext operates in more than 20 countries. Euronext's businesses comprise listing, cash trading, derivatives trading, spot FX trading, power trading, investor services, advanced data services, post-trade and technologies & other.

Euronext's markets provide the leading listing venues in continental Europe based on the number of companies listed as of 31 December 2020. Nearly 1,500 issuers representing a combined market capitalisation of approximately €4.5 trillion were admitted to trading on Euronext's markets as at 31 December 2020. In addition, the Company has 1,289 exchange traded funds ("ETFs") and over 80,000 structured products. As of 31 December 2020, Euronext ranked first in Europe in terms of market capitalisation of listed companies and second in terms of number of companies listed among the largest exchange groups in Europe, excluding Bolsas y Mercados Españoles (on which a large proportion of listed issuers are open-ended investment companies, limiting comparability).

Euronext ranked first in terms of monthly lit order book trading volume in equity for the last twelve months ended 31 December 2020 among all trading venues in Europe (including BATS-Chi-X).

Euronext's pan-European cash equities trading venue is the market leader in cash equity trading in its six home continental European markets of Belgium, France, Ireland, the Netherlands, Norway and Portugal, based on domestic market capitalisation as of 31 December 2020. Euronext market share reached 70.4% on cash trading market over 2020. Euronext provides multiple marketplaces including its MTFs, for investors, broker-dealers and other market participants to meet directly to buy and sell cash equities, fixed income securities and exchange traded products ("ETPs").

Euronext's derivatives trading business has a strong market position on benchmark index futures and options such as the CAC 40®, AEX®, BEL 20®, OBX® and PSI 20®, single stock options and futures and commodity derivatives. It ranks third among European exchange groups in terms of open interests of derivatives traded as at 31 December 2020. With the CAC 40® being the second most traded national index in Europe for example, Euronext offers options contracts based on all of the blue-chip equities listed on Euronext, thereby reinforcing liquidity with respect to those equities. The commodity derivatives offered by the derivatives trading business include the milling wheat futures contract which is a world class contract for the European Union agriculture market.

Euronext's advanced data services business distributes and sells real-time, historic and reference data to global data vendors, such as Reuters and Bloomberg, as well as to financial institutions and individual investors. With a portfolio of over 1,500 benchmark indices and iNAVS, including CAC 40® in France and AEX® in the Netherlands, the Company is a leading provider of indices and a provider of advanced analytics products

Post-trade services are an important part of the services Euronext provides to its clients. In 2013, the Company entered into a clearing agreement with LCH S.A., the Paris-based clearing house of LCH Group Limited ("LCH.group"), in respect of the clearing of Euronext's cash products. In 2017, Euronext renewed the separate derivatives clearing agreement with LCH S.A. that provides for a revenue sharing arrangement in respect of the clearing of Euronext listed derivatives, and became minority shareholder with strong preemption rights, with 11.1% of LCH S.A. capital. In addition, Euronext owns and operates Interbolsa, the Portuguese national Central Securities Depository ("CSD") VPS, the Norwegian national CSD and VP Securities, the Danish national CSD.

(1) On 30 March 2020 Euronext filed an application for the revocation of its RIE licence, subject to approval from the FCA. Following an orderly wind down of its limited regulated activities in close consultation with the FCA, as and from 30 June 2020, Euronext London ceased all regulated activities. The decision of the FCA regarding the revocation request is pending.

Since 2016, Euronext also offer user choice in clearing for the equity markets within the Eurozone, through the implementation of a preferred Central Counterparty ("CCP") model followed by a fully interoperable service.

Euronext Technology Solutions & other business offers technology solutions and services to exchanges and venue operators. These solutions and services use Optiq® and other applications developed by Euronext or licensed from third-parties. Optiq® has already been licensed to five international exchanges which will benefit from the reliability, flexibility and lower cost of ownership benefits that Optiq® provides.

Euronext continues to provide software support and maintenance services for the legacy trading platforms, Euronext UTP and *Nouveau Système de Cotation* ("NSC™"). Euronext has a perpetual, royalty-free license from ICE to use, modify and sub-license these platforms *(see section 7.2 Material contracts and related party transaction).*

In addition to software licensing, Euronext offers access to its trading software in the form of managed services. Exchanges and venue operators can take advantage of fully-hosted trading and clearing platforms without investing in data center or network infrastructure. With banks and financial intermediaries increasingly seeing migration to cloud and software-as-a-service as solutions to the competing pressures of cost-reduction and regulatory complexity, Euronext's experience as a service provider is receiving renewed interest. Euronext's MiFID II compliant MTF and SI services build on Euronext's own software, processes and infrastructure and offer clients an effective way to reduce costs without increasing regulatory risk.

The Technologies and other business also receives revenue for network connectivity and server colocation under a revenue sharing agreement with ICE. This agreement enables Euronext to benefit from service sales to clients who connect to its markets *via* the ICE SFTI® network or who take colocation space in the ICE data centers that house Euronext's trading platforms.

1.3.2 STRENGTHS

Focus on Core European Markets

Euronext benefits from a diverse client base, both in terms of geographic distribution and type of trading flow. The Company has an established continental European and United Kingdom client base, representing 58% of cash trading average daily volume and 73% of derivatives trading average daily volume for the year ended 31 December 2020. A substantial portion of the flow from the United Kingdom is from global clients with headquarters based in the United States. While United States and Asian clients accounted for 39% and 3% respectively of Euronext's cash trading average daily volume and 27% and 0% respectively of its derivatives trading average daily volume for the year ended 31 December 2020, the Group believes these geographic client segments are currently underexploited and offer potential for growth.

Resilient Model Delivering Consistent Growth and Profitability

Euronext's sources of revenues are diversified across the businesses, markets and client segments. For the year ended 31 December 2020, approximately 50% of the Company's revenues were generated by the non-volume related businesses. Non-volume related businesses include advanced data services, investor services, listings excluding IPOs, custody and settlement, and Euronext Technology Solutions & other. This helps to limit Euronext's exposure to cyclicality in demand for particular products or services or in individual markets.

The following table sets out information relating to the sources of total revenue for the year ended 31 December 2020 and for the year ended 31 December 2019:

	Year ended 31 December 2020		Year ended 31 December 2019	
In thousands of euros	Revenue	% of total revenues	Revenue	% of total revenues
Listing	145,473	16.5%	128,951	19.0%
Trading revenue	365,100	41.3%	272,810	40.2%
of which:				
■ *Cash trading*	*262,226*	*29.7%*	*205,565*	*30.3%*
■ *Derivatives trading*	*49,206*	*5.6%*	*44,324*	*6.5%*
■ *Spot FX trading*	*26,352*	*3.0%*	*22,921*	*3.4%*
■ *Power trading*	*27,316*	*3.1%*		
Investor services	7,584	0.9%	5,735	0.8%
Advanced data services	139,036	15.7%	128,756	19.0%
Post-trade	177,228	20.0%	104,831	15.4%
of which:				
■ *Clearing*	*67,056*	*7.6%*	*55,237*	*8.1%*
■ *Custody and Settlement*	*110,172*	*12.5%*	*49,594*	*7.3%*
Euronext Technology Solutions & other	49,725	5.6%	37,805	5.6%
Other income	172	0.0%	220	0.0%
TOTAL REVENUE	**884,318**		**679,108**	

Euronext's businesses are characterised by recurring revenue streams which generate resilient and robust free cash flow[1] and allow Euronext to operate and invest in its business with flexibility. The Group's market expertise and proven, multi-asset class technology infrastructure allow Euronext to launch new products without substantial additional capital expenditure. Further, the Company's trading businesses do not expose it to credit risk or counterparty risk, which is borne by the counterparties to the trade and not by the markets. Euronext believes that its capital-light business and resilient free cash flow generation provide a potential for attractive return for shareholders while observing its regulatory capital requirements.

Liquidity and transparency to all market participants through regulated exchanges

Euronext's cash equities markets have a diverse member base by geography and trading profile, making for a particularly rich and diversified order book.

The combination of Euronext's position as a leading pan-European trading venue, the quality of its markets and the expertise of the Company's teams have enabled Euronext to increase its market share in cash equities trading of the securities listed on its markets from 60% in 2011 to more than 70% in 2020.

The relative share of trading on competing platforms has been relatively stable over the past five years. The primary tool for supporting market share is the flagship Supplemental Liquidity Provision programme, which rewards liquidity providers for ensuring Euronext's market quality remains high, whilst balancing against yield management considerations. Further tools were developed to support market share such as dedicated fee schemes for non-member proprietary flows or retail flows.

Offering of a Wide Range of Product Services and Platforms

Euronext's issuer base is diverse, comprising about 1,500 companies from within its home markets as well as elsewhere in Europe, internationally and span ten sectors by industry classification benchmark. Euronext's corporate issuers differ in size and represent a combined market capitalisation of €4.5 trillion as of the end of December 2020 .

The Company is the third-largest exchange traded funds ("ETF") market in continental Europe by number of ETF trades, with 1,289 listed ETFs and an average daily trading value of approximately €500 million from January to December 2020. Euronext is the third-largest warrants and certificates market in Europe, with over 80,000 instruments at 31 December 2020, and in total nearly 500,000 products have been listed in 2020. Close to 9.5 million trades took place on those instruments in the twelve months ended 31 December 2020.

Euronext is also a leading pan-European derivatives trading venue, with derivatives trading activities across financial and commodity derivative products. The Group has established the CAC 40 futures contract as the second most traded national index in Europe, with an equivalent of €5.7 billion in nominal value on an average daily basis.

(1) As defined in section 5.2 – Other Financial information.

The milling wheat contracts which are the leading wheat derivatives in continental Europe as well as rapeseed commodity contracts continue to be included in recognised commodity benchmarks such as the S&P World Commodity Index and Rogers International Commodity indices.

Euronext operates an important bond market in Europe with almost 49,000 corporate, financial institutions, structured and government bonds listed on its markets and an internationally recognised derivatives platform.

Euronext FX is an Electronic Communication Network ("ECN") for foreign exchange trading. Powered by FastMatch® technology, Euronext FX offers customers access to large pools of diversified and bespoke liquidity, transparency, flexibility in trading protocols and unique order types. Its award-winning technology provides unparalleled speed and the capacity to handle thousands of orders simultaneously for Euronext FX clients, including financial institutions, banks, asset managers, hedge funds, proprietary trading firms and retail brokers.

Euronext owns 66% of Nord Pool, that operates a leading physical power market in Europe. Nord Pool operates both core intraday and day-ahead markets in the Nordics, Baltics, the UK, France, Germany, Belgium, the Netherlands, Austria and Luxembourg

Euronext also operates one of the leading Structured Products Trading Venues in Europe with around close to 85,000 instruments available for trading. Euronext's Hybrid market model, also known as the Request For Execution market model, is widely recognized as one of the most advanced market models for trading Structured Products and more specifically Warrants & Certificates. In 2020 Euronext released additional features allowing for an optimized and more efficient post-trade model as well as the possibility for investors to trade these instruments until 22.00 CET paving the way for a truly pan-European Structured Products market.

Optiq®

Euronext has upgraded its core trading platform with Optiq, a new enhanced, multi-market trading platform, providing customers with maximum flexibility, simplified and harmonized messaging as well as high performance and stability. Optiq combines latest technologies with in-house expertise.

Optiq has been rolled out across the Euronext markets to replace the Euronext Universal Trading Platform ("UTP") in a phased implementation process. Market data have been managed through Optiq for both cash and derivatives since July 2017, already delivering massive benefits to the clients' community. In April and June 2018, Optiq® trading engine went live for fixed income and cash markets, with impressive stability and performance. Euronext Dublin markets migrated to Optiq® in 2019. In December 2019, Euronext completed the successful completion of the roll-out of its Derivatives market to Optiq®. Oslo Børs markets migrated to Optiq® in 2020, 17 months after closing.

Some of the third party exchange using UTP or former Euronext solutions have already started projects to migrate to Optiq. Other exchanges and market operators have also shown interest in this best of breed solution.

"United in Diversity" with an Open Federal Model

Euronext is the only pan-European exchange operating across multiple jurisdictions with a harmonised regulatory framework, a Single Order Book for its exchanges in Amsterdam, Brussels, Dublin, Oslo and Paris and a single trading platform offering access to all markets through a single connection. The Single Order Book consolidates liquidity in each multi-listed security to tighten spreads and increase market depth and achieves optimal price formation. Issuers listing on more than one of the Group's markets benefit from enhanced visibility, qualification for inclusion in more local indices and greater exposure for their volumes and prices.

The Group has generated sustainable and diversified cash flows across institutional, high frequency and algorithmic trading, own account, agency brokerage and retail client classes. The Single Order Book model and pan-European technology are key to Euronext's unique federal market structure. This structure enables the Company to integrate its constituent markets while they remain subject to regulation by national regulators. As a reminder, Euronext is also regulated by a college of regulators at Group level *(see section 1.4.2 European Regulation)*.

1.3.3 LISTING

1.3.3.1 Listing – Products and Services

The Group's issuer base is diverse, comprising about 1,500 companies from within its home markets as well as elsewhere in Europe, and across the globe, spanning ten sectors by industry classification benchmark. Euronext's corporate issuers differ in size and represent a combined market capitalisation of €4.5 trillion. Euronext's listing franchise includes around 320 large cap companies (companies with a market capitalisation above €1 billion) and 1,142 small & mid capitalisation companies as of 31 December 2020.

At the end of December 2020 Euronext's listed issuers accounted for 54% of Euro STOXX 50 component securities, and 27% of Euro STOXX 600 component securities. In addition, since the acquisition of the Irish Stock Exchange in March 2018 (operating as Euronext Dublin), Euronext is the number one venue of choice for the listing of bonds globally, with over almost 49,000 corporate, financial institutions, structured and government bonds and money market instruments, representing over 4,200 issuers from over 90 jurisdictions listed on Euronext's markets. Euronext is also the number one venue globally for listing investment funds, with over 4,300 share classes listed.

Euronext issuers are also eligible to a family of leading index products in each of its national markets including the AEX® in the Netherlands, BEL 20® in Belgium, CAC 40® in France, ISEQ® in Ireland, PSI 20® in Portugal and the OBX® in Olso. Euronext's family of index products provides investors and issuers with benchmarks enabling them to measure and trade the performance of key segments and strategies. The Group also offers extensive trading opportunities to investors, such as single stock derivatives on the underlying securities listed on its markets.

Furthermore, Euronext offers issuers an established and credible financial marketplace for their capital market needs. In order to attract issuers to Euronext's marketplace and maintain relationships with clients (existing issuers, prospects and other stakeholders) the Company undertakes various initiatives through direct prospecting and continuous client interaction. In addition, Euronext organises dedicated events for prospects, issuers and investors aimed at improving and facilitating access to capital and promoting its markets on an international and national level.

A Market For Each Step of a Company Growth

Euronext operates different kinds of markets according to suit the evolving needs of a company at various stages of growth. These markets enable corporate clients in different stages of their development, whether early stage growth companies or more established businesses, to access a broad range of investors and provide access to capital.

Main Markets

Euronext in Amsterdam, Brussels, Dublin, Lisbon and Paris, and Oslo Børs are European regulated markets under MiFID suited to mid and large sized companies with substantial financing requirements. These main markets provide access to a large range of international investors and the possibility of inclusion in well-known European indices. Euronext lists a wide variety of securities, including domestic and international equity securities, convertible bonds, debt securities (including corporate and government bonds), structured products (including warrants and certificates and structured notes), ETFs, open-ended and closed-ended investment funds.

Euronext is segmented according to market capitalisation:

- compartment A: companies with a market capitalisation of more than €1 billion;
- compartment B: companies valued between €150 million and €1 billion;
- compartment C: companies with a market capitalisation of less than €150 million.

Junior Markets: Euronext Growth, Euronext Access

Euronext Growth (Brussels, Paris, Lisbon, Dublin and Oslo) the pan-European MTF dedicated to small & mid-caps – has been officially registered as "SME Growth Market" for both shares and bonds by the competent authorities in Belgium, France, Ireland, Norway and Portugal. This status, introduced under MiFID II, has been designed to facilitate access to capital markets for European SMEs by further developing qualified markets to cater to the specific needs of small and medium-sized companies.

Euronext Growth is dedicated to fast-growing small and mid-caps seeking to raise funds to finance their growth. It offers lighter requirements than Euronext's regulated markets while still providing access to a significant number of European investors focused on SMEs. Listed companies have greater flexibility in their choice of accounting standards and are subject to less extensive post-listing reporting requirements than companies listed on regulated markets. Euronext Growth lists a wide variety of securities, including domestic and international equity securities, convertible bonds and corporate bonds.

Euronext Access markets are designed especially for start-ups and SMEs that wish to join a stock exchange to finance growth and gain the reputational advantages of listing but do not meet the criteria for admission to Euronext's regulated markets and Euronext Growth. These markets are open to any company, regardless of size, performance, maturity or industry. Corporate bonds and structured products are also traded on Euronext Access. Euronext Access+ is a special compartment of Euronext Access tailored to the needs of start-ups and SMEs. Launched in 2017, Euronext Access+ helps smaller companies make a smooth transition and acclimatisation to other Euronext markets, notably in terms of investor communications and transparency. This compartment, which is part of Euronext Access, also serves as a springboard to other Euronext markets.

Other Markets

Euronext also offers alternative markets such as: 1) Trading Facility, a MTF in Belgium, 2) Euronext Expert Market, based in Brussels, which enables negotiation of prices for unlisted products – such as shares, real estate certificates notes and bonds – once a week, 3) Global Exchange Market (GEM), a multilateral trading facility based in Dublin, for listing debt securities aimed at professional investors and investment funds, which is the largest MTF listing venue in Europe, with over 25,000 bonds (with approximatively 60% of total Dublin bond listings) and 1,500 investment funds classes listed, 4) Atlantic Securities Market (ASM), a MTF in Dublin suited to US listed companies seeking to access euro pools of capital and 5) NOTC: the Oslo platform to provide quotes and allow non-listed firms to benefit from a level of liquidity.

Beyond the traditional regulated and exchange-regulated markets, Euronext Nordic expansion has led to the integration of two markets:

- NOTC is a marketplace for unlisted shares that offers visibility and price information for private companies. Activity remained steady in 2020 despite the pandemic;
- Euronext Expand is an Oslo-based venue for high-growth companies before the join the most mature market in Norway.

Added-Value Services for Issuers

Euronext provides to its issuers a range of services including:

Advocacy Role

Euronext provides advocacy to represent the interests of corporate client companies at the level of Euronext as well as at national and European levels for specific issues related to financial markets. As part of this, Euronext regularly communicates with its issuers and investor relations organisations, arranges issuer committees and participates in consultations with regulatory bodies on a wide range of topics.

ExpertLine

ExpertLine is a team of market professionals who provide issuers with feedback on real-time events that may affect their share price. ExpertLine also acts as a first port of call for issuers listed on all Euronext's markets, listing sponsors and other intermediaries, and the team develops and provides issuers with a suite of services such as the Connect web portal that Euronext regularly enriches.

Connect

Companies listed on Euronext markets have access to Connect, a secure web portal that provides issuers with market intelligence. Connect is also a publication tool, enabling issuers to upload and publish press releases, maintain their financial calendar and update their company's profile on Euronext's website.

Education and Networking

Euronext informs and educates issuers on various topics including recent developments in its markets, new regulatory and legal developments, compliance, governance, social responsibility investments as well as new products and services through workshops and conferences organised during the year.

In particular Euronext has developed three pre-IPO programmes to help companies understand the benefits of, and ways of accessing, capital markets:

- TechShare, a free educational and mentoring programme to help Tech SMEs to grow their business;
- FamilyShare, a free training programme dedicated to enlightening family businesses on the financing solutions offered by the stock exchange;
- #IPOready, a programme designed to provide high-growth companies with a deep understanding of capital markets, fund raising options and the IPO process. Currently ran in Ireland, it will be expanded in Norway in 2021.

Listing Venue of Choice for SMEs

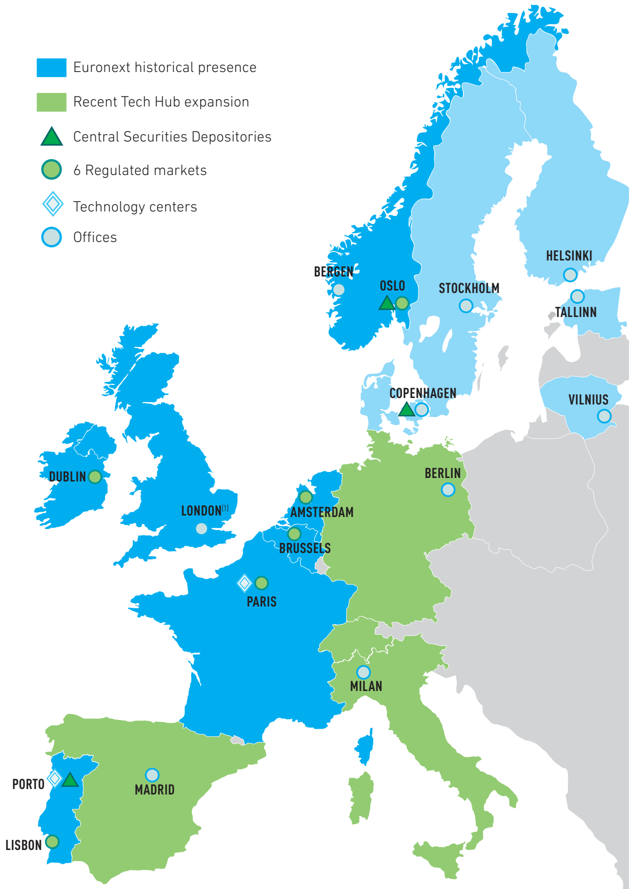
With markets tailored to the needs of medium-sized companies and a presence in ten countries, Euronext is the listing venue of choice for small and mid-caps in Europe. Since 2015, more than 260 SMEs have listed on Euronext markets. As of 31 December 2020, over 1,100 SMEs are listed on Euronext markets representing a total market capitalisation of €204 billion.

Over the past few years, Euronext been offering small and medium companies financing solutions according to their profile and Euronext has also developed initiatives primarily on the Tech sector and family businesses.

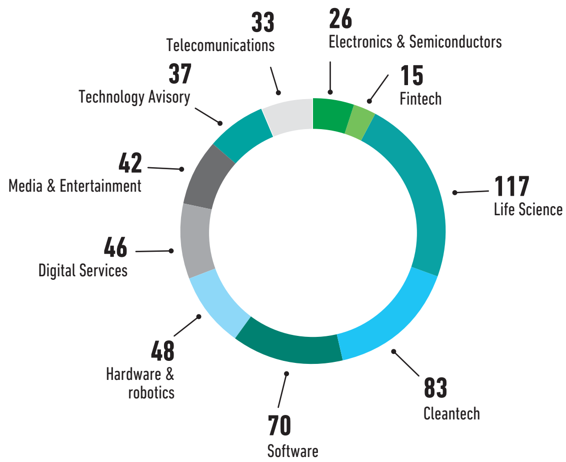
Boosting the Financing of the Tech Sector

Euronext is the leading European platform for fast-growing technology companies. Since 2015, 221 Tech companies have gone public on Euronext markets, choosing Euronext to facilitate and support their strategic growth ambitions. Euronext's pan-European platform spans a vast range of subsectors with 517 listed Tech companies in Digital Services, Cleantech, Biotech, Medtech, TMT, Software, IT Consulting and Technology Hardware. These companies represent a total market capitalisation close to €906 billion as at 31 December 2020.

BOOSTING THE FINANCING OF THE TECH SECTOR



ALL TECH SECTORS ARE REPRESENTED ON EURONEXT MARKETS *(NUMBER OF ISSUERS BY SECTOR)*



In 2015, Euronext launched TechShare to help companies reach the next stage of development. TechShare is a 6-month educational and mentoring programme aimed at familiarizing CEOs of Tech companies with the financial markets. The participants are Tech companies from a wide variety of sectors, including Biotech, software, Medtech, electronics, hardware, Cleantech, e-commerce and fintech.

Currently active in Belgium, France, Germany, Italy, the Netherlands, Portugal, Spain and Switzerland, the program supports top executives from fast-growing companies through a combination of academic seminars, workshop sessions and individual coaching. TechShare is now a unique Tech network gathering 75+ partners from the financial industry and 400+ alumni of which already seven alumni listed on Euronext: Osmozis, Balyo, Theranexus, Oxatis, CM.com, Unifiedpost and Nyxoah.

Supporting Family-Owned Companies

Euronext has attracted an important community of family-owned companies, composed of 350 issuers representing a total market capitalisation close to €1,520 billion, including 245 SMEs as at 31 December 2020.

In 2017, Euronext launched FamilyShare, a dedicated programme offering support and coaching to unlisted family businesses. This unique pan-European initiative is designed to familiarise family-owned businesses with capital markets, both equity and bonds, giving them the information they need to bring their companies to the market. In June 2018, Cogelec was the first IPO from the FamilyShare programme raising €39 million on Euronext Paris, followed by one of Portugal's largest construction companies The Casais group launching an €18.5M bond in 2019. Since launch, FamilyShare has trained 30 companies.

Family-owned companies also benefit from increased assistance in several areas. This includes European roadshows to meet investors, improved financial analysis coverage through the Morningstar programme and Euronext Family Business index®, a new European index with ninety component companies in the four countries covered by Euronext.

1.3.3.2 Listing – Recent Developments

Market Activity in 2020

Euronext's markets in 2020 provided financing to the real economy with over €1,200 billion raised from equity and debt financing through securities admitted to trading as of 31 December 2020. During the first quarter of 2020, Euronext welcomed nine new companies (compared to seven in 2019) before markets were impacted by the Covid crisis. Some companies managed to list precrisis including gaming company Nacon that successfully raised €117 million on 4 March despite the challenging context.

Beyond residual direct listing activity, IPO markets effectively closed down over March and April 2020 until Europe's first fully digital IPO hit in May 2020 with the listing of Pexip. Showcasing its virtual meeting technology throughout the IPO process, the Oslo IPO raised €273 million. This was followed by Europe's largest IPO in 2020, as coffee giant JDE PEET's raised €2.6 billion in Amsterdam for a €15.6 billion market cap. Across all markets in EMEA listing activity was down 20% in 2020 compared to the prior year with most of the listings occurring in the second half of the year. In total in 2020, Euronext welcomed 90 new listings – of which 83 were SMEs – raising a total of €6.7 billion across all markets. The Tech sector continues to be very well represented on Euronext markets in 2020 with listings up 200% on 2019. In the third and fourth quarters of 2020, Euronext welcomed some of Europe's prime listings with Norwegian Telecommunications equipment Link Mobility Grp, raising €549 million with a market capitalization of €1.15 billion. Belgium Fintech company Unifiedpost Group NV/SA raised €252 million at IPO with an initial valuation of €608 million.

In addition, €54 billion was raised in follow-on equity and €1,155 billion was raised on Euronext in bonds including an addition of over 10,000 bond listings on Euronext markets. Notable listings from WisdomTree, Cassa Centrale Banca Credito Cooperativo Italiano S.p.A., El Corte Inglés, S.A. and Swisscom highlight the Group's strength in key jurisdictions including Europe, the United States, Asia and the Middle East. Euronext's ESG bond offering experienced significant growth, with 208 bond listings in 2020, up from 139 in 2019. Over €110 billion was raised on Euronext markets from 182 separate issuers, up from 124 issuers at the end of 2019. High profile new issuers included Aeroporti di Roma S.p.A., Ontario Teachers' Finance Trust, Flemish Community, Unedic, Orange and Telefónica Europe B.V.

There are over 4,300 funds classes listed on Euronext and notable listings during 2020 include Aviva and Actiam. At the end of 2020, there were close to 1,300 exchange traded funds listed on Euronext markets.

Euronext – Total money raised *(€bn)*

2016	585
2017	789
2018	1,078
2019	1,268
2020	1,216

Empowering Sustainable Financing

In rolling out Euronext's "Let's Grow Together 2022" strategy, empowering sustainable financing has become core to the way Euronext conducts business and shape European capital markets. Financing the sustainable projects is key in achieving the ambitious transition agenda set out by the European Commission. Euronext therefore plays a pivotal role given its capacity to influence capital allocation.

Best practices definition, training and education, incentivising issuers as well as facilitating access to responsible investors constitute key areas of Euronext action in influencing capital allocation to shape more sustainable European capital markets.

Euronext first step was to equip listed companies as expectations on transparency and sustainability continue rising within the investor community, by publishing guidelines for ESG reporting in January 2020. The guide was designed to help issuers in their interactions with investors and the wider ESG community, to help them understand how to address ESG issues as a key component of investor relations, as well as the main principles to consider when preparing an ESG report. ESG reporting can appear particularly complex for smaller issuers in the absence of a clear set of globally used standards.

Euronext guide steers focus towards three elements:

i. materiality: the importance of identifying what is material for a business given its size, nature and geographic coverage whether for management or shareholders

ii. investor relations: the key and increasing role ESG reporting plays into feeding investors and nurturing financial communication

iii. transparency: we have worked to ensure the majority of the guidance revolves around the reporting process (key concerns and questions, illustrative indicators, references to international standards, *etc.*)

The incorporation of environmental, social and governance (ESG) factors into investment decision-making is the first step to make finance more sustainable, to ensure better allocation and channelling of capital towards sustainable and transitioning assets:

i. Euronext is Europe's leading exchange for eco-industry financing, with 83 cleantech companies representing an aggregate market cap of €71bn as at 31 December 2020

ii. in 2020, 18 new cleantech listings together raised closed to €850m

Corporate Services

Corporate Services is a fully-owned subsidiary of the Euronext Group launched in 2016 with the ambition to help listed companies to make the most effective use of capital markets and support organisations with innovative solutions and tailor-made advisory services in Governance (iBabs), Compliance (InsiderLog), Communication (Company Webcast), Investor Relations (Advisory and IR Solutions). Corporate Services already serves more than 3,000+ clients in over 25 countries, of which are 800+ listed companies. When it comes to listed companies, Euronext Corporate Services helps them make the most effective use of capital markets, from blue-chip large caps to SMEs, located across all Euronext markets and beyond (Sweden, the United Kingdoms, Germany, Italy.

Corporate Services offers a unique and comprehensive value proposition articulated around four main pillars:

i. investor relations:
   - tailor-made advisory, market intelligence, decision making analytics and ESG advisory services for listed companies,
   - complete and intuitive investor relationship management and targeting platform,
   - dynamic and strategic analysis of shareholding structure,
   - flexible and customized market data components for investor relations websites of listed companies;

ii. communication: comprehensive range of webcast, webinar and conference call services for all types corporate events (investor relations, internal communication, marketing, training, *etc.*);

iii. governance: digital board portal solution helping organisations to secure their Board meetings and to streamline their decision making processes

iv. compliance: innovative solution to automate the management of insider lists in a way that both saves time and ensures compliance with the requirements of the Market Abuse Regulation

This offering has been built through a combination of organic developments and acquisitions. To achieve its ambition, Euronext has acquired four companies providing innovative solutions for corporates:

- Company Webcast (100%-owned[(1)]), a Dutch leading company specialized in professional webcast and webinar services;
- IR.Manager (100%-owned), a London-based provider of investor relations workflow and targeting tools;
- iBabs (60%-owned), a Dutch leading provider of dematerialized and secured board portal solutions for corporate and public organizations;
- InsiderLog (100%-owned), a Swedish leading provider of an insider list management solution, in compliance with the Market Abuse Regulation.

1.3.4 CASH, DERIVATIVES AND SPOT FX MARKETS

1.3.4.1 Cash, Derivatives and Spot FX Markets – Products and Services

Euronext provides multiple marketplaces for investors, broker-dealers and other market participants to meet directly to buy and sell cash equities, fixed income securities and ETPs. One of the primary functions of the Group's markets is to ensure that orders to purchase and sell securities are executed in a reliable, orderly, liquid and efficient manner. Order execution occurs through a variety of means and Euronext seeks to continue to develop additional and more efficient trading processes.

Cash Trading

Equities

The Company is the market leader in cash equity trading in its six home markets of Belgium, France, Ireland, the Netherlands, Portugal and Norway. Over 2020, Euronext market share on cash equity trading averaged 70.4% and the Company had a strong blue chip issuer presence, with 27 issuers included in the Euro STOXX 50 stock index and 164 issuers included in the Euro STOXX 600 benchmark index. Euronext is ranked first in Europe as measured by domestic market capitalisation and first by average daily lit equity trading value. In addition, the Group has a solid ETF trading franchise based on the listing of 1,289 ETFs in its markets. In 2020, total Euronext transaction value on equity was €2,272 billion, up +19.9% from €1,895 billion in 2019 and compared to €2,106 billion in 2018. In Equities, Euronext outperforms peer exchanges in yield

(1) On 3 March 2021, the Group exercised its call option to acquire the remaining 40% of the shares in iBabs B.V.. Refer to section 7.1.7 - Financial and trading position for further information.

extraction while maintaining high market share. This is achieved through a combination of superior execution quality, sophisticated liquidity schemes and advanced pricing segmentation. Euronext offers a compelling value proposition across the transaction chain, from blue chips to small companies, with tailored market models to maximize the depth and quality of liquidity available for trading those companies in the secondary market.

Since the introduction of new European Union legislation in 2007, *via* MiFID, competition for share trading has been intense. Yet Euronext has been successful in maintaining market share above 60% throughout the past decade demonstrating the resilience in its core business. Euronext's product, pricing and client strategy and the execution thereof are vital to maintain the high quality of execution and broad diversity of clients active on Euronext's markets.

Euronext operates equity markets of which the main financial instruments are shares. Shares are any share of capital stock or any other equity securities issued by a corporation or other incorporated business enterprise.

Since 2017, in Equities, Euronext's competitive position has been enhanced due to evolution in the blue chip liquidity scheme, a new fee scheme for non-member proprietary flow, a new best execution service for retail investors (Best of Book) and new incentives embedded in the agency tariff to attract incremental flow from trading members. Euronext has re-positioned both the equity and warrants business to ensure its offering to local members in Euronext's home markets is attractive and that flow from the local client community is either retained or repatriated. These initiatives enable Euronext to continue enhancing execution quality available on Euronext's markets which is key to add value to clients and to compete effectively.

Best of Book Service for Retail Best Execution

Since 2017, Euronext kept improving its new best execution service for retail orders. In partnership with dedicated liquidity providers, Best of Book offers price improvement in the central order book for retail brokers. This helps ensure best execution for brokers executing orders on behalf of retail clients, in a way that ensures compliance and that the end investor achieves an optimum result. The service promotes and strengthens the diversity of Euronext's order book to the benefit of the whole market.

Omega Fee Scheme for Non-Member Proprietary Flow

In 2016, Euronext launched a new pilot fee scheme for non-member proprietary trading flow. Non-member proprietary firms wishing to participate in the Omega pilot scheme enter into a tripartite arrangement with Euronext and the member intermediary. This scheme provides non-member firms with improved value when trading on Euronext markets while promoting and strengthening the diversity of Euronext's order book to the benefit of the whole market.

Fixed Income

Euronext operates bond trading on its regulated market with a particular focus on the retail market. Nearly 100 members trade 6,000 corporate, financial institutions and government listed bonds, representing a monthly turnover of approximately €8 billion.

Euronext Block for SME

Dark trading venues have become crucial alternatives to regulated markets, and MiFID II regulatory changes have further solidified the need for such platforms, specifically in the large-in-scale (LIS) space. Investors continue to seek efficient mechanisms to source liquidity and execute trades safely.

Euronext offers to the local community the Block MTF platform to establish itself as a hub for SME Block Trading. During the first phase of the new strategy roll-out, focus is on small- and mid-cap stocks in the Belgian, Dutch, French, and Portuguese markets. Euronext is to create a significant offer to the local members and Euronext is unique in its ability to utilize historical order and trade data to help trading participants target appropriate counterparties and increase their potential for trading. In addition to these benefits, onboarding new members is simplified thanks to a streamlined Euronext membership process.

Exchange Traded Funds

Euronext offers the ETF community a comprehensive solution for multi-national listing and trading in ETFs and investments, within Euronext's Single Order Book. Euronext's ETF markets are supported by robust market infrastructure where product supply and demand meet within a framework of deep liquidity and advanced price formation.

Euronext develops relations not only with issuers, but also with liquidity providers, intermediaries, investors, regulators and others in the ETF community to understand their challenges and needs, providing strong alignment with Euronext's business goals and a strong foundation to cocreate new products to accelerate growth in the ETF industry with the support of its major participants.

Euronext's client alignment is demonstrated by Euronext winning ETF Express award for the fifth time in a row, being consistently recognised as the Best European Exchange for Listing ETFs. This award is voted for by Euronext's clients.

Open Ended Investment Funds

Euronext's Fund Services ("EFS") offer asset managers ways to achieve better operational efficiency and enhance asset gathering opportunities. By engaging in active discussions with key stakeholders, the Company believes its offering is a relevant choice for any issuer considering fund distribution in Europe.

The services include:

- Euronext Fund Service Amsterdam, first launched in 2007, which enables Fund Managers to further extend the geographic reach of their funds across Europe and will include a broader choice of trading solutions;
- Euronext Fund Service Paris, launched in May 2017, which is a complementary cutting-edge offer providing a global access to the funds universe, in order to meet the requirements for modern and automated solutions. This service is available for both UCITS funds and AIF (Alternative Investment Funds), and orders will be placed at Net Asset Value (NAV) in euros.

EFS enables both local and global asset managers to list their funds (whether large or small) on Euronext's regulated platform, enhancing the profile of the funds and helping to attract higher levels of investment into those funds. As of 31 December, there was turnover on EFS Amsterdam of almost €12 billion, highlighting its distribution benefits to asset managers and investors.

Warrants and Certificates

Euronext operates a retail Structured Products business across its continental European franchise, servicing the needs of retail investors *via* intermediary service provision, namely listing warrants, certificates and structured notes, developing Euronext's market model for high quality liquidity provision and ensuring execution by retail brokers is cost efficient. Euronext develops relationships with its issuers not only to expand their usage of existing tailored services but also to create new and innovative services for operational efficiency and business expansion.

Cash Market Structure and Functionality

Since June 2018, Cash trading on Euronext's markets is hosted on the new proprietary strategic architecture Optiq®. The Group's trading rules provide for an order-driven market using an open electronic central order book for each traded security, various order types and automatic order matching and a guarantee of full anonymity both for orders and trades. While the core trading system is built on this order-driven principle, the flexibility of Euronext's technology enables Euronext to develop different types of matching algorithms and functionalities to suit the different price formation mechanisms that exist amongst the different cash asset classes and to cater for different market participant needs. For example, Euronext continued to develop its best execution service for retail investors, Best of Book, which brings retail brokers an additional layer of liquidity specifically aimed at offering price improvement for retail order flow. This service is integrated into Euronext's central order book enabling members to interact with this liquidity through the same connection as for the core market. As at year end, all of Euronext's retail brokers had signed up for the service.

The Company also operates a sophisticated liquidity provider program for blue chips and liquid mid cap equities which aims at ensuring Euronext offers superior market quality. Euronext's equity markets continue to yield the best market quality metrics amongst its competitors. These metrics include, amongst others, spread, market depth, best price setting and presence time at the best bid and offer spread. The program encompasses both a presence time obligation at the best bid and offer spread and a minimum passive volume obligation. This volume obligation is of particular interest as, in combination with the presence time obligation, it creates order persistence and therefore increases probability of execution. In a fragmented trading environment, market quality metrics are actively used by trading firms as decision making parameters embedded in their order routing systems and therefore contribute to maintaining Euronext's market share.

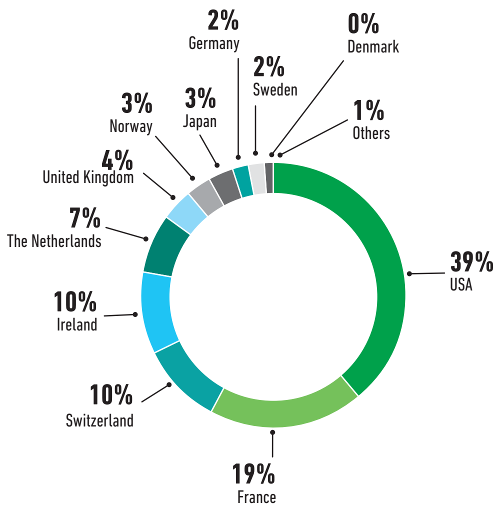
Cash Market Trading Members

As at 31 December 2020, Euronext had 215 direct trading members on its cash business, compared to 184 members as at 31 December 2019. The Group has a diverse member base, from retail, big investment banks or regional banks and brokers, with a deep presence in its five domestic markets.

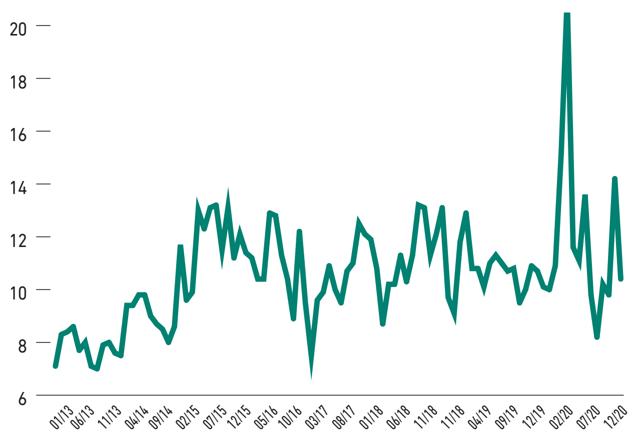
Cash Trading Average Daily Volume by Geographic Origin of Customers

The average daily volume on Euronext's cash trading markets for the last twelve months ended 31 December 2020 amounted to €9.8 billion (single counted).

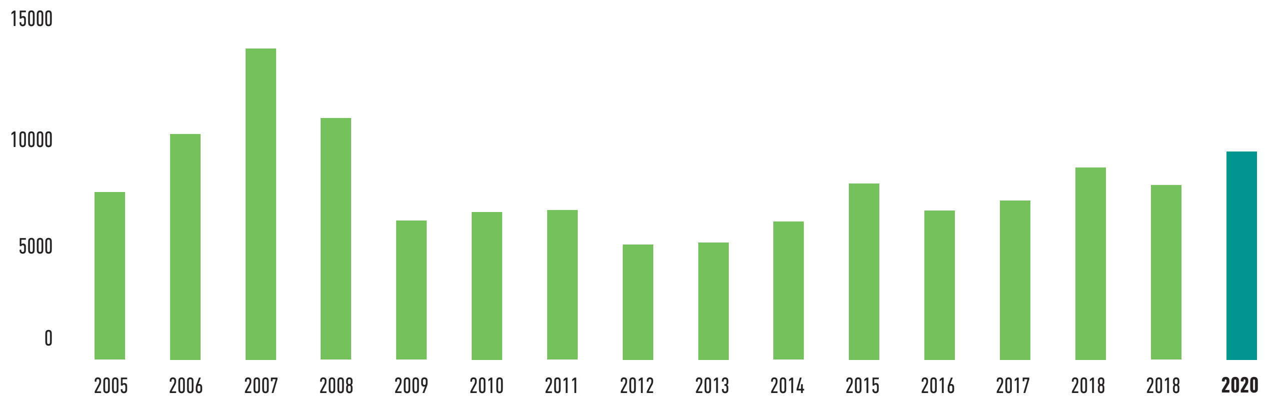
The table below shows the proportion of Euronext's customer base by geographic origin (location of worldwide headquarters) using the Company's cash markets for the last twelve months ended 31 December 2020.



DAILY TRANSACTION VALUE ON EURONEXT STOCKS
(€ BILLION/DAY)



HISTORICAL AVERAGE DAILY VOLUMES *(€ MILLION)*



Derivatives Trading

Euronext is a leading pan-European derivatives trading venue with trading activities across financial and commodity derivatives products.

Euronext offers financial derivatives trading in its markets in Amsterdam, Brussels, Lisbon, Oslo and Paris, and, as of 31 December 2020, was the second largest market in equity index futures and the second largest in equity index options in Europe in number of contracts. Euronext offers local markets access to the trading of futures and options based on global equities, dividends, local market indices including the AEX®, BEL20®, CAC 40®, PSI20®, OBX® and established pan-European equity indices such as FTSEurofirst and FTSE EPRA/NAREIT real estate indices. Euronext is also innovating in the derivatives space notably with the launch in 2018 of the first Total Return Future (TRF) on a national benchmark, the CAC 40® Index and the launch in 2019 of new Single Stock Futures and Single Stock Dividend Futures.

Euronext offers commodity derivatives trading with futures and options based on milling wheat, corn and rapeseed, and futures on dairy products, wood pellets, and UAN 30 fertiliser. The Group is the leading agricultural commodity franchise in Europe and its core commodity contracts have long been relied upon as trusted global and European benchmarks. Euronext also offers financial salmon future contract through its subsidiaries Fish Pool.

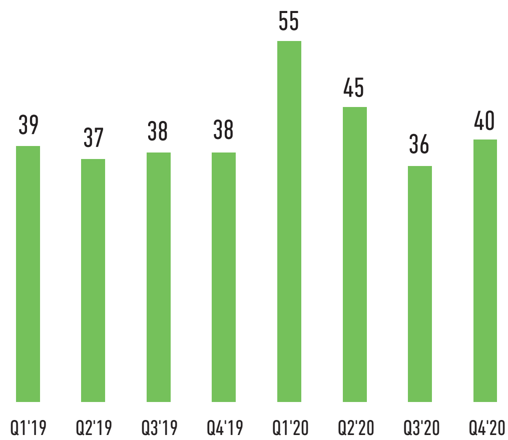
In 2020, the notional value of the derivatives traded on Euronext's derivatives markets was €4 trillion, equivalent to an average of €15.7 billion per day.

Euronext's derivatives team has a mission to bring innovation and agility to the derivatives markets. Since Euronext's IPO in June 2014, Euronext focused on researching and developing new derivatives products together with its client community. These are now beginning to come to market and Euronext continues to expand its capabilities and make its business work better for Euronext's customers.

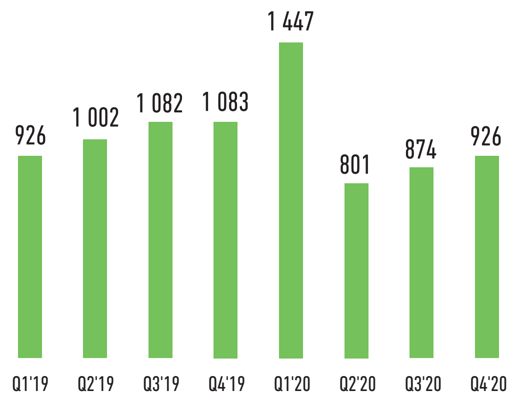
Euronext is pursuing the expansion of its commodity derivatives strategy along three axes:

1. focus on the core for European agricultural markets with EIM, new delivery points in corn and New Market Participants programme;
2. innovation and diversification with cash settled and Paris real estate;
3. enhanced client centric approach.

NUMBER OF CONTRACTS TRADED *(LOTS IN MILLION)*



NOTIONAL VALUE *(€ BILLION)*



Financial Derivatives

Equity Products: Versatility and Leverage

Equity options and futures enable holders to hedge against, or take position on, changes in the underlying share. More than 234 equity options and over 382 equity futures can be traded on Euronext, making the Company one of the leading markets for equity derivatives trading. Equity options trading has historically been particularly active in Amsterdam due to high retail participation.

Equity Index Products: Hedge Against Fluctuations in The European Equity Market

Equity index derivatives allow holders to hedge against, or take position on, changes in the future level of a particular index, the investor paying or receiving a cash sum representing its loss or gain on the future or option. Euronext's equity index derivatives allow customers to hedge against fluctuations in a range of European stock market indices and the European equity market as a whole, and many are available as weekly or daily contracts as well as the more usual monthly contracts.

Euronext's flagship equity index products include the CAC 40® index futures contract, which is the second most traded national index future in Europe, in terms of number of contracts traded, and the AEX® Index options contract, which is one of the most on-exchange traded national index options in Europe. Euronext's mini index derivatives ('minis') allow investors to follow the same investment strategies but with less initial margin or a smaller trading amount.

Dividend Products: A New and Rapidly Growing Asset Class

Dividend index futures and stock dividend futures allow holders to hedge against, or take position on, changes in the dividend of a particular index or underlying share. Euronext's flagship dividend products include the CAC 40® dividend index futures, which is one of the most traded dividend index futures in Europe and more than 290 Single Stock Dividend Futures (including 56 contracts on US names), making up the broadest offering in Europe.

Total Return Product: A Listed Solution to Access Implied Equity Repo

The Total Return Future (TRF) on the CAC 40® Index launched in October 2018 has been developed by Euronext in order to meet clients' need for a listed solution to trade total return swaps. With increased capital requirements being imposed by Basel III and EMIR, the new total return future contract offers strong netting advantages while providing a transparent and secure trading environment to access the implied equity repo rate on the constituents of the CAC 40 Index. Euronext is the first Exchange to launch a TRF on a national benchmark.

Commodity Derivatives

Euronext is a leading provider of agricultural commodity derivatives with several of the Company's contracts established as global price benchmarks for the international commercial and financial community. With a strategy focused on diversification, geographic pan European and by client type, volumes continue to grow strongly in recent years as commercials and investors alike increasingly seek to hedge their risks or use commodities to help diversify their portfolios.

The volume of the flagship milling wheat futures contract grew by 28% in 2020 and reached a level of more than 50,000 lots traded on a daily basis, representing the equivalent of 2.5 million tons of wheat or five times the milling wheat quantity EU production traded over the course of the year. The Rapeseed futures contract grew by 7% on the year while the corn contract gained significant traction on the back of the new Dunkirk and Ghent delivery silos, with a growth of 18% over the year. These futures contracts have obtained international recognition status, both of which have been included in the main global commodity indices (S&P World Commodity Index, Rogers International Commodity index), making them the first non-U.S. grains contracts to be included in these global indices.

The commodity team continues to build on the strategy announced in 2018 which is articulated around:

- focus on building existing core contracts to their full potential and, in particular, leveraging on the Euronext MATIF brand for grains and oilseeds. EIM with trade finance and repos along with location swaps will become a core element of the agricultural franchise and generate growing revenue streams over the next 3-5 years. It will protect Euronext physically delivered contracts, which have been suffering over the last few years from being exposed as the only major player without a digital contract delivery system;
- Cash Settled platform will allow the franchise to extend from the current three grain products offering and enable listing and trading of a number of desired price reference contracts, as simpler cash settled products when appropriate (*e.g.* when physical delivery is not a key or desired pricing mechanism);
- monitoring of opportunities for non-organic growth, blockchain applications linked to EIM, *etc*.: with the recent acquisitions in Norway, the commodities franchise is becoming a much stronger and more diverse actor globally, building on the historic Agricultural footprint to soon offer salmon futures and new ideas in Power.

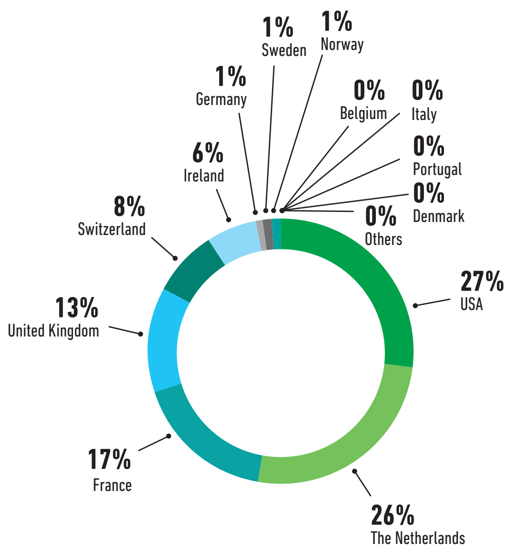
Derivatives Trading Members

Trading members in Euronext's derivative markets are either dealers, brokers or both. Their activities range from retail broking, investment banking, dealing, algorithmic and high frequency trading to international physical trading. The Group's client base comprises 153 direct trading members as of 31 December 2020 and is significantly diversified both in terms of types of clients and geographic coverage. Trading members can also become market makers or liquidity providers, which is crucial to the good functioning of the price formation mechanism for derivative instruments. In such cases, the parties enter into an agreement with Euronext, specifying their obligations in terms of displayed liquidity and spreads. Market makers and liquidity providers are able to place several orders at the same time through the use of mass quotes, allowing these trading members to send buy and sell orders for many contract months using only one message, leading to optimal efficiency in updating Euronext's full range of derivatives prices in a timely manner.

Derivatives Average Daily Volume by Geographic Origin

The average daily volume on Euronext's derivatives markets for the last twelve months ended 31 December 2020 reached 683,594 contracts, increasing +14.6% compared to 2019 and representing a total open interest exceeding 15.1 million contracts at the end of December 2020.

The table below shows the proportion of Euronext's customer base by geographic origin (location of worldwide headquarters) using derivatives listed on its markets for the last twelve months ended 31 December 2020.



FX Trading

In 2020, Euronext FX – Euronext's Electronic Communication Network (ECN) for spot Foreign Exchange (FX), precious metals, and its ECN for non-deliverable forwards (NDFs) through Euronext FX's Euronext Markets Singapore subsidiary – continued to grow its business successfully despite the unprecedented circumstances of the pandemic. Revenues, volumes and market share increased as a result of continued growth in client acquisition and effective liquidity management for existing clients. Euronext FX also expanded its product suite, with Euronext Markets Singapore's launch of NDFs in the third quarter of 2020, building on its Singapore FX matching engine. That fourth matching engine went live the year before, adding to the platform's global capabilities – which already operates in New York, London and Tokyo. Euronext FX also continues to develop and expand its market data offerings. In 2021, Euronext FX remains committed to generating additional revenue, enhancing product breadth and increasing client footprint.

1.3.4.2 Cash, Derivatives and Spot FX Markets – Recent Developments

Cash Trading

Advanced Pricing Strategy

During 2020, Euronext continued to optimize and adjust its pricing strategy on several key components of the tariff structure. The flagship liquidity provision program (Supplemental Liquidity Program) continued to help in delivering a strong performance in the quality of Euronext Cash market while delivering substantial yield. Furthermore, as part of the 'Let's Grow Together 2022' strategic plan, Euronext committed to 'capitalize on Federal model', incentivizing 'natural' flow from local and regional brokers and buy-side in each market.

To that extend, a new pricing strategy has been developed called the Local Fee Scheme.

Fixed Income Trading

A new pilot scheme (Liquidity Distributor) has been designed for specific members to publish marked up/aggregated liquidity of Euronext order book on their trading systems and distribution networks in order to increase matching opportunities on Euronext markets; this scheme was green-lighted by Euronext's College of regulators and was successfully implemented in May 2020 with a pilot member that has been ranking amongst our top five members since then thanks to this scheme. In the post-MiFID II environment, Fixed Income Regulated Markets remain active despite the low interest rate environment and the launch of the Pandemic Emergency Purchase Program drying up liquidity on secondary markets.

Derivatives Trading

On the financial derivatives markets, Euronext continued to reposition and expand its franchise. New products launched in 2020 included:

- eight Individual Equity Options (including five Spotlight Option classes);
- nine Single Stock Dividend Futures (SSDFs) and seven Single Stock Futures (SSFs);
- Index Futures on Euronext Eurozone ESG Large 80 Index and ISEQ 20 Index.

As the Covid-19 crisis has caused strong uncertainty on the dividend distribution, Euronext was the only Exchange able to provide an adapted hedging solutions thanks to the SSDFs with shorter maturities across a pan-European scope of contracts, helping market participants to adapt and fine tune their hedging.

During 2020, the new Market Making scheme which was rolled out at Optiq go-live, has brought improved on-screen quality notably on the Equity Options market.

In December 2020, Oslo derivatives market has been successfully migrated to Optiq.

Thanks to these developments, Euronext Derivatives have been awarded FOW International European Exchange and has also received the Most Innovative Contract of the year of its developments on the single stock futures and single stock dividend futures in 2020.

1.3.5 POWER TRADING

Through Nord Pool, in which it owns 66%, Euronext operates power markets. Nord Pool operates the leading power market in Europe and operates across 16 European countries including the Nordics, Baltics, the UK and Ireland in addition to France, Germany, Austria, Belgium, the Netherlands, Luxembourg and Poland, while also servicing power markets in Croatia and Bulgaria.

Nord Pool operates the physical power market, a short-term market where financial settlement takes place at the same time as physical delivery, a day after the trade has been made. As the central counterpart for all trades, Nord Pool ensures that all members are secured via bank guarantees or pledged cash and follows up, on a daily basis, that all members' payments are executed in accordance with the settlement schedule.

Over 2020, average daily day-ahead power traded was 2.52 TWh, and average daily intraday power traded was 0.07 TWh.

Nord Pool offer platforms for power trading – day-ahead and intraday (continuous trading) – and clearing and settlement, compliance, transparency and data services, under one roof. Nord Pool deliver simple, efficient and secure multi-market power trading.

A single integrated European energy market has been the agreed way forward from the EU Commission, and, as such, has been embraced by all stakeholders in the energy market. For the past 10 years Nord Pool has been a driver in all the large European power market integrations projects and initiatives. Today the key European market coupling development comprises two key projects with Nominated Electricity Market Operators ("NEMOs"), Transmission System Operators ("TSOs") and National Regulatory Authorities ("NRAs") participating – the SDAC (Single Day-Ahead coupling) and SIDC (Single Intraday Coupling).

Nord Pool is, with seven other power exchanges, part of the Price Coupling of Regions cooperation, owning the European algorithm and system used for the SDAC.

Nord Pool is the market coupling operator for several interconnectors, meaning that it provides shipping services to help interconnectors regulatory obligations under EU Capacity Allocation and Congestion Management guidelines.

1.3.6 ADVANCED DATA SERVICES

1.3.6.1 Market Data – Products and Services

Euronext's market data portfolio provides a wide range of data products to the global investment community, including pre- and post-trade market prices, indices composition, and reference data spanning its Cash and Derivatives markets in Amsterdam, Brussels, Dublin, Lisbon, Oslo and Paris. The data is used by traders and investors to make buy or sell decisions with confidence, and by issuers to create new tradable products such as ETF's. Euronext's market data clients range from the largest investment banks in the world to individual investors trading from their front room.

Euronext's market data business consists of two product and service categories:

Real-Time Market Data

Euronext's main data offering involves the distribution of real-time market data. This data includes price, trade and order book data on all instruments traded on the Company's cash and derivatives markets, as well as information about Euronext's indices and trade and transaction reports submitted *via* the APA and ARM services. The data is marketed through different information products which are packaged according to the type of instrument, the depth of the information, and the type of customer.

Euronext continues to invest in its trading and information platforms to ensure both execution and data services are of the highest quality and value.

The data is disseminated primarily *via* data vendors but also directly to financial institutions and other service providers in the financial sector. Over 400 vendors currently disseminate Euronext market data to approximately 139,000 screens in over 120 countries. During 2020 Euronext continued to see an increase in the use of Euronext's data in automated trading applications, and a corresponding decrease in the number of users viewing data on traditional trading screens.

Retail clients have access to data from Euronext's markets through the Live. Markets section of the website Euronext.com or via retail brokers. During 2020, there has been a strong increase in the number of retail clients using Euronext data.

Historical and Reference Data

In addition to real-time market data, Euronext also provides daily summary, historical and analytical data services, as well as reference and corporate action data services.

In 2018 Euronext launched an e-commerce platform that allows retail investors to buy data online directly from Euronext and launched further products *via* the platform in 2020 aimed at both professional and retail investors.

Euronext has expanded in bonds and funds data, in bonds through the acquisition of Dublin, on funds Euronext acquired a funds data provider in July, OPCVM360, now renamed Euronext Funds360.

Euronext Funds360 is a new generation data provider, specialising in funds (open-end investment funds, mutual funds, real estate funds, ETFs, *etc.*). Euronext Funds360 offers a series of fund data solutions and is used by an increasing number of major players in the asset management, insurance, fintech and financial media industries.

1.3.6.2 Advanced Data – Products and Services

In 2019 Euronext launched Market Flow which shows a daily breakdown of trading flows on the cash orderbook. The new analytic products are based on Euronext proprietary data, anonymized and aggregated. These high value high price products have attracted strong interest and several major clients are already contracted, diversifying the client base.

Euronext has new diverse sources of data to extract value from including, Oslo, Dublin, Euronext FX, and Commcise. Euronext has already codesigned a strong product pipeline with clients, to expand the current offering into new asset classes. Euronext will continue to invest in advanced data products and reinforce its quant team.

Also in 2019 Euronext, in association with QuantInsight and Trendrating, launched alternative data products that enable Fund Managers to satisfy risk management and alpha generation requirements. Euronext continued to explore in 2020 new opportunities in this space.

1.3.6.3 Indices – Products and Services

Euronext owns and operates a leading benchmark and strategy index franchise that measures different segments of the Euronext and other global markets, including AEX®, BEL 20®, CAC 40®, ISEQ®, PSI 20® and OBX® Indices. The Company also creates new proprietary indices generating added value for its market participants or to provide measurement tools for all types of investment categories regardless of listing venue. Euronext offers a fully customisable index service which includes index calculation across equities, commodities and currencies, five days a week, with two end-of-day runs reflecting market close in Europe, Asia and the Americas. Many of Euronext's indices are licensed as the basis for ETPs (including ETFs) and structured products. On April 17th 2019, Euronext was registered by ESMA as Benchmark Administrators under the new EU Benchmark Regulation (BMR). This compliance with the provisions of the Benchmark Regulation confirms the quality of Euronext's governance and control principles and rules, today acknowledged by key European regulators: the AFM in the Netherlands, AMF in France, CMVM in Portugal, FSMA in Belgium and CBI in Ireland.

Over the past years, Euronext has become a leader in indices for structured products and reinforced its Blue-Chip Index franchise by:

- developing custom solutions for structured products issuers, adapted to investors and banks needs;
- strengthening blue-chip indices franchise through increased transparency, industrialization, and Governance;
- positioning Euronext as a leading ESG index provider with open architecture platform, onboarding leading ESG data providers and thought leaders in climate change assessment;
- improving drastically time to market for index creation through industrialization.

As a result, Euronext index business:

- maintained a strong revenue growth in 2020 while further diversifying its business model and source of revenues;
- built global commercial relationship and is now used by the majority of the world's top financial institutions.

As a stock exchange committed to sustainability, Euronext is now well positioned to benefit from the increased integration of factor and ESG criteria into the investment process and will continue to extend its ESG index offering thanks to its partners expertise, V.E. (Vigeo Eiris), CDP, Carbone 4, ISS-ESG and Gresb B.V.:

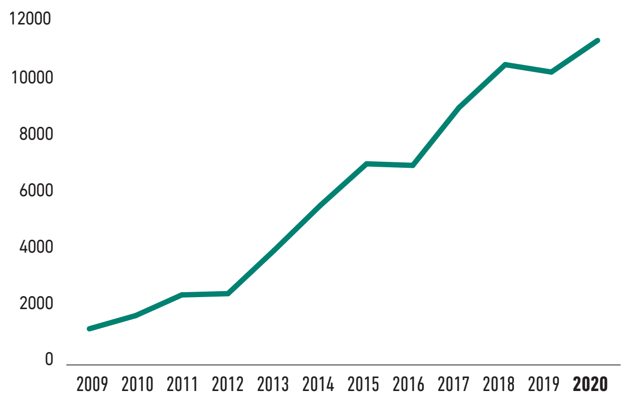
- there are over 300 outstanding listed structured products linked to Euronext ESG indices. The majority of those (221 products with sales of more than €4.5 billion) are provided to investors in the French market;
- in 2020, more than 225 structured products linked to Euronext ESG indices were launched. The top 5 Euronext ESG indices by sales volume were[1]:

Underlying Index	Sales Volume 2020 (€m)
Euronext Climate Objective 50 Euro EW Dec 5%	989
Euronext Eurozone ESG Leaders 40 EW Dec 5%	265
EuronextWater and Ocean Europe 40 EW Dec 5%	256
Euronext CDP Environment France EW dec 5%	129
Euronext Euro 50 ESG EW Dec 50 Points	106

- in 2020 the methodology of the Low Carbon 100 Europe PAB index evolved to be in line with the very advanced EU label, the Paris Aligned Benchmark (PAB). In November 2020, 70% of the AUM of all the ETFs tracking EU PAB indices was in the ETF tracking the Low Carbon 100 Europe PAB index.

As of 31 December 2020, there were over 11,500 Euronext Traded Products (ETPs) linked to Euronext indices listed on the Company's market. This is a +10.7% increase compared to 2019 and an all-time record.

ETP PRODUCTS ON EURONEXT INDICES LISTED ON EURONEXT



END OF YEAR RECORD FOR ETPS ON THE AEX® TO 4,433

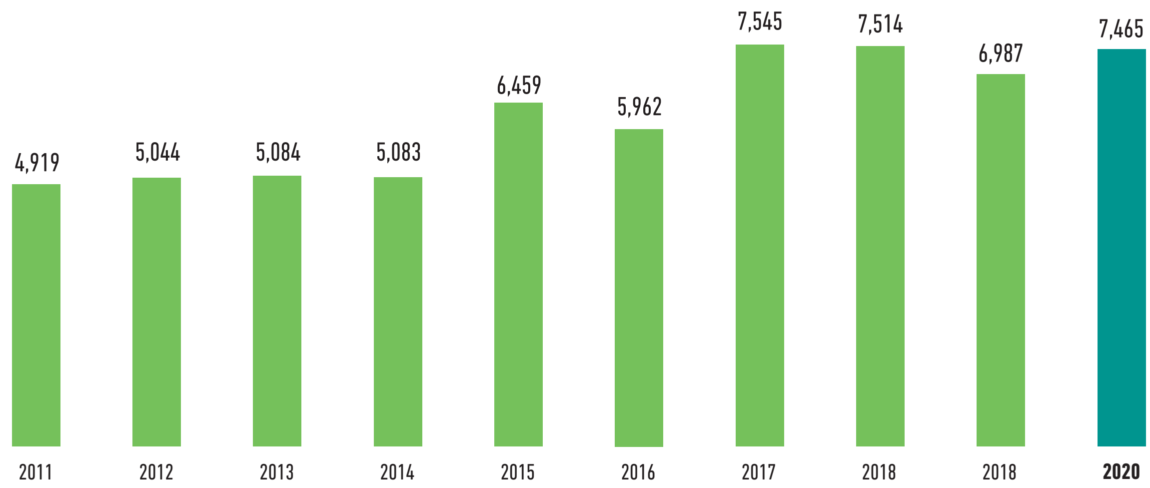
ETPS LINKED TO AEX LISTED ON EURONEXT

Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Nr. of Products	579	884	823	977	1,369	2,158	1,748	2,816	2,907	3,303	4,433

Exchange traded funds (ETFs) linked to Euronext indices increased +6.8% to €7.5 billion in Assets Under Management (AUM) at the end of 2020.

(1) *etfbook.com data, figures based on external third-party data.*

ETF AUM *(in millions)* ON EURONEXT INDICES



Figures based on external third-party data, past figures might have been restated.

Building on its strengths and capabilities, driven by client discussion and needs, Euronext is increasing investments in the index franchise, in teams, technology, and partnerships, with four key directions for growth:

- expand beyond Europe to provide world indices for European and Global Clients;
- accelerate development of ESG based indices. This will be done through continuous expansion of ESG partnerships bridging innovative science based companies to investors, at the forefront of sustainable finance;
- leverage on technology to further accelerate index creation capacity;
- leverage our extended federal model, to replicate locally our strength, client proximity, time to market, technology, ESG partners.

1.3.7 INVESTOR SERVICES

Through its subsidiaries Commcise, Euronext offers independent, cloud-based, fully-integrated commission management and research valuation solutions to the buy-side, sell-side and research providers. Commcise offer includes:

- **COMMCISEBUY** offers automated trade reconciliation, algorithmic rules engine, invoice management, research evaluation/broker vote, consumption tracking (including an automated research valuation engine), commission budgeting, contract management, research accounting and reporting in a single fully-audited solution;
- **COMMCISESELL** is a cloud-based commission management platform for the sell-side. By providing a fully-audited and controlled platform that includes Commcise industry-leading algorithmic rules engine, invoice management, research accounting and reporting in addition to white-labelled portal, COMMCISESELL allows brokers, research providers, custodians, fund accountants to manage commissions in any level of granularity as demanded by their customers;
- **COMMCISECS** provides research providers with a mechanism to supply cleansed research interaction data in any format to their buy-side clients. COMMCISECS also helps research providers assess the profitability of clients by pricing, valuing and managing payments for contracted and a la carte research services to the buy-side using customised rate cards.

With over 600 buy-side and sell-side clients globally, Commcise's clients include some of the largest institutional asset managers, hedge funds, brokers and research providers in the world.

1.3.8 POST TRADE

Euronext post-trade business is a combination of partnerships with, and minority stakes in, global market infrastructures (Euroclear S.A./N.V., LCH SA), and local market infrastructure fully owned and operated by the Group (Euronext VPS, Interbolsa and VP Securities).

The Group owns 11.1% of LCH S.A. and has a 10-year agreement with LCH S.A. for the provision of clearing services on Euronext derivatives markets.

Euronext also owns c.3.5% of Euroclear S.A./N.V., that provides custody and settlement services on several Euronext markets.

Finally, Euronext operates and 100% owns three Central Securities Depositories: Euronext VPS, established in Norway, acquired in 2019 as part of the Olso Børs VPS transaction; Interbolsa, established in Portugal, and VP Securities, established in Denmark, acquired in August 2020.

1.3.8.1 Post Trade – Products and Services

Clearing

Euronext does not operate its own Central Counterparty (CCP) and relies on strong partnership and contractual arrangements with external providers for the clearing of trades executed on its markets:

- trades executed on Euronext derivatives markets are cleared by LCH S.A. according to a specific clearing agreement (the Derivatives Clearing Agreement);
- trades executed on Euronext cash markets are cleared by LCH S.A. as the default CCP, according to a separate clearing agreement (the Cash Clearing Agreement), and by EuroCCP as an alternative option;
- trades executed on Euronext Dublin are cleared by EuroCCP;
- trades executed on the London Recognized Investment Exchange are cleared by LCH S.A. (extension of the single order book) and by EuroCCP if trades are related to ETFs or the "Block facility";
- trades executed on Olso Børs cash markets are cleared by a set of three interoperable CCPs: EuroCCP, SIX x-clear and LCH Ltd.

LCH S.A.

The partnership between Euronext and LCH S.A. relies on three pillars: i) Euronext owns 11.1% of LCH SA, has the right to appoint one director at LCH S.A. board, ii) Euronext and LCH S.A. have signed a 10-year agreement for the clearing of derivatives (the Derivatives Clearing Agreement) and iii) Euronext and LCH S.A. have a clearing agreement for cash markets (the Cash Clearing Agreement).

LCH SA is a EU27 based multi-asset classes CCP covering Listed and OTC derivatives, Commodities, CDS, Cash equities and ETFs as well as Repo Fixed income market. Thanks to their position across those market segments, LCH SA have a large pool of collateral posted by clearing members enabling them to be extremely resilient to stressed market conditions requiring short term liquidity as defined by ESMA through the CCP stress tests framework. Under the Derivatives Clearing Agreement, renewed in 2017, Euronext benefits from a significant revenue sharing with LCH S.A., at approximately the same level of profitability as the previous agreement. Euronext therefore receives clearing fee revenues based on the number of financial and commodities derivatives trades cleared through LCH S.A. The Derivatives Clearing Agreement features solid governance rights as well as pre-emption rights for Euronext, in the case of a sale of LCH S.A.

Custody & Settlement

In August 2020, Euronext has acquired VP Securities, a CSD established in Denmark.

With this acquisition, Euronext now runs a large scale CSD business, made of Euronext VPS (established in Norway), Interbolsa (established in Portugal) and VP Securities. This business represents more than 2.4 trillion EUR of assets under custody at end 2020, and processed almost 50 million of settlement instructions over the year.

These CSDs play a central role on the Portuguese and Nordic securities markets by providing issuance, custody and settlement services across multiple asset classes (equities, fixed income, funds) to issuers or their agents, financial institutions (custodians, broker-dealers, *etc.*) and other market infrastructures (CCPs, *etc.*).

Beyond core issuance, custody and settlement services, Euronext CSDs also provide their customers with a range of value-added services (tax reporting, information and data, *etc.*).

Interbolsa

Interbolsa is a wholly-owned subsidiary of Euronext, established in Portugal. It provides issuance, custody and settlement services for c. 0.4 trillion EUR of securities. Interbolsa is authorized as a CSD under Regulation (EU) n°909/2014 (CSDR) and is the operator a designated securities settlement system under Directive 98/26/EC.

Interbolsa is also the national numbering agency in charge of the assignment of ISIN, CFI and FISN codes according to the ISIN, CFI and FISN codification rules in force (namely to all Portuguese-issued equities and for debt instruments registered or deposited in Interbolsa's systems), nationwide disclosure of assigned ISIN, CFI and FISN codes and intermediating between national entities, other national numbering agencies and ANNA Service Bureau.

Euronext VPS

Euronext VPS is a wholly-owned subsidiary of Euronext, established in Norway. It provides issuance, custody and settlement services for c. 0.7 trillion EUR of securities.

Euronext VPS is in the process of submitting an application for a CSD licence under Regulation (EU) n°909/2014 (CSDR), following entry into force of the Norwegian Legal Act implementing CSDR in Norway.

VP Securities

VP Securities is a wholly-owned subsidiary of Euronext, established in Denmark. It provides issuance, custody and settlement services for c. 1.5 trillion EUR of securities.

VP Securities is authorized as a CSD under Regulation (EU) n°909/2014 (CSDR) and is the operator a designated securities settlement system under Directive 98/26/EC.

1.3.8.2 Post Trade – Recent Developments

Clearing

In 2016, Euronext acquired 20% of EuroCCP with the aim of offering customers more choice for the clearing of their trades executed on Euronext cash markets, in line with the EU policy to favour competition in clearing services (in particular through open access provisions prescribed by MiFIR).

In December 2019, Euronext entered into a binding agreement to sell its 20% minority stake in EuroCCP to Cboe Global Markets, alongside the other current EuroCCP shareholders. Following regulatory clearances and the arrangement of a supporting liquidity facility at the clearing entity level, the transaction was completed on 1 July 2020 and as of this date, Euronext is no longer shareholder of EuroCCP, although still using their clearing services for a number of Euronext markets and segments.

Custody & Settlement

Acquisition of VP Securities

Euronext acquired VP Securities in August 2020. VP Securities is a CSD established in Denmark and plays a critical role on the Danish and Nordic capital markets by providing issuance, custody and settlement services across asset classes, as well as a wide range of added-value services to market participants. The value of assets under custody at VP Securities represents 1.5 trillion EUR at end 2020, and the CSD processed 23 million of settlement instructions over the year. This acquisition brings further scale to Euronext CSD's business, and reinforces the Group's ability to support the development of Nordic capital markets.

Entry into Force of the Central Securities Depositories Act in Norway

The Norwegian Legal Act implementing CSDR (The New Central Securities Depositories Act) in Norway enters into force on 1st January 2020. Accordingly, VPS has applied for a CSD authorisation under CSDR in 2020.

The Norwegian Ministry of Finance adopted transitional provisions in 2019 clarifying that Euronext VPS' current authorization will remain in force and that the current Securities Register Act will continue to apply to Euronext VPS' business and to account operators, settlement participants and holders of nominee account in Euronext VPS until the authorisation process is completed.

Euronext VPS has an ongoing project to implement the new rules and file for authorization in close cooperation with Euronext VPS' Market Advisory Group, Client Reference groups and the Norwegian FSA.

1.3.9 EURONEXT TECHNOLOGY SOLUTIONS & OTHER

1.3.9.1 Euronext Technology Solutions & Other – Products and Services

Euronext Technology Solutions & other comprises of Euronext's commercial Technology Solutions and services business. Euronext offers custom solutions and cost-effective managed services to exchanges and venue operators who require complex, functional capabilities and low latency processing across multiple-asset classes surrounded by exchange grade business services used to operating within highly regulated environments. Euronext Technology Solutions also provides commercial services based on its Regulatory reporting services, registered as both an Approved Publication Arrangement (APA) and an Approved Reporting Mechanism (ARM) with the AMF. The services provide reporting facilities to investment firms.

The technologies & other business benefits from the technology developments made by Euronext for its own markets and, in return, contributes recurring revenue that is noncyclic and not trading related. Operating as a technology vendor also gives Euronext an opportunity to benchmark both its technology and support services against other vendors and ensure that it maintains its position at the forefront of the industry.

The solutions and services offered use Optiq® and other applications developed by Euronext or licensed from third-parties. Optiq® entered production with Euronext in mid-2018 with the Derivative markets successfully migrated in late 2019 and has already been licensed to five other venue operators, either as a deployed solution or under an Optiq® as a Service arrangement.

Euronext continues to provide software support and maintenance services for the legacy trading platforms, Euronext UTP and NSC®. Euronext has a perpetual, royalty-free license from ICE to use, modify and sub-license Euronext UTP and NSC® *(see section 7.2 Material contracts and related party transactions)*.

At the end of 2020, two Exchange clients remained deployed on Euronext UTP and both have been offered options for migrating to Optiq® ahead of termination of Euronext UTP maintenance. Support for the previous generation trading platform, NSC®, will cease in 2021 once all clients using NSC® have been migrated to Optiq®. This will further simplify Euronext's technology operation and reduce expenses.

Optiq® enables the technologies business to be more competitive by offering solutions that are faster, more resilient and cheaper to operate. It has been designed for high-volume markets and so will meet the throughput and resilience needs of most global exchanges. As a result, Euronext Technology Solutions priorities for the future Optiq® roadmap will include integrating new functions and asset classes to increase the flexibility, configurability and extensibility offered to clients.

Most Technology Solutions provided to clients include software for reference data management, price calculation and market control functions. The high level of commonality between exchange operations around the world means that many of these solutions can be delivered to clients with little or no client-specific customisation. In some cases, client requirements can be met by simple configuration changes and in others, only minor software modifications are required. Whichever approach is taken, the rights to new platform capabilities remain with Euronext and are incorporated into the core product for the benefit of all users (including Euronext itself). This mutually beneficial, user-community approach means that Euronext can maintain an industry leading platform with lower expenses than would otherwise be the case.

Where Euronext does not offer commercial in-house software for a function required by a client, third-party software can easily be integrated with Optiq®. This approach is used for the MAR surveillance service offered to MTF operators which provides monitoring of compliance with the Market Abuse Regulation as a remotely delivered service. This service enables clients to outsource their MAR monitoring operations and take advantage of the investments in staff and processes made by Euronext for its own markets.

Optiq® will facilitate the development of more such services, specifically those performing analytic and regulatory processing of the large volumes of trading data generated by electronic exchanges. Demand for these applications is expected to grow as the scope and rigour of regulatory monitoring requirements increase.

Historically, revenue from the Euronext Technology Solutions & other business came from software license and maintenance fees. However, Euronext's ability to configure its technology for a wide range of market models means that the same Optiq® software can be offered in the form of a managed service. Optiq® as a Service enables exchanges and venue operators to take advantage of fully-hosted trading and clearing platforms without investing in data centre or network infrastructure. With banks and financial intermediaries increasingly seeing migration to cloud and software-as-a-service as solutions to the competing pressures of cost-reduction and regulatory complexity, Euronext's experience as a service provider is receiving renewed interest. Euronext's MiFID II compliant MTF and SI services build on Euronext's own software, processes and infrastructure and offer clients an effective way to reduce costs without increasing regulatory risk. At the end of 2020, Euronext had three managed services in production for European venue operators. Two of the managed service clients utilise Euronext UTP, and migrating these services to Optiq® is part of the Technology Solutions strategy to provide a single service offering.

The technologies & other business also receives revenue for network connectivity and server colocation under a revenue sharing agreement with ICE. This agreement enables Euronext to benefit from service sales to clients who connect to its markets *via* the ICE Global Network IGN® or who take colocation space in the ICE data centers that house Euronext's trading platforms. For more information on the IGN® and colocation, please refer to *section 7.2 Material contracts and related party transactions* of this Universal Registration Document.

By combining our services, software, infrastructure, and technology developed for our internal markets alongside an extensive community of members, ISV's and data vendors who connect to our systems, Euronext is able to offer a compelling solution to exchanges and venue operators globally.

1.4 Regulation

1.4.1 OVERVIEW

Euronext is an organisation that provides exchange listing, trading, post-trade and related services in Europe. The Company operates exchanges in six European countries (Belgium, France, Ireland, the Netherlands, Norway, and Portugal). Each of the European exchanges and/or its respective operator holds an exchange licence granted by the relevant national exchange regulatory authority and operates under its supervision. Each market operator is subject to national laws and regulations and other regulatory requirements imposed by exchange authorities, central banks and finance ministries as appropriate.

In addition, Euronext holds a recognised investment exchange licence in the UK granted by the FCA. However, no regulated activities are undertaken pursuant to the licence and a request for revocation of the licence is pending approval by the Financial Conduct Authority ("FCA").

The seven national regulatory authorities coordinate their regulation and supervision of the regulated markets operated by the Euronext Group through the "Euronext College of Regulators", acting pursuant to memoranda of understanding which Euronext has committed to respect. The FCA is expected to withdraw from the Euronext College of Regulators after Euronext's recognised investment exchange licence is revoked.

The Danish CSD (VP Securities) and the Portuguese CSD (Interbolsa) hold a license under the European Union Central Securities Depository Regulation (Regulation [EU] 909/2014, "CSDR") granted by their national competent authority. Interbolsa and VP Securities operate under the supervision of their national competent authority, respectively, CMVM – Comissão do Mercado de Valores Mobiliários and Finanstilsynet (Danish Financial Supervisory Authority). The Norwegian CSD (Euronext VPS) submitted the CSDR authorization file in June 2020[1] to also obtain the CSDR authorisation from its national competent authority (NFSA – Finanstilsynet, the Financial Supervisory Authority of Norway).

As part of the contemplated acquisition of the Borsa Italiana Group *(see section 1.2.2 Update in 2020)*, Euronext will recommend that Commissione Nazionale per le Società e la Borsa ("CONSOB"), the regulatory authority for the Italian securities market, is invited to join Euronext's College of Regulators, becoming part of the supervision of Euronext at Group level pari passu with other European regulators.

1.4.2 EUROPEAN REGULATION

The regulatory framework in which Euronext operates is substantially influenced and governed by European directives and regulations in the financial services area, many of which have been adopted pursuant to the Financial Services Action Plan, which was adopted by the European Union in 1999 to create a single market for financial services. This has enabled and increased the degree of harmonisation of the regulatory regime for financial services, public offers, listing and trading, amongst other activities.

Markets and Trading

There are currently two key pieces of European legislation that govern the fair and orderly operation of markets and trading: the MiFID II/MiFIR and the MAR/MAD II frameworks (both defined as below).

(1) Norway is an EEA EFTA Member and CSDR was not included in the EEA Agreement before 1. January 2020.

The MiFID II/MiFIR framework includes the Markets in Financial Instruments Directive (Directive 2014/65/EU, "MiFID II") and the Markets in Financial Instruments Regulation (Regulation [EU] No 648/2012, "MiFIR") and has been applicable since 3 January 2018. The objective is to make European financial markets more transparent and to strengthen investor protection.

The MAR/MAD II framework includes the Market Abuse Regulation (Regulation (EU) No 596/2014, "MAR") and the Directive on criminal sanctions for market abuse (Directive 2014/57/EU "MAD II") and has been applicable since 3 July 2016. The objective is to guarantee the integrity of European financial markets and increase investor confidence. The concept of market abuse typically consists of insider dealing, unlawful disclosure of inside information, and market manipulation.

Clearing and Settlement

EMIR

The European Union Market Infrastructure Regulation (Regulation [EU] No 648/2012, "EMIR") is primarily focused on the regulation of CCPs and includes the obligation for standardised OTC derivative contracts to be cleared through a CCP. EMIR came into effect on 16 August 2012.

CSDR

CSDR sets out uniform requirements for the settlement of financial instruments and rules on the organisation and conduct of CSDs in order to ensure secure, efficient and timely settlement of transactions.

VP Securities obtained authorization under CSDR on 3 January 2018.

Interbolsa obtained authorisation under CSDR on 12 July 2018.

Euronext VPS submitted its authorization file in June 2020.

Euronext, through Interbolsa and VP Securities, participates in the ECB's TARGET 2 Securities (T2S) platform. Interbolsa and VP Securities migrated, respectively, to the T2S platform in March 2016 and in September 2016. T2S brings substantial benefits to the European post-trading industry by providing a single pan-European platform for securities settlement in central bank money.

Listing

The rules regarding public offerings of financial instruments and prospectuses, as well as on-going disclosure requirements for listed companies, are set out in the Prospectus Regulation (Regulation [EU] 2017/1129) and the Transparency Directive (Directive 2004/109/EC as most recently amended by Directive 2013/50/EU), as implemented in the countries in which Euronext operates.

Companies seeking to list their securities on Euronext's regulated markets must prepare a listing prospectus in accordance with the requirements of the Prospectus Regulation, comply with the requirements of Euronext Rulebook I, the harmonised rulebook for the Euronext Market Subsidiaries, and any additional local listing requirements in Rulebook II. Following admission, they must comply with the on-going disclosure requirements set forth by the competent authority of their home Member State.

The objective of the Transparency Directive is to harmonise the transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market in the EU.

Indices

Euronext as an indices administrator has to comply with the Benchmark Regulation (Regulation [EU] 2016/1011, "BMR") which has been applicable since 1 January 2018.

Euronext Amsterdam, Euronext Brussels, Euronext Dublin, Euronext Lisbon, Oslo Børs and Euronext Paris are registered by ESMA as benchmark administrators under BMR.

The Operation of Regulated Markets and MTFs

MiFID II/MiFIR, MAR/MAD II, ESMA standards and the Euronext Rulebooks all provide minimum requirements for the monitoring of trading and enforcement of rules by Euronext as the operator of regulated markets and MTFs. In particular, market operators are required to meet, *inter alia*, all the requirements set out in MiFID II/MiFIR (and reinforced in MAR/MAD) including the obligation to ensure that the markets they operate allow financial instruments to trade "in a fair, orderly and efficient manner".

To this end, Euronext has set up a framework to organise market monitoring by which it:

- monitors trading in order to identify breaches of the rules, disorderly trading conditions or conduct that may involve market abuse;
- reports breaches of rules or of legal obligations relating to market integrity to the competent authority.

Market surveillance and monitoring are implemented through a two-step process consisting of real-time market surveillance and post-trade (i.e., "next day") analysis of executed trades. Euronext ensures member compliance with its rules by conducting on-site investigations and inspections.

Group-Wide Supervision and Regulation

The national regulators of Euronext's markets (where Euronext holds an exchange licence granted by the relevant national exchange regulatory authority and operates under its supervision) are parties to a *memorandum* of understanding most recently amended and restated in December 2019 that established a "Euronext College of Regulators" and provides a framework to coordinate their supervision and regulation of the business and of the markets operated by Euronext. The Company commits itself to the *memorandum* of understanding, to the extent that any obligations arising from the *memorandum* of understanding apply to the Company or its subsidiaries.

These regulatory authorities have identified certain areas of common interest and have adopted a coordinated approach to the exercise of their respective national rules, regulations and supervisory practices regarding listing requirements, prospectus disclosure requirements, on-going obligations of listed companies, takeover bid rules and disclosure of large shareholdings.

National Regulation

Euronext's market operators each hold licences for operating regulated markets. Some market operators also operate a number of markets that do not fall within the European Union definition of "regulated markets" or MTFs. Each market operator is subject to national laws and regulations pursuant to its market operator status.

The Netherlands

Both Euronext N.V. and Euronext Amsterdam have an exchange licence from the Dutch authorities to operate regulated markets. This means that they are subject to the regulation and supervision of the Dutch Minister of Finance and the Autoriteit Financiële Markten ("AFM"). Since the creation of Euronext in 2000, the Dutch regulators have taken the view that the direct parent company of Euronext Amsterdam, as controlling shareholder, has to be seen as comarket operator and, accordingly, also requires an exchange licence. Pursuant to section 5:26 paragraph 1 of the Dutch Financial Supervision Act it is prohibited in the Netherlands to operate or to manage a regulated market without a licence granted by the Dutch Minister of Finance.

The Dutch Minister of Finance may, at any time, amend or revoke the licence if necessary to ensure the proper functioning of the markets or the protection of investors. The licence may also be revoked for non-compliance with applicable rules.

Belgium

Euronext Brussels is governed by the Belgian Law of 21 November 2017 on the market infrastructures for financial instruments and transposing MiFID II. Accordingly to the Law, Euronext Brussels is responsible for matters such as the organisation of the markets and the admission, suspension and exclusion of members and has been appointed by law as the "competent authority" for listing matters within the meaning of the Listing Directive (Directive 2001/34/EC). Euronext Brussels is subject to the supervision of the Financial Services and Markets Authority (FSMA), an independent public authority which strives to ensure the honest and equitable treatment of financial consumers and the integrity of the financial markets.

Portugal

As a market operator, Euronext Lisbon is governed by Portuguese Decree of Law No. 357-C/2007 of 31 October 2007 which, along with the Portuguese Securities Code and regulations of the Comissão do Mercado de Valores Mobiliários ("CMVM"), governs the regime applicable to regulated markets and MTFs, market operators and other companies with related activities in Portugal. The creation of regulated market operators requires the prior authorisation in the form of a decree-law from the Portuguese Minister of Finance, following consultation with the CMVM.

As a CSD, Interbolsa is governed by the CSDR and the Portuguese CSD Legal Framework, approved by Law 35/2018 of 20 July which, along with the Portuguese Securities Code, the regulations of the CMVM and Interbolsa self-regulation.

France

As a market operator, Euronext Paris manages the Euronext regulated markets in France. In accordance with Article L. 421-10 of the French Monetary and Financial Code, Euronext Paris adopts rules for each of these markets to ensure fair and orderly trading and efficient order execution. The requirements for market access and admission of financial instruments to trading are also covered by these rules, which are approved by the *Autorité des Marchés Financiers* ("AMF") and published on the market operator's website.

Euronext Paris markets are subject to the provisions of Article L. 421-4 et seq. of the French Monetary and Financial Code, which authorises the French Minister of Economy to confer and revoke regulated market status upon proposal of the AMF, which has to consult with the *Autorité de Contrôle Prudentiel et de Résolution* ("ACPR").

United Kingdom

Euronext London has been granted recognition by the Financial Conduct Authority ("FCA") to operate as a United Kingdom recognised investment exchange ("RIE"), pursuant to section 290 of the Financial Services and Markets Act 2000 (the "UK FSMA"). As such, Euronext London has certain self-regulatory responsibilities for its markets. In order to retain its status as an RIE, Euronext London is required to meet various legislative and regulatory requirements and failure to comply with these requirements could subject it to significant penalties, including de-recognition.

The regulatory framework applicable to Euronext London is supplemented by a series of legislative provisions regulating the conduct of participants. Importantly, the UK FSMA contains provisions making it an offense for any person 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.

On 30 March 2020 Euronext filed an application for the revocation of its RIE licence, subject to approval from the FCA. Following an orderly wind down of its limited regulated activities in close consultation with the FCA, as and from 30 June 2020, Euronext London ceased all regulated activities. The decision of the FCA regarding the revocation request is pending.

Republic of Ireland

The Irish Stock Exchange Plc trading as Euronext Dublin is authorized by the Central Bank of Ireland ('CBI') as a market operator pursuant to Article 56 (2) of the European Union (Markets in Financial Instruments) Regulation 2017 (S.I. 375/2017). As a market operator, Euronext Dublin operates one regulated market and three multi-lateral trading facilities and adopts rules for each of these markets to ensure fair and orderly trading and efficient order execution.

In addition, Euronext Dublin has been appointed as the competent authority for listing by the department of Business, Enterprise and Innovation pursuant to the European Communities (Admission to Listing and Miscellaneous Provisions) Regulations 2007, as amended.

The CBI is responsible for the regulation and supervision of regulated markets and market operators authorised in Ireland. Euronext Dublin is required to meet various legislative and regulatory requirements and failure to comply with these requirements could subject it to enforcement action by the CBI including significant penalties and/or revocation of its authorisation as a market operator.

Norway

Oslo Børs has a license as a regulated market from the Norwegian Ministry of Finance pursuant to section 11.1 of the Norwegian Securities Trading Act and operates two such regulated markets. In addition, Oslo Børs operates one multilateral trading facility pursuant to section 9.8 of the Norwegian Securities Trading Act. Oslo Børs adopts rules for each of these markets to ensure fair and orderly trading and efficient order execution.

In addition, Oslo Børs has been appointed as take-over authority pursuant to section 6.4 of the Norwegian Securities Trading Act. Oslo Børs has also delegated authority to supervise compliance with and to sanction violations of the issuers' obligation to disclose inside information pursuant to sections 5.2 and 5.3 of the Norwegian Securities Trading Act, cf. section 17.1 of the Norwegian Securities Trading Regulation.

The Norwegian Financial Supervisory Authority is responsible for the regulation and supervision of regulated markets and multilateral trading facilities licensed in Norway.

Euronext VPS holds an authorization from the Ministry of Finance as a Central Securities Depository in Norway in accordance with the Securities Register Act. The approval to operate the Securities Settlement System, VPO NOK, is given by the Norwegian Financial Supervisory Authority. Euronext VPS has adopted rules for both the depository and the settlement activities.

Euronext VPS activities are subject to supervision and oversight by the Norwegian Financial Supervisory Authority and the Norwegian Central Bank.

The European Central Depository Regulation (CSDR) is transposed into Norwegian Law in Act of 15 March 2019 no. 6 on central securities depositories and securities settlement, *etc.* (the Central Securities Depository Act). The Act entered into force on 1 January 2020. Euronext VPS applied in June 2020 for authorisation under the CSDR. Until authorisation is in place VPS operates under the grandfathering rule of CSDR Article 69 (4).

Stichting

In connection with obtaining regulatory approval of the acquisition of Euronext by the NYSE group, Inc. in 2007, NYSE Euronext implemented certain special arrangements which included a standby structure involving a Dutch foundation *(stichting)*. Following the acquisition of NYSE Euronext by ICE and the Demerger, the Company became a party to these arrangements, which include a Further Amended and Restated Governance and Option Agreement (the "GOA"), to which ICE, the *stichting* and Euronext are parties. The *stichting* has been incorporated to mitigate the effects of any potential change in U.S. law that could have extraterritorial effects on the regulated markets operated by the Euronext Market Subsidiaries as a result of a U.S. shareholder holding a controlling interest in the Company. The board members of the *stichting* are independent from Euronext. Pursuant to the GOA, while the Company has U.S. shareholders with a controlling interest in the Company, the *stichting* is empowered to take actions to mitigate the adverse effects of any potential change in U.S. law that have certain extraterritorial effects on the regulated markets operated by the Euronext Market Subsidiaries. If there is no such controlling U.S. shareholder, the *stichting* becomes dormant and unable to exercise such powers. If a new U.S. shareholder were to gain control of the Company, the *stichting* would be automatically revived.

Up until 20 June 2014, the *stichting* was active through ICE's shareholding. Since the IPO, ICE sold its shareholding, and there has been no controlling American shareholder. At the Euronext College of Regulators' request, the *stichting* has become dormant.

1.4.3 OWNERSHIP LIMITATIONS AND ADDITIONAL NOTIFICATION REQUIREMENTS

The rules set forth below apply to an acquisition of a direct or indirect interest in Euronext's market operators. These rules are in addition to shareholder reporting rules applicable to listed companies generally set out above.

- Under Dutch law, a declaration of no-objection of the Dutch Minister of Finance is required for any holding, acquisition or increase of a Qualifying Participation (defined as direct or indirect participation of at least 10% of the issued capital of the relevant entity or the power to exercise at least 10% of the voting rights) in an operator or holder of a regulated market in the Netherlands which has been granted an Exchange License to operate such market pursuant to section 5:26 of the Dutch Financial Supervision Act. The Dutch Minister of Finance has delegated its powers to grant a declaration of no-objection under section 5:32d of the Dutch Financial Supervision Act to the AFM, except in cases where the acquisition of the Qualifying Participation involves a fundamental change to the shareholding structure of the relevant licensed operator or holder of a regulated market in the Netherlands. Euronext N.V. controls Euronext Amsterdam, which is the licensed holder and operator of a regulated market in the Netherlands, and has obtained a declaration of no-objection under section 5:32d referred to above. Therefore, any acquisition or holding increase of a direct or indirect interest in the Company that results in an indirect Qualifying Participation in Euronext Amsterdam, will trigger the requirement to obtain a declaration of no-objection of the AFM or, in case of a fundamental change in the shareholding structure, the Dutch Minister of Finance. Such declaration should be granted unless such holding, the acquisition or increase: (1) could or would lead to a formal or actual control structure that is lacking in transparency and would therefore constitute an impediment to the adequate supervision of the compliance by the market operator with the rules applicable to the operator of a regulated market; (2) could or would lead to an influence on the regulated market operator or effect on the exploited or managed regulated market that forms a threat to the interests which the Dutch Financial Supervision Act seeks to protect; or (3) could jeopardise the healthy and prudent operation of the regulated market concerned. Non-compliance with the requirement to obtain a declaration of no-objection is an economic offense and may lead to criminal prosecution. In addition, if a person acquires or increases a Qualifying Participation without having obtained a declaration of no-objection, it will be obliged to cancel the transaction within a period to be set by the Dutch Minister of Finance or the AFM unless the person cures the offense and obtains a declaration of no-objection. The Dutch Minister of Finance or the AFM may request the District Court in Amsterdam to annul any resolutions that have been passed in a general meeting of shareholders in which such person exercised its voting rights, if such resolution would not have been passed or would have been passed differently if such person would not have exercised its voting rights. The District Court will not annul the resolution if the relevant person obtains a declaration of no-objection prior to the decision of the court.

- Under French law, any person or group of persons acting in concert who acquires or increases, directly or indirectly, a holding in Euronext Paris shares or voting rights in excess of 10%, 20%, 33 1/3%, 50% or 66 2/3% is required to inform Euronext Paris, which in turn must notify the AMF and make the information public. In addition, any person acquiring direct or indirect control of a market operator must obtain the prior approval of the Minister of Economy upon proposal of the AMF. Further, Euronext Paris shall promptly notify the AMF prior to any changes to the identity and the details of the holding of any existing shareholder or shareholders, alone or in concert, who is in a position to exercise, directly or indirectly, significant influence (10% or more of the share capital or voting right) over the management of Euronext Paris and the proposed change can proceed as long as Euronext Paris does not receive any objection from the AMF within the period of time provided by the AMF General Regulation.
- Under Belgian law, any person who intends to acquire securities in a Belgian market operator and who would, as a result of such acquisition, hold directly or indirectly 10% or more of the share capital or of the voting rights in that market operator, must provide prior notice to the FSMA. The same obligation applies each time such person intends to increase its ownership by an additional 5%.
- Under Portuguese law, a shareholder who intends to acquire, directly or indirectly, a dominant holding (broadly defined as 50% or more of the share capital or voting rights) or a dominant influence (broadly defined as the majority of voting rights or the possibility to appoint or dismiss the majority of the members of the managing or supervisory bodies) in a Portuguese market operator must obtain the prior authorisation of the Portuguese Ministry of finance (with prior advice of the CMVM). In addition, all entities envisaging (i) acquiring or disposing of a (direct or indirect) qualifying holding (10% or more of the share capital or voting rights or otherwise establishing a significant influence) or increasing a qualifying holding at the level of 10%, 20%, 33 1/3% and 50% or more of the shares capital or voting rights in a market undertaking in Portugal or (ii) otherwise establishing a control relationship with a market subsidiary in Portugal, must notify the CMVM of the acquisition or disposal as soon as a decision has been taken to proceed within four business days following the relevant transaction and seek a prior declaration of non-objection. The disposal/reduction of the aforementioned qualifying holdings (considering each threshold above) or change in the control relationship is also required to be notified to the CMVM. Under Article 27(7)(a) of CSDR, a CSD shall (i) provide the competent authority with, and make public, information regarding the ownership of the CSD, and, in particular, the identity and scale of interests of any parties in a position to exercise control over the operation of the CSD; (ii) inform and seek approval from its competent authority of any decision to transfer ownership rights which give rise to a change in the identity of the persons exercising control over the operation of the CSD; after receiving approval from its competent authority, the CSD shall make public the transfer of ownership rights. Any natural or legal person shall inform without undue delay the CSD and its competent authority of a decision to acquire or dispose of its ownership rights that give rise to a change in the identity of the persons exercising control. The Portuguese CSD Legal Framework specifies that the acts through which the acquisition, increase, disposal or reduction of qualifying holdings and controlling interests is carried out are communicated to the CMVM and the CSD by the holders of the interest within 15 days. Qualifying holdings are deemed to be 10%, 20% or one third of voting rights or capital. The CSD notifies the CMVM of changes in its ownership, in accordance with Article 27(7)(a) of Regulation (EU) 909/2014 (CSDR), as soon as it becomes aware of them.
- Under Irish law, prior notification to the Central Bank of Ireland of a proposed acquisition of, or increase in, a direct or indirect qualifying holding (10% or more of the capital or of the voting rights or which makes it possible to exercise a significant influence over the management of that undertaking) of Euronext Dublin is required.
- Under Norwegian law, an acquisition resulting in the acquirer having a significant holding in a market operator for an official stock exchange, or in the stock exchange itself, requires authorization from the Norwegian Ministry of Finance. Significant holding means any direct or indirect holding representing at least 10% of the share capital or the voting rights, or which otherwise makes it possible to exercise substantial influence over the management of the undertaking. Shares held or acquired by related parties shall be deemed equivalent to the acquirer's own shares. The acquisition of a right to become holder of shares shall be deemed equivalent to the holding of shares for the purpose of the first to third sentence where this must be considered a beneficial shareholding. Any acquisition increasing the holding such as to directly or indirectly exceed 20%, 30% or 50% of the share capital or voting rights of a stock exchange requires authorization from the Norwegian Ministry of Finance.

- Under the current Norwegian Securities Register Act, the rules in respect of ownership restriction for CSD's are similar to the rules that apply to market operators of a Norwegian stock exchange, described above. An acquisition of a significant holding in a CSD may only take place after authorization from the Norwegian Ministry of Finance. "Significant holding" has the same content as described above for stock exchanges. In the CSDR there are also rules regulating ownership of a CSD. Any transfer of ownership rights, which give rise to a change in the identity of the persons exercising control of the CSD needs approval from the competent authority of the CSD. This implies that an acquisition of shareholdings that gives the opportunity to exercise control of the CSD needs approval from the Norwegian FSA.


BØRSEN

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RISK MANAGEMENT & CONTROL STRUCTURE

DR

Euronext analyses and monitors risks whose occurrence could have a material impact on the Group's business. The table of the Group's principal risks categorizes these risks, the most material risks taking into account the impact and the probability of their occurrence.

Although Euronext believes that the risks and uncertainties described below are the material risks and uncertainties concerning the Group's business and industry, they are not the only risks and uncertainties relating to the Group. Other risks, events, facts or circumstances not presently known to Euronext, or that Euronext currently deems to be immaterial could, individually or cumulatively, prove to be important and may have a significant negative impact on the Group.

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2.1 Risk Factors

HIERARCHY OF RISK FACTORS

Covid-19 Risk	
Strategic Risks	Strategic Transformation Risk
	Regulatory Evolution and Enhanced Regulatory Scrutiny Risk
	Global and Regional Economy Risk
	Competition on Capital Markets Risk
Operational Risks	Cyber Security Risk
	Technology Risk
	Change and Integration Management Risk
	Clearing and Settlement Risk
	Employees Risk
Compliance Risks	Ownership and Intellectual Property Risk
	Regulatory and Liabilities Risk
	Capital Requirements Risk
Financial Risks	■ Market Risk ■ Liquidity Risk ■ Credit Risk

While not considered to be material for the Group, risks related to Environmental, Social and Governance (ESG) have been considered and are presented in Section 3.5 - ESG Risks Considerations of this Universal Registration Document.

COVID-19 RISK

Risk Identification and Description

The global pandemic from the outbreak of SARS-CoV-2 and its associated disease (Covid-19) has caused disruption to financial markets and normal patterns of business activity across the world, including in the markets in which the Group operates.

In particular, unprecedented actions to protect public health and monetary and fiscal policy measures taken by governments and central banks make the severity of the economic impact of the Covid-19 pandemic very uncertain.

The Covid-19 pandemic has impacted, and continues to impact, the global economy and, as a result, the Group's trading and listing revenues may suffer from loss of volume or a decrease in the number of initial public listings. In addition, the Covid-19 pandemic has resulted in volatility in capital markets. Such volatility is unpredictable and, while it may lead to higher trading volumes, it can result in lower predictability over the Group's earnings.

As a result of the Covid-19 pandemic, the potential for conduct and compliance risks, as well as operational risks materialising has increased, with regards to operating effectiveness of internal control notably in the areas of cyber, fraud, people, technology, operational resilience and where there is reliance on third-party suppliers.

In addition to the key operational risks, widespread remote working as a result of "social distancing" measures announced by authorities in a number of jurisdictions may lead to disruption to the Group's operations if significant portions of its workforce are unable to work effectively, including because of illness, quarantines, government actions, or other restrictions in connection with the pandemic.

As the majority of the Group's employees and those of its key suppliers of services and of its customers continue to work remotely while the rate of new Covid-19 infections remains high, there is a risk to the wellbeing of its key employees, to the effectiveness of its operations or its continuity.

Any of these could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

Potential Impact on the Group

Beyond the potential negative impact on the Group's Business Lines, ensuring the safety of Euronext employees and maintaining the fair and orderly markets are a critical priority. Potential illness, injury or loss of life employees and/or the failure to maintain a fair and orderly market could result in:

- loss of stakeholder confidence in Euronext;
- significant lost time due to illness;
- fines and potential litigation;
- impact on Company reputation;
- transformative integration projects not delivered on time.

The Group continues to monitor and assess the impact of Covid-19. The extent to which it will impact the Group's operations and overall performance will depend on some matters which are outside the Group's control and on future developments which are highly uncertain, including the scope and duration of the pandemic and actions taken by governmental authorities and other third-parties in response to the pandemic.

STRATEGIC RISKS

STRATEGIC TRANSFORMATION RISK

Risk Identification and Description	Potential Impact on the Group
The Group's strategy includes the identification and implementation of organic initiatives and new business initiatives such as acquisitions and partnerships. The size, number and complexity of recent acquisitions and those that may be executed in the near future, as well as ongoing enhancement programs have increased the strategic transformation risk of the Group. Strategic transformation risk is the risk of or loss resulting from underperforming or failed transformations or integrations. The market for acquisition targets and strategic alliances is highly competitive. The Group has acted on opportunities as they arise and may continue to enter into simultaneous business combination transactions. Euronext is undergoing companywide business transformation programs, such as the ongoing integration of recent acquisitions, including VP Securities and subject to closing, the integration of Borsa Italiana Group.	Pursuing strategic transactions requires substantial time and attention of the management team, and of key employees working on the integrations or projects. This could prevent oversight of other initiatives, reduce bandwidth for business as usual activities and slow other ongoing projects or initiatives. Late, incomplete or unsuccessful integrations or projects may impact the Group's strategic plan, business, reputation and financial results. The ability to adapt to a rapidly changing Company culture by Euronext's employees is necessary to ensure successful integrations and transformation. Failure to meet the demands of the changing Company culture could negatively impact the advancement of projects and successful integration. New acquisitions may require changes to the Euronext business model and be very complex depending on the size and diversity of activities. If integration programs are not completed, do not operate as intended, or identified synergies are not delivered, Euronext's strategic ambition may be at risk. Due to the rapid pace of technology evolution, Euronext's technology change capability and inherent capacity to meet market demands is vital for Euronext's attractiveness. Euronext invests time in developing new products, improving current product offerings to clients and increasing its presence in other markets. If these product offerings are not successful, a potential market opportunity may be missed and Euronext may not be able to offset the cost of such initiatives, which may have a material impact on the Company's financial results.

REGULATORY EVOLUTION AND ENHANCED REGULATORY SCRUTINY RISK

Risk Identification and Description	Potential Impact on the Group
Euronext's business is subject to extensive regulation at both European and national levels in the jurisdictions in which the Group has operations: Belgium, Denmark, France, Ireland, the Netherlands, Norway, Portugal and the United Kingdom. In addition, the Company has a presence in the United States and Singapore. Regulatory changes may impact the operating environment of Euronext exposing the Group to risks associated with the management of implementing and maintaining new regulatory requirements. The Group needs to obtain regulatory approval to implement significant changes to operations of the regulated markets, failure to obtain the required approvals may prevent the Group from achieving its strategic objectives. As the Group expands, its regulatory network expands with it which may introduce new requirements and add complexity to relationships with its existing regulators as well as limit the ability of the Group and its group entities to provide certain of their current or planned services, or to build an efficient, competitive organisation. With regards to MIFID II regulation, there is a potential risk to market data business revenues that is linked to potential changes to the reasonable commercial basis provisions as well as introduction of a consolidated tape. In addition, there is a potential risk that Open Access will be implemented for ETDs in July 2021. Beyond the functioning of Euronext's core business, it faces additional regulatory complexity that extends to emerging areas of regulatory focus topics. The Group expects to face increased regulatory security around IT and cybersecurity, cloud outsourcing and Fintech coming from legislative proposals from European governing bodies including the European Commission and ESMA. If emerging technology and Fintech competitors are able to obtain regulatory approval for similar products or services faster than established companies such as Euronext, or with lower regulatory burdens than regulated entities, the Group's competitive position could be weakened. Continued uncertainty regarding Brexit is the result of agreements between the United Kingdom and the European Union, as negotiations between the two parties continue to evolve including discussions around financial services. Uncertainty and political instability may have an adverse effect on the business activity of the Group.	Decisions by Euronext's regulators to impose measures may impact the competitive situation and possible strategy of the Group. Adherence to new and evolving regulatory regimes implies increase compliance and associated costs of the Group, for instance by requiring the businesses of the Group to devote substantial time and cost to the implementation of new rules and related changes in their operations as well as impact the ability to outsource certain activities; place financial and Corporate Governance restrictions on the Group and its group entities. As the Group grows its product base and jurisdictions in which it operates, regulatory oversight of the Group's activities by additional regulatory bodies potentially increases regulatory constraints or increases compliance requirements. The changes may affect Euronext's activity and/or revenue if designed adversely, or could materially increase the costs of, and restrictions associated with, its activities. Any delay or denials by regulatory authorities of approval requested by Euronext required to implement its strategic initiatives, or to pursue business opportunities could have a significant impact on Euronext's competitive positioning and growth. The debate and changes to the structure of the market data business including both RCB provisions and the creation of a consolidated tape may negatively impact market data business revenues. With respect to Open Access, it will allow a venue competing products, which may negatively impact group revenue. European Commission has published a digital finance package with a set of proposals that would create a bespoke regime for crypto-tokens that are not considered as financial instruments, create a pilot regime for market infrastructures that use distributed ledger technology, and amend existing legislation to frame crypto-tokens that act as financial instruments to be defined as such. It is difficult to determine the future potential impacts of Brexit due to its recent implementation, regulatory changes that may interrupt trading flows as they currently exist may have a material adverse impact on the Company.

GLOBAL AND REGIONAL ECONOMY RISK

Risk Identification and Description	Potential Impact on the Group
The Group is exposed to global and regional economic, political and geopolitical market conditions, macroeconomic changes in global or regional demand or supply shifts and legislative and regulatory changes across a number of jurisdictions, geographies and currencies, all of which can affect the level of global and local financial activity. Several macroeconomic factors, including the global pandemic, threaten global economic growth, generating risks regarding economic activity and may discourage investment. General economic conditions affect financial and securities markets in a number of ways, from determining availability of capital, to influencing investor confidence. Adverse changes in the economy or the outlook for the financial and securities industry can have a negative impact on the Group's revenues through declines in trading volumes, new listings, clearing and settlement volumes and demand for market data. GDP in the euro area, where the Group's activities are concentrated, is projected to grow only moderately over the coming two years. With regards to Covid-19, growth is expected to be hampered should the need for strict containment measures continue or reoccur in relation to the pandemic, which may result in increased uncertainty and depressed investor confidence. General economic conditions affect financial and securities markets in a number of ways, from determining availability of capital to influencing investor confidence, which in turn impact the Group's trading volumes and results.	While volatility may drive trading volumes on trading venues, the recession and slow GDP growth may be reflected in absolute issuance and trading volumes and negatively impact revenue and growth target of the Group. Declines in volumes may also impact the Group's market share or pricing structures. Adverse changes in the economy or the outlook for the financial and securities industry can have a negative impact on the Combined Group's revenues beyond declines in trading volumes, including by impacting new listings, clearing and settlement volumes and demand for market data. If levels of activity on the Group's exchanges are adversely affected by any of the factors described above or other factors beyond the Group's control, this could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

COMPETITION ON CAPITAL MARKETS RISK

Risk Identification and Description	Potential Impact on the Group
The industry in which the Group operates is highly competitive, and therefore the Group faces significant competition for the products and services that it offers. In particular, the Group's trading business is facing market fragmentation and increased competition, including from exchanges, systematic internalisers and new trading models, and its listing business is facing competition from incumbent competitors as well as private equity funding. Competition has been intensified by trends including: (1) technological innovation, in particular given the usage by the Group of complex information systems; (2) the globalisation of capital markets, which has resulted in greater mobility of capital, greater international participation in local regions and more competition among different geographical areas; (3) the continued growth and expansion of other market participants resulting in stronger global competitors; and (4) the growing appeal of private equity and the increased competition among exchanges. Such competition may intensify further should certain rules, regulations and circumstances change. The Group competes with other market participants in a variety of ways, including in relation to the: (1) quality and speed of trade execution, functionality, data, index services; (2) ease of use and performance of trading systems; (3) range of products and services offered to customers, including trading participants and listed companies, including through the development of new and enhanced propositions; and (4) adoption of technological advancements. Further, competitors continue to compete aggressively on price across each of the Group's product areas including listings, trade execution, post-trade services and technology, as market conditions evolve and become ever more competitive. This trend is expected to continue in the future.	If the Group is unable to adapt to continued changing market pressures and evolving customer demands or maintain its industry position given the intense competition, or is forced to reduce pricing, revenues and profit margins could decline. The success of the Group's business depends on its ability to attract and maintain order flow, both in absolute terms and relative to other market centres, and the loss of order flow would negatively impact the Group's sources of liquidity and its market position, which could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

OPERATIONAL RISKS

CYBER SECURITY RISK

Risk Identification and Description

Cybersecurity resilience is a critical priority for the Group. The Group's growth in terms of employees, geographical, and business footprint increases the Group's exposure to cybersecurity threats meaning that secure transmission of business information over public and other networks are critical elements to the Group's operations.

The volume of cyber-attacks have been increasing in general and, consequently, within the financial sector. As the Group expands, it accumulates, stores and uses more business data which are protected by business contracts and regulated by various laws, including data protection, in the countries in which it operates.

The Group may be exposed to exploitation of its internet exposed applications by threat actors, data theft, including ransomware, unauthorized access or other security incidents including:

- breaches at the level of third parties, including cloud computing services, to whom Euronext provides information and may not be fully diligent in safeguarding it;
- dDoS threats on internet exposed assets and applications of the Group;
- remote working conditions for employees;
- state sponsored or organised crime hacking groups with malicious intentions which may target the financial sector;
- third-party open source software used by Euronext within its software solutions, which is available to the public and may be exposed to of unknown or undisclosed vulnerabilities (Zero-days);
- persons who circumvent deployed security measures and that could wrongfully access the Group's or its customers information, or cause interruptions or malfunctions in the Group's operations;
- data protection regulations increases the risks associated with regulatory non-compliance in case there is an incident.

Potential Impact on the Group

The impacts of a successful cybersecurity attack depend on the nature of the attack and the scope attacked, for example:

- security breaches, leaks, loss or theft of sensitive, personal, strategic or confidential data, including data subject to protection laws, and other related security incidents could cause Euronext to incur reputational damage, regulatory sanctions, litigation and/or have an impact on its financial results;
- a successful cybersecurity attack on the Group's IT systems may affect the confidentiality, availability or integrity of information;
- a cybersecurity attack may result in system operational failures due to vulnerability exploitation;
- Internet facing Systems downtime due to DDoS attack.

While the Group is committed to investment in maintaining and safeguarding its IT systems and information, with particular attention on external growing threats and threat actors (such as cybercriminals). Any malfunctions, significant disruption, loss or disclosure of sensitive data could disrupt the Group's operations, result in significant reputational harm or have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

TECHNOLOGY RISK

Risk Identification and Description

Technology is a key component of Euronext's business strategy, and is crucial to the Company's success. Euronext's business depends on the security, performance and stability of complex computer and communications systems which at times are managed by critical third party vendors.

The Group's markets have experienced systems failures and delays in the past and could experience future systems failures and delays, impacting our members and clients and related trade executions. Such failures may arise for a wide variety of reasons, such as software malfunctions, insufficient capacity, including network bandwidth, in particular, heavy use of Euronext's platforms and order routing systems during peak trading times or at times of unusual market volatility, as well as hardware and software malfunctions or defects, or complications experienced in connection with the operation of such systems, including system upgrades. Euronext's future success will depend, in part, on continued innovation and investment in its trading systems and related ability to respond to customer demands, understand and react to emerging industry standards and practices on a cost-effective and timely basis, as well as in other technologies including leveraging cloud hosting for support and future services.

Euronext depends on the services of InterContinental Exchange, ("ICE") for the provision of network and colocation and data centre services. Equinix provides the Company with its back up network and data centre service. Euronext depends on Amazon Web Services (AWS) for selected post-trade cloud services.

There is a risk that if the Group's (or those of its third-party service providers') technology and/or information systems suffer from major or repeated failures, this could interrupt or disrupt the Group's operations or services and undermine confidence in the Group, cause reputational damage, lead to customer claims, litigation and regulatory action including investigations and sanctions.

Potential Impact on the Group

Exploiting technology and the ability to expand system capacity and performance to handle increased demand or any increased regulatory requirements is critical to Euronext's success.

However, if the Group's technology is not properly managed or the resources supporting changes are not invested at the required level or properly allocated, or if despite the continuous improvement measures, any system issue occurs during operations, that impacts the our markets or services, the Group may suffer negative impacts on its reputation, business *via* lost market share or volumes, which could have a further detrimental effect on business and impact financial results. In case of a major service failure there may be significant financial losses, litigation as well as reputation damage.

While Euronext actively manages its relationships with its key strategic technology suppliers, and includes framework Service Level Agreements to ensure services are guaranteed, should a significant disruption occur, including a discontinuation of services or a service failure, the Group may experience significant disruption to its business and may be subject to, reputational damage litigation by its customers or increased regulatory scrutiny or regulatory fines.

CHANGE AND INTEGRATION MANAGEMENT RISK

Risk Identification and Description	Potential Impact on the Group
The Group's change agenda is ambitious. It is driven by internally determined programs, including technology transformation aimed at delivering efficiencies and higher performance. External drivers of change and integration include the changing business and regulatory landscape as well as the Group's inorganic growth strategy. The Company has actively arbitrated in favor of transformation and steady growth and as a result has taken on operational debt that is being continuously addressed. The volume of incoming flow of acquisitions and integration, project developments, and regulatory obligations challenge available resources, thus the level of operational debt may not decrease as quickly as expected leading to additional risk.	The large volume of significant internal programs and recent acquisitions such as the acquisition of VP Securities and potentially of Borsa Italiana Group in progress simultaneously, with related impacts on the Group, that, if not delivered or delivered as originally designed or with delays, may have an adverse impact on the business, culture, reputation and financial condition of the Company, including an increased cost base without a proportionate increase in revenues. Given the significance of potential future integrations when compared with past programs, as well as the continuing need for effective change and integration management, delays in one project may extend beyond the project in question and have a negative cascading effect. Considering the ambition and scale of concurrent initiatives, the Company cannot assure that all internal programs will be delivered as designed or without delays, which may have a negative effect on its business, financial results and reputation.

CLEARING AND SETTLEMENT RISK

Risk Identification and Description	Potential Impact on the Group
The Group relies on key external parties for post-trade services including clearing and settlement and other services. In particular, Euronext relies under its clearing service agreements with LCH S.A., the Paris based clearing house of LCH group Ltd, which is majority owned by LSEG. Euronext relies on LCH SA to provide Central Counter Party (CCP) services for trades executed on the Company's cash and derivatives markets and to manage related CCP functions, such as risk, novation and multilateral netting. In addition, Euronext relies on EuroCCP to provide CCP services for trades executed on the Company's cash markets and to manage related CCP functions for Euronext Dublin and as an alternative CCP for the other cash markets under the User Choice Model. For the Oslo cash markets, Euronext Oslo relies on three interoperable CCPs: LCH Ltd, EuroCCP & Six X Clear, while the Oslo derivatives markets, Euronext Oslo also relies on LCH SA from December 2020. The Group also relies on the services of Euroclear group ("Euroclear") for the settlement of cash market trades other than in Portugal and Norway.	To the extent that any of the external clearing, settlement and custodial entities on which Euronext relies for clearing or settlement services experiences difficulties, materially change its business relationship with the Group, or is unable for any reason to perform its obligations, Euronext may suffer negative impacts on its operations, business, reputation, and financial results.

EMPLOYEES RISK

Risk Identification and Description	Potential Impact on the Group
Euronext success depends upon the experience and industry knowledge of its senior management and other key employees to operate the business and execute business plans, particularly in the area of information technology. Euronext recognises there is a shortage in the employment market for specialists in a number of fields, such as the fields of information technology and market operations as well as other particular product niches. In these areas, the Company competes for staff with a large number of other enterprises. The ability to attract and retain key personnel is dependent on many factors including market conditions, compensation and retention arrangements and Group evolution.	The Company's success depends in part upon its ability to continue to attract, develop and retain key staff members in a number of business areas. A loss of, or an inability to attract skilled senior management and other key staff could have a material adverse effect on the business, impacting the delivery of projects, results of operations, financial condition and cash flows.

COMPLIANCE RISKS

CAPITAL REQUIREMENT MAINTENANCE RISK

Risk Identification and Description	Potential Impact on the Group
Euronext N.V. as well as certain local entities, operate under strict regulatory requirements, which may include the maintenance of minimum capital requirements. Management of regulatory capital is conducted in compliance with applicable regulatory requirements Capital Requirements Regulation (CRR), Market Infrastructure Regulation (EMIR) as well respectively applicable national requirements. There is a risk that Euronext N.V. or one of its regulated entities fails to maintain the regulatory capital requirements.	In the event that the Euronext N.V. or its regulated subsidiaries do not have sufficient regulatory capital, its operating licenses may be jeopardized, which will negatively impact the Euronext's capacity to operate the financial infrastructure, and negatively impacts, revenues, brand and reputation.

REGULATORY AND LIABILITIES RISK

Risk Identification and Description	Potential Impact on the Group
Euronext operates in a highly regulated environment with multiple regulators. As a result, many aspects of Euronext's business involve the potential risk that one or more of the Group's entities may fail to comply with the regulatory or contractual requirements to which it is subject. Compliance risk may arise under laws and regulations relating to financial markets and services, insurance, tax, employee behavior, misuse of data and intellectual property of others, antimoney laundering and market abuse, financial sanctions, foreign asset controls, data privacy and foreign corrupt practices areas. In addition, regulatory reporting and outsourcing topics have increased focus by regulators. This risk also includes potential liabilities from disputes over terms of a securities trade or from claims that a system or operational failure or delay caused monetary losses to a customer, claims that the Group facilitated an unauthorised transaction or that it provided materially false or misleading statements in connection with a transaction as well as employment and competition matters and other commercial disputes.	Euronext could be exposed to fines or sanctions from relevant regulators, authorities or a court, which could be significant and may expose the Group to significant reputational damage. In addition, Euronext could incur significant legal expenses in defending claims, even those without merit. Any adverse resolution of any lawsuit or claim against the Group may require it to pay substantial damages or impose restrictions on how it conducts its business, any of which could have an effect on both the business and financial results, and the reputation of the Group.

OWNERSHIP AND INTELLECTUAL PROPERTY RISK

Risk Identification and Description	Potential Impact on the Group
Euronext owns or licenses rights to a number of trademarks, service marks, trade names, copyrights, free or open source software, applications, products, specific deliverables, software and databases that are used in its business, which are installed on premises or accessible through and hosted in a third party environment/infrastructure sometimes located outside of the territory where Euronext is based. There is a risk that this intellectual property could be misappropriated by third parties. There is also a risk that during its business activities, Euronext could inadvertently infringe third party IP rights, particularly as (i) Euronext's business becomes increasingly digitalized and relies more on third party software, environment/infrastructure or editors to support and operate a number of its applications (ii) Euronext is subject to the replacement of initial IP rights by new IP rights without having the possibility to validate these newly replaced IP rights, therefore putting Euronext in a situation in which it would be liable for infringement as it is obliged to continue to use the software, applications, solution or database concerned (iii) IP rights owners can proceed at any moment to verification and audit knowing that they are solely in possession of or in capacity to understand the applicable metrics in the frame of a license.	Failure to protect intellectual property adequately could harm the Group's reputation and affect its ability to compete effectively, the value of that intellectual property as an asset may be diminished, while some licencing or product revenues relating to that intellectual property may also be diminished. Further, defending the Group's intellectual property rights may require significant financial and managerial resources. Any of the foregoing could have a material adverse effect on the Group's business, results of operations, financial condition and prospects. In the event that third parties assert intellectual property rights claims against the Group these claims, with or without merit, could be expensive to litigate or settle and could divert management resources and attention. Successful challenges against could require the Group to modify or discontinue its use of technology or business processes where such use is found to infringe or violate the rights of others, or require the Group to purchase licences from third parties, any of which could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

FINANCIAL RISKS

MARKET RISK

Risk Identification and Description	Potential Impact on the Group
Market risk arises from changes in interest rates, foreign-exchange risk and other market prices. The Group is exposed to interest rate risk on both fixed-rate bond and floating rate financial assets and liabilities, including the fixed-rate bonds and the Revolving Credit Facility. The Group is exposed to foreign currency risk arising from the translation of assets and liabilities of subsidiaries with functional currencies other than the Euro. The Group is exposed to foreign exchange risk primarily in NOK, USD, DKK and GBP. Fluctuations may affect the Group's profit margins and value of assets and liabilities in non-euro denominated currencies when translated into Euros.	Unfavourable movements in interest rates could negatively impact the net financial income of the Group by increasing the cost of borrowing, refinancing, or reducing interest income. Fluctuations in non-Euro currencies particularly with respect to the NOK, USD and GBP may impact the income generated and the (regulatory) equity in these currencies when translated in EUR in the Consolidated Financial Statements. Although the Group seeks to limit its exposure to market risks, it cannot eliminate them. As such, adverse changes in market conditions, on both interest rate and foreign currency fluctuations may negatively impact the net financial income of the Group.

LIQUIDITY RISK

Risk Identification and Description	Potential Impact on the Group
The Group would be exposed to a liquidity risk if its short-term liabilities become higher than its cash, cash equivalents, short-term financial investments and available bank facilities and in the case where the Group is not able to refinance this liquidity deficit, for example, through new banking lines.	In the event that the Group fails to maintain a level of liquidity sufficient to cover its short term obligations, it will increase its default risk and potentially damage its creditworthiness and subsequently its reputation.

CREDIT RISK

Risk Identification and Description	Potential Impact on the Group
The Group's business model and business relationships mean that credit risk is concentrated in the financial services sector. The Group's exposure to credit risk arises from its operating activities (primarily trade receivables), its financing activities, including the investment of cash equivalents, short-term financial investments and derivatives contracts used for hedging purposes in the event of a counterparty's default.	The Group would incur a loss that would impact its net income should one the counterparties to which it is exposed defaults. Adverse changes in economic environment may increase loss allowance provision which would negatively impact the net income of the Group.

2.2 Mitigation Measures

The measures described in this section are presented to provide additional information on the Group's efforts to seek to manage the likelihood, frequency, or impact of certain risks. Despite the measures noted, the Group's efforts may not be successful in limiting or preventing these risks from materializing or may not achieve the intended benefits, therefore risks in Section 2.1 - Risk Factors remain material risks for the Group. Refer to Section 2.1 - Risk Factors for a discussion of the Risk Factors that may negatively impact the Group.

COVID-19

Euronext's priority is to protect the health and safety of employees, while maintaining a fair and orderly markets including settlement. The Group rigorously applies the recommendations of local authorities: widespread remote working for staff (including ensuring all staff provided with required material), reinforced cleaning measures for those in Euronext offices, additional barriers, face masks and hand sanitizer for all employees, *etc.* Reinforced communication from management and mental health resources for employees has been made available, as well as local level initiatives such as online sports classes.

Governance was invoked in order to understand and manager the evolving situation. The Supervisory Board and Managing Board kept informed of the situation, including the measures taken to ensure staff safety and the continued functioning of markets. In order to maintain a fair and orderly market as well as the general IT integrity of Euronext, additional cyber security measures were taken to ensure and maintain the resilience of Euronext's trading platform and surrounding IT infrastructure enhancing the control environment and monitoring, improved high risk alerts to identify critical users, daily monitoring of threat intelligence. Employee awareness raising around increased attempts at phishing attacks during this particular period.

Employee workshops on sanitary measures and generalized usage of collaborative applications occurred in order to help avoid slippage with respect to projects as much as possible.

Euronext will continue to closely monitor the risks posed by COVID-19 going forward, with particular attention to maintaining the health and safety of its employees by applying the recommendations of local authorities and working to reinforce IT resilience.

STRATEGIC TRANSFORMATION RISK

Euronext closely monitors its transformation programs, which include formal frameworks that establish governance bodies to organize, implement and follow the integration of recently acquired entities. Group knowledge and expertise is increasing as the Group gains capacity, competence and experience in integrating new companies into the Group and delivering synergies.

REGULATORY EVOLUTION AND ENHANCED REGULATORY SCRUTINY RISK

Euronext actively monitors all relevant European and national legislative and regulatory policy developments and engages in regular discussions with issuers and trading members, European and national policy-makers, and regulators to provide input and respond to developments and consultations attempting to ensure an acceptable impact on our markets. However, Euronext remains subject to all applicable regulations and directives signed into law whether they be detrimental to Euronext's business or not and may translate into an additional regulatory burden for the Group or its entities.

GLOBAL AND REGIONAL ECONOMY

Euronext considers international institutions' economic outlooks and analyst forecasts to assess the level of this risk. The Covid-19 crisis Euronext has demonstrated the resilience of its business model (diverse asset classes, geographic regions and other sources of income).

COMPETITION ON CAPITAL MARKETS RISK

Innovation in the equity sector and movements in the competitive landscape are closely monitored and actions are taken to protect market share and develop new offerings to attract trading. Euronext is focused on delivering the highest quality liquidity management with the aim of providing a deep pool of liquidity and best bid and offer.

Euronext is subject to competition from peers in our local markets however; it equally competes with peers on their home markets. Euronext identifies unlisted companies and maintains targeted pre-IPO educational programmes regarding the mechanics of capital markets.

CYBERSECURITY RISK

The Group makes significant efforts to mitigate cybersecurity risks, whether from threat actors or vulnerabilities, from materializing by making targeted investments in people, processes and technology. The Group has a specific cybersecurity strategy, roadmap, and a Group-wide established governance model supported by dedicated resources. The roadmap and strategy are challenged by internal audits, external auditors and regulators from all countries where Euronext operates regulated markets. Euronext implements a security strategy and best practices aligned and certified in recognized global standards (*e.g.* ISO9001, ISO 27001, NIST) and seek to ensure a high level of cybersecurity maturity. Despite the Group's efforts, cybersecurity threats continue to grow in sophistication and thus the risk cannot be eliminated.

TECHNOLOGY RISK

The performance and availability of the Group's systems are reviewed continuously and monitored to prevent problems when possible and responding, in a timely and efficient manner, when problems do occur. Euronext continuously invests in the development of its technology in order to maintain and ensure best in class service and capacity.

The Group seeks to identify and manage risks associated with third party risk by partnering with reputable technology and services providers, *via* audits of the technology, backups and business continuity arrangements with its partners as well as information on remediation plans should any of its providers experience service issues.

CHANGE MANAGEMENT AND INTEGRATION MANAGEMENT RISK

Euronext seeks to manage the risks related to change and integration management by implementing an effective project management team that works with all relevant stakeholders to monitor and implement projects. Governance is an important control and is determined by scale, complexity and level of impact of the change. The risk management team actively follows projects to monitor and escalate risk when necessary.

CLEARING AND SETTLEMENT RISK

Euronext has contracts with each of its post-trade providers that establish clear governance and service quality. Specifically, with LCH SA a long-term contract has been signed between two entities, in addition to which Euronext holds 11.1% stake in LCH SA as well as a seat on the Board of Directors all of which help ensure a stable durable relationship and involvement in decision-making. Euronext holds approximately 5% of Euroclear S.A./N.V. as well as membership on the Board of Directors ensuring that Euronext's is involved decision-making.

EMPLOYEE RISK

Euronext has an established and proactive Talent Acquisition and Talent Development policy in accordance with the strategic plan priorities as well as dedicated leadership programmes for the development of the managers and leaders of the organization. A Group training plan has also been rolled out to favour access to training on the core strategic skills to all employees through monthly sharing sessions and weeks dedicated to learning open to all staff.

To help prevent the skills' shortage, specifically in the information technology field, Euronext partners with engineering and IT schools to codevelop projects and improve its visibility as an attractive employer. Euronext has also developed an "Early Career" programme to recruit and train students and recent graduates with the latest technologies and critical skills.

Moreover, Euronext carries out initiatives to favour the quality of life at work through with actions related to sport, nutrition and work-life balance, and reinforces its ESG commitment internally and externally. Please see *section 3.4.3 – Our People* for details regarding employee the multiple employee initiatives in place.

CAPITAL REQUIREMENTS RISK

Euronext N.V. has a control and regulatory reporting framework in place to ensure that it maintains sufficient capital to meet the required capital levels.

REGULATORY AND LIABILITIES RISK

In order to ensure that Euronext remains compliant will all laws and regulations it has taken a range of proactive preventative measures. For example, the Regulatory and Government affairs team of the Group monitors and informs the business about all relevant legislative developments, to ensure awareness by the business of all applicable rules and regulations. In addition, compliance policies and procedures are regularly reviewed to ensure that group entities and staff are compliant with applicable laws and regulations and uphold our corporate standards. Conduct risk is chiefly managed *via* a wide range of policies and procedures on employees and enforcing these through regular training and monitoring, while an employee Code of Business Conduct sets out the principles of behaviour required of all Company employees and this is provided to all new joiners.

Legal functions have been established at various locations to ensure coverage of all Business Lines, including throughout all stages of business projects to comply with local laws and regulations.

OWNERSHIP AND INTELLECTUAL PROPERTY RISK

Euronext takes measures to prevent infringement of its own IP rights, in addition to measures to seek to ensure that it conducts its business activities in a manner which avoids inadvertently breaching third party-owned IP rights, including *via* a combination of trademark laws, copyright laws, trade secret protection, database laws, confidentiality agreements and other contractual arrangements with its affiliates, customers, strategic investors and others in order to protect its own IP rights.

To avoid infringement on any third-party IP rights, Euronext has processes in place supported by the compliance team, including staff training and awareness. Furthermore, Euronext conducts internal reviews of the use of third-party intellectual property in order to monitor compliance and to uphold its contractual commitments.

MARKET RISK

The Group entered into a swap strategy to hedge the interest rate risk related to the issuance of its €500 million April 2025 fixed-rate bond. However, the €750 million June 2029 fixed-rate bond is not hedged and the Group has an exposure to interest rate risk.

Foreign currency risk is reduced because the operating revenue and expenses in the various subsidiaries of the Group are generally denominated in the functional currency of each relevant subsidiary. The Group may use derivative instruments or foreign denominated debt to manage its net investment exposures. The Group is primarily exposed to major currencies it is therefore, it is the Group's policy to not hedge net investment exposure. However, on a case by case the Group may consider hedging net investments should special circumstances dictate. The Group would, by the same token, hedge transaction risk arising from cash flows paid or received in a currency different from the functional currency of the relevant contracting entity on a case by case basis.

LIQUIDITY RISK

The Group's policy is to maintain sufficient cash, cash equivalents and available bank facilities to enable the Group to repay its financial liabilities at all maturities, irrespective of incoming cash flows generated by operational activities, excluding the related party loans granted by the Group's subsidiaries to its Parent. These assets are managed as a global treasury portfolio invested in non-speculative financial instruments, readily convertible to cash to ensure a high level of available liquidity.

CREDIT RISK

The Group seeks to limit its exposure to credit risk by rigorously selecting the counterparties with which it executes agreements. Most customers of the Group are leading financial institutions that are highly rated. Investments of cash and cash equivalents in bank current accounts and money market instruments, such as short-term fixed and floating rate interest deposits, are governed by a strict group Treasury Investment Policy aimed at reducing credit risk. The Group continuously monitors the credit ratings of its counterparties and reviews individual counterparty limits on a regular basis In addition to the creditworthiness of counterparties, the Group's Treasury Investment Policy also prescribes the diversification of counterparties (banks, financial institutions, funds) to avoid a concentration of risk. Derivatives are negotiated with leading high-grade banks.

2.3 Control Structure

RISK APPROACH AND INTERNAL CONTROL OBJECTIVES

Euronext is dedicated to building a pan-European market infrastructure and powering capital markets to finance the real economy, while delivering value to shareholders. In order to execute our ambitions Euronext is committed to preserving a balance between achieving our strategic ambitions and ensuring operational excellence. In order to achieve our ambitions and preserve favorable conditions for the Company to fulfil its mandate Euronext has adopted the Enterprise Risk Management (ERM) framework.

Enterprise Risk Management framework is designed and operated to identify potential events that may affect the Company, assess risk to be within the defined guidelines, manage the risk through control mechanisms, and monitor the risk to understand the evolution. Euronext embeds the risk management philosophy into the Company culture, in order to make risk and opportunity management a regular and everyday process for employees. The Supervisory Board and Managing Board regard ERM as a key management process to steer Euronext, and enable management to effectively deal with risks and opportunities.

ERM FRAMEWORK

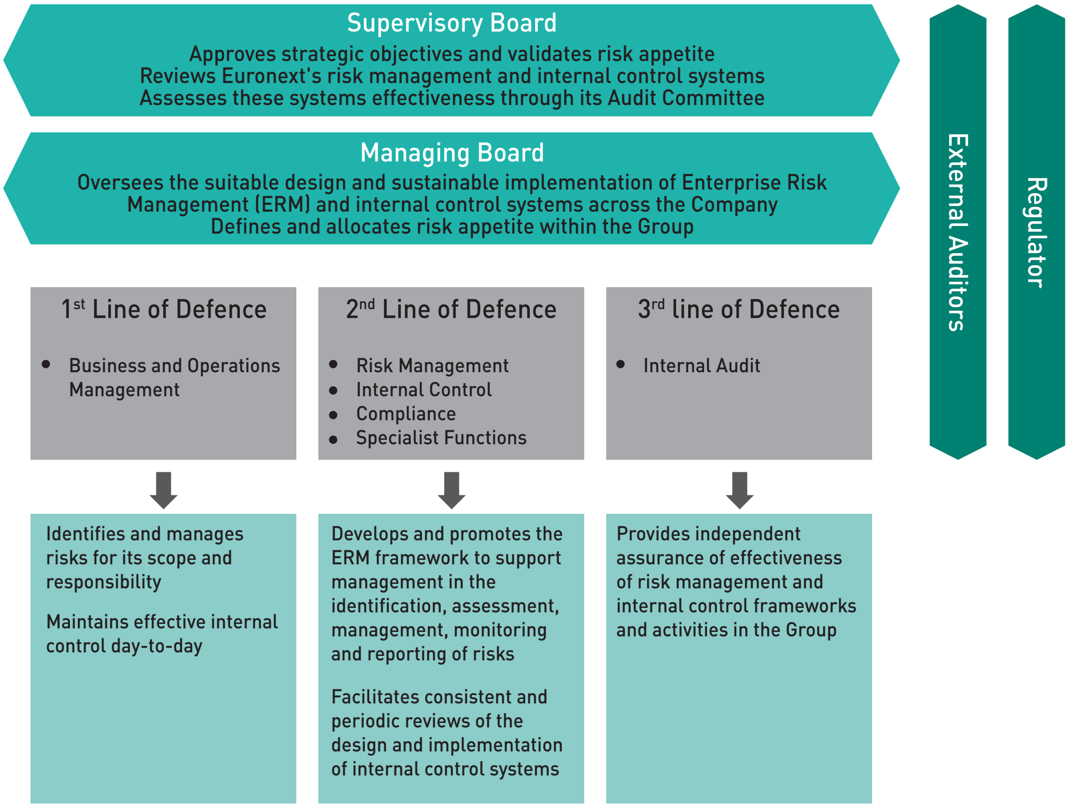
The objectives and principles for the ERM process are set forth in the Company's ERM Policy. The ERM process is based on best practices regarding the Internal Control and Enterprise risk management, including the Committee of Sponsoring Organisations of the Treadway Commission ("COSO") initiative. It uses a bottom-up and top-down process to enable better management and transparency of risks and opportunities. At the top, the Supervisory Board and Managing Board discuss major risks and opportunities, related risk responses and opportunity capture, as well as the status of the Group risk profile, including significant changes and planned improvements. The design of the Group risk management process seeks to ensure compliance with applicable laws and regulations with respect to internal control and risk management, addressing both subjects in parallel.

ERM FRAMEWORK GOVERNANCE

The ERM framework and governance is designed to allow the Managing Board and the Supervisory Board, as part of Euronext's business model (*see section 1.3.1)*, to identify and assess the Company's principal risks to enable strong decision-making to execute of Group strategy. Reporting is made and consolidated on a regular basis to support this process. The risk management framework further enables the Supervisory Board and Managing Board to maintain and attest to the effectiveness of the systems of internal control and risk management as set out in the Dutch Corporate Governance Code.

Governance Structure and related responsibilities for ERM process are as follows:

- the Supervisory Board, through the Audit Committee, supervises the effectiveness of the ERM system, including management actions to mitigate the risks inherent in the Group's business activities;
- the Group's Chief Executive Officer ("CEO"), backed by the Managing Board and supported by the Chief Financial Officer ("CFO") and the Chief Risk Officer ("CRO"), is responsible for an effective ERM system;
- the Group's CRO has primary responsibility for the ERM strategy, priorities, process design, culture development and related tools; the risk management organisation is structured cross-division, networked with risk owners on different organisation levels and drives a proactive risk management culture;
- the Group's CFO has primary responsibility for the controls over financial reporting and regulatory capital requirements;
- the senior management of the Company assume responsibility for the operation and monitoring of the ERM system in their respective areas of responsibility, including appropriate responses to reduce probability and impact of risk exposures and increase probability and impact of opportunities.



Euronext's internal risk management and control is a process executed by the Managing Board, management and other employee stakeholders. It is designed to provide reasonable assurance regarding the achieving of objectives in the following categories:

- effectiveness and efficiency of operations;
- reliability of financial and non-financial information;
- compliance with laws, regulations and internal policies;
- safeguarding of assets, and identification and management of liabilities; and
- strategic and business objectives.

No major failings were identified over the course of 2020 in the Risk and Internal Control Program. Euronext's first and second lines of defense perform their roles in risk assessment and reporting on risk management and control systems. The concluding results are reported in Group Risk Profile and discussed regularly at Managing Board meetings and with the Supervisory Board *via* the Audit Committee. Internal Audit, as the third line of defense, evaluates the design and effectiveness of Euronext's governance, as well as its risk management and control systems. Audit reports are discussed with risk and process owners. The Head of Internal Audit attends Managing Board meetings on a regular basis to discuss its findings and recommendations. In 2020, the evaluation of the adequacy of Euronext's internal risk management and control systems were discussed with the Audit Committee and Supervisory Board.

2.3.1 SECOND LINE OF DEFENCE

2.3.1.1 Risk Management

On Group level, **Risk Appetite** is the type and amount of risk, on a broad level, Euronext is willing to accept in achieving its strategic objectives. Developing the Risk Appetite Statements is an exercise in seeking a balance between risk and opportunity. Risk Appetite is set for both risks related to daily business as usual operations and specific business initiatives. Risk Appetite sets the basis for the requirements for monitoring and reporting on risk. Risk appetite is considered at an operational level and strategic level with quantitative and qualitative components and cascaded into Business Lines and legal entities. These components are used during the assessment process to develop the residual risks and support what is escalated to the Managing Board and Supervisory Board.

2

OVERVIEW TABLE OF PRINCIPAL RISK CATEGORIES AND CORRESPONDING RISK APPETITE:

Strategic Risks Risks related to business activities	**Operational Risks & Compliance Risks** Risks related to the day-to-day operations	**Financial Risks**
Risk appetite is defined as the level and nature of risk the business is willing to accept in achieving its strategic objectives. Euronext's overall risk appetite is defined by the Managing Board and approved by the Supervisory Board as part of setting and implementing strategic and operational objectives.		
Euronext is willing to take risks in pursuit of its strategic objectives	Euronext has a low appetite for risks that may impact its core business; Euronext has a low appetite with respect to compliance risk.	Euronext is willing to take some financial risk, however aligned with the long-term nature of the business and maintaining its investment grade profile and capital requirements.

For material risks related to the above categories please refer to section 2.1.

Risk Identification involves the identification of threats to the Company as well as causes of loss and potential disruptions. Risks are composed of the following categories:

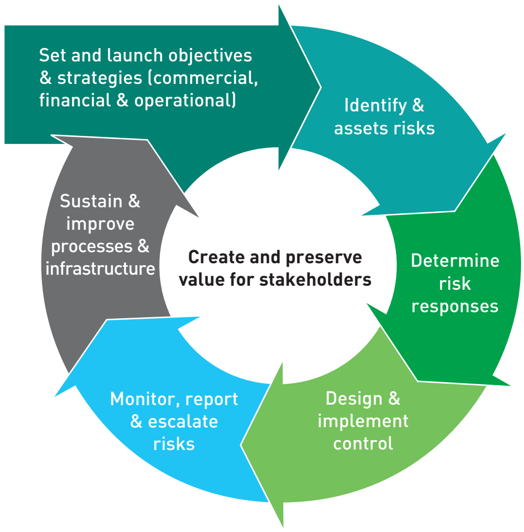
- strategic: the effect of uncertainty on Euronext's strategic and business aims and objectives; risk of missed opportunities due to the method of execution decisions, inadequate resource allocation or failure to respond to changes in business development;
- operational: the risk of loss or inefficiency resulting from inadequate or failed internal processes, people and systems, or from external events; key programmes or projects are not delivered effectively;
- compliance: the risk of legal or regulatory sanctions, material financial loss, or loss of reputation which Euronext could suffer as a result of its failure to comply with laws, risk of loss an organization faces when it fails to act in accordance with industry laws and regulations, internal policies or prescribed best practices;
- financial: the risk of loss inherent in financing method which may impair the ability to provide adequate return; that cash flow will not be adequate to meet financial obligations.

An emphasis is put on operational and compliance risk due to the importance of operations and related licenses to operate as well as initiatives for Euronext.

Risk Assessment is made in the possible event of an incident or a potential risk development. It aims to assess the risk qualitatively and quantitatively where possible, using supporting information such as performance indicators. This assessment, defining the residual risk level, takes into account mitigation measures currently in place such as controls, business continuity measures or insurance policies. The overall Risk Assessment phase is carried out by the risk management team ("RMT") in conjunction with Risk Coordinators ("RCs") based on data and information produced by and collected from the relevant areas *via* the periodic and *ad hoc* reporting or upon request of the RMT as necessary. Assessments are discussed with the business areas. Mitigation measures for each risk are be identified, evaluated, and the residual risk is be assessed and reported.

Risk management determines and implements the most appropriate treatment to the identified risks. It encompasses the following: avoidance, reduction, transfer and acceptance. Organizational units and employees perform risk management and implement mitigating actions as required by the risk appetite and escalation process. As noted, residual risks may remain after such management process is applied (see Risks section).

Risk Reporting – The Supervisory and Managing Boards and a Business Risk Group (BRG), made up of Senior Managers, are informed in a timely and consistent manner about material risks, whether existing or potential, and about related risk management measures in order to take appropriate action. Reports are issued to the above mentioned groups of the Company on a regular basis. *Ad hoc* reports may be issued when a new risk or the development of an existing risk warrants escalation to the relevant Committees of the Company.



Business Continuity Management – A component of efficient risk management is understanding that the identification of each risk that may be faced is an insurmountable task, therefore business continuity arrangements are necessary in order to respond to unforeseen events as quickly as possible, in the event of any disruption to our working environment. Effective Business Continuity Management and Disaster Recovery are vital in protecting and underpinning the reputation, efficiency, resilience and competitiveness of the Company, as well as the Company's stakeholders. Business Continuity at Euronext is supported by the Business Continuity Steering Group and consists of representatives from the Company's major departments. Its role is to approve the Business Continuity & Disaster Recovery and Crisis Management policies and procedures and to provide guidance to the BCM team in the development of its function. The Business Continuity framework and its implementation at Euronext is based on internationally recognized business continuity principles including those developed by the Disaster Recovery Institute International (DRII), the International Organization for Standardization (ISO) and the Business Continuity Institute (BCI). Euronext's Crisis Management framework includes escalation and communications rules, guidelines for action, and clearly defined roles and responsibilities.

In 2020, in addition to regular training, testing and exercises, work was undertaken to help improve, mature and embed Business Continuity at Euronext. In 2020 the BCM plans were tested by the outbreak of the Covid-19 pandemic. Furthermore, the BCM program continued to mature through maturing crisis management plans.

Program Development – Euronext continues to drive improvements to its risk management process and the quality of risk information generation, while at the same time maintaining a simple and practical approach. The roadmap for 2019-2020 for the ERM evolution included three key elements:

- embedding culture of risk management: Risk appetite discussions with the first line, key risk indicator discussions, ongoing training at various levels of the organization;
- involvement in key initiatives related to Oslo integration, strategic acquisitions;
- reporting/operation: ongoing risk appetite evolution, enhanced management reporting, risk tool maturity, further alignment of risk management and internal control approach for addressing risk and identifying controls.

The 2021–2022 roadmap will continue with the topics above and training program maturity and ongoing integration of new acquisitions.

Euronext seeks to continuously evaluate and improve the operating effectiveness of the ERM process.

2.3.1.2 Internal Control

Euronext has established a strong framework of internal control across its business areas and functions. This framework is based on ethical principles, established procedures and training of the key personnel who are responsible for implementing and overseeing it.

The internal control function as a second line of defence, aims at ensuring, in a permanent manner that identified risks are mitigated by controls, that controls are effective, documented and reported and that internal procedures exist and are updated on a regular basis.

2.3.1.3 Corporate Compliance – Code of Conduct and Ethics

Euronext is strongly committed to conducting its business with integrity, excellence and responsibility and to adhering to high standards of ethical conduct. Euronext's culture promotes accountability and responsibility and an open culture of dialogue and is bolstered by the corporate Compliance department. The role of Corporate Compliance is to establish and maintain a first class compliance culture within the Company and to ensure that Euronext's business approach is in line with the highest ethical standards.

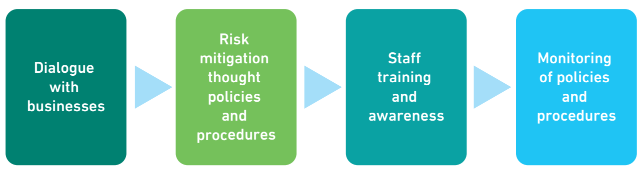
The Compliance department supports Euronext and its employees in complying with applicable laws and regulations and promotes ethical standards in accordance with good Corporate Governance. The Compliance department raises awareness among employees by articulating the responsibilities of the Company and its employees through policies and training and the monitoring of those policies and by providing a path for communication for employees. Compliance with applicable rules and principles and ethics is key to Euronext's success and it is the obligation of every employee to support this effort.

Euronext's code of business conduct and Ethics sets and reaffirms Euronext's high standards of ethical conduct and reinforces its business ethics, policies and procedures. Compliance with the Code is required of all board members (Managing Board, Supervisory Board and any other board) and all employees including consultants, contractors and temporary employees. The Code of Business Conduct and Ethics, which is supplemented by nine corporate compliance policies, governs without exception all business activities of the Company. The code of business conduct and Ethics is available on the Euronext website. The availability of the Code of Business Conduct and Ethics as well as the compliance policies at all times, in local languages on the Company intranet, in addition to general training and awareness sessions and communication targeting all Company employees as well as targeted training for employees in sensitive roles that require additional awareness and training determine the effectiveness of the Code. The Code of Business Conduct and Ethics is also supported by an external confidential reporting system that enables employees to report, in an anonymized manner should they choose, alleged breaches of a general, operational and financial nature. Relevant policy and procedures ensure that reporters in good faith are free to do so without fear of retaliation in accordance with the laws in the countries where Euronext operates. The Company protects anyone who reports an alleged breach of laws or Company policies in good faith and ensures that they shall in no way be put at a disadvantage by the Company as a result of the report.

Guidelines and procedures are defined notably to ensure that antimoney laundering and sanctions, bribery and fraud and conflicts of interest concerns are managed and that business is always conducted in a fair manner. The Code of Business Conducted is linked to other internal compliance policies covering money laundering and sanctions, gifts meals and entertaining and prevention of bribery, persona trading and the prevention of fraud are maintained by the Compliance department (for a complete list of internal compliance policies please refer to section 3.7 of this Universal Registration Document). Staff training and awareness sessions are conducted regularly in all Company locations to promote compliance and ethics standards.

Finally, given the dual positions of Euronext as a market operator and a listed issuer on the Euronext markets, the Compliance department has imposed strict personal dealing rules and a conflicts of interest procedure to ensure that neither the staff nor the Company itself could take undue benefits from this situation.

Compliance processes are established as follows:



More information on Euronext's commitment to Ethics are provided in Chapter 3 of this Universal Registration Document

2.3.1.4 Chief Risk and Compliance Officer

The Chief Risk and Compliance Officer is appointed by the Managing Board, reports to the Chief Executive Officer and has a line of communication to the Audit Committee of the Supervisory Board. This reporting structure provides the necessary independence of the Compliance department activities. Compliance Officers are located in countries where Euronext conducts its activities and are supported as necessary by local legal staff in order to benefit from the local expertise and knowledge of the local business and environment.

2.3.2 INTERNAL AUDIT – THIRD LINE OF DEFENSE

As a third line of defense, Internal Audit has no operational responsibilities over the entities/processes it reviews. The objectivity and organisational independence of the internal audit function is achieved through the Head of Internal Audit not performing operational management functions and reporting directly to the Chairman of the Audit Committee. He also has a dotted reporting line to the CEO.

Validated by the Audit Committee at least annually, the internal audit plan is developed based on prioritization of the audit universe using a risk-based methodology, including input of senior management.

For each audit, a formal report is issued and circulated. This includes recommendations for corrective actions with an implementation plan and the comments of the auditees. Implementation of accepted corrective actions is systematically followed up, documented and reported to the Audit Committee.

3

EURONEXT, A SUSTAINABLE EXCHANGE

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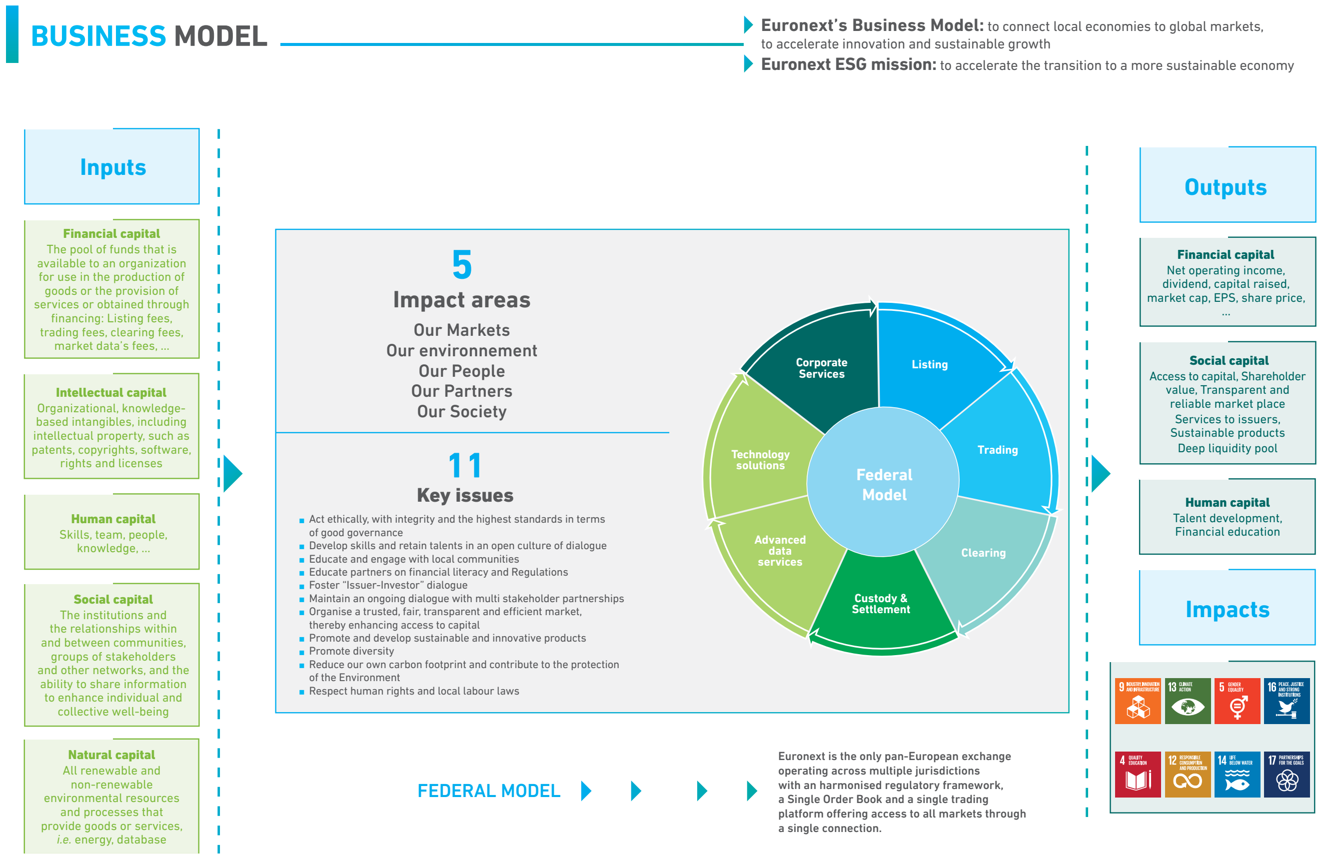
3.1 Value Creation by Euronext

Euronext is a pan-European exchange group offering a diverse range of products and services and combining transparent and efficient equity, fixed income securities and derivatives markets in Amsterdam, Brussels, Dublin, Lisbon, Oslo and Paris. Euronext's businesses comprise listing, cash trading, derivatives trading, FX trading, investor services, advanced data services, post-trade and technologies and other corporate services. Further information on Euronext business, competitive environment and strategy are presented in section 1 of this Universal Registration Document.

The purpose of every company is to create sustainable value for shareholders and stakeholders. Euronext Value creation model has been developed according to the IIRCC Framework. It shows how the Company uses the resources, capabilities and expertise at its disposal to create value. The model transforms the different capital inputs into value outputs and impacts that over the short, medium and long-term create value for the Company, our stakeholders and the society at large.

The Euronext's inputs are financial, intellectual, human, social and natural. With those inputs Euronext brings value for its different stakeholders by connecting local economies to global markets, accelerating innovation and sustainable growth and accelerating the transition to a more sustainable economy. Euronext gives companies access to capital through IPO, through increase of capital or through the debt route. It allows investors to get returns either by way of capital appreciation (growth) or timely income (dividends). It facilitates not only domestic investments but also brings in foreign money which is used for further development and growth. It also promotes an environment that encourages collaborative work, learning and innovation for all its employees. In a more long term approach, Euronext has linked its business model with the globally agreed Sustainable Development Goals ("SDG's") on which its impact is the most important (see *section 3.3 – Transparency and Reporting statement on Sustainable Development Goals*).



LONG TERM VALUE FOR ALL OUR STAKEHOLDERS

Euronext ESG mission and ambition

The world is facing significant challenges in ensuring a sustainable future for our people and our planet. Many national and international initiatives are addressing these challenges. Every organisation will have to play its own role in the transition to a sustainable society, depending on its impact and its opportunities.

The finance sector can be an important contributor to the global sustainability agenda and can promote sustainable finance, by incorporating environmental, social and governance (ESG) factors into investment decision-making, and by supporting the allocation of capital to sustainable initiatives.

Euronext has a special position in the financial ecosystem. It serves the real economy by bringing together buyers and sellers in high integrity trading venues that are transparent, efficient and reliable. In this key role Euronext has a responsibility *vis-à-vis* the whole finance community to contribute to the financial stability and the sustainable agenda in the countries in which it operates (see Euronext's value creation model on page 8). As a key market infrastructure, at the heart of the financial ecosystem, Euronext will support the acceleration of the transition towards sustainable growth and finance.

In 2019, Euronext has decided to make sustainable finance a key pillar of its strategy "Lets' grow together 2022" *(see section 1.2 – Strategy: "Let's Grow Together 2022" Strategic Plan)* with a strong commitment to participate to the SDG's (see below).

The Euronext ESG ambition is to finance local and global real economy in its transition towards a sustainable society by:

- driving investment in innovative, sustainable products and services through secure and transparent markets, in continuous collaboration with the financial community;
- inspiring and promoting sustainable tangible practices within the Company and towards our communities, by respecting and developing our people and by supporting our ecosystem.

This dual ambition is fully aligned with the Action Plan on Financing Sustainable Growth launched by the European Commission and with the Green deal presented by the European Commission in December 2019. As part of the Green Deal on 14 January 2020, the European Commission presented the European green deal investment plan, which will mobilise at least €1 trillion of sustainable investments over the next decade. On 8 April 2020, the Commission launched a consultation on its sustainable finance strategy, to which Euronext responded.

2020 has been a special year due in particular to the health crisis but also because it has seen the so-called sustainable economy – taking better account of the ESG dimension – come out stronger. Euronext has also confirmed its desire to be a leader in sustainable finance in 2020, as can be seen from the content of this chapter.

Stakeholder expectations and Materiality analysis

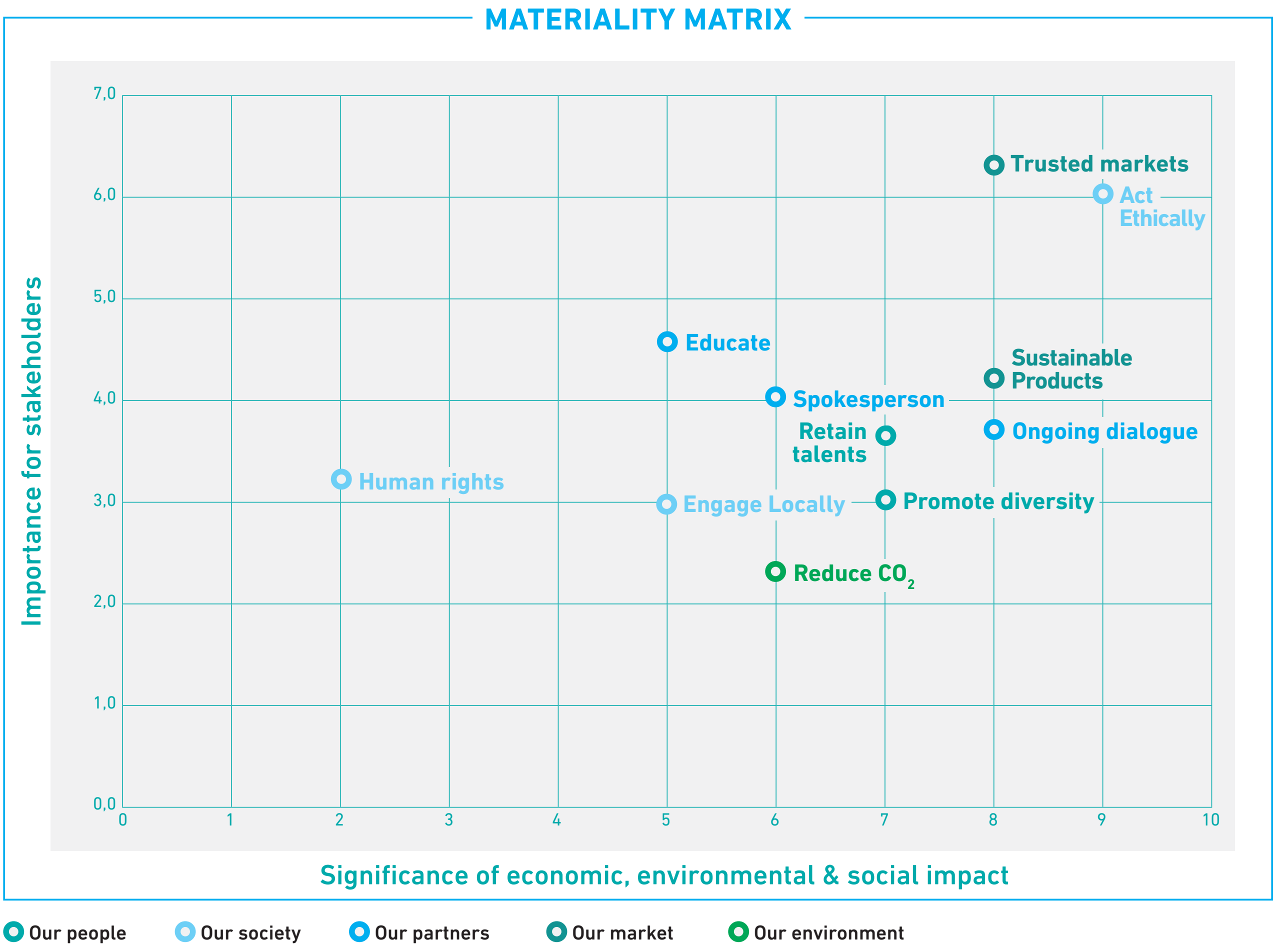
As a first step towards the creation of a Euronext ESG strategy, at the beginning of 2019, Euronext launched, a pan-European stakeholder consultation process to identify the ESG related issues that its stakeholders believe should be its main areas of attention and effort. Euronext received the feedback from a wide selection of its stakeholders, especially investors, analysts and issuers, but also employees and regulators, providing valuable insights.

On the basis of the results Euronext performed a materiality analysis, defining the key issues where Euronext can have the most impact on the economy, society and environment, and that most influence the decision-making of its stakeholders. Euronext's stakeholders recognise that Euronext plays a role in ESG from different angles: Euronext as a representative of the capital market ecosystem, Euronext as a business providing relevant products and as a corporate actor. In each of these roles, Euronext has different responsibilities. Based on the feedback received from the stakeholders Euronext has identified 11 key issues, that were grouped into five material impact areas, consistent with the Euronext dual ESG ambition.

In 2019, Euronext has decided to make sustainable finance a key pillar of its strategy with a strong commitment to participate to the SDG's (see below). This has been reaffirmed in 2020 and specific KPI's have been agreed by impact area that will be monitored internally and reported in this document.

Key issues	Material impact area	Dual ambition	KPI
■ Organise a trusted, fair, transparent and efficient market, thereby enhancing access to capital ■ Promote and develop sustainable and innovative products and services with environmental (green and blue) or social added value	Our Markets	Driving investment in innovative, sustainable products and services through secure and transparent markets, in continuous collaboration with the financial community	■ Number of incidents reported to the College of regulators ■ Number of operational alerts treated internally by EMS ■ Availability of the trading platform
■ Be the spokesperson of the sector and foster "Issuer-Investor" dialogue ■ Maintain an ongoing dialogue with multi-stakeholder partnerships ■ Educate our partners on financial literacy and regulations	Our Partners		■ Number of suppliers having signed the code of conduct ■ NPS
■ Develop skills and retain talents in an open culture of dialogue ■ Promote diversity ■ Respect human rights and local labor laws	Our People	Inspiring and promoting sustainable tangible practices within the Company and towards our communities, by respecting and developing our people and by supporting our ecosystem.	Diversity at the Senior Leadership Team
■ Act ethically, with integrity and the highest standards in terms of good governance ■ Educate and engage with our local Community	Our Society		■ GDPR training employees ■ Personal data breaches ■ Use of the Whistleblowing process
■ Reduce our own carbon footprint and contribute to the protection of the environment	Our Environment		Carbon emission

The internal and external stakeholders were invited to prioritise the 11 key issues – labelled under the five material impact areas – and the results can be found in the chart below with a double materiality perspective; in terms of their influence on the Company's stakeholders and the significance for Euronext's ESG impact. This chart has been prepared for the first time in 2019 but Euronext has validated that it is still up-to-date for 2020.



3.2 ESG Governance

The General Counsel, part of the Group's extended Managing Board, is in charge of coordinating ESG (Environmental, Social and Governance) at the Group level, making sure that all relevant departments integrate the ESG objectives into their missions. The General Counsel ensures that ESG initiatives, impacts and challenges are high on the agenda of the Group's Managing Board and Supervisory Board, and that the Company reports on ESG related topics in a transparent way. The Managing Board and the Supervisory Board have fully endorsed ESG as part of the Euronext strategy going forward.

A ESG Task Force has been created to support the General Counsel. The Task Force currently consists of global champions of each of the impact areas *(see section 3.4)*, which are in their turn supported by local ESG coordinators. The Task Force meet on regular basis and works in close cooperation with the business to develop new initiatives aligned with the Group Strategic Plan, and with the communication and investor relations teams.

Moreover, since the introduction of the new Strategic Plan "Let's Grow Together 2022" *(see section 1.2 – "Let's Grow Together 2022" Strategic Plan)*, all ESG initiatives are captured by the Strategic Plan Transformation Office, which monitors the progress of the whole strategic plan of the Group, reports regularly on these progresses to the Managing Board and the Supervisory Board and, in this context, has regular update meetings with the General Counsel and the ESG Task Force. All significant new ESG related projects are submitted for approval to the Managing Board. For more information on the role of the Supervisory Board and the Managing Board, please refer to sections *4.2.2 – Supervisory Board* and *4.2.3 – Managing Board* of this Universal Registration Document.

3.3 Transparency and Reporting

Creating transparency by businesses on their diversity and sustainability efforts is vital in order to identify sustainability risks, and to enable participants to manage change towards a sustainable global economy by combining long-term profitability with social justice and environmental protection. In this context, disclosure of non-financial information helps the measuring, monitoring and managing of undertakings' performance and their impact on society.

Also, shareholders and other stakeholders are more and more interested in diversity and non-financial information in order to have a meaningful, comprehensive understanding of a Company's development, performance, position and impact of its activity. They thoroughly analyse this information in their investment-decision process. In this context, disclosure of non-financial information helps increasing investor and consumer trust.

European Directive

This chapter describes the sustainability vision of Euronext, and how Euronext fulfils the requirements of the European Directive 2014/95/EU dated 22 October 2014 imposing to public-interest entities which are large undertakings with more than 500 employees to publish non-financial information including information on environmental, social and employee matters, diversity, respect for human rights and on anti-corruption and bribery matters, which has been fully implemented in The Netherlands by the Act implementing the Directive 2014/95/EU dated 28 September 2016, the Decree disclosure of diversity policy dated 31 December 2016 and the Decree on disclosure of non-financial information dated 14 March 2017.

A 2020 reference table with the European directive is available on the Euronext website.

GRI Standards

Moreover Euronext decided to follow the standards developed by the Global Reporting Initiative (GRI). This report has been prepared in accordance with the GRI (core option).

The GRI Standards are the most widely used global standards for sustainability reporting. They feature a modular, interrelated structure, and represent the global best practice for reporting on a range of economic, environmental and social impacts. They consist of a set of 36 interrelated standards and are designed for flexibility to meet a range of sustainability reporting needs. A 2020 GRI Index is available on Euronext website.

Transparency Benchmark

In addition, Euronext, as a Dutch listed company, has closely followed the criteria of the Transparency Benchmark 2020, initiated by the Dutch minister of Economic Affairs and Climate.

Task Force on Climate-related Financial Disclosures ("TCFD")

The Task Force established by the Financial Stability Board ("FSB"), developed voluntary recommendations on climate-related information that companies and organisations should disclose to help investors, lenders, and others make sound financial decisions. Structured around four thematic areas – Governance, Strategy, risk management and Metrics & Targets – the TCFD Recommendations provide a framework for companies to respond to the increasing demand for transparency on climate-related risks and opportunities from investors.

On 22 March 2018, Euronext endorsed the Task Force on Climate-related Financial Disclosures Recommendations and committed to further support transparency on climate-related risks and opportunities on financial markets. The signing of the recommendations took place during an opening bell ceremony in Brussels, held in presence of Michael Bloomberg (leader of the Task Force), and during which the Belgian State, the National Bank of Belgium and the Belgian Financial Services and Markets Authority (FSMA) also signed up to endorse the TCFD Recommendations. The bell ringing coincided with the "High Level Conference: Financing Sustainable Growth" organized by the European Commission in Brussels.

This has been reiterated the 12 December 2020 when the 40 largest listed companies in France in the CAC 40 index, Euronext and the French Market Authority declared their support for the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), demonstrating a commitment to building a more resilient financial system and safeguarding against climate risk through better disclosures.

A 2020 TCFD Index is available on Euronext website.

Sustainable Development Goals

As an Official Partner of the Sustainable Stock Exchange Initiative (SSE)[(1)], Euronext firmly commits to the UN's "2030 Agenda for Sustainable Development" and thereby to all the 17 Sustainable Development Goals (SDGs), which were adopted in September 2015. The Sustainable Development Goals (SDGs) are a collection of 17 global goals set by the United Nations General Assembly in 2015 for the year 2030. They define global sustainable development priorities and aspirations for 2030 and seek to mobilize global efforts around a common set of goals and targets. The SDGs call for worldwide action among governments, business and civil society to end poverty and create a life of dignity and opportunity for all, within the boundaries of the planet. They explicitly call on all businesses to apply their creativity and innovation to solve sustainable development challenges. The SDGs have been agreed by all governments, yet their success relies heavily on action and collaboration by all actors.

In order to make our ESG approach more transparent and to put it into a global context, we have defined where the five Euronext ESG impact areas set out in paragraph 3, connect with the globally agreed SDG's. To this effect we have selected the SDG's that are most relevant per impact area. We believe that out of the 17 global goals, Euronext contributes more to the eight following SDG's[(2)]:

Presentation of non-financial information

The definition and calculation methods of the different indicators may be found in section *3.7 – Summary ESG KPI*.

Audit and external assurance

Ernst & Young Accountants LLP has reviewed certain non-financial information in this section of the Universal Registration document with a limited level of assurance in accordance with the Dutch Law including the Dutch Standard on Auditing 3810N "Assurance-opdrachten inzake maatschappelijke verslagen" (Assurance engagements relating to sustainability reports), which is a specific Dutch Standard that is based on the International Standard on Assurance Engagements (ISAE) 3000 "Assurance Engagements other than Audits or Reviews of Historical Financial Information". EY's assurance report can be found in *section 9.3 - Assurance Report* of the of the independent auditor of this Universal Registration Document.

(1) "SDG's – What do they mean for stock exchanges?", Sustainable Stock Exchanges – https://sseinitiative.org/ourwork/sdgs.

(2) Euronext decides to add SDG's 4.4 and 16.5 to the ones chosen by SSE: Gender Equality (Goal 5) Sustainability Information (Goal 12) Climate Change (Goal 13) Global Partnerships (Goal 17).

3.4 Euronext's Five ESG Impact Areas and the Sustainable Development Goals

Euronext has identified 11 ESG key issues, that were grouped into five material impact areas, consistent with the Euronext dual ESG ambition and those impact areas will also serve as the format of this chapter. We have indicated how we believe in each of these impact areas, we contribute to the identified SDG's. We have also defined specific KPI's by impact area and therefore do not refer anymore to SDG's targets which may not be totally aligned with Euronext specific activities.

3.4.1 OUR MARKETS

Key Issues:

- organise a trusted, fair, transparent and efficient market, thereby enhancing access to capital;
- promote and develop sustainable and innovative products and services with environmental (green and blue) or social added value.

13 CLIMATE ACTION

Take urgent action to combat climate change and its impacts.

As a stock exchange, Euronext can play a leading role in creating climate resilient markets by offering related financial products as well as by encouraging or requiring climate disclosure in this area.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.

As a stock exchange Euronext can contribute to the increase of access of small-scale industrial and other enterprises, to financial services.

3.4.1.1 Trusted, Fair and Orderly Markets

As an operator of regulated markets, Euronext's mission is to bring together buyers and sellers in trading venues that are transparent, efficient and reliable.

To this end, Euronext:

- adopts rules for each of its markets to ensure fair and orderly trading and efficient order execution;
- sets up a framework to organise market monitoring by which it oversees trading in order to identify potential breaches of the rules, disorderly trading conditions or conduct that may involve market abuse;
- offers state of the art, reliable, scalable and resilient technology with a large range of functionalities to market participants to allow trading even in times of high volumes. A particular attention is paid at cybersecurity and data protection;
- reports breaches of rules or of legal obligations relating to market integrity to the competent authority. Market surveillance and monitoring are implemented through a two-step process consisting of real-time market surveillance and post-trade (i.e., "next day") analysis of executed trades. Euronext ensures member compliance with its rules by conducting on-site investigations and inspections;
- invests in technology aiming to improve its monitoring.

Part of Euronext's role in maintaining trusted, fair and orderly markets includes ensuring the security of those markets. The growth in the digitalization of the finance industry over the last years has revolutionized the sector. This transformation means that an increasing number of financial services are becoming available to more and more people at an ever increasing pace. Euronext has grown and continues to thrive with these changes *via* increased storage and processing power enabling us to grow in complexity and size. With increased size and access comes potential liabilities, however Euronext through Infosec Management and Cybersecurity governance has security controls in place in order to protect our markets from unwanted activity.

On 19 October 2020, a technical issue on a middleware led to a decision to halt the market. Markets were reopened three hours later causing new issues and leading to a late closing of the market. As these issues were considered as improper trading conditions, the decision was made to cancel all trades performed after 17.30 CEST (17.28 CEST for Euronext Dublin), except for commodities as no impact for this asset class had been identified. This was communicated to members *via* the Market Status web page. Euronext performed the necessary actions to secure normal trading on the following day. A significant number of improvements are being designed and implemented to enhance prevention, detection and resolution of issues impacting the software.

Euronext management has a strong commitment to upholding the security of our markets. Management oversees the information security/cybersecurity strategy and review process as well as annual plans, ensuring that the program stays current with the evolving environment and to avoid and treat potential negative impacts to Euronext. For further information of cybersecurity risks please refer to section *2.1 – Risk Factors* of this Universal Registration Document.

In order to assess its overseeing of the different markets it operates, Euronext has put in place several KPI's.

- Number of Serious Incidents (severity 1 and 2) on the regulated markets reported to the College of Regulators: at all times Euronext aims to provide the service, clients expect and need. For this, a Service Management Framework is in place between Euronext and each of its clients. This applies to all clients and for all Equities, exchange traded funds ("ETF"), Warrants & Certificates, Bonds, Derivatives, Commodities and Indices markets. The commitment is to keep a low number of incidents on a yearly basis.

The definition of a Serious Incident was agreed with the College of Regulators in 2011 and is understood as "an event that has caused a market to stop or an event that although the market is still running a material number of members are prevented from trading for a technical reason. Such events could include, but not be limited to trading engine failures, market data dissemination issues, the calculation and/or publication of Official Index Values, issues with tools used to manage and operate the markets."

Euronext Market Services team ("EMS") management has the ownership of the Serious Incidents Process and ensures that Serious Incidents are fully assessed, graded and efficiently managed.

The objectives of the Serious Incident Process are to:

- facilitate restoration of normal service operations as quickly as possible, and minimize the adverse impact on business operations, thus ensuring that the best possible levels of service quality and availability are maintained;
- ensure that all relevant stakeholders within EMS and IT are notified of all impacted services and serious incidents in a timely and effective manner;
- ensure that serious incident management and resolution is performed in an effective and controlled manner in compliance with best practices and the organization's internal and external rules and regulations;
- ensure that serious incident management and resolution for computer security incidents is performed in an effective and controlled manner in compliance with best practices and the organizations, internal and external rules and regulations;
- ensure all customers, clearing houses and regulators are alerted in a timely manner on the market status and are kept informed during the incident;
- ensure that all relevant stakeholders within EMS and IT are directly updated on the status of recovery activities until service is fully restored;
- ensure that all relevant stakeholders within EMS and IT are informed of the outcomes of postincident investigations and the actions being taken to avoid a recurrence.

Severity 1 level corresponds to critical severity incidents and Severity 2 level corresponds to high severity incidents that may upgrade to a Serious Incident. When a potential risk is identified, an amber committee, which consists of key representatives from IT and EMS, is invoked to bring together the right skills and address the potential risk efficiently.

- Number of operational alerts treated internally by EMS: Euronext has an alerting mechanisms in place. The Euronext Market Services (EMS) is the front line for Euronext Cash, Derivatives and Commodities business to ensure fair and orderly markets for all Cash, Derivatives and Commodities products, including Corporate Actions, Euronext Indices, Euronext Market Data, Member on boarding and Hosted Commercial Markets. EMS staff and managers have access to all relevant EMS Cash and Derivatives business and technical monitoring tools and make use of integrated EMS tools and procedures. EMS operates daily from 06:30-22:30 CET. Based on rules set by applicable regulation or by Euronext itself, alerts are being triggered real-time. These alerts help the operational teams of EMS to secure the smooth running of the markets. The type or the scope of alerts may change over time. The KPI is to track the number of alerts being treated by EMS in order to secure a proper running of the markets and allowing a fair and orderly trading, meaning the alerts which have been raised and processed by EMS.
- Availability of the Optiq platform: Euronext ensures fair and orderly trading for all markets operated by Euronext and as such secure proper market behavior allowing Euronext to offer a reliable service without improper trading taking place. As such, Euronext aims to have the trading platform available to its members at least 99.99% of the time. The target is a platform availability between 99.9% and 100% overall on a yearly basis. Any Severity 1/Severity 2 Serious Incident impacting Euronext regulated markets which are on the Optiq Trading Platform, on trade reporting systems (TCS and Saturn) or impacting one of Euronext MTFs (platforms operated by Euronext but for which it is not license holder) focused on trading activity. This includes the activities linked with the CCP's but it's excluding the CSD part. Also excluding are EuronextFX activities.

The 2020 figures of these KPI's may be found in section *3.6 – ESG Dashboard*.

Finally Euronext's team has a mission to bring innovation and agility to the markets. Since Euronext's IPO in June 2014, Euronext has focused on researching and developing new products together with its client community. These new products are now beginning to come to market and Euronext is excited about expanding its capabilities and making its business work better for Euronext's customers.

3.4.1.2 Promote and develop sustainable and innovative products and services with environmental (green and blue) or social added value

Euronext has developed sustainable products and services with environmental added value.

Euronext continues to grow the range of its ESG products that are offered on our exchanges. Euronext started its first ESG product offering over a decade ago with the Low Carbon 100 Europe Index and has continued to increase the number of ESG indices as well as diversify the ESG product offering to socially responsible ETFs, Green Bonds, and specific commodity futures. It extends also significantly its ESG services offering.

Euronext supports issuers in the current ESG evolution, with a tailored programme to increase their ESG knowledge, connect them with relevant stakeholders and advocate for their goals and interests, through its fully-owned subsidiary Corporate Services and in Euronext's listing team.

All Euronext countries being adjacent to the ocean and having rich fishing, shipping and seafaring traditions, Euronext decided to take on a leadership position in the Blue Economy in order to mitigate the losses in the ocean's natural capital resulting from unsustainable economic activity, address the threats to the oceans and contribute to enhanced ocean and coastal resilience. In 2020, Euronext became the first and only Exchange signatory of the UNGC Sustainable Ocean Principles that provide a framework for responsible business practices across sectors and geographies, build upon and supplement the Ten Principles of the United Nations Global Compact on human rights, labour, environment and anti-corruption.

Euronext also contributed to the UNGC Blue Bond Reference Paper, with the scope of identifying opportunities to use the ESG bond market to secure capital for ocean-related projects and companies that have made, or are planning to make, a significant contribution to the UN SDGs especially the Sustainable Development Goal 14 "Life Below Water".

A complete and detailed list of ESG products and services is available in section *3.6 – ESG Dashboard*.

3.4.2 OUR PARTNERS

Key Issues:

- be the spokesperson of the sector and foster "Issuer-Investor" dialogue;
- maintain an ongoing dialogue with multi-stakeholder partnerships;
- educate our partners on financial literacy and regulations.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Ensure sustainable consumption and production patterns.

As a stock exchange, Euronext can play a key role in providing guidance and training for companies and in strengthening listing requirements. By focusing on these actions, exchanges play a vital role in achieving this SDG and in ensuring transparency in their markets.

17 PARTNERSHIPS FOR THE GOALS

Strengthen the means of implementation and revitalize the global partnership for sustainable development.

As a stock exchange Euronext has always played a key role in bringing stakeholders together, and now more than ever they will be pivotal players in achieving global efforts. By being an Official Partner of SSE, Euronext is already making its mark in this area.

3.4.2.1 Be the Spokesperson of the Sector and Fostering Issuer-Investor Dialogue

A central element of Euronext's work involves engagement with all actors within our ecosystems. Alongside customers, be they issuers, investors and intermediaries, Euronext also engages with policymakers and regulators with a view to contribute to the development of the regulatory framework which governs Euronexts' activities. This engagement focuses on both the EU institutions, namely the Commission, Parliament and Member States in Council, as well as all relevant authorities in the Euronext jurisdictions.

Euronext engages with public authorities and policymakers on regulatory and policy issues that impact the financial sector and its stakeholders.

As a result of the European Commission's Action Plan on Financing Sustainable Growth and the European Green Deal, a number of legislative proposals have been agreed on which aim to incentivize investments in sustainable activities.

The agreements were reached on:

- sustainable disclosure obligations for institutional investors;
- a Taxonomy defining the sustainability of investments;
- changes to the Benchmark Regulation to enhance harmonised transparency on EU Climate Transition and EU Paris-aligned Benchmarks.

With ambitious application dates, the focus will now shift towards their implementation and the development of Level 2 legislation to further detail the requirements expected from financial market participants.

3.4.2.2 Maintain an Ongoing Dialogue With Multi-Stakeholder Partnerships

Euronext's commitment is also complemented by maintaining a dialogue with all its stakeholders including at national level, namely its clients and suppliers. Euronext is also member of different trade associations, notably FESE at European level, as well as *via* various national associations.

Advisory Committees

In this context, since 2014, each subsidiary exchange of the Group has one or more exchange committees ("Advisory Committees") consisting of external stakeholders, to advise and assist the local Managing Board in a non-binding, advisory capacity on new products and market developments. These committees discuss strategic issues at the local level, being the operational and technical issues linked to the business areas (Cash/Derivatives/Listing). It is also expected that Committee participants propose new ideas and be active in raising topics or issues that fall within the scope of the Committee. The Advisory Committees are consulted on issues of major interest to Euronext users (i.e. issuers, investors and other interested parties), where products and services might be developed to meet users' needs. Euronext commits to listening to the opinions of each Committee and taking these into account in its decision-making process insofar as possible, in the interests of both the Company and its shareholders.

Clients

Euronext continues to reinforce its business integrity by striving to improve the services it provides, making responsible business decisions, and actively managing the social and environmental impacts of its actions to help individuals, communities, businesses and economies progress and grow.

Euronext is a leading service provider for issuers, investors, intermediaries and technology data vendors. The Product and Sales teams, the Issuer-Client Coverage Group, the Market Supervision team and the Technology department provide competent care in the relationship management across all of the Group's customers.

Working across different Euronext teams, an ESG tracker has been introduced to systematically develop relationships and record client engagement with a focus on ESG:

- over 130 companies identified;
- close to 300 contacts buy side and sell side:
  - 50% of Banks and Brokers (Institutional and Retail brokers),
  - 50% of asset managers and Pension Funds;

- all over Europe: France (80%)/Benelux (18%)/Switzerland – Germany – Nordics countries and United-Kingdom (2%);
- 80 meetings took place since May 2020 involving sales, index and derivatives teams.

Education, product innovation and a drive towards a common nomenclature (*e.g.* ESG labels) are at the heart of this initiative in order make ESG investing accessible for a broad audience.

In order to assess the way clients are satisfied by the products and services provided by Euronext, the Group has put in place a Client Satisfaction Survey ("NPS")(1) which serves as a KPI's.

For the fifth consecutive year, this customer satisfaction survey was conducted in 2020 whereby clients provided anonymous feedback on a wide range of topics covering each aspect of the business. Several hundred contacts participated in the yearly exercise, providing valuable insight into client perception of Euronext's strategic initiatives, client relationship management, and product offering. The results of the NPS for 2020 compared to the previous years may be found in *section 3.6 - ESG Dashboard*(2).

Suppliers and Subcontractors Ethical Supply Chain

Euronext's goal is to drive excellence throughout its organisation and to support and positively influence its supply chain.

Euronext works with suppliers who share its own values. In 2015, it focused on the preparation and assessment of a chart for suppliers, to complete its existing internal procedure. Since 2016, this chart (referred to as "Euronext Supplier code of conduct"), including provisions regarding human rights, diversity and inclusion, and environmental protection, is provided together with requests for proposal to each envisaged supplier.

Additionally, any new vendor selected by Euronext is first screened, to identify any current or previous sanctions, and is compared to the Euronext country black list (directly based on the OECD blacklist of Non Cooperative Countries or Territories ["NCCT"] – reviewed on a yearly basis).

All subcontractor agencies in France (accounting for more than 80% of the subcontracting purchasing category at the Group level) have been further screened, based on their Social and Tax reports to authorities.

In the context of Euronext ESG strategy and in complement to the Vendor code of conduct, Procurement is now systematically (*i.e.* for 100% of the vendors considered) assessing short listed vendors on:

- Environmental criteria
- Social criteria
- Human right criteria

In practice, this means that all vendor questionnaires and RFP's now include an evaluation on the three above criteria's – and it is factored in the global rating of the vendors. It is important to note that Euronext's nature of business (IT/Finance) and geographical footprint (Western Europe/USA) mitigates the risks of establishing relationships with vendors violating rules around forced labour or human rights.

Regarding the code of conduct, a KPI has been put in place and is closely monitored on a daily basis to follow up on the percentage of returned signed code of conducts. This process is in place since end of June 2020. Data for the second half of 2020 are available on Section 3.6 - ESG Dashboard.

Employees

Euronext promotes an environment that encourages collaborative work, learning and innovation allowing each employee to shape his/her future and the future of the Company. As detailed in section 3.6 the Company undertakes several initiatives to support and nourish a culture of performance through an ongoing dialogue with its employees.

Shareholders, Analysts and Investors

Euronext has an ongoing dialogue with financial analysts, shareholders and investors. The Company focuses on communicating clearly and providing transparent explanations. Euronext has decided to publish full financial results on a quarterly basis. These results are commented on in either physical meetings or conference calls for analysts and investors and are accessible to the general public *via* webcast found on the Company's website.

Regulators and Finance industry as a whole

Euronext is an organisation that provides exchange listing, trading, post-trade and related services in Europe. The Company operates exchanges in six European countries. Each Euronext market operator is subject to national laws and regulations and other regulatory requirements imposed by exchange authorities, central banks and finance ministries as appropriate.

The seven national regulatory authorities coordinate their regulation and supervision of the regulated markets operated by the Group through the "Euronext College of Regulators", acting pursuant to memoranda of understanding which Euronext has committed to respect. These regulatory authorities have identified certain areas of common interest and have adopted a coordinated approach to the exercise of their respective national rules, regulations and supervisory practices regarding listing requirements, prospectus disclosure requirements, on-going obligations of listed companies, takeover bid rules and disclosure of large shareholdings. Representatives of each national authority meet in working groups on a regular basis in order to coordinate their actions in areas of common interest and agree upon measures to promote harmonisation of their respective National Regulation. Euronext representatives are invited on a regular basis to part of those meetings.

For more information on the regulation, see section *1.4 – Regulation* of this Universal Registration Document.

(1) The NPS represents the difference between the members who are positive *vis-à-vis* Euronext and those who are detractors (the neutrals are not taken into account). When the figure is positive it means that the promoters outweigh the detractors (and *vice versa*).

(2) NPS covers Euronext FX and VPS for 2020.

Memberships

FESE

Euronext is a member of the Federation of European Securities Exchanges (FESE), a trade body located in Brussels representing European exchanges and engages in advocacy on behalf of this member community. In 2020 FESE developed and published a document which promotes and informs companies about ESG reporting by consolidating and incorporating a methodology on how to approach the topic of sustainability.

United Nations Sustainable Stock Exchange Initiative Membership

Euronext joined the United Nations SSE Initiative in December 2015, which aims to explore how exchanges can work together with investors, regulators, and companies to enhance corporate transparency on Environmental, Social and Corporate Governance (ESG) issues and encourage responsible long-term approaches to investment.

As an Official Partner of the Sustainable Stock Exchange Initiative (SSE), Euronext's seven market operators have voluntarily committed – through dialogue with investors, companies and regulators – to promote sustainable, long-term investment and improved ESG governance disclosure and performance among the companies listed on their respective exchange. The decision of membership to SSE reflected the commitment of Euronext in these areas.

In 2020, the United Nations Sustainable Stock Exchanges (SSE) initiative hosted a webinar meeting of the SSE Climate Disclosure Advisory Group to discuss how to support stock exchanges in providing guidance to issuers on climate disclosure. The meeting brought together exchanges, regulators, and investors in order to review the zero draft of a guidance. The guidance aims to assist exchanges in developing best practice reporting guidance for issuers to ensure globally consistent disclosures incorporating the recommendations from the FSB Task Force on Climate-Related Financial Disclosures (TCFD). Euronext is member of this Advisory Group.

The SSE published early 2021 a Policy brief on Gender equality on corporate boards. This Policy brief provides an analysis of gender equality on the boards of the top 100 issuers by market capitalisation on each of the G20's major stock exchanges. The data provides exchanges with the state of gender equality in the top positions in companies listed on their markets. Euronext Paris is ranked first among G20 stock exchanges with women holding 44.3% of the board seats of the top 100 listed companies.

3.4.2.3 Educate our partners on financial literacy and regulations

Endorsing a role of strategic financing advisor, Euronext has invested significant efforts in accompanying and educating non-listed companies from various natures, sizes, sectors and countries. The various Euronext educational programmes aim at helping private companies exploring whether capital markets are the most appropriate source of funding for their growth, subsequently equipping them with a capital markets usage toolbox.

TechShare, IPOready and FamilyShare were launched, in September 2015, March 2015 and Septermber 2017 respectively. With a common advisory DNA, these programmes have already accompanied close to 600 CEOs of private companies from across Europe (including Austria, Belgium, France, Germany, Ireland, Italy, Portugal, Spain, Switzerland and The Netherlands). Most of Euronext educational programmes are prefunded to democratise access to capital markets education for private companies.

More details on the different programmes launched by Euronext may be found in section *3.6 – ESG Dashboard*.

3.4.3 OUR PEOPLE

Key Issues:

- develop skills and retain talents in an open culture of dialogue;
- promote diversity;
- respect human rights and local labour laws.

5 GENDER EQUALITY

Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.

As a market infrastructure, Euronext may take leadership in the area of diversity namely with the stock exchange bell ringing ceremonies in support of empowering women in the workplace, marketplace and community.

At Euronext, corporate responsibility is part of our identity. Euronext conducts its business ethically and integrates consideration of the impact of its actions on its employees. Euronext promotes an environment that encourages collaborative work, learning and innovation allowing each employee to shape his/her future and the future of the Company.

3.4.3.1 Develop Skills and Retain Talents in an Open Culture of Dialogue

Euronext promotes an environment that encourages collaborative work, learning and innovation allowing each employee to shape their future and the future of the Company.

The company implemented Talent Development initiatives to foster a shared company culture across locations and teams, develop skills and performance at individual and team level, promote internal career and project opportunities.

An ambitious Learning and Development roadmap based on the "Let's Grow Together 2022" strategic plan pillars is rolled out to favour access to training on the core strategic skills to all employees through dedicated training programmes, Learning Weeks events and global sharing sessions opened to all staff.

Euronext runs internal educational and information programmes including frequent "lunch & learn" sessions, in order to develop expertise in each of the key business lines and functions.

A dedicated budget is also set and spent for training purposes across Euronext locations.

Active dialogue sessions are organised in each country, business lines and functions. Each employee was involved in the set-up of the strategic plan "Let's grow together 2022", and each employee is invited to play a role in the implementation of the plan through frequent feedback sessions.

Further details on the way this has been deployed in 2020 may be found in section *3.6 – ESG Dashboard*.

3.4.3.2 Promoting Diversity

Euronext is a multinational financial markets company born from the coming together of market exchange activities in Amsterdam, Brussels, Paris and Lisbon. Euronext is now present in 16 European countries and in the US and Asia. The federal governance model is central to its organisation, and naturally creates an environment where people of diverse cultures and backgrounds collaborate and drive the organisation forward.

Its long-standing commitment to diversity is entrenched in its corporate values, particularly that of "Unity" which encompasses three main elements:

- we respect and value the people we work with;
- we are unified through a common purpose;
- we embrace diversity and strive for inclusion.

In February 2018, a new Euronext Diversity Policy was adopted by the Euronext Managing Board, available on Euronext's website[(1)]. This policy was an opportunity for Euronext to set its position on Diversity and reaffirm its commitment to ensuring an inclusive environment for all forms of diversity. Diversity at Euronext includes gender, ethnicity, religion, sexual orientation, age, language, socioeconomic status, physical ability, experience and education.

For all these reasons Euronext has measured the diversity levels in the Senior Leadership team ("SLT"). The SLT is an Executive group created in 2016, which is composed of senior managers from across the company who are invited to help Euronext develop and achieve its strategic ambitions.

In support of increasing the level of females participating in our SLT, Euronext invests in a number of supporting initiatives such as: mentoring programmes, focused on female mentees and female role model mentors; a new leadership development programme module on Women in Leadership ; focus on our job descriptions and recruitment pipeline strategy, and ensuring there is pay equality between males and females.

More details can be found in section 3.6 - ESG Dashboard.

3.4.3.3 Respect of the Human Rights and Local Labour Laws

Euronext has confirmed its support for the Ten Principles of the United Nations Global Compact, and supports the UN Guiding Principles on Business and Human Rights, together with the International Labor Organization Conventions and Recommendations. Euronext's complies with these fundamental rights, conventions and recommendations, notably social rights, freedom of association and equality, abolishment of forced and child labor.

Euronext is committed to social dialogue, supporting union representation rights and facilitating worker representative bodies.

More details may be found in section *3.6 – ESG Dashboard*.

3.4.4 OUR SOCIETY

Key Issues:

- act ethically, with integrity and the highest standards in terms of good governance;
- educate and engage with our local Community.

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountableand inclusive institutions at all levels.

As a company, Euronext commit to the highest ethical and legal standards of conduct.

4 QUALITY EDUCATION

Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.

As a stock exchange, Euronext is committed to making a positive impact on its local and global communities and will focus community activities on two topics: Financial Literacy and Blue Finance.

3.4.4.1 Act ethically, with integrity and the highest standards in terms of good governance

Euronext's commitment to high ethical and legal standards of conduct is core to Euronext businesses, and the Group aims to be a model for the industry by supporting the highest ethical standards in its dealings with its colleagues, employees, business partners, customers and in its communities.

Euronext is committed to ensuring a balance between the needs of its employees with those of the Company guaranteeing that each and every employee can excel and develop in a safe, discrimination and harassment free environment.

(1) https://www.euronext.com/fr/investors/corporate-governance.

Good Corporate Governance

The Company respects the Corporate Governance Guidelines, Recommendations and Codes set in place in the Netherlands (see section 4.1), and aims to comply with the ones set in place in the other Euronext locations, and notably the French Afep-Medef Recommendations and the 2020 Belgian Code on Corporate Governance.

The governance of Euronext reflects the highest standards of independence, oversight, and transparency. The Company applies strict principles and guidelines to its own governance practice and to the companies that list on its markets.

More figures related to the activities of the Managing and the Supervisory Boards may be found in section *3.6 – ESG Dashboard*.

Euronext Code of Business Conduct and Ethics

Euronext has adopted a Code of Business Conduct and Ethics that reaffirms its commitment to high standards of ethical conduct and reinforces its business integrity, policies and procedures. The Code of Business Conduct and Ethics explains the Company's core values and basic ethical obligations in conducting business. In particular, it addresses the following themes:

- conflicts of interest;
- inside information and personal trading;
- confidential information and privacy;
- antimoney laundering, sanctions;
- antibribery;
- data protection;
- fair competition.

Euronext Compliance Policies

These policies aim at ensuring compliance with the laws and promoting best practice as well as the higher ethical standards.

They intend to raise awareness among Euronext employees and avoid non-compliance or reputational risks.

Euronext has implemented the Anti-Money Laundering and Sanctions Policy and Guidance according to the 4th European Union AML Directive. The Euronext Anti-Money Laundering and Sanctions Policy is designed to ensure compliance with EU AML Directives and Regulations applicable to an operator of regulated markets and trading venues. It includes the need to have in place appropriate systems and controls to identify and mitigate the risk of Euronext being used to facilitate money laundering, other financial crime or terrorist financing.

Furthermore, Euronext maintains a strong focus on detecting integrity breaches such as market abuse, market manipulation, and insider trading which are reported to regulators. Euronext has internal procedures and dedicated teams for this purpose and to ensure compliance with requirements of the Regulation (EU) no. 596/2014 of the European Parliament and of the Council of 16 April 2014 on Market Abuse ("Market Abuse Regulation").

Prevention of market abuse by Euronext staff is supported by a Personal Trading Policy, a Euronext N.V. Insider trading Policy as well as a Confidential and Inside information Policy.

Finally, Euronext has adopted an antibribery policy and a conflict of interest policy according to best practice to comply with local laws, as well as a gift meals and entertainment policy which strives to ensure all Euronext staff upholds the highest standards with respect to conflicts of interest and anti-corruption. Those polices cover all business and all operations of Company. The Anti-Bribery Policy is established to create a framework to prevent, identify and report the activities constituting bribery in its many forms. The Policy encompasses various forms of corruption and bribery including attempt or appearance of corruption.

Similarly, Euronext has established the Conflicts of Interest Policy to avoid conflicts situations, ensure that employees understand what a conflict of interest is, in its many forms and offer guidance to employees on how to manage such conflicts. The Policy encompasses all business and operation of the Company with a dedicated focus for certain highly regulated businesses.

The aforementioned policies apply to Euronext and its majority owned subsidiaries, and to all Euronext employees and consultants (including interns and temporary staff) and agents. They are available to Company employees on the Intranet and employees are required to participate in mandatory trainings.

For more information on the Code of Business Conduct and Ethics see section *2.3.1.3 – Corporate Compliance – Code of Business Conduct and Ethics*

Whistleblowing Program

The Company, *via* its Whistleblowing Policy and Procedure, allows Employees and third parties to report in confidence alleged breaches of the laws or Company policies, and protects anyone who reports in good faith, ensuring that they shall in no way be put at a disadvantage by the Company as a result of the report. The policy provides internal and external mechanisms to report unlawful and unethical behaviors. The internal mechanism allows employees to report alleged breaches either to the Compliance department or directly to the management or to the Chairman of the Supervisory Board under specific circumstances, in which cases they must necessarily inform the Compliance department of the report received. The external mechanism is managed by the Compliance department per internet by a specialized provider and allows employees anonymous reporting. The Company is committed to protect reporting employees against retaliation. The Whistleblowing Policy and Procedure also describe how the reports are treated, how investigations are carried out including confidentiality aspects as sets for in the laws and contains the rights and obligations of Employees when they want to report an alleged breach. The Company has also upgraded its Policy and Procedure to ensure compliance with laws of the jurisdictions where it operates. The Compliance department maintains a log of all reported alleged breaches, tracking their receipt, investigation and resolution and on an annual basis reports a summary to the Company's Audit Committee, as described in the Whistleblowing Policy.

The Whistleblowing Policy is available on Euronext Website[1] and on Euronext Intranet in the main languages used in the Company. Employees participate in mandatory trainings mostly through e-learning platform and are informed on the mechanisms to report unlawful and unethical acts and behaviors.

(1) https://www.euronext.com/fr/node/721.

Additionally, the Company is committed to providing all employees and others who are on Company property with a safe and healthy work environment. Accordingly, all employees will comply with all health and safety laws and regulations as well as Company policies governing health and safety. All employees are responsible for immediately reporting accidents, injuries and unsafe equipment, practices or conditions to a manager or other designated person.

Staff training and awareness sessions are conducted regularly in all Company locations to promote compliance and ethics standards. Each new employee is trained shortly after joining by the Euronext Compliance department. Euronext conducts ongoing training as refresher and as necessary, such as following the modification of these policies.

All the cases reported by the users are tracked as a KPI and results are displayed in section *3.6 – ESG Dashboard.*

Data Protection

Euronext is strongly committed to protect the personal data and uphold the right to privacy as provided by Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of Personal Data and on the free movement of such data ("GDPR") and any national implementing laws and regulations of the GDPR.

Euronext has adopted a set of internal policies/procedures and internal/public notices/statements:

- Internal policies and procedures:
  - data privacy policy,
  - data retention policy,
  - personal data classification policy,
  - personal data breach policy and procedure,
  - data Subjects Information Consent and Rights Policy and procedure,
  - privacy by Design and data protection impact assessment procedure;
- internal/public notices/statements:
  - privacy notice to staff,
  - privacy notice to board members,
  - privacy Statement including applicants information,
  - data subjects' Rights Request Information procedure.

These processes are circulated to employees through a global training specifically designed by and for Euronext and in-depth training for specific functions more exposed to certain risks. Staff training and awareness sessions are conducted regularly in all Company locations to promote GDPR compliance. Each new employee is trained shortly after joining. All new acquisitions made by Euronext are integrated in these processes as well after harmonization where applicable. This global training is carried out through Onyx and 360 learning tools which keep track of the achievement of this by the employees. Other more specific awareness-raising/training campaigns are carried out in parallel either physically (with the signing of an attendance sheet), or through distribution by email or publication on the intranet on more specific or more in-depth subjects. due to a particular risk exposure.

Euronext maintains all the organizational and technical measures put in place to ensure the protection of privacy. Among all these organizational measures, we can highlight:

- the use of an IT tool dedicated to the GDPR, OneTrust, which automates the processing register;
- the use of an IT tool for monitoring and assessing the risks of personal data breaches as well as for carrying out impact analyses relating to data protection (carried out for any new project or supplier), Jira;
- the designation of "Business Data Owners" within each department whose role is to ensure the link between the department concerned and the Data Protection officer ("DPD") on the one hand and InfoSec and Data Management Office on the other hand;
- the setting up of several tools by the InfoSec department to classify or supervise access to data.

Finally, governance around data in general and personal data in particular has been maintained within the Group as well as monthly reporting to the Data Governance Steering Committee.

Euronext has decided to track and report on three important KPI's related to this matter:

- training & awareness around data privacy: number of employees participating to the GDPR training organised internally;
- data breaches: number of data breaches, i.e. breach of security leading to the accidental or unlawful destruction, loss, alteration, unauthorised disclosure of, or access to, personal data transmitted, stored or otherwise processed.

Euronext tracks also the number of requests to exercice the Data Subject Access Rights (DSAR) that it has received and the response time needed to react. These requests may be done through the DPO email address or through a specific form accessible on the Euronext website. The figures related to these KPI's for 2020 may be found in section *3.6 – ESG Dashboard.*

3.4.4.2 Educate and Engage With our Local Community

Euronext supports community activities that have a direct, positive and measurable impact and that are aligned to our corporate values.

Through training, volunteering, charitable activities and thought leadership, Euronext employees contribute in two main areas that are relevant to our business:

- financial Literacy: capital markets topics including the roles of exchanges and basic principles for investments;
- the Blue Economy: supporting sustainable oceans, seas and marine resources. Euronext is the first exchange that signed the UN Global Compact Sustainable Oceans' principles.

Financial Literacy

As a financial infrastructure provider, Euronext is at the centre of financial markets and communities. Gathering together a broad range of stakeholders, Euronext is committed to improving the broader understanding of how Euronext and other financial institutions, work together and have beneficial impact on the world around them, enabling sustainable global economic growth and increased welfare. Euronext strives to improve financial knowledge, skills and attitudes far beyond its own company, seeking to reach employees in its broad community of companies, as well as teachers, students, and other members of the general public in the countries where Euronext operates. Euronext partners with several international organizations. Activities include the celebration of Global Money Week, Global Entrepreneurship Week and Financial Literacy Week, with events and bell ceremonies across all its locations.

Blue Economy

All Euronext countries are adjacent to the ocean and have rich fishing, shipping and seafaring traditions and Euronext is a leading listing venue for companies that operate in the ocean industries and other businesses related to the Blue Economy There is increasing evidence that losses in the ocean's natural capital resulting from unsustainable economic activity is eroding the resource base on which growth depends. Given its global reach and local presence, Euronext's goal is to take on a leadership position in the Blue Economy in order to mitigate this development, address the threats to the oceans and contribute to enhanced ocean and coastal resilience. In 2020, community initiatives in Euronext's different locations focused on activities to support the conservation and sustainable use of the oceans, seas and marine resources for sustainable development as set out in the Sustainable Development Goal 14 "Life Below Water".

Euronext's community activities are organised under the umbrella of the Euronext Foundation, The Group has established a Governance Committee that prioritises and decides on which proposed community initiatives to support financially. Community activities related to Financial Literacy and the Blue Economy are organised by each local exchange, under the management of the local CEOs and ESG coordinators.

More details on what has been done in 2020 in terms of volunteering and donations may be found in section *3.6 – ESG Dashboard.*

3.4.5 OUR ENVIRONMENT

Key Issue:

- reduce our own carbon footprint and contribute to the protection of the environment;

13 CLIMATE ACTION

- take urgent action to combat climate change and its impacts.
- As a company, Euronext can contribute to the global and national challenges of climate change.

Reduce our own carbon footprint and contribute to the protection of the environment

Convinced that climate change will have material impact on the economy as a whole and thus also on Euronext, conscious of the challenges linked to climate change, to the need to reduce its greenhouse gas emissions and to manage natural resources prudently and sparingly, Euronext has fully integrated environmental issues into its activities and strategy.

In 2019, Euronext partnered with Carbone 4 in order to clearly identify and assess its potential climate-related risks and opportunities in addition to calculating its carbon footprint. In 2020, Euronext has again carried out an analysis of its carbon footprint and report fully on it in its Universal Registration document, including scope 3 emission.

- Scope 1 representing direct emission from buildings and other assets;
- Scope 2 representing the electricity consumption;
- Scope 3 representing all the purchases, travels, commuting, ...

The 2020 figures (compared to the ones of 2019) may be found in the ESG Dashboard.

Euronext's carbon footprint is relatively low. However Euronext seeks to further reduce its carbon emissions notably via the analysis of the environmental impact of its third party providers, and technology usage. Euronext promotes IT solution that reduce the consumption of natural resources, the use of communication tools over international travel, reducing the footprint of physical platforms to virtual environments and reduction of hardware consumption

Euronext will focus in the coming years on reducing its carbon footprint and will define clear targets. Euronext is also fully committed to use only renewable energy in the years to come. For several years, Euronext has taken care, at Group level, to reduce its consumption of paper and of energy in its offices and data centres as well as reduce its waste to minimize its ecological footprint. Indeed, Euronext is committed to continue taking environmental impacts into account when conducting its business. Euronext is willing to do more and has the ambition to become a "plastic-ban exchange".

3.5 ESG Risks Considerations

As mentioned in Section 2 – Risk Management and Control Structure, Euronext assess the materiality of ESG and related risks. Euronext recognizes the importance of ESG issues notably those of the environment, human rights, antibribery and corruption risks. They are not currently considered principal risks for the Group, and these risks where they are relevant are identified under risk categories within the Group risk taxonomy. The below discussion seeks to clarify areas in which Euronext analyses ESG risk potential.

Social

Given Euronext's role as market operator and mission to uphold the highest standards for a transparent market, the integrity of our markets is one of our imperatives. We believe that financial markets are a cornerstone to a well-functioning economy and, by extension, society. Therefore the risk of an integrity breach of our markets may be considered a societal risk. However, given the strict legal framework and highly regulated environment in which Euronext operates, these risks are considered as compliance risks.

Euronext mitigates potential risks to our market integrity by ensuring strong controls and procedures. Euronext has implemented the Anti-Money Laundering and Sanctions Policy and Guidance according to the 4th European Union AML Directive.

Euronext maintains Member and Issuer Compliance teams to support fair and orderly markets and protect against integrity breaches such as market abuse, market manipulation and insider trading, which if detected are reported to Regulators. With respect to Euronext as a market infrastructure and an issuer, further controls and policies in order to ensure the highest standards and integrity are maintained:

- Code of Business Conduct and Ethics;
- Euronext Personal Trading Policy;
- Policy Preventing Insider Trading on Euronext N.V. Financial Instruments;
- Confidential and Insider Information Policy;
- Conflicts of Interest Policy;
- Anti-Fraud Policy;
- Anti-Bribery Policy (in best practice accordance to local laws);
- Anti-Money Laundering and Sanctions Policy;
- Gifts, Meals, and Business Entertainment Policy;
- Employee code of conduct;
- Whistleblower Policy.

Euronext ensures regular training sessions for all employees and targeted training sessions for those employees with access to potential price sensitive information. Euronext also manages a whistleblowing policy to ensure employees have a place to report issues confidentially *(see section 3.4.4.1 – Act ethically, with integrity and the highest standards in terms of good governance)*.

Euronext employees are essential to the Company and are a critical stakeholder. While Euronext protects itself from key man risk through succession planning and its organization (please refer to section 2.3.7. for further information) employee health, wellbeing, and growth are imperative to the Company. As such Euronext has several initiatives in place to employee wellness (please refer to section 3.7 "Encourage health and safety at work") in addition to upholding European labor laws. Given Euronext's geographic footprint (primarily Europe) and sector. Euronext employees are covered by European Labor Laws and the Company benefits from having Euronext has limited employees outside of Europe (US, India and Hong Kong) and is obligated to uphold upholding labor laws in the jurisdictions in which it operates. Euronext has confirmed its support for the Ten Principles of the United Nations Global Compact, and supports the UN Guiding Principles on Business and Human Rights, and the International Labor Organization conventions and recommendations. Euronext complies with these fundamental rights, conventions and recommendations, notably on social rights, freedom of association and equality and, abolishment of forced and child labor.

Euronext employees benefit from local works councils in Denmark, France, the Netherlands, Norway and Portugal. Given Euronext's geographic footprint (primarily Europe) and sector. Euronext employees are covered by national and European Labor Laws and the Company benefits from having Euronext has limited employees outside of Europe (US, India and Hong Kong) and is obligated to uphold European Labor Laws.

Euronext operates in an industry where the risk of modern slavery and human trafficking is inherently low and in jurisdictions where labour standards are high. However, Euronext operates as an international business and recognizes the risks of partnering with a varied spectrum of global suppliers comes with a responsibility as such Euronext seeks to ensure the highest standards within the Company and throughout our supply chain *via* the Euronext Supplier code of conduct. This code of conduct first signed in 2015 includes provisions regarding human rights, diversity and inclusion, and environmental protection, ensuring that Euronext has an ethical supply chain. Additionally all new vendors are screened for past or current sanctions. In 2020, the supplier code of conduct was reviewed to reinforce ESG considerations for all Euronext suppliers. For further information regarding our supply chain please refer to section 3.4.2.

Environmental

As an electronic services provider, Euronext does not directly engage in materially environmentally sensitive activities. Nevertheless, Euronext is committed to environmental sustainability and has endeavoured over the past 10 years to offer an increasing range of ESG products and services to its clients.

Euronext seeks to reduce its environmental footprint where possible. In 2019, Euronext partnered with Carbone 4 in order to clearly identify and assess its potential climate-related risks and opportunities in addition to calculating its carbon footprint.

In 2020, Carbone 4 calculated again Euronext's carbon footprint Climate change will have a material impact on the global and regional economy in which Euronext is a key player. While these changes will have economic and social consequences, the preliminary assessment conducted with Carbone 4 has concluded that Euronext's carbon footprint is relatively low and the exposure to climate change related risks are limited.

Euronext believes that environmental challenges including climate change are relevant and will become increasingly so and has therefore included ESG as a strategic pillar in its strategic plan "Let's Grow Together" as well as seeking to embed ESG within each of its strategic pillars. In line with its strategic plan Euronext will seek to further reduce its carbon emissions notably by analysing the environmental impact of its third party providers, and its technology usage by trying to promote IT solutions that reduce consumption of natural resources, for example the use of communication tools rather than international travel, reduced the footprint of physical platforms to virtual environments and reduction of hardware consumption.

Please refer to section 3.6. for further details on Euronext's Green IT Initiative for information regarding the ESG products offered by Euronext.

Governance

Euronext upholds the highest standards of Corporate Governance and complies with the Dutch Code of Governance. Euronext's two-tiered board structure ensures strong oversight over management. Euronext maintains a majority independent Supervisory Board in order to ensure all shareholders are appropriately represented. Finally, Euronext seeks to ensure that executive remuneration and non-executive director remuneration are not excessive with respect to market and sector peers, and that for executive directors, variable compensation is aligned with Company performance. For more information on the composition of the Supervisory Board, please refer to section 4.2.2. For details regarding non-executive and executive remuneration please refer to section 4.4 of this document.

3.6 ESG Dashboard 2020

This section aims at detailing all the ESG activities, products and services delivered by Euronext as well as the figures of the different KPI's identified for each of the five impact areas for 2020.

3.6.1 OUR MARKETS

3.6.1.1 Trusted, Fair and Orderly Markets

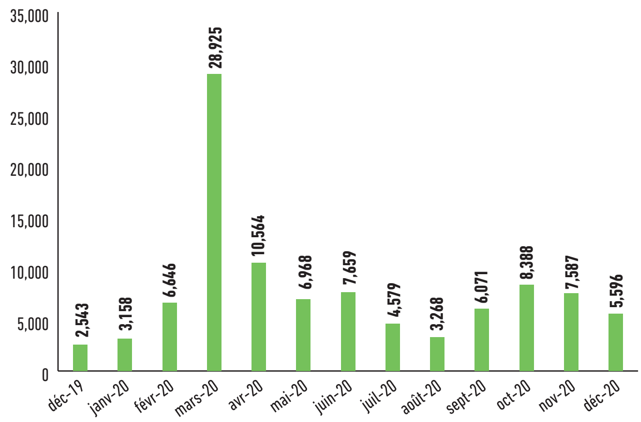
In order to assess its overseeing of the different markets it operates, Euronext has put in place three KPI's. Description of those KPI's and definitions may be found in section 3.4.1.1 of this Universal Registration Document. Hereafter are the 2020 figures of those KPI's compared to 2019:

- Number of serious incidents related to Euronext markets and reported to the College of Regulators:

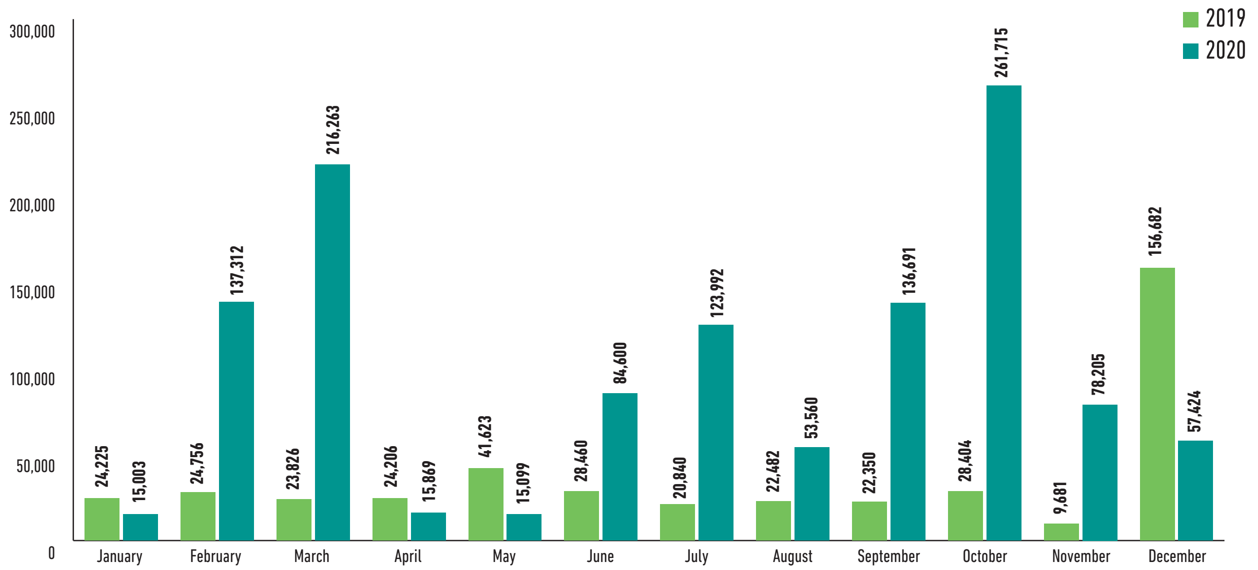
The number of incidents reported to the College of regulators in 2020 is 14 including 3 of Severity 1 (to be compared to 11 including 4 of Severity 1 in 2019).

- Number of operational alerts treated internally by the Euronext Market Service in 2020 on the cash and on the derivatives markets:

On the cash regulated markets 99,409 alerts were treated by EMS compared to 44,046 in 2019. The high number of Alerts over March are primarily related to the high market activity due to the Covid-19 situation. The difference between 2019 and 2020 may also be explained by the creation of new type of alerts.



On the regulated derivatives markets 1,195,733 alerts were treated by EMS in 2020, compared to 427,535 in 2019. The high number of Alerts in February and March are primarily related to the high market activity due to the Covid-19 situation. The other spikes are due to increase in product scope.



Availability of the Optiq platform:

In order to ensure transparent, reliable and secure markets, it is important that the platform used for the organization of these is continuously available. This is the reason why Euronext controls the availability rate of Optiq. In 2020 the average availability was 99.84% for the cash markets and 99.90% for the derivatives ones (to be compared to respectively 100% and 99.95% in 2019).

3.6.1.2 Promote and Develop Sustainable and Innovative Products and Services With Environmental (Green and Blue) or Social Added Value

Euronext has developed sustainable products and services with environmental added value. A complete list of those products and services may be found in this section.

A. Sustainable Products

A.1. Sustainable Indices

Euronext ESG Indices are designed to support common approaches to environmental, social and governance (ESG) investing. Euronext ESG indices are based on a fully transparent and rules-based selection process and measures risk and performance across a variety of Environmental, Social and Governance (ESG) areas.

In 2019; the percentage of ESG Indices *versus* total indices created was 82% and this figure went up to 88% in 2020. At the end of 2020 more than 300 listed structured products are linked to Euronext ESG indices, whereby over 200 products created for the French market already have a combined asset under management of €4.5 Billion.

Moreover, Euronext is the number one ESG index provider in Europe for structured products since 2019[(1)].

As a stock exchange committed to sustainability, Euronext will continue to extend over 2021 its ESG index offering thanks to its partners expertise: V.E, CDP, Carbone 4, GRESB and ISS-ESG.

A.1.1. EURONEXT V.E FAMILY OF INDICES

Euronext entered into a cooperation agreement with V.E in March 2013. V.E – an affiliate of Moody's s is the leading European expert in the assessment of companies and organisations with regard to their practices and performance on environmental, social and governance ("ESG") issues. This cooperation has led to the launch of several family of indices.

Covering Eurozone/US, Europe, Eurozone and France and taking into account the most sustainable companies with regard to their practices and performance on environmental, social and governance ("ESG", "SG" or "E") issues.

a) Euronext V.E Indices

Launched in 2013, this family is composed of seven indices (Euronext V.E World 120, Euronext V.E Europe 120, Euronext V.E Eurozone 120, Euronext V.E US 50, Euronext V.E France 20, Euronext V.E United Kingdom 20 and Euronext V.E Benelux 20), whose components are reviewed and updated twice a year. Euronext V.E indices are composed of the highest-ranking listed companies as evaluated by the V.E agency in term of their performance in corporate responsibility. Companies weights are calculated accordingly to their respective Equitics scores. The weighting of each component at the review date reflects the score of the Company divided by the total sum of the scores of all components.

b) Euronext ESG Leaders Family of Indices

Launched over the last three years, these indices measure the performance of the top performing companies in the ESG field, with regards to their respective V.E rating or Energy Transition

(1) Based on sales volumes in the SRP database.

Performance scores. The Energy Transition Performance is a forward-looking approach that analyses a company's capacity to adapt their business model and manage sector-specific risks and opportunities related to the transition to a low-carbon economy.

c) Euronext Europe Pioneers 50 EW

Launched in February 2020, this index is made of the 50 most virtuous French and German companies in term of ESG score, as evaluated by the V.E. agency, among the 100 largest ones (50% German and 50% French).

d) Euronext Eurozone ESG Large 80

The Euronext Eurozone ESG Large 80 Index shows the performance of 80 Eurozone Large Cap companies selected for their ESG and Energy Transition performance. The Index selects the highest-ranking companies from their sector supporting the transition to a low-carbon economy and reducing climate impact, with a minimum score of 30, and excludes:

- the 20% lowest-ranking companies in terms of Social assessment;
- the 20% lowest-ranking companies in terms of Governance assessment;
- the companies facing critical controversies with regards to UNGC;
- the companies involved in coal, tobacco or weapons.

Euronext launched the Euronext Eurozone ESG Large 80 Index Future on 1 June 2020. The Future will provide investors with an effective hedging tool while offering the opportunity to take exposure in the Eurozone sustainable economy, In December 2020 BNP launched a tracking certificate on the index.

e) Euronext Core Euro and Global Climate Change

Launched in September 2020, this index includes the 40 largest Eurozone companies after an exclusion based on fossil fuel and/or UN Global Compact, as well as a green pocket of 10 global companies, selected for their involvement in the Energy and Climate Change field.

f) Other Euronext V.E Family of Indices

- Euronext Europe Sustainable 100 EW;
- SBF Top 50 ESG EW;
- Euronext Euro 50 ESG EW;
- Euronext Eurozone 100 ESG;
- Euronext Transatlantic ESG Leaders 60 EW;
- Euronext Euro 50 Social Governance EW;
- Euronext Green Planet E.;
- Euronext Green Planet France.

A.1.2. EURONEXT CARBONE 4 FAMILY OF INDICES

Carbone 4 is a leading consulting firm specialized in the energy and climate transition. Carbone 4 advises public and private entities, assisting them in the transition to a low-carbon economy. Carbone 4 assesses the Company's impact on climate change and its contribution to reduced Green House Gas ("GHG") emissions, while taking into account induced and avoided emissions and the forward-looking analysis.

a) Low Carbon 100 Europe Index – the First One

In 2008, Euronext was the first exchange to launch a pan-European index focusing on CO_2 emissions, designed with the support from a group of international experts and in close collaboration with Non-Governmental Organisations. The index measures the performance of Europe's 100 largest blue chips with the lowest CO_2 emissions in their respective sectors or sub-sectors. The methodology of the index evolved to be in line with the very advanced:

- in 2015, the Steering Committee implemented a revolutionizing approach to assess companies' CO_2 emissions based on a more in depth and relevant assessment of each company's carbon footprint identifying businesses making a positive contribution to the transition process-not only through their own day to-day performance, but also through the products they sell. Selection of the companies will also reflect the emissions avoided because of their innovative approach to products and services as such;
- in 2018, the Steering Committee decided to exclude companies with a fossil fuel activity as companies with fossil fuel reserves, companies searching, collecting, treating, refining or transporting coal, oil or gas and utilities using fossil fuels to produce electricity;
- in 2019, the Steering Committee enriched the methodology by maintaining a Green pocket at 5% (with a positive trajectory), including Social and Governance criteria in the screening and removing the companies at risk with or breaching the principles of the United Nation Global Compact;
- in 2020, the methodology of the index evolved to be in line with the EU label, the Paris Aligned Benchmark (PAB).

The index is an underlying for the BNP Paribas Easy Low Carbon 100 Europe PAB ETF. In November 2020 this ETF was responsible for 70% of all the AUM tracking EU PAB indices. The ETF also received the Febelfin sustainability label and the French ISR label.

b) Euronext Climate Europe Indices

Launched in 2016, the Euronext Climate Europe is a free float market cap index designed to be a low carbon Universe. Composed of 200 large companies based on their climate score. It paves the way to many climate friendly innovative variants (high yields, low risk, growth…). These indices are well established with several Structured Products linked to the index.

To perform this best in class approach, Euronext calculates a climate score by combining the scores of two cutting-edge experts, Carbone 4 and the Carbon Disclosure Project ("CDP"). Several indices have been derived over 2017 around this Euronext Climate Euronext Index for investment purpose: The Euronext Climate Orientation Priority index and Euronext Climate Objective 50 EW index and the Euronext Climate Objective 50 Euro EW (2018).

A.1.3. EURONEXT CARBON DISCLOSURE PROJECT ("CDP") FAMILY OF INDICES

CDP is a global not-for-profit organization that holds a large collection globally of primary corporate climate change, water and forest-risk information. The CDP performance score assesses the level of action taken on climate change in term of mitigation, adaptation and transparency. This cooperation has led to the launch of several family of indices.

a) Euronext CDP Indices

Launched in 2018 and 2019, these indices measure the performance of the top performing companies from a broad universe (World, Eurozone or France) in the environmental fields, with regards to their respective CDP rating. CDP gives a score to the companies in the universe based on three different themes, forests, water and climate. The companies that form the index universe are ranked on their environmental score and the highest ranking companies will be selected in the indices.

b) A similar family of indices that screens the universe on Social and Governance sores was launched in 2019.

A.1.4. EURONEXT ISS-ESG FAMILY OF INDICES

Euronext entered into a cooperation agreement with ISS ESG – the responsible investment arm of Institutional Shareholder Services Inc., the world's leading provider of environmental, social, and governance solutions for asset owners, asset managers, hedge funds, and asset servicing providers. With more than 30 years of Corporate Governance expertise and 25 years of providing in-depth responsible investment research and analytics, ISS ESG has the unique understanding of the requirements of institutional investors.

a) Euronext Responsible Investment Indices

Launched in 2018, the Euronext Responsible Investment indices are composed of the best companies in terms of ISS-ESG Sustainability score. The ISS-ESG Sustainability score is based on the qualitative opportunities assessment and risk review score.

b) Euronext Water and Ocean Europe 40 EW

Launched in 2019, the index consists of the 40 best companies from Europe (trading EUR, DKK, SEK or NOK) in term of Water & Ocean performance score, as evaluated by ISS-ESG.

c) Euronext Climate ambition Eurozone 50 EW

This index was launched in April 2020. After a filter assessing the reliability of issuer-reported emissions data, the index removes the 25% Eurozone companies not well positioned to keep global temperature increase below 2 °C (as per the Energy Technology Perspective Scenarios described by the International Energy Agency). The 50 largest remaining companies are selected.

A.1.5. EURONEXT BLUE INDICES/PRODUCTS

On the top of the Euronext water and Ocean Europe 40 EW indices, launched in 2019, there are currently three products outstanding with a total AUM of over €200 million. In Q1 2021 Euronext will launch a second water index.

LIST OF ALL THE EURONEXT ESG INDICES

Launch Date	Name	Nr of components	Currency
2008	Low Carbon 100 Europe Index	100	EUR
2013	Euronext Vigeo Benelux 20 Index	20	EUR
2013	Euronext Vigeo Euro 120 Index	120	EUR
2013	Euronext Vigeo Europe 120 Index	120	EUR
2013	Euronext Vigeo France 20 Index	20	EUR
2013	Euronext Vigeo UK 20 Index	20	GBX
2016	Euronext Climate Europe	200	EUR
2017	CAC 40 Governance	40	EUR
2017	EN Climate Orientation Priority 50 EW	50	EUR
2017	Euronext Climate Objective 50 EW	50	EUR
2018	Euronext France ESG Leaders 40 EW	40	EUR
2018	Euronext France Energy Transition Leaders 40 EW	40	EUR
2018	Euronext Eurozone ESG Leaders 40 EW	40	EUR
2018	Euronext Eurozone Energy Transition Leaders 50 EW	50	EUR
2018	Euronext Europe Sustainable 100 EW	100	EUR
2018	Euronext France 40 Responsible Investment	40	EUR
2018	CAC Large 60 Responsible Investment SW	60	EUR
2018	Euronext Responsible Investment Euro 50 EW	50	EUR
2018	Euronext CDP Environment France EW	40	EUR
2018	Euronext CDP Environment France Ex Oil & Gas EW	40	EUR
2018	Euronext Reitsmarket GRESB Global Sustainable Index	30	EUR
2018	Euronext Eurozone 100 ESG	100	EUR
2018	Euronext Euro 50 ESG EW	50	EUR
2018	Euronext Climate Objective 50 Euro EW	50	EUR
2018	Euronext BeNe ESG Leaders 20	20	EUR
2018	Euronext Core Europe 30 ESG EW	30	EUR
2018	Euronext Core Europe 100 ESG EW	100	EUR
2018	SBF Top 50 ESG EW	50	EUR

Launch Date	Name	Nr of components	Currency
2019	Euronext Euro 50 Social Governance EW	50	EUR
2019	Euronext CDP Environment World EW	40	EUR
2019	Euronext CDP Environment ESG World EW	40	EUR
2019	Euronext CDP Environment Eurozone EW	50	EUR
2019	Euronext CDP Environment ESG Eurozone EW	50	EUR
2019	Euronext CDP Environment ESG France EW	40	EUR
2019	Euronext Transatlantic ESG Leaders 60 EW	60	EUR
2019	Euronext Water and Ocean Europe 40 EW	40	EUR
2019	Euronext Green Planet E	50	EUR
2020	Euronext Eurozone ESG Leaders Select 40 EW	40	EUR
2020	Euronext France ESG Leaders Select 30 EW	30	EUR
2020	Euronext Green Planet France	35	EUR
2020	Euronext Europe Pioneers 50 EW	50	EUR
2020	Euronext Climate Ambition Eurozone 50 EW	50	EUR
2020	Euronext Eurozone ESG Large 80	80	EUR
2020	Euronext Core Euro & Global Climate Change EW	50	EUR

A.2. ESG ETF Accessible on the Euronext Markets

ESG ETFs that follow companies engaged with ESG friendly initiatives are beginning to gain in popularity.

The sustainable investing theme has quickly gained momentum and assets related to it are growing on Euronext.

43 new ESG ETF were listed on our markets in 2020, with a combined €8.3 billion in assets. Currently, there are 107 ESG-related ETFs with €36.7 billion in assets under management.

LIST OF ALL THE EURONEXT ESG ETF'S

ETF Name	Underlying Index	Total Assets *(€m)*
Lyxor Green Bond (DR) UCITS ETF – Acc	Solactive Green Bond EUR USD I	424.5
BNPPEASY LOW CARBON UCITSETF	Low Carbon 100 Europe PAB NTR	855.3
SPDR STOXX EUROPE 600 ESG SCREENED UCITS ETF	SXXRESGX	59.8
BNP Paribas Easy MSCI Japan SRI S-Series 5% Capped	MSCI Japan SRI S-Series 5% Cap	267.6
BNP Paribas Easy MSCI Europe SRI S-Series 5% Capped	MSCI Europe SRI S-Series 5% Cap	635.8
LYXOR UCITS ETF PEA WORLD WATER C-EUR	World Water Index CW	22.4
HSBC Developed World Sustainable Equity UCITS ETF	FTSE De ESG Low Carb Sel	35.5
UBS (IRL) ETF PLC – MSCI ACWI SOCIALLY RESPONSIBLE UCITS ETF (HEDGED TO EUR) A-ACC	MSCI ACWI SRI 5% Cap	795.5
AMUNDI INDEX MSCI USA SRI UCITS ETF DR (C)	MSCI USA SRI	2,163.0
SPDR S&P 500 ESG Screened UCITS ETF (Acc)	S&P 500 ESG Exclusions II	204.9
BNP Paribas Easy ECPI Global ESG Infrastructure	ECPI G ESG Infrast Eq NR index	40.4
iShares $ Corp Bond ESG UCITS ETF USD (Acc)	BB MSCI US Crp Sustainable SRI	260.1
iShares $ Corp Bond ESG UCITS ETF USD (Dist)	BB MSCI US Crp Sustainable SRI	224.6
iShares MSCI EMU SRI UCITS ETF EUR (Dist)	MSCI EUSRI SltRcd FsslFl Index	1.1
iShares MSCI EMU SRI UCITS ETF EUR (Acc)	MSCI EUSRI SltRcd FsslFl Index	5.8
VanEck Vectors Sustainable World Equal Weight UCITS ETF	VanEck Sustainable World Index	113.6
BNP Paribas Easy MSCI Emerging SRI S-Series 5% Capped	MSCI Emerg SRI S-Series 5% Cap	230.9
Lyxor Global Gender Equality (DR) UCITS ETF – Acc	The Solactive Equileap Global	26.1
BNP PARIBAS EASY EUR CORP BOND SRI FOSSIL FREE 3-5Y UCITS ETF DISTRIBUTION	BBG Barclays MSCI €CorpSRI 3-5	67.6
BNP PARIBAS EASY EUR CORP BOND SRI FOSSIL FREE 1-3Y UCITS ETF DISTRIBUTION	BBG Barclays MSCI €corpSRI 1-3	11.9
Lyxor S&P Eurozone Paris-Aligned Climate (EU PAB) (DR) UCITS ETF	S&P Paris-Aligned Climate NTR	287.4
AMUNDI EURO ISTOXX CLIMATE PARIS ALIGNED PAB UCITS ETF DR – EUR (C)	EUR iSTOXX Ambition Climat PAB	8.4
AMUNDI MSCI EUROPE CLIMATE PARIS ALIGNED PAB UCITS ETF DR – EUR (C)	MSCI EUROPE Climate Change PAB	2.8
AMUNDI INDEX MSCI EUROPE CLIMATE CHANGE UCITS ETF DR (C)	MSCI EUROPE CLIMATE CHANGE	5.7

Source: Euronext market data, Bloomberg

ETF Name	Underlying Index	Total Assets *(€m)*
iShares MSCI EM SRI UCITS ETF USD (Dist)	M1EMS Index	150.4
iShares MSCI Europe SRI UCITS ETF USD (Dist)	M7CXBRM Index	383.3
iShares MSCI Japan SRI UCITS ETF USD (Dist)	M1JPSI Index	68.6
iShares MSCI USA SRI UCITS ETF USD (Dist)	M1USSI Index	180.4
AMUNDI INDEX MSCI GLOBAL CLIMATE CHANGE UCITS ETF DR – USD (C)	MSCI World Low Carbon Leaders	6.8
AMUNDI INDEX MSCI GLOBAL CLIMATE CHANGE UCITS ETF DR – EUR (C)	MSCI World Low Carbon Leaders	285.6
iShares EUR High Yield Corp Bond ESG UCITS ETF EUR (Acc)	BBMSCI E CrpHY Sust BB+ SRI Bd	478.8
iShares $ High Yield Corp Bond ESG UCITS ETF EUR (Acc)	BBMSCI U CrpHY Sust BB+ SRI Bd	428.6
LYXOR MSCI EUROPE ESG LEADERS (DR) UCITS ETF	MSCI Europe ESG Leaders NTR	808.6
Lyxor MSCI World Climate Change (DR) UCITS ETF	MSCI World Clim Ch NTR Index	64.4
Lyxor MSCI Europe Climate Change (DR) UCITS ETF	MSCI Europe Clim Ch NTR Index	2.0
AMUNDI INDEX EURO AGG SRI UCITS ETF DR – EUR (C)	BBG Barc MSCI EUR Agg Sus SRI	145.3
BNP Paribas Easy MSCI Emerging SRI S-Series 5% Capped	MSCI Emerg SRI S-Series 5% Cap	185.5
BNP Paribas Easy MSCI World SRI S-Series 5% Capped	MSCI World SRI S-Series 5% Cap	16.9
BNP Paribas Easy MSCI USA SRI S-Series 5% Capped	MSCI USA SRI S-Series 5% Cap	182.5
BNP Paribas Easy MSCI Europe Small Caps SRI S-Series 5 Capped	MSCI Eur SmallC SRI 5% Cap NTR	55.2
AMUNDI INDEX EURO CORPORATE SRI 0-3Y-UCITS ETF DR	BBG BARCLAYS MSCI EUR Corp ESG	388.9
Lyxor World Water UCITS ETF – Dist	World Water Index CW	814.3
iShares $ Ultrashort Bond ESG UCITS ETF USD (Dist)	iBxMSCI ESG $LqdIG Usht Index	8.3
Lyxor MSCI Smart Cities ESG Filtered (DR) UCITS ETF – Acc	MSCI Smart Cities NTR	20.8
Lyxor MSCI Digital Economy ESG Filtered (DR) UCITS ETF – Acc	MSCI Digital Economy NTR	112.4
Lyxor MSCI Millennials ESG Filtered (DR) UCITS ETF – Acc	MSCI Millennials NTR	46.8
Lyxor MSCI Future Mobility ESG Filtered (DR) UCITS ETF – Acc	MSCI Future Mobility NTR	76.7
Lyxor MSCI Disruptive Technology ESG Filtered (DR) UCITS ETF – Acc	MSCI Disruptive Technology NTR	265.7
BNP PARIBAS EASY EURO CORP BOND SRI FOSSIL FREE	BBG-Barclays MSCI Eur corp SRI	253.7
BNP Paribas Easy MSCI World SRI S-Series 5% Capped	MSCI World SRI S-Series 5% Cap	201.8
BNP Paribas Easy MSCI USA SRI S-Series 5% Capped	MSCI USA SRI S-Series 5% Cap	524.4
BNP Paribas Easy MSCI Emerging SRI S-Series 5% Capped	MSCI Emerg SRI S-Series 5% Cap	101.9
iShares Edge MSCI World Minimum Volatility ESG UCITS ETF USD (Acc)	MSCI W MV ESG RdCrbnTrgt Indx	77.0
iShares Edge MSCI USA Minimum Volatility ESG UCITS ETF USD (Acc)	MSCI US MV ESG RdCrbnTrgt Indx	292.7
HSBC EMERGING MARKET SUSTAINABLE EQUITY UCITS ETF	FTSE EM ESG Lo Carb	51.1
HSBC ASIA PACIFIC EX JAPAN SUSTAINABLE EQUITY UCITS ETF	FTSE APACXJ ESG Carb	37.3
AMUNDI MSCI USA ESG LEADERS SELECT UCITS ETF DR (C)	MSCI USA ESG LEADERS SELECT 5%	946.4
BNP PARIBAS EASY MSCI EMU SRI S-SERIES 5% CAPPED UCITS ETF	MSCI EMU SRI S-Series 5% CAPPE	139.8
iShares EUR High Yield Corp Bond ESG UCITS ETF EUR (Dist)	BBMSCI E CrpHY Sust BB+ SRI Bd	205.5
iShares $ High Yield Corp Bond ESG UCITS ETF USD (Dist)	BBMSCI U CrpHY Sust BB+ SRI Bd	187.4
iShares MSCI Europe SRI UCITS ETF EUR (Acc)	DJ Sustainbty Europe exATGAFAE	2,550.9
iShares DwJones Glob Sust Scrn UCITS ETF USD (Acc)	DJ Sustainbty World ex ATGAFAE	331.6
BNP PARIBAS EASY ECPI CIRCULAR ECONOMY LEADERS	ECPI Circular Economy (NR)	109.6
UBS ETF Bloomberg Barclays MSCI Euro Area Liquid Corporates Sustainable UCITS ETF (EUR) A-di	BarCapMSCI EUR AreaLiqCorpSust	865.0
AMUNDI INDEX EURO AGG CORPORATE SRI UCITS ETF DR	BBG BARCLAYS MSCI EUR Corp SRI	1,354.8
AMUNDI INDEX MSCI EUROPE SRI UCITS ETF DR	MSCI Europe SRI	1,429.4
AMUNDI INDEX MSCI USA SRI UCITS ETF DR	MSCI USA SRI	2,165.6
AMUNDI INDEX MSCI WORLD SRI UCITS ETF DR	MSCI World SRI 5% Capped	958.4
BNP Paribas Easy MSCI USA SRI S-Series 5% Capped	MSCI USA SRI S-Series 5% Cap	75.2
BNP Paribas Easy MSCI Europe SRI S-Series 5% Capped	MSCI Europe SRI S-Series 5% Cap	84.8
BNP Paribas Easy MSCI Japan SRI S-Series 5% Capped	MSCI Japan SRI S-Series 5% Cap	253.6
Lyxor MSCI EM Climate Change UCITS ETF	MSCI EM Climate Change NTR Ind	60.5
Lyxor MSCI USA Climate Change UCITS ETF	MSCI USA Clim Change NTR Ind	52.4
UBS ETF – MSCI PACIFIC SOCIALLY RESPONSIBLE UCITS ETF (USD) A-DIS	MSCI Pacific SRI Low Carbon IC	791.4
UBS ETF – MSCI UBS ETF – MSCI EMU SOCIALLY RESPONSIBLE UCITS ETF (EUR) A-DIS	MSCI EMU SRI Low Carbon 5% IC	1,042.5

Source: Euronext market data, Bloomberg

ETF Name	Underlying Index	Total Assets (€m)
UBS ETF – MSCI USA SOCIALLY RESPONSIBLE UCITS ETF (USD) A-DIS	MSCI USA SRI Low Carbon 5% IC.	1,347.7
UBS ETF – MSCI WORLD SOCIALLY RESPONSIBLE UCITS ETF (USD) A-DIS	MSCI World Low Carbon 5% IC	2,521.1
UBS ETF – MSCI USA SOCIALLY RESPONSIBLE UCITS ETF (HEDGED TO EUR) A-DIS	MSCI USA SRI Low Carbon EUR IC	194.6
UBS ETF – MSCI JAPAN SOCIALLY RESPONSIBLE UCITS ETF (JPY) A-DIS	MSCI Japan SRI Low Carbon 5% IC	484.0
UBS ETF Bloomberg Barclays MSCI US Liquid Corporates Sustainable UCITS ETF (hedged to EUR) A-ac	BarCap US LiqCorpSust hdg EUR	531.8
UBS ETF Bloomberg Barclays MSCI US Liquid Corporates Sustainable UCITS ETF (USD) A-di	BarCap US Liq Corp Sustainable	218.5
UBS ETF – MSCI EMERGING MARKETS SOCIALLY RESPONSIBLE UCITS ETF (USD) A-DIS	MSCI EM SRI Low Carbon 5% IC	649.5
UBS (IRL) ETF PLC – MSCI UNITED KINGDOM IMI SOCIALLY RESPONSIBLE UCITS ETF (GBP) A-DIS	MSCI UK SRI Low Carbon 5% IC	501.6
Ossiam US Minimum Variance ESG NR UCITS ETF – 1A (EUR)	US ESG Minimum Variance Ind NR	109.6
Ossiam US Minimum Variance ESG NR UCITS ETF – 1A (USD)	US ESG Minimum Variance Ind NR	65.1
iShares J.P. Morgan ESG EM Bond UCITS ETF USD (Acc)	JP Morgan ESG EMBI Glob Divers	957.0
AMUNDI INDEX MSCI EMERGING MARKETS SRI UCITS ETF DR	MSCI EM SRI	450.5
AMUNDI INDEX US CORP SRI UCITS ETF DR – USD (C)	BBG BARCLAYS MSCI US Corp SRI	247.7
INDEXIQ FACTORS SUSTAINABLE SOVEREIGN EURO BOND UCITS ETF	Solactive Candriam EU GOV SRI	172.3
INDEXIQ FACTORS SUSTAINABLE EUROPE EQUITY UCITS ETF	Solactive Candriam Europe SRI	184.5
INDEXIQ FACTORS SUSTAINABLE EMU EQUITY UCITS ETF	Solactive Candriam EMU SRI	21.6
INDEXIQ FACTORS SUSTAINABLE CORPORATE EURO BOND UCITS ETF	Solactive Candriam EU CORP SRI	78.9
HSBC Europe Sustainable Equity UCITS ETF	FTSE Dev Euro ESG Low Carb Sel	17.5
HSBC Japan Sustainable Equity UCITS ETF	FTSE Jap ESG Low Carb Select	19.1
HSBC USA Sustainable Equity UCITS ETF	FTSE USA ESG Low Carb Sel	123.5
INDEXIQ FACTORS SUSTAINABLE JAPAN EQUITY UCITS ETF	Solactive Candriam Japan SRI	130.8
AMUNDI MSCI WORLD CLIMATE PARIS ALIGNED PAB UCITS ETF DR – USD (C)	MSCI WORLD Climate Change PAB	24.5
BNP PARIBAS EASY ECPI GLOBAL ESG BLUE ECONOMY UCITS ETF	ECPI Global ESG Blue Economy	35.8
Lyxor S&P Europe Paris-Aligned Climate (EU PAB) (DR) UCITS ETF	S&P Europe Paris Align Climate	4.3
SPDR Bloomberg SASB Euro Corporate ESG UCITS ETF (Acc)	Bloomberg SASB Euro Corp ESG	89.1
HSBC UK SUSTAINABLE EQUITY UCITS ETF	FTSE UK ESG Low Carbon Select	1.9
iShares Edge MSCI Europe Minimum Volatility ESG UCITS ETF USD Hedged (Acc)	MSCI Eur MV ESG Rd C Tgt	0.4
iShares MSCI Europe SRI UCITS ETF USD (Acc)	MSCI EurSRI Sel Rd Fossil Fuel	0.6
Lyxor S&P 500 Paris-Aligned Climate (EU PAB) (DR) UCITS ETF – Acc	S&P 500 Paris-Aligned Climate	102.1
Lyxor S&P Global Developed Paris-Aligned Climate (EU PAB) (DR) UCITS ETF – Acc	Developed LargeMidCap PAB	46.2
Lyxor MSCI World ESG Trend Leaders (DR) UCITS ETF – Acc	World ESG and Trend Leader	228.7
Lyxor MSCI EMU ESG Trend Leaders (DR) UCITS ETF – Acc	EMU ESG and Trend Leaders	38.2

Source: Euronext market data, Bloomberg

A.3. ESG investment funds accessible on Euronext

Sustainable Investing is an important and growing theme in Euronext's investment funds market as well. In 2020, seventeen sustainable funds were listed with a combined €8.2 billion in assets. It was primarily ESG Equity and ESG Multi-Asset funds that were launched on Euronext.

There are currently forty-one ESG-related investment funds listed and traded on Euronext with €21.3 billion in AUM.

LIST OF ALL THE EURONEXT ESG INVESTMENT FUNDS

Fund Name	Benchmark	Total Assets (€m)
ACTIAM Duurzaam Index Aandelenfonds Opkomende Landen	MSCI Emerging Markets Index Net EUR	479,2
ACTIAM Duurzaam Index Aandelenfonds Europa	MSCI Europe Index Net EUR	987,7
ACTIAM Duurzaam Index Aandelenfonds Noord-Amerika	MSCI North America Index Net EUR	1 086,80
ACTIAM Duurzaam Index Aandelenfonds Pacific	MSCI Pacific Index Net EUR	276,6
ACTIAM Duurzaam Index Vastgoedfonds Europa	GPR Sustainable Real Estate Index Europe	11,8
ACTIAM Impact Wereld Aandelenfonds	MSCI All Country World Index Net EUR	55,8
ACTIAM Duurzaam Index Aandelenfonds Wereld	MSCI World Index Net EUR	507
ACTIAM Duurzaam Euro Obligatiefonds	Composite	5

Fund Name	Benchmark	Total Assets (€m)
ACTIAM Duurzaam Europees Aandelenfonds	MSCI Europe Index Net EUR	8,4
ACTIAM Duurzaam Mixfonds Defensief	Composite	30
ACTIAM Duurzaam Mixfonds Neutraal	Composite	48
ACTIAM Duurzaam Mixfonds Offensief	Composite	20,5
ASN Duurzaam Aandelenfonds	MSCI All Country World Index	1 559,50
ASN Duurzaam Mixfonds	Composite	267,2
ASN Duurzaam Mixfonds Defensief	Composite	87
ASN Duurzaam Mixfonds Neutraal	Composite	409,1
ASN Duurzaam Mixfonds Offensief	Composite	198,7
ASN Duurzaam Mixfonds Zeer Defensief	Composite	51,4
ASN Duurzaam Mixfonds Zeer Offensief	Composite	314,4
ASN Duurzaam Obligatiefonds	iBoxx € Eurozone 1-10 Index (TR)	593,6
ASN Duurzaam Small & Midcapfonds	MSCI Europe Small Cap Total Return Net Index	159,5
ASN Groenprojectenfonds	-	438,3
ASN Milieu & Waterfonds	FTSE Environmental Technologies 100 Index	859,7
ASN-Novib MicrokredietFonds	-	243
BNP Paribas ESG Netherlands Index Fund	MSCI Netherlands IMI ESG Universal Ex Select Global Sanctions and Business Involvement (NTR)	232,3
Sustainable World Index Fund	S&P Dow Jones Sustainability World Developed Ex Korea Diversified Select Index	190,5
Sustainable Europe Index Fund	S&P Dow Jones Sustainability Europe Index ex all	531,7
Sustainable North America Index Fund	S&P Dow Jones Sustainability North America Index ex all	695,7
Kempen European Sustainable Value Creation Fund	MSCI Europe Net Total Return Index	559,1
Kempen Global Sustainable Equity Fund	MSCI World Total Return Index Net	152,1
Kempen Sustainable Global High Dividend Fund	Morningstar Global Dividend Net Total Return Index	89,5
NN Enhanced Index Sustainable Equity Fund	MSCI World (NR) Index	953,2
NN Enhanced Index Sustainable Emerging Markets Equity Fund	MSCI Emerging Markets (NR) Index	701,5
NN Enhanced Index Sustainable North America Equity Fund	MSCI North America (NR) Index	227,4
NN Europa Duurzaam Aandelen Fonds	MSCI Europe (NR) Index	177
NN Duurzaam Aandelen Fonds	MSCI World (NR) Index	3 486,20
Robeco Sustainable Global Stars Equities Fund	MSCI World (NR) Index	3 056,30
Triodos Multi Impact Fund	-	32,1
Triodos Energy Transition Europe Fund	-	143,7
Triodos Fair Share Fund	-	349,6
Triodos Groenfonds	-	1 075,00
2020	Euronext Eurozone ESG Large 80	80
2020	Euronext Core Euro & Global Climate Change EW	50

A.4. Euronext ESG Bond footprint and platform initiative

GLOBAL ESG BOND MARKET KEY DEVELOPMENTS THROUGH 2020

Global ESG bond issuance accelerated to €431.70 billion in 2020 and represents an almost 63% increase on the €265.03 billion issuance through 2019. This growth was primarily driven by a seven-fold increase in social bonds issued amid the Covid-19 pandemic and an almost tripling of sustainability bond issuance, to €92.68 billion from €33.33 billion in 2019.

FIGURE 1: TOTAL GLOBAL ESG BOND ISSUANCE

	Bond issues *(In billions of euros)*				
Year	Green	Social	Sustainability	Sustainability-linked	Total
2018	147.97	11.38	14.63	0.00	173.98
2019	213.82	14.63	33.33	3.25	265.03
2020	219.51	113.82	92.68	5.69	431.70

Issues from the EU under its Support to mitigate Unemployment Risks in an Emergency (SURE) programme contributed to record-breaking social bond issuance. The EU raised €39.5 billion from SURE social bonds during Q4 2020 alone and these issues listed on the Luxembourg Stock Exchange.

French agency issuance of social bonds totalling €33.3 billion from Cades and Unédic made up the bulk of social bond issuance listed on Euronext markets. The use of proceeds for these social bonds were in response to the Covid-19 pandemic and focused on supporting employment and SMEs.

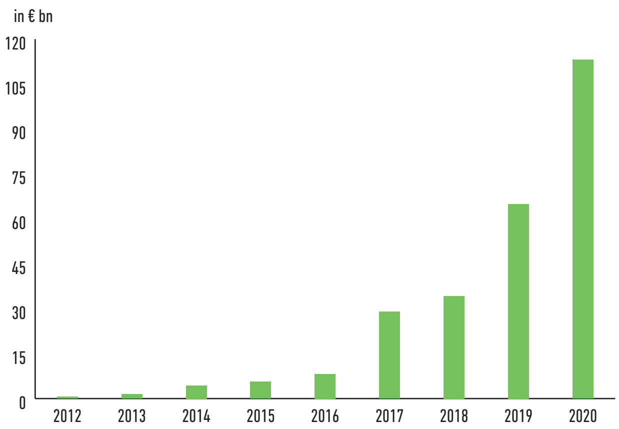
Sustainability-linked bonds still form a very small proportion of the ESG bond issuance market but this sector received a significant boost from the publication of Sustainability-Linked Bond Principles from the International Capital Markets Association (ICMA). ENEL, Schneider Electric and Orpea listed sustainability-linked bonds on Euronext markets through Q4 2020 and this sector is expected to grow significantly through 2021.

The pace of issuance growth in the green bond market slowed significantly through 2020 but issuance still increased by 2.66% – up to €219.51 billion from €213.82 billion in 2019. Green bond issuance as a share of ESG bond issuance fell from more than 80% in 2019 to 51% in 2020.

There were no ESG bond issues through 2020 which were labelled as "blue bonds". There were a number of green bonds where proceeds were directed almost exclusively to marine and water related activities but the parties to the transaction labelled and marketed these issues as "green bonds", *e.g.* Mowi ASA. Development of "blue bonds" as a distinct category will be difficult in the absence of specific tagging of "blue" within existing ICMA Principles.

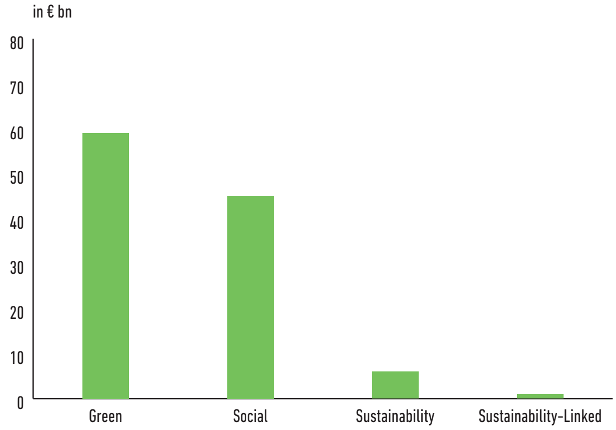
The number of $2 billion+ ESG bond issues globally in 2020 increased to 50 through 2020 from 15 in 2019. 38% (19 deals) of these issues listed on Euronext markets. Over a quarter (26+%) of total global ESG bond issuance through 2020 listed on a Euronext market.

FIGURE 2: GROWTH OF ESG BOND ISSUES LISTING ON EURONEXT



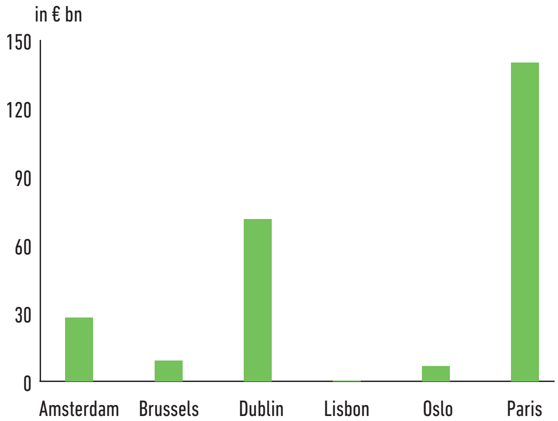
ESG Bond issuance listed on Euronext markets totalled €115.85 billion through 2020 and represents a 76% increase on the €63.47 billion listed through 2019. The number of ESG bonds listed through 2020 also increased from 2019 – up 50% from 139 bonds to 208.

FIGURE 3: EURONEXT 2020 LISTINGS PER ESG BOND TYPE



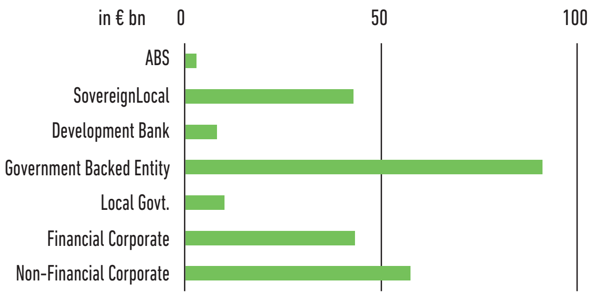
ESG bond types listing on Euronext markets diversified considerably through 2020 with social bonds in particular forming a larger proportion of total issuance – 39.5%. This brings the percentage of social bonds in nominal issuance terms to over 18% of all ESG bond listings on Euronext markets. This also reduces Euronext's dependence on green bond issuance which now forms 75% of total issuance – down from 95+% by end 2019.

FIGURE 4: OUTSTANDING ESG ISSUANCE AMOUNT PER EURONEXT LOCATION



ESG bonds are listed on all Euronext markets with Paris being the leading listing location in terms of an outstanding issue amount of €138.44 billion. France has become a global leader in ESG bond issuance and regularly trades the quarterly global No. 1 issue spot with the US and China. All ESG bonds listed in Paris are from French issuers. Dublin is also a very strong listing venue for international issuers from the Nordics, Italy and Spain for example. Whilst €71.19 billion ESG bonds are listed in Dublin, the largest number of Euronext ESG bonds are also listed in Dublin – 213 bonds and making up 45% of the total 476 bonds listed on Euronext markets. Amsterdam and Brussels are strong in capturing most ESG domestic bond issues and Oslo is an interesting and dynamic market combining many small domestic issues alongside significant international issuance. There are 70 ESG bonds listed in Oslo from 31 separate issuers. We are expecting Lisbon ESG bond issuance to grow through 2021.

FIGURE 5: ESG BONDS LISTED PER ISSUER TYPE



Issuer types listed on Euronext include sovereign, non-financial corporate, local government, government backed entity, financial corporate, development bank and ABS issuers. Sovereign issuance accounts for the largest average issuance amount per issuer and includes issues from the Republic of France, the State of the Netherlands, the Kingdom of Belgium and the Republic of Ireland. The Republic of France is Euronext's largest green bond issuer with over €27.6 billion in issuance outstanding and listed on Euronext Paris.

Euronext ESG bonds listed by financial corporates include ABN, BBVA, ING, KBC, BPCE, Société Générale and BNP Paribas. Local government issuance is predominantly French and include Région "Ile de France", Ville de Paris, Region Wallonne and Flemish Community Government-backed entities are also mostly French and include Agence FSE de Dévelopement, SNCF Reseau, RATP, Société du Grand Paris and EDF. Vasakronan is a Swedish government-backed entity and as our most frequent issuer has 65 bonds listed in both Dublin and Oslo. The principle non-financial corporates are mostly energy companies and include ENEL, Tennet, Engie and Schneider Electric.

Asset-backed security (ABS) issuance is expected to grow through 2021 and market leading RMBS and CMBS successfully deals listed on Dublin and Lisbon through 2020.

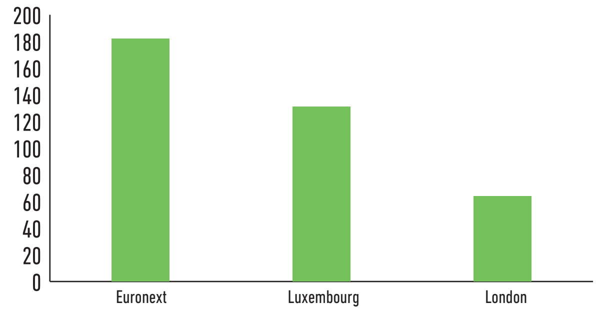
COMPETITOR ANALYSIS

The main competition for Euronext in the ESG bond listing space comes from the Luxembourg and London stock exchanges.

As at end 2020, Euronext is the leading stock exchange for both the number of issuers with ESG bonds listed and the outstanding issuance amount of ESG bonds listed on each stock exchange.

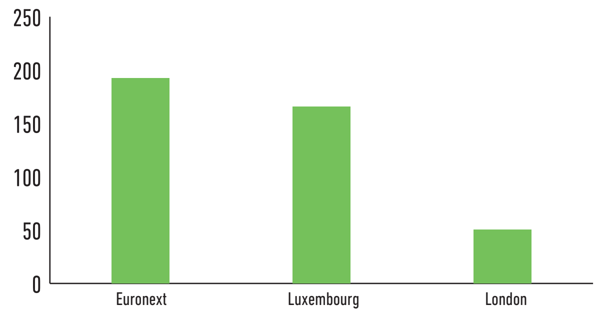
There were 182 separate issuers with ESG bonds listed on Euronext markets at the end of 2020 which compares favourably with the 131 on Luxembourg and 64 in London.

FIGURE 6: NUMBER OF ESG BOND ISSUERS LISTED



Euronext is also the leading stock exchange for the listing of green bonds. At the end of 2020 there was €193.21 bn in outstanding issuance listed on Euronext markets versus €165.9bn listed in Luxembourg and €50.15 bn listed in London.

FIGURE 7: OUTSTANDING GREEN BOND ISSUANCE LISTED AS OF THE END 2020



EURONEXT ESG BOND INITIATIVE

Euronext ESG Bonds is the successor to Euronext Green Bonds which was expanded in June 2020 to also include green, social, sustainability, sustainability-linked and blue bonds.

Stock exchanges are playing a vital role in the ESG bond issue market by establishing dedicated ESG bond platforms for issuers to effectively showcase their ESG credentials as it relates to their group and funding strategy. Including Euronext, there are now six European stock exchanges with ESG bond segments which were established between 2015 and 2020. There are also ESG bond segments established in Japan, Johannesburg, Mexico, Shanghai and Taipei exchanges.

Besides being adequately resourced to engage with market participants, the key means to attract ESG bond issuers is to ensure that Euronext is ideally positioned to deliver to the trend of issuer demand for increased visibility. Euronext ESG Bonds is a platform where all eligible and consenting ESG bond issuers and securities listed in each Euronext jurisdiction are consolidated onto and visible from a specific area of the Euronext website.

For Euronext, this initiative is more concerned with the immediate realization of benefits from a PR and strategic positioning perspective of what the Euronext Group already has accrued in terms of ESG bond listings. Including Euronext Amsterdam, Belgium, Dublin, Lisbon, Oslo and Paris, there are 408 ESG bonds listed from 182 issuers (end 2020). Almost 72% (€181+ billion) of Euronext listed ESG bond issues are now included on Euronext ESG Bonds – confirming again that ESG issuers are demanding more visibility.

Euronext ESG Bonds is also designed to speak to issuers across the globe – so not just European issuers. The area provides issuers with the opportunity to increase their "ESG visibility" and to showcase their ESG credentials – it creates an engaged community of leading issuers involved in sustainable investments.

The area also speaks to investors and acts as a discovery tool in order to locate ESG bond investments. It effectively reduces "search costs" for investors seeking ESG investments and should provide investors with confidence through open transparent policies and standards over the ESG nature of their investments.

Eligible ESG bonds will be listed on a Euronext market, aligned with recognised industry standards such as ICMA GBPs or CBI Taxonomy, and accompanied by an independent third party review – most commonly a second opinion from an approved verifier. The process of assessment is centralised in Dublin and applicants will complete and submit a Euronext ESG Bond Declaration Form to debt@euronext.com.

Besides increased revenue, another positive outcome arising from the Euronext ESG Bonds initiative is the gathering of relevant ESG finance contacts within issuer organisations and the constructive relationships formed thereafter This also lessons our dependencies on our intermediaries to promote Euronext ESG Bonds as they are not directly or materially incentivised to do so.

A.5. ESG commodities contribution

The commodity sector is an important contributor to the global ESG agenda and in particular with regard to the sustainability criteria for the realisation of the transition.

Euronext has a special position in the agricultural ecosystem in Europe. It serves the real economy by offering hedging tools to the whole industry and the supply chain to manage better their price risk exposure inherent to the agricultural sector.

Buyers and sellers trading with the Euronext venue have the benefits of high transparency, liquidity, price discovery enabling them to manage price risk and protect margins.

Client consultations and surveys are done on a regular basis, and specific ESG expectations have been surveyed during the course of 2020. The team has ensured that environmental, sustainable and social responsibility issues are included in the consultation and assessed. As an immediate result, the team took the decision to focus on agricultural sustainable products, study of the market and surveying our clients to understand their appetite for ESG commodity products. The study showed with 41 respondents among Cooperatives, Trading house, Futures broker, Prop trader, Industrial processors from eight different countries (France, Netherlands, Italy, Austria, UK, Germany, Switzerland and USA). Although strong to average interest in ESG matter is only 46%, there remains strong interest for specific ESG contracts.

A.5.1. SUPPORTING THE NEEDS OF THE INDUSTRY BY CREATING SPECIFIC COMMODITY CONTRACTS

Euronext is pursuing the expansion of its commodity derivatives strategy by becoming the European specialist content provider of reference on agricultural products and markets. Euronext will provide economic analysis, training and establish price reporting services for European agricultural markets.

The survey also highlighted that Agricultural Physical Market is committed to putting ESG at the top of their agenda and start to reward sustainable products with premiums. Some products like certified sustainable wheat, corn and oilseeds would be eligible as specific contracts as cash-settled futures contracts quoted in differentials with our existing commodities benchmarks.

More research is required in 2021 to find reliable and standard benchmarks to design these contracts. And also need to meet prerequisites for new markets, have sufficient players to engage with volatility and the need to hedge their price risks.

Subject to clients demand some specific sustainable products could be listed or existing could be amended to include sustainability criteria.

A.5.2. WHEAT, RAPESEED AND CORN CONTRACTS

Long-time developed in close cooperation with the agricultural industry for hedging purposes, Rapeseed products (oilseeds and meal) and Corn contract are said to be non-GMO or conventional products as well as the wheat is. The underlying is said to be conventional, which is defined as a product containing no genetically modified organisms or containing genetically modified organisms whose presence is adventitious or technically unavoidable, in accordance with requirements in force under EU Regulations. It refers and complies with EC Regulation n°1829/2003 of the European Parliament and the Council of the 22 September 2003 on genetically modified food and feed (OJEU 18-10-2003).

A.5.3. BIOMASS FUTURE

Developed in close cooperation with the biomass committees, the new futures contract ("Residential Wood Pellets Contract") launched in November 2015 has been designed to meet the needs of market professionals looking for portfolio diversification and price-hedging tools against fluctuations in the prices of pellets or closely related products.

B. Sustainable Services

B.1. Financing a Greener Economy

Euronext has sought over the course of several years to support climate-friendly innovation by financing Cleantech companies. The Cleantech company cluster refers to enterprises that do not only seek to embody resource efficient, environmentally beneficial business practices in the way they carry out their operations, but develop, create and sell products and services that are resource efficient and benefit the environment. Their models range from but are not limited to production, storage and distribution of renewable or low carbon energy sources as well as pollution mitigation, conservation, and restoration.

From 2013, Euronext has devoted dedicated resources to create proximity with innovative companies across its markets, in order to provide stronger education on the benefits of leveraging capital markets to fund growth. Cleantech companies were then identified and as such benefitted from Euronext's full support.

Some of the major initiatives in this respect include:

- TechShare: 55 Cleantech SMEs part of the community learning how to leverage capital markets (of which 13 from the class of 2020-2021);
- European Rising Tech Index: 20% of this increasingly important index is made up Cleantech SMEs;
- Morningstar: the programme fully covers the scope of Cleantech SME issuers (84).

In 2020, Euronext has attracted 18 new Cleantechs companies to its markets, providing them with close to €850 million in equity funding. These deals enriched the Euronext Cleantech's community addinga diversified mix of climate-friendly innovators with a resolute orientation towards hydrogen (circa 28% of new cleantech issuers). Whether active in clean mobility solutions (Hexagon Purus or Hopium) or pollution solutions (Hydrogen Pro or Everfuel), companies in this sector are boosted by EU's transition strategy to invest up to €470 billion by 2050 in the hydrogen industry. In total of 84 Cleantechs companies are listed on Euronext, worth a combined €71 billion, making it the leading Cleantech franchise in Europe.

Selected Cleantech' funding deals for 2020 include:

- Quantafuel IPO: this cleantech that focuses its efforts the upcycling of plastic waste while relying on an entirely circular value chain chose to accelerate its development by joining Euronext Growth Oslo. Valued circa €280 million at the time of IPO, strong investors, appetite on Euronext markets has led valuation to hit the €1 billion threshold in less than a year;
- Hexagon Purus IPO: surfing on the strong appeal for hydrogen, this cleantech is a leader in zero emission e-mobility through its hydrogen and electric technologies; it chose to leverage capital markets to fuel its strong R&D, raising circa €71 million at a €591 million valuation;
- McPhy Energy's follow-on private placement: After its IPO in 2014, the French cleantech that is contributing to the global development of zero-carbon hydrogen as a solution for the energy transition grew at an incredible pace since its IPO, multiplying market capitalization by more than 14 (to reach circa €1.1 billion) as it leveraged capital markets to fund its fast growth. A recent example of market utilization to finance clean innovation includes McPhy Energy's €180 million private placement in October 2020;
- Kalera IPO: with both a social and climate dimension, this cleantech's technology allows for the faster and low-cost production of cleaner food with less environmental impact. To enter the next stage of its growth, it raised circa €76 million on Euronext Growth Oslo at a €440 million valuation.

B.2. Reporting Services

As the leading EU listing venue with close to 1,500 issuers, Euronext has both the responsibility and the ambition to equip listed companies as expectations on transparency and sustainability rise within the investor community. Euronext is therefore committed to encouraging the incorporation of environmental, social and governance (ESG) factors into investment decision-making.

Such commitment is materialised in ESG Reporting Guidelines developed by Euronext in 2019 and published on January 14th 2020.

Beyond alerting our issuers on the increasing importance of ESG, the guidelines were designed to:

- help listed companies in their interactions with investors and the wider ESG community;
- help them understand how to address ESG issues as a key component of investor relations;
- ease access to the main principles to consider when preparing an ESG report.

B.3. Corporate Services

Corporate Services is a fully-owned subsidiary of the Euronext Group launched in 2016 with the ambition to help listed companies to make the most effective use of capital markets and support organisations with innovative solutions and tailor-made advisory services in Governance (iBabs), Compliance (InsiderLog), Communication (Company Webcast), Investor Relations (Advisory and IR Solutions).

The Corporate Services offering assists companies and organisations in reducing their environmental impact. The board portal solution enables a significant reduction of paper consumption through paperless and digital meetings. The webcast and webinar solutions reduce the negative environmental impacts of transportation through remote and digital conferences. In addition, Corporate Services supports the adoption of best practices in terms of good Corporate Governance as the board portal solution enables a more collaborative, secured, efficient and informed decision-making process within Board of Directors and Executive Committees. Finally, Corporate Services also favors greater transparency and clarity in the way companies and organisations communicate not only externally but also internally:

- Corporate Services offering has been built through a combination of organic developments and acquisitions. Since February 2017, Corporate Services has acquired six companies providing innovative solutions (namely Company Webcast, IR.Manager, iBabs, InsiderLog, Ticker and 3Sens);
- Corporate Services developed internally an "Advisory and IR Solutions" practice providing high touch advisory, market intelligence and decision making analytics for listed companies willing to be more active on capital markets. In 2020, a new "ESG Advisory" offering has been launched to assist companies in making sense of investors' expectations and in building a comprehensive tailor-made ESG strategy;
- Corporate Services incorporated Ticker and 3Sens, acquired in 2020, respectively into InsiderLog and Company Webcast business services.

Corporate Services offers a unique and comprehensive value proposition articulated around four main pillars that are described in *section 1.3.3 – Listing.* Corporate Services already serves more than 3,000 clients in over 25 countries, of which are 800+ listed companies.

Corporate Services is committed to creating offers that help organizations have a sustainable approach to their operations. In particular:

- iBabs, the meeting management solution, enables a significant reduction of paper consumption through paperless and digital meetings. This solution supports the adoption of best practices in terms of good Corporate Governance by enabling a more collaborative, secured, efficient and informed decision-making process within Board of Directors and Executive Committees;

- InsiderLog, the solution to automate the management of inside information and insider lists for both issuers and their professional advisors, helps listed companies fulfil conditions to ensure compliance with EU Market Abuse Regulation (MAR);
- Company Webcast, market leaders in webcast and webinar solutions, reduces the negative environmental impacts of transportation through remote and digital conferences, while delivering making sure that companies deliver regular communication to its staff, its investors or the equity research analysts and journalists following its activities.
- Advisory and IR Solutions, reference team in capital market intelligence, supports listed companies to meet ESG requirements in a context of increasing compliance and transparency requirement, growing involvement of shareholders in Corporate Governance, and pressure from rating agencies on companies. This support consists in several offers, namely:
  - The "Shareholder Analysis" offer allows issuers having a clearer understanding of the shareholding structure, proactive communication and rationalised targeting of investors,
  - "ESG Advisory", launched in June 2020, is represented by a seasoned team of capital markets experts assisting companies in making sense of investors' expectations and in building a comprehensive tailor-made ESG strategy by evaluating extrafinancial issues, providing perception studies, prioritising and collecting data to engage with investors,

    Through commercial partnerships, "ESG Advisory" offer comes with (i) a reporting solution to facilitate the collection, reliability, consolidation and analysis of corporate ESG data and (ii) governance analytics and board assessments.

C. Post trade activities

Euronext post-trade business is a combination of partnerships with, and minority stakes in, global market infrastructures (Euroclear S.A./N.V., LCH SA), and 100% ownership of local market infrastructures (VPS, Interbolsa).

Euronext owns 100% and operates three Central Securities Depositories: Interbolsa, established in Portugal, VP Securities in Denmark and VPS, established in Norway.

This post-trade business participates to the ESG efforts of the Group, especially on the "G" side of ESG.

In Portugal, with a positive impact on the Governance of issuers, Interbolsa has improved its shareholder identification service, providing more precise and detailed information, automating procedures, and adding general meeting notification services. These developments followed the implementation of the Shareholder Rights Directive II (SRD II) in September

In Denmark, the market for Green Bonds is rapidly increasing and today VP Securities provides issuances in both DKK, SEK and EUR, supporting this development.

For the issuers of equities, VP Securities in Denmark and VPS in Norway have, as part of the implementation of SRD II, improved the shareholder identification services, providing issuers with more detailed information on their shareholders, developed its solution for information of general meetings and corporate events and made the proxy voting process more efficient.

With a view to support and develop the AGM set-up, VP Securities has developed a well-functioning solution that can facilitate both the fully and the partly virtual AGM – ensuring that it is easy for shareholders to engage and exercise their shareholder rights online.

3.6.2 OUR PARTNERS

Maintain an ongoing dialogue with multi-stakeholder partnerships

Suppliers

Euronext code of conduct covers Euronext's expectations and requirements in terms of ESG matters. In addition to it, when referencing the new vendor into its accounting systems, Euronext asks for and collects the carbon footprint when available. The objective is to build a carbon footprint database that in the future will support vendor selection

Regarding the Code of Conduct, a KPI has been put in place and is monitored on a daily basis to follow up on the percentage of returned signed Code of Conducts by new suppliers. This process is in place since end of June 2020. Figures as of 31 December 2020 are presented below:

- number of new vendors since 30/6/2020: 254;
- number of code of conducts sent since 30/6/2020: 254;
- number of code of conducts returned signed: 209 (82%).

In the meantime, reminders have been sent to the vendors to obtain their signature.

Clients

Within the Listing department, in 2020 over 2,500 individual meetings were held with a broad spectrum of listed, non-listed companies and ecosystem members to promote capital markets benefits and accompany entrepreneurs in their development projects. To fulfil its mission, the Listing team capitalises on the local representatives that have been set up in Paris (and in other major French cities), Lisbon, Brussels, Amsterdam, Dublin and Oslo as well as in Madrid and Milan given the recent European expansion.

In collaboration with our clients and based on client demand we have launched a number of significant ESG initiatives over the course of 2020. This timeline describe the different ESG initiatives that have been launched in the course of 2020:

Q4 2019

Launch of strategic plan *Let's Grow Together 2022*

Green Bond offering
Launched with 57 issuers and 148 Green Bonds

ESG Index offering
40 ESG indices

Cleantech franchise
64 cleantech companies listed on Euronext

Q1 2020

ESG reporting guide for issuers
Working with FESE[1] on a common European standard

ESG ETF offering
51 ESG ETFs listed, €24.5 bn AUM[2]

Q2 2020

ESG Large 80 European Benchmark Index
and Futures

Euronext ESG Bonds
From Green Bonds to ESG Bonds to include social, blue and sustainable bonds

ESG Corporate Services
ESG Advisory Solutions
Virtual Roadshow

Blue Bond Standard
Euronext partner of UN Ocean Business Group

1) Federation of European Securities Exchanges
2) Source: Euronext Registration Document – 2019 – AUM: assets under management

Working transversally across different Euronext teams an ESG tracker has been introduced to systematically develop relationships and record client engagement with a focus on ESG:

- Over 130 companies identified;
- Close to 300 contacts buy side and sell side:
  - 50% of Banks and Brokers (Institutional and Retail brokers),
  - 50 % of Asset managers / Pension Funds.
- In all over Europe : France (80%) / Benelux (18%) / Switzerland – Germany - Nordics countries + UK (2%).
- 80 meetings took place since May 2020 involving sales, index and derivatives teams.

For the fifth consecutive year, a customer satisfaction survey was conducted in 2020 whereby clients provided anonymous feedback on a wide range of topics covering each aspect of the business.

The 2020 Net Promoting Score (NPS) results by Business Lines are the following compared to 2019, 2017 and 2018 are the following:

	2020	2019	2018	2017
Corporate issuers	+27	+12	+14	+9
Market Data	+17	+20	+3	+15
Custody & Settlement[(1)]	+27	+49	+29	+47
Trading members	+10	+15	+13	-15

(1) From 2020 Custody & Settlement includes Interbolsa and VP Securities

Shareholders, Analysts and Investors

Euronext has an ongoing dialogue with financial analysts, shareholders and investors.

Euronext investor relations team met with more than 350 investors and ESG investors in 2020, notably through conducting roadshows in seven countries (United-Kingdom, France, Germany, Italy, Switzerland, the United States, Canada) as well as virtual roadshows, and attended eleven investors conferences. Euronext is willing to continue to engage with its shareholders on a regular basis so as to enhance the knowledge of the Company and the understanding of its strategy.

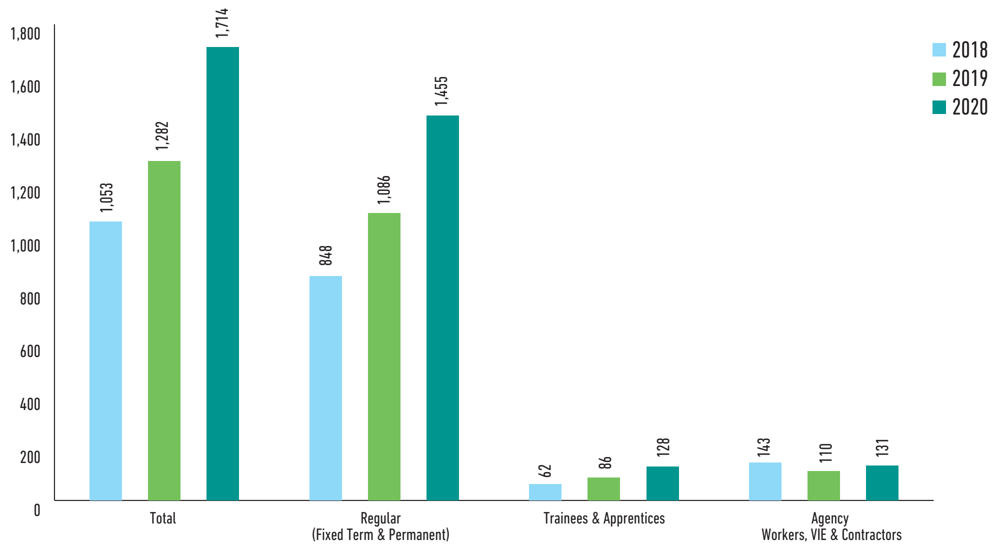
Prior to the IPO, on 27 May 2014, a group of institutional investors (collectively, the "Reference Shareholders", and each a "Reference Shareholder") purchased an aggregate percentage of the issued and outstanding Ordinary Shares from ICE, the selling shareholder at the IPO. The Reference Shareholders *(see section 6.4.1)* have entered into a Reference Shareholders' agreement (the "Reference Shareholders Agreement") governing the relationship among the Reference Shareholders. This agreement expired on 20 June 2017 and was extended for a further period of two years commencing on 21 June 2017. On 17 June 2019, Euronext was informed that the Reference Shareholders had decided to extend an amended version of their Reference Shareholders Agreement for a further period of two years commencing on 20 June 2019. The new Reference Shareholders group from that date comprised of five of the former members and accounted for 23.27% of Euronext share capital.

3.6.3 OUR PEOPLE

Who We Are: Facts and Figures

Euronext staff as at 31 December 2020	
Permanent employees	1455
Including employees from 2020 new acquired entities (VP Securities and Nord Pool)	317

The headcount type and its net evolution over the last two years is shown in the graph below:

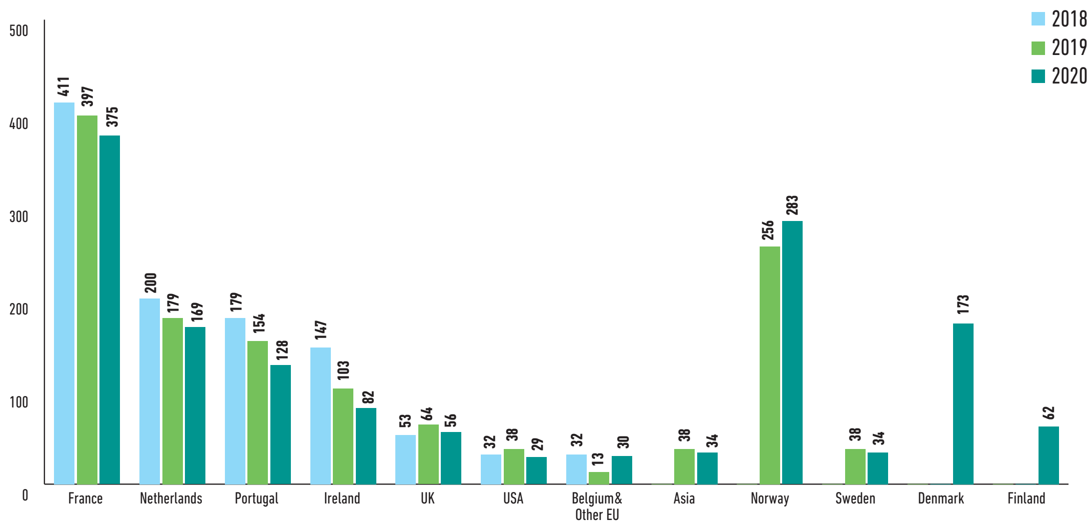


As of 31 December 2020, Euronext has the following breakdown of the 1,455 regular employees (permanent & fixed term).
Of total regular employees (1,455):

- 1,405 (96.6%) are permanent employees and 50 (3.4%) are fixed term contract employees;
- Among the permanent employees, 463 (32%) are female and 942 (68%) are male;
- 54 (3.7%) employees work part time hours, of which 34 (63%) are female, and 20 (37%) are male; with total FTE of 1434.3;
- Females represent 58.8% (30) of fixed term with males representing 41.2% (20) of fixed term. Fixed term contracts are located across a mix of our European locations.

In addition to above regular employees, 102 trainees and apprentices, along with 131 agency workers, V.I.E contracts and contractors were employed. The majority worked with IT (87) with the rest spread across the organization.

The percentage of regular employees located in each of the countries where Euronext operates is shown in the graph below:



How We Work

Values shape a company's behaviour and define who they are. At Euronext, our values are the principles by which we define ourselves, they are a reflection of us. They are not an abstract wish list, but a foundation that we have chosen to be embedded in the way that we work. Our five values are unity, integrity, agility, energy and accountability. They underpin all of our actions.

In addition to our values, we launched in 2019 six mindset dimensions that complement our values and support the Company to successfully achieve our new strategy "Let's Grow Together 2022". The mindsets were developed in collaboration with employees and management through Company surveys and strategy workshops that involved everyone. The mindset dimensions are:

- execute with Excellence;
- collaborate, Challenge & Care for each other;
- dare to take Risks;
- empower our People;
- focus on Clients;
- adopt a Positive Performance Culture.

For each of the mindset dimensions, two Managing Board members have been identified as "guardians". The values and mindset dimensions are built into our annual performance review process. In 2020, the Company deployed a series of internal communication campaigns to promote and further embed these mindsets alongside our values.

In our strategy "Lets Grow Together 2022" developed in 2019 and operationally launched in 2020, Euronext has encompassed the following six strategic pillars including an "Empower our People to Grow, Perform and Innovate" pillar.

STRENGTHEN OUR GLOBAL AND LOCAL MARKETS

DEVELOP THE PRODUCTS & SERVICES OF TOMORROW

ENHANCE CLIENT CONNECTIVITY

DELIVER OPERATIONAL EXCELLENCE

EMPOWER OUR PEOPLE TO GROW, PERFORM AND INNOVATE

ENABLE SUSTAINABLE FINANCE

Euronext's Human Resources policy is continuously adapting to embrace this pillar, always acknowledging that candidates and employee's expectations are changing quickly and responding to this.

1 EXECUTE WITH EXCELLENCE

✓ Project management transformation programme
✓ Investment on strategic skills

2 COLLABORATE, CHALLENGE & CARE

✓ Collaborative strategy design & deployment
✓ Set up of digital platforms & processes
✓ Multicultural training

3 DARE TO TAKE RISKS

✓ Innovation initiatives within each business unit
✓ Adapted framework for innovative products

4 EMPOWER PEOPLE

✓ Development of leaders for tomorrow's challenges
✓ Mentoring programme

5 FOCUS ON CLIENTS

✓ 'Design-thinking' initiatives
✓ Client centricity programme

6 ADOPT A POSITIVE PERFORMANCE CULTURE

✓ Further deployment of accountability framework
✓ Improved performance & development cycle

- All the dimensions of the mindset dimensions guide key actions in Euronext's People Roadmap.
- This illustration of Mindsets shows an example of some of the associated activities of how we are supporting their growth in Euronext.

The 2020-2022 strategy, builds on the success of the 2016-2019 Agility for Growth strategy, and the "Empower our People to Grow, Perform and Innovate" pillar contains further initiatives under the areas of Engagement, Performance, Talent and HR Transformation. Actions are formulated at group and local level, ensuring cross fertilisation of best initiatives. The Managing Board, local management teams and Human Resources teams monitor progress on a monthly basis.

Human Resources Transformation

In 2020, the Human Resources team continued to launch projects to reinforce Euronext's Human Resources organisation, tools and processes.

The Human Resources team continues to be organised around countries and functions/business lines: Primary Markets and Corporate Services, Cash Equity and Derivatives Markets, FICC Markets, Post-Trade, Advanced Data Services, Global Sales, Information Technology, Operations, Central Functions. The objective of this organisation is to continue to support the federal model of Euronext, whilst reinforcing the implementation of the Euronext strategy.

2020 saw the completion of the integration of Oslo Børs – VPS entities into the Euronext Group, fully aligned in all relevant group systems, policies and processes; and also the alignment of HR systems & practices for InsiderLog, iBabs and Company Webcast entities – part of Euronext Corporate Services.

Additionally, the integration of VP Securities has started in 2020 and will continue into 2021 and 2022.

The Euronext of CSDs initiative has been implemented since September 2020 with the ambition to transform three independent, local CSDs into a competitive network. It entails a change and communication stream which aims to develop a positive work environment for the CSDs employees to effectively work together.

3.6.3.1 Develop skills and retain talents in an open culture of dialogue

Euronext promotes an environment that encourages collaborative work, learning and innovation allowing each employee to shape their future and the future of the Company.

Engagement

Engagement was a major focus of 2020 as the Covid-19 pandemic suddenly required many staff members to start working from home for the first time with no time for preparation. Efforts focused on ensuring teams had the necessary equipment and training on tools that could keep them connected to the organisation, supporting managers on how to keep team motivation under difficult conditions and stay connected, and maintain a regular flow of updates from the CEO and Managing Board to all staff.

The Company also increased the frequency of its town halls (all staff meetings) in 2020 and encouraged regular team meetings and emails/newsletters in each country and function, to continue to foster a culture of transparency and communication during a year with little face-to-face interaction possible.

In spite of the challenging context, in 2020, Euronext continued to reinforce opportunities for employees to express their experience and share ideas on how to improve their work environment. A company-wide survey was conducted to gauge staff needs, feedback on the actions put into place following the generalization of government-imposed work from home, and ways to facilitate their efforts to advance towards their professional objectives.

Three of the six dimensions of the new mindset defined as part of the new strategic plan were selected as the focus of a dedicated campaign each trimester of 2020: Execute with Excellence, timed with the launch of a Project Management community day; Collaborate, Challenge & Care, during the mid-year appraisals which were particularly concerned this year with employees' well-being under confinement; Focus on Clients, aligned with the launch of the Company's fifth client satisfaction survey. Each focus included opportunities for learning & development such as training workshops and Virtual Collaboration in Global Teams, Giving Constructive Feedback, and Virtual Sales. The Senior Leadership team is responsible for implementing the Company strategy and sharing progress, challenges and performance with other members of the teams.

Performance

This aspect aims at strengthening Euronext's performance culture by equipping Euronext's managers with the tools to develop and motivate their teams, and to recognise the contributions of each employee within each team.

Since 2016, Euronext has worked to promote the culture of continuous feedback, encouraging managers and employees to discuss on a regular basis.

The annual review process, which brings key formalized steps to this ongoing feedback culture, is deployed each year, starting in November with the self-appraisal period, followed between December 2019 and January 2020 with an annual review meeting and new objectives set for 2020, in line with Euronext's new "Let's Grow Together 2022" strategy.

The Human Resources team is monitoring indicators to ensure a written track record of key performance discussions are entered in the HR system:

	2020	2019	2018
Number of employees with an annual performance and career development discussion/form completed	98%	95%	98%
Number of employees with objectives forms completed	95%	96.4%	95%
Number of female/male with annual performance and career development discussion/review completed	98%/98%	94%/96%	

Euronext also aims to ensure competitive and fair compensation, fostering new initiatives, growth and sustainable performance. The Company provides a competitive base salary in line with market standards and short-term incentives to reward performance.

The Company also uses a long-term incentive (LTI) plan, in the form of performance shares reward.

The LTI plan is a discretionary performance share plan in which 17.9% of all employees benefited from in 2020. 15.3% of females in the Company participated in LTIP and 19.2% of males participated in LTIP.

The plan helps to align the interests of Euronext executives and other eligible employees, with those of the Company and long term (or prospective) shareholders. It also provides an incentive for longer term commitment and retention of key employees. LTI vesting is conditional to presence and performance conditions.

In an effort to associate all of the Group's employees in the potential results of the Let's Grow Together 2022 strategic plan and recognise their ongoing efforts, 10 performance shares were granted to all employees in May 2020 through the first all employee performance share plan.

The Remuneration policy also includes local benefits plans.

For specific information on Managing Board and Supervisory Board remuneration please refer to *section 4.4 – Remuneration Report.*

Talent

Euronext has developed its Talent Acquisition and Talent Development roadmap in accordance with the "Let's Grow Together 2022" strategic plan priorities.

Euronext maintained high-recruitment activity in 2020 while closely following Government guidance in all locations to ensure health and security instructions were met. Digital recruitment methodologies were developed such as digital interviews, a digital signature tool for employment contracts, and virtual job fairs.

The onboarding experience was adjusted to ensure a global understanding of the Company strategy, businesses and functioning to all new joiners through online onboarding meetings and renewed booklets.

Euronext is committed to be an equal opportunity employer. Practices, processes and tools (ATS) are shared across locations and functions for candidates to experience a positive recruitment and onboarding which value their diverse backgrounds.

To reinforce its positioning as an attractive employer for young talent, Euronext strengthened its "Early Career" programme to recruit and train students as well as recent graduates on the latest technologies and critical skills. The programme includes online partnerships with engineering and IT universities in France and Portugal to codevelop technical projects and the participation to academical conferences.

Talent Development

The Company also implemented Talent Development initiatives to promote internal career mobilities, training and assessment of skills and performance.

Education

An ambitious Learning and Development roadmap based on the strategic pillars priorities is rolled out to favour access to training on the core strategic skills to all employees through dedicated training programmes, Learning Weeks events and global sharing sessions opened to all staff.

	2020	2019	2018	2017	2016
% of employees trained (reported training or development activity)	70%	60%	70%	57%	51%

In 2020, 795 employees (out of 1,139 included in the training reporting process) got trained at least once. It represents 6,919 hours of training reported with an estimated average of 8.7 hours per employee trained, with 7.7 hours in average per female employee.

These figures do not include all the Learning Weeks and Lunch and Learn sessions, within which a majority of Euronext employees attended training sessions.

Euronext strengthened the digitalization of its Learning offerings in 2020 with the launch of a central learning management system (LMS) entitled "Euronext Academy" which aims to:

- empower every employee to drive their development plan and provide a platform for our experts to share their knowledge;
- support the growth of Euronext's federal model by bringing greater scalability and efficiency to the way Euronext deliver trainings;
- deliver the objectives of strategic plan by sharing common knowledge and practices on strategic mindset dimensions with cross-location training programmes.

550 employees were proactively onboarded on the learning platform in 2020 with access to more than 50 internal training courses.

The "Euronext Academy" access will be extended in 2021 to all Euronext employees with additional training programme available.

The "Lunch & Learn" series are open learning sessions which aims to develop a global expertise in each of the key functions, in line with the Company strategy and to share a common Company mindset and learning culture.

From March 2020, sessions were digitalized and opened to all staff which resulted in fewer sessions compared to the previous years while the number of attendees remains stable.

	2020	2019	2018	2017	2016
Number of Lunch & Learn sessions	23	68	43	39	34

The "Learning Weeks" launched in 2018 were continued in 2020 across locations to promote learning and development to all its employees and managers.

Through inspiring (virtual) conferences and workshops, all employees were offered contents to develop their technical and soft skills, to learn about capital markets trends and on new technologies. The "Learning Weeks" were facilitated by internal experts or external thought leaders.

A dedicated budget is also set and spent for external providers training purposes across Euronext locations.

Group Training and Development initiatives supporting the development of strategic skills especially includes:

- leadership, coaching and mentoring programmes to empower the managers and leaders of the organisation in their professional development;
- project management programmes to train the project management community according to the Euronext PM Policy;
- cross-cultural training workshops and conferences to develop a global understanding of the Euronext federal model cultural specificities and best practices for efficient collaboration;
- client focus and Sales training workshops to develop in-depth knowledge of Euronext clients and enhance selling synergies;
- market knowledge conferences and workshops to foster knowledge sharing on Euronext core businesses, market infrastructures and financial products.

All the learning initiatives were adjusted into digital formats from March 2020 to ensure the continuity of the core skills development. Training sessions have been composed of diverse groups in each session across various locations, functions and a gender balanced representation.

Number of participants to Group training initiatives	2020	2019	2018	2017
Leadership	94	34	94	17
Project Management	136	43	82	151
Sales & Business Development	52	7	36	9
Working across Cultures	297	n/a	n/a	n/a
Market knowledge	269	n/a	n/a	n/a

Transition Programmes for integrated entities

To support the organisational and culture change for the integration of Oslo Bors VPS entities and VP Securities as part of Euronext, specific change programmes have been designed. The programmes aim to establish a sustainable organisation to engage employees around the strategy and equip them with specific skills adjusted to the new business context. This comprised business knowledge training sessions, local strategy workshops, modular training plans and feedback monitoring.

Career Framework

The Career Framework is rolled-out across functions with the objective to offer employees a global view on the existing professional roles and to suggest potential career development paths within the Company.

The Career Framework has been progressively deployed since 2018 to the whole organisation including integrated entities. It is continuously updated to represent the organisational changes, such as promotions and internal mobilities.

Talent Reviews

Talent reviews are held in a consultative manner by Senior Managers within each department; this consultation focuses on mutual exchange of feedback on employee performance and potential. Talent Reviews also help identify employees' development needs and potential successors in the organisation's key roles and formalise a succession plan.

They are held in each function, and output is discussed by the Managing Board.

Encourage Health and Safety at Work

In 2020, Euronext and all other companies faced the extraordinary challenge of the Covid-19 pandemic. Euronext had in the past always demonstrated support to improve and maintain health and safety conditions for its employees. In 2020, on top of recurring activities, specific schemes were proposed to staff:

- a company-wide partnership whereby the Business Continuity team worked closely with each local CEO and HR partner to document, track, provide solutions and report progress in our locations across n the following areas:
  - maximum office capacity,
  - government advice on working from home,
  - face masks inventory and recommendations,
  - social distancing,
  - public transport options,
  - international travel considerations and restrictoins ,
  - management of events and visitors to offices,
  - schools/Crèches opening status;
- reinforced psychological supports for staff to prevent from isolation that may be caused due to massive and mandatory work from home organisation;
- other/remote medical offerings;
- when offices were able to open according to local regulations and to public authorities decisions, specific protocols were put in place (such as the provision of masks to staff – and setting up the offices with appropriate social distance and sanity controls).

In addition to this, Euronext has continually operated a Wellnext program to maintain and improve health and well-being of employees at work. Each location is monitoring absenteeism rates on a monthly basis with a view to providing the necessary supports for those who need it. Euronext ensures the safety of its employees at work and in their working environment by ensuring regular review and updates of safety procedures developed in each location, and coupled with regular testing.

Each Euronext location coordinates adapted initiatives based on local needs. Below is a list of main local initiatives (some of which are on pause or offered in a digital alternative during Covid-19):

Belgium	France	Ireland	Netherlands	Norway	Portugal	UK
Free organic fruit; Flu vaccination; Chair massage; Employee assistance programme available on need; Eye tests; Ergonomic assessments; Training and retraining for 1st aiders.	Free organic fruit; Daily sport classes and fitness; Employee assistance programme available on need; Health and safety attributions within the newly elected "economic and social committee"; Training on safety at work for new joiners & also retraining course every two years; Mandatory health assessment every five years at health services; Flu Vaccination.	Free fruit; Campaign of talks/ seminars on physical, mental and financial health; Employee Assistance Programme; Onsite Health Assessments; Onsite eye test; Ergonomic assessments; Training and retraining for 1st aiders; Family event.	Health Assessment check every three years; Dedicated days on health and wellness at work topics with conferences, Workshop; Chair massage; Inhouse Zumba classes; Training for managers on how to manage stress signals in their teams; Regular workplace check; Fitness room; Gaming room; Football tournament; Annual running event.	Free fruit; Weekly inhouse Yoga classes; Fitness room; Onsite naprapathy; Health service for employees; Psychological assistance; Flu Vaccination; Eye test and free data glasses.	Free fruit B2 Run (annual runner event); Gym agreements; Pharmacy agreements; Training on safety at work; Chair massage; Health work; Annual workplace check; Two days dedicated to health and wellness at work topics with conferences & workshops; Family day; Flu vaccination.	Free fruit; Discounted local gym membership; Sporting events as part of CSR initiatives.

3.6.3.2 Promoting diversity

Diversity has been embraced in every area of Euronext's people agenda. The federal governance model is central to its organisation and naturally creates an environment where people of diverse cultures and backgrounds collaborate and drive the organisation forward. It has been three years since Euronext has published its Diversity policy which was an opportunity for Euronext to set its position and reaffirm its commitment to ensuring an inclusive environment for all forms of diversity. Diversity at Euronext includes gender, ethnicity, religion, sexual orientation, age, language, socioeconomic status, physical ability, experience and education. 2020 was another year to demonstrate across several dimensions where diversity has been promoted and embedded within our culture. The below table is an example of some key metrics we are tracking, including the KPI on the percentage of women in the SLT which increased from 32.8% to 36%:

Diversity monitoring	2020	2019	2018	2017	2016
Female/Male regular employees	32%/68%	32%/68%	33%/67%	32%/68%	
Number of nationalities represented	47	29	22	20	20
% of females in Senior Leadership Team	36%	32.8%	26%	24%	25%
Average employee age – all employees	43	43			
Average employee age Female/Male	43/43	44/43			
Average tenure/years' service – all employees	12	11			
Average tenure – Female/Male	12/10	12/11			

Euronext's employee age is divided in the following age groups:

This results in 14.3% of employees under 30 years of age; 26.2% between 30-40; 30% between 40-50; and 29.5% over 50 years of age. In 2020, circa 14% of the annual salary increase budget went to catching-up on gender equality salary situations.

Our commitment to diversity continues to be centred around the following strategies:

WHAT EURONEXT IS COMMITTED TO DO

ATTRACT DEVELOP RETAIN

- Be recognised as an equal opportunity employer.
- Improve female hiring in IT and Senior Management positions.
- Continue to ensure diverse representation in short-list of recruitment, in respect of local regulations.

- Salary discrepancy check with market benchmark.
- Promotion of talented women to exposed projects.
- Continue with performance reviews, talent reviews and succession plans including diversity KPIs.

ENGAGEMENT & SENSITISATION

- Create an annual Diversity Day – common to all Euronext countries to promote diversity and inclusion.
- Create a Diversity Champion Network to ensure every actions are monitored inside teams.
- Monitor our diversity actions through a new engagement survey.

- Participation to external women leadership training.
- Educate managers to favour diversified pool of talents.
- Extend the mentorship program and include an inclusion component.

3.6.3.3 Respect the Human rights and local labour laws

Works Council

In accordance with local laws and regulations, local works councils are set in Denmark, France, the Netherlands, Norway and Portugal (Porto). The works councils represent Euronext employees, are informed and/or consulted on economic, financial, social and organisation matters, and complement collective or national labour negotiations.

	France	The Netherlands	Norway	Portugal	Denmark
Number of local Work Council sessions held in 2020	42 (across two legal entities)	12	15	4	6

In France several extraordinary sessions were held on Covid situation.

The Company has also set a social dialogue committee at the European level, including every European country. European staff representatives are informed on economic, financial, social and strategic Group matters.

	2020	2019	2018	2017	2016
Number of meeting of staff representative at European levels	4	1	1	2	2

Social Dialogue with Unions

Euronext is committed to social dialogue, supporting union representation rights and facilitating worker representation bodies. Euronext held very regular meetings with unions in every company where unions are representatives.

As of 31st December 2020, 51.8% of Euronext employees were covered by collective bargaining agreements.

In 2020, the following were progressed through the works council discussions:

- in Amsterdam, finalisation of the Fit for the Future trajectory: After a new pension plan ('18) and a new social plan ('19) an Employee Benefit Budget will be introduced to all NL staff as a 3rd major step in the modernization of benefits at Euronext Amsterdam. The roll out of a Preventive Medical Examination;
- in Norway, continued discussions regarding OBVPS integration, the resourcing model and 2020 remuneration practices;
- in Denmark, collaboration and dialogue within the organisation focusing on collective agreements, employee satisfaction and the impact of Covid-19;
- in Paris, regular update of Covid procedures:
  - information and consultation about new organizations:
    - Euronext Paris SA: EMS, Listing; Advance Data Services; Cash and derivative Post trade;
    - Euronext Technologies SAS: IT organization;
  - information and consultation about the professional equality Index;

- information and consultation about the extension of the Praetorium building;
- two company collective agreements signed on remote working with Unions in Paris. 15 meetings were held on Euronext Paris SA with Unions, and nine on Euronext Technologies SAS;
- in Portugal, continued discussions around salary and benefits. especially Bonus and pension funds; Business projects and CSD integration.

Euronext is also committed to respecting the right to collective bargaining, in accordance with local laws of the countries where its employees are located. Currently, 51.8% of Euronext employees are covered by collective agreements.

3.6.4 OUR SOCIETY

Good Corporate Governance

Euronext has a two-tier governance structure composed of a Supervisory Board and a Managing Board. The Supervisory Board's main role is the supervision and oversight of the Company's management. The Supervisory Board is chaired by an independent non-executive director. The Managing Board is responsible for the development and implementation of the Company's strategy as well as assuring the day to day operations. The Managing Board is chaired by the Group CEO. The functions of Chief Executive Officer ("CEO") (chairing the Managing Board) and Chairman (chairing the Supervisory Board) are separated.

By the end of 2020, the Supervisory Board was composed of nine non-executive directors including two female directors.

Three independent committees report to the Supervisory Board: the Audit Committee, the Nomination and Governance Committee and the Remuneration Committee. Each Committee is chaired by one of the Supervisory Board members and includes several Supervisory Board members.

The general meeting held on 14 May 2020 has set the annual remuneration for the members of the Supervisory Board in accordance to their role(s), see *section 4.4 – Remuneration Report.*

In 2020, the Supervisory Board and its three related committees[1] held forty-eight sessions through in person meetings or video or audio conferencing.

By the end of 2020 the Managing Board was composed of nine directors including two female directors, and the Extended Managing Board was in addition composed of five executive managers including one female manager who attended all its meetings (the Chief Financial Officer, the General Counsel, the Chief Talent Officer, the Head of Strategic Development and Mergers & Acquisitions and the Head of Cash and Derivatives).

In 2020, the Company has reaffirmed the role of the Managing Board, performed monthly risk reviews and strengthened the Senior Leadership team with sixty-seven Senior Managers. Created in 2016, the Senior Leadership team, is responsible for implementing the Company strategy and sharing progress, challenges and performance with other members of the teams. The Senior Leadership team is composed of 36% of females. The balance of country representation is the following: 49% France, 9% Norway, 8% Netherlands, 8% Ireland, 6% Denmark, 6% United Kingdom, 6% Portugal, 4% Belgium, 2% Spain and 4% United States. The average age of this group is 44 years old.

Executive compensation respects the Company's remuneration policy, ensuring adequate performance based rewards. For further details see section 4.4 – Remuneration Report.

Detailed information about Euronext's Governance can be found on the Corporate Governance page on Euronext's website as well as in *section 4 – Corporate Governance* of this Universal Registration Document.

The enterprise risk management framework also illustrates Euronext's commitment to ESG.

Euronext's governance includes an internal audit department, supported by external firms to audit specific items, providing an independent and objective assurance on the organisation's governance, risk management and internal control. In 2020, nine (9) assignments on various domains, including Information Technology, Business entities and Support functions, have been conducted.

Euronext Compliance Policies – Training and awareness in 2020

In 2020, all Company employees were required to complete a conflicts of interest e-learning. Roll out date of the conflict of interest training was 30 June 2020. Completion rate of the training was 99%.

Data Privacy

Euronext maintains all the organizational and technical measures put in place to ensure the protection of privacy. 2020 was marked by the launch of the monitoring program, the purpose of which is to control the GDPR compliance as well as the compliance with the measures put in place internally by tools or departments. At the end of these checks, mitigation measures are proposed and their implementation is monitored. This year, the internal audit department as well as the Microsoft and Hubspot CRM tools were subject to this monitoring. 2020 was also marked by the organization of a GDPR quiz for all employees.

Euronext has decided to report on two important KPI's related to this matter.

GDPR training employees

Training and awareness around data privacy: number of employees participating to the GDPR training organised internally.

In 2020, the training was focusing on new joiners in the group.

2020	Number
Staff assigned to the training (new joiners)	266
Staff completing the training (new joiners)	189
Percentage of total employees	71%

(1) Audit Committee, Nomination and Governance Committee and Remuneration Committee.

Personal Data breaches

The number of data breaches is the number of security breach leading to the accidental or unlawful destruction, loss, alteration, unauthorised disclosure of, or access to, personal data transmitted, stored or otherwise processed.

The analysis and risk assessments of these breaches conducted by the crisis team have permitted to conclude that no reporting (notification or information) was needed in compliance with the provisions of the GDPR.

	2020	
	Number	Reported
Personal Data Breaches	43	0

Euronext tracks as well the number of requests to exercice the Data Subject Access Rights (DSAR) including complaints that it has received and the response time to react.

	2020	
	Number	Response time
DSAR (deletion request)	18	Less than 10 days
DSAR (unsubscription request – specifc survey organized in 2020)	215	Less than five days
DSAR complaint	1	N/A

Whistleblowing mechanism

On 1 December 2020, a reminder of the Euronext Whistleblower Policy was sent to all staff. In addition, the Whistleblower policy was brought to the attention of staff with an article in the weekly What's New email of Internal Communications on 20 November 2020.

The KPI is related to the number of reported cases in 2020. As in 2019, Euronext received no alert in 2020.

Volunteering

Euronext's employees contribute to volunteering initiatives in all its European locations. As of 2020, Euronext's community initiatives focus on two key areas where Euronext can contribute and have particular impact: Financial Literacy and the Blue Economy (oceans, seas and marine resources).

In 2020, Euronext entered into a new partnership with Junior Achievement in Europe to inspire students about sustainable finance whilst helping them develop core job skills such as teamwork, problem solving, presentation, and entrepreneurial skills. By partnering with JA Europe, Euronext intends to emphasise how the financial sector can contribute to the promotion of financial literacy and the blue economy, which encourages better stewardship of our ocean or "blue" resources, among students aged 16 to 19. More than 35 Euronext employees (5 or more employees from 7 Euronext countries) will support the students as mentors.

The objective is to inspire students about sustainable finance whilst helping them develop core job skills such as teamwork, problem solving, presentation, and entrepreneurial skills. Starting in January 2021, selected students in seven Euronext countries will be engaged in a competition that involves a series of activities aiming to expose them to financial literacy and blue economy fundamentals and culminating in a final competition at European level on 8 June 2021, the United Nations World Oceans Day. The opportunities will include thematic e-mentoring provided by Euronext volunteers on financial literacy and topics related to blue economy. Moreover, students will be invited to attend two webinars, one on financial literacy and one on blue economy, coorganised by Euronext and JA Europe.

The Covid-19 pandemic impacted the type and level of community activities that it was possible to implement during 2020. During the early phase of the pandemic, when there was a critical lack of personal protective equipment, Euronext distributed a total of 16,000 masks to several hospitals in Europe. Also, for the two-month period from April to May, 10 employees volunteered with different organisations across Europe as Euronext employees were encouraged to volunteer with full pay one day per week with selected NGOs and service organisations offering critical services during the health crisis.

Restrictions in all Euronext locations due to the Covid-19 pandemic resulted in adapted and modified activities in 2020 related to Financial Literacy and the Blue Economy. A number of Financial Literacy initiatives for students and retail investors were changed from physical to virtual events. In observance of the International Coastal Clean-up Day in September, Euronext organised beach, river and canal cleaning events in eight cities, while respecting local restrictions due to the pandemic. Initiatives related to Financial Literacy and the Blue Economy that were organised locally include the following:

- in Amsterdam: Euronext Amsterdam normally hosts a large number of financial literacy and education tours about the role of the exchange and the functioning of capital markets. Due to Covid-19 restrictions in 2020, the number of tours and participants was reduced compared to previous years. In total, 118 groups representing 2,124 people took part in the tours in 2020 Euronext also gave a presentation on the role of the stock exchange to 50 students from the Rotterdam Erasmus University. 22 employees from Euronext Amsterdam participated in canal cleaning events for the 2020 International Coastal Clean-up Day;
- in Brussels: Employees from Euronext Brussels contributed to several financial education events and webinars, including courses on financial markets at the Faculty of Economical Sciences at University of Ghent and at the Sorbonne (Paris), a course at the Faculty of Law of University of Antwerp and a webinar with EcoDa on the dialogue between boards and shareholders. An educational session was organised with

Capitant on the interaction between capital markets and private equity. Capitant is a student organisation which aims to introduce students to and further guide them in the financial markets, in all aspects and worldwide. In January 2020, the Euronext Brussels New Year event, which was attended by more than 600 people, was entirely dedicated to ESG. Two employees from the Brussels office took part in a beach cleaning event on the 2020 International Costal Clean-up Day;

- in Dublin, 5 employees from Euronext Dublin also took part in a cleaning event on the 2020 International Costal Clean-up Day. Several employees from Euronext Dublin as the centre of excellence for Debt, Funds & ETFs played a central role participating in the Women in ETFs seminar. As part of the covid-19 aid, employees helped provide meals to the elderly & vulnerable when it was most needed during lockdown in the pandemic. Employees volunteered for approx. 95 hours in total;
- in Lisbon and Porto: Several initiatives took place through the year to promote sustainable finance to different stakeholders, Volunteers from Euronext Lisbon taught classes of students from different schools about capital markets and how companies can use the capital markets to finance growth. In September, October and November, Euronext co-organised with the Portuguese Issuers Association, a set of three webinars entitled: "Empowering Sustainable Growth", addressing key topics related to financing the transition to a more sustainable world. The Minister of Economy and Digital Transition, the Minister of the Environment and Climatic action, and the Chairperson of the Portuguese Regulator, were the three keynote speakers. In October, within the scope of the World Investor Week, Euronext partnered with the Portuguese Funds and Pensions Association to embrace financial literacy by organising a session to explain the basics of investing on capital markets and funds, in a webinar that gathered over a thousand participants live, reaching over 3,000 views on the days after. 17 Euronext employees participated in initiatives on the International Coastal Clean-Up Day, both in Lisbon and Porto,in partnership with the nation-wide Blue Ocean Foundation:
- in London, 12 office staff members volunteered for a Clean Up the Thames event as part of the Great British September Clean, and to mark the European Sustainable Development Week;
- in Oslo: Oslo Børs hosted several financial literacy events including tours of the exchange for university and business school students. Due to local Covid-19 restrictions, these visits were paused from mid-March. Oslo Børs hosted a webinar in collaboration with Aksje Norge ("Equity Norway") to encourage retail investors investments in equities and funds. 18 employees from Oslo Børs, VPS and FishPool participated in beach cleaning events in Oslo and Bergen in support of the International Coastal Clean-up Day;
- in Paris: Due to Covid-19 restrictions, Euronext could not host student visits in its La Défense premises as is usually done each year (16 visits were hosted in 2019). These visits are aimed at giving pedagogic explanations on the role and functions of an exchange to young High School students, and students in universities and business schools. A virtual visit was held in May with 26 students of 16-17 years old from the Lycée Saint-Jean-de-Montmartre. For the International Coastal Clean-up Day, 10 volunteers took part in a clean-up around La Défense, collecting around 30 kg of litter, in partnership with Project Rescue Ocean (PRO). This French non-profit organisation focuses on raising awareness on maritime pollution through educational content, conferences and clean-up events around the globe.

Giving Visibility

Euronext's uses our unique position to raise awareness and promote leadership and best practices. In line with Euronext's ESG strategy to contribute positively to our communities, companies, NGOs, non-profits, associations and foundations are invited to participate to Euronext's opening and closing stock markets bell ceremonies, conferences and seminars.

Euronext has a program of opening or closing the markets with a bell event ("Gong" in Amsterdam). Some of these events gave visibility to international causes or charities – in particular to the following:

- in Amsterdam: five bell events have been hosted in relation to international causes such as the International Women's Day or charities;
- in Brussels: a bell ceremony was held on the International Women's Day. To celebrate this day, Euronext organized several round tables on various themes (Tackling bias in promotion process, Making events more inclusive, Attention to parents, Gender in talent programs, Gender as part of strategy, Make promotion process accessible to women…). Moreover, since 2019, Euronext Brussels distinguishes the companies that have shown the strongest sustainable growth over the last decade. The award is granted to the Company which has the best result in the combined ranking of their ESG score (source: Refinitiv) on one side and their stock price performance over the last 10 years on the other side. For 2020, the award was granted to UCB;
- in Dublin Euronext celebrated the International Women's Rights Day in partnership with Women in ETFs. Other physical events had to be postponed;
- in Lisbon and Porto: In March, Euronext Lisbon partnered with UN Global Compact to "Ring the Bell for Gender Equality". The Secretary of State for Citizenship and Equality was the keynote speaker, followed by a live debate panel, with high level representatives from Financial Industry and Academic sector, to debate "Women in Tech". This was also the year for a special 10th edition of the Euronext Lisbon Awards, and it was decided to introduce a renewed trophy made of cork, reaffirming Euronext's commitment to sustainability. It was also the second year in a row to award a sustainability project financed via capital markets, i.e. UCI Green bond Belém;
- in London: All events were cancelled as a result of Covid-19;
- in Oslo: For the International Women's Rights Day, Oslo Børs organised a bell ceremony and conference for female students in IT, Finance and Law in cooperation with UN Global Compact;
- in Paris: Euronext celebrated the International Women's Rights Day in partnership with Women in ETFs, Global Compact Network France and ONU Femmes. The event focused on ESG topics, giving the floor to engaged women who are developing responsible-oriented projects within companies active in the finance industry.

Sponsoring and Donations

Euronext has previously granted a few sponsorship or donations. This practice is discontinued as of 2021, since Euronext has decided to mainly support community initiatives that involve employees volunteering in the areas of financial literacy and the Blue Economy.

In 2020, Euronext entered into a new partnership with Junior Achievement in Europe, as described under the section on "Volunteering" above.

Other sponsorships and donations granted by Euronext in 2020 are as follows:

- in Amsterdam: Donations were made to September for people living with cerebral palsy. A team of 30 Euronext employees participated in September (10,000 steps per day for 28 days) raising money for the organisation during the early phase of the pandemic, when there was a critical lack of personal protective equipment, Euronext Amsterdam distributed a total of 16,000 masks to different Euronext locations for redistribution to hospitals throughout Europe;
- in Brussels: A donation of 5,000 euro to "Les Restos du Cœur" as part of Covid-19 giving;
- in Dublin: €2,000+ donations were provided to local hospitals in Dublin;
- in Lisbon and Porto, During the lockdown of Portugal offices, the fruit that usually are available to employees was donated to ACREDITAR. ACREDITAR is an association that since 1994 provides a support network that helps families face better the dynamics that childhood cancer imposes, trying to provide everyone with the certainty of support at a time of uncertainties. 20 tablets and 40 Internet access cards were donated to schools and distributed to disadvantaged students, ensuring that they had the necessary IT resources to proceed with their studies during the full lockdown;
- in London: Distribution of 1,000 face masks to a local church distributing food and essentials parcels to the vulnerable, a local hospital, Hestia (the London office's nominated Charity) and a local depot distributing food and essentials parcels to the elderly and vulnerable. Euronext London donated £4,000 to Hestia in lieu of the family picnic/sports day held in 2019, and £550 for the virtual London to Paris bike ride in support of Hestia;
- in Oslo: Sponsor of and event collaboration with AksjeNorge, a non-profit organisation that contributes to increased knowledge about the securities markets and how to invest long term in listed companies and mutual funds. Donation of the surplus from the violation charges paid by companies on Merkur Market to the Church City Mission. Oslo Børs hosted an event in support of the national fundraising campaign for the World Wildlife Fund to fight plastic pollution of our oceans and contributed financially with a donation that included the proceeds from an auction for an opening bell ceremony at the Exchange. Annually, Oslo Børs and VPS employees donate half of the value of their annual Christmas gift, to the Church City Mission in Oslo, supporting homeless people and other disadvantaged people in the neighbourhood of the Exchange;
- in Paris, Euronext Paris donated €5,000 to the Banyan association, which sponsors, in particular, the annual National Youth Day ("NYD") that Euronext takes part in. The NYD helps teenagers with their professional orientation and the development of their competences and knowledge of the professional world. Due to Covid-19 restrictions, the NYD could not take place. Euronext Paris also covered the Project Rescue Ocean (PRO) membership cost for its employees volunteering on the Coastal Clean-up Day in partnership with PRO.

3.6.5 OUR ENVIRONMENT

In 2019, Euronext partnered with Carbone 4 in order to clearly identify and assess its potential climate-related risks and opportunities in addition to calculating its carbon footprint. The study was conducted based on 2018 activity data.

In 2021, Euronext has again carried out an analysis of its carbon footprint based on 2020 activity data. Through this study, Carbone 4 also updated Euronext's 2018 carbon footprint, as more granular data were available.

Euronext's carbon footprint is estimated with the Bilan Carbone methodology, both in 2019 and 2021. The Bilan Carbone is the reference carbon inventory methodology in France, which is compliant with ISO 14064; GHG Protocol and Directive No.2003/87/EU. The chosen boundary of the footprint was Operational Control: emissions for the installations over which Euronext exercises control. All emissions sources relevant to Euronext's activities have been included in the assessment.

The scope of the study remains unchanged and includes Euronext's following offices: Amsterdam, Brussels, Paris, London, Dublin, Porto & Lisbon, Oslo & Stockholm and New York

For 2019, the amended results are the following: the Euronext's carbon footprint is equivalent to 19.6 ktCO_2eq that may be split as following:

- Scope 1 = 370 tCO_2eq representing 2% of the Euronext global carbon footprint *i.e.* direct emission from buildings and other assets;
- Scope 2 = 1,760 tCO_2eq representing 9% of the Euronext global carbon footprint *i.e.* electricity consumption;
- Scope 3 = 17,500 tCO_2eq representing 89% of the Euronext global carbon footprint Purchases, travels, commuting, *etc.*

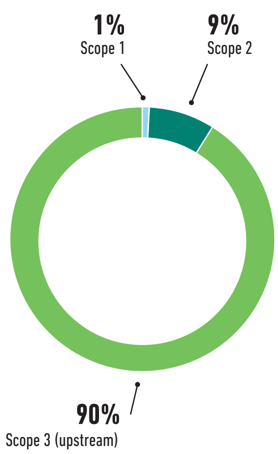
For 2020, the Euronext's carbon footprint is equivalent to 18.5 ktCO_2eq that may be split as following:

- Scope 1 = 270 tCO_2eq representing 1% of the Euronext global carbon footprint *i.e.* direct emission from buildings and other assets;
- Scope 2 = 1,600 tCO_2eq representing 9% of the Euronext global carbon footprint *i.e.* electricity consumption;
- Scope 3 = 16,600 tCO_2eq representing 90% of the Euronext global carbon footprint Purchases, travels, commuting, *etc.*

In 2020, Euronext's carbon footprint decreased by 6%. It is explained by a combination of the effects of the Covid-19 pandemic and the gains allowed through some actions initiated by Euronext. The main reductions are for travels, which may be related to the pandemic, but also for data centres, which are due to a significant increase of the data centres efficiency (less servers and more energy efficient) and the migration to the cloud with more efficient servers.

Euronext's carbon intensity (tCO_2eq/M€ of revenues) decreased by 30% from 30 tCO_2eq/M€ of revenues to 21 tCO_2eq/M€ of revenues.

Group's primary GHG arise from energy in its offices and data centres, from staff travel, and indirectly but mostly from its supply chain (purchase of goods and services, Scope 3). Euronext has a direct grip only on Scope 1 and 2, which represent only 12% of the complete GHG emissions. For Scope 3, 35% of the purchases are represented based on the top 30 suppliers. In that context, Euronext has initiated a dialogue with its entire value chain (upstream and downstream) to act on the bulk of these emissions.



Although environmental sustainability was already a priority, after presenting the new Strategic Plan "Let's Grow Together 2020-2022", for Euronext, the commitment to make changes that will protect our planet for generations to come has become even more significant.

Ensuring that the Group accomplishes the reduction of its environmental footprint, during 2020, an Action Plan has been initiated and put into practice. With a set of actions transversal to all buildings, and at the same time ensuring that specific measures were adjusted to each location specificities, the efforts focus on four central areas: Building, Travel, Reduction and elimination of plastic, and Others.

During the year, numerous measures were implemented across all locations, such as no plastic recipients are available in the buildings, including plastic bottles in the meeting rooms, and plastic utensils were removed from all cafeterias (to be fully implemented in Amsterdam and Paris during 2021). In Oslo, Brussels, and Dublin, electricity contracts were renegotiated with a green or carbon-neutral supplier.

Buildings

In most of its buildings across the seven locations, the Group rolls out water-saving initiatives such as motion sensors on taps and water saving toilet flushes. Motion detector lighting saves the necessary energy in meeting rooms, storages and sanitary rooms. All regular lamps were being replaced by LED and other energy saving lamps. The use of organic products for the cleaning and maintenance of the building is being developed. Euronext aims to send as little waste as possible to the incinerators. The Company separates waste at the source and works with secondary parties who specialise in sorting and recycling waste. In addition, in some buildings, Euronext uses free air (natural air) for its air-conditioning systems when the outside temperature drops below 12 °C. Thanks to the Group's building management system, technical installations are automatically switched off during the night and at week-ends. High efficiency boilers provide buildings with the necessary heating during the winter season, and where possible thermal insulation is placed in the form of wall and roof insulation and double-glazed windows.

Paris

Euronext decided it would relocate its Paris office to new premises in the La Défense business centre in 2015 for a nine-year lease. The office Praetorium benefits from the following certifications: HEQ (High environmental quality), BREEAM (sustainable building design and construction) and VHEP (very high energetic performance). More specifically, Praetorium benefits from presence detectors to monitor external blinds, lighting and air conditioning, depending on the climate; it has triple glazed windows to optimise insulation and enable maximum natural heating, and possesses sensors to analyse air quality to ensure employees have access to a clean environment. Finally, the beehives on the roof (with 85kg of honey produced in 2020 compared to 70kg in 2019, to 80kg in 2018 and 95kg in 2017) and the newly created aromatic herbs' square contribute to a more sustainable environment. In 2020, Euronext continues measures to improve electricity – with more economical lighting – and water consumptions – with equipment limiting water consumption.

Euronext also participated to a reforestation project with the NGO Agrinotech which carries out a strict control on the way reforestation is done. By choosing wooden trees for Christmas, Agrinotech confirmed to Euronext that it would plant 134 trees in Haïti which is one of the most deforested countries in the world.

Amsterdam

A project to gradually replace a significant part of the existing TL light with LED within the Amsterdam building was started in 2017 and has continued. Also, the emergency power supply has been replaced by a more advanced and economical version. This new so called "UPS system" is more energy-efficient than its predecessor. Moreover, coffee cups have been replaced by a more environmentally friendly ones which stimulates reuse of the cups and a new concept with official "cradle to cradle" certificate has been installed for the sanitary dispensers (including the fillings). The technical staff are continuously monitoring the building management system in order to optimize the energy consumption.

The Amsterdam building is also occupied by 31 tenants whereby the utility costs are shared between the parties in the building.

A connection was made between the two separate main cooling water systems. This connection results in a higher reliability factor of the systems and a huge energy saving at the same time. These installations are used for all datacom rooms and most of the cooling systems in the Amsterdam building. A major roof renovation is underway: Renewal of the transparent Lexan roof panels above the monumental Trading Floor roof, these Lexan panels have a higher insulation value and it works in both ways (in winter it keeps the heat in and the cold outside, in summer it is just the other way around).

Brussels

Euronext Brussels moved its offices in May 2015. The Marquis building, where Euronext Brussels now has its premises, has BREEAM certification (sustainable building design and construction). Euronext accounts for 2.67% of overall gas, electricity and water consumption of the Marquis building (fixed percentage). This means the figures don't represent the actual consumption of Euronext Brussels but just a *prorata* of the total consumption of the building.

In the Brussels building, improvements were made to the heating system. By replacing the old existing boiler with a condensing boiler, gas consumption reductions will be achieved going forward, and with the installation of a free cooling system, the building will be able to be cooled without having to activate the refrigerator machines. Additionally, all lights were replaced by the latest generation LED.

Porto and Lisbon

Euronext concluded in 2017 the transfer of IT operations located in Belfast to Porto, to the same premises as Interbolsa, Euronext's Portuguese Central Securities Depositary ("CSD").

In 2020, the entire energy backup system was upgraded. This included the change for new UPS machines that guarantee 97% energy efficiency and the investment in a new emergency generator reducing the volume of gases emitted to the atmosphere and noise levels. In Porto and Lisbon offices, the removal of collective trash bins in the open space is expected to drastically reduce the number of trash bags used. In Lisbon, additionally, all lights were replaced by the latest generation LED.

Dublin

The Euronext Dublin office was redeveloped in 2019, allowing all Euronext staff to work in one central campus, combining the original Irish Stock Exchange Building with the Armoury of Bank of Ireland. In addition to increasing the capacity to host local forums and events, the new building preserves all of the heritage, history and tradition of the original Irish Stock Exchange (conserving the original trading floor and Georgian architecture) whilst adding a new dimension with a modern way of working and new technology.

The building has been designed to achieve "Leed Gold" status which means it will be among the most sustainable buildings in Ireland and will have sustainable practices such as reusing water for planting and irrigation. Space for more than 35 bikes as well as six showers to encourage team members to commute in a sustainable way has been added and everything that was taken out of the ground during construction has be en either reused in the building's construction, or recycled.

Consumption of Electricity, water, gas and oil

The 2020 results (compared to 2019, 2018 and 2017) of consumption of gas, water, electricity, and oil are described in the following charts. In general, there has been a decrease in water and energy consumption in all Euronext countries. The Covid crisis which forced a large part of the employees to work from home for long months in 2020 is undoubtedly no stranger to this situation.

GAS (M^3)

	Amsterdam	Brussels	Dublin	Lisbon & Porto	Paris*	Oslo	London**
2020	112,797	4,227	3,140	21,349	N/A	N/A	N/A
2019	118,302	5,525	5,318	55,155	N/A	N/A	N/A
2018	124,295	5,096	7,954	53,614	N/A	/	N/A
2017	123,010	6,636	8,314	42,541	N/A	/	N/A

* *There is no use of gas in Paris offices.*

** *There are no individual gas meters to tenants floors in the Building in London, so no possibility of measuring the gas usage.*

WATER (M^3)

	Amsterdam	Brussels	Dublin	Lisbon & Porto	Paris*	Oslo	London**
2020	3,759	226	122	1,449	2,341	645	N/A
2019	5,214	325	N/A	1,765	3,387	1,973	N/A
2018	4,842	337	86	1,169	4,270	/	N/A
2017	4,943	469	301	2,125	2,925.8	/	N/A

* *Frozen water in Paris offices (m^3): 192,134 (2020) – 203,965 (2019) – 243,188 (2018) – 233,219 (2017).*
Cold water in production in Paris offices (m^3): 524 (2020) – 713 (2019) – 860 (2018) – 829 (2017).

** *There are no individual water meters to tenants floors in the Building in London, so no possibility of measuring the water usage.*

ELECTRICITY (KWH)

	Amsterdam	Brussels	Dublin	Lisbon & Porto	Paris	Oslo	London
2020	2,823,345	90,520	160,650	543,764	1,661,137	3,948,802	74,216
2019	3,088,062	117,241	57,390	580,975	1,839,858	3,705,897	68,372
2018	3,330,030	129,465	64,386	451,105	1,881,761	/	518,938
2017	3,533,369	133,277	29,570	465,133	1,915,119	/	433,044

OIL (DIESEL L)

	Amsterdam	Brussels	Dublin	Lisbon & Porto	Paris	Oslo	London
2020	1,700	N/A	N/A	200	N/A	N/A	N/A
2019	3,802	N/A	N/A	N/A	N/A	2,545	N/A
2018	4,500	N/A	90	550	N/A	/	N/A
2017	4,500	N/A	90	550	N/A	/	N/A

Recycling

Plans are in place to improve waste and/or hazardous waste management in all Euronext's offices.

Euronext Paris brought full attention to reducing the quantity of waste when moving to the building at La Défense: under a voluntary system, the staff members are asked to take care of making a selective quality sorting, by reducing their own quantity of waste. Individual paper baskets were removed, and 127 waste sorting bins were displayed in the whole building (one-point selective sorting for approximately fifteen occupants).

In Lisbon, the recycling process is managed by the landlord for the whole building where Euronext Lisbon is located. There are no specific information for Euronext Lisbon but 100% of papers, cartridges and batteries are recycled. The cleaning company makes a selective quality sorting of paper, plastic, glass, and common waste that is treated by a specialised company. The following measures were also taken:

a. removal of all single use material in the kitchen and pantry;

b. waste sorting bin placed in employees canteen encouraging employees to sort their waste;

c. meeting rooms using only glass bottle and glass cup, removing all plastic;

d. replacement of all of the existing light by LED in the 8th floor (auditorium and meeting room).

In Porto, all water cups have been replaced by more environmentally friendly ones. In floors with kitchens coffee and water cups were replaced by glass ones and employees are encouraged to used them even were paper ones are available. Waste sorting bin were placed in all floor and staff members are asked to take care of making a selective quality sorting which is after wards treated by a specialized company. 200 kg of coffee capsules have been recycled by contributing to Nespresso Project "Recycle is Food". Ink cartridges and tonners are donated to AMY for recycling helping financing their projects. Porto office participates again in the campaign "Paper for Food" that is an action promoted by the Portuguese Federation of Food Banks, (Federação Portuguesa de Bancos Alimentares) with environmental and solidarity purposes. All paper collected is converted into food products to be distributed by those in need. During 2019, 176 kg. of paper was delivered to the Food Bank that was converted in 11.3 thousand euros of food products.

During 2020, further improvements were achieved with UPS machines' change to a more efficient one (97%) and the emergency generator's shift resulting in a significant decrease of gases emitted to the atmosphere and reduced noise levels.

In Brussels, the landlord organizes a recycling process with the help of an external supplier specialised in installing selective sorting systems for Company waste (paper, cardboard, plastic, glass, cans, drink carton, waste [class II]). The cleaning company uses ecological products and there is a small honey production on the roof of the building. Since 2018, ink cartridges are recycled. Since 2019, aluminium coffee capsules are recycled as well. It was also decided to stop using plastic cups as from 2020.

The 2020 results (compared to 2019, 2018 and 2017) of recycling are the following. Again the figures are impacted by the specific situation that took place in 2020.

RECYCLED PAPER (KG)

	Amsterdam	Brussels	Dublin	Lisbon & Porto	Paris*	Oslo	London
2020	7,998	130	80	176	9,000	1,200	N/A
2019	11,670	480	N/A	172	11,507	7,575	44
2018	10,138	520	N/A	209	11,276	N/A	N/A
2017	14,200	1,386	N/A	239	26,080	N/A	480

INK CARTRIDGES (KG)

	Amsterdam	Brussels	Dublin	Lisbon & Porto	Paris	Oslo	London
2020	98	2.3	2	N/A	N/A	N/A	N/A
2019	199	4	N/A	N/A	350	N/A	N/A*
2018	58	5.9	N/A	N/A	339.23	/	3.5
2017	136	N/A	N/A	N/A	565	/	5

* *74 pieces.*

BATTERIES (KG)

	Amsterdam	Brussels	Dublin	Lisbon & Porto	Paris	Oslo	London
2020	65	N/A	15	N/A	N/A	3	N/A
2019	25	N/A	N/A	N/A	19	16	N/A
2018	29	N/A	N/A	N/A	12	N/A	N/A
2017	26	N/A	N/A	N/A	15	N/A	50

Green IT, ongoing actions

Euronext's goal is to continue to reduce hardware and datacentre footprints in the future. Optiq, the new trading system that has been put in place is less hardware consuming than UTP. In 2019, the management of the obsolescence of the systems (GL9,10 *versus* GL5,6,7), the migration of part of the development environments to the AWS Cloud and the migration of the UTP trading solution derived from Optiq allowed Euronext to reduce its hardware infrastructure by 20%.

A hardware refresh initiative has also been launched in 2018. The replacement and redesign of the network infrastructure within the primary data center has also made it possible to reduce Euronext's footprint and electricity consumption.

In 2018, Euronext has initiated a project to be able to move relevant bricks of its infrastructure in the cloud. At this stage, there are more than 15 services (multi-environment) available on the cloud (Boost, IDS, MTF solutions, Optiq Compilation Setup).

3.7 Summary ESG KPI

1. NUMBER OF SERIOUS INCIDENTS ON THE REGULATED MARKETS REPORTED TO THE COLLEGE OF REGULATORS

	2020	2019
Serious Incidents reported to the colleges	14	11

2. NUMBER OF OPERATIONAL ALERTS TREATED BY EMS

Number of operational alerts	2020	2019
Cash regulated markets	99,409	44,046
Derivatives regulated markets	1,195,733	427,535

3. AVAILABILITY TIME OF THE SYSTEM OPTIQ (99.99%)

Avalability of Optiq	2020	2019
Cash regulated markets	99.84%	100%
Derivatives regulated markets	99.90%	99.95%

4. PERCENTAGE OF SUPPLIERS SIGNING THE CODE OF CONDUCT (JUNE 2020-DECEMBER 2020)

	2020	2019
Number of new suppliers since 30/6/2020	254	NA
Number of Code of Conducts sent since 30/6/2020	254	NA
Number of Code of Conducts returned signed	209 (82%)	NA

5. NPS

	2020	2019	2018	2017
Corporate Issuers	+27	+12	+14	+9
Market Data	+17	+20	+3	+15
Custody & Settlement*	+27	+49	+29	+47
Trading Members	+10	+15	+13	-15

* *From 2020 Custody & Settlement includes Interbolsa and VP Securities.*

6. PERCENTAGE OF WOMEN IN THE SENIOR LEADERSHIP TEAM

	2020	2019
Number of women in the SLT	36%	32.8%

7. USE OF THE WHISTLEBLOWER MECHANISM

	2020	2019
Use of the Whistleblower mechanism	0	0

8. DATA PROTECTION TRAINING BY NEW JOINERS TO THE COMPANY

	2020
Staff assigned to the training (new joiners)	266
Staff completing the training (new joiners)	189
Percentage of total employees	71%

9. PERSONAL DATA BREACHES

	Number	Reported
Personal Data Breaches	3	0

10. CARBON FOOTPRINT

	2020	2019*
Euronext Carbon footprint	18.2 ktCO_2	19.6 ktCO_2
Scope 1	270 tCO_2 – 2%	370 tCO_2 – 2%
Scope 2	1,600 tCO_2 – 10%	1,760 tCO_2 – 9%
Scope 3	16,600 tCO_2 – 88%	17,500 tCO_2 – 89%

* *The study was conducted based on 2018 activity data*

GLOSSARY AND REPORTING CRITERIA

1. Serious Incident was agreed with the College of Regulators in 2011 and is understood a "an event that has caused a market to stop or an event that although the market is still running a material number of members are prevented from trading for a technical reason. Such events could include, but not be limited to trading engine failures, market data dissemination issues, the calculation and/or publication of Official Index Values, issues with tools used to manage and operate the markets." Severity 1 level corresponds to critical severity incidents and Severity 2 level corresponds to high severity incidents that may upgrade to a Serious Incident. The KPI related to the incidents concerns all clients and all Equities, Exchange Traded Funds ("ETF"), Warrants & Certificates, Bonds, Derivatives, Commodities and Indices markets.
2. Alerts help the operational teams of EMS to secure the smooth running of the markets. The type or the scope of alerts may change over time. The KPI is to track the number of alerts being treated by EMS in order to secure a proper running of the markets and allowing a fair and orderly trading meaning the alerts which have been raised and processed by EMS.
3. Optiq is Euronext's enhanced, multi-market trading platform, providing customers with maximum flexibility, simplified and harmonized messaging as well as high-performance and stability. Euronext aims to have the trading platform available to its members at least 99.99% of the time. The target is a platform availability between 99.9% and 100% overall on a yearly basis. Any Severity 1 / Severity 2 Serious Incident impact Euronext regulated markets which are on the Optiq Trading Platform, on trade reporting systems (TCS and Saturn) or impacting one of Euronext MTFs (platforms operated by Euronext but for which it is not license holder) focused on trading activity. This includes the activities linked with the CCP's but it's excluding the CSD part. Also excluding are EuronextFX activities and Technology solutions.
4. The Euronext suppliers Code of Conduct includes provisions regarding human rights, diversity and inclusion, and environmental protection, and is provided together with requests for proposal to each envisaged new supplier for it to sign it. The KPI has been put in place since end of June 2020 and is monitored on a daily basis. It concerns any new supplier willing to provide services to the Euronext Group (some entities belonging to the Euronext Group are not in the scope yet, i.e. VPS or Oslo Børs).
5. NPS represents the difference between the members who are positive vis-à-vis Euronext and those who are detractors (the neutrals are not taken into account). When the figure is positive it means that the promoters outweigh the detractors (and vice versa). The survey has been conducted by an external provider IPSOS and concerns all kind of clients: issuers, trading members, market data providers, *etc.* In 2020, VPS and Euronext FX were included in the scope of the survey. On the contrary, Commcise and Nord Pool are not.
6. The SLT is an internal Executive group created in 2016 which is composed of senior manager from across the company who are invited to help Euronext develop and achieve its strategic ambitions. The composition is changing according to the strategy of the company.
7. The Company, via its Whistleblowing Policy, allows Employees and third parties to report in confidence alleged breaches of the laws or Company policies. The policy provides internal and external mechanisms. The internal mechanism allows employees to report alleged breaches either to the Compliance department or directly to the management or to the Chairman of the Supervisory Board under specific circumstances, in which cases they must necessarily inform the Compliance department of the report received. The external mechanism is managed by the Compliance department per internet by a specialized provider and allows employees anonymous reporting. The KPI only concerns reported cases of whistleblowing.
8. Staff training and awareness sessions are conducted regularly in all company locations to promote GDPR compliance. Each new employee is trained shortly after joining. All new acquisitions made by Euronext are integrated in these processes as well after harmonization where applicable. This global training is carried out through Onyx and 360 learning tools which keep track of the achievement of this by the employees. Other more specific awareness-raising / training campaigns are carried out in parallel either physically (with the signing of an attendance sheet), or through distribution by email or publication on the intranet on more specific or more in-depth subjects. due to a particular risk exposure.
9. GDPR Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of Personal Data and on the free movement of such data ("GDPR"). Personal Data Breach': "a breach of security leading to the accidental or unlawful destruction, loss, alteration, unauthorised disclosure of, or access to, personal data transmitted, stored or otherwise processed". The KPI concerns reported cases.
10. Euronext's carbon footprint is estimated with the Bilan Carbone methodology, both in 2019 and 2021. The Bilan Carbone is the reference carbon inventory methodology in France, which is compliant with ISO 14064; GHG Protocol and Directive No.2003/87/EU. The chosen boundary of the footprint was Operational Control: emissions for the installations over which Euronext exercises control. All emissions sources relevant to Euronext's activities have been included in the assessment. In 2019, Euronext partnered with Carbone 4 in order to clearly identify and assess its potential climate-related risks and opportunities in addition to calculating its carbon footprint. The study was conducted based on 2018 activity data. In 2021, Euronext has again carried out an analysis of its carbon footprint based on 2020 activity data. Through this study, Carbone 4 also updated Euronext's 2018 carbon footprint, as more granular data were available. The analysis covers the following scopes:
    a. Scope 1: Direct GHG emissions occur from sources that are owned or controlled by the company, for example, emissions from combustion in owned or controlled boilers, furnaces, vehicles, *etc.*; emissions from chemical production in owned or controlled process equipment.
    b. Scope 2: Indirect GHG emissions from consumption of purchased electricity, heat or steam.
    c. Scope 3 : GHG emissions including all other indirect emissions that occur in a company's value chain i.e. employee travel and commuting, emissions associated with contracted solid waste disposal and wastewater treatment, transportation and distribution (T&D), *etc.*

4 CORPORATE GOVERNANCE

A description of the shareholding structure of the Company is provided in section 6 "General description of the Company and its share capital".

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4.1 Dutch Corporate Governance Code, "Comply or Explain"

The Dutch Corporate Governance Code ("the Code") became effective in 2016 and finds its statutory basis in Book 2 of the Dutch Civil Code. The Code applies to Euronext as it has its registered office in the Netherlands and its shares are listed on the regulated markets of Euronext Amsterdam, Euronext Brussels, Euronext Lisbon and Euronext Paris. A Dutch and an English version of the Code can be found at www.commissiecorporategovernance.nl.

The Code is based on the notion that a company is a long-term alliance between the various stakeholders of the Company. Stakeholders are groups and individuals who, directly or indirectly, influence – or are influenced by – the attainment of the Company's objectives: employees, shareholders and other lenders, suppliers, customers and other stakeholders. The Managing Board and the Supervisory Board have responsibility for weighing up these interests, generally with a view to ensuring the continuity of the Company and its subsidiaries, as the Company seeks to create long-term value. If stakeholders are to cooperate within and with the Company, they need to be confident that their interests are duly taken into consideration. Good entrepreneurship and effective supervision are essential conditions for stakeholder confidence in management and supervision. This includes integrity and transparency of the Managing Board's actions and accountability for the supervision by the Supervisory Board.

The Code is based on a "comply or explain" principle. Accordingly, companies are required to state the extent to which they comply with the principles and best practice provisions of the Code in the director's report and, where it does not comply with them, why and to what extent it deviates from them.

Euronext acknowledges the importance of good Corporate Governance and endeavors to comply with the provisions of the Code. However, there are a limited number of best practice provisions that it currently does not comply with, as further explained below. The fact that Euronext is not compliant with a number of best practice provisions is partly related to the fact that Euronext is an international company supervised since its creation in 2000 by a College of international Regulators, supervising Euronext on a joint basis, which has required some specific features which may interfere with the specific provisions of the Dutch Code. Euronext is active in a number of European jurisdictions, each with different laws, regulations, best practices, codes of conduct, regulatory guidelines and views.

Provisions of the Dutch Code regarding corporate law matters, that Euronext did not apply in 2020:

- Euronext did not fully apply best practice provision 2.2.1 (*"a Managing Board member is appointed for a maximum period of four years"*). Some of the members of the Managing Board have been appointed before Euronext became a listed company. In accordance with applicable laws and regulations at the time of their appointment, these members were appointed for an indefinite term. With regard to the members of the Managing Board who were appointed since Euronext became a listed company, Euronext fully complied with this best practice provision and will continue to do so for all future appointments;
- Euronext did not apply best practice provision 2.1.7, item iii (*"for each shareholder, or group of affiliated shareholders, who directly or indirectly hold more than ten percent of the shares in the Company, there is at most one Supervisory Board member who can be considered to be affiliated with or representing them"*). Three members of the Supervisory Board namely Luc Keuleneer, Lieve Mostrey and Franck Silvent, have been proposed by Euronext's Reference Shareholders, who as a group acting via the Reference Shareholders' Agreement held 23.27% of Euronext's shares on 31 December 2020. This group of shareholders acts jointly in relation to certain voting matters and has been granted a declaration of non-objection by the Dutch Ministry of Finance. The background of the presence of three members in Euronext's Supervisory Board who can be considered to be affiliated with or representing the Reference Shareholders is related to the request of the Euronext College of Regulators at the moment of its IPO in 2014 for it to have a number of stable, long-term shareholders who could propose one third of the members of the Supervisory Board.

Provision of the Dutch Code regarding the Remuneration Policy of the Managing Board that Euronext did not apply in 2020:

- Euronext did not apply best practice provision 3.1.2 vi (*"... Shares should be held for at least five years after they are awarded"*). However, starting 2021 and in order to be aligned with Dutch Corporate Governance Code recommendation and to strengthen the alignment of the Chief Executive Officer exposure to the Euronext development with the shareholders' exposure, the Supervisory Board proposes to shareholders to introduce to the Managing Board Remuneration Policy an additional two years lock-up for the Chief Executive Officer resulting in a total five-year period from the date of grant and increased motivation for sustainable performance.
- Euronext did not apply best practice provision 3.2.3 (*"the remuneration in the event of dismissal should not exceed one year's salary – the 'fixed' remuneration component"*). In the event of termination by the Company of a member of the Managing Board the Company has decided to align progressively all new Managing Board members' contracts on the same basis as was decided at the time of recruitment of the Chairman of the Managing Board in September 2015, and disclosed at the Shareholders' Meeting of 27 October 2015: the limitation to twelve months of fixed salary as provided in the Dutch Corporate Governance Code has been balanced against the French AFEP-MEDEF Corporate Governance Code recommendations, which provide for a maximum termination indemnity of twenty-four months compensation, fixed and variable remuneration. The termination indemnity has been limited to twice the annual fixed salary, which is in line with the relevant best practices in the various other jurisdictions in which it is active. Managing Board members' contracts have been amended to that effect.

Provision of the Dutch Code regarding meetings with analysts that Euronext did not apply in 2020:

- Euronext did not apply best practice provision 4.2.3 ("meetings with analysts, presentations to analysts, presentations to investors and institutional investors and press conferences shall be announced in advance on the Company's website and by means of press releases, enabling all shareholders to follow these meetings and presentations in real time, for example by means of webcasting or telephone"): Euronext does not always allow shareholders to follow meetings with analysts and institutional investors in real time. Euronext ensures that all shareholders and other parties in the financial markets are provided with equal and simultaneous information about matters that may influence the share price.

4.2 Management Structure

4.2.1 GENERAL INFORMATION

No information on family relationships between members of the Supervisory Board, members of the Managing Board and senior staff, as well as on convictions in relation to fraudulent offences, bankruptcies, receiverships, liquidations, companies put into administration, official public sanctions or official public incriminations with regard to these persons has been included in this Universal Registration Document, as these matters are not applicable to these persons.

Further, to the best of Euronext's knowledge, the members of the Supervisory Board, of the Managing Board and senior staff do not have potential conflicts of interest between any duties to the Company and private interests and or other duties of members of the administrative, management or supervisory bodies or any senior manager who is relevant to establishing that the issuer has the appropriate expertise and experience for the management of the issuer's business in 2020 and up to date of the publication of this Universal Registration Document.

When new files are discussed at Supervisory Board and Managing Board meetings, generally concerning Merger and Acquisitions items, a regular conflict check is run and the Conflict of Interest policy then applies, the conflicted board director being withdrawn from the discussion.

The professional address of all members of the Supervisory Board, Managing Board and senior staff of Euronext is Beursplein 5, 1012 JW, Amsterdam, the Netherlands.

Statement of the Managing Board

Responsibilities for the Financial Statements and Directors' Report

In accordance with Article 5:25c(2)(c) of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*), the Managing Board of Euronext hereby declares that, to the best of its knowledge, (i) the Financial Statements prepared in accordance with IFRS as adopted by the European Union and with Part 9, Book 2 of the Dutch Civil Code give a true and fair view of the assets, liabilities, financial position and profit or loss of Euronext and the enterprises included in the consolidation as a whole, and (ii) the directors' report gives a true and fair view of the position on the balance sheet date, the course of events during the financial year of Euronext and the enterprises included in the consolidation as a whole, together with a description of the principal risks that Euronext faces.

Responsibility for this Universal Registration Document

The Managing Board declares that the information contained in the Universal Registration Document, including the Financial Statements and the directors' report, is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import. The Managing Board is responsible for this Universal Registration Document.

In Control Statement

Euronext's first and second lines of defence perform their roles in risk assessments, evaluations of the operating effectiveness of controls, and reporting on risk management and control. The concluding results are regularly discussed at senior and executive management level. Group Audit, as the third line of defence, evaluates both the design and effectiveness of Euronext's governance, risk management and control processes. Audit reports are discussed with risk and process owners and the Audit Committee.

Based on the risk management processes, the Managing Board makes the following statements regarding internal risk management and control, taking into account Euronext's strategy and risk profile.

In accordance with best practice provisions 1.4.2. and 1.4.3 of the Dutch Corporate Governance Code, Euronext's Managing Board is of the opinion that, in respect of financial reporting risks, the design and operation of the internal risk management and control system, as described in 2.1.1.1 "Risk Management" and 2.1.1.2 "Internal control" (i) provides a reasonable level of assurance that the financial reporting in this Universal Registration Document does not contain any errors of material importance, and (ii) has worked properly during the financial year 2020.

As set out in section 2.2, Euronext has a robust Enterprise Risk Management Framework and Governance, which allow the Managing Board to identify and assess the Company's principal risks to enable strong decision making with regards to the execution of the stated strategy. On the basis hereof the Managing Board has assessed the risk profile and the design and operating effectiveness of the risk management and control systems; this was discussed with the Audit Committee of the Supervisory Board.

The Managing Board declares that, based on the current state of affairs, including financial position and strategic prospects, the implementation of the Business Continuity Framework and the reporting process on existing or potential material risks, as set out under 2.2.1, it is justified that the financial reporting is prepared on a going concern basis; and that this Universal Registration Document is to the best of the Managing Board's knowledge, in accordance with the facts and contains no omission likely to affect its import. Furthermore, as described in the 1.2 and the chapter "Risks", this Universal Registration Document reflects the material risks and uncertainties that are relevant to the expectation of the Company's continuity for the period of twelve months after the preparation of this Universal Registration Document.

Stéphane Boujnah,
CEO and Chairman of the Managing Board

Øivind Amundsen,
CEO of Oslo Børs

Anthony Attia,
CEO of Euronext Paris & Global Head of Listing and Post Trade

Daryl Byrne,
CEO of Euronext Dublin & Head of Debt & Funds Listings and ETFs

Simone Huis in 't Veld,
CEO of Euronext Amsterdam

Georges Lauchard,
COO

Chris Topple,
CEO of Euronext London & Head of Global Sales

Isabel Ucha,
CEO of Euronext Lisbon & CEO of Interbolsa

Vincent Van Dessel,
CEO of Euronext Brussels

Availability of Documentation

The Articles of Association of Euronext, historical information and relevant documentation for investors and shareholders may be viewed on Euronext's website in the Investor Relations section at www.euronext.com/en/investors.

4.2.2 SUPERVISORY BOARD

Euronext has a two-tier governance structure with a Supervisory Board and a Managing Board. The governance arrangements of the Supervisory Board described in this section are based on, among other things, Dutch law, Euronext's Articles of Association and the rules of procedures for the Supervisory Board. These arrangements include additional provisions and modifications agreed with the Euronext College of Regulators designed to ensure the long-term stability and autonomy of Euronext and curb possible disproportionate levels of influence that large shareholders may have on it.

Responsibilities

The Supervisory Board is responsible for the supervision of the activities of the Managing Board and the supervision of the general course of the business of Euronext. The Supervisory Board may on its own initiative provide the Managing Board with advice and may request any information from the Managing Board that it deems appropriate. In performing their duties, the members of the Supervisory Board must act in the interests of Euronext and those of its business. The Supervisory Board is collectively responsible for carrying out its duties.

Appointment and Dismissal

Members of the Supervisory Board are appointed by the general meeting (i) in accordance with a proposal of the Supervisory Board or (ii) from a binding nomination to be drawn up by the Supervisory Board, with due observance of the profile (*profielschets*) for the size and the composition of the Supervisory Board adopted by the Supervisory Board and reviewed annually. The profile sets out the scope and composition of the Supervisory Board, taking into account the nature of the business, its activities, and the desired expertise, experience, diversity and independence in matters of capital markets in general and in particular in the areas of finance, economics, human resources and organisation, information technology and data processing, legislation and regulation, legal matters and compliance.

The Articles of Association of Euronext provide that each member of the Supervisory Board is appointed for a maximum period of four years provided that unless such member of the Supervisory Board has resigned or is removed at an earlier date or unless otherwise specified in the relevant proposal for appointment, his or her term of office shall ultimately lapse immediately after the day of the first general meeting to be held during the fourth year after the year of his or her appointment. An appointment can be renewed for a term of up to four years at a time.

The general meeting may suspend or dismiss a member of the Supervisory Board at all times. The Supervisory Board can make a proposal for the suspension or dismissal of a member of the Supervisory Board. If the suspension or dismissal occurs in accordance with a proposal thereto by the Supervisory Board, a resolution of the general meeting for suspension or dismissal of a member of the Supervisory Board requires an absolute majority of the votes cast. However, such resolution of the general meeting requires a majority of at least two-thirds of the votes cast representing more than one third of the outstanding and issued share capital, if the suspension or dismissal does not occur in accordance with a proposal by the Supervisory Board.

Meetings and Decision-Making

The Articles of Association provide that the Supervisory Board shall adopt resolutions by an absolute majority of the votes cast. Each member of the Supervisory Board has one vote. In the event of a tie of votes, the Chairman of the Supervisory Board has a casting vote.

A member of the Supervisory Board may not participate in the deliberation and the decision-making process of the Supervisory Board if it concerns a subject in which this member of the Supervisory Board has a direct or indirect personal interest which conflicts with the interest of Euronext and its business enterprise. In such event, the other members of the Supervisory Board shall be authorised to adopt the resolution. If all members of the Supervisory Board have a conflict of interest as indicated, the resolution shall nevertheless be adopted by the Supervisory Board, notwithstanding the conflicts of interest. In 2020, no transactions have taken place in which members of the Managing Board and Supervisory Board were conflicted.

Members of the Supervisory Board

The Articles of Association provide that the number of members of the Supervisory Board will be determined by the Supervisory Board and will consist of a minimum of three members. Only natural persons can be members of the Supervisory Board. In the event of a vacancy, the Supervisory Board continues to be validly constituted by the remaining member or members of the Supervisory Board.

As per 1 January 2020, the Supervisory Board was composed of Dick Suimers, Manuel Ferreira da Silva, Jim Gollan, Kerstin Günther, Luc Keuleneer, Lieve Mostrey, Padraic O'Connor, Nathalie Rachou, Franck Silvent and Morten Thorsrud. Kerstin Günther retired from the Supervisory Board following the Annual General Meeting that was held on 14 May 2020. In the same meeting, Dick Sluimers was re-appointed to the Supervisory Board for a term of four years.

Dick Sluimers is the Chairman of the Supervisory Board. The Chairman of the Supervisory Board is not a former member of the Managing Board of the Company and is independent within the meaning of best practice provision 2.1.8 of the Dutch Corporate Governance Code.

Euronext has assessed that the appointments to the Supervisory Board in 2020 are in compliance with the requirements as included in art. 5:29a of the Dutch Financial Supervision Act "Wet op het financieel toezicht" regarding the maximum number of Supervisory Board positions.

The Supervisory Board consisted of nine members as at 31 December 2020 and was composed as follows:

Dick Sluimers

Dick Sluimers is the Chairman of the Supervisory Board, chairs the Nomination and Governance Committee and is a member of the Audit Committee and of the Remuneration Committee. He was appointed to the Supervisory Board in 2016. He is also the Chairman of the Supervisory Board of Euronext Amsterdam.

Mr Sluimers is the former CEO of APG group. He currently is Extraordinary State Councillor at the Dutch Council of State. Furthermore he is the Chairman of the Supervisory Board of NIBC B.V. and a member of the Supervisory Board of AkzoNobel N.V., as well as a member of the Board of Directors of FWD group Limited. He is also a member of the board of Governors of the State Academy of Finance and Economics, a Trustee of the Erasmus University Trustfund, a member of the board of the Amsterdam Concert Hall Fund, and a member of the Electoral Committee of the Dutch Liberal Party, and a member of the advisory boards of Quore Capital and Hemingway Corporate Finance.

Mr Sluimers was CFO and later CEO in the Management Board of pension fund ABP from 2003 to 2008. Between 1991 and 2003 he held various positions at the Dutch Ministry of Finance, most recently as Director General of the Budget. Prior to that he was Deputy Director General at the Ministry of Public Health and held senior positions at the Ministry of Social Affairs and the Ministry of Finance. In addition, he was a member of the Supervisory Boards of Fokker N.V., the National Investment Bank N.V., Inter Access N.V. and ABP Insurance N.V. He was also Trustee of the International Financial Reporting Standards Foundation (IFRS), a member of the Advisory Board of Rabobank, Chairman of the board of Governors of the Postgraduate Programme for Treasury Management at the Vrije Universiteit Amsterdam, a member of the Advisory Board of Netspar and a board member of Holland Financial Centre.

He studied economics at the Erasmus University in Rotterdam and read politics at the University of Amsterdam for several years.

Manuel Ferreira da Silva

Manuel Ferreira da Silva is a member of the Supervisory Board, a member of the Remuneration Committee and a member of the Nomination and Governance Committee. He was appointed to the Supervisory Board of Euronext N.V. in 2012.

Mr Ferreira da Silva is Vice-Chairman of the board of the SERRALVES Foundation, Museum of Contemporary Art. He served for thirty-five years as a banker at Banco BPI where he was executive member of the board for the last sixteen years and the CEO of its wholly-owned investment bank. He was a member and, between 2012 and 2014, Chairman of the council of the University of Porto School of Economics and is the Vice-Chairman of the Supervisory Board of Porto Business School. He is also a member of the Audit Board of ITAÚ BBA Europe. Mr Ferreira da Silva was member of the board of the Lisbon and Porto Stock Exchanges between 2000 and 2001 and a member of the Advisory Board of the Portuguese Securities Market Commission (CMVM) between 2001 and 2005. Between 1980 and 1989, Mr Ferreira da Silva lectured at the University of Porto School of Economics and spent two years as an assistant director of the Navy's Centre of Operational Research. He graduated with a degree in Economics from the Universidade do Porto in 1980 and holds a MBA from the Nova School of Business and Economics (Lisbon, 1982).

Jim Gollan

Jim Gollan is a member of the Supervisory Board and chairs the Audit Committee. He was appointed to the Supervisory Board in 2015. He is also the Chairman of Euronext London.

Currently, Mr Gollan is the Audit Committee Chair of Citibank Europe Plc and the Chair of the charity Brain Research UK. Previously, he was a board member of NYSE LIFFE and a non-executive director of Merrill Lynch International, where he chaired the board Risk Committee, and Bank of America Merrill Lynch International Limited, where he chaired the board. His executive career includes roles as Board Chair, CEO and CFO, working in the United Kingdom, Europe and Asia in banking, fund management and financial markets with Standard Chartered, Lloyds Bank, Gartmore and SIX Group. Mr Gollan was also the practice leader of KPMG's Financial Services Consulting, Asia and is a Fellow of the Institute of Chartered Accountants in England and Wales.

Luc Keuleneer

Luc Keuleneer is a member of the Supervisory Board and a member of the Audit Committee. He was appointed to the Supervisory Board in 2018. He is also a member of the Supervisory Board of Euronext Amsterdam and a non-executive member of the Board of Directors of Euronext Brussels.

Mr Keuleneer is professor financial and treasury management at several universities in Belgium and the Netherlands. He is a non-executive director and member of the Audit Committee of SFPI-FPIM, the Federal Holding and Investment company of the Belgian state, and a number of other companies. He is the government commissioner of the Belgian "Protection fund for deposits and financial instruments". Previously, Mr Keuleneer worked for Paribas Bank Belgium, the Belgian Institute of Chartered Accountants, Deloitte & Touche Management Solutions KPMG Corporate finance and as expert-advisor financial institutions and public enterprises to the Belgian minister of Finance. He holds a MSc in Business Engineering of the Catholic University Leuven (Belgium) and a master in Business Administration with a specialisation in finance from the University of Chicago (US), and has had additional training in Strategic Finance at IMD-Lausanne and in Financial risk management at the Swiss Finance Institute.

Lieve Mostrey

Lieve Mostrey is a member of the Supervisory Board, a member of the Remuneration Committee, and a member of the Nomination and Governance Committee. She was appointed to the Supervisory Board in 2014.

Ms Mostrey has been the Chief Executive Officer of Euroclear group since 2017. She joined Euroclear in 2010 as Executive Director and Chief Technology & Services Officer. Previously, Ms Mostrey was a member of the Executive Committee of BNP Paribas Fortis in Brussels, where she was responsible for IT technology, operations (including securities, payments, credit cards, mortgages, clients and accounts), property and purchasing. Ms Mostrey began her career in 1983 within the IT department of Generale Bank in Brussels, moving to Operations in 1997 and, upon its merger with Fortis in 2006, became country manager for Fortis Bank Belgium. She became Chief Operating Officer of Fortis Bank in 2008, which was acquired by BNP Paribas in 2009. She was also a non-executive director of the Boards of Euroclear PLC and Euroclear S.A./N.V. between 2006 and 2010 and of RealDolmen between 2013 and 2017. Having earned a degree in civil engineering from Katholieke Universiteit Leuven in 1983, Ms Mostrey completed a postgraduate degree in economics from Vrije Universiteit Brussel in 1988.

Padraic O'Connor

Padraic O'Connor is a member of the Supervisory Board, a member of the Remuneration Committee and a member of the Nomination and Governance Committee. He was appointed to the Supervisory Board in 2018. He previously was the Chairman of the Irish Stock Exchange.

Mr O'Connor is non-executive Chairman of U.S. Bank Global Fund Services (Ireland) Ltd, LGIM (Europe) Ltd, Sarasin Funds Management (Ireland) Ltd and Fideuram Asset Management Ireland DAC. He was the Managing Director of NCB group between 1991 and 1999 prior to which he was Chief Economist at the firm. Before joining NCB, Mr O'Connor worked at the department of Finance and the Central Bank of Ireland. He holds primary and postgraduate degrees in Economics from University College Dublin.

Nathalie Rachou

Nathalie Rachou is a member of the Supervisory Board, chairs the Remuneration Committee and is a member of the Nomination and Governance Committee. She was appointed to the Supervisory Board in 2019.

Ms Rachou is a Non-Executive Director at Veolia Environnement (since 2012) and UBS group (since 2020). In 1999, she founded Topiary Finance Ltd, an asset management company based in London, of which she remained the CEO until its merger with Rouvier Associés in 2015. She stayed on at Rouvier Associés-Clartan as a Senior Advisor until 2020. Prior to that, from 1978 to 1999, she held a number of positions within Banque Indosuez and Crédit Agricole Indosuez, mostly in capital markets. She was a Non-Executive Director at Laird plc from 2016 to 2018, at Société Générale from 2008 to 2020 and at Altran from 2012 to 2020. Ms Rachou has a Masters in Management at Ecole des Hautes Etudes Commerciales (HEC) and completed an executive program at INSEAD.

Franck Silvent

Franck Silvent is a member of the Supervisory Board and a member of the Audit Committee. He was appointed to the Supervisory Board in 2017.

Mr Silvent is a Managing Partner of Degroof Petercam Finance.

Mr Silvent worked in the French Ministry of Finance (Inspection Générale des Finances) as an auditor from 1998 to 2002. In 2002 he was appointed Deputy Director of Strategy, Finance, Management Control and Accounting at Caisse des Dépôts. From 2005 to 2012 he worked at Compagnie des Alpes (CDA) where he served as Director of Finance, Strategy and Development, before becoming Deputy CEO. From 2013 to August 2017, Mr Silvent has been Director of Finance, Strategy and Holdings at Caisse des Dépôts.

He graduated from the *École Nationale d'Administration.*

Morten Thorsrud

Morten Thorsrud is a member of the Supervisory Board and a member of the Audit Committee. He was appointed to the Supervisory Board in 2019.

Mr Thorsrud is the President and CEO of If P&C Insurance Company, a position he has held since 2019. He has been with the company in various roles since 2002. In addition, he has been a member of the Sampo Group Executive Committee since 2006, and a member of the Sampo Managing Directors Committee, a member of the board of Finance Norge and a member of the board of Topdanmark, all since 2019. Previously, from 1996 to 2002, he was with McKinsey & Company, most recently as an Associate Partner. Mr Thorsrud has a master of Business and Economics from the Norwegian School of Management.

The table below contains information on the members of the Supervisory Board that has not been included above (also as at 31 December 2020).

Name	Age	Gender	Nationality	Profession	Member since	Independent/ non-independent	End of current term
Dick Sluimers	67	Male	Dutch	Economist	14/07/2016	Independent	2024
Manuel Ferreira da Silva	63	Male	Portuguese	Banker	15/03/2014	Independent	2022
Jim Gollan	65	Male	British	Accountant	20/07/2015	Independent	2023
Luc Keuleneer	61	Male	Belgian	Professor	06/06/2018	Non-independent	2022
Lieve Mostrey	60	Female	Belgian	CEO	19/12/2014	Non-independent	2022
Padraic O'Connor	71	Male	Irish	Economist	06/06/2018	Independent	2022
Nathalie Rachou	63	Female	French	Director	05/11/2019	Independent	2023
Franck Silvent	48	Male	French	Managing Partner	03/11/2017	Non-independent	2021
Morten Thorsrud	50	Male	Norwegian	Director	05/11/2019	Independent	2023

Three members of the Supervisory Board, namely Luc Keuleneer, Lieve Mostrey and Franck Silvent, were proposed by the Company's Reference Shareholders, who as a group hold more than ten percent of the Company's shares. The Company regards these three members of the Supervisory Board as non-independent within the meaning of the Dutch Corporate Governance Code. The background of the presence of three non-independent members in Euronext's Supervisory Board is related to the wish of Euronext College of Regulators for Euronext to have a number of stable, long-term shareholders.

Until 1 January 2020, Dutch law required large Dutch companies to pursue a policy of having at least 30% of the seats on both the Managing Board and the Supervisory Board held by men and at least 30% of those seats held by women. In September 2019, the Dutch "Sociaal Economische Raad" published a report advocating an integral approach and strict regulations when it comes to diversity "at the top". The Dutch government fully adopted these recommendations. In November 2020 a legislative proposal was submitted to the Dutch Parliament expecting Dutch large companies to represent at least 30% of men and women on the Supervisory Board. This new bill also includes an obligation for large companies in general to strive for appropriate and ambitious targets for the top and sub top of the Company.

Euronext, following the retirement of Kerstin Günther in May 2020, no longer meets the gender diversity targets with respect to the Supervisory Board, as only two of the nine remaining members are women.

Euronext will continue to promote gender diversity within its Supervisory Board by taking into account all relevant selection criteria including, but not limited to, gender balance, with regard to future appointments.

During 2020, no Supervisory Board member acted as a delegated Supervisory Board member, nor was any Supervisory Board member involved in Euronext's management.

As far as Euronext is aware, there were no transactions in which there were conflicts of interest with the members of the Supervisory Board that were of material significance to Euronext and/or to any of its subsidiaries during the 2020 financial year.

Euronext's Articles of Association provide for an indemnity for each present or former member of the Managing Board and each present or former member of the Supervisory Board against all costs, charges, losses and liabilities incurred by them in the proper execution of their duties or the proper exercise of their powers in any such capacities in the Company including, without limitation, any liability incurred in defending proceedings in which judgment is given in their favour or in which they are acquitted, or which are otherwise disposed of without a finding or admission of material breach of duty on their part, other than cases of willful misconduct or gross negligence (*opzet of grove nalatigheid*).

The Supervisory Board is supported by Euronext N.V.'s Company secretary, Paul Theunissen.

Euronext N.V.'s registered address serves as the business address for all members of the Supervisory Board, being Beursplein 5, 1012 JW, Amsterdam, the Netherlands.

Committees of the Supervisory Board

Audit Committee

As per 1 January 2020, the Audit Committee was composed of Jim Gollan, Kerstin Günther, Luc Keuleneer, Franck Silvent and Morten Thorsrud. Dick Sluimers was appointed to the Audit Committee on 14 May 2020. As per 31 December 2020, the Audit Committee was composed of Jim Gollan, Luc Keuleneer, Franck Silvent, Dick Sluimers and Morten Thorsrud. The committee has been chaired by Jim Gollan throughout 2020. The Audit Committee has a majority of independent members.

The Audit Committees assists the Supervisory Board in supervising and monitoring the Managing Board by advising on matters such as the compliance by Euronext with applicable laws and regulations, Euronext's disclosure of financial information, including its accounting principles, the recommendation for the appointment of Euronext's external auditor to the general meeting, the recommendations from Euronext's internal auditor and external auditor, and the review of the internal risk management and control systems and IT and business continuity safeguards, as well as technologies and security issues.

The roles and responsibilities of the Audit Committee as well as the composition and the manner in which it discharges its duties are set out in the charter of the Audit Committee included in the regulations of the Supervisory Board. The Audit Committee will meet as often as the Chairman of the Audit Committee or a majority of the members of the Audit Committee deems necessary but in any event at least twice a year.

Nomination and Governance Committee

As per 1 January 2020, the Nomination and Governance Committee was composed of Dick Sluimers, Manuel Ferreira da Silva, Lieve Mostrey, Padraic O'Connor and Nathalie Rachou. The composition of the committee remained the same and it has been chaired by Dick Sluimers throughout 2020.

The responsibilities of the Nomination and Governance Committee relating to selection and appointment include recommending criteria and procedures to the Supervisory Board for the selection of candidates to the Managing Board and the Supervisory Board and its Committees, identifying and recommending to the Supervisory Board candidates eligible to serve on the Managing Board and the Supervisory Board and its Committees, establishing and overseeing self-assessment by the Managing Board and the Supervisory Board and its Committees, conducting timely succession planning for the CEO and the other positions of the Supervisory Board and the Managing Board and reviewing and evaluating the size, composition, function and duties of the Managing Board and the Supervisory Board, consistent with their respective needs.

The responsibilities of the Nomination and Governance Committee relating to governance include the supervision and evaluation of compliance with the Dutch Corporate Governance Code.

The roles and responsibilities of the Nomination and Governance Committee as well as the composition and the manner in which it discharges its duties are set out in the charter of the Nomination and Governance Committee included in the regulations of the Supervisory Board. The Nomination and Governance Committee will meet as often as necessary and whenever any of its members requests a meeting.

Remuneration Committee

As per 1 January 2020, the Remuneration Committee was composed of Nathalie Rachou, Manuel Ferreira da Silva, Lieve Mostrey, Padraic O'Connor and Dick Sluimers. The composition of the committee remained the same and it was chaired by Nathalie Rachou throughout 2020.

The responsibilities of the Remuneration Committee include analysing the possible outcomes of the variable remuneration components and how they may affect the remuneration of the members of the Managing Board, preparing proposals for the Supervisory Board concerning remuneration policies for the Managing Board to be adopted by the general meeting, preparing proposals for the Supervisory Board concerning the terms of the service agreements and total compensation of the individual members of the Managing Board, preparing proposals for the Supervisory Board concerning the performance criteria and the application thereof for the Managing Board, preparing proposals for the Supervisory Board concerning the approval of any compensation plans in the form of share or options, reviewing the terms of employment and total compensation of employees directly reporting to the Managing Board and the total compensation of certain other specified employees, defined in consultation with the Managing Board, overseeing the total cost of the approved compensation programmes, preparing and publishing on an annual basis a report of its deliberations and findings and appointing any consultant in respect of executive remuneration.

The roles and responsibilities of the Remuneration Committee as well as the composition and the manner in which it discharges its duties are set out in the charter of the Remuneration Committee included in the regulations of the Supervisory Board. The Remuneration Committee will meet as often as necessary and whenever any of its members requests a meeting.

Other than as set out in section 2.1 above and in accordance with provision 2.1.10 of the Dutch Corporate Governance Code, the Supervisory Board complies with the requirements of independence, as set out in the best practice provisions 2.1.7-2.1.9 of the Code.

4.2.3 MANAGING BOARD

The Managing Board is responsible for the day-to-day management of the operations of Euronext and is supervised by the Supervisory Board. As described in the Articles of Associations, the Managing Board is required to inform or seek approval from the Supervisory Board depending on the matter. In performing their duties, the members of the Managing Board must act in the interest of Euronext and that of its business. The Managing Board, as a whole or represented by two of its members, is authorised to represent Euronext. In addition, specific authorisations to other senior members of staff are in place.

As per rules of procedure of the Managing Board, the Managing Board currently consists of the Chief Executive Officer ("CEO") of the Euronext group, the Chief Operating Officer ("COO") of the Euronext Group, the Head of Global Sales and the CEOs of the local exchanges. The members of the Managing Board are appointed by the general meeting only in accordance with a proposal of the Supervisory Board or upon a binding nomination by the Supervisory Board. Prior to making a nomination, the proposed nomination must be submitted to the College of Regulators and the Dutch Ministry of Finance for approval.

The Managing Board shall adopt resolutions by an absolute majority of the votes cast knowing that conflicted members cannot participate and that the Chairman of the Managing Board has a casting vote.

The following matters require the approval of the Supervisory Board:

- issue and acquisition of shares in the capital of Euronext and debt instruments issued by it or of debt instruments issued by a limited partnership or general partnership of which Euronext is a fully liable partner;

- application for admission of such shares to trading on a regulated market or a multilateral trading facility as described in section 1:1 of the Dutch Financial Supervision Act or a similar system comparable to a regulated market or multilateral trading facility from a state which is not a member state or the withdrawal of such admission;
- a proposal to reduce the issued share capital;
- entering into or terminating a long-term cooperation with a legal entity or company or as fully liable partner in a limited partnership or general partnership, if such cooperation or termination is of major significance to Euronext;
- the acquisition or disposal of a participating interest in the capital of a company, if the participating interest represents an amount of at least €50 million or such greater amount as the Supervisory Board may determine from time to time and communicates to the Managing Board in writing;
- other investments representing an amount of at least of €25 million or such greater amount as the Supervisory Board may determine from time to time and communicates to the Managing Board in writing;
- a proposal to amend the Articles of Association;
- a proposal to dissolve Euronext;
- a proposal to conclude a legal merger or a legal demerger or to convert Euronext in another legal form;
- application for bankruptcy and for suspension of payments;
- termination of the employment of a considerable number of employees at the same time or within a short period of time;
- far-reaching changes in the employment conditions of a significant number of employees, or far-reaching changes in management incentive schemes or pension schemes;
- the annual budget for the next financial year, including the underlying budgets of the Euronext Market Subsidiaries; and
- proposed investments not covered by the budgets referred to in the preceding paragraph, including proposed investments submitted to the Managing Board by any of the local exchanges, in each case involving an amount greater than such amount as the Supervisory Board may determine from time to time and communicates to the Managing Board in writing.

Additionally, pursuant to Dutch law, resolutions of the Managing Board involving a major change in Euronext's identity or its business require the prior approval of the general meeting and the Supervisory Board, which in any case include:

- the transfer of the enterprise or practically the whole enterprise to third parties;
- the entering into or the termination of a long-term joint cooperation with another legal entity or company or as fully liable partner in a limited partnership or a general partnership if this cooperation or termination of such a cooperation is of major significance to Euronext;
- the acquisition or disposal of a participating interest in the capital of a company having a value of at least one-third of the amount of the assets according to the balance sheet with explanatory notes thereto, or if Euronext prepares a consolidated balance sheet, according to such consolidated balance sheet with explanatory notes in the last adopted annual accounts.

The Rules of Procedure of the Managing Board provide that the Managing Board of a Euronext Market Subsidiary has the right to reject a resolution by the Managing Board if such resolution solely or principally has an impact on the exchange operated by such Euronext Market Subsidiary and such impact is material or of strategic importance for the Exchange operated by such Euronext Market Subsidiary. Each member of the Managing Board of such Euronext Market Subsidiary has the right to request that the item is placed on the agenda of the Supervisory Board of Euronext. The Supervisory Board shall then discuss the matter with the Managing Board of Euronext, and consider the arguments of the Managing Board of the Euronext Market Subsidiary, following which the Supervisory Board will take a final and binding decision on the matter.

Appointment and Dismissal

Members of the Managing Board are appointed by the general meeting of shareholders (i) in accordance with a proposal of the Supervisory Board or (ii) from a binding nomination to be drawn up by the Supervisory Board.

The general meeting of shareholders may suspend or dismiss a member of the Managing Board at all times. Managing Board members may also be suspended by the Supervisory Board.

Members of the Managing Board

The table below lists the members of the Managing Board at 31 December 2020.

Name	Age	Position	Appointed on
Stéphane Boujnah	56	Group CEO	4 November 2015
Øivind Amundsen	53	CEO of Oslo Børs	14 May 2020
Anthony Attia	46	CEO Euronext Paris & Global Head of Listing and Post Trade	15 March 2014
Daryl Byrne	48	CEO Euronext Dublin & Head of Debt & Funds Listings and ETFs	24 October 2018
Simone Huis in 't Veld	50	CEO Euronext Amsterdam	5 November 2019
Georges Lauchard	46	Group COO	8 July 2020
Chris Topple	51	CEO Euronext London & Head of Global Sales	24 October 2018
Isabel Ucha	55	CEO Euronext Lisbon & CEO Interbolsa	16 May 2019
Vincent Van Dessel	62	CEO Euronext Brussels	15 March 2014

On 1 January 2020, the Managing Board was composed of Stéphane Boujnah (Chairman), Håvard Abrahamsen, Anthony Attia, Daryl Byrne, Simone Huis in 't Veld, Chris Topple, Isabel Ucha and Vincent Van Dessel.

Håvard Abrahamsen resigned from the Managing Board with effect from 1 February 2020.

At the Annual General Meeting held on 14 May 2020, Øivind Amundsen and Georges Lauchard were appointed to the Managing Board. Øivind Amundsen's appointment was effective immediately. Georges Lauchard's appointment was at that moment still subject to regulatory approval and became effective on 8 July 2020

All members of the Managing Board who were appointed before Euronext N.V. became a listed company were appointed for an indefinite period of time; the appointments that occurred since were made in compliance with the Dutch Corporate Governance Code for four years terms. All appointments' terms will progressively be compliant with the Dutch Corporate Governance Code.

Euronext has assessed that the appointments to the Managing Board in 2020 are in compliance with the requirements as included in art. 5:29a of the Dutch "Wet op het financieel toezicht" regarding the maximum number of Supervisory Board positions.

Euronext's registered address serves as the business address for all members of the Managing Board, being Beursplein 5, 1012 JW, Amsterdam, the Netherlands.

Stéphane Boujnah

CEO and Chairman of the Managing Board

Age:
56

Nationality:
French

First appointment:
2015

Second appointment:
2019

Location:
Paris

Previous experiences:
Head of Santander Global Banking and Markets for continental Europe

Biography:
Stéphane Boujnah has been the CEO of Euronext and Chairman of the Managing Board of Euronext since 2015.

Before joining Euronext, Mr Boujnah was Head of Santander Global Banking and Markets for continental Europe. From 2005 to 2010, he was Managing Director at Deutsche Bank responsible for the development of the investment banking operations in France. Previously he founded KM5 Capital, an advisory company specialised in equity raising and M&A advice for venture capital funds and innovative technology companies.

From 2000 to 2002, he was Director of the European M&A team of Credit Suisse First Boston Technology group in Palo Alto and London. From 1997 to 1999, Mr Boujnah was senior adviser to the French minister for Economy, Finance and Industry. He began his career in 1991 as a business lawyer at Freshfields.

Mr Boujnah was a member of the Commission pour la Liberation de la Croissance Française established by the then President Nicolas Sarkozy in 2007. He is founder and Vice-President of the Board of Directors of the think tank En Temps Réel and President of the Board of Directors of Accentus and Insula Orchestra.

He is also a member of the board of Euronext Dublin.

He graduated from the Institut d'Etudes Politiques de Paris. He holds a master degree and a DEA in Law from La Sorbonne Paris, a LLM in Law from the University of Kent, and a MBA from Insead.

Other current mandates:

- Board member of Euronext Dublin
- Vice-President of the Board of Directors of the think tank En Temps Réel
- President of the Board of Directors of Accentus and Insula Orchestra

Øivind Amundsen

CEO of Oslo Børs

Age:
53

Nationality:
Norwegian

First appointment:
2020

Location:
Oslo

Previous experiences:
Executive Vice President Primary Markets and Legal Affairs on Oslo Børs

Biography:
Mr Amundsen took up his position as President and Chief Executive Officer of Oslo Børs on 1 February 2020. He came to Oslo Børs in 2010 as Executive Vice President Primary Market and Legal Affairs. He has former positions as partner in the lawfirm Selmer working with Public Equity Capital Transactions and Executive Vice President Corporate Affairs in KLP. Prior to this he worked, among others, several years as lawyer in the legal department with Oslo Børs. Mr Amundsen is Cand. jur from the University in Bergen, Authorized Financial Analyst from The Norwegian School of Economics and Business Administration in addition to higher officer from the Norwegian Naval Academy.

Other current mandates:

- Chairman of the board of NOTC
- Chairman of the board of Fish Pool
- Chairman of the board of Oslo Market Solutions
- Member of the board of Singapore Norway Chamber of Commerce

Anthony Attia

Age:
46

Nationality:
French

First appointment:
2014

Location:
Paris

CEO of Euronext Paris, Global Head of Listing and Post Trade

Previous experiences:
Chief of staff to the President and Deputy CEO of NYSE Euronext

Biography:
Anthony Attia has been the CEO of Euronext Paris since 2014, while also serving as Global Head of Listing and Post Trade for the Group. As CEO of Euronext Paris, he has transformed and improved the relationships with the French ecosystem, clients and regulators, and developed Euronext's equity listing franchise by growing pan-European SME and Tech initiatives. In addition, he has led the development of Euronext's state-of-the-art proprietary trading platform, Optiq® as well as the launch of Euronext of CSDs connecting Interbolsa, Euronext VPS and VP Securities.

From 2009 to 2013, based in New York, he served as Senior Vice-President and Chief of Staff at NYSE Euronext. Areas of responsibilities included strategy, technology and integration.

In 2004, he was appointed as Executive Director, Head of Operations for Euronext. He was responsible for market surveillance, exchanges operations and business development. At the creation of Euronext in 2000, he was the Integration Program Director, in charge of migrating the French, Belgian and Dutch exchanges to the Euronext single order book and trading system. Mr Attia began his career in the Paris stock Exchange in 1997.

He is a member of the board and Audit Committee of LCH SA, a member of the board of Euroclear Holding, a director of Euronext Dublin and the Vice-President of FESE, the Federation of European Exchanges. He is also the Chairman of the Board of Directors of Liquidshare.

In 2020, he was recognised by Business Insider as one of 100 people transforming business, driving change and innovation in their companies and across industries.

He holds an Engineering degree in computer science, applied mathematics and finance.

Other current mandates:
- Member of the board and Audit Committee of LCH SA
- Member of the board of Euroclear Holding
- Director of Euronext Dublin
- Vice President of FESE
- Chairman of the Board of Directors of Liquidshare

Daryl Byrne

Age:
48

Nationality:
Irish

First appointment:
2018

Location:
Dublin

CEO of Euronext Dublin, Head of Debt & Funds Listings and ETFs

Previous experiences:
Chief Regulatory Officer of Euronext Dublin

Biography:
Daryl Byrne became the CEO of Euronext Dublin and the Head of Debt & Funds Listings and ETFs in 2018. He joined the Irish Stock Exchange in 2000 and has held a number of senior management roles. Since 2011, as Chief Regulatory Officer, he was responsible for Euronext Dublin's regulatory functions and operations relating to the listing of financial instruments on Euronext Dublin's markets, across multiple asset classes including equity, debt and funds. He was also responsible for Euronext Dublin's regulatory engagement with issuers and market participants, as well as domestic and EU regulatory authorities. Mr Byrne was instrumental in the development of Euronext Dublin's global markets for securities. Previously he held the position of Head of Strategy Planning and Brand. He is a member of the board of ISE OldCo Ltd. Mr Byrne participated on the ESMA Corporate Finance Standing Committee Consultative Working group and currently participates to the European Corporate Governance Codes Network, and is a former member of the Irish REITs Forum and the Company Law Review group. Mr Byrne is a Fellow Chartered Accountant and holds a bachelor of Business Studies degree from Trinity College Dublin.

Other current mandates:
- Chairman of the Board of Directors of Centevo AB
- European Corporate Governance Codes Network

Simone Huis in ’t Veld

CEO of Euronext Amsterdam

Age:
50

Nationality:
Dutch

First appointment:
2019

Location:
Amsterdam

Previous experiences:
Managing Director and Country COO of Deutsche Bank

Biography:
Simone Huis in ’t Veld is CEO of Euronext Amsterdam and member of the Managing Board of Euronext N.V. since October 2019. She joined Euronext from her position as Managing Director and Country COO of Deutsche Bank in the Netherlands. Her previous professional experience includes over twenty years of senior management experience in the financial sector (Deutsche Bank, ABN AMRO, Rabobank), of which over twelve years in Executive/Board roles in an international environment.

She holds a master’s degree in Sociology from the University of Amsterdam and participated in several (non) executive management courses (Nyenrode Business University and London Business School, among others).

Ms Huis in ’t Veld is a member of the Supervisory Boards of iBabs and MSI Services

Other current mandates:
- Member of the Supervisory Board of iBabs
- Member of the Supervisory Board of MSI Services
- Member of the board of VNO-NCW
- Member of the board of the Dutch Securities Institute
- Member of the Advisory Panel of the Autoriteit Financiële Markten

Georges Lauchard

COO

Age:
46

Nationality:
French

First appointment:
2020

Location:
Paris

Previous experiences:
COO/CFO JPMorgan’s Corporate and Investment Bank Technology

Biography:
Georges Lauchard is Chief Operating Officer of Euronext

Mr Lauchard was previously the COO/CFO of JP Morgan’s Corporate and Investment Bank Technology team. He has worked at JP Morgan in London & Hong Kong for more than twenty years where he held numerous business, operational and technology leadership roles including Head of Global Front Office Markets supervision, COO of Global Currencies and Emerging Markets Trading as well as COO of the Asia Markets and Investor Services Sales. He previously worked for Paribas in New York. Mr Lauchard holds a MSc. in Management from NEOMA Business School in France as well as a degree in Economics from Nice University.

Other current mandates:
- Chairman of the board of Euronext Technologies SAS
- Member of the board of Euronext IP & IT Holding
- Member of the board of Euronext Technologies Unipessoal

Age:
51

Nationality:
British

First appointment:
2018

Location:
London

Chris Topple

CEO of Euronext London, Head of Global Sales

Previous experiences:
Co-head of Societe Generale Prime Services

Biography:
Chris Topple joined Euronext as CEO of Euronext London and Head of Global Sales in 2018. He is also a member of the boards of Euronext UK Holdings, Algomi and AlgoNext. Previously, Mr Topple has been cohead of Societe Generale Prime Services, a global multi-asset, multi-instrument prime brokerage proposition, including financing, custody and execution. Before that, he was responsible for leading the Prime Brokerage and Clearing Services (PCS) sales teams globally within Societe Generale's Newedge group. Mr Topple joined Newedge from Lehman Brothers/Nomura in 2012, where he spent five years as Co-Head of Prime Brokerage Sales. Prior to Lehman Brothers, he worked for JP Morgan from 1993 to 2005 in a variety of senior roles, including Global Head of Electronic Trading Sales across Fixed Income, European Head of Fixed Income Prime Brokerage Sales and Head of European Clearing Sales. Mr Topple holds a BSc in European Business with Technology Politecnico di Torino from Italy and Brighton Polytechnic.

Other current mandates:
- Chairman of the board of Euronext FX
- Member of the board of Euronext UK Holdings
- Member of the board of Euronext US
- Member of the board of Commcise Software
- Member of the board of Nord Pool Holding
- Member of the board of Nord Pool European Market Coupling Operator

Age:
55

Nationality:
Portuguese

First appointment:
2019

Location:
Lisbon/Porto

Isabel Ucha

CEO of Euronext Lisbon, CEO of Interbolsa

Previous experiences:
Advisor for Economic Affairs to the Portuguese prime Minister

Biography:
Isabel Ucha is CEO of Euronext Lisbon and CEO of Interbolsa, the Custody and Settlement service provider (CSD) for the Portuguese market.

Having joined the Portuguese Stock Exchange in 2008, her previous professional experience includes several senior roles, including serving as Advisor for Economic Affairs to the prime Minister, Head of Issuing and Markets at the Portuguese Treasury and Debt Management Agency (IGCP), and at the Portuguese securities market regulator (CMVM). Ms Ucha has also been an assistant lecturer at Universidade Católica, teaching different economic and financial programs (Economics, Corporate Finance, Economics of Finance, Economics of Regulation, European Economics, Portuguese Economy, Corporate Governance).

Ms Ucha holds a degree in Economics from Universidade Católica and a Masters in Economics from Universidade Nova, as well as a Masters in Finance from London Business School

Other current mandates:
- Member of the board of Verdipapirsentralen

Vincent Van Dessel

CEO of Euronext Brussels

Age:
62

Nationality:
Belgian

First appointment:
2014

Location:
Brussels

Previous experiences:
Various positions within Euronext Brussels

Biography:
Vincent Van Dessel has been the CEO of Euronext Brussels since 2009. From 2003 to 2009, Mr Van Dessel was General Manager of Euronext Brussels. From 2000 to 2003, he was Chairman of the Market Authority of the Brussels Exchanges, responsible for members' admission, listing, company information and the supervision of the markets. Upon the merger of the Amsterdam, Paris and Brussels exchanges into Euronext in 2000, he became member of the Executive Committee of Euronext N.V. Group. He joined the Brussels Stock Exchange in 1992 as Director Markets and Listing and later became member of the Managing Board of the Brussels Exchanges. Mr Van Dessel started his career as a stockbroker in 1984. Mr Van Dessel is a director of Enternext S.A. He has an MSc in Applied Economics from KU Leuven University and is also a regular guest lecturer at several universities, including the Paris Sorbonne. He has also been a member of the Euribor Steering Committee.

Other current mandates:
- Chairman of the board of Stichting Euronext Foundation
- Member of the Euribor Steering Committee

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Senior Management

Sylvia Andriessen

Sylvia Andriessen is the General Counsel of the Company. She has more than 25 years of experience in various international legal functions both in listed, private equity and privately owned companies. On 1 September 2018 Ms Andriessen joined the Euronext Group as Deputy General Counsel, and became General Counsel as per 20 December 2019. Prior to joining Euronext she was the Chief Legal Officer of the commodity trading group Nidera, based in Rotterdam/Geneva, including responsibility for ESG and Insurance, and Deputy GC of COFCO International. Before her role at Nidera/COFCO, Ms Andriessen was General Counsel and part of the Executive Management Committee at the Odigeo group based in Barcelona, and General Counsel at the Provimi group based in Rotterdam. Before that during a period of 17 years she held various Legal and General Counsel positions at Unilever in Rotterdam and London, with special focus on Mergers and Acquisitions, Restructuring and Corporate Governance. Ms Andriessen is a member of the board of Stichting Euronext Foundation.

Simon Gallagher

Simon Gallagher is Head of Cash and Derivatives at Euronext, with overall P&L responsibility for these activities, including the product offer, market model, strategy, pricing and liquidity programmes. Prior to this role, he held several positions within Euronext in Corporate Finance and Strategy, and occupied various roles in the oil and gas sector. He is a CFA charter-holder who holds an MBA from the University of Birmingham and a degree in Economics from the University of Surrey.

Amaury Houdart

Amaury Houdart is the Chief Talent Officer of the Company. He leads the Human Resources function and strategic initiatives related to employee engagement, talent development, and organisational changes across Euronext. Mr Houdart joined Euronext in 2016.

Prior to joining Euronext, Mr Houdart was group Director of Human Resources and Employee Shareholding at Groupe Steria SCA, a leading European IT services company. In his earlier roles, he was Business Consulting Manager, Mergers & Acquisitions Director and then Human Resources Director at Unilog LogicaCMG, a leading international IT services company. Mr Houdart graduated from Paris Dauphine University in International Affairs.

Giorgio Modica

Giorgio Modica is the Chief Financial Officer of the Company. He joined Euronext in 2016. His responsibilities include both Euronext's financial and corporate facilities and services. Mr Modica joined from BNP Paribas (Paris and Milan), where he was a senior Corporate Finance banker in Financial Institutions for nine years, holding the responsibility for the Stock Exchange sector globally and for the overall FIG markets in Italy and Spain. In over fifteen years of international investment banking experience, Mr Modica covered both M&A and ECM, as well as the structuring of financing solutions (equity and debt).

Since 2011, as advisor to NYSE Euronext and then Euronext, Mr Modica has supported the Euronext Group very closely throughout its key milestone transactions, including the attempted combination with Deutsche Börse, the carve-out of Euronext and its subsequent IPO. Mr Modica started his career at the venture capitalist firm MyQube in Geneva, and then moved to investment banking at HSBC in Milan and MCC/Capitalia in Rome. He is a director of Euronext UK Holdings Ltd, Euronext FX Inc., and Euronext Dublin. Mr Modica graduated cum-laude from Bocconi University and holds a master in Finance from SDA Bocconi.

Camille Beudin

Camille Beudin is Head of Strategic Development and Mergers & Acquisitions at Euronext. Mr Beudin joined Euronext in 2016 to lead the external growth and the strategic development of Euronext. Before joining Euronext, Mr Beudin spent eight years in the investment banking industry working on corporate finance products such as mergers & acquisitions, equity capital markets advisory and structuring of financing solutions. He was notably Vice President in the Investment Banking Division of Deutsche Bank between 2012 and 2016 and an Associate at Royal Bank of Scotland prior to that. Mr Beudin is a director notably of Oslo Børs ASA and Nord Pool Holding AS. He graduated from EDHEC Business School with a master in Management.

Changes in the governance structure with effect from 2021

With effect from 1 January 2021, a number of changes have taken place in the governance structure of Euronext at management level. An Operating Committee, as contemplated by best practice provision 2.1.3 of the Dutch Corporate Governance Code, has been created which will be responsible for the operational management of Euronext's business units and support functions.

The Managing Board remains the statutory executive governance body of Euronext NV. It is composed of the CEO, the COO, the Global Head of Sales, and the CEOs of Euronext Amsterdam, Euronext Brussels, Euronext Dublin, Euronext Lisbon, Euronext Paris and Oslo Børs.

The Operating Committee focuses on Group-level business and operational matters. It is composed of the CEO, the COO, the Global Head of Sales, FICC Markets and Advanced Data Services, the Global Head of Primary Markets, Corporate Services and Post-Trade, the Head of Cash Equity and Derivatives Markets, the Chief Financial Officer, the Chief Talent Officer, the General Counsel and the Head of Strategic Development and M&A.

The Operating Committee and the Managing Board together form the Extended Managing Board, which designs and implements the Group's strategy. The members of the Extended Managing Board participate to the meetings of the Supervisory Board.

In line with the federal model, these evolutions will allow local CEOs to focus on Group strategy and on management of local teams, clients and regulators. Local CEOs remain the senior face of Euronext with Euronext's external stakeholders.

The new governance structure will lead to a more efficient and transparent management of the Company and its subsidiaries.

Diversity

Until 1 January 2020 Dutch law required large Dutch companies to pursue a policy of having at least 30% of the seats on both the Managing Board and the Supervisory Board held by men and at least 30% of those seats held by women. Following a report of the Dutch "Sociaal Economische Raad", a legislative proposal for Dutch large companies was adopted by the Dutch parliament and was submitted to the Senate in February 2021. In line with the expected legislation Euronext strives for appropriate and ambitious diversity targets at the top and sub top.

Euronext qualifies as a large Dutch Company and has set a goal to improve the gender diversity targets with respect to the Managing Board, as less than 30% of its members are women. This is partly related to historical circumstances and partly to the sectors in which Euronext is active. The Managing Board is geographically balanced and is composed of members from each local Euronext market operator. Out of thirteen members (including Extended Managing Board members and Stéphane Boujnah), three members were female as at 31 December 2020.

The Senior Leadership team in 2020 was composed of 36% of women. The balance of country representation was the following: 49% France, 9% Norway, 8% the Netherlands 8% Ireland, 6% Denmark, 6% Portugal, 6% United Kingdom, 4% Belgium, and 4% United States, 2% Spain. The average age of this group is 44 years.

Euronext will continue to promote gender diversity within its Managing Board by striving to increase the proportion of female members by taking into account all relevant selection criteria including, but not limited to, gender balance, with regard to future appointments.

4.3 Report of the Supervisory Board

4.3.1 MEETINGS

The Supervisory Board met seventeen times in 2020: there were one in-person meetings, four conference calls and twelve meetings by videoconferencing.

The Supervisory Board discussed amongst others the following topics: the quarterly, half year and full year results, the dividend proposal, the 2021 budget and forecast, the agendas of the general meetings, including the nomination for appointments to the Supervisory Board and the Managing Board, the nomination of the external auditor, the strategy, the implementation of the strategy and the principal risks associated with it, the risk profile, M&A opportunities, the contemplated acquisition of the Borsa Italiana Group (see *section 1.2.2 – Update in 2020* for more information on the Proposed Combination) and the impacts and developments of the Covid-19 pandemic. It monitored the activities of the Managing Board with regard to creating a culture aimed at long-term value creation for the Company and its affiliated enterprise, and with regard to procedures for reporting actual or suspected irregularities.

It also discussed the items that its committees reported on, and their deliberations and findings. Among those items were, in addition to the items mentioned above, the investor base, the share price development, the internal and external audit planning and reports, litigations, the external auditors' reports, the Remuneration Policies, annual performance criteria, compensation programs, the evaluation and assessment of the Managing Board and the Supervisory Board, the composition of the Managing Board, the composition and rotation schedule of the Supervisory Board and succession planning.

The personal information of the individual Supervisory Board members can be found in paragraph 4.2.2.

The composition of the Supervisory Board and its committees is in line with the independence standards as set by articles 2.1.7 and 2.1.9 of the Dutch Corporate Governance Code. Mr Luc Keuleneer, Ms Lieve Mostrey and Mr Franck Silvent are considered non-independent Supervisory Board members.

4.3.2 SUPERVISORY BOARD ATTENDANCE RECORD

On average, 98.10% of the Supervisory Board members were present at the Supervisory Board meetings. Not taking part in the Supervisory Board's deliberations in relation to a potential conflict of interest is not counted as being absent.

In 2020, seventeen Supervisory Board meetings were held.

Name	Attended	Absence ratio
Dick Sluimers	17 out of 17 meetings	0%
Manuel Ferreira da Silva	17 out of 17 meetings	0%
Jim Gollan	16 out of 17 meetings	5.88%
Kerstin Günther (retired 14 May 2020)	5 out of 5 meetings	0%
Luc Keuleneer	17 out of 17 meetings	0%
Lieve Mostrey	17 out of 17 meetings	0%
Padraic O'Connor	15 out of 17 meetings	11.76%
Nathalie Rachou	17 out of 17 meetings	0%
Franck Silvent	17 out of 17 meetings	0%
Morten Thorsrud	17 out of 17 meetings	0%

In 2020, six Audit Committee meetings were held.

Name	Attended	Absence ratio
Jim Gollan	6 out of 6 meetings	0%
Kerstin Günther (retired 14 May 2020)	1 out of 4 meetings	75%
Luc Keuleneer	6 out of 6 meetings	0%
Franck Silvent	6 out of 6 meetings	0%
Dick Sluimers (appointed 14 May 2020)	2 out of 2 meetings	0%
Morten Thorsrud	6 out of 6 meetings	0%

In 2020, fourteen Nomination and Governance Committee meetings were held.

Name	Attended	Absence ratio
Dick Sluimers	14 out of 14 meetings	0%
Manuel Ferreira da Silva	14 out of 14 meetings	0%
Lieve Mostrey	12 out of 14 meetings	14.29%
Padraic O'Connor	2 out of 2 meetings	7.14%
Nathalie Rachou	14 out of 14 meetings	0%

In 2020, eleven Remuneration Committee meetings were held.

Name	Attended	Absence ratio
Nathalie Rachou	11 out of 11 meetings	0%
Manuel Ferreira da Silva	11 out of 11 meetings	0%
Lieve Mostrey	9 out of 11 meetings	18.18%
Padraic O'Connor	10 out of 11 meetings	9.09%
Dick Sluimers	10 out of 11 meetings	9.09%

Most Supervisory Board meetings were also attended by all or by most members of the Managing Board. In addition, several managers were invited to discuss specific items included on the Supervisory Board's agenda.

4.3.3 SUPERVISORY BOARD ACTIVITIES

The Supervisory Board was informed and consulted by the Managing Board in almost all of its meetings on the course of business and the main risks attached to it, Euronext's financial and operational performance and matters related to the Euronext's governance and strategy. Large parts of the meetings of the Supervisory Board that were held on 20 March 2020, and 5 November 2020 were dedicated to Euronext's strategy.

During the meetings held in 2020, the Supervisory Board approved the quarterly and semi-annual statements, the semi-annual report, the annual report for 2019, the budget for 2021, and the agendas of the general meetings, including the nomination for appointments to the Supervisory Board and the Managing Board, the nomination of the external auditor, and a proposal regarding the dividend. All meetings of the Supervisory Board were prepared by the Chairman of the Managing Board in close cooperation with the Chairman of the Supervisory Board.

4.3.4 BOARD EVALUATION

The annual evaluation of the Supervisory Board and its Committees relating to 2020 took place in February 2021. This evaluation was conducted by one of the global executive search firms through individual interviews with each Board member.

The outcome of the interviews was presented in a report, including recommendations, which were discussed by the Supervisory Board as a whole.

The report covered the following sections: "Governance Fit", "Relationship between Supervisory Board, Managing Board and stakeholders", "Board composition", "Board effectiveness", "Areas of expertise", "Committees", and "Recommendations".

The recommendations regarding these topics were broadly accepted and implementation will be periodically reviewed.

The performance of the individual Managing Board members and the Managing Board as a whole was discussed during the meetings of the Nomination and Governance Committee and the executive session of the Supervisory Board in February 2021.

After discussing the outcomes of the interviews and the report, the Supervisory Board concluded that the Supervisory Board and its Committees had properly discharged their responsibilities during 2020.

4.3.5 REPORT AUDIT COMMITTEE

As per 1 January 2020, the Audit Committee was composed of Jim Gollan, Kerstin Günther, Luc Keuleneer, Franck Silvent and Morten Thorsrud. Dick Sluimers was appointed to the Audit Committee on 14 May 2020. Kerstin Gunther retired on the same date. As per 31 December 2020, the Audit Committee was composed of Jim Gollan, Luc Keuleneer, Franck Silvent, Dick Sluimers and Morten Thorsrud. The Committee has been chaired by Jim Gollan throughout 2020. The Audit Committee has a majority of independent members.

The Audit Committee convened six times in 2020. These meetings were regularly attended by, in addition to the members of the Audit Committee, the Chairman of the Supervisory Board, the CEO, the CFO, the member of the Managing Board in charge of Operations, the Chief Information and Technology Officer, the Head of Risk and Compliance department, the General Counsel, the Head of Internal Audit and the external auditors.

In addition, the Audit Committee held regular individual discussions with the external auditors and the Head of Internal Audit. The Supervisory Board was regularly informed about the results of these discussions. The Chairman of the Audit Committee reported to the Supervisory Board about the activities of the Committee and about its meetings and discussions in the Supervisory Board meetings.

Among the items that were discussed by the Audit Committee were the annual, semi-annual and quarterly figures, risk management, the investor base, the share price development, the appointment of the external auditors, the internal and external audit planning and reports, litigations, and the external auditors' reports.

4.3.6 REPORT REMUNERATION COMMITTEE

As per 1 January 2020, the Remuneration Committee was composed of Nathalie Rachou, Manuel Ferreira da Silva, Lieve Mostrey, Padraic O'Connor and Dick Sluimers. The composition of the Committee remained the same and it was chaired by Nathalie Rachou throughout 2020. The Remuneration Committee held eleven meetings in 2020, where the Committee:

- undertook a review of the Remuneration Structure for the Managing Board, including a dedicated benchmark analysis for the CEO of Euronext with adjusted peer groups as detailed in the Remuneration report *(see section 4.4 Remuneration Report)*;
- proposed compensation for the Supervisory Board;
- analysed as every year the outcome of the annual performance criteria, their impact on short term incentive, long term incentive and total compensation of the members of the Managing Board, and proposed subsequent decisions to the Supervisory Board;
- reviewed as every year the total cost of the approved compensation programs for all employees, and proposed subsequent decisions to the Supervisory Board.

4.3.7 REPORT NOMINATION AND GOVERNANCE COMMITTEE

As per 1 January 2020, the Nomination and Governance Committee was composed of Dick Sluimers, Manuel Ferreira da Silva, Lieve Mostrey, Padraic O'Connor and Nathalie Rachou. The composition of the Committee remained the same and it has been chaired by Dick Sluimers throughout 2020.

The Nomination and Governance Committee met fourteen times in 2020. Topics that were discussed in the Committee's meetings included the evaluation and assessment of the Managing Board, the evaluation and assessment of the Supervisory Board, the composition of the Managing Board, the composition and rotation schedule of the Supervisory Board and succession planning.

4.3.8 FINANCIAL STATEMENTS

The Managing Board has prepared the 2020 Financial Statements and has discussed these with the Supervisory Board. The Financial Statements will be submitted for adoption at the 2021 Annual General Meeting as part of the Universal Registration Document.

4

4.4 Remuneration Report of the Remuneration Committee

4.4.1 2020 REPORT

4.4.1.1 Statement by the Chairwoman of the Remuneration Committee

Nathalie Rachou,
Chairwoman of the Remuneration Committee

On behalf of the board, I am pleased to present the Remuneration report for the financial year ending 31 December 2020.

The advisory vote on the 2019 Remuneration report was positive with 95.37% favourable votes. The Remuneration Committee and the Supervisory Board are committed to continue to reinforce our reporting year by year, complying with the latest rules, regulations and guidance, including the Shareholder Rights Directive and related Dutch implementation Act.

This report has been prepared by the Remuneration Committee and was approved by the Supervisory Board.

2021 Remuneration Policy

The Company's major investors, and proxy advisors representing institutional shareholders, have been consulted throughout the year. Euronext has engaged actively with its shareholders in 2020. In addition to the ordinary annual roadshow programme, the Group engaged with shareholders ahead of the two general meetings held during the year. Discussions were held notably about the Borsa Italiana Group Proposed Combination, improvement of the Remuneration Policy, governance and ESG objectives and achievements. Ahead of these two general meetings, more than 60% of Euronext's shareholders were engaged with or contacted in the first half of 2020, and approximately 40% were engaged in the second half of 2020. The Chairwoman of the Remuneration Committee and the Chairman of the Supervisory Board attended some of these meetings.

In order to address the questions raised during those meeting on Remuneration Policy and Remuneration Report, and following the 2020 AGM voting results, Euronext has hired external advisors to improve transparency and disclosure, to further align with market practice, and to improve shareholder dialogue and engagement, ahead of AGMs.

The Remuneration Committee held eleven meetings during 2020, and undertook a review of the remuneration structure for the Managing Board, including an updated benchmark analysis for the Group Chief Executive Officer with adjusted peer groups as detailed in this Remuneration report.

After taking into consideration the views of the investor community as well as best practices in Corporate Governance, the Remuneration Committee has proposed a number of changes to the Remuneration Policy, subject to approval by shareholders at the AGM scheduled to be held on 11 May 2021.

The key changes to the Remuneration Policy regarding the Group Chief Executive Officer are:

- Short Term Incentive:
  - introduction of a minimum performance level: 70% of objectives,
  - new Short Term Incentive target: 100% of Annual Fixed Salary (with an unchanged maximum pay-out at 150% of Annual Fixed Salary),
  - new pay-out level: 50% of the target Short Term Incentive at 90% of objectives,
  - increased weight of the financial parameters: 50% of target Short Term Incentive,
  - decreased weight of the qualitative parameters: 20% of target Short Term Incentive.
- Long Term Incentive:
  - more restrictive threshold: no payment if the Total Shareholders Return performance is below the Index,
  - introduction of a lock-up period: an additional two year holding period post vesting of the shares;
- Share ownership obligation:
  - introduction of a requirement to retain a certain number of shares equivalent to 2 years of Annual Fixed Salary in shares.

2020 remuneration Decisions

The Remuneration Committee also analysed, as it does every year, the outcome of the annual performance criteria, their impact on Short Term Incentives, Long Term Incentives and total compensation of the members of the Managing Board, and proposed subsequent decisions to the Supervisory Board. The key 2020 performance indicators and strategic achievements are summarized in this report and form the basis of the 2020 remuneration decisions.

4.4.1.2 Remuneration Committee

The Remuneration Committee of Euronext assists the Supervisory Board with respect to the Company's remuneration strategy and principles for members of the Managing Board of the Company (the "Managing Board"), the administration of its cash and equity based compensation plans and draft proposals to the Supervisory Board and oversees the remuneration programmes and remuneration of the Company's senior managers and other personnel. The Remuneration Committee meets as often as necessary and whenever any of its members requests a meeting.

The Remuneration Committee as at 31 December 2020 consisted of the following members: Nathalie Rachou (chair), Manuel Ferreira da Silva, Lieve Mostrey, Padraic O'Connor and Dick Sluimers.

4.4.1.3 Performance and Effect on Remuneration in 2020

In 2020, the Euronext team delivered major operational, financial and strategic milestones which have clearly transformed Euronext. The extreme operating conditions during Covid19 demonstrated the resilience of all its teams, its systems and its collective mindset.

a. The continued **focus on growth**, market conditions and operational efficiency allowed Euronext to grow at double digit rates on various metrics:
   1. **revenues at €884.3 million, +30.2%** above 2019;
   2. **€520.0 million EBITDA**[(1)]**, +30.2%** above 2019;
   3. **EBITDA margin**[(2)] **at 58.8%**, equal to 2019;
   4. **EPS at €4.53, +42.1%** above 2019.

b. Euronext delivered its third geographic footprint enlargement since 2002, after the acquisition of the Irish Stock Exchange in Dublin in 2018 and the acquisition of Oslo Børs VPS in Norway in 2019, through **the acquisition of VP Securities in Copenhagen in August 2020**;

c. Euronext executed successfully on its plan to make Oslo the hub of Euronext's Nordic ambitions with the completion of the acquisition of **Nord Pool**;

d. **Integration of acquired companies is proceeding better than expected with tangible financial results.** In particular, Oslo Børs VPS delivered two third of its run-rate synergies targeted 17 months after closing, and VP Securities in Copenhagen delivered more than 60% of the run-rate synergies targeted only five months after closing;

e. Euronext secured significant steps to **diversify its topline** in order to materially improve the quality of the revenue mix with the following developments:
   1. consistent deployment of our Corporate Services businesses which delivered +32.4% annual growth mostly coming from subscription-based revenues,
   2. completion of the acquisition of Nord Pool, adding Power as a new asset class on Euronext markets, with no correlation with the core equities trading businesses of Euronext,
   3. acquisition of VP Securities in Copenhagen, contributing significantly to the increase of non-volume driven revenues and fuelling our Euronext of CSDs' ambition through the consolidation of our post-trade activities; it is worth noting that Euronext's custody and settlement revenues more than doubled from 2019 to 2020 (from €49.6 million to €110.2m) thanks to both strong organic performance and external growth.

f. **Optiq®**, Euronext's cutting-edge technology platform has been completed, delivered and fully deployed across Euronext markets. 17 months after the acquisition, **Olso Børs cash and derivatives markets were successfully migrated to Optiq®** in Q4 2020. Those migrations had a very significant clearing component, in contrast to the Dublin

(1) As defined in section 5.2 – Other Financial information.

(2) As defined in section 5.2 – Other Financial information.

migration, which increased their operational complexity. More specifically, the Oslo Børs migration involved (i) a clearing house for derivatives and (ii) the implementation of an interoperable set-up of three CCPs for equities;

g. Ahead of the expected closing of the contemplated acquisition of the Borsa Italiana Group *(see section 1.2 – Update in 2020 for more information on the contemplated acquisition of the Borsa Italiana Group)* which will transform the Group profile and the significant diversification into new asset classes and new revenue models since October 2019, when the 'Let's Growth Together 2022' strategic plan was launched, Euronext announced on 10 February 2021 that the **2022 financial targets have been achieved two years in advance:**
   - 2020 revenue at comparable perimeter was at €831 million vs. €826 million expected for 2022, thanks to improved market position and increased post-trade activity,
   - 2020 EBITDA[1] margin at comparable perimeter was at 60.5%, above 60% expected for 2022, thanks to continued costs discipline,

   A new 2024 group guidance reflecting the extended perimeter will be announced in Q4 2021.

h. As Euronext continues to scale-up further, both organically and through acquisitions, Euronext has **simplified and rationalised its organisation** while maintaining and strengthening the fundamental principles of the federal model to support and drive these changes. Euronext defined new groupings for its business units and created an Operating Committee designed to focus on Group-level business and operational matters;

i. ESG was identified as a key pillar of our strategic plan, hence **the launch of our new suite of ESG-focused products, services and initiatives, to empower sustainable growth,** in June 2020. They comprise our new Euronext ESG 80 index and derivatives, the alignment of Europe's leading Low Carbon 100 index to the Paris Agreement, the expansion of our ESG bonds offering, the launch of new ESG services and solutions for listed companies, as well as the endorsement of the UN Global Compact's Ocean principles to bolster the Blue Economy. Euronext ESG Bonds initiative is gaining momentum with more than €240 billion in outstanding nominal amount, thanks to more than 150 new bond listings in 2020. This is a clear demonstration of the Euronext concrete leadership on ESG. Making ESG part of the Euronext culture is of paramount importance to ensure that the teams' energy, ideas and initiatives translate into a real ESG DNA at Euronext. Euronext therefore made all possible efforts to act as a good corporate citizen in 2020. Euronext launched the "10 shares for all" programme to engage our employees in a common journey, as each Euronext employee has a role to play in bringing Euronext to the next level. In 2020, as a concrete gesture of European solidarity, Euronext distributed 16,000 face masks across the primary locations where Euronext operates in Europe at the height of the pandemic. As an additional charity commitment, during the months of April and May 2020, employees who were willing and able to volunteer in their community were encouraged to give up to one full day per week to selected NGOs and service organisations offering critical services;

j. Euronext is changing scale thanks to its solid track record and the contemplated acquisition of the Borsa Italiana Group. In 2020 Euronext was strongly dedicated to securing its Italian ambitions. **On 9 October 2020, Euronext signed with LSEG the conditional acquisition of the Borsa Italiana Group**. This €4,325 billion conditional agreement has been welcomed favourably by our investors and is a historic achievement for Euronext in becoming the leading pan-European market infrastructure, with the support of all our European stakeholders.

   We believe that the contemplated acquisition of the Borsa Italiana Group will be the most important positive event for Euronext since its formation in 2000. In 2020, Euronext signed a commitment to make the enlarged Euronext a company with *pro forma* total revenues and income of €1.4 billion and *pro forma* EBITDA[2] of €789.7m. Also, the private placement and the rights issue contemplated for the financing of the Proposed Combination, for a total amount of €2.4 billion, will be the largest capital increase of Euronext, above the IPO of 2014.

4.4.2 REMUNERATION PRINCIPLES AND CHANGES TO THE POLICY

4.4.2.1 Principles of the Remuneration Policy

Euronext operates in European and global financial markets where it competes for a limited pool of talented executives. Highly qualified people, capable of achieving stretched performance targets, are essential to generating superior and sustainable returns for Euronext and its shareholders, while creating long term value for the overall ecosystem. Our people and remuneration strategies aim to enable Euronext to attract, develop and retain talent that will ensure that we maximise long term shareholder value, support the development of capital markets and the growth of the real economy and accelerate the transition towards a sustainable economy.

The majority of remuneration for the members of the Managing Board is linked to demanding performance targets, in line with our ambitious performance culture, over both the short and long-term horizons to ensure that executive rewards are aligned with performance delivered for shareholders and long term value creation for all stakeholders.

In determining the level and structure of the remuneration of the members of the Managing Board, the Remuneration Committee takes into account, among other things, the financial and operational results as well as non-financial indicators relevant to Euronext's long-term objectives. The Remuneration Committee has performed and will perform scenario analyses to assess whether

(1) As defined in section 5.2 – Other Financial information.

(2) As defined in section 5.2 – Other Financial information.

the outcomes of variable remuneration components appropriately reflect performance and with due regard for the risks to which variable remuneration may expose the Company.

In determining the Remuneration Policy and the compensation of members of the Managing Board, the Supervisory Board has taken and will take into account (i) the transformation of Euronext, (ii) the local market practices and the competitive environment in which Euronext operates, (iii) the impact of the overall remuneration of the Managing Board on the pay differentials within the Company and (iv) the employment terms of the employees in the Company and its subsidiaries.

Euronext believes that it is crucial to provide shareholders with transparent and comprehensible information about its remuneration philosophy. The first source of information for shareholders is the Remuneration report. The information provided during the Company's analyst presentations, meetings with shareholders and during the Annual General Meeting of shareholders is the second most important source of information. It is also critical to explain to shareholders why a proper remuneration system has a positive impact on the Company and how it helps to align the interest of all stakeholders.

Euronext is committed to implement best practice for say-on-pay, considering existing applicable legislation, the European Shareholders Rights Directive II, and recommendations in the jurisdictions in which it is active as guiding principles.

The remuneration of the members of the Managing Board consists of the following components:

- an Annual Fixed Salary component ("AFS");
- a Short Term Incentive in the form of cash reward ("STI");
- a Long Term Incentive in the form of equity ("LTI"); and
- pension provisions (postemployment benefits), employee share plan and fringe benefits.

The major part of the remuneration is performance related. In the case of on-target performance, more than two-thirds of the Group Chief Executive Officer's compensation package is based on short-term or long-term variable remuneration.

4.4.2.2 Proposed Changes to the Remuneration Policy as From 2021

Following feedback from Euronext's major investors, and from proxy advisors representing institutional shareholders, and in line with the change in size and complexity of Euronext, the Remuneration Committee performed an in-depth analysis of the Remuneration Policy in order to propose appropriate changes.

The proposed 2021 Remuneration Policy was approved by the Supervisory Board on 19 March 2021 upon the recommendation of the Remuneration Committee and will be submitted to the Annual General Meeting on 11 May 2021. This policy will take effect after the Annual General Meeting has approved it, and will remain effective until a new or revised policy has been approved by the Shareholders.

The tables hereafter reflect the current remuneration of the Managing Board along with the proposed key evolutions of the remuneration policy.

Element	Purpose	Description including changes for LTI, STI and new share ownership obligation
AFS	Reflect the responsibility and scope of the role taking into account seniority and experience	Annual Fixed Salary is reviewed annually through our compensation review process to ensure competitiveness against a revised benchmark based on more comparable companies in terms of size and nationality.
STI	Reward annual financial and individual performance	In order to take into consideration Common Market practices the Supervisory Board proposed an update of the Short Term Incentive Plan in order to align with shareholders expectations. In particular for the Group Chief Executive Officer: ■ A threshold for payment at 70% of objectives reached has been introduced. No payment will be made below 70%, whereas there was no such minimum performance threshold in the previous policy; ■ A new STI target has been defined at 100% of Annual Fixed Salary *versus* 75% before, with an unchanged maximum pay-out at 150%, in order to align with market practice, but also to allow for ambitious targets as described below; ■ At 90% of the objectives reached (compared to 80% in the previous policy) the STI pay-out will be set at 50% of the target STI, meaning 50% of AFS. At 110% of objectives reached (compared to 120% in the previous policy) the STI pay-out will be set at 150%, meaning 150% of AFS; ■ Financial targets will represent 50% of the annual objectives (compared to 40% in the previous policy), strategic quantitative targets 30%, and individual qualitative targets 20% (compared to 30% in the previous policy). All criteria will be defined by the Supervisory Board upon recommendation of the Remuneration Committee. Similar changes are adapted for the other members of the Managing Board.
LTI	Incentivise performance over the longer term and aim to retain key employees	In order to take into consideration common market practices the Supervisory Board proposed an update of the Long Term Incentive Plan in order to align with shareholders expectations, and promote long-term value creation. ■ Performance criteria applying to the Long Term Incentive Plan will continue to include 50% based on TSR performance versus the STOXX Europe 600 Financial Services ("Index"), and 50% based on EBITDA[(a)] performance versus the target set by the Supervisory Board. An additional threshold has been introduced for each criterion, meaning that no payment will be due for the TSR part if the performance is below Index, and no payment will be due for the EBITDA part if the performance is below the rolling 3-year EBITDA growth threshold defined by the Supervisory Board every year. ■ Additional share ownership restriction is introduced within the Long Term Incentive plan with a 2-year lock-up period for the LTI shares granted to the Group Chief Executive Officer. On top of the 3-year initial vesting period, the Group Chief Executive Officer will keep the shares for an additional period of 2 years, meaning a total retention period of 5 years for the shares, as from the 2021 LTI grant.
New share ownership obligations	Align the Group Chief Executive Officer's interests with shareholders' interests in the long term	The Supervisory Board has also set in 2020 a requirement to retain a certain number of shares irrespective of the date of vesting. Accordingly, the Group Chief Executive Officer will keep a number of Euronext shares representing an amount equivalent to two times his Annual Fixed Salary, as long as he remains Group Chief Executive Officer of Euronext. This will be assessed every year, based on the average closing price of the Euronext shares on the last 20 trading days of the year.
Pension provisions, employee share plan and fringe benefits	Ensure competitive benefits package and conformity with local market practice	The pension arrangements of the members of the Managing Board consist of state pension and additional pension schemes that are in line with local practice in the countries where Euronext operates. Unlike Chief Executive Officers of comparable companies, the Group Chief Executive Officer does not benefit from any supplemental pension scheme. The Supervisory Board will regularly benchmark the pension arrangements for members of the Managing Board against such arrangements of comparable companies, in comparable markets, to ensure conformity with market practice. In addition members of the Managing Board are entitled to the usual fringe benefits such as a company car, expense allowance, medical insurance, accident insurance in line with local market practice in the countries where Euronext operates.

(a) EBITDA as defined in section 5.2 – Other Financial information.

4.4.3 REMUNERATION COMPONENTS

4.4.3.1 2020 Benchmark Analysis

In accordance with the Remuneration Policy, a benchmark analysis has been conducted (by a third-party provider in November 2020) against three different peer groups to assess compensation levels of the Group Chief Executive Officer. This benchmark has been performed based on the multi-panel analysis already conducted in 2019 but with the following adjustments:

- direct competitors panel: we restricted the number of companies in order to increase the level of comparability based on the following parameters: similar activity, majority of European companies and only limited to listed company;
- french panel, where the Group Chief Executive Officer is located: we looked at companies included in the Next20 index;
- dutch panel: we restricted the market capitalisation magnitude.

This analysis showed that the current target total compensation package is positioned below direct competitors and around the median of the French and Dutch Market.

The detailed results are as follow:

- **Peer group 1: Direct competitors**(1)
  - Target Total Direct Compensation was at 72% of the market median,
  - six listed companies compose this peer group with a market capitalisation between €2.7 and €30.6 billion as of November 2020 (median at €13.4b).
- **Peer group 2: Local Market (France)**(2)
  - Target Total Direct Compensation was at 106% of the market median,
  - Next20 index compose this peer group with a market capitalisation between €3.3 and €36.3 billion as of November 2020 (median at €9.7b).
- **Peer group 3: Local Market (the Netherlands – AEX Market)**(3)
  - Target Total Direct Compensation was at 108% of the market median,
  - 10 companies compose this peer group with a market capitalisation between €4.6 and €11.7 billion as of November 2020 (median at €7.9b).

4.4.3.2 Annual Fixed Salary (AFS)

The AFS of the Managing Board is determined by the Supervisory Board upon the recommendation of the Remuneration Committee on the basis of benchmarking comparable companies in relevant markets and takes into account role, scope, accountability, and experience. Typically, AFS will be positioned at the median level of the peer Group benchmark in line with the overall job responsibilities of the individual members of the Managing Board.

The AFS reflects the responsibility and scope of each role, taking into account seniority, experience and market practice.

In 2020 the Remuneration Committee conducted its annual review of the Annual Fixed Salary levels of the members of the Managing Board and in accordance with the Remuneration Policy, a benchmark analysis has been conducted for the Group Chief Executive Officer to assess his compensation package against the three peer groups.

For 2021, no significant adjustments to the Managing Board Annual Fixed Salary are proposed. Despite the significant impact of the coming integration of the Borsa Italiana Group, the Supervisory Board has considered an adjustment of the Group Chief Executive Officer's Annual Fixed Salary to be premature and has postponed the review to next year, after the completion of the Proposed Combination, in line with the effective growth, transformation and additional complexity related to this significant transformational acquisition.

See details of the Annual Fixed Salary per Managing Board member in *section 4.4.4 – Remuneration of Managing Board Members for 2020 and previous years*.

4.4.3.3 Short Term Incentive (STI)

The STI for the Managing Board is paid on a yearly basis in cash. The objective of this STI is to ensure that the Managing Board is well incentivised to achieve operational performance targets aligned with the strategic initiatives in the shorter term.

A member of the Managing Board is eligible for an annual variable component up to a certain percentage of the Annual Fixed Salary for on target performance.

Starting in 2021, and in order to take into consideration Common Market practices the Supervisory Board proposed to adjust the Chief Executive Officer's target to 100% of AFS *versus* 75% before, with an unchanged maximum pay-out at 150% in case of overachievement.

(1) Peer group 1: Direct competitors: Deutsche Boerse AG, London Stock Exchange group plc, NASDAQ, Inc., Cboe Global Markets Inc., Bolsas y Mercados Espanoles, ASX.

(2) Peer group 2: Next20 index as of November 2020: Accor, Arkema, Bureau Veritas, Edenred, EDF, Eiffage, Eurofins Scientific, Gecina, GetLink, Klépierre, Orpea, Sartorius Stedim, Scor, Sodexo, Solvay, Suez, TechnipFMC, Ubisoft, Valeo, Wordline.

(3) Peer group 3: Dutch companies: ABN Amro, AEGON, ASM International, ASR, Galapagos, IMCD, Koninklijke KPN, NN group, Randstad, URW.

4.4.3.3.1 STI component for 2020 (previous 2019 Remuneration Policy)

The percentage of the Annual Fixed salary for on target performance was the following for 2020:

Position	Minimum annual STI as% of AFS	On target annual STI as% of AFS	Maximum annual STI as% of AFS
Group Chief Executive Officer	0%	75%	150%
Other members of the Managing Board	0%	40-50%	80-100%

Performance conditions for the Short Term Incentive are set by the Supervisory Board annually for the relevant year. They include criteria concerning Euronext's financial performance, quantitative criteria representing company performance and/or individual qualitative performance.

An overall underperformance of the set objectives leads to a reduction of the STI payment whereby a 20% negative deviation leads to a 50% reduction of STI. Over performance leads to a multiplier whereby a 20% outperformance of the set objectives will lead to an increase of 100% of STI. This level of outperformance reflects the absolute cap of the STI. Linear extrapolation between performance bands is applied.

Euronext performance conditions	STI pay-out
+20% or higher	Increase of 100%
At target to +20%	Increase on linear basis from on-target up to and including 100% increase
At target	On-target number
At target to -20%	Decrease on linear basis from on-target to 50%
More than -20%	Decrease on linear basis from 50% to 0

In 2020 the performance criteria, and weights, for the individual Managing Board members' Short Term Incentives were based on:

	Weights of performance criteria (in% of STI)		
Position	Euronext financial targets (EBITDA, market share, operational cost) (1)	Successful execution of Euronext strategic initiatives (2)	Individual strategic targets (3)
Group Chief Executive Officer	40%	30%	30%

	Weights of performance criteria (in% of STI)		
Position	Euronext financial targets(1)	Successful execution of Euronext strategic initiatives(2)	Individual quantitative and strategic targets(4)
Other members of the Managing Board	30%	20%	50%

(1) **Euronext Financial targets.** The 2020 targets, approved by the Supervisory Board, include EBITDA[1], market share and operational cost for the Group Chief Executive Officer and the other members of the Managing Board. Those criteria are monitored in a granular manner and their measurement is revised and controlled by the Remuneration Committee. Following the 2020 results, overall performance for these criteria were assessed as over performed with a payout between target and maximum level.

(2) **Successful execution of Euronext's strategic initiatives.** The 2020 targets consist of the following three objectives for the Group Chief Executive Officer and the other members of the Managing Board:

- achievement of 2020 strategic plan milestones;
- achievement of integration milestones for new acquisitions;
- definition of ESG roadmap and implementation of initial ESG initiatives.

Each of these three elements include measurable KPIs, assessed by the Remuneration Committee and the Supervisory Board during the annual review. Following assessment of the 2020 KPIs and milestones by the Supervisory Board, overall performance for this criterion was assessed as over performed with a payout between target and maximum level.

(3) **Individual qualitative targets.** The individual targets of the Group Chief Executive Officer were the following for 2020:

i. deploy and monitor the new strategic plan;
ii. deliver Client Centricity KPIs and projects;
iii. strengthen the succession plan and the management team in line with the new profile of the Company and attract talents;
iv. build a trustful relationship with the board and its committees;

(1) As defined in section 5.2 – Other Financial information.

v. build a trustful relationship with analysts, investors and Reference Shareholders;

vi. deploy M&A strategy & secure smooth execution of any possible deal;

vii. increase team productivity and optimise efficiencies.

Following assessment of the 2020 KPIs and milestones by the Supervisory Board, overall performance for these criteria were assessed as over performed with a payout between target and maximum level.

(4) Other members of the Managing Board have dedicated individual quantitative or strategic targets. Performance is assessed for each of them on an individual basis by the Supervisory Board upon therecommendation of the Chief Executive Officer.

KPI achievement and% pay-out for the members of the Managing Board:

The overall performance assessment with the application of the performance multiplier will result in a STI pay-out of 150% of the AFS for the Group Chief Executive Officer.

Name	Position	Performance criteria achievement	Performance multiplier impact	Annual target as % of AFS	Maximum pay-out as % of AFS	Pay-out as % of AFS
Stephane Boujnah	Group Chief Executive Officer and Chairman	122%	200%	75%	150%	150%
Anthony Attia	CEO of Euronext Paris and Global Head of Listing and Post Trade	118%	189%	50%	100%	94%
Chris Topple	CEO of Euronext London, Head of Global Sales	118%	189%	50%	100%	94%
Georges Lauchard	Chief Operating Officer	121%	200%	50%	100%	100%
Daryl Byrne	CEO of Euronext Dublin and Head of Debt & Funds Listings and ETFs	108%	140%	50%	100%	70%
Isabel Ucha	CEO of Euronext Lisbonand CEO of Interbolsa	110%	150%	40%	80%	61%
Simone Huis in't Veld	CEO of Euronext Amsterdam	106%	129%	50%	100%	65%
Vincent van Dessel	CEO of Euronext Brussels	101%	105%	40%	80%	42%
Øivind Amundsen	CEO of Oslo Børs	108%	139%	50%	100%	70%

4.4.3.3.2 STI component for 2021 (new 2021 Remuneration Policy)

Starting in 2021, a new STI target has been defined for the Chief Executive Officer of 100% of Annual Fixed Salary *versus* 75% before, with an unchanged maximum pay-out of 150%, in order to align with market practice, but also allow for additional threshold and ambitious targets as described below in the document.

Position	Minimum annual STI as% of AFS	On target annual STI as% of AFS	Maximum annual STI as% of AF
Group Chief Executive Officer	0%	100%	150%
Other members of the Managing Board	0%	50%-70%	75%-105%

A threshold for payment at 70% of objectives reached has been introduced. No payment will be made below 70%, whereas there was not threshold in the previous policy. At 90% of the objectives reached (compared to 80% in the previous policy) the STI pay-out will be set at 50% of the target STI, meaning 50% of AFS. At 100%, STI pay-out will be set at 100%. At 110% of objectives reached (compared to 120% in the previous policy) the STI pay-out will be set at 150%, meaning 150% of AFS. Linear extrapolation between performance bands is applied.

Depending on performance against objectives, the STI pay-out calculation rules will be the following:

Performance *versus* objectives	STI pay-out *versus* target STI
110% and above	150%
100% to 110%	Calculation on a linear basis from 100% to 150%
100%	100%
90% to 100%	Calculation on a linear basis from 50% to 100%
90%	50%
70% to 90%	Calculation on a linear basis from 0 to 50%
Below 70%	0%

Financial targets will represent 50% of the annual objectives (compared to 40% in the previous policy), strategic quantitative targets 30% and individual qualitative targets 20% (compared to 30% in the previous policy). This includes a dedicated ESG target set at 10%. The performance criteria for the members of the Managing Board's Short Term Incentives would be based on the following scorecard:

	Weights of performance criteria starting 2021 (in% of STI)				
	Financial targets		Strategic quantitative targets at Group or Business Line level		Strategic qualitative targets at individual level
Position	Revenue	Operational costs	Strategic execution	ESG	
Group Chief Executive Officer	25%	25%	20%	10%	20%
Other members of the Managing Board	25%	25%	20%	10%	20%

It is to be noted that Euronext does not disclose the actual financial targets as this is considered commercially/competition sensitive information, though they are in line with the published strategic, financial and sustainability goals of the Group.

In 2021, the performance criteria, and weights, for the Group Chief Executive Officer's Short Term Incentives are based on the following scorecard:

Description	Objective	Individual target and KPI	Weight
Financial targets and objectives for Euronext	Revenue	Revenue target for Euronext full calendar year 2021	25%
	Operational Costs	Operational costs excluding D&A budget for Euronext full calendar year 2021	25%
Strategic quantitative targets and objectives focusing on execution of Euronext strategy	M&A Strategy and Integration	Complete closing of the contemplated acquisition of the Borsa Italiana Group in H1 2021, secure regulatory approval and deliver successful rights issue Deliver cost synergies for recently acquired companies as planned for 2021 Deploy M&A strategy and secure smooth execution of any possible deal	20%
	ESG initiatives	Deploy the 2021 Group ESG roadmap	10%
Strategic qualitative targets and objectives focusing on execution of Euronext strategy	Individual objectives with a discretionary weight based on complexity and impact.	Strategic Plan	20%
		Succession plan and talent development	
		Stakeholder engagement	
		Operational excellence	
Total of target percentages			**100%**

4.4.3.4 Long Term Incentive (LTI)

Members of the Managing Board are eligible for Long Term Incentive awards (LTI), which help to align the interests of the members of the Managing Board with those of its long term (or prospective) shareholders and which provide an incentive for longer term commitment and retention of the members of the Managing Board.

The main features of the LTI arrangements are the following:

- equity awards will be made in the form of performance shares ("Performance Shares") with a three-year cliff vesting schedule ("Performance Share Plan");
- an additional two-year lock-up for the Group Chief Executive Officer starting 2021;
- the provisional and conditional target grant of LTI will be a percentage of Annual Fixed Salary (please see the table below);
- at vesting date the actual grant will be determined taking into consideration the performance of Euronext against the criterion of TSR for 50% of the performance shares granted and the absolute EBITDA[(1)] performance for 50% of the performance shares granted (as described below);
- participants are not entitled to dividends during the vesting period.

An important objective of the LTI is to provide an incentive to the Managing Board members to continue their employment relationship with Euronext and to focus on the creation of sustainable shareholder value.

As a reminder, the on-target Long Term Incentive (LTI) component as a percentage of the Annual Fixed Salary (AFS) for the members of the Managing Board remains as follows:

Position	Annual LTI as% of AFS
Group Chief Executive Officer	150%
Other members of the Managing Board	50%-75%

4.4.3.4.1 Specific grant to recognize the special contribution to the contemplated acquisition of the Borsa Italiana Group

The Supervisory Board felt it was appropriate to grant an additional LTI to the Chief Executive Officer in 2021. This grant, which is exceptional, is in recognition of the outstanding contribution of the CEO to delivering this transaction which leads to a significant increase in the share capital of Euronext and the largest transformation of Euronext since its formation in 2000. In line with

(1) As defined in section 5.2 – Other Financial information.

the possibility to deviate from the Remuneration Policy in case of exceptional circumstances, the Supervisory Board considered that granting this form of recognition was the best way to align with the interest of shareholders.

This exceptional grant will be made in the form of performance shares, for an amount equivalent in value to €412,500 representing an extra grant of 50% of AFS at the date of grant, with the same terms as the annual grant as set in the Remuneration Policy and presented above, including the three year vesting conditions, and the new share ownership obligations such as the additional two year lock-up. This means the retention period for this exceptional grant will be aligned with the retention period of the grant of LTI in 2021 and will end in 2026, after the five-years period.

4.4.3.4.2 New share ownership restrictions

Starting in 2021 and in order to be aligned with Dutch Corporate Governance Code recommendation and to strengthen the alignment of the Group Chief Executive Officer's exposure to Euronext development with the shareholders' exposure, the Supervisory Board proposes to introduce an additional two-year lock-up for the Group Chief Executive Officer, resulting in a total five-year period from the date of grant and increased motivation for sustainable performance.

4.4.3.4.3 Granted Shares

In 2020, the actual number of conditional LTI Performance Share Plan ("PSP") awards granted depends on the performance of the following two performance measures:

- **Total Shareholder Return ("TSR")** (50% weighting): The TSR performance will be based on an absolute difference between the Total Shareholders Return Index of Euronext and Total Shareholders Return Index of the STOXX Europe 600 Financial Services index ("Index") during the vesting period.

  Starting in 2021, the Supervisory Board proposes to establish the minimum TSR performance level at the average Index. Therefore, at vesting date, if the Euronext TSR performance is at par with Index performance (the threshold), 100% of performance shares assessed against the TSR criterion will vest. Below this threshold no performance shares will vest against the TSR criterion, where as in 2020 an overall underperformance in reference to the Index would lead to a discount on the conditional LTI at vesting date whereby a 20% negative deviation leads to a 50% reduction of conditionally granted LTI at vesting date. In 2021, over-performance whereby a 20% outperformance of the index is met, will lead to a maximum of 200% of performance shares vesting (maximum). This level of outperformance reflects the absolute cap of performance shares to vest at vesting date against the TSR criterion. Linear extrapolation between performance bands is applied.

Total Shareholder Return (TSR) from 2021

Measurement of performance against Index	% of performance shares assessed against the TSR criterion
+20% of target or higher (maximum)	200%
At par with index (threshold)	100%
Below threshold	0%

- **Absolute Earnings Before Interest, Tax, Depreciation and Amortisation** (EBITDA[1]) (50% weighting): The EBITDA performance will be based on the ratio between (i) the actual cumulated EBITDA of the Company for the three-year period, as reported in the audited financial statement of the Company, and (ii) a cumulated target EBITDA for the same period computed based on a target yearly EBITDA growth rate ("y") as approved by the Remuneration Committee. The multiplier of the shares granted in year N+1 (*e.g.* grant year), will be computed at the end of the three-year period (i.e. N+3), based on the ratio (i)/(ii).

  At a 0.9 ratio, 50% of performance shares assessed against the EBITDA criterion will vest at vesting date (threshold). Below this threshold no performance shares will vest against the EBITDA criterion. Over performance whereby a 1.1 ratio is met will lead to a maximum of 200% of performance shares assessed against the EBITDA criterion vesting (maximum). This level of outperformance reflects the absolute cap of performance shares to vest at vesting date against the EBITDA criterion. An intermediate stage whereby a ratio of 1 is met will lead to 100% of performance shares assessed against the criterion of EBITDA to vest at vesting date. Linear extrapolation between performance bands is applied.

Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)

Measurement of performance against the ratio of actual accumulated EBITDA (i) to the targeted EBITDA (ii) for the same period	% of performance shares assessed against the EBITDA criterion
Ratio (i)/(ii) is at 1.1 or above (maximum)	200%
Ratio (i)/(ii) is equal to 1 (intermediate stage)	100%
Ratio (i)/(ii) is equal to 0.9 (threshold)	50%
Below threshold	0%

(1) As defined in section 5.2 – Other Financial information.

4.4.3.4.4 Vested Shares

Based on the financial targets set by the Supervisory Board, the performance measurement for the award made in 2017 that vested in 2020 was:

1. performance of Euronext against the criterion of TSR (50%) between the target and maximum level;
2. EBITDA[1] margin (50%) between the target and maximum level.

The performance conditions from the previous Remuneration Policy were the following:

Euronext performance conditions (for each part of the performance conditions)		Vesting% of the number of shares
Total Shareholder Return (TSR)	**Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)**	
+33% or higher	+33% or higher	Increase of 100%
At target to +33%	At target to +33%	Increase on linear basis from original grant up to and including 100% increase
At target	At target	Original granted number
At target to -20%	At target to -20%	Decrease on linear basis from original grant to lapse of 50% of the shares
More than -20%	More than -20%	Lapse of 100% of the shares

After the three-year vesting period, the final performance of Euronext over this period compared to the performance of the peer group has determined the number of shares to be vested.

As a reminder LTI Performance Share Plan ("PSP") PSP awards that vested in 2020 depends on the performance of the following two performance measures which are independent and both weighted equally:

1. Total Shareholder Return ("TSR") (50% weighting): The TSR performance of Euronext is measured over a three-year period against the TSR of a peer group of four exchanges which are the London Stock Exchange, Deutsche Börse, Bolsas y Mercados Españoles and the Warsaw Stock Exchange; Euronext TSR index outperformed the average peer group TSR index by a percentage difference of 29% resulting in 87.80% increase of the numbers of shares linked to the TSR criterion;
2. Average Earnings Before Interest, Tax, Depreciation and Amortisation and Exceptional Items ("EBITDA")[2] margin (50% weighting): the average of the difference between the Company's actual EBITDA margin[3] on 31 December 2017 and 31 December of the first and second financial year thereafter compared to the budgeted EBITDA margin for the financial year of the grant date and first and second financial year thereafter. Over the Plan period the average of the percentage differences between the actual EBITDA margins and the budget EBITDA margins was 1.59%, resulting in 4.8% increase of the numbers of shares linked to EBITDA criterion.

See details of the Long Term Incentive per Managing Board member in section 4.4.4 – Remuneration of Managing Board Members for 2020 and previous years.

4.4.3.5 New share ownership obligations

In addition, in order to further emphasise the alignment of interests of the Chief Executive Officer with those of shareholders, the Supervisory Board set a requirement in 2020 to retain a certain number of shares irrespective of the date of vesting. Accordingly, the Group Chief Executive Officer will keep a number of Euronext shares representing an amount equivalent to two times his Annual Fixed Salary, as long as he remains Group Chief Executive Officer of Euronext.

This will be assessed every year, based on the average closing price of the Euronext shares on the last 20 trading days of the year.

Euronext shares owned by the Group Chief Executive Officer

As of 1 March 2021, the Group CEO owns 24,318 ordinary shares in Euronext N.V. This total number of shares results from:

1. personal acquisition with personal resources of 2,565 shares in 2016;
2. vesting of 10,060 shares in 2019, net of withheld shares for tax payment, in relation to the LTI performance shares granted in 2016;
3. vesting of 11,693 shares in 2020, net of withheld shares for tax payment, in relation to the LTI performance shares granted in 2017.

The Group Chief Executive Officer has not sold any shares in Euronext N.V since he joined the Company on 16 November 2015.

Using the average closing price of the Euronext share on the last 20 trading days of 2020 at €89.15, the shares owned by the Group Chief Executive Officer are valued at €2,168,010, which is to more than two times his annual fixed salary.

(1) As defined in section 5.2 – Other Financial information.

(2) As defined in section 5.2 – Other Financial information.

(3) As defined in section 5.2 – Other Financial information.

4.4.3.6 Pension Schemes and Fringe Benefits

Due to the nature and structure of the Company, the members of the Managing Board are eligible for local benefits and pension arrangements. Pension consists of various state pension and additional local supplementary pension schemes in place depending on market practice in the countries where Euronext operates. Local members of the Managing Board have access to local supplementary pension schemes when available, in line with conditions offered to other employees locally.

With respect to pension arrangements, the Supervisory Board will regularly benchmark against the pension arrangements of comparable companies, in comparable markets, to ensure conformity with market practice.

Although it is common practice in comparable companies, the Group Chief Executive Officer does not benefit from any pension nor retirement arrangement of any sort funded by Euronext and more generally the members of the Managing Board do not benefit from any specific pension benefits compared to all other Euronext employees.

Please see in the below table details on individual pension local schemes in place.

Type of supplementary pension scheme	
Stéphane Boujnah	None
Anthony Attia	None
Georges Lauchard	None
Chris Topple	All employee Defined Contribution scheme
Daryl Byrne	All employee Defined Contribution scheme
Isabel Ucha	All employee Defined Contribution scheme
Vincent van Dessel	All employee Defined Contribution scheme
Øivind Amundsen	All employee Defined Contribution scheme/ age related contribution
Simone Huis in 't Veld	All employee Defined Contribution scheme/ age related contribution

See details of the pension contribution amount per members of the Managing Board in *section 4.4.4. – Remuneration of Managing Board Members for 2020 and previous years* for postemployment benefits.

At the time of the IPO in 2014, the Company offered ordinary shares to all eligible employees, which ordinary shares are held through the French Fonds Commun de Placement d'Entreprise "Euronext Group" ("FCPE"). On 31 December 2020, no more units are held by the members of the Managing Board.

There is currently no lock-up of ordinary shares regarding the ordinary shares mentioned below.

2020 Group Chief Executive Officer Pay Ratio

Euronext takes into account the internal pay ratios when formulating the Remuneration Policy. In light of transparency and clarity, Euronext applies a methodology using total cash, including Annual Fixed Salary and Short Term Incentive as disclosed in the table above.

The ratio between the total annual remuneration of the Group CEO and the average annual employee compensation in 2020 was 21.3. The comparable 2019 ratio was 20.9. (please refer to the table below for further details on Managing Board remuneration). The level of 2020 STI pay-out explains the change of ratio this year.

4.4.4 REMUNERATION OF MANAGING BOARD MEMBERS FOR 2020 AND PREVIOUS YEARS

Five year Remuneration Overview

The remuneration for 2020 and previous years, is presented in the table below.

The actual remuneration expensed for the members of the Managing Board, for the year 2020 amounted to €9,764,030. This amount includes a pro rata compensation related to Georges Lauchard, Øivind Amundsen and Håvard S. Abrahamsen.

The total remuneration consists of (i) an aggregate Annual Fixed Salary, (ii) the aggregate Short Term Incentive compensation based on the achievements against objective measurable criterion and (iii) the aggregate Long Term Incentive compensation recognised in accordance with IFRS 2 and (iv) an amount to be contributed to postemployment benefits. The table also presents the fixed to variable remuneration ratio.

The pay-for-performance philosophy and long-term value creation is, amongst others, realised by the pay mix, with more than two-thirds of the Group Chief Executive Officer total package in variable pay. A significant part of the pay package is conditional upon the achievement of long term performance targets, with long term variable pay representing almost half of the pay package. Such balance is considered to support the Company's strategy and the long term sustainable interests of the Company and all its stakeholders including its shareholders.

MANAGING BOARD REMUNERATION

Name	Title	Currency	Year	AFS [1]	STI	LTI based on face value at target [2]	Post-employment benefits	% fixed	% variable
Stéphane Boujnah	Chief Executive Officer and Chairman	EUR	2016	725,000	797,500	725,000	-	32%	68%
		EUR	2017	725,000	815,625	725,000	-	32%	68%
		EUR	2018	725,000	1,015,000	825,000	-	28%	72%
		EUR	2019	825,000	1,155,000	725,000	-	30%	70%
		EUR	2020	825,000	1,237,500	1,237,500	-	25%	75%
Anthony Attia	CEO of Euronext Paris and Global Head of Listing and Post Trade	EUR	2016	300,000	210,000	225,000	-	41%	59%
		EUR	2017	300,000	225,000	225,000	-	40%	60%
		EUR	2018	300,000	270,000	225,000	-	38%	62%
		EUR	2019	360,000	300,000	270,000	-	39%	61%
		EUR	2020	360,000	340,000	270,000	-	37%	63%
Chris Topple	CEO of Euronext London, Head of Global Sales	GBP	2018	320,000	320,000	640,000	4,891	25%	75%
		GBP	2019	360,000	300,000	270,000	23,357	39%	61%
		GBP	2020	360,000	340,000	270,000	25,740	37%	63%
Georges Lauchard	COO	EUR	2020	360,000	360,000	270,000	-	36%	64%
Daryl Byrne	CEO of Euronext Dublin and Head of Debt & Funds Listings and ETFs	EUR	2018	270,000	100,000	40,000	6,750	66%	34%
		EUR	2019	270,000	135,000	202,500	32,400	44%	56%
		EUR	2020	270,000	190,000	202,500	32,400	41%	59%
Isabel Ucha	CEO of Euronext Lisbon and CEO of Interbolsa	EUR	2019	230,000	115,000	115,000	21,645	50%	50%
		EUR	2020	230,000	140,000	115,000	34,500	47%	53%
Vincent Van Dessel	CEO of Euronext Brussels	EUR	2016	264,764	105,905	132,382	33,507	53%	47%
		EUR	2017	270,701	110,000	133,878	33,853	53%	47%
		EUR	2018	275,655	110,000	137,827	34,631	53%	47%
		EUR	2019	282,722	112,843	140,804	35,596	53%	47%
		EUR	2020	286,984	120,000	143,492	36,292	52%	48%
Øivind Amundsen	CEO Oslo Børs	NOK	2020	2,700,000	1,890,000	1,350,000	73,114	45%	55%
Simone Huis in 't Veld	CEO of Euronext Amsterdam	EUR	2019	270,000	135,000		4,458	67%	33%
		EUR	2020	270,000	175,000	202,500	10,937	42%	58%

(1) The fixed benefits as disclosed in Note 56 of the Financial Statements include the Annual Fixed Salary (as presented in the table above) and benefits in kind like company car and health care insurance, if applicable.

(2) LTI value is presented upon the amount granted according the Remuneration Policy. LTI based on IFRS standard 2 "Shares-based payments" value can be seen in Note 36 of the Financial Statements.

The Company has not granted any loans, advanced payments or guarantees to the members of the Managing Board.

There is no termination clause in case of change of control.

The potential severance payment in the case of termination of contract is 24 months of fixed salary. The limitation to twelve months of fixed salary as provided in the Dutch Corporate Governance Code has been balanced against the French AFEP-MEDEF Corporate Governance Code recommendations, which provide for a maximum termination indemnity of 24 months' compensation, fixed and variable remuneration. The termination indemnity has been limited to twice the Annual Fixed Salary, which is in line with the relevant best practices in the various jurisdictions in which Euronext is active.

Long Term Incentive in Performance Shares Overview

in number of shares	Plan	Year of granting	Out-standing as at 1 January 2020	Granted in calendar year	Forfeited in calendar year	Additional performance shares vested in 2020	Vested in calendar year	Out-standing as at 31 December 2020	Total vested in previous years
Stephane Boujnah	LTI	2016	-					-	19,472
	LTI	2017	15,469			7,162	22,631	-	
	LTI	2018	14,798					14,798	
	LTI	2019	11,381					11,381	
	LTI	2020		14,063				14,063	
Anthony Attia	LTI	2016	-					-	6,043
	LTI	2017	4,801			2,223	7,024	-	
	LTI	2018	4,035					4,035	
	LTI	2019	3,532					3,532	
	LTI	2020		3,069				3,069	
Georges Lauchard	LTI	2020		3,069				3,069	
Simone Huis in 't Veld	LTI	2020		2,302				2,302	
Daryl Byrne	LTI	2018	717					717	
	LTI	2019	3,178					3,178	
	LTI	2020		2,302				2,302	
Chris Topple	LTI	2018	13,760					13,760	
	LTI	2019	4,313					4,313	
	LTI	2020		3,442				3,442	
Isabel Ucha	LTI	2019	1,805					1,805	
	LTI	2020		1,307				1,307	
Øvind Amundsen	LTI	2020		1,399				1,399	
Vincent van Dessel	LTI	2016	-					-	3,555
	LTI	2017	2,856			1,322	4,178	-	
	LTI	2018	2,472					2,472	
	LTI	2019	2,210					2,210	
	LTI	2020		1,631				1,631	
			85,327	**32,584**	**0**	**10,707**	**33,833**	**94,785**	

Five year Company Performance Overview

Company performance	2016	2017	2018	2019	2020(2)
Revenue (EUR million)	**496.4**	**532.3**	**615.0**	**679.1**	**884.3**
Share price (31/12) (EUR)	39.205	51.81	50.3	72.65	90.15
EBITDA (EUR million)(1)	283.9	297.8	354.3	399.4	520
Countries	7	11	15	17	19
Headcount	**589**	**687**	**848**	**1,086**	**1,455**
Average employee remuneration (AFS + STI in k€)	91	90	89	95	97

(1) As defined in section 5.2 – Other Financial information.

(2) Excluding acquisitions : Nord Pool, Euronext Funds360, VP Securities, Commcise and Corporate Services.

4.4.5 REMUNERATION OF SUPERVISORY BOARD MEMBERS

2020 Remuneration

The principles of the Supervisory Board Remuneration Policy are to compensate Supervisory Board members for the time dedicated to oversee Euronext in line with responsibilities required by the Civil Code, Dutch Corporate Governance Code, the rule of Procedure of the Supervisory Board and the Articles of Association.

The gross amounts that were paid to members of the Supervisory Board in 2020 are disclosed in the below table. They reflect each role's responsibilities as well as the time spent since the number of meetings in 2020 was quite high. The development of the remuneration also reflects the implementation of the Remuneration Policy of the Supervisory Board approved in the May 2020 Annual General Meeting by the shareholders with a 95.52% percentage of favourable votes. Other changes in remuneration are mainly the result of mid-year appointments or resignations.

Group Supervisory Board	2016	2017	2018	2019	2020
Dick Sluimers	€40,883	€81,000	€97,500	€129,000	€182,750
Manuel Ferreira da Silva	€67,000	€67,000	€72,000	€87,000	€89,500
Jim Gollan	€63,538	€65,000	€72,500	€85,000	€95,000
Kerstin Günther	€35,014	€57,585	€66,000	€81,000	€29,750
Luc Keuleneer			€49,875	€81,000	€83,500
Lieve Mostrey	€0	€0	€0	€0	€0
Padraic O'Connor			€42,375	€84,000	€89,500
Nathalie Rachou				€18,121	€93,500
Franck Silvent		€8,890	€63,500	€81,000	€83,500
Morten Thorsrud				€17,184	€83,500

Members of the Supervisory Board, also received remuneration in relation to their positions in the Supervisory Board of Euronext's subsidiaries: Dick Sluimers and Luc Keuleneer for their position at Euronext Amsterdam, Luc Keuleneer for his position at Euronext Brussels NV/SA and Jim Gollan for his position as Chairman of the Board of Euronext London Limited. These remunerations are disclosed in the figures as illustrated below.

Local Boards	2016	2017	2018	2019	2020
Dick Sluimers	€10,779	€15,000	€15,000	€15,000	€15,000
Jim Gollan	£30,000	£30,000	£30,000	£30,000	£30,000
Luc Keuleneer			€7,500	€15,000	€30,000

Euronext does not issue option or share plans or other incentive plans members of to the Supervisory Board. Euronext has not granted any loans to members of the Supervisory Board. There are no service contracts which provide for benefits upon termination of employment with members of the Supervisory Board.

Appointment and dismissal

Kerstin Günther retired from the Supervisory Board following the Annual General Meeting that was held on 14 May 2020.

5

SELECTED HISTORICAL CONSOLIDATED FINANCIAL INFORMATION, OTHER FINANCIAL INFORMATION AND UNAUDITED *PRO FORMA* COMBINED FINANCIAL INFORMATION

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In accordance with Article 19 of Regulation (EU) 2017/1129, the following information is incorporated by reference in the Universal Registration Document:

For Financial Year 2018

Required disclosures in the report of the Managing Board appearing in the Statement of the Managing Board, the Consolidated Financial Statements are presented on pages 143-227 and the corresponding auditor's report is presented on page 230 of the 2018 Registration Document filed with the Autoriteit Financiële Markten on 3 April 2019 and available at:

https://www.euronext.com/sites/default/files/2019-04/euronext_2018_registrationdocument.pdf

For Financial Year 2019

Required disclosures in the report of the Managing Board appearing in the Statement of the Managing Board, the Consolidated Financial Statements are presented on pages 177-259 and the corresponding auditor's report is presented on page 262 of the 2019 Universal Registration Document filed with the Autoriteit Financiële Markten on 1 April 2020 and available at:

https://www.euronext.com/sites/default/files/financial-event-doc/2020-04/EURONEXT_URD_EN_2019.pdf

5.1 Selected Historical Consolidated Financial Information

The selected consolidated financial information set out below is derived from the audited Consolidated Financial Statements for the financial years ended 31 December 2020, 2019 and 2018 and should be read in conjunction with, and is qualified by reference to, those Consolidated Financial Statements.

SELECTED CONSOLIDATED INCOME STATEMENT DATA

	Year ended		
In thousands of euros	31 December 2020	31 December 2019	31 December 2018
Revenue			
Listing	145,473	128,951	106,490
Trading revenue	365,100	272,810	276,572
of which			
■ Cash trading	262,226	205,565	210,947
■ Derivatives trading	49,206	44,324	43,910
■ FX trading	26,352	22,921	21,715
■ Power trading	27,316		
Investor Services	7,584	5,735	
Advanced data services	139,036	128,756	118,298
Post-trade	177,228	104,831	77,381
of which			
■ Clearing	67,056	55,237	55,331
■ Custody and Settlement	110,172	49,594	22,050
Euronext Technology Solutions & Other revenue	49,725	37,805	36,063
Other income	172	220	229
TOTAL REVENUE	**884,318**	**679,108**	**615,033**
Salaries and employee benefits	(198,970)	(153,145)	(118,488)
Depreciation and amortisation	(57,776)	(43,676)	(23,400)
Other operational expenses	(165,300)	(126,543)	(142,295)
OPERATING PROFIT BEFORE EXCEPTIONAL ITEMS	**462,272**	**355,744**	**330,850**
Exceptional items	(17,330)	(21,871)	(21,474)
OPERATING PROFIT	**444,942**	**333,873**	**309,376**
Finance costs	(17,262)	(11,851)	(5,481)
Change in fair value of financial liabilities	263	(13,275)	(3,200)
Other net financing income	4,199	7,711	3,421
Results from equity investments	1,646	7,270	5,984
Share of net profit from associates and joint ventures accounted for using the equity method, and impairments thereof	8,916	1,844	1,612
PROFIT BEFORE INCOME TAX	**442,704**	**325,572**	**311,712**
Income tax expense	(122,157)	(100,294)	(94,084)
PROFIT FOR THE YEAR	**320,547**	**225,278**	**217,628**
PROFIT ATTRIBUTABLE TO:			
■ Owners of the parent	315,484	221,966	215,968
■ Non-controlling interest	5,063	3,312	1,660

SELECTED CONSOLIDATED BALANCE SHEET DATA

In thousands of euros	As at 31 December 2020	As at 31 December 2019	As at 31 December 2018
Assets			
Non-current assets			
Property, plant and equipment	56,024	58,890	38,884
Right-of-use assets	46,923	51,751	-
Goodwill and other intangible assets	1,536,137	1,458,760	705,636
Deferred tax assets	20,844	21,025	20,932
Investments in associates and joint ventures	68,051	67,025	72,685
Financial assets at fair value through other comprehensive income	204,506	197,821	220,100
Financial assets at amortised cost	3,173	1,503	7,021
Other non-current assets	5,451	1,559	812
TOTAL NON-CURRENT ASSETS	**1,941,109**	**1,858,334**	**1,066,070**
Current assets			
Trade and other receivables	181,161	125,376	101,082
Other current assets	13,810	12,057	9,240
Income tax receivables	3,250	1,395	2,532
Derivative financial instruments	23,735	19,353	7,361
Other current financial assets	92,090	12,118	14,160
Cash and cash equivalents	629,469	369,822	398,018
TOTAL CURRENT ASSETS	**943,515**	**540,121**	**532,393**
Assets held for sale	–	8,760	–
TOTAL ASSETS	**2,884,624**	**2,407,215**	**1,598,463**
Equity and liabilities			
Equity			
Issued capital	112,000	112,000	112,000
Share premium	116,560	116,560	116,560
Reserve own shares	(19,867)	(11,194)	(17,816)
Retained earnings	826,302	625,545	509,483
Other reserves	23,753	75,229	70,866
Shareholders' equity	1,058,748	918,140	791,093
Non-controlling interests	30,238	15,686	11,231
TOTAL EQUITY	**1,088,986**	**933,826**	**802,324**
Non-current liabilities			
Borrowings	1,272,510	1,011,527	504,940
Lease liabilities	35,051	41,180	–
Other non-current financial liabilities	–	–	17,400
Deferred tax liabilities	92,860	78,754	21,429
Post-employment benefits	26,477	25,958	10,666
Contract liabilities	44,641	45,795	41,461
Provisions	14,519	15,079	5,994
TOTAL NON-CURRENT LIABILITIES	**1,486,058**	**1,218,293**	**601,890**
Current liabilities			
Borrowings	8,243	6,750	3,745
Lease liabilities	15,900	13,970	–
Other current financial liabilities	521	30,675	6,986
Derivative financial instruments	375	141	85
Current income tax liabilities	33,822	23,333	11,240
Trade and other payables	185,837	117,298	115,332
Contract liabilities	62,233	62,825	55,487
Provisions	2,649	104	1,374
TOTAL CURRENT LIABILITIES	**309,580**	**255,096**	**194,249**
TOTAL EQUITY AND LIABILITIES	**2,884,624**	**2,407,215**	**1,598,463**

SELECTED STATEMENT OF CASH FLOWS DATA

	Year ended		
In thousands of euros	31 December 2020	31 December 2019	31 December 2018
Net cash generated by operating activities	277,988	253,771	223,512
Net cash (used in) investing activities	(104,725)	(607,307)	(215,152)
Net cash provided by/(used in) financing activities	104,235	327,678	202,012
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**277,498**	**(25,858)**	**210,372**
Cash and cash equivalents – Beginning of year	369,822	398,018	187,785
Non-cash exchange gains/(losses) on cash and cash equivalents	(17,851)	(2,338)	(139)
CASH AND CASH EQUIVALENTS – END OF YEAR	**629,469**	**369,822**	**398,018**

5.2 Other Financial Information

NON-IFRS FINANCIAL MEASURES

In presenting and discussing the Group's financial position, operating results and net results throughout this Universal Registration Document, management uses certain Alternative performance measures not defined by IFRS and that have not been audited or reviewed. These Alternative performance measures (APMs) should not be viewed in isolation as alternatives to the equivalent IFRS measures and should be used as supplementary information in conjunction with the most directly comparable IFRS measures. Alternative performance measures do not have standardised meaning under IFRS and therefore may not be comparable to similar measures presented by other companies. Euronext believes that these measures provide valuable supplemental information to the Company's management, investors and other stakeholders to evaluate the Company's performance.

The below table summarises the various APMs used throughout this Universal Registration Document, as well as the Group's rationale and purpose to use a specific APM.

Alternative Performance Measure	Definition	Rationale/purpose of use
Adjusted net income	Net income adjusted for amortisation of intangible assets acquired in a business combination, exceptional items, impairments, revaluation of buy-options and deferred payments, less tax related to those items	Adjusted net income is used by the Group to provide to investors a better understanding of the true profitability of the Group for the applicable period
Adjusted EPS	The adjusted net income of the Group divided by the total weighted average number of shares outstanding for the period	Adjusted EPS is used by the Group to provide to investors a better understanding of the true profitability per share of the Group for the applicable period
Free cash flow	Net cash generated by operating activities minus capital expenditures	Free cash flow represents the cash generating capability of the Group to pay dividends, repay providers of capital, or carry out acquisitions
Capital expenditures	Purchase of property, plant and equipment plus purchase of intangible assets	Capital expenditures indicates the Group's appetite to invest in existing and new fixed assets to maintain or grow the business
Operating profit before exceptional items	Total revenues minus salaries and employee benefits, minus depreciation and amortisation minus other operating expenses	Operating profit before exceptional items is used by the Group to measure its profit generated from its core business functions
Exceptional items	Exceptional items includes clearly identifiable income and expense items which are infrequent and unusual by their size or by their nature	Exceptional items are presented separately in the Group's Consolidated Statement of Profit or Loss in order to improve the understanding of the operating performance of the Group
EBITDA	Operating profit before (i) exceptional items and (ii) depreciation and amortization, taking into account the lines described in the Consolidated Statement of Profit or Loss, and as defined in Chapter 5.1 of the URD	EBITDA is used by the Group to measure its operating performance, as management believes that this measurement is most relevant in evaluating the operating results of the Group. This measure is included in the internal management reports that are reviewed by the CODM
EBITDA margin	The operating profit before exceptional items and depreciation and amortisation, divided by revenue	EBITDA margin is used to show the ratio between the EBITDA and the revenue
EBITDA to Net operating cash flow	Net cash generated by operating activities, divided by EBITDA (as defined above)	This ratio, also called cash conversion ratio, is used to assess the efficiency of the Group to turn the EBITDA into cash.
Net debt to EBITDA ratio	The aggregated non-current and current borrowings of the Group less cash and cash equivalents of the Group, divided by EBITDA (as defined above)	This ratio is used as a proxy to assess the Group's solvency (*i.e.* its ability to face its financial commitments in the long run).
Pro Forma EBITDA	The combined *pro forma* operating profit of the Combined Group(1) before exceptional items and depreciation and amortisation	*Pro Forma* EBITDA is used to show the hypothetical operating performance of the Combined Group, as management believes that this measurement is most relevant in evaluating the hypothetical operating results of the Combined Group(1)
Pro Forma Gross Debt	The *Pro Forma* gross debt means the aggregate principal amount of all obligations of member of the Combined Group(1) in respect of any financial indebtedness owed to persons outside the Combined Group(1)	*Pro Forma* gross debt is used to calculate the hypothetical leverage ratio of the Combined Group(1)
Pro Forma Net Debt	The *Pro Forma* net debt means total gross debt (as defined above) less cash and cash equivalents with respect to the Combined Group(1) on a consolidated basis	*Pro Forma* net debt is used to calculate the hypothetical leverage ratio of the Combined Group(1)
Pro Forma Net Debt to *Pro Forma* EBITDA Leverage Ratio	The combined *pro forma* net debt of the Combined Group(1) divided by the combined *pro forma* EBITDA of the Combined Group(1)	*Pro Forma* Net Debt to *Pro Forma* EBITDA leverage ratio is used to calculate the hypothetical leverage ratio of the Combined Group(1). Euronext is required to maintain in compliance with a maximum leverage ratio if the credit rating would drop below BBB.

(1) See section '5.3 Unaudited Pro Forma Combined Financial Information', which has been prepared for illustrative purposes only to represent the pro forma effects of the contemplated acquisition of the Borsa Italiana Group by Euronext N.V.

The figures used in the reconciliation tables below have been derived from the Consolidated Financial Statements and the *Pro Forma* Financial information, as provided respectively in sections 8 and 5.3 of this Universal Registration Document.

RECONCILIATION OF EBITDA, EBITDA MARGIN, EXCEPTIONAL ITEMS, OPERATING PROFIT BEFORE EXCEPTIONAL ITEMS EBITDA TO NET OPERATING CASH FLOW AND NET DEBT TO EBITDA RATIO

In thousands of euros **(except for percentages and ratios)**	Year ended 31/12/2020	31/12/2019	31/12/2018
Operating profit	444,942	333,873	309,376
Exceptional items [(a)]	(17,330)	(21,871)	(21,474)
Operating profit before exceptional items [(a)]	462,272	355,744	330,850
Depreciation and amortisation	(57,776)	(43,676)	(23,400)
Operating profit before exceptional items and depreciation and amortisation (EBITDA) [(a)]	520,048	399,420	354,250
TOTAL REVENUE	**884,318**	**679,108**	**615,033**
EBITDA margin [(a)]	59%	59%	58%
NET CASH GENERATED BY OPERATING ACTIVITIES	**277,988**	**253,771**	**223,512**
EBITDA to Net operating cash flow [(a)]	53%	64%	63%
Non-current Borrowings	1,272,510	1,011,527	504,940
Current Borrowings	8,243	6,750	3,745
Less: Cash and cash equivalents	(629,469)	(369,822)	(398,018)
NET DEBT	**651,284**	**648,455**	**110,667**
Net debt to EBITDA ratio [(a)]	1.25	1.62	0.31

(a) EBITDA, EBITDA margin, Exceptional items, Operating profit before exceptional items, EBITDA ratio to Net operating cash flow and Net debt to EBITDA are non-IFRS measures and should not be considered as an alternative to, or more meaningful than, and should be read in conjunction with, Operating profit, Net cash generated by operating activities, Non-current Borrowings, Current Borrowings and Cash and cash equivalents.

5

RECONCILIATION OF FREE CASH FLOW AND CAPITAL EXPENDITURES

In thousands of euros	Year ended 31 December 2020	31 December 2019	31 December 2018
Net cash generated by operating activities	**277,988**	**253,771**	**223,512**
Purchase of property, plant and equipment	(6,649)	(14,663)	(10,958)
Purchase of intangible assets (excluding intangible assets recognized on acquisition of subsidiaries)	(12,569)	(11,394)	(11,307)
Capital Expenditures[(a)]	**(19,218)**	**(26,057)**	**(22,265)**
Free Cash Flow[(a)]	**258,770**	**227,714**	**201,247**

(a) Free Cash Flow and Capital Expenditures are non-IFRS measures and should not be considered as an alternative to, or more meaningful than, and should be read in conjunction with, Net cash generated by operating activities.

RECONCILIATION OF ADJUSTED NET INCOME AND ADJUSTED EPS

In millions of euros unless stated otherwise	Year Ended 31 December 2020	31 December 2019	31 December 2018
PROFIT ATTRIBUTABLE TO THE OWNERS OF THE PARENT	**315.5**	**222.0**	**216.0**
EPS (BASIC EARNINGS PER SHARE) *(€ per share)*	**4.53**	**3.19**	**3.10**
PPA adj. related to acquisitions	(21.0)	(13.8)	(7.4)
Exceptional items	(17.3)	(21.9)	(21.5)
Impairments	–	(6.0)	(1.5)
Revaluation of buy-options and deferred payments	–	(13.3)	(3.2)
TAX RELATED TO THOSE ITEMS	**6.2**	**5.5**	**5.2**
Adjusted net income[(a)]	347.6	271.4	244.4
ADJUSTED EPS (€ PER SHARE)[(a)]	**4.99**	**3.90**	**3.51**

(a) Adjusted net income and Adjusted EPS are non-IFRS measures and should not be considered as an alternative to, or more meaningful than, and should be read in conjunction with respectively, Profit attributable to the owners of the Parent and Basic Earnings per Share.

RECONCILIATION OF *PRO FORMA* EBITDA, *PRO FORMA* NET DEBT AND *PRO FORMA* NET DEBT TO *PRO FORMA* EBITDA LEVERAGE RATIO

In thousands of euros (except for ratios)	Year ended 31 December 2020
Pro Forma Operating profit	602,357
Pro Forma Exceptional items	(48,315)
***Pro Forma* Operating profit before exceptional items**	**650,672**
Pro Forma Depreciation and amortisation	(139,037)
***Pro Forma* Operating profit before exceptional items and depreciation and amortisation (EBITDA)**	**789,709**
Pro Forma Non-Current Borrowings	3,066,470
Pro Forma Current Borrowings	8,243
***Pro Forma* Gross Debt**	**3,074,713**
Less: *Pro Forma* Cash and cash equivalents	(550,658)
***Pro Forma* Net Debt**[(a)]	**2,524,055**
***Pro Forma* Net Debt to *Pro Forma* EBITDA Leverage ratio**	**3.2x**

5.3 Unaudited *Pro Forma* Combined Financial Information

The following unaudited *pro forma* combined financial information included in this Universal Registration Document, which has been prepared using historical consolidated financial information of Euronext N.V. and audited historical Consolidated Financial Statements as of and for the year ended 31 December 2020, of London Stock Exchange Group Holdings Italia S.p.A., together with its subsidiaries (the "Borsa Italiana Group"), is presented for illustrative purposes only and should not be considered to be an indication of the profit/(loss) or financial position of Euronext N.V following the contemplated acquisition of the Borsa Italiana Group (the "Combined Group").

5.3.1 INTRODUCTION

Background information

The unaudited *pro forma* combined financial information of Euronext N.V. includes an unaudited *pro forma* combined balance sheet as of 31 December 2020 and an unaudited *pro forma* combined statement of profit or loss for the financial year ended 31 December 2020 with the related explanatory notes (together the "Unaudited *Pro Forma* Combined Financial Information") and has been prepared for illustrative purposes only to represent the *pro forma* effects of the contemplated acquisition of the Borsa Italiana Group by Euronext N.V. (the "Transaction") on the unadjusted historical financial information of Euronext N.V.

On 9 October 2020, Euronext N.V. entered into an acquisition agreement (the "Acquisition Agreement") with London Stock Exchange group plc ("LSEG") and London Stock Exchange Group Holdings (Italy) Limited to acquire the entire issued share capital of Borsa Italiana Group. The proposed Transaction has been approved by London Stock Exchange Group's shareholders on 3 November 2020 and by Euronext N.V. shareholders on 20 November 2020.

The Transaction is still subject to regulatory approvals in several jurisdictions. The major conditions that were already satisfied are disclosed in section 1.2.2 of this Universal Registration Document.

As stated above, the Unaudited *Pro Forma* Combined Financial Information has been prepared for illustrative purposes only, and, by its nature, is not intended to represent or to be indicative of the actual results of operations or the actual financial position that the Combined Group would have recorded, had the Transaction been completed as of 31 December 2020 in the unaudited *pro forma* combined balance sheet, or as of 1 January 2020 in the unaudited *pro forma* combined statement of profit or loss, nor is the Unaudited *Pro Forma* Combined Financial Information necessarily indicative of the future operating results or financial position of the Combined Group.

Therefore, the hypothetical financial position or results included in the *pro forma* financial information may differ from the entity's actual financial position or results.

5.3.2 BASIS OF PREPARATION

The Transaction will be accounted for using the acquisition method of accounting in accordance with IFRS 3 "Business Combinations" ("IFRS 3") (see note 3), with Euronext N.V. as the acquirer of Borsa Italiana Group.

Under IFRS 3, the acquisition method of accounting applies the fair value concepts defined in IFRS 13 "Fair Value Measurement" and requires, among other things, that the assets acquired and the liabilities assumed in a business combination be recognized by the acquirer at their fair values as of the acquisition date, with any excess of the purchase consideration over the fair value of identifiable net assets acquired recognized as goodwill.

The computation of the preliminary consideration transferred and purchase accounting presented herein are preliminary and were made solely for the purpose of preparing this Unaudited *Pro Forma* Combined Financial Information (see note 3).

Euronext N.V. anticipates that the fair value measurements assigned to the assets acquired and liabilities assumed will be finalized during the one-year measurement period following the date of consummation of the acquisition. Differences between the preliminary purchase price allocation presented herein and the final acquisition accounting may occur and these differences could have a material impact on the accompanying Unaudited *Pro Forma* Combined Financial Information and the Combined Group's future results of operations and financial position.

The Unaudited *Pro Forma* Combined Financial Information is presented in thousands of Euros, except where stated otherwise.

The Unaudited *Pro Forma* Combined Financial Information is derived from:

- Euronext N.V. 's audited Consolidated Financial Statements as of and for the year ended 31 December 2020 prepared in accordance with IFRS as adopted by the European Union, and Part 9 of Book 2 of the Dutch Civil Code. Ernst & Young Accountants LLP, independent auditors, have audited the Consolidated Financial Statements, and have issued an unqualified independent auditor's report thereon. The Consolidated Financial Statements and the independent auditor's report are included in this Universal Registration Document in Chapter 8 and Chapter 9.2 respectively;
- financial information relating to the Borsa Italiana Group has been extracted without material adjustment from the audited Consolidated Financial Statement of the Borsa Italiana Group as of, and for, the financial year ended 31 December 2020 prepared in accordance with IFRS as adopted by the European Union. EY S.p.A., independent auditors, have audited the Consolidated Financial Statements, and have issued an unqualified independent auditor's report thereon. Reference is made to the Annex of this Universal Registration Document for more details.

The Unaudited *Pro Forma* Combined Financial Information is prepared in accordance with Annex 20 of Commission Delegated Regulation (EU) 2019/980 supplementing Regulation (EU) 2017/1129, and related ESMA Guidelines. The *pro forma* adjustments included in the Unaudited *Pro Forma* Combined Financial Information are limited to those that are (i) directly attributable to the Transaction and (ii) factually supportable. The Unaudited *Pro Forma* Combined Financial Information does not reflect items such as Euronext N.V.'s expected synergies or operating efficiencies that may result from the Transaction or restructuring and integration costs that may be incurred as a result of the Transaction. The Unaudited *Pro Forma* Combined Financial Information is based upon certain assumptions that Euronext N.V. believes are reasonable at the date of the Universal Registration Document and in the context of the Acquisition Agreement.

Euronext N.V. has performed a preliminary review of Borsa Italiana Group IFRS disclosures and accounting policies to determine whether any adjustments were necessary to ensure comparability in the Unaudited Pro Forma Combined Financial Information. Certain reclassifications were made to amounts in Borsa Italiana Group's Consolidated Financial Statements to align with Euronext N.V.'s presentation as described further in Note 1 to the Unaudited Pro Forma Combined Financial Information. Furthermore, certain adjustments were made to amounts in Borsa Italiana Group's Consolidated Financial Statements to align with Euronext N.V.'s accounting policies as described in Note 2 to the Unaudited Pro Forma Combined Financial Information. Although it is believed that the adjustments to Borsa Italiana Group historical consolidated financial statements represent the known material adjustments to conform to Euronext N.V.'s accounting policies, the accompanying unaudited pro forma adjustments are preliminary and are subject to further adjustments as additional information becomes available and as additional analyses are performed (see Note 2).

After completion of the Transaction, a further detailed analysis of Euronext N.V.'s and Borsa Italiana Group's accounting policies will be conducted. As a result of that comparison, additional differences between the two companies may be identified with respect to recognition, measurement or presentation.

During 2020, Euronext N.V. acquired (a) on 15 January 2020 Nord Pool AS, (b) on 4 August 2020 VP securities A/S, (c) on 2 June 2020 Black Woodpecker Software Oy and (d) on 8 July 2020 Troisième Sens SAS for a combined consideration of €197 million. These acquisitions are reflected in the consolidated balance sheet of Euronext N.V. as of 31 December 2020 and from their respective acquisition dates in the Consolidated Statement of profit or loss of Euronext N.V. for the year ended 31 December 2020. They do not represent a significant gross change to the assets and liabilities and earnings of Euronext N.V. and are not subject to further *pro forma* adjustments in the Unaudited *Pro Forma* Combined Financial Information presented hereby.

Given all assumptions made and the assessments performed are on a preliminary basis for the purpose of the Unaudited *Pro Forma* Combined Financial Information, the actual financial position and results of operations of the Combined Group in the future may materially differ from these *pro forma* amounts as additional information becomes available and as additional analyses are performed.

5.3.3 UNAUDITED *PRO FORMA* COMBINED BALANCE SHEET AS OF 31 DECEMBER 2020

Assets *(in thousands of euros)*	Euronext historical	Borsa Italiana reclassified	Accounting policy impacts	Business combination	Other *Pro Forma* adjustments	*Pro Forma* Financial Information
		Note 1	Note 2	Note 3	Note 4	
	31 December 2020	31 December 2020				
Property, plant and equipment	56,024	22,296				78,320
Right-of-use assets	46,923	32,375	(11,558)[(a)]			67,740
Goodwill and other intangible assets	1,536,137	1,323,070		3,370,235[(a)]		6,229,442
Deferred tax assets	20,844	4,932				25,776
Investments in associates and joint ventures	68,051	2,170				70,221
Financial assets at fair value through other comprehensive income	204,506	20,641				225,148
Financial assets at amortised cost	3,173	–				3,173
Other non-current assets	5,451	172			6,904[(b)]	12,527
TOTAL NON-CURRENT ASSETS	**1,941,109**	**1,405,656**	**(11,558)**	**3,370,235**	**6,904**	**6,712,346**
Trade and other receivables	181,161	75,027				256,189
Other current assets	13,810	–				13,810
Income tax receivables	3,250	16,162				19,412
Financial assets at fair value through other comprehensive income	–	102,330				102,330
Derivative financial instruments assets	23,735	–				23,735
CCP clearing business assets*	–	128,996,358				128,996,358
Other current financial assets	92,090	–				92,090
Cash and cash equivalents	629,469	299,358		(4,399,597)[(a)]	4,021,428[(a)(c)]	550,658
TOTAL CURRENT ASSETS	**943,515**	**129,489,235**	**–**	**(4,399,597)**	**4,021,428**	**130,054,582**
TOTAL ASSETS	**2,884,624**	**130,894,892**	**(11,558)**	**(1,029,362)**	**4,028,332**	**136,766,928**

* *Line items used by Borsa Italiana Group in their Consolidated Financial Statements and not previously used by Euronext N.V. (see Note 2).*

	Euronext historical	Borsa Italiana reclassified	Accounting policy impacts	Business combination	Other *Pro Forma* adjustments	*Pro Forma* Financial Information
		Note 1	Note 2	Note 3	Note 4	
	31 December 2020	31 December 2020				
Equity and Liabilities *(in thousands of euros)*						
Issued capital	112,000	350,000		(350,000)[a]	41,514[a]	153,514
Share premium	116,560	538,535		(538,535)[a]	2,325,658[a]	2,442,218
Reserve own shares	(19,867)	–		0		(19,867)
Retained earnings	826,302	603,056	(809)[a]	(603,056)[a]		825,493
Other reserves	23,753	259		(259)[a]		23,753
Shareholders' equity	1,058,748	1,491,850	(809)	(1,491,850)	2,367,172	3,425,111
Non-controlling interests	30,238	65,963		118,996[d]		215,198
TOTAL EQUITY	**1,088,986**	**1,557,813**	**(809)**	**(1,372,854)**	**2,367,172**	**3,640,309**
Borrowings	1,272,510	132,800			1,661,160[a][c]	3,066,470
Lease liabilities	35,051	18,888	(3,533)[a]			50,406
Deferred tax liabilities	92,860	103,871		343,492[c]		540,223
Post-employment benefits	26,477	9,286				35,763
Contract liabilities	44,641	10,060				54,701
Provisions	14,519	–				14,519
TOTAL NON-CURRENT LIABILITIES	**1,486,058**	**274,905**	**(3,533)**	**343,492**	**1,661,160**	**3,762,082**
Borrowings	8,243	–				8,243
Lease liabilities	15,900	15,687	(7,216)[a]			24,370
Other current financial liabilities	521	–				521
Derivative financial instruments liabilities	375	–				375
CCP clearing business liabilities*	–	128,963,663				128,963,663
Current income tax liabilities	33,822	5,893				39,715
Trade and other payables	185,837	70,510				256,368
Contract liabilities	62,233	5,932				68,165
Provisions	2,649	467				3,116
TOTAL CURRENT LIABILITIES	**309,580**	**129,062,174**	**(7,216)**	**–**	**–**	**129,364,537**
TOTAL EQUITY AND LIABILITIES	**2,884,624**	**130,894,892**	**(11,558)**	**(1,029,362)**	**4,028,332**	**136,766,928**

* *Line items used by Borsa Italiana Group in their Consolidated Financial Statements and not previously used by Euronext N.V. (see Note 2).*

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5.3.4 UNAUDITED *PRO FORMA* COMBINED STATEMENT OF PROFIT OR LOSS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Euronext historical	Borsa Italiana reclassified	Accounting policy impacts	Business combination	Other *Pro Forma* adjustments	*Pro Forma* Financial Information
		Note 1	Note 2	Note 3	Note 4	
(in thousands of euros)	Year ended 31 December 2020	Year ended 31 December 2020				
Revenue	884,318	417,173				1,301,490
Net treasury income through CCP business*	–	55,687				55,687
Other income*	–	6,326				6,326
TOTAL REVENUE AND INCOME	**884,318**	**479,186**	**–**	**–**	**–**	**1,363,504**
Salaries and employee benefits	(198,970)	(87,657)				(286,627)
Depreciation and amortisation	(57,776)	(73,846)	7,292[(b)]	(15,312)[(b)]	604[(b)]	(139,037)
Other operational expenses	(165,300)	(113,607)	(8,261)[(b)]			(287,167)
Operating profit before exceptional items	**462,272**	**204,076**	**(969)**	**(15,312)**	**604**	**650,672**
Exceptional items	(17,330)	29			(31,014)[(b)]	(48,315)
Operating profit	**444,942**	**204,105**	**(969)**	**(15,312)**	**(30,410)**	**602,357**
Finance costs	(17,262)	(4,164)	160[(b)]		(15,612)[(a)(b)]	(36,878)
Change in fair value of financial liabilities	263	–				263
Other net financing income/(expense)	4,199	1,294				5,493
Results from equity investments	1,646	–				1,646
Share of net profit/(loss) of associates and joint ventures accounted for using the equity method, and impairments thereof	8,916	–				8,916
Profit before income tax	**442,704**	**201,235**	**(809)**	**(15,312)**	**(46,022)**	**581,797**
Income tax expense	(122,157)	(51,492)		(3,823)[(c)]	3,600[(d)]	(173,872)
PROFIT FOR THE PERIOD	**320,547**	**149,743**	**(809)**	**(19,134)**	**(42,422)**	**407,925**
Profit attributable to:						
■ Owners of the parent	315,484	144,407	(506)	(19,134)	(42,422)	397,829
■ Non-controlling interests	5,063	5,336	(303)			(10,096)

* *Line items used by Borsa Italiana Group in their Consolidated Financial Statements and not previously used by Euronext N.V. (see Note 2).*

5.3.5 NOTES TO THE UNAUDITED *PRO FORMA* FINANCIAL INFORMATION

NOTE 1 RECLASSIFICATIONS

A preliminary review has been completed to assess if reclassifications are necessary in the Unaudited *Pro Forma* Financial Information to conform Borsa Italiana Group's to Euronext N.V.'s balance sheet and statement of profit or loss presentation. These reclassifications relate to different balance sheet and statement of profit or loss line items used by Euronext N.V. and minor differences in classification of certain balances. Upon consummation of the Transaction, a detailed review of Borsa Italiana Group's Consolidated Financial Statements presentation will be conducted. As a result of that comparison and as additional information becomes available and additional analyses are performed, more presentation differences between the two companies may be identified.

The preliminary review performed by the management of both Euronext N.V.'s and Borsa Italiana Group's Consolidated Financial Statements presentation did not result in the identification of other presentation differences that could have a material impact on the Unaudited *Pro Forma* Combined Financial Information.

The main reclassifications performed are as follows:

Balance Sheet as per 31 December 2020

Assets *(in thousands of euros)*	Borsa Italiana historical	Reclassifications	Borsa Italiana under *pro forma* presentation
Property, plant and equipment	43,113	(20,817)[(a)]	22,296
Right-of-use assets*	–	32,375[(a)]	32,375
Intangible assets	1,334,628	(11,558)[(a)]	1,323,070
Investment in associates	2,170	(2,170)[(b)]	–
Deferred tax assets	4,932		4,932
Investments in associates and joint ventures*	–	2,170[(b)]	2,170
Financial assets at FVOCI – Debt Instruments – Non Current	20,641		20,641
Other non-current assets	171		171
TOTAL NON-CURRENT ASSETS	**1,405,655**	**–**	**1,405,655**
Trade and other receivables	75,027		75,027
Current tax assets	16,162		16,162
Financial assets at FVOCI – Debt Instruments – Current	102,330		102,330
CCP clearing business assets	128,996,358		128,996,358
Cash and cash equivalents	299,358		299,358
TOTAL CURRENT ASSETS	**129,489,235**	**–**	**129,489,235**
Assets held for sale			–
TOTAL ASSETS	**130,894,891**	**–**	**130,894,891**
Equity and Liabilities *(in thousands of euros)*			
Issued capital	350,000		350,000
Share premium	538,535		538,535
Retained earnings	603,056		603,056
Other reserves	259		259
Shareholders' equity	1,491,850		1,491,850
Non-controlling interests	65,963		65,963
TOTAL EQUITY	**1,557,813**	**–**	**1,557,813**
Long term loans to Group companies	132,800	(132,800)[(c)]	–
Borrowings	–	132,800[(c)]	132,800
Lease liabilities – Non-current*	–	18,888[(d)]	18,888
Deferred tax liabilities	103,871		103,871
Retirement benefit obligation	9,286		9,286
Contract liabilities – Non-current	10,060		10,060
Other non-current payables	18,888	(18,888)[(d)]	–
TOTAL NON-CURRENT LIABILITIES	**274,906**	**–**	**274,906**
Lease liabilities – Current*	–	15,687[(e)]	15,687
CCP clearing business liabilities	128,963,663		128,963,663
Current income tax liabilities	5,893		5,893
Trade and other payables	86,217	(15,687)[(e)]	70,530
Contract liabilities – Current	5,932		5,932
Provisions – Current	467		467
TOTAL CURRENT LIABILITIES	**129,062,173**	**–**	**129,062,173**
TOTAL EQUITY AND LIABILITIES	**130,894,891**	**–**	**130,894,891**

* *Line items used by Euronext N.V. in their Consolidated Financial Statements.*

a. *Right-of-use asset property (€18,754 thousands) and Right-of-use other (€2,063 thousands) transferred from Property, plant and equipment to Right-of-use assets and Right-of-use intangible assets (€11,558 thousands) transferred from Intangible assets to Right-of-use assets.*

b. *Investment in associates (€2,170 thousands) reclassified to Investment in associates and joint ventures.*

c. *Long term loans to Group companies (€132,800 thousands) reclassified to Non-current borrowings.*

d. *Lease liabilities (€18,888 thousands) transferred from Other non-current payables to Lease liabilities – Non-current.*

e. *Lease liabilities (€15,687 thousands) transferred from Trade and other payables to Lease liabilities – Current.*

Statement of Profit or Loss for the year ended 31 December 2020

(in thousands of euros)	Borsa Italiana historical	Reclassification	Borsa Italiana under *pro forma* presentation
Revenue	417,173		417,173
Net treasury income through CCP business	55,687		55,687
Other income	6,326		6,326
TOTAL REVENUE AND INCOME	**479,186**	**–**	**479,186**
Cost of sales	(18,075)	18,075	–
Gross profit	**461,111**	18,075	**479,186**
Salaries and employee benefits	(87,501)	(156)[(b)]	(87,657)
Total property costs	(3,764)	3,764[(a)]	–
IT costs	(52,084)	52,084[(a)]	–
Total other costs	(39,545)	39,545[(a)(b)]	–
FX	(266)	266	–
Other operational expenses*	–	(113,607)[(a)]	(113,607)
Expenses excluding depreciation, amortisation and impairment	**(183,160)**	**(18,104)**	**(201,264)**
Total share of profit after tax of asociates	–		–
Earnings before interest, tax, depreciation, amortisation and impairment	**277,951**	**29**	**277,922**
Exceptional items*	–	29[(b)]	29
Depreciation – Tangible fixed assets	(12,491)	12,491[(c)]	–
Amortisation – Intangible fixed assets	(61,355)	61,355[(c)]	–
Depreciation and amortisation*	–	(73,846)[(c)]	(73,846)
Operating profit	**204,105**	**–**	**204,105**
Finance costs	(4,164)		(4,164)
Finance income	1,294	(1,294)[(d)]	–
Other net financing income/(expense)*	–	1,294[(d)]	1,294
Profit before income tax	**201,235**	**–**	**201,235**
Current tax expense	(62,413)	62,413[(e)]	–
Deferred tax	10,921	(10,921)[(e)]	–
Income tax expense*	–	(51,492)[(e)]	(51,492)
PROFIT FOR THE PERIOD	**149,743**	**–**	**149,743**
Profit attributable to:			
■ Owners of the parent	144,407		144,407
■ Non-controlling interests	(5,336)		(5,336)

* *Line items used by Euronext N.V. in their Consolidated Financial Statements.*

(a) Total property costs (€-3,764 thousands), IT costs (€-52,084 thousands), Total other costs (€-39,545 thousands) and FX (€-266 thousands) reclassified to Other operational expenses.

(b) Non-underlying costs regarding Salaries (€156 thousands) and Other costs (€-127 thousands) transferred to Exceptional items.

(c) Depreciation of tangible fixed assets (€-12,491 thousands) and Amortisation of intangible fixed assets (€-61,355 thousands) reclassified to Depreciation and amortisation.

(d) Finance income (€1,294 thousands) transferred to Other net financing income/(expense).

(e) Current tax expense (€-62,413 thousands) and Deferred tax (€10,921 thousands) transferred to Income tax expense.

(f) Cost of sales (€-18,075 thousands) transferred to Other operational expenses.

NOTE 2. ACCOUNTING POLICY IMPACTS

A preliminary review has been completed to assess if adjustments are necessary to conform Borsa Italiana Group's accounting policies to conform to Euronext N.V.'s accounting policies. This preliminary review has been conducted by comparing Euronext N.V.'s accounting policies from its Consolidated Financial Statements as of and for the year ended 31 December 2020 to LSEG's accounting policies (as applied by Borsa Italiana Group) as described in the most recent LSEG's Consolidated Financial Statements as of and for the year ended 31 December 2020 which are publicly available.

Euronext N.V. and Borsa Italiana Group prepare their Consolidated Financial Statements in accordance with IFRS as adopted by the European Union. Upon consummation of the Transaction, a detailed comparison of Euronext N.V.'s and Borsa Italiana Group's accounting policies will be conducted. As a result of that comparison and as additional information becomes available and additional analyses are performed, more differences between the two companies might be identified with respect to recognition, measurement or presentation. The preliminary review performed by the management of both Euronext N.V.'s and Borsa Italiana Group's accounting policies did not result in the identification of significant differences except for the following:

- *leases of intangible assets*: As specified in paragraph 4 of the IFRS 16 "Leases", *"A lessee may, but is not required to, apply the Standard to leases of intangible assets other than those described in paragraph 3(e)"*. Euronext N.V. uses this practical expedient and does not apply IFRS 16 to leases of intangible assets, whereas Borsa Italiana Group does. Given the difference in accounting policy with Euronext N.V., the following adjustment is incorporated in the unaudited *pro forma* combined financial information, as of and for the year ended 31 December 2020:

    a. derecognition of the right-of-use asset of €11.6 million and of the lease liability of €10.7 million on the unaudited *pro forma* combined balance sheet as of 31 December 2020,

    b. elimination of the interest cost of €0.2 million linked to the lease liability, elimination of the amortisation expense linked to the right-of-use intangible asset of €7.3 million and recognition of the related rent expense of €8.3 million, on the unaudited *pro forma* combined statement of profit or loss for the financial year ended 31 December 2020.

  In addition, for the purpose of the preparation of unaudited *pro forma* combined financial information, Euronext N.V. has added the following financial statement line items in the unaudited *pro forma* combined balance sheet as of 31 December 2020 and in the unaudited *pro forma* combined statement of profit or loss for the financial year ended 31 December 2020, in contemplation of the potential acquisition of Borsa Italiana Group;

- *net treasury income through CCP business*: CC&G (Cassa di Compenazione e Garanzia, the entity acting as central counterparty in Borsa Italiana Group) provide the markets with clearing and central counterparty (CCP) services to mitigate risk and ensure the efficient running of capital markets. This type of income is a result of interest earned on cash assets lodged with the clearing house, less interest paid to the members on their initial margin and default fund contributions. Treasury income earned through the CCP businesses is presented net in the income statement, is recognised as other income as incurred and is shown on a separate line from revenues on the face of the income statement. Interest expense or income is recorded using the effective interest rate method which is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the net carrying amount of the financial instruments. Where negative interest rates apply, the Group recognises interest paid on cash assets as a net treasury expense and interest received on clearing member's margin as net treasury income. Thus, a separate financial statement line item, "Net treasury income through CCP business" is incorporated in the unaudited *pro forma* combined statement of profit or loss for the financial year ended 31 December 2020, as presented in the Borsa Italiana Group Audited Consolidated Financial Statements. Euronext N.V. intends to apply the accounting policy applied by Borsa Italiana Group and described above;

- *CCP clearing business financial assets and liabilities*: Clearing Services is the procedure by which an organisation (Central Counterparty) acts as an intermediary and assumes the role of a buyer and seller in a transaction through the process of novation in order to reconcile orders between transacting parties. CCP trading assets and liabilities are recognised at fair value through profit or loss, CCP repurchase agreements are recognised at amortised cost, CCP other receivables and payables are recognised at amortised cost, CCP other financial assets through other comprehensive income are recognised at Fair value through other comprehensive income and CCP cash and cash equivalent are recognised at amortised cost.

  Certain CCP financial assets and liabilities are presented on a net basis on the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liabilities simultaneously. Thus, separate financial statement line items "CCP clearing business assets" and "CCP clearing business liabilities", are incorporated in the unaudited *pro forma* combined balance sheet as of 31 December 2020, as presented in the Borsa Italiana Group Audited Consolidated Financial Statements. Euronext N.V. intends to apply the same accounting policy applied by Borsa Italiana Group and described above;

- *other income*: Borsa Italiana Group presents in a separate financial statement line, "Other income", any rental income and property service recharges. Euronext N.V. adopted the presentation of Borsa Italiana Group and added the line, "Other income" in its unaudited *pro forma* combined statement of profit or loss for the financial year ended 31 December 2020.

After completion of the Transaction, the topics above will be further assessed as Euronext N.V. and Borsa Italiana Group share access to information. Additional adjustments or changes in the presentation of the Financial Statements may be performed as management aligns the accounting methods of the two companies.

NOTE 3. BUSINESS COMBINATIONS

Preliminary consideration transferred

The Acquisition Agreement provides that at completion date Euronext N.V. will pay a total amount in cash of €4,325 million plus an additional amount that reflects the cash generated between 1 July 2020 and the final acquisition date for a 100% equity consideration in Borsa Italiana Group. As of 31 December 2020 the additional amount would be €74 million, resulting in a total purchase consideration per 31 December 2020 of €4,400 million.

(in thousands of euros)	As of 31 December 2020
Purchase price	4,325,209
July-August cash ticker	28,272
September-December cash ticker	46,116
TOTAL CONSIDERATION (EQUITY ITEMS)	**4,399,597**

Preliminary purchase price allocation

The preliminary allocation of the estimated purchase consideration (referred to in this prospectus as the preliminary purchase price allocation) is based upon estimates that Euronext N.V. believes are reasonable. As of the date of this Universal Registration Document, due to limited access to Borsa Italiana Group's underlying financial- and other information, Euronext N.V. has not yet completed the detailed valuation studies necessary to arrive at the required estimates of the fair value for all of Borsa Italiana Group's assets to be acquired and liabilities to be assumed in the acquisition. The preliminary purchase price allocation only includes an initial identification and valuation of certain intangible assets. This initial identification and valuation focusses on the key revenue generating businesses of Borsa Italiana Group, as the other businesses were considered less relevant for the purpose of the preliminary purchase price allocation.

Upon completion of the acquisition, the Combined Group will conduct a detailed valuation of all assets and liabilities as of the acquisition date in accordance with IFRS 3, and the fair values determined as a result of such detailed valuation may differ materially from the amounts presented herein.

The following is a description of each significant preliminary fair value adjustment.

a. Preliminary goodwill

The following table presents the calculation of preliminary goodwill at 31 December 2020:

(in thousands of euros)	As of 31 December 2020
Total consideration (equity items)	**4,399,597**
Total book value of Equity	1,557,813
Goodwill and intangibles on balance	(1,288,974)
Book value of equity excluding goodwill and existing intangibles	**268,839**
Adjustment for NCI*	184,959
Excess purchase price	**4,315,717**
Preliminary Fair value of Borsa Italiana Group's acquired intangible assets	**1,554,195**
Deferred taxes on preliminary fair value adjustments	**(343,492)**
Illustrative Goodwill	**3,105,015**

* *Adjustment for NCI is based on preliminary calculations.*

The estimated preliminary *pro forma* adjustment to the line Goodwill and other intangible assets (€3,370 million) is the sum of the Illustrative Goodwill (€3,105 million), the Preliminary Fair value of Borsa Italiana Group's acquired intangible assets (€1,554 million) and the derecognition of Goodwill and intangibles on balance (€1,289 million). Meanwhile, adjustments are presented on the components lines of the Total Equity to reflect the derecognition of the Total book value of Equity for a total amount of €1,558 million.

b. Preliminary Intangible assets

The preliminary fair value adjustment to intangible assets is summarized below:

(in thousands of euros)	As of 31 December 2020	Useful life
Brands	94,974	Indefinite
Software	142,417	8 years
Customer relationships	1,316,804	12-40 years*
Preliminary Fair value of Borsa Italiana Group's acquired intangible assets	**1,554,195**	

* *The majority of the customer relationships are amortised over a life at the higher end of the range.*

The preliminary fair values of the intangible assets recognized in the Unaudited *Pro Forma* Combined Financial Information mainly consists of acquired customer relationships for €1,316.8 million and acquired software platforms and brands for respectively €142.4 million and €95.0 million. The customer relationships have been valued using the MEEM ("Multi-period Excess Earnings Method") approach, the software platforms and brands have been valued using a Relief-from-Royalty ("RfR") method. The related amortization charge is recognized in "Depreciation and amortisation" for €55.8 million in total, for the year ended 31 December 2020. Amortization has been calculated on the estimated preliminary fair value adjustments taking into account the estimated remaining useful life of the acquired assets. Their estimated remaining useful lives are based on a preliminary evaluation; as further evaluation is performed, there could be changes in the estimated remaining useful lives.

Previous intangible assets recognized in Borsa Italiana Group Consolidated Financial Statements arising mostly from past acquisitions have been de-recognized for €1,289 million. They consist in goodwill for €965.9 million and intangible assets for €323.0 million. The related amortization charge of €40.5 million for the year ended 31 December 2020 have been derecognized for a net unaudited *pro forma* combined statement of profit or loss impact of €15.3 million.

c. Deferred taxes

For the purpose of the unaudited *pro forma* combined financial information, a deferred tax liability of €433.6 million has been estimated based on the preliminary fair values of the intangible assets and a tax rate of 27.9% (which is in line with the standard corporate income tax rate in Italy). The related periodic release of the deferred tax liability is recognized in "Income tax expense" for €15.6 million, for the year ended 31 December 2020. A previous deferred tax liability of €90.1 million has been de-recognized based on the de-recognition of previous intangible assets recognized by Borsa Italiana Group. The related periodic release of this previous deferred tax liability was de-recognized as well for an amount of €11.8 million for a net unaudited *pro forma* combined statement of profit or loss impact of €3.8 million.

d. Non-controlling interest

As part of the preliminary purchase price allocation also an initial estimate has been derived of the fair value of the non-controlling interests. This has resulted in a preliminary fair value of €185.0 million in comparison to a book value per 31 December 2020 of €66.0 million.

NOTE 4. OTHER *PRO FORMA* ADJUSTMENTS

a. Financing

The contemplated financing of the Transaction, as the date of this Universal Registration Document, includes:

- €300 million of use of existing cash;
- €2,400 million of new Equity to be issued, including (i) a private placement of 6.6 million newly issued shares to CDP Equity and Intesa Sanpaolo (**the Private Placement**) and (ii) a rights offer of €2,400 million less the proceeds of the Private Placement to Euronext N.V.'s existing shareholders (including CDP Equity S.p.A and Intesa Sanpaolo S.p.A) **(the Rights Offer)**;
- €1,800 million of new debt to be issued (the Debt Issuance).

The whole Transaction is backed by a fully underwritten Bridge Facilities in the amount of €4,400 million (as per the facilities agreement signed on the 7th of October 2020) (**the Bridge Loan**).

From an accounting perspective, the estimated preliminary consideration transferred amounts to €4,325 million plus an additional cash amount of €74 million that reflects the cash generated between 1 July 2020 and 31 December 2020. The total estimated transaction to be financed amounts to €4,400 million.

The contemplated financing structure through cash, the issuance of equity and bonds is estimated to €4,500 million.

The Unaudited *Pro Forma* Combined Financial Information has been prepared assuming the Private Placement, the Rights Offer and the Bond Issuance are completed for their entire amounts (€2.4 billion of Equity and €1.8 billion of Debt) as of the 1 January 2020. Accordingly, the Private Placement, the Rights Offer and the Bond Issuance have been reflected in the unaudited *pro forma* combined statement financial position. All financing sources' gross proceeds being subject to external factors, their expected value is based on the following assumptions:

Equity

The Private Placement is already fully secured with CDP Equity S.p.A and Intesa Sanpaolo S.p.A who respectively commit to the acquisition of 5,600,000 and 1,000,000 ordinary shares on the day of closing of the transaction. The subscription price for the Private Placement will be the lower of: i) volume-weighted average share price of the five last trading days before completion date and ii) volume-weighted average share price of the three calendar months before completion date, subject to an overall cap of €115.60.

The proceeds from the Rights Offer will depend on the gross proceeds from the Private Placement for a combined Equity financing of €2,400 million.

With a share nominal value of €1.6, the Equity financing would result in a €41.7 million increase in Issued Capital and a €2,325 million increase in Share premium.

If the Private Placement and the Rights Offer are completed for less than the currently envisaged gross proceeds of €2,400 million, then the existing Bridge Loan will remain drawn in an amount corresponding to the shortfall. Assuming the Bridge Loan is drawn for the entire €2,400 million, such a drawing would result in a €11 million decrease in net profit compared to what has been reported in the Unaudited *Pro Forma* Combined Financial

Information (corresponding to the additional interest expense over the 12-month period) for the 12-month period ended 31 December 2020, before tax.

Bond

For the Bond Issuance based on current market conditions, the interest rate served to Euronext N.V. for its €1,800 million Bond Issuance is estimated to be in the region 0.8% for a mid-term maturity. Such conditions would result in a €14.4 million increase of Financial interest expense over the 12-month period considered. Compared with the previous assumption, an increase of the interest rate by 10bp would result in a €16.2 million (+€1.8 million) increase in Financial interest expense over the 12-month period considered. In the opposite, a decrease of the interest rate by 10bp would result in a €12.6 million (-€1.8 million) increase in Financial interest expense over the 12-month period considered.

If the Bond Issuance is completed for less than the currently envisaged gross proceeds of €1,800 million, then the existing Bridge Loan will remain drawn in an amount corresponding to the shortfall. Assuming the Bridge Loan is drawn for the entire €1,800 million such a drawing would result in a €3 million increase in net profit compared to what has been reported in the Unaudited *Pro Forma* Combined Financial Information (corresponding to the lower interest expense over the 12-month period for the use of the bridge loan compare to the bond issuance) for the 12-month period ended December 31, 2020, before tax.

b. Transaction costs

Transaction costs related to the financing and incurred as of 31 December 2020 are amounting to €4.9 million. To the extent it is not probable that some or all of the facility will be drawn down, the fees are capitalized as a prepayment for liquidity services and amortised over the period of the facility to which it relates. As a result, €1.0 million of bridge loan facility fees have been amortised through the income statement in 2020.

The adjustment presented in the column "Other *Pro Forma* adjustments" represents the estimated remaining Financing costs for Euronext N.V. to be incurred after 31 December 2020 until the closing of the Transaction, which amount to €46.8 million. The costs that are directly attributable to the capital increases have been recognized as a deduction from equity, net of any related income tax benefit (€32.8 million). Those that are incremental to the bond issuance have been capitalized as a deduction from the debt amount and will be amortized over its maturity in accordance with the Effective Interest rate method (€6 million). The related amortization charge of €0.6 million for the year ended 31 December 2020 have been recognized on the line Depreciation and amortisation. Finally, the upcoming costs related to the bridge loan have been capitalized as non-current assets for €6.9 million to be amortized over the facility period. Expected Bridge Loan financial interest to be incurred for this period has been estimated to €1.3 million reflected as an adjustment of the Finance costs line.

Euronext N.V.'s acquisition-related costs primarily comprise legal, financial and other advisory costs. By their nature, these costs are not expected to have a recurring impact on the performance of the Combined Group going forward and are accounted under the line "Exceptional items" in the unaudited *pro forma* combined statement of profit or loss.

The Transaction costs (other than financing) incurred by Euronext N.V. as of December 31, 2020 have already been reflected in Euronext N.V.'s 2020 historical statement of profit or loss for an amount of €8.2 million before tax. The adjustment represents the estimated remaining transaction costs for Euronext N.V. to be incurred after December 31, 2020 until the closing of the Transaction, which amount to €31million. It has been reflected as an increase of the line "Exceptional items" in the unaudited *pro forma* combined statement of profit or loss.

No material transaction costs were incurred by Borsa Italiana Group.

c. Debt repayment and intragroup charges

The Long-term loan from LSEG of €132.8 million that has been previously reclassified as Borrowing (*Note 1, a*) will be repaid within 90 days following completion of the Transaction. This operation is represented in the unaudited *pro forma* combined balance sheet by a negative impact on cash of €132.8 million.

In the unaudited pro forma combined financial information, the former intragroup charges of costs between Borsa Italiana Group and LSEG are considered to be continued on the same basis between Borsa Italiana Group and Euronext or via transitional services agreement between Borsa Italiana Group and LSEG and therefore not leading to a pro forma adjustment.

d. Tax

The tax related adjustment of €3.6 million in the line Income tax expense represents the tax effect of the *pro forma* adjustments using a 25% tax rate corresponding to the corporate income tax rate in the Netherlands.

(in thousands of euros)	Expenses as of 31 December 2020	Deductible	Tax impact at 25%
Depreciation and amortisation	(14,708)	No	–
Finance costs	(14,400)	Yes	3,600
Exceptional items	(32,014)	No	–
TAX RELATED ADJUSTMENT			**3,600**

5.4 Assurance Report of the Independent Auditor

To: the shareholders and Supervisory Board of Euronext N.V.

OUR OPINION

We have examined the compilation of the unaudited *pro forma* combined financial information of Euronext N.V. (the Company) based in Amsterdam, representing the *pro forma* effects of the contemplated acquisition of the London Stock Exchange Group Holdings Italia S.p.A. by the Company (the Acquisition) on the unadjusted historical financial information of the Company included in section 5.3 of the Universal Registration Document of the Company dated 30 March 2021 (the Universal Registration Document).

In our opinion:

- the unaudited *pro forma* combined financial information has been properly compiled based on the applicable criteria stated in the unaudited *pro forma* combined financial information;
- such basis is consistent with the accounting policies of the Company as described in the notes to the Consolidated Financial Statements of the Company as at and for the year ended 31 December 2020.

The unaudited *pro forma* combined financial information comprises the unaudited *pro forma* combined balance sheet as at 31 December 2020, the unaudited *pro forma* combined statement of profit or loss for the year ended 31 December 2020 and the related notes as set out in section 5.3 of the Universal Registration Document.

BASIS FOR OUR OPINION

We conducted our examination in accordance with Dutch law, including the Dutch Standard 3420, “Assurance-opdrachten om te rapporteren over het opstellen van *pro forma* financiële informatie die in een prospectus is opgenomen” (Assurance Engagements to Report on the Compilation of *Pro Forma* Financial Information Included in a Prospectus). This engagement is aimed to obtain reasonable assurance about whether the Managing Board compiled the unaudited *pro forma* combined financial information, in all material aspects, based on the applicable criteria. Our responsibilities under this standard are further described in the section “Our responsibilities for the examination of the compilation of the unaudited *pro forma* combined financial information”.

We are independent of the Company in accordance with 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 requirements in The Netherlands. Furthermore we have complied with the “Verordening gedrags- en beroepsregels accountants” (VGBA, Dutch Code of Ethics).

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

APPLICABLE CRITERIA

For this engagement, the following criteria apply:

- the Commission Delegated Regulation (EU) 2019/980 to the proper compilation of the unaudited *pro forma* combined financial information and the consistency of accounting policies;
- the assumptions made and disclosed by the Managing Board in the basis of preparation of the unaudited *pro forma* combined financial information, as set out in the notes to the unaudited *pro forma* combined financial information.

RELEVANT MATTERS RELATING TO THE SCOPE OF OUR EXAMINATION

The unadjusted historical financial information has been derived from the audited Consolidated Financial Statements as at and for the year ended 31 December 2020 of the Company. For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited *pro forma* combined financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited *pro forma* combined financial information.

The purpose of unaudited *pro forma* combined financial information included in a prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Company as if the event had occurred or the Transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Acquisition at 1 January 2020 for the consolidated statement of profit or loss for the year ended 31 December 2020 and at 31 December 2020 for the consolidated balance sheet as at 31 December 2020 would have been as presented.

Our opinion is not modified in respect of these matters.

RESTRICTION ON USE

The unaudited *pro forma* combined financial information is prepared for the purpose of inclusion in the Universal Registration Document. As a result, the unaudited *pro forma* combined financial information may not be suitable for another purpose. This report is required by the Commission Delegated Regulation (EU) 2019/980 and is given for the purpose of complying with that Delegated Regulation and inclusion in the Prospectus and for no other purpose.

RESPONSIBILITIES OF THE MANAGING BOARD FOR THE UNAUDITED *PRO FORMA* COMBINED FINANCIAL INFORMATION

The Managing Board is responsible for preparing the unaudited *pro forma* combined financial information in accordance with the applicable criteria. Furthermore the Managing Board is responsible for such internal control as it determines is necessary to enable the compilation of the unaudited *pro forma* combined financial information that is free from material misstatement, whether due to error or fraud.

OUR RESPONSIBILITIES FOR THE EXAMINATION OF THE COMPILATION OF THE UNAUDITED *PRO FORMA* COMBINED FINANCIAL INFORMATION

Our responsibility is to plan and perform our examination in a manner that allows us to obtain sufficient and appropriate assurance evidence for our opinion.

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

We apply the "Nadere voorschriften kwaliteitssystemen" (NVKS, regulations for quality management systems) and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our examination included amongst others:

- identifying and assessing the risks of material misstatement in the compilation of the unaudited *pro forma* combined financial information, whether due to errors or fraud, designing and performing assurance procedures responsive to those risks, and obtaining assurance 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 errors, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining an understanding of internal control relevant to the examination in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- assessing whether the criteria applied by the Managing Board in the compilation of the unaudited *pro forma* combined financial information provide a reasonable basis for presenting the significant effects directly attributable to the Acquisition, and to obtain sufficient and appropriate assurance evidence about whether:
  - the related *pro forma* adjustments give appropriate effect to those criteria,
  - the unaudited *pro forma* combined financial information reflects the proper application of those adjustments to the unadjusted historical financial information.
- evaluating the procedures undertaken by the Company in compiling the unaudited *pro forma* financial information and evaluating the consistency of the unaudited *pro forma* combined financial information with the accounting policies of the Company as described in the notes to the Consolidated Financial Statements of the Company as at and for the year ended 31 December 2020;
- evaluating the overall presentation of the unaudited *pro forma* combined financial information.

Amsterdam, 30 March 2021

Ernst & Young Accountants LLP

Signed by A.B. Roeders

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GENERAL DESCRIPTION OF THE COMPANY AND ITS SHARE CAPITAL

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6.1 Legal Information on the Company

6.1.1 GENERAL

Euronext is a public company with limited liability (*naamloze vennootschap*) incorporated under the laws of the Netherlands and is domiciled in the Netherlands. The Company was incorporated in the Netherlands on 15 March 2014.

Euronext's statutory seat (*statutaire zetel*) is in Amsterdam, the Netherlands, and its registered office and principal place of business is at Beursplein 5, 1012 JW Amsterdam, the Netherlands.

The Company is registered with the trade register of the Chamber of Commerce for Amsterdam, the Netherlands, under number 60234520, and the telephone number is +31 (0)20-7214444. Euronext's LEI is 724500QJ4QSZ3H9QU415 and its corporate website is https://www.euronext.com/en.

Other than the sections of the 2019 Universal Registration Document and of the 2018 Registration Document that are explicitly incorporated by reference in this Universal Registration Document, the contents of Euronext's website, or of websites accessible from hyperlinks on that website, do not form part of, and are not incorporated by reference into, this Universal Registration Document.

6.1.2 CORPORATE OBJECTS

Euronext's corporate objects, as set out in Article 3 of the Articles of Association, are to participate and to manage other enterprises and companies of which the objects are to set up, develop, hold and operate, directly or indirectly, one or more regulated and other markets or other facilities with regard to the listing of, the trading in, the post-trade processing of transactions in, and related services and process in, securities and derivatives, as well as to manage and finance subsidiaries, to enter into joint ventures with other enterprises and other companies engaged in one or more of the activities referred to above; to acquire, operate and dispose of industrial and intellectual property rights as well as real property; to provide security for the debts of the Company, its subsidiaries or any other legal person and to undertake all that is connected to the foregoing or in furtherance thereof.

6.2 Share Capital

6.2.1 AUTHORISED AND ISSUED SHARE CAPITAL

Under the Articles of Association, Euronext's authorised share capital amounts to €200,000,001.60 and is divided into 125,000,000 Ordinary Shares, each with a nominal value of €1.60 and one priority share with a nominal value of €1.60. All of Euronext's shares have been or will be created under Dutch law.

As of 31 December 2020, Euronext's issued share capital amounts to €112,000,000 and is divided into 70,000,000 Ordinary Shares. The Priority Share is currently not outstanding. As of 31 December 2020, Euronext held 329,465 shares in its own share capital. All shares that are issued at the Universal date of the Registration Document are fully paid up. No change occured in Euronext's issued share capital during 2020, 2019 nor 2018.

Under the private placement agreement between Euronext, on completion of the Proposed Combination (see section 1.2.2 – Update in 2020 for more information on the contemplated acquisition of the Borsa Italiana Group), CDP Equity and Intesa Sanpaolo, CDP Equity and Intesa Sanpaolo will participate in a private placement of Ordinary Shares to fund part of the purchase price of the Proposed Combination. Under the private placement, CDP Equity and Intesa Sanpaolo will subscribe for 5,600,000 Ordinary Shares and 1,000,000 Ordinary Shares, respectively.

All shares carry the same voting rights, with the exception of shares that are held by the Company or its subsidiaries, which are not entitled to be voted upon. There are no convertible securities, exchangeable securities or securities with warrants in Euronext. All of the Ordinary Shares represent capital in Euronext. No share or loan capital of any member of the Euronext Group is under option or agreed, conditionally or unconditionally, to be put under option.

Euronext is subject to the provisions of the Dutch Financial Supervision Act and the Articles of Association with regard to the issue of shares following admission. The shares are in registered form and are only available in the form of an entry in Euronext's shareholders' register and not in certificated form.

6.2.2 ISSUE OF SHARES

Under its Articles of Association Euronext may issue shares, or grant rights to subscribe for shares, only pursuant to a resolution of the general meeting upon proposal of the Supervisory Board or upon proposal of the Managing Board, which proposal has been approved by the Supervisory Board.

Euronext's Articles of Association provide that the general meeting may designate the authority to issue shares or grant rights to subscribe for shares, to the Managing Board upon proposal of the Supervisory Board on a proposal of the Managing Board, which proposal has been approved by the Supervisory Board. Pursuant to the Dutch Civil Code and Euronext's Articles of Association, the period of designation may not exceed five years. Such designation may be renewed by a resolution of the general meeting for a subsequent period of up to five years each time. Unless the resolution determines otherwise, the designation is irrevocable. At the designation, the number of shares which may be issued by the Managing Board must be determined.

On 14 May 2020, the general meeting designated the Managing Board as per 14 May 2020 for a period of eighteen months or until the date on which the meeting again extends the designation, if earlier, as the competent body to, subject to the approval of the Supervisory Board, issue ordinary shares and to grant rights to subscribe for ordinary shares up to a total of 10% of the currently issued ordinary share capital.

As set out in the IPO prospectus of 10 June 2014, Euronext has an agreement with its Reference Shareholders to give reasonable prior notice if it uses this authority for share issuances in case of a merger or acquisition transaction. By supplemental letter agreement dated 17 June 2019 Euronext has, in addition, undertaken towards its Reference Shareholders that it will not use this authority for any share issuances, if and to the extent pursuant to such issuance the joint shareholding of the Reference Shareholders in Euronext N.V. would dilute to below 19.09%.

On 20 November 2020, the Extraordinary General Meeting designated the Managing Board as the corporate body authorised to issue shares and/or to grant rights to subscribe for shares in connection with the acquisition of the entire issued share capital of London Stock Exchange Group Holdings Italia S.p.A. (private placement and rights offer).

6.2.3 PRE-EMPTION RIGHTS

Dutch company law and Euronext's Articles of Association in most cases give shareholders preemption rights to subscribe on a *pro rata* basis for any issue of new shares or upon a grant of rights to subscribe for shares. Exceptions to these preemption rights include the issue of shares and the grant of rights to subscribe for shares (i) to Euronext's employees, (ii) in return for non-cash consideration, or (iii) the issue of shares to persons exercising a previously granted right to subscribe for shares.

A shareholder may exercise preemption rights during a period of two weeks from the date of the announcement of the issue or grant. The general meeting or the Managing Board, if so designated by the general meeting, may restrict the right or exclude shareholder preemption rights. A resolution by the general meeting to designate the authority to exclude or limit preemption rights to the Managing Board requires a majority of at least two-thirds of the votes cast if less than 50% of Euronext's issued share capital is represented and can only be taken upon proposal of the Supervisory Board or upon proposal of the Managing Board, which proposal has been approved by the Supervisory Board. If the general meeting has not designated this authority to the Managing Board, the general meeting may itself vote to limit or exclude preemption rights and will also require a majority of at least two-thirds of the votes cast, if less than 50% of Euronext's issued share capital is represented at the general meeting.

On 14 May 2020, the general meeting designated the Managing Board as per 14 May 2020 for a period of eighteen months or until the date on which the meeting again extends the designation, if earlier, as the competent body to, subject to the approval of the Supervisory Board, restrict or exclude the preemptive rights of shareholders pertaining to (the right to subscribe for) ordinary shares upon any issuance of ordinary shares (as referred to in Item 9a of the agenda of the meeting).

The Company has an agreement with its Reference Shareholders (*see section 6.4.1 – Reference Shareholders*) to give reasonable prior notice if Euronext uses this authority for share issuances in case of a merger or acquisition transaction.

On 20 November 2020, the Extraordinary general meeting designated the Managing Board as the corporate body authorized to exclude or limit related preemptive rights in connection with the acquisition of the entire issued share capital of London Stock Exchange Group Holdings Italia S.p.A. (private placement and rights offer).

6.2.4 ACQUISITION OF SHARES IN EURONEXT'S CAPITAL

Euronext may acquire fully paid shares at any time for no consideration (*om niet*), or, subject to the following provisions of Dutch law and its Articles of Association, Euronext may acquire fully paid shares for consideration, namely if (i) its shareholders' equity, less the payment required to make the acquisition, does not fall below the sum of paid-in and called-up share capital and any statutory reserves, (ii) Euronext and its subsidiaries would thereafter not hold shares or hold a pledge over Euronext shares with an aggregate nominal value exceeding 50% of its issued share capital, and (iii) the Managing Board has been authorised by the general meeting, with the prior approval of the Supervisory Board.

Authorisation from the general meeting to acquire Euronext shares must specify the number and class of shares that may be acquired, the manner in which shares may be acquired and the price range within which shares may be acquired. Such authorisation will be valid for no more than eighteen months. Any shares Euronext holds may not be voted or counted for voting quorum purposes.

On 14 May 2020, the general meeting designated the Managing Board as per 14 May 2020 for a period of eighteen months or until the date on which the meeting again extends the authorisation, if earlier, to, subject to the approval of the Supervisory Board, have the Company acquire ordinary shares in the share capital of the Company through purchase on a stock exchange or otherwise. The authorisation is given for the purchase of up to 10% of the issued ordinary shares at the time of the purchase, for a purchase price between (a) the par value of the ordinary shares at the time of the purchase and (b) the average closing price of the ordinary shares on Euronext Paris, Euronext Amsterdam, Euronext Brussels and Euronext Lisbon, during the five trading days preceding the day of purchase within a margin of 10% of that purchase price. Under the Facilities Agreement *(see section 7.1.11 – Facilities Agreement)*, Euronext's ability to acquire its shares is restricted, subject to certain exceptions.

6.2.5 REDUCTION OF SHARE CAPITAL

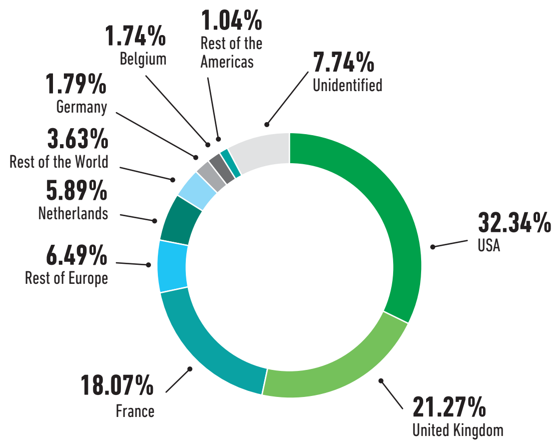
Under Euronext's Articles of Association, upon a proposal from the Supervisory Board, or upon proposal of the Managing Board, which has been approved by the Supervisory Board, the general meeting may resolve to reduce Euronext's issued and outstanding share capital by cancelling its shares, or by amending Euronext's Articles of Association to reduce the nominal value of its shares. The decision to reduce Euronext's share capital requires a majority of at least two-thirds of the votes cast if less than 50% of Euronext's issued share capital is present or represented at the general meeting.

6.3 Shareholder Structure

The shareholding structure as of 31 December 2020 was as follows.

Shareholder	Number of shares	% of capital
Reference Shareholders	16,289,000	23.27%
Treasury Shares	329,465	0.47%
Employees	111,183	0.16%
Free float	53,270,352	76.10%
TOTAL	**70,000,000**	**100.00%**

GEOGRAPHIC BREAKDOWN OF THE FREE FLOAT IN 2020



6.4 Share Classes and Major Shareholders

6.4.1 REFERENCE SHAREHOLDERS

Prior to the IPO, on 27 May 2014, a group of institutional investors (collectively, the "Reference Shareholders", and each a "Reference Shareholder") purchased an aggregate of 33.36% of the issued and outstanding Ordinary Shares from ICE, the selling shareholder at the IPO, at €19.20 or a 4% discount to the Offer Price (€20.00).

This group of Reference Shareholders was comprised of Novo Banco, BNP Paribas S.A., BNP Paribas Fortis S.A./N.V., ABN AMRO Bank N.V. through its subsidiary ABN AMRO Participaties Fund I B.V., ASR Levensverzekering N.V. (a company of the ASR Nederland group), Caisse des Dépôts et Consignations, Bpifrance Participations, Euroclear S.A./N.V., Société Fédérale de Participations et d'Investissement/Federale Participatie-en Investeringsmaatschappij, Société Générale and BancoBPI Pension Fund represented by BPI Vida e Pensões – Companhia de Seguros, S.A. The Reference Shareholders had entered into a Reference Shareholders agreement (the "Reference Shareholders Agreement") governing the relationship among the Reference Shareholders. Please refer to the statement on the Contemplated acquisition of the Borsa Italiana Group (the "Proposed Combination") in this section to the expected amendment in the context of the Proposed Combination.

On 13 June 2017, Euronext was informed that the Reference Shareholders had decided to extend an amended version of their agreement dated 3 June 2014, which was due to expire on 20 June 2017 and which was extended for a further period of two years commencing on 21 June 2017. Eight of the initial Reference Shareholders adhered to the extension, at that time accounting for 23.86% of Euronext's share capital. The new Reference Shareholders group agreed to a new lock-up period of two years commencing on 21 June 2017 and expiring on 20 June 2019. The Supervisory Board representation of the Reference Shareholders was maintained, as the Reference Shareholders, acting jointly, retained their right to nominate one third of the Supervisory Board seats.

On 14 December 2018, Caisse des Dépôts et Consignations announced it decided to simplify the structure of its shareholding in Euronext N.V, by transferring the 3.00% of the share capital of Euronext N.V. held by Bpifrance Participations to Caisse des Dépôts et Consignations itself, which already held directly 3.00% of the equity of Euronext N.V. as well. Further to the transaction, Caisse des Dépôts et Consignations held directly the 4,200,000 shares representing 6.00% of Euronext N.V. share capital.

On 17 June 2019, Euronext was informed that the Reference Shareholders had decided to extend an amended version of their Reference Shareholders Agreement dated 21 June 2017 for a further period of two years commencing on 20 June 2019. The new Reference Shareholders group from that date comprised of five of the former members and accounted for 23.27% of Euronext share capital. The new Reference Shareholders agreed a new two-years lock-up period commencing on 20 June 2019 and expiring on 19 June 2021, maintaining their level of representation on the Supervisory Board.

As per 31 December 2020, the Group of Reference Shareholders comprised:

Name of Reference Shareholder	Number of shares	Individual shareholding (% of capital)
ABN AMRO Bank N.V. through its subsidiary ABN AMRO Participaties Fund I B.V.	385,000	0.55%
BNP Paribas group	1,554,000	2.22%
Caisse des Dépôts et Consignations	5,600,000	8.00%
Euroclear S.A./N.V.	5,600,000	8.00%
Société Fédérale de Participations et d'Investissement/Federale Participatie- en Investeringsmaatschappij	3,150,000	4.50%
TOTAL SHAREHOLDING	**16,289,000**	**23.27%**

Share Transfer Restriction

Under the Reference Shareholders Agreement, each of the Reference Shareholders has agreed not to sell or otherwise transfer or dispose of any of the Ordinary Shares such Reference Shareholder acquires pursuant to the Share Purchase Agreement for a period of two years commencing on 20 June 2019. This transfer restriction will not apply to any transfers to (i) affiliates of a Reference Shareholder, provided that the transferee agrees to be bound by this transfer restriction and the other terms and conditions of the Reference Shareholders Agreement and shall accede to the Reference Shareholders Agreement, (ii) another Reference Shareholder, provided that the Ordinary Shares transferred will continue to be subject to the transfer restriction and the other terms and conditions of the Reference Shareholders Agreement as if originally held by the acquiring Reference Shareholder, and (iii) a third party with the unanimous consent in writing of the Reference Shareholders (subject to the consent of the relevant regulator[s]), such consent not to be unreasonably withheld and provided the third party shall accede to the Reference Shareholders Agreement, and further provided that no mandatory bid obligation is triggered by such transfer. In the case of transfers to an affiliate of a Reference Shareholder, such affiliate must retransfer the relevant Ordinary Shares to the original Reference Shareholder prior to ceasing to be an affiliate of such Reference Shareholder. In the case of proposed transfers to another Reference Shareholder, the other Reference Shareholders will have a right of first refusal *pro rata* to their respective holdings. In addition, repo and securities lending transactions may be excluded from this restriction on the basis of guidelines to be agreed.

In the event of a tender offer announced or made by any person to acquire all or a portion of the Ordinary Shares, the Reference Shareholders will review and assess the merits of the proposed bid and adopt a common position. Subject to consulting with the Euronext College of Regulators, if the outcome of that procedure is that the Reference Shareholders decide to accept the offer, once made, the transfer restriction will not apply, except as provided to the contrary in any declaration of no-objection and subject to any and all other requirements and restrictions under applicable law and regulation, and with the understanding that no Reference Shareholder will be obliged to sell its Ordinary Shares regardless the common position taken.

Please refer to the statement on the Contemplated acquisition of the Borsa Italiana Group (the "Proposed Combination") in this section to the expected amendment in the context of the Proposed Combination.

Further Restrictions

Each of the Reference Shareholders has agreed not to enter into any transaction or do anything, and not to permit its affiliates to enter into any transaction or do anything, if such transaction or action would result in the Reference Shareholders or any of them becoming obligated to make a mandatory bid (verplicht openbaar bod) for the Ordinary Shares within the meaning of section 5:70 of the Dutch Wet op het financieel toezicht (Financial Supervision Act) implementing Article 5 of Directive 2004/25/EC.

Supervisory Board Representation

The Reference Shareholders, acting jointly, will have the right to propose one third of the Supervisory Board seats. Members of the Supervisory Board who are appointed upon a nomination by the Reference Shareholders are referred to as "Reference Shareholder directors". The Supervisory Board undertakes to include the name of the person proposed by the Reference Shareholders in its binding nomination to the Shareholders' Meeting of Euronext, unless the Supervisory Board objects against the nomination if it reasonably believes that the nominee may not fulfil the suitability and integrity criteria under applicable Dutch law, and always subject to any applicable regulatory assessments, approvals and requirements.

The Reference Shareholder directors have been appointed by the general meeting each for a term of four years. If the Reference Shareholders Agreement is terminated before the end of term of office of a Reference Shareholder director, his or her term of office shall lapse immediately after the day of the first general meeting of Euronext to be held after the date of termination of the Reference Shareholders Agreement.

Committee of Representatives

Each Reference Shareholder has appointed one representative and one alternate duly authorised to represent and act for and in the name of the relevant Reference Shareholder and any and all of its affiliates for all purposes of the Reference Shareholders Agreement, who shall be the contact person *vis-à-vis* the other Reference Shareholders and the Company. The representatives of all Reference Shareholders constitute the Committee of Representatives which decides on all matters requiring a joint decision of the Reference Shareholders. The decisions of the Committee of Representatives shall be binding upon all Reference Shareholders.

Voting

Depending on the decision concerned, the decisions of the Committee of Representatives shall be adopted by absolute majority of the votes cast or by qualified majority of two thirds of the votes cast, as indicated below. Each Reference Shareholder will have such number of votes equal to the aggregate number of Ordinary Shares held by the Reference Shareholder and its affiliates, provided that no Reference Shareholder shall at any time have one-third or more of the votes within the Committee of Representatives regardless of the number of Ordinary Shares held.

In all instances where the Reference Shareholders Agreement calls for joint decision making of the Reference Shareholders in the general meeting, each Reference Shareholder will exercise, and will cause any of its affiliates to exercise, its voting rights in such Shareholders' Meeting in accordance with the decision of the Committee of Representatives on the relevant subject.

The Reference Shareholders agree to vote in accordance with the decision of the Committee of Representatives on any proposed shareholders' resolutions.

The following resolutions require a qualified majority of two thirds of the votes cast:

- any issuance of Ordinary Shares by the Company or rights to acquire Ordinary Shares (and exclusion or limitation or preemption rights, as the case may be);
- any decrease in the share capital of the Company;
- any authorisation for the Company to acquire its own shares;
- any issuance of securities other than Ordinary Shares, to the extent these give exposure to Ordinary Shares, including but not limited to hybrids and covered bonds;
- any proposal to appoint, suspend or remove any member of the Supervisory Board (including but not limited to any Reference Shareholders director);
- any going private transaction or other change of control of the Company;
- any major identity transforming transactions requiring shareholders' approval pursuant to section 2:107a of the Dutch Civil Code;
- any other major acquisitions or disposals not requiring approval under section 2:107a of the Dutch Civil Code;
- any amendment of the Articles of Association of the Company; and
- any proposal for legal merger, demerger, conversion or dissolution of the Company.
- For the following resolutions, the adoption is by absolute majority of the votes cast:
- any proposal to appoint, suspend or remove any member of the Managing Board;
- adoption of the annual Financial Statements of the Company;
- discharge of the members of the Managing Board and the Supervisory Board; and
- any dividend or other distribution to shareholders.

Termination

The Reference Shareholders Agreement and all restrictions and requirements thereunder or pursuant thereto shall terminate upon the earlier of (i) expiry of the Restricted Period, unless extended by written agreement signed by all Reference Shareholders, subject to any regulatory declarations of no objection or regulatory approvals, (ii) the Company becoming bankrupt or being granted a (provisional) suspension of payment, and (iii) at any time after the Restricted Period, the aggregate shareholding of the Reference Shareholders becoming less than 21% of the issued share capital of the Company unless increased to at least 21% again within 30 days after such event. The Reference Shareholders Agreement is terminating on 21 June 2021.

Letter Agreement

In addition to the renewed Reference Shareholders Agreement, the Letter Agreement of 4 June 2014 between Euronext and its Reference Shareholders, as supplemented on 25 March 2015 and as amended and extended on 13 June 2017, has been amended and extended on 17 June 2019. The focus of the revised Letter Agreement dated 17 June 2019 is to strengthen the regular dialogue between Euronext and its Reference Shareholders, addressing (i) the right of the Reference Shareholders to retain one third of the Supervisory Board seats, (ii) the use by Euronext of the delegated authorities for the issuance/repurchase of shares, with the possible exclusion or restriction of preemption rights, (iii) the process of communication between Euronext and the Reference Shareholders, which includes periodical meetings on topics including strategy, governance and financing structure; and (iv) the involvement of the Reference Shareholders in the selection procedure in case of any vacancies for the CEO, the COO or Supervisory Board positions.

As part of the contemplated acquisition of the Borsa Italiana Group *(see section 1.2.2 – Update in 2020)*, it is contemplated that the Letter Agreement will be amended in the context of the Combination.

Contemplated acquisition of the Borsa Italiana Group (the "Proposed Combination")

As part of the contemplated acquisition of the Borsa Italiana Group *(see section 1.2.2 – Update in 2020)*, it is intended that before completion of the Proposed Combination:

- CDP Equity and Intesa Sanpaolo will become parties to the Reference Shareholders Agreement by entering into an Extension and Amendment Agreement with the Reference Shareholders;
- the Letter Agreement will be amended.

Under the Reference Shareholders Agreement, as extended and amended by the Extension and Amendment Agreement, each of the Reference Shareholders will agree not to sell or otherwise transfer or dispose of any of the Ordinary Shares such Reference Shareholder acquired prior to the effective date of the Extension and Amendment Agreement for a period of three years commencing on the date of the Extension and Amendment Agreement (the Restricted Period). This transfer restriction will not apply to any transfers to: (1) affiliates of a Reference Shareholder, provided that the transferee agrees to be bound by this transfer restriction and the other terms and conditions of the Reference Shareholders Agreement and shall accede to the Reference Shareholders Agreement; (2) another Reference Shareholder, provided that the Ordinary Shares transferred will continue to be subject to the transfer restriction and the other terms and conditions of the Reference Shareholders Agreement as if originally held by the acquiring Reference Shareholder; and (3) a third party with the unanimous consent in writing of the Reference Shareholders (subject to the consent of the relevant regulator[s]), such consent not to be unreasonably withheld and provided the third party shall accede to the Reference Shareholders Agreement, and further provided that no mandatory bid obligation is triggered by such transfer. In the case of transfers to an affiliate of a Reference Shareholder, such affiliate must re-transfer the relevant Ordinary Shares to the original Reference Shareholder prior to ceasing to be an affiliate of such Reference Shareholder. In the case of proposed transfers to another Reference Shareholder, the other Reference Shareholders will have a right of first refusal pro rata to their respective holdings. In addition, repo and securities lending transactions may be excluded from this restriction on the basis of guidelines to be agreed.

In addition, notwithstanding this share transfer restriction:

- ABN AMRO Bank N.V. and Intesa Sanpaolo may each elect to leave the Reference Shareholders Agreement and other ancillary agreements during a 30-day period commencing on the date that is two years after the commencement of the Restricted Period by giving written notice to the other parties to the Reference Shareholders Agreement, provided that the remaining Reference Shareholders shall have a right to acquire all restricted Ordinary Shares held by the departing Reference Shareholder, pro rata to their respective holdings. Each of the remaining Reference Shareholders may also elect to appoint a third party purchaser to acquire such restricted Ordinary Shares in accordance with these provisions. Any restricted Ordinary Shares not taken up by the remaining Reference Shareholders shall cease to be subject to these transfer restrictions. Such a departing Reference Shareholder may also elect to diminish the extent of its restricted Ordinary Shares after such two years. In that case, the same procedure will apply for the part of the interest the departing Reference Shareholder wants to exit; and
- where an Emergency Event[1] occurs in respect of any of the Reference Shareholders or any of its affiliates, the departing Reference Shareholder may elect to leave the Reference Shareholders Agreement and other ancillary agreements by giving written notice to the other parties to the Reference Shareholders Agreement, provided that the remaining Reference Shareholders shall have a right to acquire all restricted Ordinary Shares held by the departing Reference Shareholder, pro rata to their respective holdings. Each of the remaining Reference Shareholders may also elect to appoint a third party purchaser to acquire such restricted Ordinary Shares in accordance with these provisions. Any restricted Ordinary Shares not taken up by the remaining Reference Shareholders shall cease to be subject to these transfer restrictions. A departing Reference Shareholder may also elect to diminish the extent of its restricted Ordinary Shares in case of an Emergency Event. In that case, the same procedure will apply for the part of the interest the departing Reference Shareholder wants to exit.

Moreover, pursuant to the amendments to the Reference Shareholders Agreement by the Extension and Amendment Agreement: (1) each Reference Shareholder will have such number of votes equal to the aggregate number of restricted Ordinary Shares held by the Reference Shareholder and its affiliates. The restriction in the Reference Shareholders Agreement that no Reference Shareholder shall at any time have one-third or more of the votes within the Committee of Representatives of the Reference Shareholders regardless of the number of Ordinary Shares held will be removed; and (2) any resolution having a potential impact on the Company's strategy and/or on the principles of the federal model and the business of the stock exchanges operated by the Combined Group will, in addition to the existing matters, require a qualified majority of two thirds of the votes cast.

The Reference Shareholders Agreement, as extended and amended by the Extension and Amendment Agreement, will terminate three years from completion of the Proposed Combination.

6.4.2 MAJOR SHAREHOLDINGS

On top of the Reference Shareholders who own jointly 23.27% and whose individual holdings are disclosed above and according to the AFM any substantial holding and gross short positions in issuing institutions and shares with special controlling rights have to be notified.

An issuing institution is: a public limited company (*naamloze vennootschap*) incorporated under Dutch law whose (depositary receipts for) shares are admitted to trading on a regulated market in the Netherlands or in another Member State of the European Union or an EEA State, or a legal entity incorporated under the

(1) an Emergency Event is a material action taken in respect of a member of the Group of the departing Reference Shareholder as contemplated by the Bank Recovery and Resolution Directive or other similar action in respect of a member of the Group of the departing Reference Shareholder.

law of a state that is not an European Union Member State and whose (depositary receipts for) shares are admitted to trading on a regulated market in the Netherlands.

As soon as the substantial holding or short position equals or exceeds 3% of the issued capital, the holder should report this. Subsequently, it should notify the AFM again when its substantial holding or short position consequently reaches, exceeds or falls below a threshold. This can be caused by the acquisition or disposal of shares by the shareholder or because the issued capital of the issuing institution is increased or decreased. Thresholds are: 3%, 5%, 10%, 15%, 20%, 25%, 30%, 40%, 50%, 60%, 75% and 95%.

The duty to notify applies to legal entities as well as natural persons.

In 2020 and from 1 January 2021 until the publication of this report, the following crossings of thresholds were declared:

Date	Shareholder having crossed the threshold	Crossing of threshold in capital and voting rights	Type	No of shares	% of voting rights at date of declaration
22/04/2020	Amundi Asset Management	3.00%	Decrease	2,071,940	2.96%
26/05/2020	Blackrock, Inc	3.00%	Increase	1,961,935	3.00%
28/05/2020	Blackrock, Inc	3.00%	Decrease	1,907,999	2.91%
29/05/2020	Blackrock, Inc	3.00%	Increase	1,943,370	3.03%
10/06/2020	Blackrock, Inc	3.00%	Increase	2,116,229	3.29%
11/06/2020	Blackrock, Inc	3.00%	Decrease	1,987,754	3.11%
15/06/2020	Blackrock, Inc	3.00%	Decrease	1,871,851	2.95%
16/06/2020	Blackrock, Inc	3.00%	Increase	2,042,135	3.19%
18/06/2020	Blackrock, Inc	3.00%	Decrease	1,892,650	2.98%
22/06/2020	Blackrock, Inc	3.00%	Increase	1,901,402	3.08%
22/07/2020	Blackrock, Inc	3.00%	Decrease	1,892,521	2.98%
10/08/2020	Blackrock, Inc	3.00%	Increase	1,919,807	3.00%
11/08/2020	Blackrock, Inc	3.00%	Decrease	1,888,655	2.96%
17/08/2020	Blackrock, Inc	3.00%	Increase	1,911,087	3.00%
18/08/2020	Blackrock, Inc	3.00%	Decrease	1,882,801	2.94%
10/11/2020	Blackrock, Inc	3.00%	Increase	2,062,265	3.18%
11/11/2020	Blackrock, Inc	3.00%	Decrease	1,874,837	2.97%
20/11/2020	Blackrock, Inc	3.00%	Increase	1,922,756	3.04%
14/12/2020	Blackrock, Inc	3.00%	Increase	2,133,317	3.28%
15/12/2020	Blackrock, Inc	3.00%	Decrease	2,058,222	3.39%
21/12/2020	Blackrock, Inc	3.00%	Increase	2,102,042	3.26%
22/12/2020	Blackrock, Inc	3.00%	Decrease	2,094,580	3.31%
23/12/2020	Blackrock, Inc	3.00%	Increase	2,285,190	3.67%
13/01/2021	Blackrock, Inc	3.00%	Decrease	2,073,763	3.47%
14/01/2021	Blackrock, Inc	3.00%	Increase	2,164,351	3.52%
20/01/2021	Blackrock, Inc	3.00%	Decrease	2,027,515	3.45%
22/01/2021	Blackrock, Inc	3.00%	Increase	2,083,212	3.35%
04/02/2021	Amundi Asset Management	3.00%	Increase	2,120,044	3.03%
08/02/2021	Blackrock, Inc	3.00%	Decrease	1,892,057	2.94%
09/02/2021	Blackrock, Inc	3.00%	Increase	1,940,985	3.01%
10/02/2021	Blackrock, Inc	3.00%	Decrease	1,900,529	2.96%
12/02/2021	Blackrock, Inc	3.00%	Decrease	1,900,318	3.02%
15/02/2021	Blackrock, Inc	3.00%	Decrease	1,852,323	2.88%
01/03/2021	Blackrock, Inc	3.00%	Increase	1,961,632	3.05%
03/03/2021	Blackrock, Inc	3.00%	Decrease	1,919,415	2.97%
09/03/2021	Blackrock, Inc	3.00%	Increase	1,924,051	3.01%
10/03/2021	Blackrock, Inc	3.00%	Decrease	1,902,343	2.95%

None of Euronext's shareholders hold 10% or more in the capital of the Company.

As of the date of publication of the 2020 Universal Registration Document, the only shareholders owning more than 3% (excluding the Reference Shareholders that jointly own 23.27%) and declaring it to the AFM are listed below:

Shareholder having crossed the threshold	Nb of shares	% of voting rights at date of declaration
Massachusetts Financial Services Company	3,598,305	6.88%
Amundi Asset Management	2,120,044	3.03%

6.5 General meeting of Shareholders and Voting Rights

The Annual general meeting must be held within six months after the end of each financial year. An Extraordinary general meeting may be convened, whenever Euronext's interests so require, by the Managing Board or the Supervisory Board. Shareholders representing alone or in aggregate at least one-tenth of Euronext's issued and outstanding share capital may, pursuant to the Dutch Civil Code, request that a general meeting be convened. Within three months of it becoming apparent to the Managing Board that Euronext's equity has decreased to an amount equal to or lower than one-half of the paid-in and called-up capital, a general meeting will be held to discuss any requisite measures.

Euronext will give notice of each general meeting by publication on its website and in any other manner that Euronext may be required to follow in order to comply with and the applicable requirements of regulations pursuant to the listing of its shares on Euronext Amsterdam, Euronext Brussels, Euronext Lisbon and Euronext Paris. The notice convening any general meeting must include, among other items, an agenda indicating the place and date of the meeting, the items for discussion and voting, the proceedings for registration including the registration date, as well as any proposals for the agenda. Pursuant to Dutch law, shareholders holding at least 3% of Euronext's issued and outstanding share capital have a right to request the Managing Board and the Supervisory Board to include items on the agenda of the general meeting. The Managing Board and the Supervisory Board must agree to these requests, provided that (i) the request was made in writing and motivated, and (ii) the request was received by the Chairman of the Managing Board or the Chairman of the Supervisory Board at least sixty days prior to the date of the general meeting.

The Managing Board must give notice of a general meeting, by at least such number of days prior to the day of the meeting as required by Dutch law, which is currently forty-two days.

Each shareholder (as well as other persons with voting rights or meeting rights) may attend the general meeting, to address the general meeting and, in so far as they have such right, to exercise voting rights *pro rata* to its shareholding, either in person or by proxy. Shareholders may exercise these rights, if they are the holders of shares on the registration date which is currently the 28th day before the day of the meeting, and they or their proxy have notified Euronext of their intention to attend the meeting in writing at the address and by the date specified in the notice of the meeting.

The Managing Board may decide that persons entitled to attend general meetings and vote there may, within a period prior to the general meeting to be set by the Managing Board, which period cannot start prior to the registration date, cast their vote electronically or by post in a manner to be decided by the Managing Board. Votes cast in accordance with the previous sentence are equal to votes cast at the meeting.

Each shareholder may cast one vote for each Ordinary Share held. Members of the Managing Board and the Supervisory Board may attend a general meeting in which they have an advisory role. The voting rights attached to shares are suspended as long as such shares are held by Euronext. The rights of the holders of Ordinary Shares that were offered and sold in the Offering rank *pari passu* with each other and with all other holders of the Ordinary Shares, including the Reference Shareholders, with respect to voting rights and distributions. Euronext has no intention of changing the rights of shareholders.

Resolutions of the general meeting are taken by an absolute majority, except where Dutch law or Euronext's Articles of Association provide for a qualified majority or unanimity.

Two general meetings were held in 2020.

The Annual general meeting was held on 14 May 2020. In this meeting decisions were taken on the adoption of the 2019 Financial Statements, a dividend of €1.59 per ordinary share, the discharge the members of the Managing Board and Supervisory Board in respect of their duties performed during the year 2019, the re-appointment of Dick Sluimers as a member of the Supervisory Board, the appointment of Øivind Amundsen as a member of the Managing Board, the appointment of Georges Lauchard as a member of the Managing Board, the adoption of a new remuneration policy with regard to the Managing Board aligned with the Shareholder Rights Directive II as implemented in Dutch law (which was not approved), the adoption of a new remuneration policy with regard to the Supervisory Board aligned with the Shareholder Rights Directive II as implemented in Dutch law, the appointment of Ernst & Young Accountants LLP[1] as the Company's external auditors, the designation of the Managing Board as the competent body to 1) issue ordinary shares, 2) to restrict or exclude the preemptive rights of shareholders and 3) to acquire ordinary shares in the share capital of the Company on behalf of the Company, and the authorisation to the Supervisory Board or the Managing Board (subject to approval of the Supervisory Board) to grant rights to French beneficiaries to receive shares in accordance with Articles L225-197-1 and seq. of the French Code of commerce.

An Extraordinary general meeting was held on 20 November 2020. In that meeting decisions were taken on the acquisition of the entire issued share capital of London Stock Exchange Group Holdings Italia S.p.A. (the "Proposed Combination") and on the designation of the Managing Board as the corporate body authorized to issue shares and/or to grant rights to subscribe for shares and exclude or limit related preemptive rights in connection with the Proposed Combination (Private Placement and Rights Offer).

6.6 Anti-Takeover Provisions

Euronext currently does not have any antitakeover provisions.

6.7 Obligations of Shareholders and Members of the Managing Board to Disclose Holdings

Shareholders may be subject to notification obligations under the Dutch Financial Supervision Act. Pursuant to chapter 5.3 of the Dutch Financial Supervision Act, any person who, directly or indirectly, acquires or disposes of an actual or potential capital interest and/or voting rights in the Company must immediately give written notice to the AFM of such acquisition or disposal by means of a standard form if, as a result of such acquisition or disposal, the percentage of capital interest and/or voting rights held by such person reaches, exceeds or falls below the following thresholds: 3%, 5%, 10%, 15%, 20%, 25%, 30%, 40%, 50%, 60%, 75% and 95%. In addition, any person whose capital interest or voting rights reaches, exceeds or falls below a threshold due to a change in Euronext's outstanding share capital, or in votes that can be cast on the shares as notified to the AFM by the Company, should notify the AFM no later than the fourth trading day after the AFM has published Euronext's notification of the change in its outstanding share capital.

Each person holding an interest in Euronext's share capital or voting rights of 3% or more at the time of admission of Euronext's shares to trading must immediately notify the AFM. Furthermore, every holder of 3% or more of the Company's share capital or voting rights whose interest at 31 December at midnight differs from a previous notification to the AFM must notify the AFM within four weeks.

For the purpose of calculating the percentage of capital interest or voting rights, the following interests must be taken into account: (i) shares and/or voting rights directly held (or acquired or disposed of) by any person, (ii) shares and/or voting rights held (or acquired or disposed of) by such person's subsidiaries or by a third party for such person's account or by a third party with whom such person has concluded an oral or written voting agreement, (iii) voting rights acquired pursuant to an agreement providing for a temporary transfer of voting rights in consideration for a payment, and (iv) shares and/or voting rights which such person, or any controlled entity or third party referred to above, may acquire pursuant to any option or other right to acquire shares and/or the attached voting rights.

Special rules apply to the attribution of shares and/or voting rights that are part of the property of a partnership or other form of joint ownership. A holder of a pledge or right of usufruct in respect of shares can also be subject to notification obligations, if such person has, or can acquire, the right to vote on the shares. The acquisition of (conditional) voting rights by a pledgee or beneficial owner may also trigger notification obligations as if the pledgee or beneficial owner were the legal holder of the shares and/or voting rights. Under the Dutch Financial Supervision Act, Euronext was required to file a report with the AFM promptly after the date of listing its shares

(1) Whose principal place of business is at Boompjes 258, 3011 XZ Rotterdam, the Netherlands. Ernst & Young Accountants LLP is registered at the Chamber of Commerce of Rotterdam in the Netherlands under number 24432944. The office address of the independent auditor of Ernst & Young Accountants LLP that signed the independent auditor's report is Cross Towers, Antonio Vivaldistraat 150, 1083 HP Amsterdam, the Netherlands. The auditor signing the independent auditor's reports on behalf of Ernst & Young Accountants LLP is a member of the Royal Netherlands Institute of Chartered Accountants (Koninklijke Nederlandse Beroepsorganisatie van Accountants).

setting out its issued and outstanding share capital and voting rights. Thereafter, Euronext is required to notify the AFM promptly of any change of 1% or more in its issued and outstanding share capital or voting rights since the previous notification. The AFM must be notified of other changes in Euronext's issued and outstanding share capital or voting rights within eight days after the end of the quarter in which the change occurred. The AFM will publish all Euronext's notifications of its issued and outstanding share capital and voting rights in a public register. If a person's capital interest and/or voting rights reach, exceed or fall below the above-mentioned thresholds as a result of a change in Euronext's issued and outstanding share capital or voting rights, such person is required to make a notification not later than on the fourth trading day after the AFM has published Euronext's notification as described above.

Furthermore, each member of the Managing Board, the Supervisory Board and certain other persons who, *inter alia*, have (co-)managerial responsibilities in respect of the Company, as well as certain persons closely associated with any such members or other persons, must immediately give written notice to the AFM by means of a standard form of all shares and voting rights in Euronext held by him or her at the time of admission of Euronext's shares to listing and thereafter of any change in his or her holding of shares and voting rights in Euronext.

6.8 Short Positions

Each person holding a net short position amounting to 0.2% or more of the issued share capital of a Dutch listed company must report it to the AFM. Each subsequent increase of this position by 0.1% above 0.2% will also have to be reported. Each net short position equal to 0.5% of the issued share capital of a Dutch-listed company and any subsequent increase of that position by 0.1% will be made public *via* the AFM short selling register. To calculate whether a natural person or legal person has a net short position, their short positions and long positions must be set off. A short transaction in a share can only be contracted if a reasonable case can be made that the shares sold can actually be delivered, which requires confirmation of a third party that the shares have been located. There is also an obligation to notify the AFM of gross short positions. The notification thresholds are the same as apply in respect of the notification of actual or potential capital interests in the capital and/or voting rights, as described above.

The AFM keeps a public register of all notification made pursuant to these disclosure obligations and publishes any notification received. In 2020, no short position was declared to the AFM.

6.9 Market Abuse Regime

The Market Abuse Regulation (Regulation [EU] nr. 596/2014, the "MAR") and related Commission Implementing Regulations and Delegated Regulations, provide for specific rules that intend to prevent market abuse, such as the prohibitions on insider trading, divulging inside information and tipping, and market manipulation (the "European Union Market Abuse Rules"). Euronext is subject to the European Union Market Abuse Rules and non-compliance with these rules may lead to criminal fines, administrative fines, imprisonment or other sanctions.

The European Union Market Abuse Rules on market manipulation may restrict Euronext's ability to buy back its shares. In certain circumstances, investors in Euronext can also be subject to the European Union Market Abuse Rules. Pursuant to Article 19 of the MAR ("Managers' transactions"), members of the Managing Board, Supervisory Board and any senior executive who has regular access to inside information relating directly or indirectly to Euronext and has the power to take managerial decisions affecting the future developments and business prospects of Euronext, (persons discharging managerial responsibilities [PDMR'S]; in case of Euronext Supervisory Board, Managing Board and permanent invitees to Managing Board meetings), must notify the AFM of every transaction conducted on their own account relating to the shares or debt instruments of Euronext or to derivatives or other financial instruments linked thereto.

In addition, certain persons closely associated with members of Euronext's Managing Board or any of the other persons as described above and designated by the MAR PDMR'S must also notify the AFM of every transaction conducted on their own account relating to the shares or debt instruments of Euronext or to derivatives or other financial instruments linked thereto. The MAR determines the following categories of persons: (i) the spouse or any partner considered by national law as equivalent to the spouse, (ii) dependent children, (iii) other relatives who have shared the same household for at least one year at the relevant transaction date and (iv) a legal person, trust or partnership, the managerial responsibilities of which are discharged by a person discharging managerial responsibilities or by a person referred to in point (i), (ii) or (iii), which is directly or indirectly controlled by such a person, which is set up for the benefit of such a person, or the economic interests of which are substantially equivalent to those of such a person. These notifications must be made no later than on the third business day following the transaction date and by means of a standard form. The notification may be postponed until the moment that the value of the transactions performed for the PDMR that person's own account, or transactions carried out by the persons closely associated with that person, reaches or exceeds an amount of €5,000 in the calendar year in question.

The AFM keeps a public register of all notifications under art. 19 of the MAR. Third parties can request to be notified automatically by e-mail of changes to the public register. Pursuant to the MAR, Euronext will maintain a list of its insiders. In addition, to further ensure compliance with MAR, Euronext has adopted an internal policy relating to the possession of and transactions by members of its PDMR'S and employees in Euronext shares or in financial instruments of which the value is (co)determined by the value of the shares. Euronext N.V. Insider Trading Policy has been published on its website on https://www.euronext.com/en/investors/corporate-governance.

6.10 Transparency Directive

After the admission to listing of its shares on Euronext Amsterdam, Euronext Brussels and Euronext Paris on 20 June 2014, and on Euronext Lisbon on 17 September 2014, Euronext became a listed public limited liability company *(naamloze Vennootschap)* incorporated and existing under the laws of the Netherlands. The Netherlands is Euronext's home member state for the purposes of the Transparency Directive (Directive 2004/109/EC as most recently amended by Directive 2013/50/EU) as a consequence of which it is subject to the Dutch Financial Supervision Act in respect of certain on-going transparency and disclosure obligations upon admission to listing and trading of its shares on Euronext Amsterdam, Euronext Brussels, Euronext Lisbon and Euronext Paris.

6.11 Dutch Financial Reporting Supervision Act

The Dutch Financial Reporting Supervision Act *(Wet toezicht financiële verslaggeving)* (the "FRSA") applies to financial years starting from 1 January 2006. On the basis of the FRSA, the AFM supervises the application of financial reporting standards by, among others, companies whose corporate seat is in the Netherlands and whose securities are listed on a Dutch Regulated Market or foreign stock exchange. Pursuant to the FRSA, the AFM has an independent right to (i) request an explanation from Euronext regarding its application of the applicable financial reporting standards and (ii) recommend to Euronext the making available of further explanations. If Euronext does not comply with such a request or recommendation, the AFM may request that the Enterprise Chamber order Euronext to (i) make available further explanations as recommended by the AFM, (ii) provide an explanation of the way it has applied the applicable financial reporting standards to its financial reports or (iii) prepare Euronext's financial reports in accordance with the Enterprise Chamber's instructions.

This Universal Registration Document also concerns the annual financial reporting within the meaning of 5:25c(2) of the Dutch Financial Supervision Act. The sections 1, 2, 3, 5, 6 and 7, as well as sections 4.1 and 4.2 concern the directors' report within the meaning of 2:391 of the Dutch Civil Code, the statement of the Managing Board has been included in section 4.2.1 and the Financial Statements in section 8.

6.12 Dividends and Other Distributions

Euronext may make distributions to its shareholders only insofar as its shareholders' equity exceeds the sum of the paid-in and called-up share capital plus the reserves as required to be maintained by Dutch law or by its Articles of Association. Under Euronext's Articles of Association, the Managing Board decides which part of any profit will be reserved.

At the time of its IPO in 2014, Euronext's dividend policy was established to achieve a dividend pay-out ratio of approximately 50% of net income, upon the approval of the Annual general meeting, and as long as the Company is in position to pay this dividend while meeting all its various duties and obligations.

In May 2017, Euronext decided to complement this policy, for the remainder of its "Agility for Growth" strategic plan with the introduction of a floor to the dividend per share. Starting at the Annual general meeting in 2017 and until the Annual general meeting in 2020, Euronext dividend policy was to distribute the highest of 50% of the reported net income and a floor at €1.42 per share, upon the approval of the Annual general meeting, and as long as the Company is in position to pay this dividend while meeting all its various duties and obligations.

In October 2019, Euronext released its new strategic plan "Let's Grow Together 2022" and established a dividend policy over the duration of the plan consisting of distributing 50% of the reported net income, upon the approval of the Annual general meeting, and as long as the Company is in position to pay this dividend while meeting all its various duties and obligation.

Following the early repayment of its previous term loan facility on 23 March 2017 *(See section 7.1.11 – Facilities Agreement)*, and under the conditions of the new bank loan facility in which the Group entered on 18 July 2017, Euronext is no longer restricted to distributions, share repurchases or share redemptions. Repurchase of shares for the needs of the Employee Offering and employee shareholding and management incentive programs that Euronext may implement from time to time, which may be offered for free or at a discount and repurchase of shares in accordance with liquidity or market making programmes are not restricted within the Facilities Agreement.

Euronext may make a distribution of dividends to its shareholders only after the adoption of Euronext's statutory annual accounts demonstrating that such distribution is legally permitted. The profit, as this appears from the adopted annual accounts, shall be at the free disposal of the general meeting, provided that the general meeting may only resolve on any reservation of the profits or the distribution of any profits pursuant to and in accordance with a proposal thereto of the Supervisory Board or a proposal of the Managing Board, which has been approved by the Supervisory Board. Resolutions of the general meeting with regard to a distribution at the expense of the reserves shall require the approval of the Managing Board and the Supervisory Board.

The Managing Board is permitted to resolve to make interim distributions to Euronext shareholders, subject to approval of the Supervisory Board. The general meeting may also resolve to make interim distributions to Euronext shareholders, pursuant to and in accordance with a proposal thereto by the Managing Board, which has been approved by the Supervisory Board.

The Managing Board may decide that, subject to approval of the Supervisory Board, a distribution on shares shall not be made in cash or not entirely made in cash but other than in cash, including but not limited in the form of shares in the Company or decide that shareholders shall be given the option to receive a distribution either in cash or other than in cash. The Managing Board shall, subject to approval of the Supervisory Board, determine the conditions under which such option can be given to Euronext's shareholders.

Shareholders are entitled to share the profit *pro rata* to their shareholding. Claims to dividends and other distributions not made within five years from the date that such dividends or distributions became payable will lapse, and any such amounts will be considered to have been forfeited to Euronext *(verjaring)*.

For the previous years, the following amounts of dividend per share were paid:

For the year 2014	€0.84
For the year 2015	€1.24
For the year 2016	€1.42
For the year 2017	€1.73
For the year 2018	€1.54
For the year 2019	€1.59

6.13 2021 Financial Calendar

First Quarter 2021 Results	10 May 2021
Annual general meeting	11 May 2021
Second Quarter and First Half 2021 Results	29 July 2021
Third Quarter 2021 Results	4 November 2021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7 OPERATING AND FINANCIAL REVIEW

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The following review relates to Euronext historical financial condition and results of operations for the years ended 31 December 2020, 2019 and 2018. This "Operating and Financial Review" is based on the audited Financial Statements for the years ended 31 December 2020, 2019 and 2018, which are included and incorporated by reference in this Registration Document and should be read in conjunction with "General description of the Company" and "Financial Statements". Prospective investors should read the entire Registration Document and not just rely on the information set out below. The financial information included in this "Operating and Financial Review" has been extracted from the audited Consolidated Financial Statements.

The following discussion of Euronext results of operations and financial condition contains forward-looking statements. Euronext actual results could differ materially from those that are discussed in these forward-looking statements. Factors that could cause or contribute to such differences include those discussed below and elsewhere in this Registration Document, particularly under "Risk Factors".

7.1 Overview

Euronext is a pan-European exchange group, offering a diverse range of products and services and combining transparent and efficient equity, fixed income securities and derivatives markets in Amsterdam, Bergen, Brussels, Dublin, Lisbon, London, Oslo and Paris. Euronext businesses comprise: listing, cash trading, derivatives trading, spot FX trading, power trading, investor services, advanced data services, post-trade and technologies & other.

Euronext management reviews the performance of the business, and makes decisions on allocation of resources, only on a company-wide basis. Therefore, Euronext has one reportable segment.

Euronext has been operating as an independent, publicly traded company since 20 June 2014. Prior to June 2014, Euronext's businesses were part of ICE as a result of ICE's acquisition of NYSE Euronext on 13 November 2013.

7.1.1 DEFINITIONS

The Following Defined Terms Are Used in this Operating and Financial Review:

"Legacy Euronext" means the historical operations of the former Euronext N.V. (existing prior to 15 March 2014) and its subsidiaries, including LIFFE.

Segments are reported in a manner consistent with how the business is operated and reviewed by the chief operating decision maker ("CODM"), who is responsible for allocating resources and assessing performance of the operating segments. The chief operating decision maker of the Group is the Managing Board. The organisation of the Group reflects the high level of mutualisation of resources across geographies and product lines. Operating results are monitored on a group-wide basis and, accordingly, the Group represents one operating segment and one reportable segment. Operating results reported to the Managing Board are prepared on a measurement basis consistent with the reported Consolidated Statement of Profit or Loss.

In presenting and discussing the Group's financial position, operating results and net results, management uses certain Alternative performance measures not defined by IFRS. These Alternative performance measures (APMs) should not be viewed in isolation as alternatives to the equivalent IFRS measures and should be used as supplementary information in conjunction with the most directly comparable IFRS measures. Alternative performance measures do not have standardised meaning under IFRS and therefore may not be comparable to similar measures presented by other companies. Euronext believes that these measures provide valuable supplemental information to the Company's management, investors and other stakeholders to evaluate the Company's performance.

Reference is made to chapter 5.2 *Other Financial Information* for more details on the APMs used by the Group.

7.1.2 ESTABLISHMENT OF EURONEXT AS AN INDEPENDENT, PUBLICLY TRADED COMPANY

The legal entities of the Group have been owned by Euronext N.V. since the date that the internal reorganisation was finalised in March 2014. The Consolidated Financial Statements as of and for financial years ended 31 December 2020, 2019 and 2018 have been prepared as described further in Note 3 to the Consolidated Financial Statements (see "Financial Statements"). All transactions and balances between subsidiaries have been eliminated on consolidation.

7.1.3 SOURCES OF REVENUES

In accordance with Article 19 of Regulation (EU) 2017/1129, the following information is incorporated by reference in the Universal Registration Document.

For financial year 2018

The description of the sources of revenues of the Company for the financial year 2018, presented on pages 114 to 115 the 2018 Registration Document filed with the Autoriteit Financiële Markten on 3 April 2019 and available at: https://www.euronext.com/sites/default/files/2019-04/euronext_2018_registrationdocument.pdf.

For financial year 2019

The description of principal activities of the Company for the financial year 2019, presented on pages 147 to 148 of the 2019 Universal Registration Document filed with the Autoriteit Financiële Markten on 1 April 2020 and available at: https://www.euronext.com/sites/default/files/financial-event-doc/2020-04/EURONEXT_URD_EN_2019.pdf

Listing

Admission fees comprise fees paid by companies to list and admit to trading equity and debt securities on Euronext markets. Corporate activity and other fees primarily consist of fees charged for centralising securities in connection with new listings and tender offers, they also include delisting fees. In addition, companies whose securities are listed or admitted to trading on Euronext markets pay annual fees.

Other than for Euronext Dublin and Oslo Børs which have separate fee schedules, Euronext has adopted a common set of admission and annual fees for the Euronext and Euronext Growth™ markets. Companies having equity securities listed or admitted to trading on Euronext or Euronext Growth™ markets are subject to the following types of fees:

- initial admission fee charged based on the market capitalisation at first admission and calculated on a cumulative scale with decreasing rates and capped;
- subsequent admission fees charged based on the amount of capital raised and calculated on a cumulative scale with decreasing rates and capped; this also applies for other corporate events related fees;
- annual fees based on a variable decreasing percentage of the number of outstanding securities and a fixed fee based on the issuer's market capitalisation a beyond a defined threshold. The annual fee is capped.

Companies having equity securities listed or admitted to trading on Oslo Børs, Oslo Axess or Merkur Market are subject to the following types of fees:

- Initial admission fee based on a fixed fee and market capitalization at first admission capped at minimum and maximum fee depending on type of listing process;
- subsequent admission fees charged based on the amount of capital raised and calculated on a cumulative scale and capped; other corporate events related fees are generally fixed fees;
- annual fees based on market capitalization and capped at minimum and maximum fee.

Oslo Børs is the Norwegian takeover authority and charges a fixed fee and market capitalization up to a maximum amount for the inspection of offer documents. Further fees related to inspection of offer documents may also apply.

Euronext Dublin has debt fee schedules for its regulated market and its Global Exchange Market based on the method of issuance (under a programme or as a standalone issuance). For other Euronext markets, admission fees for debt securities, issued both on a stand-alone basis or under a note program, are based on the maturity and principal amount admitted to trading, and, in respect of long-term debt (maturity over one year), number of years to maturity. Euronext offers lower admission fees for issuers that access the debt capital markets frequently and for issuers qualifying as SMEs.

Oslo Børs has debt fee schedules for both its regulated market and its Nordic ABM. Annual fee for listing and registration for debt securities are based on the registered capital admitted to trading. Prices are the same for stand-alone basis or under a note program. The prices are the same for both markets with a minimum and maximum fee.

Oslo Børs has a registration fee based on the type and the security of the bond. For municipal bonds listed on Oslo Børs and for bonds listed on Nordic ABM there will also be an inspection fee. The inspection fee is based on the type of the bond. For new issuers there will also be charged an additional inspection fee for the description of the issuer or the issuer's business activities.

Euronext offers centralisation services for orders in connection with a public offer, a public tender offer or a sales facility, in respect of securities admitted or to be admitted to any Euronext markets whether regulated or not.

A common set of admission and annual fees apply to ETPs. Issuers of ETPs listed and/or admitted to trading on Euronext markets are subject to the following types of fees:

- for warrants & certificates traded *via* the Hybrid (aka Request For Execution) market model, issuers are invoiced listing fees based on the average size of their products range (grouped in packages). There are several fee reductions available for which issuers can qualify in order to reduce their listing fees. A one-time admission fee is charged to issuers of structured notes or warrants and certificates not traded *via* the Hybrid market model, as well as a market access fee per instrument;
- primary and secondary listings of ETFs, exchange traded vehicles and exchange traded notes are charged initial admission fees. Additional admission fees are charged per cross and multi-currency listing; charges are also applicable on delisting and merger of instruments. An annual fee is charged each entire calendar year based in part on the value of the total shares outstanding under each ISIN;
- fund issuers are charged a one-time admission fee and a flat annual fee per listed open-end investment fund. A monthly service fee is also charged per fund traded on the net asset value trading facility. A flat delisting fee is charged per open-end investment fund.

For Oslo Børs, warrants, ETNs and Structured products are charged admission fees and a periodic (monthly or quarterly) fee per ISIN. Periodic fees are subject to rebates based on the total number of products listed by the same issuer during that calendar year. The aggregate monthly and quarterly fees for Warrants, ETNs and Structured Products has a combined annual cap. ETF listings are charged with admission and annual fees, per listed ETF and capped.

Corporate Services

Euronext Corporate Services offers innovative solutions and tailor-made advisory services articulated around the four following pillars: Governance (iBabs), Compliance (InsiderLog), Communication (Company Webcast), and Investor Relations (Advisory and IR Solutions).

A major part of these Corporate Services products are Software-as-a-Services (SaaS) solutions generating recurring revenues through annual subscriptions. In addition, Euronext Corporate Services also generate revenues on renewable advisory mandates or on one-off missions and events.

Cash, Derivatives and spot FX Trading

Revenues from Euronext cash trading and derivatives trading businesses consist of transaction-based fees for executing trades on Euronext cash markets and derivatives markets. These transaction fees are charged per executed order and based on value traded in cash equities and are charged per lot in derivatives. Trading volume in equity products is primarily driven by price volatility in equity markets and indices. The level of trading activity for all products is also influenced by market conditions and other factors.

Derivatives trading revenues received from transactions conducted on Euronext markets are variable, based on the volume and value of traded contracts, and recognised when executed. The principal types of derivative contracts traded are equity and index products and commodities products. FX non-deliverables forwards (NDFs) were also introduced in 2020 on the Euronext Markets Singapore RMO.

Spot FX trading revenues primarily consist of transaction-based fees for executing trades. These transaction fees are charged per executed order and based on value traded.

Power Trading

Revenues from power trading consist of a fixed annual membership fee for customers to be able to participate in the Nord Pool day-ahead and intraday markets, plus variable trading and settlement fees. Variable trading and settlement fees are charged based on volume traded on Nord Pool markets. Trading volumes in the power markets are mainly driven by the maturity of the market, market conditions (power demand/supply) and other factors. Variable fees also include "gross trading" consisting in integrated producers submitting both production and consumption, which carries a reduced fee.

Investor Services

Investor services primarily encompass the activity of Commcise, that offers cloud-based research commission management, evaluation and accounting solutions and whose revenue model is based on recurring software licence fees.

Advanced Data Services

The Group charges data vendors and end users, taking data *via* a direct feed, on a per-user basis for the access to its real-time data and Enterprise licenses are charged for non-display use, including advanced analytic products, and access to historic and reference data products. The Group also collects periodic license fees from vendors for the right to distribute the Group data to third parties. These fees are recognised on a monthly basis as services are rendered. The Group charges an index licence fee to trading desks, investment banks and asset managers for the creations of Structured Products (SP), Exchange Traded Products (ETPs) and exchange traded funds (ETFs) on Euronext owned (trademark) indices. The Group also collects fees for third party index calculations, iNAV calculation and partnerships stakes. The fees are recognized to the applicable period of the products.

Additional revenue comes from the provision by Nord Pool of data services

Post-Trade

Custody and Settlement

Euronext operates three national CSDs.

The Group operates Interbolsa, the Portuguese national CSD, and receives fees mainly with respect to the settlement instructions and the custody of securities registered/deposited in the centralised securities systems, namely listed and non-listed securities in Portugal.

The Group also operates VPS, the Norwegian national CSD and primarily receives fees with respect to the settlement instructions and the custody of securities registered/deposited in the centralised securities systems, namely listed and non-listed securities in Norway, as well as from ancillary services.

Lastly, the Group operates VP Securities, the Danish national CSD and primarily receives fees with respect to the settlement instructions and the custody of securities registered/deposited in the centralised securities systems, namely listed and non-listed securities in Denmark, as well as from ancillary services.

Clearing

Euronext also receives a share of clearing income based on treasury services resulting from placement of collateral and the number of cleared derivatives trades cleared through LCH SA, in exchange for which Euronext pays LCH SA a fixed fee plus a variable fee based on derivatives trading volume.

Euronext Technology Solutions & Other

Euronext Technology Solutions

Euronext Technologies & other revenue includes license fees and professional services fees for software deployment, for managed IT services provided to third-party market operators (Software as a Service), for connection and data centre colocation services provided to market participant and Regulatory services provided to Investment firms under Euronext's license as an Authorised Publication Authority (APA) and Authorised Reporting Mechanism (ARM). Fees are charged on a monthly basis to Investment firm's according to the number of reports submitted to the service.

Fees for software customisation and deployment services are recognised either on a time and materials basis or under the percentage completion method, depending upon the nature of the contract with the client. Percentage of completion is calculated based on the number of man days incurred to date as a percentage of the total estimated number of man days to complete the work. License fees, maintenance fees and contract for Optiq® as a Service, setup fees and annual support fees are recognised pro rate over the life of the service contract. Connection and colocation service fees are recognised pro rata over the life of the client commitment.

Other

Other revenue primarily accounts for Nord Pool solutions and services not directly linked to power trading activities.

Nord Pool revenues also stem from transaction shipping services, as Nord Pool provides technical solutions for power interconnectors, enabling their participation in European power market coupling arrangements.

As part of the European (EU Commission) driven market coupling projects SDAC (Single Day-Ahead Coupling) and SIDC (Single Intraday Coupling), Nord Pool participates in a regulatory framework and a cost recovery regime. These projects yield cost recovery from Transmission System Operators and National Regulators to varying degrees, which is recognised as operating income.

Additional revenue comes from the provision by Nord Pool of compliance services, consultancy and training.

7.1.4 COMPONENTS OF EXPENSES

Euronext's operating expenses include salaries and employee benefits, depreciation and amortisation, and other operational expenses, which include systems and communications, professional services, accommodation and other expenses.

Salaries and Employee Benefits

Salaries and employee benefits expenses include employee salaries, incentive compensation (including stock-based compensation) and related benefits expenses, including pension and medical charges.

Depreciation and Amortisation

Depreciation and amortisation expenses consist of costs from depreciating fixed assets (including computer hardware and capitalised software) and amortising intangible assets over their estimated useful lives.

Systems and Communications

Systems and communications expenses include costs for development, operation and maintenance of trading, regulatory and administrative systems; investments in system capacity, reliability and security; and cost of network connectivity between customers and data centres, as well as connectivity to various other market centres. Systems and communications expenses also include fees paid to third-party providers of networks and information technology resources, including fees for consulting, research and development services, software rental costs and licenses, hardware rental and related fees paid to third-party maintenance providers.

Professional Services

Professional services expenses include consulting charges related to various technological and operational initiatives as well as legal and audit fees.

Accommodation

Accommodation expenses include costs of leasing the properties used by the Group, as well as utilities, maintenance and security costs to maintain the properties used by the Group.

Other Expenses

Other expenses include marketing, taxes, insurance, travel, professional membership fees and other expenses.

7.1.5 KEY FACTORS AFFECTING BUSINESSES AND RESULTS OF OPERATIONS

The economic and business environment in which Euronext operates directly affects Euronext's results of operations. The results have been and will continue to be affected by many factors, including the factors set out below. Euronext continues to focus its strategy to broaden and diversify its revenue streams, as well as on its company-wide expense reduction initiatives in order to mitigate these uncertainties.

Trading Activity

A large proportion of Euronext's business is transaction-based. For the year ended 31 December 2020, Euronext derived 41% of its revenue from its cash trading, derivatives, spot FX and power trading businesses. Accordingly, fluctuations in the trading volumes directly affect Euronext revenues. During any period, the level of trading activity in Euronext markets is significantly influenced by factors such as general market conditions, market volatility, competition, regulatory changes, capital maintenance requirements, market share and the pace of industry consolidation.

A reduction in trading activity could make Euronext's markets less attractive to market participants as a source of liquidity, which in turn could further discourage existing and potential market participants and thus accelerate a decline in the level of trading activity in these markets. Because Euronext's cost structure is largely fixed, if the trading volumes and the resulting transaction fee revenues decline, Euronext may not be able to adjust its cost structure to counteract the associated decline in revenues, which would adversely affect its net income. Euronext's largely fixed cost structure also provides operational leverage, such that an increase in its trading volumes and the resulting transaction fee revenues would have a positive effect on its margins.

Targeted Operating Optimisation

From its origination, Euronext has identified various ways to streamline its processes and enhance its operational efficiency.

As part of the Agility for Growth strategic plan released in May 2016, an additional cost reduction program was announced, aiming to deliver €22 million additional savings (€15 million, net of inflation) by the end of 2019, through infrastructure optimisation and further streamlining of the organisation. In February 2019, Euronext announced it achieved €23.8 million of savings, against the €22 million previously expected.

As part of its Let's Grow Together 2022 strategic plan, Euronext aims at pursuing operating efficiency while maintaining a best-in-class cost discipline and investing in operational excellence.

Infrastructure optimisation: Euronext makes continuous efforts to improve its asset utilisation. Together with a rationalisation of the number of sites and the set-up of Euronext's IT team in Porto, it continues its effort to reinforce the culture of efficiency.

Restructuring costs incurred to realise the efficiencies described above are classified as "Exceptional items" in the Income statement, for a total of €4.3 million in 2020 (2019: €5.7 million). This expense is included in the total amount of exceptional items of €17.3 million in 2020 (2019: €21.9 million), disclosed in Note 12 of the Consolidated Financial Statements.

Derivatives Clearing Agreement

On 14 October 2013, Euronext entered into the Derivatives Clearing Agreement with LCH SA in respect of the clearing of trades on its continental Europe derivatives markets. Under the terms of the Derivatives Clearing Agreement, effective starting 1 April 2014, Euronext has agreed with LCH SA to share revenues. Euronext receives a share of clearing income based on treasury services and the number of derivatives trades cleared through LCH SA, in exchange for which Euronext pays LCH SA a fixed fee plus a variable fee based on derivatives trading volume.

The term of the existing Derivatives Clearing Agreement was through 31 December 2018. On November 2017, Euronext announced the signing of the renewal of its agreement with LCH SA on the continued provision of derivatives and commodities clearing services for a period of 10 years.

For the year ended 31 December 2018, revenues derived from the Derivatives Clearing agreement are €55.3 million and the associated expense is €28.3 million. For the year ended 31 December 2019, those revenue are €55.2 million and the associated expense is €28.1 million. For the year ended 31 December 2020, those revenue are €67.1 million and the associated expense is €33.1 million.

Facilities Agreements and Bonds

On 23 March 2017, the Group repaid the remaining outstanding non-current borrowing of €70 million, enabling the Group to terminate its term loan facility, which was supposed to mature on 23 March 2018. The Group also terminated its €390 million revolving credit facility agreement and entered into a new €250 million revolving credit facility ("The Facility") on 12 April 2017.

The Group signed a new bank loan facility ("The Bank Loan facility") as per 18 July 2017 with five banks to the amount of €175 million and accordion of €125 million. The new bank loan facility was used to fund the acquisitions of iBabs B.V. and FastMatch Inc., resulting in the recognition of a non-current borrowing of €165.0 million as per 31 December 2017.

On 18 April 2018, the Group issued a €500 million Bond ("Senior Unsecured Note #1") to refinance its 2017 and 2018 acquisitions and diversify its financing mix. The Bond has a seven year maturity, with an annual coupon of 1%. On 18 April 2018 the Bond, rated "A" by Standard & Poor's rating agency, was listed on Euronext Dublin. Following receipt of the proceeds of the issued Bond, the Group repaid the €165.0 million "Bank Loan facility". The existing €250.0 million "Facility" agreement remained unchanged and matures on 12 April 2022, with a two times one year extension possibility.

On 8 April 2019, the Group signed a supplemental agreement with nine banks to amend the €250 million "Facility" agreement originally dated 12 April 2017. This new agreement enabled the Group to increase the "Facility" to €400.0 million and set a new maturity of five years plus a two-year extension possibility.

On 4 June 2019, the Group issued another €500 million Bond ('Senior Unsecured Note #2') to (i) prefinance the outstanding shares of Oslo Børs VPS Holding ASA not already owned by the Group and (ii) for general corporate purposes in line with the Group's strategy. The Bond has a ten year maturity, with an annual coupon of 1.125%. On 12 June 2019 the Bond, rated "A-" by S&P Global Ratings Limited, was listed on Euronext Dublin.

On 22 June 2020, the Group successfully priced a tap offering of €250 million on its outstanding Senior Unsecured Note #2. This increases the total principal amount bearing interest at an annual rate of 1.125% to €750 million, maturing in June 2029. The proceeds of the issue were used to (i) finance the acquisition of the outstanding shares of VP Securities AS and (ii) for general corporate purposes in line with the Group's strategy.

Reference is made to section *7.1.11 – Facilities Agreement and Bonds* for more details on the Facility and the Bonds.

Acquisitions of Subsidiaries

The following acquisitions of subsidiaries were made in 2020:

- **Acquisition of Nord Pool Holding AS**

On 15 January 2020, Euronext completed the acquisition of 66% of the share capital and voting rights in Nord Pool, which runs a leading physical power market in Europe. The total purchase consideration of the transaction amounted to €65.4 million.

- **Acquisition of VP Securities AS**

On 3 August 2020, the Group acquired 85.2% of the outstanding share capital in VP Securities AS, the Danish national Central Securities Depository operator, for consideration of DKK 969.5 million, or €130.2 million. This represented a controlling interest of 86.8% (including 1.6% of treasury shares) in VP Securities AS.

Subsequent to the transaction, the Group acquired the remaining 13.2% minority stake, making the Group the beneficial owner of 100% of the VP Securities AS shares as per 23 October 2020.

- **Acquisition of Black Woodpecker Software Oy ("Ticker Software")**

On 2 June 2020, the Group acquired 100% of the share capital in Black Woodpecker Software Oy, a regulatory technology specialist from Finland, for a cash consideration of €1.7 million, plus a contingent consideration payable depending on future financial performance.

- **Acquisition of Troisième Sens ("3Sens")**

On 8 July 2020, the Group acquired 100% of the share capital in Troisième Sens ("3Sens"), a webcast and corporate events specialist in France, for a cash consideration of €1.6 million.

- **Acquisition of additional interest by exercise of put option for remaining shares in Company Webcast B.V.**

On 25 March 2020, the minority shareholders exercised their put option for selling the remaining 49% of the shares in Company Webcast B.V., increasing the Group's ownership to 100%. Cash consideration of €22.3 million was paid to the non-controlling shareholders.

- **Acquisition of additional interest by exercise of call option for remaining shares in InsiderLog AB**

On 11 February 2020, the Group exercised its call option for the remaining 20% of the shares in InsiderLog AB, increasing the Group's ownership to 100%. Cash consideration of €5.7 million was paid to the non-controlling shareholders.

- **Acquisition of additional interest by exercise of call option for remaining shares in Euronext FX**

On 22 December 2020, the Group exercised its call option for the remaining 2.7% of the shares in Euronext FX, increasing the Group's ownership to 100%. Cash consideration of €4.3 million was paid to the non-controlling shareholders.

The following acquisitions of subsidiaries were made in 2019:

- **Acquisition of Oslo Børs VPS Holding ASA**

On 14 June 2019, the Group acquired a majority stake in Oslo Børs VPS, the Norwegian Stock Exchange and national CSD operator, increasing its ownership to 97.8% as per that date. The total purchase consideration of the transaction amounted to €693.4 million. Subsequent to the transaction, the Group acquired the remaining 2.2% minority stake, making the Group the beneficial owner of 100% of the Oslo Børs VPS shares as per 4 July 2019.

- **Acquisition of Finance Web Working SAS (Euronext Funds360)**

On 9 July 2019, the Group acquired 60% of Finance Web Working SAS, a leading fund data provider in France, operating under the business name Euronext Funds360 (formerly OPCVM360), with an option to acquire the remaining capital in 2023. The total purchase consideration of the transaction amounted to €3.2 million.

The following acquisitions of subsidiaries were made in 2018:

- **Acquisition of The Irish Stock Exchange Plc.**

On 27 March 2018, the Group announced the completion of the acquisition of 100% of the shares and voting rights of the Irish Stock Exchange Plc., Ireland's incumbent stock exchange operator and a leading global debt and fund listing venue. The total purchase consideration of the transaction amounted to €174.5 million. The Irish Stock Exchange Plc. will operate under the business name Euronext Dublin.

- **Acquisition of InsiderLog AB**

On 17 January 2018, the Group acquired 80% of the capital of InsiderLog AB, a Stockholm-based leading player in the field of insider list management, for a cash consideration of €5.8 million, plus a contingent earn-out payment depending on future financial performance.

- **Acquisition of Commcise Ltd**

On 20 December 2018, the Group acquired 78% of the shares and voting rights of Commcise Ltd., a Software as a Service ("SaaS") provider of research evaluation and commission management solutions for financial services firms, from its founders for an initial cash consideration of £27 million.

- **Acquisition of additional interest in FastMatch Inc.**

On 1 February 2019, a settlement was reached between FastMatch Inc, Euronext US Inc and the former CEO of FastMatch Inc. Between the parties it was agreed that $0.8 million would be paid to the former CEO in settlement of claims of alleged breach by FastMatch of his employment agreement, and an amount of $8.1 million as additional consideration for the 1,437,575 shares of common stock of FastMatch Inc. (representing 7.52% of interest) that were transferred by the former CEO to Euronext US Inc. for $.001 per share on 10 August 2018.

Investments in Associates and Joint Ventures

- **Tredzone**

On 22 July 2016, Euronext acquired a 34.04% stake in Tredzone S.A.S., a highly specialised low latency software developer, as part of its innovation strategy. Euronext has assessed the high level of performance of the Tredzone technology by using it to develop the next generation trading platform "Optiq®". This agreement will enable Tredzone to strengthen its leading edge technology and will allow Euronext to benefit from future developments made by Tredzone. Software development tools from Tredzone allow Euronext to fully leverage multi-core processing, hence enabling substantial savings in use of hardware, simplifying and securing IT infrastructure. Designed by a team of experts from financial markets software design, these tools are specifically adapted to handle large amounts of data in real time within a complex environment. The €1.4 million investment was recognised as an investment in associate as at 31 December 2016. As per 31 December 2017 the investment amounted to €1.1 million. As per 31 December 2018, following a review for impairment of its associates and joint ventures, the Group recognised an impairment of its interest in Tredzone S.A.S., bringing its value down to zero. There were no changes to this value as per 31 December 2019. In 2020, Tredzone S.A.S. was dissolved and subsequently the investment was derecognised.

- **European Central Counterparty N.V. ("EuroCCP")**

In August 2016, Euronext announced it had signed a definitive agreement to acquire a 20% stake in European Central Counterparty N.V. ("EuroCCP"), the leading CCP for pan-European equity markets, providing clearing and settlement services. Following regulatory approvals, the completion of the transaction was finalised on 15 December 2016 for an amount of €13.4 million. The investment in EuroCCP has been recognised as an investment in associate as at 31 December 2016. As per 31 December 2017 the investment amounted to €14.1 million. As per 31 December 2018 the investment amounted to €14.4 million.

On 10 December 2019, Euronext announced that it entered into a binding agreement to sell its 20% minority stake in EuroCCP to CBOE Global Markets, alongside the other current EuroCCP shareholders. The transaction is expected to close in the first half of 2020, subject to receipt of required regulatory clearances and the arrangement of a supporting liquidity facility at the EuroCCP clearing entity level. The Group expects to receive net proceeds of approximately €8.8 million from the sale of its minority stake. As a result of this agreement, the Group impaired the value of its investment by approximately €6.0 million, and classified the investment as an asset held for sale as per 31 December 2019.

On 1 July 2020, the Group sold its 20% investment in associate EuroCCP to CBOE Global Markets for a cash consideration of €8.8 million. The investment was subsequently derecognised.

- **Algonext Ltd**

In November 2016, Euronext announced a 10 year partnership with fixed income technology provider Algomi to create a long-term joint venture. This joint venture, capitalised by Euronext, would have deployed Algomi's technology to a new multilateral trading facility ("MTF") "Synapse". Dealers would have been able to access the trading interface either directly through their existing Algomi technology or through their stand-alone systems. The platform would have used algorithmic smart matching processes to create an auction between dealers to improve liquidity and search for best execution. Algonext was incorporated on 16 December 2016 and, based on shared ownership, Euronext has an interest of 50%. The investment in Algonext amounting to €1.2 million has been recognised as an investment in joint ventures as at 31 December 2016. As per 31 December 2018, following a review for impairment of its associates and joint ventures, the Group recognised an impairment of its interest in Algonext Ltd., bringing its value down to zero (see also "Algomi investment'" within the "Equity investments" section). There were no changes to this value as per 31 December 2019. In 2020, Algonext Ltd. was dissolved and subsequently the investment was derecognised.

- **LiquidShare S.A.**

On 10 July 2017 the Group, together with six other leading financial institutions, incorporated LiquidShare S.A., a fintech joint venture with the objective to improve SME's access to capital markets and improving the transparency and security of post-trading operations using blockchain technology. The Group shares joint control with the other founders and has an interest of 16.23% in LiquidShare (2018 and 2017: 13.57%). In 2019, the Group made a capital contribution of €1.0 million in LiquidShare S.A. As per 31 December 2020 the investment amounted to €1.7 million (31 December 2019: €1.9 million and 31 December 2018: €0.9 million).

- **LCH S.A.**

In the second half of 2017, the Group announced its intentions to swap its 2.31% stake in LCH group for a 11.1% stake in LCH SA, subject to regulatory approvals and other customary conditions. The transaction was finalised on 29 December 2017 and will strengthen the long-standing relationship between Euronext and LCH SA. Euronext will remain on the board of LCH SA following completion of the share swap. Euronext will also nominate one representative to LCH SA Audit Committee and will continue to be represented at LCH SA Risk Committee. A new Consultative Committee dedicated to Euronext derivatives business will be created. The parties have agreed that Euronext will have certain minority protection rights connected with its new shareholding in LCH SA.

As the Group concluded it has significant influence, the 11.1% stake in LCH SA amounting to €58.0 million was recognised in investments in associates and joint ventures as per 31 December 2017. As per 31 December 2020 the investment amounted to €61.5 million (31 December 2019: €60.0 million and 31 December 2018: €57.4 million).

- **Investment in Tokeny Solutions**

On 28 June 2019, the Group acquired a 23.5% stake in Tokeny Solutions, a tokenization platform that provides users end-to-end solutions to issue, manage and transfer tokenized securities on public blockchain. The consideration of the investment amounted to €5.0 million. The Group recognised the acquired interest as an investment in associate. As per 31 December 2020 the investment amounted to €4.5 million (31 December 2019: €4.8 million).

Equity Investments

- **Euroclear S.A./N.V. ("Euroclear") Investment**

On 30 April 2014, ICE contributed to the Group a 2.75% ownership interest into Euroclear, an unlisted company involved in the settlement of securities transaction and related banking services. The fair value of the investment at that time was €63 million. Due to share buy-backs by Euroclear in 2015 the direct investment in Euroclear increased from 2.75% to 3.26% as per 31 December 2015. The fair value of the investment in Euroclear was measured at €67.1 million as per 31 December 2015.

In 2016 this share buy-back program did not continue, however other valuation approaches were applied in a consistent manner to 2015, leading to an adjustment of fair value through Other Comprehensive Income of €0.5 million in 2016, bringing the fair value of the 3.26% direct investment in Euroclear to €67.6 million as per 31 December 2016.

Due to share buy-backs by Euroclear in 2017 the direct investment in Euroclear increased from 3.26% to 3.34% as per 31 December 2017. The Group also holds an 1.53% indirect investment in Euroclear, through its 9.60% ownership interest in Sicovam Holding S.A.

Following the outcome of EU referendum in the UK and elections in the US, euro-zone was facing additional political pressure at the end of 2016. Increased political risk in economies long considered bastions of political stability were expected to affect risk-free rates, potentially reviving the euro crisis and raising the risk of an EU break-up scenario. In the first part of the year, this risk of destabilization in Europe was reduced by the results of elections in the Netherlands, France and Germany. The economic sentiment and outlook significantly improved and funds are flowing back to the euro-zone and translated into a robust share price performance across listed financial institutions within the EU.

This changing environment had an impact on the valuation of the Group's available-for-sale financial assets, especially on investments in financial institutions with a significant EU exposure, such as Euroclear The sentiment in Europe, that had a dampening effect on the value of our direct- and indirect (through Sicovam Holding S.A.) equity investment in Euroclear at the end of 2016, positively impacted this value as per 31 December 2017. This ultimately led to an increase in fair value of the Group's investments in Euroclear and Sicovam S.A. in 2017 of €40.2 million.

As per 31 December 2017, following the above, the fair value of the investment in Euroclear was measured at €96.2 million and the fair value of the investment in Sicovam Holding S.A. was measured at €41.7 million.

In 2018, the Group increased its interest in Euroclear from 3.34% to 3.53%, which was due to the acquisition of the Irish Stock Exchange Plc., that holds an 0.19% ownership interest in Euroclear valued at €5.5 million on acquisition.

In 2018, as part of the fair value estimation of its investment in Euroclear the Group considered two observable transactions for the determination of the fair value in addition to its primary valuation technique and applied a weighted approach taken into account a illiquidity discount for the limited number of transactions. This ultimately led to an increase in fair value of the Group's investments in Euroclear and Sicovam S.A. of €45.0 million in 2018. This revaluation was recorded in Other Comprehensive Income.

As per 31 December 2018, following the above, the fair value of the investment in Euroclear was measured at €133.8 million and the fair value of the investment in Sicovam Holding S.A. was measured at €54.5 million.

In 2020, the Group considered two most recent transactions observed in 2019 and 2018, while two transactions observed in 2018 were considered in 2019 for the determination of the fair value in addition to its primary valuation technique. In both years, the Group applied a weighted approach taking into account an illiquidity discount accounting for the limited number of transactions. This ultimately led to an increase in fair value of the Group's investments in Euroclear and Sicovam S.A. of €6.7 million in 2020 (2019: €9.1 million). This revaluation was recorded in Other Comprehensive Income.

As per 31 December 2020, following the above, the fair value of the investment in Euroclear was measured at €145.3 million (31 December 2019: €140.4 million) and the fair value of the investment in Sicovam Holding S.A. was measured at €58.9 million (31 December 2019: €57.1 million).

- **Algomi Limited Investment ("Algomi")**

In November 2016, Euronext announced a 10-year partnership with would have used fixed-income technology provider Algomi Limited ("Algomi") to create a long-term joint venture "Algonext". This JV, initially capitalised by Euronext for $2.3 million, would have deployed Algomi's technology to a new multilateral trading facility ("MTF"), owned and operated by Euronext. Based on shared ownership and governance, Euronext has recognised its 50% shareholding in Algonext as an "Investment in associates and joint ventures" from the date of incorporation.

On 2 March 2017, Euronext acquired a 7.59% stake in JV partner Algomi for $10 million. This investment is recognised as an "Financial asset at fair value through OCI" from acquisition date. As part of the purchase agreement, Euronext was granted a warrant, allowing it to purchase 88,384 additional Algomi shares, that was exercised in the second half of 2017. The investment was recognised as an available-for-sale financial asset at fair value for €9.6 million as per 31 December 2017.

The management of Algomi decided to change its strategic course of direction in the second half of 2018, by focusing on their "Alpha" product, rather than further maintaining the "Honeycomb/Synchronicity" network. This has resulted in many banks terminating their contracts with Algomi. The Honeycomb/Synchronicity network is the major source of data to feed the MTF and without this data the MTF is not expected to generate any trade. The Group expects that this change in focus will have an adverse impact on the financial situations on both Algomi and Algonext, as these entities will not be generating license fee revenues going forward.

Considering this, the Group recorded a downward revaluation of its investment in Algomi to reflect its revised estimated fair value (to zero), which is recognised in Other Comprehensive Income as per 31 December 2018. Further in 2018, it recognised an impairment of its investment in joint venture Algonext bringing its carrying value to zero. Certain assets that were recognised for Algomi exclusivity rights and prepaid expenses for the joint venture have been impaired for which a charge has been recorded in Exceptional items. In 2019, fair value (zero) did not change for this investment.

In Q1 2020, the Group sold its 7.74% minority stake in Algomi Ltd. to BGC Partners for a consideration of €2.6 million, comprising €1.9 million of cash receipt and €0.7 million of deferred receivable, pending any post-transaction settlements. The investment was remeasured to fair value through Other Comprehensive Income at €2.6 million. Subsequently, the investment was derecognised.

- **Oslo Børs VPS Holding ASA ("Oslo Børs VPS")**

On 24 December 2018, Euronext announced it had approached the Board of Directors of Oslo Børs VPS Holding ASA ("Oslo Børs VPS") to seek its support for a €625 million cash tender offer for all the outstanding shares of Oslo Børs VPS, the Norwegian Stock Exchange and national CSD operator, headquartered in Oslo. As per 31 December 2018, following share purchases made by the Group at end of 2018, the Group held a 5.1% ownership interest in Oslo Børs VPS amounting to €31.7 million. The Group irrevocably elected to classify the 5.1% investment in Oslo Børs VPS as an equity investment at fair value through other comprehensive income. The Group considered the purchase price of NOK 145 per share to be best proxy for fair value as per 31 December 2018, supported by prices of Oslo Børs VPS shares traded at the end of December 2018 and beginning of 2019.

During 2019, the Group made additional share purchases for €22.1 million, increasing its ownership in Oslo Børs VPS to 8.3%, before acquiring the majority stake on 14 June 2019. Immediately before obtaining the majority stake and as part of the total purchase consideration, the equity investment was revaluated to its acquisition-date fair value of €57.4 million (at NOK 158 per share plus interest payments) resulting in a gain of €3.6 million, which was recognised in Other Comprehensive Income. As a consequence of the transaction, the equity investment in Oslo Børs VPS was fully derecognised and its historical revaluation gain, recognised in Other Comprehensive Income, was transferred to retained earnings on the date of acquiring the majority stake.

Other Factors

- **October 2020 market outage**

On Monday 19 October 2020, due to a technical issue impacting all Euronext cash and derivatives segments connected to the single liquidity pool, trading was halted at 09.48 CEST on all Euronext segments and the closing process was impacted. The root cause was identified as a technical issue in a third-party software and has been resolved. Euronext has assessed the incident and taken appropriate short-term and medium term actions to remediate the points identified.

COVID-19

The global pandemic from the COVID-19 outbreak has caused disruption to financial markets and normal patterns of business activity across the world, including in the markets in which the Group operates. In particular, unprecedented actions to protect public health and monetary and fiscal policy measures taken by governments and central banks make the severity of the economic impact of the COVID-19 pandemic very uncertain.

To protect the health and safety of employees, the Group applies the recommendations of local authorities: widespread remote working for staff (including ensuring all staff provided with required material), reinforced cleaning measures for those in Euronext offices, additional barriers, face masks and hand sanitizer for all employees, *etc*. Reinforced communication from management and mental health resources for employees was made available.

The current health situation has had no adverse impact so far on the Group's market operations. The Group has been able to ensure smooth and efficient running of critical functions and processes. Euronext markets remained open, servicing a highly volatile trading environment, positively impacting the Group's trading revenues. The effects of the COVID-19 outbreak did not lead to the Group making use of any financial support from governments in the form of reliefs or grants and did not lead to a negative impact on the Group's liquidity position or to an impairment of goodwill. As a result, the COVID-19 pandemic has had no adverse impact on the Group's financial statements for year ended 31 December 2020.

The Group continues to monitor and assess the impact of COVID-19. The pandemic has impacted, and continues to impact, the global economy and, as a result, the Group's trading revenues may suffer from loss of volume. This may also impact the Group's other business lines and, notably, its listings revenues as a result of a decrease in the number of initial public offerings. In addition, the pandemic has resulted in volatility in capital markets. Such volatility is unpredictable and, while it may lead to higher trading volumes, it can result in lower predictability over the Group's earnings. Therefore, as the ultimate severity of the COVID-19 pandemic is uncertain, the Group is not able to reasonably predict the impact it may have on its financial performance in 2021.

7.1.6 GOODWILL

Goodwill recorded includes the entire goodwill that arose from the acquisition of the Amsterdam and Brussels stock exchanges in 2000 and the Lisbon stock exchange in 2002. It also includes an allocation of the goodwill that arose from the acquisition of Atos Euronext Market Solutions ("AEMS"), Euronext's preferred IT service provider, in 2008. In 2017, additional goodwill was recorded in relation to the acquisitions of Company Webcast, iBabs and FastMatch. In 2018, additional goodwill was recorded in relation to the acquisitions of InsiderLog, the Irish Stock Exchange and Commcise. In 2019, additional goodwill was recorded in relation to the acquisitions of Oslo Børs VPS and Finance Web Working SAS. In 2020, additional goodwill was recorded in relation to the acquisitions of Nord Pool, Ticker Software, 3Sens and VP Securities.

7.1.7 FINANCIAL AND TRADING POSITION

The significant events that occurred between 31 December 2020 and the date of this report that have a material impact on the Group's financial and trading position are listed below:

- **Acquisition of London Stock Exchange Group Holdings Italia S.p.A. ("Borsa Italiana Group")**

On 9 October 2020, the Group announced that it had entered into a binding agreement with London Stock Exchange Group plc ("LSEG") to acquire 100% of the issued share capital of London Stock Exchange Group Holdings Italia S.p.A. ("Borsa Italiana Group"), for a cash consideration of €4,325 million(1).

The Proposed Combination of the Borsa Italiana Group and Euronext is expected to create the leading pan-European market infrastructure. This transformational project positions the Combined Group to deliver the ambition of further building the backbone of the Capital Markets Union in Europe, while at the same time supporting local economies. The Combined Group will benefit from an attractive and more diversified geographical footprint. For further information on the strategic rationale of the transaction reference is made to section 1.2.2.

Initial financing of the transaction is fully secured through a bridge loan facility underwritten by a group of banks (see Note 29). Long-term financing will be implemented through a mix of (i) existing available cash, (ii) new debt and (iii) new equity to be issued, which comprises a private placement to long-term strategic investors CDP Equity S.p.A. and Intesa Sanpaolo S.p.A. and a rights offer to Euronext's shareholders.

The transaction is subject to a broad range of conditions of which several major conditions have already been satisfied. The transaction is still subject to regulatory approvals in several jurisdictions. The completion of the transaction is expected in the first half of 2021.

(1) Plus an additional amount reflecting the cash generated to completion. Excluding cash and liquid assets (after deduction of regulatory requirements) and borrowings, representing a total net liability of €42 million as of 30 June 2020.

■ **Changes in the Group's Supervisory Board**

On 15 February 2021, the Group announced that Piero Novelli has been nominated by the Supervisory Board as an independent member of the Supervisory Board, to become the next Chairman of Euronext N.V. Mr. Novelli will step down from all executive positions before becoming Chairman. The appointment of Mr. Novelli remains subject to the approval of the relevant regulatory authorities and of Euronext shareholders.

■ **Changes in the Group's key management personnel**

On 18 January 2021, the Group announced that Anthony Attia will be handing over his position as CEO of Euronext Paris and member of the Managing Board of Euronext N.V., following his appointment as Global Head of Primary Markets and Post Trade.

In addition, the Group announced that Delphine d'Amarzit has been appointed as his successor, subject to regulatory and shareholder approvals, starting from 15 March 2021.

■ **Exercise of call options for remaining shares in iBabs B.V.**

On 3 March 2021, the Group exercised its call option to acquire the remaining 40% of the shares in iBabs B.V. Cash consideration of €55.6 million was paid to the non-controlling shareholders, which was recognised directly against Shareholders' equity. Consequently, the Group now has an ownership of 100% in iBabs B.V.

■ **Trading volumes from 1 January 2021 to 28 February 2021**

In January and February 2021, the average daily transaction value on the Euronext cash order book stood at €9,816.9 million, down -4.2% compared to the same period in 2020.

In January and February 2021, Euronext recorded 22 new listings raising €4.3 billion. In addition, €11.0 billion was raised in secondary equity issuances and €187.4 billion was raised in debt issuances.

The overall average daily volumes on Euronext derivatives stood at 687,726 contracts, -12.9% compared to the same period in 2020, and the open interest was 19,489,289; -12.1% compared to the end of February 2020.

The average daily volume on Euronext FX's spot foreign exchange market stood at $21,595 million in January and February 2021, up +7.8% compared to the same period last year.

7.1.8 RESULTS OF OPERATIONS

Year Ended 31 December 2020 Compared to Year Ended 31 December 2019 and 31 December 2018

The table below sets forth Euronext's results of operations for the years ended 31 December 2020, 2019 and 2018.

	Year ended		
In thousands of euros	31 December 2020	31 December 2019	31 December 2018
Revenue	884,318	679,108	615,033
TOTAL REVENUE	**884,318**	**679,108**	**615,033**
Salaries and employee benefits	(198,970)	(153,145)	(118,488)
Depreciation and amortisation	(57,776)	(43,676)	(23,400)
Other operational expenses	(165,300)	(126,543)	(142,295)
Operating profit before exceptional items	**462,272**	**355,744**	**330,850**
Exceptional items	(17,330)	(21,871)	(21,474)
Operating profit	**444,942**	**333,873**	**309,376**
Finance costs	(17,262)	(11,851)	(5,481)
Change in fair value of financial liabilities	263	(13,275)	(3,200)
Other net financing income/(expense)	4,199	7,711	3,421
Results from equity investments	1,646	7,270	5,984
Share of net profit/(loss) of associates and joint ventures accounted for using the equity method, and impairments thereof	8,916	1,844	1,612
Profit before income tax	**442,704**	**325,572**	**311,712**
Income tax expense	(122,157)	(100,294)	(94,084)
PROFIT FOR THE YEAR	**320,547**	**225,278**	**217,628**
Profit attributable to:			
■ Owners of the parent	315,484	221,966	215,968
■ Non-controlling interests	5,063	3,312	1,660

Total Revenue

Euronext's total revenue for the year ended 31 December 2020 was €884.3 million, an increase of €205.2 million compared to €679.1 million for the year ended 31 December 2019.

The table below sets forth Euronext's revenue for the years ended 31 December 2020, 2019 and 2018.

In thousands of euros	2020	2019	2018
Listing	145,473	128,951	106,490
Trading revenue	365,100	272,810	276,572
of which			
■ Cash trading	262,226	205,565	210,947
■ Derivatives trading	49,206	44,324	43,910
■ FX trading	26,352	22,921	21,715
Power trading	27,316		
Investor Services	7,584	5,735	
Advanced data services	139,036	128,756	118,298
Post-trade	177,228	104,831	77,381
■ of which			
■ Clearing	67,056	55,237	55,331
Custody & Settlement and other	110,172	49,594	22,050
Euronext Technology Solutions & other revenue	49,725	37,805	36,063
Other income	172	220	229
TOTAL REVENUE	**884,318**	**679,108**	**615,033**

The like-for-like measure in the operating results review below is used by the Group to improve comparability with the impact generated in the comparative period. It comprises the consolidated impact of the specific revenue or expense category for the year minus the impact of the specific revenue or expense category from newly acquired subsidiaries during the year.

Listing

For the year ended 31 December 2020:

Listing revenue was €145.5 million in 2020, an increase of +12.8% compared to 2019, driven primarily by the strong performance of Corporate Services and the first full year of consolidation of Oslo Børs listing activities.

On a like-for-like basis at constant currencies, listing revenue increased by +4.4%.

2020 saw a record activity in primary listings, notably supported by record activity at Oslo Børs. In 2020, Euronext recorded 90 new listing, the bulk of which took place during the second semester. Euronext notably welcomed the largest IPO in Europe in 2020, with the listing of JDE Peet's, and demonstrated the attractiveness of its offering with listings from both large capitalisation and SME tech companies. In 2020, €6.7 billion was raised on Euronext primary markets, compared to €5.1 billion in 2019.

Secondary markets saw fluctuating activity during the year. While the first and fourth quarters saw large M&A-related issuances, the second and third quarters were more moderate, and driven by convertible bonds issuance and support funding deals. In 2020, €54.2 billion was raised in secondary equity issues, compared to €33.2 billion in 2019.

Debt-related fixed revenue offset the decrease in new debt listings due to the unfavourable macroeconomic environment in 2020. New debt listings also saw growing momentum in ESG-related bond listings during 2020. In 2020, €1,155 billion in debt was raised on Euronext's markets, compared to €1,230 billion in 2019.

In total, €1,216 billion in equity and debt was raised on Euronext's markets in 2020, compared to €1,268 billion in 2019.

Corporate Services reported a strong performance, generating €32.4 million in revenue in 2020, up +32.4%, including €1.6 million in contribution from recent acquisitions[1], compared to €24.4 million in 2019. This performance reflects continued commercial development and an enhanced digital offering meeting an increased demand for digital solutions.

For the year ended 31 December 2019[2]:

Listing revenue was €129.0 million in 2019, an increase of +21.1% compared to 2018, driven by the strong performance of Euronext's Corporate Services (+€7.2 million) and the consolidation of Oslo Børs VPS for 6.5 months and Euronext Dublin for three months (Euronext

(1) Ticker and 3Sens.

(2) 2019 data might differs from hat was published in 2020 due to a divergence in methodology between Oslo Børs and Euronext in 2019.

Dublin was consolidated for nine months in 2018) collectively contributing €18.3 million. On a like-for-like basis, listing revenue increased by +3.9%.

Primary equity issuances were mixed over the year with a subdued activity in the first half followed by the return of large caps listings across Euronext markets in the second half of the year. This solid listing activity demonstrated the attractiveness of Euronext value proposition to both international and domestic large capitalisations from all sectors, such as Marel, la Française Des Jeux, Prosus, Verallia and Adevinta which altogether added 110 billion of market cap. In addition, Euronext welcomed 41 new listings on its markets in 2019, of which 39 SME listings. In 2019, €5.1 billion was raised on primary markets on Euronext, compared to €5.0 billion in 2018.

The secondary market saw a similar trend over 2019, with follow-ons activity improving through the second half of 2019 reflecting a slight improvement in the economic environment. In 2019, €34.2 billion was raised in secondary equity issues, compared to €64.2 billion in 2018, which was marked by significant large-cap M&A activities in Europe.

In total, €1.3 trillion in equity and debt was raised on Euronext's markets in 2019, compared to €1.1 trillion in 2018.

Corporate Services reported a strong performance throughout 2019, generating €24.4 million in revenue, compared to €16.6 million in 2018, reflecting strong client traction across all the services offered. The amount generated in 2019 included €0.6 million of contribution from Oslo Børs VPS.

Corporate services generated €16.6 million in revenue in 2018, compared to €9.1 million in 2017.

Trading

Cash Trading

For the year ended 31 December 2020:

Cash trading revenue increased by +27.6% in 2020, to a total of €262.2 million. This reflects improved revenue capture and market position in a more volatile and changing trading environment. Average daily volume for cash trading increased to €9.8 billion in 2020, up +19.3% compared to 2019. The average yield over the year was stable compared to 2019 at 0.52 bps. Average market share on cash trading reached 70.4% in 2020, compared to 68.5% in 2019[1].

The average daily transaction value of ETFs on the electronic order book was €298 million over 2020, up +34.8% compared to 2019, driven by higher volatility levels over the year.

On a like-for-like basis at constant currencies, revenue from cash trading was up +24.6%.

For the year ended 31 December 2019:

Cash trading revenue decreased by -2.6% in 2019, to a total of €205.6 million, resulting from a decline in trading volumes in a low volatility environment with average daily volume for cash trading decreasing to €7.8 billion in 2019, down -3.8% compared to 2018. On a like-for-like basis, cash trading revenue decreased by -5.8%. The average yield over the year was 0.52bps, and amounted to 0.53bps on a like-for-like basis, compared to 0.51bps in 2018. The cash trading market share throughout 2019 averaged 68.8% like-for-like, an increase from 66.1% in 2018.

The average daily transaction value of ETFs on the electronic order book was €216 million over 2019, down -18.8% compared to 2018, driven by low volatility levels. The total number of ETFs listed on Euronext was 1,236 at end of December 2019.

Derivatives Trading

For the year ended 31 December 2020:

Derivatives trading revenue increased +11.0% in 2020, to €49.2 million, compared to €44.3 million in 2019. Derivatives trading volumes in 2020 increased +14.6% compared to 2019. Average daily volume on individual equity derivatives was up +27.6% at 376,732 contracts, resulting from increased individual equity futures volumes, while the average daily volume on equity index derivatives was down -2.3% to 235,080 contracts.

Commodity products recorded an increase in average daily volumes in 2020, up +26.0% to 67,037 contracts compared to 2019, reflecting client diversification and geographic expansion.

Yield on derivatives averaged €0.28 in 2020, down -6.2% compared to 2019, as increased volumes in high-yield commodity products were offset by the dilutive impact of significant volumes in recently launched lower-yield equity futures.

On a like-for-like basis at constant currencies, revenue from derivatives trading was up +8.7%.

For the year ended 31 December 2019:

Derivatives trading revenue increased +0.9% in 2019, to €44.3 million, compared to €43.9 million in 2018. On a like-for-like basis, derivatives trading revenue was down -1.8%. Average daily volume on individual equity derivatives was down -4.2% at 295,227 contracts, while the average daily volume on equity index derivatives was down -2.0% to 240,550 contracts.

Commodity products recorded a decrease in average daily volumes in 2019, down -7.3% to 53,224 contracts compared to 2018.

Yield on derivatives averaged €0.30 in 2019, up +1.7% compared to 2018, resulting from enhanced yield management.

FX Trading

For the year ended 31 December 2020:

Spot FX trading activity on the Euronext FX spot foreign exchange market recorded average daily volumes of $21.4 billion in 2020, up, +17.2%, compared to $18.3 billion in 2019, reflecting a more volatile environment and geographic expansion. As a result, spot FX trading generated €26.4 million of revenue in 2020, up +15.0% compared to €22.9 million in 2019.

(1) Including Oslo Børs.

On a like-for-like basis at constant currencies, revenue from spot FX trading was up +16.8%.

For the year ended 31 December 2019:

Spot FX trading activity on the Euronext FX spot foreign exchange market recorded average daily volumes of $18.3 billion in 2019, down -9.2% compared to $20.1 billion in 2018, impacted by a low volatility environment through 2019. Spot FX trading generated €22.9 million of revenue in 2019, up +5.6% compared to €21.7 million in 2018, thanks to improved yield management.

Power Trading

For the year ended 31 December 2020:

Power trading, encompassing the trading activities of Nord Pool, of which Euronext acquired 66% in January 2020, reported €27.3 million of revenue in 2020, reflecting a strong performance in the Central and Western Europe market offsetting the impact of a warmer winter at the beginning of the year. Over 2020, average daily day-ahead power traded was 2.52 TWh, and average daily intraday power traded was 0.07 TWh.

Investor Services

For the year ended 31 December 2020:

Investor Services, encompassing the activities of Commcise and Investor Services activities from Oslo Børs VPS, reported revenue up +32.3% to €7.6 million of revenue in 2020 reflecting continued commercial development.

On a like-for-like basis at constant currencies, revenue from Investor Services was up +26.0%.

For the year ended 31 December 2019:

Investor Services, created in 2019, encompassing primarily the activities of Commcise, of which Euronext acquired 78% of the capital in December 2018, as well as Investor Services activities from Oslo Børs VPS, reported €5.7 million of revenue in 2019 as the business benefited from Euronext's commercial reach and expertise throughout the year.

Advanced Data Services

For the year ended 31 December 2020:

Advanced Data Services reported revenue up +8.0% to €139.0 million in 2020, as a result of the consolidation of data activities of acquired businesses and of the good performance of ESG products and indices.

On a like-for-like basis at constant currencies, Advanced Data Services revenue was up +2.4% compared to 2019.

For the year ended 31 December 2019:

Advanced Data Services reported revenue up +8.8% to €128.8 million in 2019 due to the good performance of index activities, particularly on ESG products and structured products, and the consolidation of Oslo Børs VPS. On a like-for-like basis, Advanced Data Services revenues were up +1.1% compared to 2018, thanks to the good performance of the indices business, offset by the decrease of market data revenue.

Post-Trade

Clearing

For the year ended 31 December 2020:

Clearing revenue was up in 2020, at €67.1 million, +21.4% compared to 2019, reflecting higher treasury income and higher derivatives trading volumes.

For the year ended 31 December 2019:

Clearing revenue was stable in 2019, at €55.2 million, slightly down -0.2% compared to 2018, as lower derivatives trading volumes were partially offset by higher treasury income.

Settlement & Custody

For the year ended 31 December 2020:

Revenue from Custody, Settlement and other Post-Trade activities, encompassing Interbolsa, Euronext VPS and VP Securities activities, increased by +122.1% to €110.2 million in 2020. This performance resulted primarily from the consolidation of VP Securities, the first full year of consolidation of Euronext VPS, higher settlement activities and an evolving market structure with increased retail participation in the Danish and Norwegian CSDs.

On a like-for-like basis at constant currencies, revenue from Custody, Settlement and other Post-Trade activities was up +16.9%.

For the year ended 31 December 2019:

Revenue from Custody, Settlement and other post-trade activities, notably encompassing Interbolsa and VPS activities, increased by +124.9% to €49.6 million in 2019, resulting mainly from the consolidation of Oslo Børs VPS. Both VPS and Interbolsa reported a good performance driven by an increased activity in both custody and settlement. On a like-for-like basis, revenue from Custody, Settlement and other post-trade was up +1.0%.

Euronext Technology Solutions

For the year ended 31 December 2020:

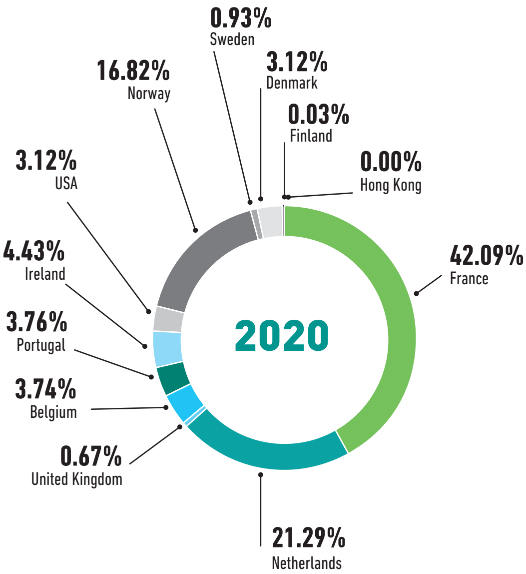
Euronext Technology Solutions & Other revenue increased by +31.5% in 2020, to €49.7 million, reflecting the consolidation of Nord Pool, and good performance of the core business.

On a like-for-like basis at constant currencies, revenue was up +10.0% compared to last year.

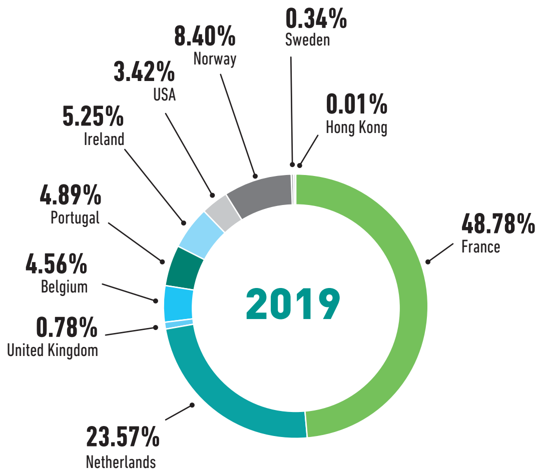
For the year ended 31 December 2019:

Euronext Technology Solutions & Other revenue increased by +4.8% in 2019, to €37.8 million, as a result of good performance of SFTI/Colocation services, hosted services, connection fees and the consolidation of Oslo Børs VPS. On a like-for-like basis, revenue was up +0.6% compared to last year.

EURONEXT 2020 REVENUE BY GEOGRAPHY



EURONEXT 2019 REVENUE BY GEOGRAPHY



Operating Expenses

	2020	2019	2018
Salaries and employee benefits	(198,970)	(153,145)	(118,488)
Depreciation and amortisation	(57,776)	(43,676)	(23,400)
Other operational expenses	(165,300)	(126,543)	(142,295)
TOTAL OPERATING EXPENSES	**(422,046)**	**(323,364)**	**(284,183)**

For the year ended 31 December 2020:

Euronext operating expenses in 2020 were €422.0 million, compared to €323.4 million in 2019, an increase of €98.6 million or 30.5%. The overall cost increase in 2020 was due to:

- the acquisitions of Nord Pool and VP Securities in 2020, and the full year cost impact from the acquisitions of Oslo Børs VPS;
- PPA amortisation, related to the acquisitions mentioned above;
- Integration cost related to new acquisitions.

For the year ended 31 December 2019:

Euronext operating expenses in 2019 were €323.4 million, compared to €284.2 million in 2018, an increase of €39.2 million or 13.8%. The overall cost increase in 2019 was due to:

- the acquisitions of Oslo Børs VPS, Commcise and OPCVM360 in 2019, and the full year cost impact from the acquisitions of Euronext Dublin;
- PPA amortisation, related to the acquisitions mentioned above.

Euronext operating expenses comprise salaries and employee benefits, depreciation and amortisation, and other operational expenses.

Salaries and Employee Benefits

For the year ended 31 December 2020:

Salaries and Employee Benefits increased by €45.8 million, or 29.9%, to €198.8 million in 2020, compared to €153.1 million in 2019. This increase is mainly attributable to the increase in headcount following the incorporation of newly acquired businesses and to increased performance based payments.

For the year ended 31 December 2019:

Salaries and Employee Benefits increased by €34.7 million, or 29.2%, to €153.1 million in 2019, compared to €118.5 million in 2018. This increase is mainly attributable to the increase in headcount following the incorporation of newly acquired businesses and to increased performance based payments.

Depreciation and Amortisation

For the year ended 31 December 2020:

Depreciation and amortisation accounted for €57.8 million in 2020, up +32.3%, resulting primarily from the consolidation of Nord Pool and VP Securities PPA and one additional half year of Oslo Børs VPS PPA accounting.

For the year ended 31 December 2019:

Depreciation and amortisation accounted for €43.7 million in 2019, up +86.6%, resulting primarily from the consolidation of Oslo Børs VPS PPA and one additional quarter of Euronext Dublin PPA accounting for €6.3 million and the adoption of IFRS 16. On a like-for-like basis, depreciation & amortisation was up +39.6% to €32.7 million, mainly due to the impact of IFRS 16.

Other Operational Expenses

In thousands of euros	2020	2019	2018
Systems and communications	(38,527)	(26,385)	(26,208)
Professional services	(54,989)	(37,070)	(47,011)
Clearing expenses	(33,067)	(29,402)	(29,846)
Accommodation	(6,767)	(5,467)	(10,430)
Other expenses	(31,950)	(28,219)	(28,800)
TOTAL	**(165,300)**	**(126,543)**	**(142,295)**

For the year ended 31 December 2020:

System and Communications increased by €12.1 million, or 46.0%, to €38.5 million in 2020, compared to €26.4 million in 2019. This increase is primarily attributable to the integration of Nord Pool and VP Securities and an increase in license fees.

Professional Services increased by €17.9 million, or 48.3%, to €55.0 million in 2020, compared to €37.1 million in 2019. This increase is mainly attributable to the impact from the new acquired subsidiaries in 2020, integration costs related to Oslo Børs VPS and increased costs related to the strategic plan of the Company.

Clearing expenses increased by €3.7 million, or 12.5%, to €33.1 million in 2020, compared to €29.4 million in 2019. This increase is linked to the higher Clearing revenues in 2020.

Accommodation increased by €1.3 million, or 23.8%, to €6.8 million in 2020, compared to €5.5 million in 2019. This increase is attributable to the impact from newly acquired subsidiaries and one additional half-year impact from Oslo Børs VPS.

Other Expenses increased by €3.7 million, or 13.2%, to €31.9 million in 2020 when compared to €28.2 million in 2019. This increase mainly reflects the impact from newly acquired subsidiaries and an increase in expected credit loss allowance provision (see section 8, Note 21).

For the year ended 31 December 2019:

System and Communications increased by €0.2 million, or 0.7%, to €26.4 million in 2019, compared to €26.2 million in 2018. This increase is attributable to the integration of Oslo Børs VPS and Commcise, offsetting a decrease in licenses fees and the impact of IFRS 16.

Professional Services decreased by €9.9 million, or 21.1%, to €37.1 million in 2019, compared to €47.0 million in 2018. This decrease is mainly attributable to a decrease in consulting and advisory costs and the impact of IFRS 16

Clearing expenses decreased by €0.4 million, or 1.5%, to €29.4 million in 2019, compared to €29.8 million in 2018. This decrease is linked to the lower Clearing revenues in 2019.

Accommodation decreased by €5.0 million, or 47.6%, to €5.5 million in 2019, compared to €10.4 million in 2018. This decrease is attributable to the impact of IFRS 16.

Other Expenses decreased by €0.6 million, or 2.0%, to €28.2 million in 2019 when compared to €28.8 million in 2018. This decrease mainly reflects a decrease in tax expenses, as 2018 was notably impacted by €1.7 million of one-off stamp duty tax relating to the acquisition of Euronext Dublin, and a decrease in other costs, offsetting the consolidation of costs from newly acquired businesses previously mentioned.

Operating Profit Before Exceptional Items

For the year ended 31 December 2020:

Operating profit before exceptional items was €462.3 million, a +29.9% increase compared to 2019. On a like-for-like basis at constant currencies, operating profit before exceptional items was up, +20.4%, to €423.7 million.

For the year ended 31 December 2019:

Euronext operating profit before exceptional items for the year ended 31 December 2019 was €355.7 million, compared to €330.9 million for the year ended 31 December 2018, an increase of €24.9 million.

Exceptional Items

In thousands of euros	2020	2019	2018
Restructuring costs	(4,338)	(5,671)	(8,126)
Acquisition costs	(8,828)	(11,730)	(2,088)
Claims provisions/Settlements	(1,500)	–	–
DB contract termination	–	–	(4,752)
Impairment Algomi	–	(1,341)	(3,226)
Termination of sales contract	(172)	(2,245)	(2,000)
Write-off/impairment intangible assets	(1,549)	–	–
Litigation provisions/settlements	(770)	–	(520)
Onerous contract costs	(244)	(857)	(893)
Other	72	(27)	131
TOTAL	**(17,330)**	**(21,871)**	**(21,474)**

For the year ended 31 December 2020:

In 2020, exceptional items included:

- €4.3 million of restructuring costs mainly related to expenses for employee termination benefits in the various Euronext locations, with the main impacts in VP Securities, Euronext Amsterdam and Euronext Paris;
- €8.8 million of costs incurred for contemplated acquisitions of major significance to the Group, potentially changing the Group's form or character (transformational acquisitions), which primarily relate to the acquisition of the Borsa Italiana Group;
- €1.5 million of claims provision related to the trading platform outage on 19 October 2020;
- €1.5 million of impact from the write-off/impairment of software;
- €0.2 million of costs related to termination of contracts in Oslo Børs VPS;
- €0.8 million of litigation provisions attributable to individual legal cases;
- €0.2 million of costs related to onerous commercial contracts.

For the year ended 31 December 2019:

In 2019, exceptional items included:

- €5.7 million of restructuring costs mainly related to expenses for employee termination benefits in the various Euronext locations;
- €11.7 million of costs incurred for contemplated acquisitions of major significance to the Group, potentially changing the Group's form or character (transformational acquisitions), which primarily relate to the acquisition of Oslo Børs VPS;
- €1.3 million of settlement payment related to the investment in Algomi Ltd.;
- €2.2 million related to the early termination of various IT contracts within Oslo Børs VPS;
- €0.9 million of costs related to onerous commercial contracts.

For the year ended 31 December 2018:

In 2018, exceptional items included:

- €8.1 million of restructuring costs mainly related to expenses for employee termination benefits in the various Euronext locations;
- €2.1 million of costs incurred for contemplated acquisitions of major significance to the Group, potentially changing the Group's form or character (transformational acquisitions);
- €4.8 million of impact related to the early termination of the trading services contract provided by Deutsche Börse AG to the Irish Stock Exchange;
- €3.2 million of items related to the revaluation of the investment in Algomi Ltd., of which €1.5 million related to impaired intangible assets in 2018;
- €2.0 million of costs related to the termination of contract with a reseller within corporate services business;
- €0.5 million of litigation provisions/settlements attributable to individual legal cases, including the $0.8 million settlement with former FastMatch CEO;
- €0.9 million of onerous maintenance contract costs.

Operating Profit

For the year ended 31 December 2020:

Euronext operating profit for the year ended 31 December 2020 was €444.9 million, compared to €333.9 million for the year ended 31 December 2019, an increase of €111.1 million or 33%. This impact was caused by an increase of €205.2 million in revenues, which was primarily due to an increase in trading volumes and the impact of newly acquired subsidiaries. This is partly offset by an increase of €98.6 million in operating expenses, which mainly relate to the impact of newly acquired subsidiaries in 2020.

For the year ended 31 December 2019:

Euronext operating profit for the year ended 31 December 2019 was €333.9 million, compared to €309.4 million for the year ended 31 December 2018, an increase of €24.5 million or 7.9%. This impact was caused by an increase of €64.1 million in revenues, partly offset by an increase of €39.2 million in operating expenses, which both primarily relate to the impacts from the acquisition of Oslo Børs VPS.

Change in Fair Value Of Financial Liabilities

Change in fair value of financial liabilities increased from an expense of €13.3 million in 2019 to a €0.3 million profit in 2020. The significant impact of last year was due to the revaluation of deferred payments and buy option liabilities related to Company Webcast and InsiderLog, which resulted in an €13.3 million expense (see Note 13 of the Consolidated Financial Statements).

Net Financing Income/(Expense)

For the year ended 31 December 2020:

Net financing expense for 2020 was €12.8 million compared to a net financing expense of €17.4 million in 2019, reflecting interest expenses related to the second bond issued in 2019, the tap issue in June 2020 (see section 7.1.11 - Facilities Agreement and Bonds) and financing costs related to the contemplated acquisition of the Borsa Italiana Group.

For the year ended 31 December 2019:

Euronext's net financing income/(expense) for the year ended 31 December 2019 was a net expense of €17.4 million, compared to a net expense of €5.3 million for the year ended 31 December 2018, an increase in net expense of €12.2 million. In details, in 2019, interest expenses increased following the second Bond issued in June 2019 (see section 7.1.11 - Facilities Agreement and Bonds) and other net financing income was positively impacted by income from interest rate swaps, as a result of the Group entering into interest rate swap agreements related to the first issued bond (see section 7.1.11 - Facilities Agreement and Bonds).

In thousands of euros	2020	2019	2018
Interest expense (effective interest method)	(17,043)	(11,632)	(5,558)
Interest in respect of lease liabilities	(525)	(555)	–
Other finance costs	306	336	77
Finance costs	**(17,262)**	**(11,851)**	**(5,481)**
Contingent liabilities	394	(1,310)	(1,200)
Redemption liabilities	(131)	(11,965)	(2,000)
Change in fair value of financial liabilities	**263**	**(13,275)**	**(3,200)**
Interest income (effective interest method)	1,029	1,879	487
Interest income from interest rate swaps	4,949	4,971	3,534
Hedging result	(27)	124	(638)
Gain/(loss) on disposal of treasury investments	84	198	(220)
Net foreign exchange gain/(loss)	(1,836)	539	258
Other net financing income/(expense)	**4,199**	**7,711**	**3,421**
TOTAL	**(12,800)**	**(17,415)**	**(5,260)**

Result From Equity Investments

For the year ended 31 December 2020:

In 2020, the €10.6 million of results from equity investments mainly related to the following items:

- €1.6 million of dividends received from Sicovam Holding S.A.;
- €8.9 million of result from investment in associates and joint ventures, mainly contributed by the investment in associate LCH SA.

For the year ended 31 December 2019:

In 2019, the €9.1 million of results from equity investments mainly related to the following items:

- €7.3 million of dividends received from Euroclear S.A./N.V. and Sicovam Holding S.A.;
- €1.8 million of result from investments in associates and joint ventures, comprising the impairment of EuroCCP stake sold in 2019, offset by €7.7 million of result contribution from investments in associate LCH SA.

Profit Before Income Tax

For the year ended 31 December 2020:

Euronext profit before income tax for the year ended 31 December 2020 was €442.7 million, compared to €325.6 million for the year ended 31 December 2019, an increase of €117.1 million or +36.0%. This impact was mainly caused by the €111.1 million increase in Operating Profit already described above, and a decrease of €4.6 million in net financing income/(expense).

For the year ended 31 December 2019:

Euronext profit before income tax for the year ended 31 December 2019 was €325.6 million, compared to €311.7 million for the year ended 31 December 2018, an increase of €13.9 million or +4.4%. This impact was caused by the €24.5 million increase in Operating Profit already described above, and is partly offset by i) an increase of €6.4 million in finance costs, which relate to interest expense of the second Bond issued in June 2019, and ii) an increase of €10.1 million in negative changes in fair value of financial instruments, which relate to revaluation of the deferred payments and buy options linked to the acquisitions of Company Webcast and Insiderlog.

Income Tax Expense

For the year ended 31 December 2020:

Euronext's income tax expense for the year ended 31 December 2020 was €122.2 million, compared to €100.3 million for the year ended 31 December 2019, an increase of €21.9 million or 21.8%. Euronext's effective tax rate was 27.6% for the year ended 31 December 2020 compared to 30.8% for the year ended 31 December 2019. The decrease of the effective tax rate in 2020 is primarily attributable to:

- non-deductible acquisition costs;
- the impact from statutory tax rate changes on deferred tax positions in France and the Netherlands.

For the year ended 31 December 2019:

Euronext's income tax expense for the year ended 31 December 2019 was €100.3 million, compared to €94.1 million for the year ended 31 December 2018, an increase of €6.2 million or 6.6%. Euronext's effective tax rate was 30.8% for the year ended 31 December 2019 compared to 30.2% for the year ended 31 December 2018. The increase of the effective tax rate in 2019 is primarily attributable to:

- non-deductible acquisition costs;
- the impact of the rate decrease on the deferred tax assets in France and a tax rate increase in the Netherlands impacting the deferred liability;
- non-deductible expenses linked to the recognition of earn out liabilities in connection with the buy out of Company Webcast and Insiderlog.

Profit For the Year

For the year ended 31 December 2020:

Euronext reported profit for the year ended 31 December 2020 was €320.5 million, compared to €225.3 million for the year ended 31 December 2019, an increase of €95.3 million or 42.3%. Of this profit, €315.5 million was attributable to the shareholders of the parent.

For the year ended 31 December 2019:

Euronext reported profit for the year ended 31 December 2019 was €225.3 million, compared to €217.6 million for the year ended 31 December 2018, an increase of €7.6 million or 3.5%. Of this profit, €222.0 million was attributable to the shareholders of the parent. The increase was caused by the €13.9 million increase in Operating Profit before tax already described above, partly offset by an increase in income tax expenses of €6.2 million.

7.1.9 BALANCE SHEET

For the figures used in the balance sheet review below, reference is made to the table containing the Consolidated Balance Sheet in Chapter 5 "Selected historical consolidated financial information and other financial information".

For the year ended 31 December 2020 compared to the year ended 31 December 2019:

Total assets increased by €477.4 million, to €2,884.6 million for year ended 31 December 2020, compared to €2,407.2 million for the year ended 31 December 2019. This increase was mainly attributable to:

- €77.3 million of increase in the line Goodwill and other intangible assets, which was caused by the goodwill included in the acquisitions of Nord Pool and VP Securities in 2020, as is further described in section 7.1.5;
- €57.6 million of increase in the line Trade and other receivables, which was mainly related to the impact from the acquisition of Nord Pool and VP Securities in 2020;
- €80.0 million of increase in the line other current financial assets, which was mainly caused by debt investments in listed bonds that were included in the acquisition of VP Securities;
- €259.7 million of increase in the line cash and cash equivalents, which movement is further explained in section 7.1.10.

Total equity increased by €155.2 million, to €1,089.0 million for year ended 31 December 2020, compared to €933.8 million for the year ended 31 December 2019. This increase was mainly attributable to:

- €200.7 million of increase in the line Retained earnings, which was primarily caused by €315.5 million of profit for the year attributable to the shareholders of the Company, partly offset by the dividends paid to the shareholders of the Company for €-110.6 million;
- €-55.5 million impact from foreign currency translation reserve, caused by the revaluation of investments in foreign currencies primarily in NOK.

Total liabilities increased by €322.2 million, to €1,795.6 million for year ended 31 December 2020, compared to €1,473.4 million for the year ended 31 December 2019. This increase was mainly attributable to:

- €261.0 million of increase in the line Non-current Borrowings, which was mainly caused by the €250 million tap offering on the Bond #2 that was issued in June 2020 (as described in section 7.1.11);
- €14.0 million of increase in the line Deferred tax liability, which was caused by deferred tax impact on valuation of certain intangible assets on acquisition of Nord Pool and VP Securities in 2020;
- €68.5 million of increase in the line Trade and other payables, which was mainly caused by the impact from the newly acquired subsidiaries in 2020;
- €-30.2 million of decrease in the line Other current financial liabilities, which was caused by the payment of the deferred payments and buy option liabilities related to the acquisitions of Company Webcast and InsiderLog AB.

For the year ended 31 December 2019 compared to the year ended 31 December 2018:

Total assets increased by €808.8 million, to €2,407.2 million for year ended 31 December 2019, compared to €1,598.5 million for the year ended 31 December 2018. This increase was mainly attributable to:

- €753.1 million of increase in the line Goodwill and other intangible assets, which was caused by the acquisitions of Oslo Børs VPS Holding ASA and Finance Web Working SAS in 2019, as is further described in section 7.1.5;
- €51.8 million of increase in the line Right-of-use assets, which was caused by the impact from changes in accounting policies following adoption of IFRS 16.

Total equity increased by €131.5 million, to €933.8 million for year ended 31 December 2019, compared to €802.3 million for the year ended 31 December 2018. This increase was mainly attributable to:

- €116.1 million of increase in the line Retained earnings, which was primarily caused by €222.0 million of profit for the year, partly offset by the dividends paid to the shareholders of the Company for €-107.2 million.

Total liabilities increased by €677.3 million, to €1,473.4 million for year ended 31 December 2019, compared to €796.1 million for the year ended 31 December 2018. This increase was mainly attributable to:

- €506.6 million of increase in the line Non-current Borrowings, which was caused by €493.9 million of impact from the Bond that was issued on 4 June 2019 (as described in section 7.1.5) and €11.9 million of fair value adjustment following the interest rate hedge;
- €55.2 million of increase in the line Lease liabilities (non-current and current), which was caused by changes in accounting policies following adoption of IFRS 16;

- €57.3 million of increase in the line Deferred tax liabilities, which was caused by deferred tax impact on valuation of certain intangible assets on acquisition of Oslo Børs VPS Holding ASA in 2019, as is further described in section 7.1.5;
- €23.7 million of increase in the line Other current financial liabilities, which was caused by the revaluation of deferred payments and buy option liabilities related to the acquisitions of Company Webcast (in 2017) and InsiderLog AB (in 2018). These liabilities will be paid in 2020.

7.1.10 CASH FLOW

The table below summarises Euronext consolidated cash flow for the years ended 31 December 2020, 2019 and 2018:

	Year ended		
In thousands of euros	31 December 2020	31 December 2019	31 December 2018
Net cash generated by operating activities	277,988	253,771	223,512
Net cash (used in) investing activities	(104,725)	(607,307)	(215,152)
Net cash generated by financing activities	104,235	327,678	202,012
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**277,498**	**(25,858)**	**210,372**

Net Cash Generated by Operating Activities

Net cash generated by operating activities increased by €24.2 million, to €278.0 million for year ended 31 December 2020, compared to €253.8 million for the year ended 31 December 2019. This increase was mainly attributable to:

- the effect of an increase in profit before tax of €117.1 million, partly offset by €-71.6 million of impact from changes in working capital, almost fully attributable to the payment of suppliers that were included in the acquisition balance of Nord Pool in 2020;
- the effect of a decrease of €-13.6 million in adjustment for changes in fair value of financial instruments. This is attributable to the revaluation of deferred payments and buy option liabilities related to the acquisitions of Company Webcast and Insiderlog in 2019. The payment of these liabilities were made in 2020.

Net cash generated by operating activities increased by €30.3 million, to €253.8 million for year ended 31 December 2019, compared to €223.5 million for the year ended 31 December 2018. This increase was mainly attributable to:

- the effect of an increase of €20.3 million in adjustment for D&A expenses, following the impact from amortisation of certain intangible assets that were identified on acquisition of subsidiaries. The increase comprises partial depreciation impact from Oslo Børs VPS and full year impacts from Commcise and the Irish Stock Exchange in 2019, compared to partial impact from The Irish Stock Exchange in 2018;
- the effect of an increase of €10.1 million in adjustment for changes in fair value of financial instruments, which was caused by revaluation of deferred payments and buy option liabilities related to the acquisitions of Company Webcast and Insiderlog, for €13.3 million in 2019 compared to €3.2 million in 2018.

Net Cash (Used in) Investing Activities

Net cash used in investing activities decreased by €-502.6 million, to €104.7 million for the year ended 31 December 2020, compared to €607.3 million for the year ended 31 December 2019. This decrease was mainly attributable to:

- €-501.4 million of decreasing impact from acquisitions of subsidiaries, which is caused by the acquisitions of controlling stakes in Nord Pool and VP Securities in 2020, compared to the acquisitions of controlling stakes in Oslo Børs VPS and Finance Web Working SAS in 2019. These acquisitions are further described in section 7.1.5.

Net cash used in investing activities increased by €392.2 million, to €607.3 million for the year ended 31 December 2019, compared to €215.2 million for the year ended 31 December 2018. This increase was mainly attributable to:

- €405.7 million of increasing impact from acquisitions of subsidiaries, which is caused by the acquisitions of controlling stakes in Oslo Børs VPS and Finance Web Working SAS in 2019, compared to the acquisitions of controlling stakes in InsiderLog AB, The Irish Stock Exchange and Commcise in 2018. These acquisitions are further described in section 7.1.5;
- offset by a decreasing impact of €-9.6 million from less purchases of financial assets at fair value through other comprehensive income, which was caused by the acquisition of a 3.1% minority stake in Oslo Børs VPS Holding ASA in 2019, compared to the acquisition of a 5.1% minority stake in Oslo Børs VPS in 2018. The acquisition is further described in section 7.1.5.

Net Cash Generated by Financing Activities

Net cash generated by financing activities decreased by €-223.5 million, to €104.2 million for the year ended 31 December 2020, compared to a net cash generated by financing activities of €327.7 million for the year ended 31 December 2019. This decrease was mainly attributable to:

- €-283.0 million of decreasing impact from proceeds from borrowings. This year's impact relates to the tap offering on Bond (#2) for €250 million issued in June 2020, whereas the comparative period was impacted by the issued Bond (#2) including discount for €493.9 million and the temporary draw down of the RCF for €45.0 million;
- €90.7 million of increasing impact from less repayments of borrowings. In 2020, no repayments of borrowings were made, whereas the comparative period was impacted by the repayment of the temporary draw down of the RCF for €45.0 million and the repayment of the bond loan included in the acquisition of Oslo Børs VPS of €45.7 million;
- €-14.1 million of decreasing impact from transactions in own shares, mainly related to the share buyback program in 2020.

Net cash generated by financing activities increased by €125.7 million, to €327.7 million for the year ended 31 December 2019, compared to a net cash provided by financing activities of €202.0 million for the year ended 31 December 2018. This increase was mainly attributable to:

- €42.3 million of increasing impact from proceeds from borrowings, which relate to €493.9 million of proceeds from the Bond #2 issued on 4 June 2019 and a draw down of the RCF of €45.0 million in 2019, compared to the impact from the Bond #1 issued on 18 April 2018 for €496.6 million in 2018;
- €74.3 million of increasing impact from less repayments of borrowings, which relate to the repayment of the draw down of the RCF for €45.0 million and the repayment of the bond loan included in the acquisition of Oslo Børs VPS of €45.7 million in 2019, compared to the repayment of the Bank Loan facility of €165.0 million in 2018;
- €13.2 million of increasing impact, following less dividends paid to the shareholders of the Company in 2019, when compared to 2018.

7.1.11 FACILITIES AGREEMENT AND BONDS

On 12 April 2017, the Group entered into a new revolving loan facility agreement ("the Facility") amounting to €250 million, with BNP Paribas and ABN AMRO BANK N.V. as Lead Arrangers. This new Facility has replaced the revolving credit facility of €390 million.

On 18 July 2017, the Group entered into a syndicated bank loan facility ("the Bank Loan") with BNP Paribas and ABN AMRO BANK N.V. as Lead Arrangers, providing for €175 million. The Bank Loan has been drawn in the amount of €165 million on 9 August 2017 in order to (i) fund the acquisition of 89.8% of the shares and voting rights in FastMatch Inc and (ii) refinance the acquisition of 60% of the shares and voting rights in iBabs B.V. previously financed through the Facility. The Bank Loan and Facility are together referred to as Instruments. As per 31 December 2017 a non-current borrowing of €165.0 million was recognised related to the Bank Loan.

On 18 April 2018, the Group issued a €500 million Bond ("Senior Unsecured Note #1") to refinance its 2017 and 2018 acquisitions and diversify its financing mix. The Bond has a seven year maturity, with an annual coupon of 1%. On 18 April 2018 the Bond, rated "A" by Standard & Poor's rating agency, was listed on Euronext Dublin. The Bond issue included €2.9 million of Bond discount and €0.5 million of issue costs, which are subsequently accounted for under the Effective Interest Rate method. Following receipt of the proceeds of the issued Bond, the Group repaid the €165.0 million Bank Loan.

On 4 June 2019, the Group issued a €500 million Bond ('Senior Unsecured Note #2') to (i) prefinance the outstanding shares of Oslo Børs VPS Holding ASA not already owned by the Group and (ii) for general corporate purposes in line with the Group's strategy. The Bond has a ten year maturity, with an annual coupon of 1.125%. On 12 June 2019 the Bond, rated "A-" by S&P Global Ratings Limited, was listed on Euronext Dublin. The Bond issue included €6.1 million of Bond discount and issue costs, which are subsequently accounted for under the Effective Interest Rate method.

On 22 June 2020, the Group successfully priced a tap offering of €250 million on its outstanding Senior Unsecured Note #2, rated A- by S&P, which is listed on Euronext Dublin. Settlement of this tap offering was made on 29 June 2020. This tap offering will mature in June 2029. This increases the total principal amount bearing interest at an annual rate of 1.125% to €750 million. The proceeds of the issue were used to (i) finance the acquisition of the outstanding shares of VP Securities AS and (ii) for general corporate purposes in line with the Group's strategy. The Bond issue included €5.7 million of Bond premium and issue costs, which are subsequently accounted for under the Effective Interest Rate method.

On 8 April 2019, the Group signed a supplemental agreement with nine banks to amend the €250 million Facility originally dated 12 April 2017. This new agreement enabled the Group to increase the Facility to €400.0 million and set a new maturity of five years plus a two-year extension possibility.

The revolving credit facility agreement allows the Group to apply all amounts borrowed by it towards (i) general corporate and/or working capital purposes of the Group, (ii) satisfaction of the consideration payable for an acquisition and/or (iii) the payment of fees, costs and expense incurred in relation to an acquisition. The revolving credit facility bears an interest rate of EURIBOR plus a margin initially set at 0.25%, which increased to 0.30% on 31 May 2019, based on the "A-" rating. It should be noted that as at 31 December 2020, no advances have been drawn under the revolving credit facility. During the year, the Group had temporarily drawn €45.0 million which it used for repayment of the bond loan, that was included in the acquisition of Oslo Børs VPS. The Group repaid this €45.0 million at the end of 2019.

Euronext is required to maintain compliance with a maximum leverage ratio if the credit rating would drop below BBB+. The maximum leverage ratio measures Euronext total gross debt to EBITDA(1) (as such terms are defined in the Facilities Agreement). Euronext is required to maintain a leverage ratio of no more than 3.5x.

(1) EBITDA as defined in the Facilities Agreement.

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Term, Repayment and Cancellation

The Facility matures in five years, respectively and initially included a two times one year extension possibility. In 2019, the Group signed a supplemental agreement, which set a new maturity of five years plus a two-year extension possibility. Euronext has the possibility to voluntarily cancel the Facility in whole or part or prepay amounts drawn.

Interest Rates and Fees

The Facility has borne an interest rate of EURIBOR plus a margin initially set at 0.25%, which increased to 0.30% on 31 May 2019. It should be noted that as at 31 December 2020, there was no outstanding advance drawn under the Facility. EURIBOR is floored at 0%.

An extension fee of (i) 0.05% of the full amount is payable if Euronext requests that the initial maturity date be extended to the first relevant anniversary date or, (ii) 0.10% of the full amount of the relevant Instrument is payable if Euronext requests that the initial maturity date be extended to the second relevant anniversary date.

A utilisation fee accrues on a daily basis at the following applicable rate *per annum* to be applied on the amount drawn:

- if less than 33.33% of the total commitment under the Facility has been drawn at the relevant date, 0.10%;
- if 33.33% or more (but less than 66.67%) of the total commitment under the Facility has been drawn at the relevant date, 0.20%; or
- if 66.67% or more of the total commitment under the Facility has been drawn at the relevant date, 0.40%.

Euronext must also pay customary commitment fees at a rate *per annum* equal to 35% of the then applicable margin for the relevant Instrument on each lender's available commitment under the relevant Instrument during its availability period.

Certain Covenants and Undertakings

The Facility contains a number of additional undertakings and covenants that, among other things, restrict, subject to certain exceptions, Euronext ability to:

- grant security interests over their assets;
- sell, transfer or dispose of certain assets;
- make certain loans or grant certain credit;
- enter into any amalgamation, demerger, merger or corporate reconstruction, unless the Company remains the surviving entity;
- make any substantial change to the general nature of Euronext business.

Euronext is permitted, among other things, to dispose of assets in the ordinary course of trading on arm's length terms for full market value without restriction, and otherwise where the aggregate fair value of the assets disposed of does not exceed 5% of Euronext consolidated total assets in any financial year.

In case of a downgrading event of Euronext, below BBB+ or equivalent by rating agencies, Euronext shall ensure that the leverage ratio as defined in the Bank Loan Agreement would not be greater than 3.5x.

Events of Default

The Facility contains customary events of default, in each case with customary and appropriate grace periods and thresholds, including, but not limited to:

- non-payment of principal or interest;
- violation of financial covenants or other obligations;
- representations or statements being materially incorrect or misleading;
- cross-default and cross-acceleration relating to indebtedness of at least €50.0 million;
- certain liquidation, insolvency, winding-up or bankruptcy events;
- creditors' process and attachment having an aggregate value of more than €25.0 million;
- invalidity and unlawfulness;
- cessation of business;
- loss of any license required to carry on the Company's or any material subsidiary's business; and
- repudiation by the Company of a finance document.

Bridge Loan Facility and new Revolving Credit Facility

On 7 October 2020, Euronext entered into a €4.4 billion bridge loan facility agreement with a group of banks to prefinance the acquisition of London Stock Exchange Group Holdings Italia S.p.A. ("Borsa Italiana Group"). The initial maturity date of this facility is 11 September 2021, which may be extended at the option of the issuer for two additional periods of six months each. The bridge loan facility bears an interest rate of EURIBOR plus an initial margin of 0.45%, that increases as the closing date of the acquisition moves further in time. As per 31 December 2020, no amounts were drawn under this facility.

In case of a downgrading event of Euronext, below BBB- or equivalent by rating agencies, Euronext shall ensure that the leverage ratio as defined in the Bridge Loan Facility Agreement would not be greater than 4x.

On 7 October 2020, the Group entered into a new revolving credit facility agreement of €600.0 million conditional to the closing of the acquisition of the Borsa Italiana Group, that allows the Group to apply all amounts borrowed by it towards (i) general corporate and/or working capital purposes of the Group, (ii) satisfaction of the consideration payable for an acquisition and/or (iii) the payment of fees, costs and expense incurred in relation to an acquisition. This new revolving credit facility has a maturity of five years plus a two-year extension possibility and bears an interest rate of EURIBOR plus a margin dependent on rating.

In case of a downgrading event of Euronext, below BBB- or equivalent by rating agencies, Euronext shall ensure that the leverage ratio as defined in the Revolving Credit Facility Agreement would not be greater than 4x.

7.1.12 CONTRACTUAL OBLIGATIONS

The table below summarises Euronext debt, future minimum payment lease obligations under non-cancellable leases and capital expenditure commitments as at 31 December 2020:

		Payments due by year			
In thousands of euros	Total	2021	2022-2025	Thereafter	Notes of the Consolidated Financial Statements
Debt (principal and accrued interest obligations)	1,258,243	8,243	500,000	750,000	Note 37.1 – Liquidity risk
Debt (future interest obligations)	92,805	5,305	53,750	33,750	Note 37.1 – Liquidity risk
Lease liabilities – minimum payments	50,951	15,900	33,468	1,583	Note 37.1 – Liquidity risk
Capital expenditure commitments	1,272	931	341	–	Note 39.1 – Capital Commitments
TOTAL	**1,403,271**	**30,379**	**587,559**	**785,333**	

Capital Expenditures

Euronext's capital expenditures were €19.2 million and €26.1 million for the years ended 31 December 2020 and 2019, respectively. Capital expenditures decreased in 2020 when compared to 2019, which is primarily driven by investments done last year for the Armoury building in Dublin. Euronext's capital expenditure requirements depend on many factors, including the rate of its trading volume growth, strategic plans and acquisitions, required technology initiatives, regulatory requirements, the timing and introduction of new products and enhancements to existing products, the geographic mix of Euronext's business, and the continuing market acceptance of its electronic platform.

For the year ending 31 December 2020, Euronext has made operational capital expenditures as well as incurred capitalised software development costs. These expenditures were aimed at enhancing Euronext technology and supporting the continued expansion of Euronext's businesses. In 2020, Euronext spent €6.6 million on hardware and investments in properties and €12.6 million on development efforts and acquisition of third party licenses.

7.1.13 OFF-BALANCE SHEET ARRANGEMENTS

Euronext is not a party to any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future material effect on Euronext's financial condition, results of operations, liquidity, capital expenditure or capital resources, other than the €400 million revolving credit facility under the Facilities Agreement and the commitments described in Note 39 of the Consolidated Financial Statements.

7.1.14 QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

As a result of its operating and financing activities, the Group is exposed to market risks such as interest rate risk, currency risk and credit risk. The Group has implemented policies and procedures designed to measure, manage, monitor and report risk exposures, which are regularly reviewed by the appropriate management and supervisory bodies. The Group's central treasury team is charged with identifying risk exposures and monitoring and managing such risks on a daily basis. To the extent necessary and permitted by local regulation, the Group's subsidiaries centralise their cash investments, report their risks and hedge their exposures in coordination with the Group's central treasury team. The Group performs sensitivity analyses to determine the effects that may result from market risk exposures. The Group uses derivative instruments solely to hedge financial risks related to its financial position or risks that are otherwise incurred in the normal course of its commercial activities. The Group does not use derivative instruments for speculative purposes.

Interest Rate Risk

Substantially all interest-bearing financial assets and liabilities of the Group are either based on floating rates or based on fixed rates with an interest term of less than one year, except for the fixed-rated Bonds #1 and #2 with an aggregated notional amount of €1,250 million, which have maturities of respectively seven and ten years. The Group entered into interest rate swap contracts in order to hedge the interest rate risk inherent to the fixed-rate Bond #1. As a result, the Group is exposed to fair value risk affecting fixed-rate financial assets and liabilities only through its fixed-rate Bond #2. As at 31 December 2020, the Group had an aggregated notional of €500 million fixed-to-floating interest rate swaps outstanding in relation to the fair value hedge of the €500 million Bond #1.

The Group is exposed to cash-flow risk arising from net floating-rate positions. The Group was a net borrower in Euros at 31 December 2020 and 2019. The sensitivity of net interest income to a parallel shift in the interest curves is that a 0.5% increase/decrease of the rate would have resulted in an increase/decrease of net interest income of €0.7 million based on the positions at 31 December 2020 (2019: €1.5 million). The Group was a net lender in Pound Sterling at 31 December 2020 and 2019. The sensitivity of net interest income to a parallel shift in the interest curves is that a 0.5% increase/decrease of the rate would not have had a material impact on the net interest income based on the positions at 31 December 2020 and 2019. The Group was a net lender in US Dollar at 31 December 2020 and 2019. The sensitivity of net interest income to a parallel shift in the interest curves is that a 0.5% increase/decrease of the rate would not have had a material impact on net interest income based on the positions at 31 December 2020 and 2019. The Group was a net lender in

Norwegian Kroner at 31 December 2020 and 2019. The sensitivity of net interest income to a parallel shift in the interest curves is that a 0.5% increase/decrease of the rate would have resulted in an increase/decrease of net interest income of €0.4 million based on the positions at 31 December 2020 (2019: €0.3 million).

Liquidity Risk

The Group would be exposed to a liquidity risk in the case where its short-term liabilities become, at any date, higher than its cash, cash equivalents, short-term financial investments and available bank facilities and in the case where the Group is not able to refinance this liquidity deficit, for example, through new banking lines.

Cash, cash equivalents and short-term financial investments are managed as a global treasury portfolio invested in non-speculative financial instruments, readily convertible to cash, such as bank balances, money market funds, overnight deposits, term deposits and other money market instruments, thus ensuring a very high liquidity of the financial assets. The Group's policy is to ensure that cash, cash equivalents and available bank facilities allow the Group to repay its financial liabilities at all maturities, even disregarding incoming cash flows generated by operational activities, excluding the related party loans granted by the Group's subsidiaries to its Parent.

The net position of current financial assets, financial liabilities and available credit facilities, excluding working capital items, as of 31 December 2020 and 2019 is described in the table below:

In thousands of euros	2020	2019
Cash cash equivalents and short term investments	629,469	369,822
Available revolving credit facility (RCF)	400,000	400,000
Available bridge loan facility	4,400,000	–
Financial debt (long-term and short-term borrowings)	(1,280,753)	(1,018,277)
NET POSITION	**4,148,716**	**(248,455)**

The increase in net position primarily relates to the €4.4 billion bridge loan facility dedicated solely for the acquisition of the Borsa Italiana Group. As of 31 December 2020, the Group did not have any amounts drawn under the facility.

Depending on closing of the Borsa Italiana Group transaction, the initial bridge loan facility financing will be replaced by long-term financing through a mix of (i) existing available cash, (ii) new debt and (iii) new equity to be issued, which comprises a private placement to long-term strategic investors CDP Equity S.p.A. and Intesa Sanpaolo S.p.A. and a rights offer to Euronext's shareholders.

References are made to section *7.1.11 – Facilities Agreement and Bonds* for more details on the Bridge Loan Facility.

The table below summarises the maturity profile of the Group's financial liabilities as of 31 December 2020 and 2019 based on contractual undiscounted payments, including principal - and interest amounts, expected throughout the life of the obligations:

In thousands of euros	Maturity < 1 year	Maturity between 1 and 5 years	Maturity > 5 years	Total
2020				
Trade and other payables	185,837	–	–	185,837
Other current financial liabilities	521	–	–	521
Borrowings	13,548	553,750	783,750	1,351,048
Lease liabilities	15,900	33,468	1,583	50,951
Other non-current financial liabilities	–	–	–	–
2019				
Trade and other payables	117,298	–	–	117,298
Other current financial liabilities	30,675	–	–	30,675
Borrowings	10,625	42,500	1,033,125	1,086,250
Lease liabilities	13,970	40,000	1,180	55,150
Other non-current financial liabilities	–	–	–	–

Currency Risk

The Group's net assets are exposed to the foreign currency risk arising from the translation of assets and liabilities of subsidiaries with functional currencies other than the Euro. The following table summarises the assets and liabilities recorded in GBP functional currency and the related impact of a 10% in/decrease in the currency exchange rate on balance sheet as of 31 December 2020 and 2019:

In thousands	2020	2019
Assets	£74,334	£58,755
Liabilities	£(8,758)	£(7,561)
Net currency position	£65,576	£51,194
Net currency position after hedge	£38,290	£24,052
Absolute impact on equity of 10% in/decrease in the currency exchange rate	€4,276	€2,841

The following table summarises the assets and liabilities recorded in USD functional currency and the related impact of a 10% in/decrease in the currency exchange rate on balance sheet as of 31 December 2020 and 2019:

In thousands	2020	2019
Assets	$205,286	$194,824
Liabilities	$(13,766)	$(12,322)
Net currency position	$191,520	$182,502
Absolute impact on equity of 10% in/decrease in the currency exchange rate	€15,666	€16,253

The following table summarises the assets and liabilities recorded in NOK functional currency and the related impact of a 10% in/decrease in the currency exchange rate on balance sheet as of 31 December 2020 and 2019:

In thousands	2020	2019
Assets	kr9,362,231	kr8,489,992
Liabilities	kr(1,900,044)	kr(1,161,871)
Net currency position	kr7,462,187	kr7,328,121
Absolute impact on equity of 10% in/decrease in the currency exchange rate	€71,089	€74,322

Most operating revenue and expenses in the various subsidiaries of the Group are denominated in the functional currency of each relevant subsidiary. The Group's consolidated income statement is exposed to foreign currency risk arising from receivables and payables denominated in currencies different from the functional currency of the related entity.

Credit Risk

The Group is exposed to credit risk in the event of a counterparty's default. The Group is exposed to credit risk from its operating activities (primarily trade receivables), from its financing activities and from the investment of its cash and cash equivalents and short-term financial investments. The Group limits its exposure to credit risk by rigorously selecting the counterparties with which it executes agreements. Most customers of the Group are leading financial institutions that are highly rated. Investments of cash and cash equivalents in bank current accounts and money market instruments, such as short-term fixed and floating rate interest deposits, are governed by rules aimed at reducing credit risk: maturity of deposits strictly depends on credit ratings, counterparties' credit ratings are permanently monitored and individual counterparty limits are reviewed on a regular basis. In addition to the intrinsic creditworthiness of counterparties, the Group's policies also prescribe the diversification of counterparties (banks, financial institutions, funds) so as to avoid a concentration of risk. Derivatives are negotiated with leading high-grade banks.

The Group's trade and contract receivables, and other debt financial assets at amortised cost and FVOCI are exposed to credit risk. The maximum exposure to credit risk at the reporting date is the carrying value of each class of these financial assets.

The Group evaluates the concentration of credit risk with respect to trade and contract receivables as low, as most of its customers are leading financial institutions that are highly rated.

The other debt financial assets at amortised cost, primarily consist of short-term deposits with a maturity over three months. All of the entity's other debt financial assets at amortised cost are considered to have low credit risk, as the issuers of the instruments have a low risk of default evidenced by their strong capacity to meet their contractual cash flow obligations in the near term.

7.1.15 SIGNIFICANT ACCOUNTING POLICIES

Euronext Consolidated Financial Statements included in this Universal Registration Document have been prepared and presented in accordance with International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB) and adopted by the European Union. See also Note 3 of the Consolidated Financial Statements, on "Significant accounting policies and judgements".

7.1.16 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

In the application of the Group's accounting policies, management is required to make judgments, 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. All assumptions, expectations and forecasts used as a basis for certain estimates within Euronext Financial Statements represent good faith assessments of its future performance for which Euronext management believes there is a reasonable basis. These estimates and assumptions represent Euronext's view at the times they are made, and only then. They involve risks, uncertainties and other factors that could cause Euronext actual future results, performance and achievements to differ materially from those estimated or forecasted. The estimates and underlying assumptions are reviewed on an on-going 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 periods. The estimates and assumptions that may have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below. Euronext has discussed the development and selection of these critical accounting policies and estimates with its independent auditors.

Significant judgments made in the preparation of the Consolidated Financial Statements include the following:

Impairment of Goodwill

Goodwill represents the excess of the consideration transferred in a business combination over the Group's share in the fair value of the net identifiable assets and liabilities of the acquired business at the date of acquisition. Goodwill is not amortised but is tested at least annually for impairment, or whenever an event or change in circumstances indicate a potential impairment.

For the purpose of impairment testing, goodwill arising in a business combination is allocated to the cash-generating units ("CGUs") or groups of CGUs that are expected to benefit from the synergies of the combination. Each CGU or CGU group to which goodwill is allocated represents the lowest level within the Group at which the goodwill is monitored for internal management purposes.

The carrying value of a CGU group is compared to its recoverable amount, which is the higher of its value in use and its fair value less costs of disposal. Impairment losses on goodwill are not subsequently reversed. Value in use is derived from the discounted future free cash flows[1] of the CGU group. Fair value less costs of disposal is based on discounted cash flows and market multiples applied to forecasted earnings. Cash flow projections are based on budget and business plan approved by management and covering a 2-year period in total. Cash flows beyond the business plan period are extrapolated using a perpetual growth rate. Key assumptions used in goodwill impairment test are described in Note 18 of the Consolidated Financial Statements.

Income Taxes

Due to the inherent complexities arising from the nature of the Group's business, from conducting business and being taxed in a substantial number of jurisdictions, significant judgments and estimates are required to be made for income taxes. The Group computes income tax expense for each of the jurisdictions in which it operates. However, actual amounts of income tax due only become final upon filing and acceptance of the tax return by relevant authorities, which may not occur for several years subsequent to issuance of the Consolidated Financial Statements.

The estimation of income taxes also includes evaluating the recoverability of deferred income tax assets based on an assessment of the ability to use the underlying future tax deductions against future taxable income before they expire. This assessment is based upon existing tax laws and estimates of future taxable income. To the extent estimates differ from the final tax return, earnings may be affected in a subsequent period.

The Group operates in various countries with local tax regulations. New tax legislation being issued in certain territories as well as transactions that the Group enters into regularly result in potential tax exposures. The calculation of Euronext's tax liabilities involves uncertainties in the application of complex tax laws. Euronext's estimate for the potential outcome of any uncertain tax position is highly judgmental. However, Euronext believes that it has adequately provided for uncertain tax positions. Settlement of these uncertainties in a manner inconsistent with Euronext's expectations could have a material impact on its results of operations, financial condition and cash flows. The Group recognises a liability for uncertain tax positions when it is not probable that a taxation authority will accept an uncertain tax treatment.

Fair Value of Equity Investments

The Group holds investments in unlisted equity securities which are carried at fair value in the balance sheet. The valuation methodology and critical assumptions are described in Note 20 of the Consolidated Financial Statements.

(1) As defined in section 5.2 – Other Financial information.

Classification of investments in associates

The Group classifies the interest in LCH SA as an investment in associate suggesting significant influence even though it owns less than 20% of the voting rights (see Note 7 of the Consolidated Financial Statements). The Group concludes it has significant influence over this investment, which is derived from the governance structure that was put in place and the Group's position as the largest customer and sole minority shareholder of LCH SA.

Contingent Consideration and Buy Options Resulting From Business Combinations

The Group may structure its business combinations in a way that leads to recognition of contingent consideration to selling shareholders and/or buy options for equity held by non-controlling interests. Contingent consideration and buy options are recognized at fair value on acquisition date. When the contingent consideration or buy option meets the definition of a financial liability or financial instrument, it is subsequently re-measured to fair value at each reporting date. The determination of fair value is based on the expected level of EBITDA - as defined in the Share Purchase Agreements of the acquired companies involved - over the last 12 months that precede the contractual date (in case of contingent consideration) or exercise date of the underlying call- and put options (in case of buy option). The Group monitors the expected EBITDA - as defined in the Share Purchase Agreements of the acquired companies involved - based on updated forecast information from the acquired companies involved.

Purchase Price Allocation

The cost of other intangible assets that are acquired in the course of business combinations, corresponds to their acquisition date fair values. Depending on the nature of the intangible asset, fair value is determined by application of:

- market approach (by reference to comparable transactions);
- income approach (Relief-from-Royalty- or Multi-period Excess Earnings Method);
- cost approach.

Assets with a finite useful life are amortized using the straight-line method over their expected useful life. Assets with an indefinite useful life are tested for impairment at least once a year.

Revenue From Contracts With Customers

The Group applied the following judgments that significantly affect the determination of the amount and timing of revenue from contracts with customers:

(i) Identifying performance obligations and determining the timing of revenue recognition of Listing admission fees

The Group provides services related to the initial (and subsequent) listing of securities on its markets and hereto directly related corporate action services, and ongoing services related to the continuous listing.

The Group determined that the admission services around initial (and subsequent) admission and its directly related corporate action services do not transfer a good or service to the customer, but are considered activities that the Group needs to undertake to enable the customer to be listed. The Group concluded that these activities should be combined with the ongoing listing services and should be used as inputs to produce the combined output, which is the service of being listed. As the service of being listed is satisfied over a period of time, as the customer simultaneously receives and consumes the benefits from the service, the related revenues are therefore recognised over a period of time.

The Group determined that the period of time that best reflects the satisfaction of listing admission services is the period over which the customer actually benefits from the admission. An average lifetime of companies being listed on Euronext's markets would serve as best proxy for the period that a listing customer benefits from an admission. Based on historic evidence, the Group has defined the following average lifetimes for the relevant groupings of listed securities:

- equity admissions: 5 years;
- bond- and fund admissions: 3 years;
- equity subsequent admissions ("follow-on's"): 3 years.

Revenue from the listing admission services is therefore recognised over those periods of time.

(ii) Cost to obtain or fulfil a contract related to listing admission services

The Group has considered the type of cost that is directly associated to a listing contract and that can be separately identifiable. Such cost would typically concern staff cost incurred by the Listings team involved in admission- and subsequent listing of an issuer. There is no correlation between number of listings and staff cost associated to the Listings team.

The majority of the cost to obtain and fulfil the contract is incurred in the period before the actual admission. The remaining cost associated to an admission and subsequent listing that is recorded postadmission, and its impact on the Group's income statement, would be marginal, therefore the Group has decided not to capitalize cost incurred to obtain- or fulfil listing contracts.

(iii) Principal *versus* agent considerations

On 14 October 2013, the Group entered into a clearing agreement with LCH SA in respect of the clearing of trades on our continental Europe derivatives markets (the "Derivatives Clearing Agreement"). Under the terms of this Derivatives Clearing Agreement Euronext agreed with LCH SA to share revenues and receives clearing fee revenues based on the number of trades on these markets cleared through LCH SA. In exchange for that, we have agreed to pay LCH SA a fixed fee plus a variable fee based on revenues.

The definition of the accounting treatment of this agreement requires significant management judgment for the valuation and weighting of the indicators leading the principal *versus* agent accounting analysis. Based on all facts and circumstances around this arrangement, management has concluded that Euronext is "principal" in providing Derivatives clearing services to its trading members. Therefore Euronext recognizes (i) the clearing fees received are classified as post trade revenues, and (ii) the fixed and variable fees paid to LCH SA as other operational expenses.

Provision For Expected Credit Losses of Trade and Contract Receivables

The Group uses a provision matrix to calculate ECLs for trade and contract receivables. To measure expected credit losses, trade and contract receivables have been grouped based on shared credit risk characteristics and the days past due. The historical loss rates are based on the payment profiles of the sales over a period of 24 months before reporting date and the corresponding historical credit losses experience within this period. The historical loss rates are adjusted to reflect current and forward-looking factors specific to the debtors and economic environment.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade and contract receivables is disclosed in Note 37.4 of the Consolidated Financial Statements included in this Registration Document.

Determining the Lease Term of Contract With Extension and Termination Options

In determining the lease term, management assesses the period for which the contract is enforceable. It considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). If the Group concludes that the contract is enforceable beyond the notice period of a cancellable lease (or the initial period of a renewable lease), it then need to assess whether the Group is reasonably certain not to exercise the option to terminate the lease. However in general, the Group's lease portfolio contains very limited leases that include renewal or termination options.

Estimating the Incremental Borrowing Rate (IBR)

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using the observable inputs (such as market interest rates) when available and makes certain entity-specific estimates if needed.

7.2 Material Contracts and Related Party Transactions

7.2.1 MATERIAL CONTRACTS

The major contracts for Euronext, entered into the ordinary course of business, but essential for its activity as a regulated markets operator and CSD, are:

- the clearing agreements signed with LCH SA;
- the clearing agreement (for Cash products) signed with SIX following OB VPS acquisition;
- the clearing agreements signed with NASDAQ following OB VPS acquisition;
- the post-trade services agreement signed with EuroCCP following the acquisition of Euronext Dublin;
- the clearing agreements signed with EuroCCP following OB VPS acquisition;
- the clearing agreements signed with LCH Ltd following OB VPS acquisition;
- the Data Centre Services agreement signed with ICE;
- the Cloud Enterprise agreement signed with Amazon Web Services;
- the Disaster Recovery Enterprise agreement signed with Equinix;
- the SOC Enterprise agreement signed with Cap Gemini;
- the CSD mainframe Enterprise agreements signed with IBM following OB VPS and VP Securities acquisitions.

The Clearing Agreements are referred to in *section 1.3.8 – Post Trade* and section *7.1.5 – Key Factors Affecting Businesses and Results of Operation*.

7.2.2 RELATED PARTY TRANSACTIONS

Euronext has related party relationships with its associates and joint ventures, as disclosed in Note 31 of the Consolidated Financial Statements. The other related parties disclosure relates entirely to the key management of Euronext. For the transactions with its key management personnel, refer to section *4.4 – Remuneration Report* of this Universal Registration Document.

From the IPO on 20 June 2014, the transactions with ICE do not qualify as "related party transactions" under IAS 24. Nevertheless the agreements between Euronext and ICE were in force after the IPO. Some of them are long term agreements. Some of these services have been progressively terminated and replaced over the period 2014-2016.

Over the year 2020, services received from or rendered to ICE include the use of data centre service, Colocation, Connectivity, UTP and other intellectual property rights as well as ancillary services. As at 31 December 2020, the following agreements remain active

- Data Centre Services Agreement;
- colocation Agreement;
- connectivity Agreement;
- UTP and Trading Technology Licence Deed;
- intellectual Property Agreement;
- Euronext Equity Index Trademark Licence Agreement;

Data Centre Services Agreement

ICE provides data centre services to Euronext from the Basildon site. Specifically, ICE houses the data centre equipment in the Data Centre and provides sub-services, such as power, access, physical security, environment, fire protection, connectivity, monitoring, support, remote hands, installation, receiving and warehouse space.

The agreement will subsist for an initial term of five years, starting 1 April 2014, with automatic renewal for a further five-year period, unless notice of termination is provided by either party at least twelve months before expiry of the initial term but no earlier than 24 months before the end of the initial term. ICE will guarantee to continue providing the services for a further two-year period from the date on which notice of non-renewal is received. Accordingly, the minimum period for this service is five years. In the course of 2015, the agreement has been renegotiated, leading to, under certain conditions, a lower price structure, to come into effect on 1 January 2016.

In December 2018, the contract has been renewed for a five years period, until April 2024, and adjusted on some specific clauses (*e.g.* exit clause, Data Protection)

Colocation Agreement

ICE provides colocation services directly to Euronext members on terms that are no worse than the terms on which ICE currently provides equivalent colocation services to its members. As the service is provided to members, there is no services agreement between ICE and Euronext but rather a commitment and payment of commission to Euronext by ICE for the right to provide the services.

This agreement will remain in force for a period of five years, starting 1 April 2014, unless terminated earlier with mutual agreement. ICE will commit not to increase the pricing, nor reduce the service or performance levels of colocation for the initial two-year period to ensure that Euronext customers receive colocation services at an equal (or better) standard to that currently provided by Euronext without any adverse price impact. Euronext is free to build its own colocation facility after the end of this two-year period if it wishes to do so, and in that case ICE will have the right to terminate the agreement on six months' notice.

ICE pays to Euronext commission in respect of the fees received under the colocation contracts as follows: 35% of the colocation hosting fee; 35% of any Liquidity Centre Network ("LCN") fees; and 100% of any subscription fees (for specific Euronext exchanges).

In December 2018, the contract has been renewed for a five years period, until April 2024, and adjusted on some specific clauses (*e.g.* exit clause, Data Protection)

Connectivity Agreement

Euronext's customers are connected to the SFTI® network either *via* an SFTI® managed connection, a direct connection, or a third-party connection. ICE provides application services, including logical connections to the relevant Euronext products between the subscriber and host infrastructure. ICE agrees to provide the SFTI® services to Euronext customers on terms (including pricing, service, and performance) that, in the aggregate, are no worse than the standard terms on which ICE provides equivalent connectivity services to its customers.

This agreement will remain in force for five years, starting on 1 April 2014, unless terminated earlier with mutual agreement. This agreement contains substantially the same terms as the colocation agreement, including a general commitment not to raise fees or reduce services for two years. Euronext receives a commission based on 50% of the revenue earned from the access/subscription fees to Euronext markets *via* SFTI®.

In December 2018, the contract has been renewed for a five years period, until April 2024, and adjusted on some specific clauses (*e.g.* exit clause, Data Protection)

UTP and Trading Technology Licence Deed

The intellectual property in the UTP and other trading technology, including core software and technology ("Core Items") and related support items ("Support Items") that are currently being used for the continental Euronext market is licensed by ICE (through NYSE Arca, LLC) to Euronext (through one of its subsidiaries) for the operation of the Euronext trading platforms.

Under the licence agreement, Euronext has been granted a perpetual, irrevocable, worldwide, non-exclusive, royalty-free and fully paid-up licence in respect of the use, modification and maintenance of the Core Items for any purpose and in respect of the use, modification and maintenance of the Support Items for the sole purpose of enabling the use of the Core Items. The licence includes any improvements or enhancements to the Core Items and the Support Items that are made before the IPO on 20 June 2014. Euronext owns improvements or enhancements that it makes or have made to the Core Items and the Support Items after the IPO, and Euronext and ICE are not obliged to share their respective improvements or enhancements after the IPO.

Euronext may sub-licence its rights, including through multiple tiers of sub-licences. However, for a period of two years from the IPO, neither Euronext nor ICE is entitled to permit a defined list of exchange operators or owners of registered swap execution facilities or their affiliates to use UTP (though this will not affect any licences that were already in place as at 13 November 2013). The restricted list includes any of Nasdaq OMX, CME group, Inc., BM&F Bovespa, London Stock Exchange group Plc, Singapore Exchange Limited, Hong Kong Stock Exchange, Deutsche Börse group, BATS Global Markets, Inc., Direct Edge, or Chi-X Global Holdings LLC; any person that acquires all or substantially all of the business of any of these entities; any person that at the time of the assignment or licence operates a registered swap execution facility; and any affiliate of any such persons. This restriction terminated in June 2016.

There are no circumstances in which the licence may be terminated by ICE.

Except where there is a breach of warranty by the indemnified parties, Euronext will indemnify NYSE Arca and its affiliates within ICE for all liability incurred under a third-party claim in connection with use of the UTP by Euronext or any of its sub-licensees after the IPO.

In the event of any infringement of the licensed rights, ICE will have the right to determine what enforcement action to take. ICE will offer Euronext the right to participate in any action it takes. If ICE does not take any enforcement action, Euronext will have the sole right to determine what enforcement action to take. If Euronext or any sub-licensee of Euronext is sued for infringement, ICE will provide all such information and assistance as Euronext may reasonably require.

Intellectual Property Agreement

Under this agreement, Euronext is granted a perpetual, irrevocable, worldwide, non-exclusive, royalty-free and fully paid-up licence to use and sub-license the name "Euronext UTP" in connection with its use of the UTP technology. The licence is not supported by any warranties from ICE. There are no circumstances in which the licence may be terminated by ICE.

To the extent that ICE wishes to use the name "UTP" in connection with its version of the UTP technology, ICE has agreed that it will use the name "NYSE UTP".

Also under this agreement, Euronext and ICE have permitted each other's groups to have until 1 June 2015 to cease current uses of each other's trademarks. From that date onwards, Euronext and ICE have ceased using each other's trademarks.

Euronext Equity Index Trademark Licence Agreement

Under the licence agreement, LIFFE is granted a worldwide and non-exclusive licence in relation to the trademarks and associated logos for the indices generated by the Euronext Regulated Markets. The licence permits the use of these trademarks and associated logos in connection with the marketing, listing and trading of any tradable contract. However, until 1 January 2016, the licensed use is limited to LIFFE's current tradable contracts for listings on Bclear and only in respect of equity indices for AEX®, BEL 20®, CAC 40®, and PSI 20®. This limitation will terminate early in case a third-party infrastructure provider acquires control of any Euronext company, or is granted a licence by Euronext Company to use any of the trademarks for any of the indices generated by the Euronext Regulated Markets. Subject to appropriate limitations, LIFFE may sub-license the rights to ICE.

For its use of the licensed trademarks and associated logos, LIFFE pays the greater of (i) €0.05 per traded contract and (ii) 15% of the exchange and clearing fees on the traded contracts.

LIFFE will indemnify Euronext and its affiliates for all liability incurred under a third-party claim in connection with ICE's use of the licensed trademarks, other than where the third-party claim is for trademark infringement.

The licence agreement recognises that the parties may need to renegotiate the terms where Euronext is required, by a change in the law, to grant licences at market rates and on a non-discriminatory basis albeit such renegotiation shall take due account for the fact that ICE has already provided value for the use of the equity indices as part of the acquisition of NYSE Euronext by ICE.

Also, in connection with the separation of Euronext from ICE, Euronext and ICE entered into a series of transitional services agreements ("SLAs"). There were some ancillary services provided by ICE to Euronext ("ICE Ancillary Services") and ancillary services provided by Euronext to ICE ("Euronext Ancillary").

Crossfinder Licence Agreement

FastMatch's operating system for its matching engine is based on the Crossfinder® software licensed by FastMatch from Credit Suisse pursuant to a perpetual license. The license granted by Credit Suisse is limited in scope to use by FastMatch in its operations as an electronic exchange for the trading of foreign exchange. Pursuant to that license, FastMatch has exclusive and unrestricted ownership of all modifications made to the Crossfinder Code by FastMatch, as well as to any software developed by FastMatch independently.

7.3 Legal Proceedings

The Group is involved in a number of legal proceedings that have arisen in the ordinary course of its business. Other than as discussed below in section 7.3.1, there are no governmental, legal or arbitration proceeding that might have or have had in the recent past significant effects on the Group's financial position or profitability.

Management does not expect these pending or threatening legal proceedings to have a significant effect on the Group's financial position or profitability. The outcome of legal proceedings, however, can be extremely difficult to predict and the final outcome may be materially different from management's expectations.

7.3.1 EURONEXT AMSTERDAM PENSION FUND

Approximately 120 retired and/or former Euronext Amsterdam employees, united in an association, served summons on Euronext Amsterdam on 3 April 2014. The claim is based on the fact that Euronext Amsterdam terminated its pension agreement with the pension fund Mercurius ("PMA") and transferred the pension of the current employees of Euronext to Delta Lloyd Asset Management ("Delta Lloyd"). The pension entitlements of the retired and/or former employees of Euronext Amsterdam have also been transferred by PMA to Delta Lloyd. The retired and/or former employees have been informed by PMA that the transfer of their entitlements to Delta Lloyd will result in a nominal pension entitlement without indexation in the future. The association claims that Euronext Amsterdam should guarantee the same pension entitlements of the retired Euronext Amsterdam employees under the same or similar conditions as those in the agreement between Euronext Amsterdam and PMA with the considerations that (i) the administration fee will be covered, (ii) the liability ratio will be covered and (iii) the loyalty and solidarity between retired and current employees is provided for. The amount will need to be calculated by an actuary.

After Euronext Amsterdam filed a statement of defence on 27 June 2014, the Subdistrict (Kanton) Division of the Court of Amsterdam on 11 July 2014 granted the retired and/or former employees Euronext Amsterdam a term until 8 August 2014 in order to file a rejoinder. On that date the counterparty was granted a postponement until 5 September 2014 for its statement of reply.

Both parties have filed all documents and statements and an oral hearing took place on 11 June 2015. The judge asked both parties to explore a settlement and Euronext currently assesses the costs of potential out of court solutions. The Court has been informed that no agreement on such a settlement could be reached.

On 24 June 2016 the judge delivered a decision. The claim is rejected that Euronext Amsterdam should guarantee the same pension entitlements of the retired Euronext Amsterdam employees under the same or similar conditions as those in the agreement between Euronext Amsterdam and PMA. However, the judge did hold that there has been an attributable breach by Euronext Amsterdam in the performance of the pension agreements with the members of the association. Euronext Amsterdam is ordered to pay for damages resulting from the loss of indexation perspective incurred by the claimants other than the association. The association is not eligible to claim damages. The amount of the damages needs to be determined in a separate procedure (a "*schadestaatprocedure*"). Management believes that the decision is insufficiently motivated. On 21 September 2016 Euronext Amsterdam filed for appeal against the decision. The grounds for appeal were filed on 6 December 2016. On 14 February 2017 the claimants filed their responses and also filed for appeal against certain parts of the decision of 24 June 2016. Euronext has responded to the grounds for appeal raised by claimants on 25 April 2017. An oral hearing took place on 24 November 2017.

On 25 April 2019, Euronext Amsterdam unexpectedly received an interlocutory judgment. The higher court intends to confirm the verdict of the judgement of 24 June 2016. However, the higher court needs further information to assess if Euronext can be sentenced to enter into a new implementation agreement (*uitvoeringsovereenkomst*) with a pension provider who can provide the same or at least equal rights and warranties as set out in the implementation agreement 2007-2012, or the implementation agreement 2013; or subsidiary if Euronext can be sentenced to, as substitution for the implementation agreement, pay an

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amount of money to a pension provider to make sure that the pensioners will be placed in the same position as they would have been in the event the implementation agreement would have been continued unaltered. Euronext has provided the information. The actuaries of Euronext had already calculated that the pensioners would have lower pension rights in the event that the implementation agreement would have been continued. These calculations are based on all the financial obligations of the implementation agreement and the financial position of the pension fund. Furthermore the calculations are based on the legal parameters of the Pension Act 2007, Therefore, Euronext has called for rejection of the claims of the pensioners because there is no financial loss. The pensioners have responded to this information on 23 July 2019. There is no possibility to appeal at this stage. The final judgement of the higher court was expected on 19 May 2020.

On 28 July 2020 the Higher Court ordered Euronext:

1. to restore the pension reduction of 1.55% to the Vereniging Pensioengerechtigden Euronext Amsterdam ("VPGE") members; and
2. to pay for indexation of the VPGE member's pensions. However, the premium is limited to 49% (42/85.2) of 8.52% of the annual pension premium. The cost that have been paid already for indexation and the missed interest (2014-2019) must be settled.

According to Euronext, the Higher Court has applied the Pensions Act incorrectly and has inexplicably misjudged important facts.

Euronext has lodged an appeal in cassation before the Supreme Court on 23 October 2020. On 18 December 2020, the counterparty submitted its statement of defense including appeal in cassation. On 15 January 2021, Euronext submitted its statement of defense against the appeal in cassation of the counterparty.

No provision has been booked in connection with this case.

7.4 Insurance

Euronext maintains a comprehensive insurance program with the assistance of an insurance broker allowing Euronext to make an assessment of its risks, take out the proper insurance policies and deal with insurance management as smoothly as possible.

The main characteristics of the insurance program are the following:

- the main insurance policies are consolidated at the Euronext Group level in order to ensure consistency of coverage across the Euronext Group and to benefit from lower premiums;
- the scope of risks covered is determined by reference to Euronext's activities (listing, trading, market data, post-trade and technologies & other); and
- all insurance carriers are analysed from a credit rating perspective.

The main risks covered by Euronext's insurance program are the following:

- directors' & officers' liability: this policy covers losses related to an alleged wrongful Act committed by members of Euronext Managing Board, Euronext Supervisory Board and other senior management. Under this policy, any of Euronext past, present or future directors or officers will be insured against liability for negligence, default or breach of duty or other liability, other than cases of wilful misconduct or gross negligence (*opzet of grove nalatigheid*);
- professional indemnity & crime: this policy provides first party coverage and indemnification against third-party claims arising out of negligence, errors or omissions in connection with professional services or failure to meet contractual obligations in the conduct of exchange activities and exchange related activities. This policy also covers first party losses resulting directly from dishonest or fraudulent acts committed by Euronext employees or third parties working with Euronext employees;
- cyber: this policy provides coverage for an Euronext's business interruption following malicious action on an IT system. Coverage is provided for claims arising from the interruption of systems or other failures of IT Security caused by damage to computer programs or data that results from a computer attack or unauthorised access or use of system. This policy also covers claims for the failure to protect personality identifiable information or unauthorised disclosure of confidential corporate information in any form;
- property damage & business interruption: this policy provides first party coverage for losses to Euronext's property or business interruption. The coverage includes tenant's liability and liability to third parties;
- terrorism; and
- commercial general liability: this policy provides coverage for negligent acts and/or omissions resulting in bodily injury, property damage, consequential losses and pure financial losses to third parties, their reputation, or their property as a result of using Euronext products and services.

In addition to the insurance program, risk management and business continuity plan policy and procedures are implemented in a complementary manner. Euronext believes that its existing insurance coverage, including the amounts of coverage and the conditions, provides reasonable protection, taking into account the costs for the insurance coverage and the potential risks to business operations.

As from closing date of the Borsa Italiana Group acquisition, Borsa Italiana Group will be fully integrated into the global Euronext Insurance programme.

7.5 Liquidity and Capital Resources

7.5.1 LIQUIDITY

Euronext's financial policy seeks to finance the growth of the business, remunerate shareholders and ensure financial flexibility, while maintaining strong creditworthiness and liquidity.

Euronext primary sources of liquidity are cash flows from operating activities, current assets and existing bank facilities. Euronext's principal liquidity requirements are for working capital, capital expenditures and general corporate use.

Euronext business is highly dependent upon the levels of activity in its exchanges, and in particular upon the volume of financial instruments traded, the number of shares outstanding of listed issuers, the number of new listings, the number of traders in the market and similar factors. Euronext has no direct control over these activities, which have historically resulted in volatility. While Euronext activities are not subject to significant seasonal trends, cash flows vary from month to month due to Euronext billing and collection efforts (most notably the annual billings for listed companies during the first quarter).

Euronext business has historically generated significant cash flow from operating activities to meet its cash requirements as well as to distribute dividends to its shareholders. Euronext expects future cash flow from operating activities to be sufficient to fund its capital expenditures, distribute dividends as well as repay its debts as they become due. In addition, Euronext has access to a €400 million revolving credit facility *(see section 7.1.11 – Facilities Agreement and Bonds)*.

More information on Euronext's cash flows is provided in section *7.1.10 – Cash Flow.*

Because of its strict financial policy of maintaining strong creditworthiness and liquidity, and its significant operating cash flow generation capacities, Euronext N.V. considers its financial position as at 31 December 2020 as solid, both from a solvency and a liquidity perspective.

The financial resources ultimo 2020 can be summarised as follows:

In thousands of euros	Financial resources
Cash & cash equivalents	629,469
Revolving credit facility	400,000
TOTAL FINANCIAL RESOURCES	**1,029,469**

7.5.2 CONSOLIDATED REGULATORY CAPITAL REQUIREMENTS

Euronext N.V. is subject to regulatory capital requirements. These requirements were first set out in the Exchange License that was issued by the Dutch minister of Finance in June 2014. Following discussion with the Dutch minister of Finance in 2015 and 2016 a new exchange license was granted on 23rd of May 2016, including new capital requirements for both Euronext consolidated and Euronext Amsterdam N.V.

As from 23 May 2016 the following capital requirements apply to Euronext.

Euronext N.V. is subject to minimum regulatory capital requirements defined by the minister of Finance and the AFM, under which Euronext is required:

- to ensure that its shareholders equity, liquidity and solvency satisfy what is required with a view to the interests which the Dutch Act on Financial Supervision (Wet op het financieel toezicht –Wft) aims to protect;
- Euronext shall have a minimum shareholders equity on a consolidated basis of at least Euro 250 million;
- Euronext shall take care of a stable financing. To that end, the total of long term assets of Euronext will to the satisfaction of the AFM be financed with shareholders equity and long term liabilities;
- Euronext shall have a positive regulatory capital on a consolidated basis. The regulatory capital is calculated according to the following formula: the paid up share capital plus the freely available reserves, less the items listed in section 36 of Regulation (EU) no. 575/2013. The standards drawn up by the European Banking Authority as referred to in section 36, second paragraph, of the Capital Requirements Regulation are taken into account in relation hereto;
- in deviation of the calculation set out in bullet point 4 of the regulatory capital, the value of the intangible fixed assets in connection with the acquiring of a controlling influence through an acquisition will be deducted in ten equal amounts from the regulatory capital, starting in the year that the acquisition has taken place (the year of acquisition pro rata for the number of months). If the value of the intangible assets is higher than factor ten times the most recent profits of the acquired business, the grow-in term can after approval from the AFM be based on a higher, reasonable factor (= grow-in term), taking into account a prudent and consistent dividend policy proposed by Euronext. If the grow-in term and the related dividend policy provide for a

negative regulatory capital for a limited number of years of the grow-in term, than this fact will not prevent the execution of the consistent and prudent dividend policy of Euronext in those years;

- if Euronext foresees or reasonably can foresee that its shareholders equity or regulatory capital does not satisfy or will not satisfy the prescribed prudential requirements, it will notify the AFM thereof immediately. If at any moment Euronext does not comply with the prescribed requirements with respect to the minimum shareholders equity, the regulatory capital or the grow-in of the regulatory capital is behind the grow-in term as determined on beforehand, Euronext will provide the AFM with a prognosis of how it expects to again comply with the prescribed prudential requirements. Dividend distributions will be possible in such a situation, unless the AFM is of the opinion that the future development of the shareholders equity or the regulatory capital of Euronext do not allow for this. If necessary, the AFM can prescribe within which term and in which manner Euronext will need to comply with the prudential requirements.

In addition, Euronext is required to obtain the prior approval of the AFM in the following circumstances:

- the granting of personal and in rem security for debts of other enterprises or the assumption of debts and security by Euronext, to the extent this is or can be of influence on the functioning of the regulated markets held by Euronext or possibly can result in Euronext or one or more of its regulated subsidiaries no longer satisfying the prescribed prudential requirements;
- to the extent there is a reorganisation, operational or legal separations of the license holders or merger which can be of material influence of the functioning of the regulated markets in the Netherlands operated by the license holders;
- proposed resolutions of Euronext which can be of significant influence on the financial soundness of Euronext.

Euronext is also required to ensure that, in the event of a possible insolvency of Euronext N.V., the local exchanges can continue to function operationally.

The AFM may impose further requirements with respect to the shareholders equity position, liquidity and solvency of Euronext, to the extent necessary for the compliance with the requirements of the regulated markets.

In addition, each of the Group's subsidiaries that is an operator of a regulated market and subsidiaries that are investment firms are subject to regulatory capital requirements relating to their general financial soundness, which include certain minimum capital requirements.

As of 31 December 2020, Euronext shareholders equity and regulatory equity was the following:

In thousands of euros	31 December 2020	31 December 2019
Shareholders equity	1,058,748	918,140
Less		
Intangible assets and deferred tax	500,974	429,019
Investments in financial sector	209,828	208,461
REGULATORY EQUITY	**347,946**	**280,660**

7.6 Tangible Fixed Assets

The main tangible fixed assets of the Group consist of the following categories:

- land & buildings;
- hardware & IT equipment;
- other Property & Equipment.

7.6.1 PRINCIPAL PROPERTIES

Euronext's headquarters are located in Amsterdam, the Netherlands at Beursplein 5, and in Paris, France, at La Défense (92054), 14 Place des Reflets. Euronext's registered office is located at Beursplein 5, 1012 JW Amsterdam, the Netherlands.

Real estate Euronext – per 31 December 2020

Location/Building	Address	ZIP	City	Country	Lease commence	Lease expiry	Surfaces (sqm)	Owned/ Leased
Amsterdam, BEURSPLEIN 5	5 Beursplein	1012 JW	Amsterdam	Netherlands	N/A	N/A	14,450	Owned
London	110 Cannon Street	EC4N6EU	London	UK	2017	2022	540	Leased
Brussels/LE MARQUIS	1 rue de Marquis	1000	Brussels	Belgium	2014	2030	860	Leased
Lisbon/VICTORIA- Seuros vida	196-7 avenida da Liberdade	1250-147	Lisbon	Portugal	2018	2021	554	Leased
Porto- Interbolsa/ENX Technologies	3433 avenida da Boavista	410-138	Porto	Portugal	2016	2021	3,136	Leased
Paris/PRAETORIUM	14 place des Reflets	92054	Paris Cedex	France	2015	2024	10,217	Leased
ZI Rosny sous Bois	17 rue Montgolfier	93110	Rosny sous Bois	France	2012	2022	328	Leased
Enternext Nantes	6 rue Bisson	44000	Nantes	France	2017	2021	15	Leased
Enternext Lyon	3 place de la Bourse	69002	Lyon	France	2017	2021	15	Leased
Enternext Bordeaux	17 place de la Bourse	33076	Bordeaux Cedex	France	2017	2021	15	Leased
Enternext Marseille	10 place de la Jollette	13567	Marseille Cedex	France	2017	2021	13	Leased
Suisse/TECHNOPARK	1 Technoparkstrasse	CH-8005	Zurich	Switzerland	2017	2021	24	Leased
Espagne/REGUS/Cuzco IV	141 Paseo de Castellana – 5 floor	28046	Madrid	Spain	2017	2021	12	Leased
Italy/Thurma Business Center	1 Corso Italia	20122	Milan	Italy	2017	2021	16	Leased
Munich/Design Offices	4 Mies-van-der-Rohe-Str.	80807	Munich	Germany	2017	2021	15	Leased
New York	180 Maiden Lane	NY10038	New York	USA	2016	2026	854	Leased
Bengalore/Obeya	17 Cross Road, AJ Forte	560102IN	Bengalore	India	2018	2020	120	Leased
Dublin Exchange building	Foster Place 2		Dublin	Ireland	N/A	N/A	1,525	Owned
Stock Exchange	Anglesea Street		Dublin	Ireland	N/A	N/A	1,330	Owned
Dublin	Foster Place 5/6		Dublin	Ireland	2013	2021	508	Leased
Oslo Børs	Tollbugata 2		Oslo	Norway	N/A	N/A	3,004	Owned
Oslo VPS building	Fred Olsensgate 1		Oslo	Norway	2018	2023	3,221	Leased
Fishpool Bergen	Fantoftvegen 38		Bergen	Norway	2019	2023	140	Leased
Centevo Stockholm	Sveavagen 52		Stockholm	Sweden	2019	2022	15	Leased
VP Securities Copenhagen	Weikampsgade 14		Copenhagen	Denmark	2008	2021	5,700	Leased


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8 FINANCIAL STATEMENTS

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8.1 Consolidated Statement of Profit or Loss

In thousands of euros (except per share data)	Note	Year ended 31 December 2020	31 December 2019
Revenue	8	884,318	679,108
TOTAL REVENUE		**884,318**	**679,108**
Salaries and employee benefits	9	(198,970)	(153,145)
Depreciation and amortisation	10	(57,776)	(43,676)
Other operational expenses	11	(165,300)	(126,543)
Operating profit before exceptional items		**462,272**	**355,744**
Exceptional items	12	(17,330)	(21,871)
Operating profit		**444,942**	**333,873**
Finance costs	13	(17,262)	(11,851)
Change in fair value of financial liabilities	13	263	(13,275)
Other net financing income/(expense)	13	4,199	7,711
Results from equity investments	14	1,646	7,270
Share of net profit/(loss) of associates and joint ventures accounted for using the equity method, and impairments thereof	7	8,916	1,844
Profit before income tax		**442,704**	**325,572**
Income tax expense	15	(122,157)	(100,294)
Profit for the period		**320,547**	**225,278**
Profit attributable to:			
■ Owners of the parent		315,484	221,966
■ Non-controlling interests		5,063	3,312
Basic earnings per share	27	**4.53**	**3.19**
Diluted earnings per share	27	**4.51**	**3.17**

The above Consolidated Statement of Profit or Loss should be read in conjunction with the accompanying notes.

8.2 Consolidated Statement of Comprehensive Income

In thousands of euros	Note	Year ended 31 December 2020	31 December 2019
Profit for the period		**320,547**	**225,278**
Other comprehensive income			
Items that may be reclassified to profit or loss:			
■ Exchange differences on translation of foreign operations		(62,419)	(2,206)
■ Income tax impact on exchange differences on translation of foreign operations	19	5,717	–
Items that will not be reclassified to profit or loss:			
■ Change in value of equity investments at fair value through other comprehensive income	20	9,226	12,500
■ Income tax impact on change in value of equity investments at fair value through other comprehensive income	19	(3,384)	(2,159)
■ Remeasurements of postemployment benefit obligations	30	(1,537)	(1,410)
■ Income tax impact on remeasurements of postemployment benefit obligations	19	339	(223)
Other comprehensive income for the period, net of tax		**(52,058)**	**6,502**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**268,489**	**231,780**
Comprehensive income attributable to:			
■ Owners of the parent		264,666	228,294
■ Non-controlling interests		3,823	3,486

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

8.3 Consolidated Balance Sheet

In thousands of euros	Note	As at 31 December 2020	As at 31 December 2019
Assets			
Non-current assets			
Property, plant and equipment	16	56,024	58,890
Right-of-use assets	17	46,923	51,751
Goodwill and other intangible assets	18	1,536,137	1,458,760
Deferred tax assets	19	20,844	21,025
Investments in associates and joint ventures	7	68,051	67,025
Financial assets at fair value through other comprehensive income	20	204,506	197,821
Financial assets at amortised cost	35.1	3,173	1,503
Other non-current assets		5,451	1,559
Total non-current assets		**1,941,109**	**1,858,334**
Current assets			
Trade and other receivables	21	181,161	125,376
Other current assets	22	13,810	12,057
Income tax receivables		3,250	1,395
Derivative financial instruments	23	23,735	19,353
Other current financial assets	24	92,090	12,118
Cash and cash equivalents	25	629,469	369,822
Total current assets		**943,515**	**540,121**
Assets held for sale	22	–	8,760
TOTAL ASSETS		**2,884,624**	**2,407,215**
Equity and liabilities			
Equity			
Issued capital	26	112,000	112,000
Share premium		116,560	116,560
Reserve own shares		(19,867)	(11,194)
Retained earnings		826,302	625,545
Other reserves		23,753	75,229
Shareholders' equity		**1,058,748**	**918,140**
Non-controlling interests		30,238	15,686
Total equity		**1,088,986**	**933,826**
Non-current liabilities			
Borrowings	29	1,272,510	1,011,527
Lease liabilities	17	35,051	41,180
Deferred tax liabilities	19	92,860	78,754
Post-employment benefits	30	26,477	25,958
Contract liabilities	33	44,641	45,795
Provisions	31	14,519	15,079
Total non-current liabilities		**1,486,058**	**1,218,293**
Current liabilities			
Borrowings	29	8,243	6,750
Lease liabilities	17	15,900	13,970
Other current financial liabilities	35	521	30,675
Derivative financial instruments	23	375	141
Current income tax liabilities		33,822	23,333
Trade and other payables	32	185,837	117,298
Contract liabilities	33	62,233	62,825
Provisions	31	2,649	104
Total current liabilities		**309,580**	**255,096**
TOTAL EQUITY AND LIABILITIES		**2,884,624**	**2,407,215**

The above Consolidated Balance Sheet should be read in conjunction with the accompanying notes.

8.4 Consolidated Statement of Cash Flows

		Year ended	
In thousands of euros	Note	31 December 2020	31 December 2019
Profit before income tax		**442,704**	**325,572**
Adjustments for:			
▪ Depreciation and amortisation	10	57,776	43,676
▪ Share based payments	9	8,519	6,943
▪ Change in fair value of financial liabilities	13	(263)	13,275
▪ Share of profit from associates and joint ventures, and impairments thereof	7	(8,916)	(1,844)
▪ Changes in working capital and provisions		(107,011)	(35,418)
Cash flow from operating activities		**392,809**	**352,204**
Income tax paid		(114,821)	(98,433)
Net cash generated by operating activities		**277,988**	**253,771**
Cash flow from investing activities			
Acquisition of associates and joint ventures	7	–	(6,031)
Acquisition of subsidiaries, net of cash acquired	5	(80,358)	(581,825)
Purchase of financial assets at FVOCI	20	–	(22,091)
Purchase of other current financial assets		(29,353)	(4,082)
Redemption of other current financial assets		5,786	20,300
Proceeds from sale of assets held for sale		8,800	–
Purchase of property, plant and equipment	16	(6,649)	(14,663)
Purchase of intangible assets	18	(12,569)	(11,394)
Dividends received from equity investments	14	1,647	7,270
Dividends received from associates	7	7,870	5,167
Proceeds from sale of property, plant and equipment and intangible assets		101	42
Net cash (used in) investing activities		**(104,725)**	**(607,307)**
Cash flow from financing activities			
Proceeds from borrowings, net of transaction fees	29	255,855	538,925
Repayment of borrowings, net of transaction fees	29	–	(90,674)
Interest paid		(11,564)	(6,252)
Interest received		4,938	5,131
Dividends paid to the Company's shareholders	26	(110,620)	(107,239)
Dividends paid to non-controlling interests		(4,438)	(1,452)
Payment of lease liabilities	17	(14,890)	(9,744)
Transactions in own shares	26	(13,228)	896
Employee Share transactions		(1,818)	(1,913)
Net cash generated by financing activities		**104,235**	**327,678**
Net (decrease)/increase in cash and cash equivalents		**277,498**	**(25,858)**
Cash and cash equivalents – Beginning of the period		369,822	398,018
Non-cash exchange (losses)/gains on cash and cash equivalents		(17,851)	(2,338)
CASH AND CASH EQUIVALENTS – END OF THE PERIOD		**629,469**	**369,822**

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

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8.5 Consolidated Statement of Changes in Equity

						Other reserves					
In thousands of euros	Note	Issued capital	Share premium	Reserve own shares	Retained Earnings	Foreign currency translation reserve	Fair value reserve of financial assets at FVOCI	Total other reserves	Total Shareholders' equity	Non-controlling interests	Total equity
Balance as at 1 January 2019		**112,000**	**116,560**	**(17,816)**	**509,483**	**3,351**	**67,515**	**70,866**	**791,093**	**11,231**	**802,324**
Profit for the year		–	–	–	221,966	–	–	–	221,966	3,312	225,278
Other comprehensive income for the year		–	–	–	(1,633)	(2,380)	10,341	7,961	6,328	174	6,502
Total comprehensive income for the year		**–**	**–**	**–**	**220,333**	**(2,380)**	**10,341**	**7,961**	**228,294**	**3,486**	**231,780**
Transfer of revaluation result to retained earnings					3,597		(3,597)	(3,957)			3,597
Share based payments		–	–	–	6,943	–	–	–	6,943	–	6,943
Dividends paid		–	–	–	(107,239)	–	–	–	(107,239)	(1,452)	(108,691)
Transactions in own shares	26	–	–	896	–	–	–	–	896	–	896
Non-controlling interests on acquisition of subsidiary		–	–	–	–	–	–	–	–	2,420	2,420
Other movements		–	–	5,726	(7,572)	–	–	–	(1,846)	–	(1,846)
Balance as at 31 December 2019		**112,000**	**116,560**	**(11,194)**	**625,545**	**970**	**74,259**	**75,229**	**918,140**	**15,686**	**933,826**
Profit for the year		–	–	–	315,484	–	–	–	315,484	5,063	320,547
Other comprehensive income for the year		–	–	–	(1,198)	(55,462)	5,842	(49,620)	(50,818)	(1,240)	(52,058)
Total comprehensive income for the year		**–**	**–**	**–**	**314,286**	**(55,462)**	**5,842**	**(49,620)**	**264,666**	**3,823**	**268,489**
Transfer of revaluation result to retained earnings	20	–	–	–	1,856	–	(1,856)	(1,856)	–	–	–
Share based payments		–	–	–	8,469	–	–	–	8,469	–	8,469
Dividends paid		–	–	–	(110,620)	–	–	–	(110,620)	(4,438)	(115,058)
Transactions in own shares	26	–	–	(13,228)	–	–	–	–	(13,228)	–	(13,228)
Acquisition of non-controlling interest		–	–	–	(6,906)	–	–	–	(6,906)	(23,811)	(30,717)
Non-controlling interests on acquisition of subsidiary		–	–	–	–	–	–	–	–	38,977	38,977
Other movements		–	–	4,554	(6,328)	–	–	–	(1,774)	–	(1,774)
BALANCE AS AT 31 DECEMBER 2020		**112,000**	**116,560**	**(19,867)**	**826,302**	**(54,492)**	**78,245**	**23,753**	**1,058,748**	**30,238**	**1,088,986**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

8.6 Notes to the Consolidated Financial Statements

NOTE 1 GENERAL INFORMATION

Euronext N.V. ("the Group" or "the Company") is a public limited liability company incorporated and domiciled at Beursplein 5, 1012 JW Amsterdam in the Netherlands under Chamber of Commerce number 60234520 and is listed at all Continental Euronext local markets i.e. Euronext Amsterdam, Euronext Brussels, Euronext Lisbon and Euronext Paris.

The Group operates securities and derivatives exchanges in Continental Europe, Ireland and Norway. It offers a full range of exchange- and corporate services, including security listings, cash and derivatives trading, and market data dissemination. It combines the Amsterdam, Brussels, Dublin, Lisbon, Oslo and Paris exchanges in a highly integrated, cross-border organisation.

The Group also operates Interbolsa S.A., Verdipapirsentralen ASA ("VPS") and VP Securities AS (respectively the Portuguese, Norwegian and Danish national Central Securities Depositories ["CSD"]), owns Euronext FX Inc., a US-based Electronic Communication Network in the spot foreign exchange market and has a majority stake in Nord Pool, a leading power market in Europe offering intraday and day-ahead trading in the physical energy markets.

The Group's in-house IT function supports its exchange operations. In addition, the Group provides software licenses as well as IT development, operation and maintenance services to third-party exchanges.

These Consolidated Financial Statements were authorised for issuance by Euronext N.V.'s Supervisory Board on 30 March 2021 and will be submitted for adoption by the Annual General Meeting (AGM) of Shareholders on 11 May 2021.

NOTE 2 SIGNIFICANT EVENTS AND TRANSACTIONS

The financial position and performance of the Group was particularly affected by the following events and transactions that have occurred during the year:

Acquisition of London Stock Exchange Group Holdings Italia S.p.A. ("Borsa Italiana Group")

On 9 October 2020, the Group announced that it had entered into a binding agreement with London Stock Exchange Group plc ("LSEG") to acquire 100% of the issued share capital of London Stock Exchange Group Holdings Italia S.p.A. ("Borsa Italiana Group"), for a cash consideration of €4,325 million[(1)].

The acquisition creates the leading player in European capital markets infrastructure. It will strengthen Euronext's leadership in European cash equities, while achieving enhanced business diversification with new capabilities in fixed income trading and increasing post trade activities with a fully-owned, multi-asset clearing house and a scale central securities depository.

Initial financing of the transaction is fully secured through a bridge loan facility underwritten by a group of banks (see Note 29). Long-term financing will be implemented through a mix of (i) existing available cash, (ii) new debt and (iii) new equity to be issued, which comprises a private placement to long-term strategic investors CDP Equity S.p.A. and Intesa Sanpaolo S.p.A. and a rights offer to Euronext's shareholders.

The transaction is subject to a broad range of conditions of which several major conditions were already satisfied. The transaction is still subject to regulatory approvals in several jurisdictions. The completion of the transaction is expected in the first half of 2021.

The acquisition costs related to this transaction that were incurred during the year ended 31 December 2020, amounted to €8.2 million and were included in exceptional items (see Note 12).

For more details on the acquisition, reference is made to Note 40 "Events after the reporting period".

Acquisition of Nord Pool Holding AS ("Nord Pool")

On 15 January 2020, Euronext completed the acquisition of 66% of the share capital and voting rights in Nord Pool, which runs a leading physical power market in Europe. The total purchase consideration of the transaction amounted to €65.4 million (see Note 5).

Acquisition of VP Securities AS

On 3 August 2020, the Group acquired 85.2% of the outstanding share capital in VP Securities AS, the Danish national Central Securities Depository operator, for consideration of DKK 969.5 million, or €130.2 million. This represented a controlling interest of 86.8% (including 1.6% of treasury shares) in VP Securities AS.

(1) Plus an additional amount reflecting the cash generated to completion. Excluding cash and liquid assets (after deduction of regulatory requirements) and borrowings, representing a total net liability of €42 million as of 30 June 2020.

Subsequent to the transaction, the Group acquired the remaining 13.2% minority stake, making the Group the beneficial owner of 100% of the VP Securities AS shares as per 23 October 2020 (see Note 5).

Payment of contingent consideration payable and exercise of put option for remaining shares in Company Webcast B.V.

On 25 March 2020, the Group paid the €5.0 million contingent consideration payable to the former shareholders of Company Webcast B.V., as part of the 51% majority stake that was acquired on 14 February 2017 (see Note 35).

In addition, the minority shareholders exercised their put option for selling the remaining 49% of the shares in Company Webcast B.V. Consequently, the redemption liability of €22.3 million was paid, increasing the Group's ownership to 100% in Company Webcast B.V. (see Notes 4, 5 and 35).

Prior to payment of both liabilities, a revaluation result of €160k was recognised on the line Change in fair value of financial liabilities in Profit or Loss (see Note 13).

Payment of Contingent Consideration Payable and Exercise of Call Option for Remaining Shares in InsiderLog AB

On 11 February 2020, the Group paid the €3.6 million contingent consideration payable to the former shareholders of InsiderLog AB, as part of the 80% majority stake that was acquired on 17 January 2018 (see Note 35). Prior to payment, a revaluation result of €70k was recognised on the line Change in fair value of financial liabilities in Profit or Loss (see Note 13).

In addition, the Group exercised its call option for the remaining 20% of the shares in InsiderLog AB for an amount of €5.7 million, recognised directly in shareholders' equity, increasing the Group's ownership to 100% in InsiderLog AB (see Notes 4 and 5).

Exercise of Call Option for Remaining Shares in Euronext FX

On 22 December 2020, the Group exercised its call option for the remaining 2.7% of the shares in Euronext FX for an amount of €4.3 million, recognised directly in shareholders' equity, increasing the Group's ownership to 100% in Euronext FX (see Notes 4 and 5).

Bond Issue and New Revolving Credit Facility

On 22 June 2020, the Group successfully priced a tap offering of €250 million on its outstanding Senior Unsecured Note #2, rated A- by S&P, which is listed on Euronext Dublin and maturing in June 2029. Settlement of this tap-on Bond was made on 29 June 2020. This increases the total principal amount bearing interest at an annual rate of 1.125% to €750 million (see Note 29).

The proceeds of the issue will be used to (i) finance the acquisition of the outstanding shares of VP Securities AS and (ii) for general corporate purposes in line with the Group's strategy.

On 7 October 2020, the Group entered into a new revolving credit facility agreement of €600.0 million conditional to the closing of the acquisition of the Borsa Italiana Group, that allows the Group to apply all amounts borrowed by it towards (i) general corporate and/or working capital purposes of the Group, (ii) satisfaction of the consideration payable for an acquisition and/or (iii) the payment of fees, costs and expense incurred in relation to an acquisition. The revolving credit facility has a maturity of five years plus a two-year extension possibility and bears an interest rate of EURIBOR plus a margin dependent on rating (see Note 29).

Long-Term Incentive Plan 2020 and Share Repurchase Program

On 19 May 2020, a Long-Term Incentive plan ("LTI 2020") was established under the revised Remuneration Policy that was approved by the AGM in October 2019. The LTI cliff vests after three years whereby performance criteria will impact the actual number of shares at vesting date. The share price for this grant at grant date was €88.00 and 117,656 Restricted Stock Units ("RSU's") were granted. The total share-based payment expense at the vesting date in 2023 is estimated to be €10.4 million. Compensation expense recorded for this LTI 2020 plan amounted to €2.4 million in 2020.

Sale of Investment in Algomi Ltd.

On 6 March 2020, the Group sold its 7.74% minority stake in Algomi Ltd. to BGC Partners for a consideration of €2.6 million, comprising €1.9 million of cash receipt and €0.7 million of deferred receivable, pending any post-transaction settlements.

The investment was remeasured to fair value through Other Comprehensive Income at €2.6 million. Subsequently, the investment was derecognised and the realised portion of the historical revaluation gain (equal to the cash receipt of €1.9 million) was transferred within equity from FVOCI reserve to retained earnings (see Notes 20 and 35).

Sale of Investment in Associate European Central Counterparty N.V. ("EuroCCP")

On 1 July 2020, the Group sold its 20% investment in associate EuroCCP to CBOE Global Markets for a cash consideration of €8.8 million. The investment, classified as an asset held for sale, was subsequently derecognised (see Notes 7 and 22).

Changes in the Group's Key Management Personnel During 2020

As per 1 February 2020, Håvard Abrahamsen, CEO of Oslo Børs VPS, resigned from the Managing Board. At the Annual General Meeting (AGM) held on 14 May 2020, Øivind Amundsen was appointed to the Managing Board as his successor.

At the AGM held on 14 May 2020, Georges Lauchard was appointed to the Managing Board in the role of Chief Operating Officer, subject to and with effect from the grant of regulatory approval, which was obtained on 8 July 2020.

Immediately after the AGM held on 14 May 2020, Kerstin Günther retired from the Supervisory Board.

See Note 36, for more details on the Group's key management personnel.

Covid-19

The global pandemic from the Covid-19 outbreak has caused disruption to financial markets and normal patterns of business activity across the world, including in the markets in which the Group operates. In particular, unprecedented actions to protect public health and monetary and fiscal policy measures taken by governments and central banks make the severity of the economic impact of the Covid-19 pandemic very uncertain.

To protect the health and safety of employees, the Group applies the recommendations of local authorities: widespread remote working for staff (including ensuring all staff provided with required material), reinforced cleaning measures for those in Euronext offices, additional barriers, face masks and hand sanitizer for all employees, *etc*. Reinforced communication from management and mental health resources for employees was made available.

The current health situation has had no adverse impact so far on the Group's market operations. The Group has been able to ensure smooth and efficient running of critical functions and processes. Euronext markets remained open, servicing a highly volatile trading environment, positively impacting the Group's trading revenues. The effects of the Covid-19 outbreak did not lead to the Group making use of any financial support from governments in the form of reliefs or grants and did not lead to a negative impact on the Group's liquidity position or to an impairment of goodwill. As a result, the Covid-19 pandemic has had no adverse impact on the Group's Financial Statements for year ended 31 December 2020.

The Group continues to monitor and assess the impact of Covid-19. The pandemic has impacted, and continues to impact, the global economy and, as a result, the Group's trading revenues may suffer from loss of volume. This may also impact the Group's other Business Lines and, notably, its listings revenues as a result of a decrease in the number of initial public offerings. In addition, the pandemic has resulted in volatility in capital markets. Such volatility is unpredictable and, while it may lead to higher trading volumes, it can result in lower predictability over the Group's earnings. Therefore, as the ultimate severity of the Covid-19 pandemic is uncertain, the Group is not able to reasonably predict the impact it may have on its financial performance in 2021.

NOTE 3 SIGNIFICANT ACCOUNTING POLICIES AND JUDGMENTS

The significant accounting policies applied in the preparation of these Consolidated Financial Statements are set out below. These policies have been consistently applied to all the years presented, unless stated otherwise. The Financial Statements are for the Group consisting of Euronext N.V. and its subsidiaries.

A) Basis of preparation

The Consolidated Financial Statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) adopted by the European Union. They also comply with the financial reporting requirements included in Title 9 Book 2 of the Dutch Civil Code, as far as applicable.

The Consolidated Financial Statements have been prepared on a historical cost basis, unless stated otherwise.

B) Basis of consolidation

These Consolidated Financial Statements include the financial results of all subsidiaries in which entities in the Group have a controlling financial interest and it also incorporates the share of results from associates and joint ventures. The list of individual legal entities which together form the Group, is provided in Note 4. All transactions and balances between subsidiaries have been eliminated on consolidation. All transactions and balances with associates and joint ventures are reflected as related party transactions and balances (see Note 36).

(i) Subsidiaries

Subsidiaries are all entities controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

Intergroup transactions, balances and unrealised gains and losses on transactions between companies within the Group are eliminated upon consolidation unless they provide evidence of impairment. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the consolidated statement or profit or loss, statement of comprehensive income, statement of changes in equity and balance sheet respectively.

(ii) Associates and joint arrangements

Associates are entities over which the Group has the ability to exercise significant influence, but does not control. Generally, significant influence is presumed to exist when the Group holds 20% to 50% of the voting rights in an entity. Joint arrangements are joint operations or joint-ventures over which the Group, together with another party or several other parties, has joint control. Investments in associates and joint ventures are accounted for using the equity method of accounting.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the postacquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment. When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity. Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group. The carrying amount of equity-accounted investments is tested for impairment.

C) Business combinations

Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition by acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. The consideration transferred is measured at the fair value of any assets transferred, liabilities incurred and equity interests issued. The excess of the consideration transferred over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. To the extent applicable, any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree are added to consideration transferred for purposes of calculating goodwill. Contingent consideration is classified either as equity or as a financial liability. Amounts classified as a financial liability are subsequently re-measured to fair value with changes in fair value recognised in profit or loss.

D) Segment reporting

Segments are reported in a manner consistent with how the business is operated and reviewed by the chief operating decision maker ("CODM"), who is responsible for allocating resources and assessing performance of the operating segments. The chief operating decision maker of the Group is the Managing Board. The organisation of the Group reflects the high level of mutualisation of resources across geographies and product lines. Operating results are monitored on a group-wide basis and, accordingly, the Group represents one operating segment and one reportable segment. Operating results reported to the Managing Board are prepared on a measurement basis consistent with the reported Consolidated Statement of Profit or Loss.

In presenting and discussing the Group's financial position, operating results and net results, management uses certain Alternative performance measures not defined by IFRS. These Alternative performance measures (APMs) should not be viewed in isolation as alternatives to the equivalent IFRS measures and should be used as supplementary information in conjunction with the most directly comparable IFRS measures. Alternative performance measures do not have standardised meaning under IFRS and therefore may not be comparable to similar measures presented by other companies. The Group measures performance based on EBITDA[1], as management believes that this measurement is most relevant in evaluating the operating results of the Group. This measure is included in the internal management reports that are reviewed by the CODM.

Reference is made to one of the below definitions, whenever the term "EBITDA" is used throughout these Consolidated Financial Statements:

- EBITDA1: Operating profit before (i) exceptional items and (ii) depreciation and amortization, taking into account the lines described in the Consolidated Statement of Profit or Loss;
- EBITDA2: Profit before (i) interest expense, (ii) tax, (iii) any share of the profit of any associated company or undertaking, except for dividends received in cash by any member of the Group, (iv) exceptional items; and (v) depreciation and amortization;
- EBITDA3: EBITDA as defined in the Share Purchase Agreements of the acquired companies involved.

E) Foreign currency transactions and translation

(i) Functional and presentation currency

These Consolidated Financial Statements are presented in Euro (EUR), which is the Group's presentation currency. The functional currency of each Group entity is the currency of the primary economic environment in which the entity operates.

(ii) Transactions and balances

Foreign currency transactions are converted into the functional currency using the rate ruling at the date of the transactions. Foreign exchange gains or losses resulting from the settlement of such transactions and from the translation at year-end rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.

Exceptions to this are where the monetary items form part of the net investment in a foreign operation or are designated as hedges of a net investment, in which case the exchange differences are recognised in Other Comprehensive Income.

(iii) Group companies

The results and financial position of Group entities that have a functional currency different from the presentation currency are converted into the presentation currency as follows:

- assets and liabilities (including goodwill) are converted at the closing balance sheet rate;
- income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised as currency translation adjustments within Other Comprehensive Income.

F) Property, plant and equipment

Property, plant and equipment is carried at historical cost, less accumulated depreciation and any impairment loss. The cost of purchased property, plant and equipment is the value of the consideration given to acquire the assets and the value of other directly attributable costs. All repairs and maintenance costs are charged to expense as incurred.

Property, plant and equipment is depreciated on a straight-line basis over the estimated useful lives of the assets, except land and construction in process assets, which are not depreciated. The estimated useful lives, which are reviewed annually and adjusted if appropriate, used by the Group in all reporting periods presented are as follows:

Buildings (including leasehold improvements)	5 to 40 years
IT equipment	2 to 3 years
Other equipment	5 to 12 years
Fixtures and fittings	4 to 10 years

G) Leases

(i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost less any accumulated depreciation and if necessary any accumulated impairment. The cost of a right-of-use asset comprise the present value of the outstanding lease payments, any lease payments made at or before the commencement date less any lease incentives received, any initial direct costs and an estimate of costs to be incurred in dismantling or removing the underlying asset. If the lease transfers ownership of the underlying asset to the lessee at the end of the lease term or if the cost of the right-of-use asset reflects that the lessee will exercise a purchase option, the right-of-use asset is depreciated to the end of the useful life of the underlying asset. Otherwise the right-of-use asset is depreciated to the end of the lease term.

(ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable payments that depend on an index or rate and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments for penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs. In this context, the Group also applies the practical expedient that the payments for non-lease components are generally recognised as lease payments. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

(iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the lease of low-value assets recognition exemption to leases of office IT equipment and other staff equipment that are of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

H) Goodwill and other intangible assets

(i) Goodwill

Goodwill represents the excess of the consideration transferred in a business combination over the Group's share in the fair value of the net identifiable assets and liabilities of the acquired business at the date of acquisition. Goodwill is not amortised but is tested at least annually for impairment, or whenever an event or change in circumstances indicate a potential impairment.

For the purpose of impairment testing, goodwill arising in a business combination is allocated to the cash-generating units ("CGUs") or groups of CGUs that are expected to benefit from the synergies of the combination. Each CGU or CGU Group to which goodwill is allocated represents the lowest level within the Group at which the goodwill is monitored for internal management purposes.

The carrying value of a CGU Group is compared to its recoverable amount, which is the higher of its value in use and its fair value less costs of disposal. Impairment losses on goodwill are not subsequently reversed. Value in use is derived from the discounted future free cash flows of the CGU Group. Fair value less costs of disposal is based on discounted cash flows and market multiples applied to forecasted earnings. Cash flow projections are based on budget and business plan approved by management and covering a 2-year period in total. Cash flows beyond the business plan period are extrapolated using a perpetual growth rate. Key assumptions used in goodwill impairment test are described in Note 18.

(ii) Internally generated intangible assets

Software development costs are capitalised only from the date when all of the following conditions are met:

- the technical feasibility of the development project is demonstrated;
- it is probable that the project will be completed and will generate future economic benefits; and
- the project development costs can be reliably measured.

Capitalised software development costs are amortised on a straight-line basis over their useful lives, generally from two to seven years. Other development expenditures that do not meet these criteria, as well as software maintenance and minor enhancements, are expensed as incurred.

(iii) Other intangible assets

Other intangible assets, which are acquired by the Group, are stated at cost less accumulated amortisation and impairment losses (if applicable). The estimated useful lives are as follows:

Purchased software and licenses:	2-8 years
Customer relationships:	11-40 years
Brand names:	indefinite

I) Impairment of non-financial assets other than goodwill

Assets that are subject to amortisation and depreciation are reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable. Assets that have an indefinite useful life are not subject to amortisation nor depreciation and are tested at least annually for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. For purposes of assessing impairment, assets are grouped into Cash Generating Units ("CGUs"). A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent from other groups of assets. Non-financial assets, other than goodwill, that were previously impaired are reviewed for possible reversal of the impairment at each reporting date.

J) Derivative financial instruments and hedging activities

(i) Initial recognition and measurement

The Group uses derivative financial instruments, such as forward currency contracts and interest rate swaps, to hedge its foreign currency risk and interest rate risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

For the purpose of hedge accounting, hedges are classified as fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- there is "an economic relationship" between the hedged item and the hedging instrument;
- the effect of credit risk does not "dominate the value changes" that result from that economic relationship;
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

The hedges relevant to the Group, that meet all the qualifying criteria for hedge accounting are accounted for, as described below:

Fair Value Hedges

The change in the fair value of a hedging instrument is recognised in the statement of profit or loss. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the statement of profit or loss.

For fair value hedges relating to items carried at amortised cost, any adjustment to carrying value is amortised through profit or loss over the remaining term of the hedge using the Effective Interest Rate (EIR) method. The EIR amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss.

When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit or loss.

Hedges of a Net Investment

Hedges of a net investment in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, are accounted for as follows:

Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognised as Other Comprehensive Income while any gains or losses relating to the ineffective portion are recognised in the statement of profit or loss. On disposal of the foreign operation, the cumulative value of any such gains or losses recorded in equity is transferred to the statement of profit or loss.

The Group uses a foreign exchange forward contract as a hedge of its exposure to foreign exchange risk on its investments in foreign subsidiaries. Refer to Note 23 for more details.

K) Financial assets

The Group classifies its financial assets in the following measurement categories:

- financial assets measured at amortised cost;
- financial assets measured at fair value through Other Comprehensive Income (FVOCI);
- financial assets measured at fair value through profit or loss (FVPL).

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or Other Comprehensive Income. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through Other Comprehensive Income (FVOCI).

Except for trade receivables, at initial recognition the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest. Trade receivables are initially measured at their transaction price if they do not contain a significant financing component in accordance with IFRS 15.

(i) Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

Amortised Cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on de-recognition is recognised directly in profit or loss and presented in other gains/(losses), together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss. The Group's financial assets at amortised cost includes the Group's Trade and other receivables, loans and deposits included under (non-current) Financial assets at amortised cost, short-term deposits with a maturity of more than three months included under Other current financial assets and Cash and cash equivalents.

Fair Value Through Other Comprehensive Income

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. Movements in the carrying amount are taken through Other Comprehensive Income, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in Other Comprehensive Income is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss.

Fair Value Through Profit or Loss

Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in Other Comprehensive Income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the de-recognition of the investment. Dividends from such investments will be recognised in profit or loss as results from equity investments when the Group's right to receive payments is established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in Other Comprehensive Income. The Group elected to classify irrevocably its unlisted equity securities that are held as long-term strategic investments that are not expected to be sold in the foreseeable future.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(iii) Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments 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 Group 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.

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 required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade and contract receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group 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.

Further disclosures relating to impairment of financial assets are also provided in Note 37.4. The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

L) Trade receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. They are generally due for settlement within 30 days and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

M) Cash and cash equivalents

Cash and cash equivalents comprise cash at banks, highly liquid investments with original maturities of three months or less and investments in money market funds that are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

N) Borrowings

Borrowings are initially recorded at the fair value of proceeds received, net of transaction costs. Subsequently, these liabilities are carried at amortised cost, and interest is charged to profit or loss over the period of the borrowings using the effective interest method. Accordingly, any difference between the proceeds received, net of transaction costs, and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest rate method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

O) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. Restructuring provisions primarily comprise employee termination payments. Provisions are not recognised for future operating losses, unless there is an onerous contract. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pretax risk-free discount rate. The increase in the provision due to passage of time is recognised as interest expense.

An onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it.

P) Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business. Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Q) Post-employment benefits

The Group operates defined benefit pension schemes and defined contribution pension schemes. When the Group pays fixed contributions to a pension fund or pension insurance plan and the Group has no legal or constructive obligation to make further contributions if the fund's assets are insufficient to pay all pension benefits, the plan is considered to be a defined contribution plan. In that case, contributions are recognised as employee expense when they become due.

For the defined benefit schemes, the net asset or liability recognised on the balance sheet comprises the difference between the present value of the defined benefit pension obligation and the fair value of plan assets. A net asset is recognised only to the extent the Group has the right to effectively benefit from the plan surplus. The service cost, representing benefits accruing to employees in the period, and the net interest income or expense arising from the net defined benefit asset or liability are recorded within operating expenses in the Statement of Profit or Loss. Actuarial gains and losses arising from experience adjustments, changes in actuarial assumptions or differences between actual and expected returns on assets are recognised in equity as a component of Other Comprehensive Income. The impact of a plan amendment, curtailment or settlement is recognised immediately when it arises in profit or loss.

R) Share-based compensation

Certain employees of the Group participate in Euronext's share-based compensation plans. Awards granted by Euronext under the plans are restricted stock units ("RSUs"). Under these plans, Euronext receives services from its employees as consideration for equity instruments of the Group. As the awards are settled in shares of Euronext N.V., they are classified as equity settled awards.

The share-based compensation reflected in the Statement of Profit or Loss relates to the RSUs granted by Euronext to the Group's employees. The equity instruments granted do not vest until the employee completes a specified period of service, typically three years. The grant-date fair value of the equity settled RSUs is recognised as compensation expense over the required vesting period, with a corresponding credit to equity.

Euronext has performance share plans, under which shares are conditionally granted to certain employees. The fair value of awards at grant date is calculated using market-based pricing, i.e. the fair value of Euronext shares. This value is expensed over their vesting period, with a corresponding credit to equity. The expense is reviewed and adjusted to reflect changes to the level of awards expected to vest, except where this arises from a failure to meet a market condition or a non-vesting condition in which case no adjustment applies.

S) Treasury shares

The Group reacquires its own equity instruments. Those instruments ('treasury shares') are deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of an entity's own equity instruments. Such treasury shares may be acquired and held by the entity or by other members of the consolidated Group. Consideration paid or received is recognised directly in equity.

T) Revenue from contracts with customers

The Group is in the business of providing a diverse range of products and services combining transparent and efficient equity, fixed income securities and derivatives markets. The Group's main businesses comprise listing, cash trading, derivatives trading, spot FX trading, power trading, market data and indices, post-trade and market solutions & other. Revenue from contracts with customers is recognised when control of the good and services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that, except for the revenue sharing agreement with Intercontinental Exchange (ICE), it is principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in section "*Critical accounting estimates and assumptions*".

(i) Listing

Listing fees primarily consist of original listing fees paid by issuers to list securities on the various cash markets (admission fees), subsequent admission fees for other corporate actions (such as admission of additional securities) and annual listing fees paid by companies whose financial instruments are listed on the cash markets. The admission services around initial (and subsequent) admission and its directly related corporate action services are considered activities that the Group needs to undertake to enable the customer to be listed. These activities are combined with the ongoing listing services and are used as inputs to produce the combined output, which is the service of being listed. Consequently, revenue generated from this combined performance obligation is recognised based on time elapsed over the listing period, as this best reflects the continuous transfer of the listing services.

(ii) Trading

The Group earns cash trading fees for customer orders of equity securities, debt securities and other cash instruments on the Group's cash markets and earns derivative trading fees for the execution of trades of derivative contracts on the Group's derivative markets. Spot FX trading fees are earned for execution of trades of foreign exchange contracts on the FastMatch markets. Power trading fees are earned for execution of trades on Nord Pool's day ahead and intraday physical energy markets. Customers obtain control over the service provided at execution of the trade, which is the only performance obligation. Revenue is recognised at that point in time.

(iii) Advanced data services

The Group charges clients on a per-user basis for the access to its real-time and proprietary market data information services. The Group also collects periodic license fees from clients for the right to distribute the Group data to third parties. Customers obtain control over the market data service provided during the period over which it has access to the data. Consequently revenue is recognised based on time elapsed over the market data access period, as the Group meets its obligation to deliver data consistently throughout this period.

The Group generates indices revenues from Index licensing fees, which gives customers the right to apply Euronext Index Trademark names in their products and ETFs. The nature of an index-license is considered a distinct "right-to-access" license as the customer can reasonably expect the Group to undertake ongoing activities to support and maintain the value of its trademark names. Revenue generated from these licenses are therefore recognised evenly over the contractual period of the license, as this best reflects the continuous benefit from the license by the customer throughout this period.

(iv) Post trade

Post-trade revenue primarily include clearing, settlement and custody fees. Clearing fees are recognised when the clearing of the trading transaction is completed. Customers obtain control over the service provided at completion of clearing the securities, which is the only performance obligation. Revenue is recognised at that point in time. As the Group does not own its own clearing operation, it has put in place an agreement with LCH S.A. in which the latter is providing clearing service as a service provider, executing the service under control of the Group. The nature of the promise is the execution of a cleared trade on the Group's trading platforms. The Group controls the services that are derived from that promise, before it is transferred to the customer. This makes the Group the principal in the transaction of providing clearing services to its customers and consequently the Group recognises its clearing revenue on a gross basis.

Settlement fees are recognised when the settlement of the trading transaction is completed. Customers obtain control over the service provided at completion of the settlement of the securities, which is the only performance obligation. Revenue is recognised at that point in time. Custody fees are recognised as the service of holding the customer's securities in custody is performed. Revenue is recognised based on time elapsed over that period of time, as this best reflects the continuous transfer of services.

(v) Euronext Technologies & other

Euronext Technologies and other revenue include software license and maintenance services, IT (hosting) services provided to third-party market operators, connection services and data center colocation services provided to market participants, and other revenue.

Software licenses that are distinct can be considered a "right-to-use" license, given the significant stand-alone functionality of the underlying intellectual property. Consequently revenue will be recognised at the point in time of acceptance of the software and the source code by the customer. For software licenses that are combined with a significant modification service revenues are recognised over time, using the input method of labor hours spend during the significant modification period, as the Group has no alternative use for these combined performance obligations and would have an enforceable right to payment for performance completed to date. Revenue from software maintenance services are recognised evenly over the maintenance agreement period, as this best reflects the continuous transfer of maintenance services throughout the contract period.

The Group delivers hosting services to customers that are using the software installed in the Euronext data center to use the Group's trading platforms. Installation services provided before the start of a hosting service do not include significant client customisation of the software installed in the Euronext data center. The installation service itself does not transfer a good or service to the customer, but are required to successfully transfer the only performance obligation for which the customer has contracted, which is the hosting service. Revenue generated from this performance obligation is recognised evenly over the full service period of the hosting contract, as this best reflects the continuous transfer of hosting services to the customer.

Connection services and data center colocation services are provided under a revenue sharing agreement with Intercontinental Exchange (ICE). Euronext is providing ICE the right to provide services directly to Euronext customers, to which Euronext provides a continuous customer access to the relevant Euronext Group markets and as such, Euronext is arranging for the specified services to be provided by another party as an agent. Euronext customers connect to its markets *via* the ICE SFTI® network or rent colocation space in the ICE data centers that house Euronext's trading platforms. ICE receives fees from Euronext customers over the period of access to the SFTI® network and over the colocation rental period. The Group recognises its revenue share over that same period of time, using the practical expedient provided in IFRS 15.B16 that allows an entity to recognise revenue in the amount to which it has the right to invoice. The entitled amount that Euronext invoices to ICE corresponds directly with the value that Euronext's performance obligation has to ICE, which equals to the agreed commission.

The Group also generates revenue from other connection services that trading members are using primarily for the purpose of placing their cash and derivatives trading orders. Members enter into contracts that generate access availability for placing trading orders (the active logon session). Customers obtain control over the service provided during the period of access to their active logon session. Revenue is recognised evenly over that period of time, as this best reflects the continuous transfer of technology services.

(vi) Contract balances

Receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due from the customer). The Group refers to billed receivables as trade receivables, whereas unbilled receivables are referred to as *contract receivables* by the Group.

Contract Assets

A contract asset is the conditional right to consideration in exchange for goods or services transferred to the customer. Contract assets are transferred to receivables when the entitlement to consideration becomes unconditional and only the passage of time is required before payment is due.

Contract Liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

(vii) Significant financing component

Generally, the Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. The primary exception considers contracts containing listing services. As the payment for listing admission services appears upfront the start of the contract, the period between revenue recognition from listing admission services and payment by the customer can exceed one year. However the Group determined that the payment terms were structured not with the primary purpose of obtaining financing from the customer, but to minimize the risk of non-payment as there is not a stated duration of the period of the listing. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

(viii) Cost to obtain or fulfil a contract

The Group does not incur material costs to obtain contracts such as sales commissions. Costs to fulfil a contract are costs that relate directly to a contract or a specifically anticipated contract, generate or enhance resources of the Group that will be used to satisfy future performance obligations, and are recoverable. Costs to fulfill a contract are capitalised and amortised on a straight line basis over the term of the specific contract it relates to, consistent with the pattern of recognition of the associated revenue.

U) Exceptional items

Exceptional income and expense are identified based on their size, nature and incidence, and are disclosed separately in the Statement of Profit or Loss in order to provide further understanding of the financial performance of the Group. It includes clearly identifiable income and expense items which are infrequent and unusual by their size or by their nature.

V) Taxation

The income tax expense for the fiscal year is comprised of current and deferred income tax. Income tax expense is recognised in the Income Statements, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the income tax impact is also recognised in other comprehensive income or directly in equity.

(i) Current income tax

The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group operates and generates taxable income. The Group recognises liabilities for uncertain tax treatment when it is not probable that the tax authorities will accept the tax treatment. The liabilities are measured through one of the following methods depending on which method is expected to best predict the resolution of the tax uncertainty:

a) The most likely amount – the single most likely amount in a range of possible outcomes. The most likely amount may better predict the resolution of the uncertainty if the possible outcomes are binary or are concentrated on one value.

b) The expected value – the sum of the probability-weighted amounts in a range of possible outcomes. The expected value may better predict the resolution of the uncertainty if there is a range of possible outcomes that are neither binary nor concentrated on one value.

Estimated liabilities for uncertain tax treatments, along with estimates of interest and penalties, are presented within income taxes payable on the Balance Sheet and are included in current income tax expense in the Statement of Profit or Loss.

(ii) Deferred income tax

Deferred income tax is recognised on temporary differences arising between the tax basis of assets and liabilities and their carrying amounts in these Consolidated Financial Statements. However, deferred income tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss and at the time of the transaction, does not give rise to equal amounts of taxable and deductible temporary differences. If a transaction that is not a business combination gives rise to equal amounts of taxable and deductible differences, deferred taxation on the taxable temporary difference and the deductible temporary differences will be accounted for, which at initial recognition are equal and offset to zero (i.e. leases).

Deferred income tax is determined using tax rates that have been enacted or substantively enacted at the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. Deferred income tax is provided on temporary differences arising from investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority on the same taxable entity.

W) Non-current assets held for sale

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale. Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

X) Critical accounting estimates and assumptions

In the application of the Group's accounting policies, management is required to make 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 periods.

The following critical assumptions concerning the future, and other critical sources of estimation uncertainty at the end of the reporting period, have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

(i) Impairment of goodwill

The Group performs goodwill impairment reviews in accordance with the accounting policy described above in Note 18. The recoverable amount of a CGU Group is determined based on a discounted cash flow approach, which requires the use of estimates. The critical assumptions used and the related sensitivity analysis are described in Note 18.

(ii) Income taxes

Due to the inherent complexities arising from the nature of the Group's business, and from conducting business and being taxed in a substantial number of jurisdictions, critical assumptions and estimates are required to be made for income taxes. The Group computes income tax expense for each of the jurisdictions in which it operates. However, actual amounts of income tax due only become final upon filing and acceptance of the tax return by relevant authorities, which may not occur for several years subsequent to issuance of these Consolidated Financial Statements.

The estimation of income taxes also includes evaluating the recoverability of deferred income tax assets based on an assessment of the ability to use the underlying future tax deductions against future taxable income before they expire. This assessment is based upon existing tax laws and estimates of future taxable income. To the extent estimates differ from the final tax return, earnings may be affected in a subsequent period.

The Group operates in various countries with local tax regulations. New tax legislation being issued in certain territories as well as transactions that the Group enters into regularly result in potential tax exposures. The calculation of our tax liabilities involves uncertainties in the application of complex tax laws. Our estimate for the potential outcome of any uncertain tax treatment is highly judgmental. However, the Group believes that it has adequately provided for uncertain tax treatments. Settlement of these uncertainties in a manner inconsistent with our expectations could have a material impact on our results of operations, financial condition and cash flows. The Group recognises a liability for uncertain tax treatments when it is not probable that a taxation authority will accept an uncertain tax treatment.

(iii) Fair value of equity investments

The Group holds investments in unlisted equity securities which are carried at fair value in the balance sheet. The valuation methodology and critical assumptions are described in Note 20 and 35.

(iv) Classification of investments in associates

The Group classifies the interest in LCH SA as an investment in associate suggesting significant influence even though it owns less than 20% of the voting rights (see Note 7). The Group concluded that it has significant influence over this investment, which is derived from the governance structure that was put in place, the Group's position as the largest customer and sole minority shareholder of LCH SA.

(v) Contingent consideration and buy options resulting from business combinations

The Group may structure its business combinations in a way that leads to recognition of contingent consideration to selling shareholders and/or buy options for equity held by non-controlling interests. Contingent consideration and buy options are recognized at fair value on acquisition date. When the contingent consideration or buy option meets the definition of a financial liability or financial instrument, it is subsequently re-measured to fair value at each reporting date. The determination of fair value is based on the expected level of EBITDA3 over the last 12 months that precede the contractual date (in case of contingent consideration) or exercise date of the underlying call- and put options (in case of buy option). The Group monitors the expected EBITDA3 based on updated forecast information from the acquired companies involved.

(vi) Purchase price allocation

The cost of other intangible assets that are acquired in the course of business combinations, corresponds to their acquisition date fair values. Depending on the nature of the intangible asset, fair value is determined by application of:

- market approach (by reference to comparable transactions);
- income approach (Relief-from-Royalty- or Multi-period Excess Earnings Method);
- cost approach.

Assets with a finite useful life are amortized using the straight-line method over their expected useful life. Assets with an indefinite useful life are tested for impairment at least once a year.

(vii) Revenue from contracts with customers

The Group applied the following judgments that significantly affect the determination of the amount and timing of revenue from contracts with customers:

Identifying Performance Obligations and Determining the Timing of Revenue Recognition of Listing Admission Fees

The Group provides services related to the initial (and subsequent) listing of securities on its markets and hereto directly related corporate action services, and ongoing services related to the continuous listing.

The Group determined that the admission services around initial (and subsequent) admission and its directly related corporate action services do not transfer a good or service to the customer, but are considered activities that the Group needs to undertake to enable the customer to be listed. The Group concluded that these activities should be combined with the ongoing listing services and should be used as inputs to produce the combined output, which is the service of being listed. As the service of being listed is satisfied over a period of time, as the customer simultaneously receives and consumes the benefits from the service, the related revenues are therefore recognised over a period of time.

The Group determined that the period of time that best reflects the satisfaction of listing admission services is the period over which the customer actually benefits from the admission. An average lifetime of companies being listed on Euronext's markets would serve as best proxy for the period that a listing customer benefits from an admission. Based on historic evidence, the Group has defined the following average lifetimes for the relevant groupings of listed securities:

Equity admissions:	5 years
Bond- and fund admissions:	3 years
Equity subsequent admissions ("follow-on's"):	3 years

Revenue from the listing admission services is therefore recognised over those periods of time.

Cost to Obtain or Fulfil a Contract Related to Listing Admission Services

The Group has considered the type of cost that is directly associated to a listing contract and that can be separately identifiable. Such cost would typically concern staff cost incurred by the Listings team involved in admission- and subsequent listing of an issuer. There is no correlation between number of listings and staff cost associated to the Listings team.

The majority of the cost to obtain and fulfil the contract is incurred in the period before the actual admission. The remaining cost associated to an admission and subsequent listing that is recorded postadmission, and its impact on the Group's income statement, would be marginal, therefore the Group has decided not to capitalize cost incurred to obtain- or fulfil listing contracts.

Principal *Versus* Agent Considerations

The Group entered into a clearing agreement with LCH SA in respect of the clearing of trades on our continental Europe derivatives markets (the "Derivatives Clearing Agreement"). Under the terms of this Derivatives Clearing Agreement Euronext agreed with LCH SA to share revenues and receives clearing fee revenues based on the number of trades on these markets cleared through LCH SA. In exchange for that, we have agreed to pay LCH SA a fixed fee plus a variable fee based on revenues.

The definition of the accounting treatment of this agreement requires significant management judgment for the valuation and weighting of the indicators leading the principal *versus* agent accounting analysis. Based on all facts and circumstances around this arrangement, management has concluded that Euronext is "principal" in providing Derivatives clearing services to its trading members. Therefore Euronext recognizes (i) the clearing fees received are classified as post trade revenues, and (ii) the fixed and variable fees paid to LCH SA as other operational expenses.

(viii) Provision for Expected Credit Losses of Trade and Contract Receivables

The Group uses a provision matrix to calculate ECLs for trade and contract receivables. To measure expected credit losses, trade and contract receivables have been grouped based on shared credit risk characteristics and the days past due. The historical loss rates are based on the payment profiles of the sales over a period of 24 months before reporting date and the corresponding historical credit losses experience within this period. The historical loss rates are adjusted to reflect current and forward-looking factors specific to the debtors and economic environment.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade and contract receivables is disclosed in Note 37.4.

(ix) Determining the Lease Term of Contracts With Extension and Termination Options

In determining the lease term, management assesses the period for which the contract is enforceable. It considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). If the Group concludes that the contract is enforceable beyond the notice period of a cancellable lease (or the initial period of a renewable lease), it then need to assess whether the Group is reasonably certain not to exercise the option to terminate the lease. However in general, the Group's lease portfolio contains very limited leases that include renewal or termination options.

(x) Estimating the Incremental Borrowing Rate (IBR)

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using the observable inputs (such as market interest rates) when available and makes certain entity-specific estimates if needed.

Y) Changes in Accounting Policies and Disclosures

The International Accounting Standards Board (IASB) continues to issue new standards and interpretations, and amendments to existing standards. The Group applies these new standards when effective and endorsed by the European Union. The Group has not opted for early adoption for any of these standards.

(i) New and Amended Standards and Interpretations

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2020.

Amendments to References to the Conceptual Framework in IFRS Standards

Amendments to References to the Conceptual Framework in IFRS Standards sets out the amendments to affected standards, except to IFRS 3 Business Combinations and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, in order to update references to the Conceptual Framework. In most cases, the standard references are updated to refer to the Conceptual Framework. These amendments are effective for reporting periods beginning on or after 1 January 2020. Since the Group's current practice is in line with these amendments, they had no impact on the Consolidated Financial Statements of the Group.

Amendments to IFRS 3 Business Combinations – Definition of a Business

The amendment to IFRS 3 clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. Furthermore, it clarified that a business can exist without including all of the inputs and processes needed to create outputs. Companies are required to apply the amended definition of a business to acquisitions that occur on or after 1 January 2020. These amendments had no impact on the business combinations entered into by the Group in 2020, but may impact future periods should the Group enter into any business combinations.

Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Material

The amendments provide a new definition of material that states "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose Financial Statements make on the basis of those Financial Statements, which provide financial information about a specific reporting entity."

The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the Financial Statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users.

The amendments to IAS 1 and IAS 8 are required to be applied for annual periods beginning on or after 1 January 2020. The amendments must be applied prospectively. These amendments had no impact on the Consolidated Financial Statements of, nor is there expected to be any future impact to the Group.

Amendments to IFRS 9 Financial Instruments, IFRS 7 Financial Instruments: Disclosures and IAS 39 Financial Instruments: Recognition and Measurement – Interest Rate Benchmark Reform

The amendments to IFRS 9 and IAS 39 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainties about the timing and or amount of benchmark-based cash flows of the hedged item or the hedging instrument.

The effective date of the amendments is for annual periods beginning on or after 1 January 2020. The requirements must be applied retrospectively. However, any hedge relationships that have previously been de-designated cannot be reinstated upon application, nor can any hedge relationships be designated with the benefit of hindsight. These amendments had no material impact on the Consolidated Financial Statements of the Group.

(ii) Future Implications of New and Amended Standards and Interpretations Not Yet Adopted

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's Financial Statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

IFRS 17 – Insurance Contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. IFRS 17 is effective for reporting periods beginning on or after 1 January 2021, with comparative figures required. This standard does not affect the Group.

Amendments to IFRS 16 Covid-19 Related Rent Concessions

On 28 May 2020, the IASB issued Covid-19-Related Rent Concessions – amendment to IFRS 16 Leases. The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification. The amendment applies to annual reporting periods beginning on or after 1 June 2020. The Group adopted early application of this amendment, which had no impact on the Consolidated Financial Statements of the Group.

Amendments to IFRS 9 Financial Instruments, IAS 39 Financial Instruments: Recognition and Measurement, IFRS 7 Financial Instruments: Disclosures, IFRS 4 Insurance Contracts and IFRS 16 Leases – Interest Rate Benchmark Reform (Phase 2)

The amendments address issues that might affect financial reporting during the reform of an interest rate benchmark, including the effects of changes to contractual cash flows or hedging relationships arising from the replacement of an interest rate benchmark with an alternative benchmark rate (replacement issues). The Phase 2 amendments apply only to changes required by the interest rate benchmark reform to financial instruments and hedging relationships. The amendments are required to be applied for annual periods beginning on or after 1 January 2021. The requirements must be applied retrospectively. The amendments are expected to have limited impact on the Group's Consolidated Financial Statements.

Amendments to IAS 1 Presentation of Financial Statements – Classification of Liabilities as Current or Non-current

The amendments clarify the criteria for determining whether to classify a liability as current or non-current. The amendments specify that the conditions which exist at the end of the reporting period are those which will be used to determine if a right to defer settlement of a liability exists regardless of whether the lender tests for compliance at that date or at a later date. Therefore, any expectations about events after the reporting period (and prior to the authorisation of Financial Statements) do not affect the assessment made at the end of the reporting period as to the classification of the liability. The amendments further clarify the situations that are considered settlement of a liability.

Companies are required to apply the amendments for annual periods beginning on or after 1 January 2023. The amendments must be applied retrospectively in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. Earlier application is permitted. The Group is currently still assessing the impact of these amendments on the Group's Consolidated Financial Statements.

Amendments to IAS 16 Property, Plant and Equipment – Proceeds Before Intended Use

The amendments address the accounting for any proceeds received from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The amendments specify that an entity would recognise the proceeds from selling such items, and the costs of producing those items, in profit or loss.

Companies are required to apply the amendment to annual reporting periods beginning on or after 1 January 2022. The amendment must be applied retrospectively but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the Financial Statements in which the entity first applies the amendments. Earlier application is permitted. The amendments are not expected to have a material impact on the Group.

Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract

The amendments specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments specify that the cost of fulfilling a contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract consist of both:

- the incremental costs of fulfilling that contract – for example, direct labour and materials; and
- an allocation of other costs that relate directly to fulfilling contracts – for example, an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling that contract among others.

The amendments further specify that before a separate provision for an onerous contract is established, an entity recognises any impairment loss that has occurred on assets used in fulfilling the contract.

Companies are required to apply the amendments to annual reporting period beginning on or after 1 January 2022. Earlier application is permitted. An entity shall apply the amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). The entity shall not restate comparative information. The Group is currently assessing the impact of these amendments on the Group's Consolidated Financial Statements.

Amendments to IFRS 3 Business Combinations – References to the Conceptual Framework

The amendments replaced the reference to an old version of the IASB's Conceptual Framework (the 1989 Framework) with a reference to the current version issued in March 2018 (the Conceptual Framework). The amendments further added an exception to the recognition principle in IFRS 3. That is, for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21, if incurred separately, an acquirer would apply IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to identify the obligations it has assumed in a business combination. The amendment further added an explicit statement in the standard that an acquirer cannot recognise contingent assets acquired in a business combination.

Companies are required to apply the amendments business acquisitions on or after the beginning of annual reporting period beginning on or after 1 January 2022. Earlier application is permitted if at the same time or earlier an entity also applies all the amendments made by Amendments to References to the Conceptual Framework in IFRS Standards, issued in March 2018. Since the Group's current practice is in line with the amendments, the amendments are expected to have no impact on the Group's Consolidated Financial Statements.

Annual Improvements Cycle – 2018-2020

The IASB issued the 2018-2020 cycle improvements to its standards and interpretations. These improvements include:

- *IFRS 9 Financial instruments* – The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability, when determining whether to derecognise a financial liability that has been modified or exchanged. There is no similar amendment proposed for IAS 39. An entity applies the amendments for annual reporting periods beginning on or after 1 January 2022. An entity shall apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. Early application is permitted. These amendments are expected to have no impact on the Consolidated Financial Statements of the Group;
- *Illustrative Examples accompanying IFRS 16 Leases* – The amendment removes the illustration of payments from the lessor relating to leasehold improvements in Illustrative Example 13 accompanying IFRS 16. This removes potential confusion regarding the treatment of lease incentives when applying IFRS 16. These amendments will have no impact on the Consolidated Financial Statements of the Group;
- *IAS 41 Agriculture*. These amendments will have no impact on the Consolidated Financial Statements of the Group.

There are no other IFRS's or IFRIC interpretations not yet effective, that would be expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

NOTE 4 GROUP INFORMATION

The following tables provide an overview of the Group's subsidiaries, associates, joint-ventures and non-current investments:

		Ownership	
Subsidiaries	Domicile	As at 31 December 2020	As at 31 December 2019
Enternext S.A.[(a)]	France	0.00%	100.00%
Euronext Amsterdam N.V.	The Netherlands	100.00%	100.00%
Euronext Brussels S.A./N.V.	Belgium	100.00%	100.00%
Euronext IP & IT Holding B.V.	The Netherlands	100.00%	100.00%
Euronext Hong Kong Limited	Hong Kong	100.00%	100.00%
Euronext Lisbon S.A.[(b)]	Portugal	100.00%	100.00%
Euronext London Ltd.	United Kingdom	100.00%	100.00%
Euronext Paris S.A.[(a)]	France	100.00%	100.00%
Euronext Technologies S.A.S.	France	100.00%	100.00%
Euronext Technologies Unipessoal Lda.	Portugal	100.00%	100.00%
Interbolsa S.A.[(c)]	Portugal	100.00%	100.00%
The Irish Stock Exchange Plc.[(d)]	Ireland	100.00%	100.00%
ISE Old Co. Ltd.	Ireland	0.00%	100.00%
Irish Stock Exchange Services Ltd.	Ireland	0.00%	100.00%
European Wholesale Markets Ltd.	Malta	80.00%	80.00%
Euronext Corporate Services B.V.	The Netherlands	100.00%	100.00%
Company Webcast B.V.[(e)]	The Netherlands	100.00%	51.00%
iBabs B.V.	The Netherlands	60.00%	60.00%
MSI Services B.V.	The Netherlands	60.00%	60.00%
IR Soft Ltd.	United Kingdom	100.00%	100.00%
InsiderLog AB[(f)]	Sweden	100.00%	80.00%
Euronext US Inc.	United States	100.00%	100.00%
Euronext Market Services LLC	United States	100.00%	100.00%
Euronext Markets Americas LLC	United States	100.00%	100.00%
Euronext FX Inc.[(g)]	United States	100.00%	97.30%
Euronext Markets Singapore Pte Ltd.[(g)]	Singapore	100.00%	97.30%
Euronext UK Holding Ltd.	United Kingdom	100.00%	100.00%
Commcise Software Ltd.	United Kingdom	79.00%	78.00%
Commcise India Pltd.	India	79.00%	78.00%
Oslo Børs VPS Holding ASA[(h)]	Norway	0.00%	100.00%
Oslo Børs ASA	Norway	100.00%	100.00%
Verdipapirsentralen ASA ("VPS")	Norway	100.00%	100.00%
Oslo Market Solutions AS	Norway	100.00%	100.00%
Fish Pool ASA	Norway	97.00%	97.00%
Centevo AB	Sweden	100.00%	100.00%
NOTC AS	Norway	100.00%	100.00%
Euronext Nordics Holding AS[(h)]	Norway	100.00%	100.00%
Finance Web Working SAS[(i)]	France	60.00%	60.00%
Nord Pool Holding AS[(j)]	Norway	66.00%	0.00%
Nord Pool AS[(j)]	Norway	66.00%	0.00%
Nord Pool Finland Oy[(j)]	Finland	66.00%	0.00%

		Ownership	
Subsidiaries	**Domicile**	**As at 31 December 2020**	**As at 31 December 2019**
Nord Pool AB[j]	Sweden	66.00%	0.00%
Nord Pool Consulting AS[j]	Norway	66.00%	0.00%
European Market Coupling Operator AS[j]	Norway	66.00%	0.00%
European Market Coupling Operator AB[j]	Sweden	66.00%	0.00%
European Market Coupling Operator OY[j]	Finland	66.00%	0.00%
Black Woodpecker Software Oy[k]	Finland	100.00%	0.00%
Troisieme Sens[l]	France	100.00%	0.00%
VP Securities AS[m]	Denmark	100.00%	0.00%
Stichting Euronext Foundation[n]	The Netherlands	0.00%	0.00%
Associates	**Domicile**		
Tredzone S.A.S.[o]	France	0.00%	34.04%
European Central Counterparty N.V.[p]	The Netherlands	0.00%	20.00%
LCH SA	France	11.10%	11.10%
Tokeny Solutions	Luxembourg	23.50%	23.50%
Joint Ventures	**Domicile**		
Algonext Ltd.[q]	United Kingdom	0.00%	50.00%
LiquidShare S.A.	France	16.23%	16.23%
FinansNett Norge	Norway	50.00%	50.00%
Non-current investments	**Domicile**		
Sicovam Holding S.A.	France	9.60%	9.60%
Euroclear S.A./N.V.	Belgium	3.53%	3.53%
Nordic Credit Rating AS	Norway	5.00%	5.00%
Association of National Numbering Agencies	Belgium	2.20%	2.20%
Investor Compensation Company Designated Activity Company	Ireland	33.30%	33.30%
Algomi Ltd.[r]	United Kingdom	0.00%	7.74%

(a) In December 2020, Enternext S.A. merged with Euronext Paris S.A.
(b) Legal name of Euronext Lisbon S.A. is Euronext Lisbon – Sociedade Gestora de Mercados Regulamentados, S.A.
(c) Legal name of Interbolsa S.A. is Interbolsa – Sociedade Gestora de Sistemas de Liquidaçao e de Sistemas Centralizados de Valores Mobiliários, S.A.
(d) The Irish Stock Exchange plc. operates under the business name Euronext Dublin.
(e) On 25 March 2020, the Group increased its ownership in Company Webcast B.V. to 100% (see Note 5).
(f) On 11 February 2020, the Group increased its ownership in Insiderlog AB to 100% (see Note 5).
(g) On 22 December 2020, the Group increased its ownership in Euronext FX to 100% (see Note 5).
(h) On 7 September 2020, Oslo Børs VPS Holding ASA merged with Euronext Nordics Holding AS.
(i) Finance Web Working SAS is operating under the business name Euronext Funds360 (or OPCVM360).
(j) On 15 January 2020, the Group acquired 66% of the share capital and voting rights in Nord Pool Holding AS and its subsidiaries (see Note 5).
(k) On 2 June 2020, the Group acquired 100% of the shares in Black Woodpecker Software Oy, operating under the business name "Ticker" (see Note 5).
(l) On 8 July 2020, the Group acquired 100% of the shares in Troisième Sens, operating under the business name "3Sens" (see Note 5).
(m) On 3 August 2020, the Group acquired 85.2% of the share capital and voting rights in VP Securities AS. In the subsequent months, the Group increased its interest to 100% (see Note 5).
(n) Stichting Euronext Foundation is not owned by the Group but included in the scope of consolidation.
(o) On 10 March 2020, Tredzone S.A.S. was dissolved.
(p) On 1 July 2020, the Group sold its 20% interest in European Central Counterparty N.V. (see Notes 7 and 22).
(q) On 14 July 2020, Algonext Ltd. was dissolved.
(r) On 6 March 2020, the Group sold its 7.74% investment in Algomi Ltd (see Notes 20 and 35).

NOTE 5 BUSINESS COMBINATIONS AND ACQUISITION OF NON-CONTROLLING INTERESTS

The acquisitions that occurred during the year are set out below.

5.1 Acquisition of Nord Pool Holding AS ("Nord Pool")

On 15 January 2020, Euronext completed the acquisition of 66% of the share capital and voting rights in Nord Pool, the second largest power market in Europe, for a cash consideration of €65.4 million.

With the acquisition of Nord Pool, Euronext diversifies its revenue mix by entering the power market, and reinforces its commodity franchise. This transaction also contributes to the Group's ambition to grow its presence in the Nordic region and further strengthens Oslo as Euronext's main hub in the Nordics. The Transmission System Operators (TSOs), formerly the sole owners, retained a 34% stake in Nord Pool Holding AS.

Details of the purchase consideration, the net assets acquired and goodwill are reflected in the tables below.

Purchase consideration:

In thousands of euros	Fair Value
Cash paid	65,429
TOTAL PURCHASE CONSIDERATION	**65,429**

The assets and liabilities recognised as a result of the acquisition were as follows:

In thousands of euros	Fair Value
Assets	
Property, plant and equipment	549
Right-of-use assets	2,272
Intangible assets: brand names	3,736
Intangible assets: customer relations	16,325
Intangible assets: software platform	13,304
Other intangible assets	2,036
Deferred tax assets	162
Derivatives financial instruments	12
Trade and other receivables	95,330
Cash and cash equivalents	163,316
Liabilities	
Non-current lease liabilities	(1,547)
Deferred tax liabilities	(7,340)
Post-employment benefits	(278)
Current lease liabilities	(727)
Current income tax liabilities	(1,900)
Trade and other payables	(229,219)
Net identifiable assets acquired	**56,031**
Less: non-controlling interest	(19,051)
Add: Goodwill	28,449
TOTAL PURCHASE CONSIDERATION	**65,429**

The goodwill is primarily attributable to the expected synergies and other benefits from combining the assets and activities of Nord Pool, with those of the Group. The goodwill is not deductible for income tax purposes.

Acquired receivables

The fair value of trade and other receivables was €95.3 million and included €89.9 million of trade receivables, which is not materially different to the gross contractual amount and it is expected that the full contractual amounts can be collected.

Non-controlling interest

The Group has chosen to recognise the non-controlling interest at the proportionate share of the net assets acquired. As such, non-controlling interest on acquisition amounted to €19.1 million (34% of €56.0 million).

Revenue and profit contribution

From the date of the acquisition, Nord Pool has contributed €35.9 million of revenue and €4.5 million of net profit to the Group. If the acquisition would have occurred on 1 January 2020, Group consolidated revenue and profit for the year ended 31 December 2020 would have been €885.9 million and €320.7 million respectively.

Analysis of cash flows on acquisition

In thousands of euros	2020
Acquisition related costs	(2,126)
Included in cash flows from operating activities	**(2,126)**
Cash consideration	(65,429)
Less: Balances acquired	163,316
Included in cash flows from investing activities	**97,887**
NET CASH FLOW ON ACQUISITION	**95,761**

Acquisition related costs

Acquisition related costs of €2.1 million were expensed and recognised in professional services. The majority of these costs (€1.9 million) were recognised in the statement of profit or loss for the year ended 31 December 2019.

5.2 Acquisition of VP Securities AS

On 23 April 2020, Euronext announced it had entered into definitive agreements to acquire c.70% of the shares of VP Securities from its existing owners, the Danish Central Bank and four major Danish financial institutions, Danske Bank, Nykredit, Nordea and Jyske Bank (the "Majority Sellers"). The price offered for 100% of the outstanding share capital (representing 98.4% of the total shares, as VP securities owns 1.6% of treasury shares) was DKK1.12 billion (c. €150 million). Euronext opened a tag-along offer to all remaining shareholders (the "Minority Sellers") to acquire the remaining shares at the same terms and conditions.

VP Securities is the Danish Central Securities Depository (CSD), covering fixed income, equity and investment funds, and a key infrastructure helping to finance Denmark's real economy. The acquisition of VP Securities significantly expands Euronext's footprint in the Nordic region. The transaction will double Euronext's central securities depository business in size, further improving Euronext's revenue mix and marking an important milestone towards Euronext's strategic goal of building the leading European market infrastructure.

On 15 July 2020, Euronext received the clearance from the Danish Financial Supervisory Authority to acquire up to 100% of VP Securities, which was the only mandatory approval to complete the transaction.

On 3 August 2020, all Majority Sellers' shares and part of the Minority Sellers' shares, representing in total 85.2% of the outstanding share capital of VP Securities, were settled for consideration of DKK 969.5 million, or €130.2 million. On that day Euronext became legal owner of a controlling interest of 86.8% (including 1.6% of treasury shares) in VP Securities.

At the acquisition date, the Group measured the remaining 13.2% of non-controlling interest at fair value (i.e. based on the purchase consideration paid to acquire the 85.2%) for a total amount of DKK 150.5 million, or €19.9 million.

Details of the purchase consideration, the preliminary net assets acquired (including preliminary PPA outcomes) and goodwill are reflected in the tables below.

Purchase consideration:

In thousands of euros	Fair Value
Cash paid	130,184
TOTAL PURCHASE CONSIDERATION	**130,184**

The net assets and liabilities recognised as a result of the acquisition were as follows:

In thousands of euros	Fair Value
Assets	
Property, plant and equipment	1,425
Right-of-use assets	8,070
Intangible assets: brand names	6,043
Intangible assets: customer relations	31,826
Intangible assets: software platform	38,934
Non-current other assets	824
Trade and other receivables	7,918
Other current financial assets	56,435
Cash and cash equivalents	16,418
Liabilities	
Non-current lease liabilities	(6,447)
Deferred tax liabilities	(16,897)
Non-current other provisions	(239)
Current lease liabilities	(1,623)
Current income tax liabilities	(2,128)
Trade and other payables	(6,572)
Current other provisions	(1,000)
Net identifiable assets acquired	**132,987**
Less: non-controlling interest	(19,927)
Add: Goodwill	17,124
TOTAL PURCHASE CONSIDERATION	**130,184**

The goodwill is primarily attributable to the expected synergies and other benefits from combining the assets and activities of VP Securities, with those of the Group. The goodwill is not deductible for income tax purposes.

Acquired receivables

The fair value of trade and other receivables was €7.9 million, and included €5.2 million of trade receivables, which is not materially different to the gross contractual amount and it is expected that the full contractual amounts can be collected.

Revenue and profit contribution

From the date of the acquisition, VP Securities has contributed €27.6 million of revenue and €5.6 million of net profit to the Group. If the acquisition would have occurred on 1 January 2020, Group consolidated revenue and profit for the year ended 31 December 2020 would have been €923.0 million and €328.5 million respectively.

Analysis of cash flows on acquisition

In thousands of euros	2020
Acquisition related costs	(1,717)
Included in cash flows from operating activities	**(1,717)**
Cash consideration	(130,184)
Less: Balances acquired	16,418
Included in cash flows from investing activities	**(113,766)**
NET CASH FLOW ON ACQUISITION	**(115,483)**

Acquisition related costs

Acquisition related costs of €1.7 million were expensed and recognised in professional services.

Related transaction of acquisition of the remaining 13.2% minority stake

Euronext opened a tag-along offer to acquire the remaining shares in VP Securities, that remained open until 31 August 2020. Acceptances under this tag-along offer resulted in settlement of another 12.6% of the outstanding share capital in VP securities on 14 September 2020, for consideration of DKK 143.7 million, or €19.1 million. This increased the Group's ownership to 99.4% (including 1.6% of treasury shares).

On 17 September 2020, Euronext initiated a compulsory acquisition procedure to acquire the remaining 0.6% of the shares not already tendered, in accordance with the rules of the Danish Companies Act. This compulsory acquisition was settled on 23 October 2020, for consideration of DKK 6.8 million, or €0.8 million. As from that date, the Group owns 100% of VP Securities.

5.3 Acquisition of Black Woodpecker Software Oy ("Ticker")

On 2 June 2020, the Group acquired 100% of the share capital in Black Woodpecker Software Oy, a regulatory technology specialist from Finland, for a cash consideration of €1.7 million, plus a contingent consideration payable depending on future financial performance.

At acquisition date this contingent consideration payable was valued at €1.0 million and was recognised in other current financial liabilities, with subsequent measurement through profit or loss. The net assets acquired were not material and the related goodwill amounted to €2.6 million. At 31 December 2020, the contingent consideration payable was remeasured to fair value at €0.5 million (see Note 35).

5.4 Acquisition of Troisième Sens ("3Sens")

On 8 July 2020, the Group acquired 100% of the share capital in Troisième Sens ("3Sens"), a webcast and corporate events specialist in France, for a cash consideration of €1.6 million. The net assets acquired were not material and the related goodwill amounted to €1.5 million.

5.5 Acquisition of Additional Interest by Exercise of Put Option For Remaining Shares in Company Webcast B.V.

On 25 March 2020, the minority shareholders exercised their put option for selling the remaining 49% of the shares in Company Webcast B.V., increasing the Group's ownership to 100%.

Cash consideration of €22.3 million was paid to the non-controlling shareholders. As a consequence, the related redemption liability that the Group had recognised on acquisition, was derecognised.

Prior to payment, a revaluation result of €0.1 million was recognised on the line Change in fair value of financial liabilities in Profit or Loss (see Note 13). The Group recognised a decrease in non-controlling interest of €1.7 million.

The effect on the shareholders equity for the year ended 31 December 2020 is summarized below:

In thousands of euros	
Consideration paid to non-controlling interests	(22,296)
Derecognition of redemption liability	22,296
Carrying amount of non-controlling interest acquired	1,660
DIFFERENCE RECOGNISED IN RETAINED EARNINGS	**1,660**

5.6 Acquisition of Additional Interest by Exercise of Call Option For Remaining Shares in InsiderLog AB

On 11 February 2020, the Group exercised its call option for the remaining 20% of the shares in InsiderLog AB, increasing the Group's ownership to 100%.

Cash consideration of €5.7 million was paid to the non-controlling shareholders, which was recognised directly against shareholders' equity. The Group recognised a decrease in non-controlling interest of €0.3 million.

The effect on the shareholders equity for the year ended 31 December 2020 is summarized below:

In thousands of euros	
Consideration paid to non-controlling interests	(5,686)
Carrying amount of non-controlling interest acquired	303
DIFFERENCE RECOGNISED IN RETAINED EARNINGS	**(5,383)**

5.7 Acquisition of Additional Interest by Exercise of Call Option For Remaining Shares in Euronext FX

On 22 December 2020, the Group exercised its call option for the remaining 2.7% of the shares in Euronext FX, increasing the Group's ownership to 100%.

Cash consideration of €4.3 million was paid to the non-controlling shareholders, which was recognised directly against shareholders' equity. The Group recognised a decrease in non-controlling interest of €1.4 million.

The effect on the shareholders equity for the year ended 31 December 2020 is summarized below:

In thousands of euros	
Consideration paid to non-controlling interests	(4,276)
Carrying amount of non-controlling interest acquired	1,351
DIFFERENCE RECOGNISED IN RETAINED EARNINGS	**(2,925)**

NOTE 6 NON-CONTROLLING INTERESTS (NCI)

Financial information of subsidiaries that have material non-controlling interest is provided below.

Proportion of equity interest held by non-controlling interests:

Name of entity	Place of business/ country of Incorporation	% of ownership interest held by NCI 2020 %	2019 %
Nord Pool Holding AS	Norway	34.00	–
iBabs B.V.[(a)]	The Netherlands	40.00	40.00
Commcise Software Ltd.[(b)]	United Kingdom	21.00	22.00
Euronext FX Inc.	United States	–	2.70
Company Webcast B.V.	The Netherlands	–	49.00

(a) The Group has a call option to acquire the remaining stake in iBabs B.V.

(b) In 2020, the Group exercised a call option to acquire an additional 1% stake in Commcise Software Ltd. for €0.3 million. The Group has another call option to acquire the remaining stake in Commcise Software Ltd.

The summarized financial information of these subsidiaries is provided below. This information is based on amounts before intercompany eliminations.

SUMMARISED BALANCE SHEET

	Nord Pool Holding AS		iBabs B.V.		Commcise Software Ltd.		Euronext FX Inc.		Company Webcast B.V.	
(In thousands of euros)	31 Dec. 2020	31 Dec. 2019	31 Dec. 2020	31 Dec. 2019	31 Dec. 2020	31 Dec. 2019	31 Dec. 2020	31 Dec. 2019	31 Dec. 2020	31 Dec. 2019
Current assets	87,540	–	17,422	13,175	9,351	6,543	22,231	21,692	6,405	6,038
Current liabilities	60,567	–	7,163	5,870	4,197	3,540	7,556	7,027	4,904	4,209
Current net assets	**26,973**	**–**	**10,259**	**7,305**	**5,154**	**3,003**	**14,675**	**14,665**	**1,501**	**1,829**
Non-current assets	32,836	–	18,479	20,606	7,172	9,082	43,660	45,065	5,958	2,383
Non-current liabilities	7,457	–	4,607	4,435	1,359	1,538	7,419	7,543	1,145	902
Non-current net assets	**25,379**	**–**	**13,872**	**16,171**	**5,813**	**7,544**	**36,241**	**37,522**	**4,813**	**1,481**
NET ASSETS	**52,352**	**–**	**24,131**	**23,476**	**10,967**	**10,547**	**50,916**	**52,187**	**6,314**	**3,310**
Accumulated NCI	17,799	–	9,652	9,390	2,303	2,320	–	1,409	–	1,622

SUMMARISED STATEMENT OF COMPREHENSIVE INCOME

	Nord Pool Holding AS		iBabs B.V.		Commcise Software Ltd.		Euronext FX Inc.		Company Webcast B.V.	
(In thousands of euros)	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Revenue	35,907	–	16,528	13,726	5,834	5,006	27,045	25,563	10,336	6,778
Profit for the year	**4,479**	**–**	**7,654**	**5,384**	**993**	**387**	**7,197**	**4,641**	**2,978**	**1,671**
OCI	(323)	–	–	–	107	135	3	104	–	–
TOTAL COMPREHENSIVE INCOME	**4,156**	**–**	**7,654**	**5,384**	**1,100**	**522**	**7,200**	**4,745**	**2,978**	**1,671**
Profit/(loss) allocated to NCI	1,523	–	3,062	2,153	209	85	128	125	22	819
Dividends paid to NCI	–	–	2,800	1,200	–	–	110	109	–	–

SUMMARISED CASH FLOW INFORMATION

(In thousands of euros)	Nord Pool Holding AS 2020	Nord Pool Holding AS 2019	iBabs B.V. 2020	iBabs B.V. 2019	Commcise Software Ltd. 2020	Commcise Software Ltd. 2019	Euronext FX Inc. 2020	Euronext FX Inc. 2019	Company Webcast B.V. 2020	Company Webcast B.V. 2019
Cash flow from operating activities	(75,670)	–	10,203	11,919	4,067	1,338	14,091	12,881	1,385	3,334
Cash flow from investing activities	162,239	–	(235)	(298)	(93)	(10)	(7,089)	(7,606)	(2,627)	(473)
Cash flow from financing activities	(15,352)	–	(7,000)	(3,035)	(272)	231	(5,666)	(4,188)	(188)	(76)
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	**71,217**	**–**	**2,968**	**8,586**	**3,702**	**1,559**	**1,336**	**1,087**	**(1,430)**	**2,785**

NOTE 7 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

7.1 Interests in Associates and Joint Ventures

Set out below are the associates and joint ventures of the Group as at 31 December 2020. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

Name of entity	Place of business/ country of Incorporation	% of ownership interest 2020	% of ownership interest 2019	Nature of relationship	Carrying amount *(In thousands of euros)* 2020	Carrying amount *(In thousands of euros)* 2019
LCH SA	France	11.1%	11.1%	Associate[(a)]	61,461	59,957
European Central Counterpary N.V.	The Netherlands	-	20.0%	Associate[(b)]	-	-
Immaterial joint ventures					2,142	2,270
Immaterial associates					4,448	4,799
TOTAL EQUITY ACCOUNTED INVESTMENTS					**68,051**	**67,025**

(a) LCH SA is a Continental European clearing house, offering clearing services for a diverse range of asset classes. As described in Note 3, the Group has determined that it has significant influence over LCH SA even though it only holds 11.1% of the voting rights.

(b) European Central Counterparty N.V. ("EuroCCP") is a CCP for pan-European equity markets providing clearing and settlement services.

EuroCCP

In 2019, the Group entered into a binding agreement to sell its 20% minority stake in EuroCCP. As a result of this agreement, the Group impaired the value of its investment by approximately €6.0 million, and classified the investment at its expected proceeds of approximately €8.8 million, as an asset held for sale as per 31 December 2019 (see Note 22).As a consequence of the impairment, EuroCCP contributed a €5.6 million loss to the line "Share of net profit/(loss) of associates and joint ventures accounted for using the equity method, and impairments thereof" in the Consolidated Statement of Profit or Loss for the year ended 31 December 2019. On 1 July 2020, the Group sold its 20% minority stake in associate EuroCCP to CBOE Global Markets, alongside the other EuroCCP shareholders, for a cash consideration of €8.8 million. Following the sale, the investment was derecognised (see Note 22).

7.2 Commitments and Contingent Liabilities in Respect of Associates and Joint Ventures

The Group has no outstanding contingent liabilities with respect to its associates or joint ventures.

7.3 Summarised Financial Information For Associates and Joint Ventures

The tables below provide summarised financial information for those associates and joint ventures that are material to the Group. The information disclosed reflects the amounts presented in the Financial Statements of the relevant associates or joint ventures and not Euronext's share of those amounts. They have been amended to reflect adjustments made by the entity when using the equity method, including fair value adjustments and modifications for differences in accounting policy.

SUMMARISED BALANCE SHEET

	LCH SA	
(In thousands of euros)	31 December 2020	31 December 2019
Non-current assets	121,432	117,488
Current assets	530,580,180	474,207,180
Non-current liabilities	(16,700)	(17,200)
Current liabilities	(530,293,200)	(473,929,300)
Net assets	**391,712**	**378,168**
Reconciliation to carrying amounts:		
Opening net assets 1 January	378,168	355,144
Adjustments	(4,356)	(2,276)
Profit/(loss) for the year[a]	88,500	72,200
Other comprehensive income	400	(900)
Dividends paid	(71,000)	(46,000)
Closing net assets	**391,712**	**378,168**
Group's share in %	11.1%	11.1%
Group's share in thousands of euros	43,481	41,977
Goodwill	17,980	17,980
CARRYING AMOUNT	**61,461**	**59,957**

(a) In 2020, LCH SA contributed a €9.4 million profit (2019: €7.7 million) to the line Share of net profit/(loss) of associates and joint ventures accounted for using the equity method, and impairments thereof' in the Consolidated Statement of Profit or Loss.

SUMMARISED STATEMENT OF COMPREHENSIVE INCOME

	LCH SA	
(In thousands of euros)	2020	2019
Revenue	181,800	160,500
Profit from continuing operations	**88,500**	**72,200**
Profit from discontinued operations	–	–
Profit for the year	**88,500**	**72,200**
Other comprehensive income	400	(900)
TOTAL COMPREHENSIVE INCOME	**88,900**	**71,300**
Dividends received from associates	7,870	5,097

7.4 Individually Immaterial Associates and Joint Ventures

In addition to the interest in material associates and joint ventures disclosed above, the Group also has interests in individually immaterial associates and individually immaterial joint ventures, that are all accounted for using the equity method.

Individually immaterial associates

The Group has an 23.5% interest in Tokeny Solutions, a tokenization platform that provides users end-to-end solutions to issue, manage and transfer tokenized securities on public blockchain.

On 10 March 2020, associate Tredzone S.A.S., a low latency software developer was dissolved. Subsequently the Group's interest of 34.04% in Tredzone S.A.S. was derecognised.

In thousands of euros	2020	2019
Aggregate carrying amount of individually immaterial associates	4,448	4,799
Aggregate amounts of the Group's share of:		
Profit/(loss) from continuing operations	(350)	(201)
Post-tax profit or loss from discontinued operations	–	–
Other comprehensive income	–	–
TOTAL COMPREHENSIVE INCOME	**(350)**	**(201)**

Individually immaterial joint ventures

The Group has an interest of 50% in joint venture FinansNett Norge AS, a company offering data communications through a metropolitan area network (MAN) in Oslo. This network provides communication services for use by backup and disaster recovery solutions as used by brokers and other participants in the financial sector.

In addition, the Group (sharing joint control with the other founders) has an interest of 16.23% in LiquidShare SAS, a fintech joint venture with the objective to improve SME's access to capital markets and improving the transparency and security of post-trading operations using blockchain technology.

On 14 July 2020, joint venture Algonext Ltd. was dissolved. Subsequently the Group's interest of 50% in Algonext Ltd. was derecognised.

In thousands of euros	2020	2019
Aggregate carrying amount of individually immaterial joint ventures	2,142	2,270
Aggregate amounts of the Group's share of:		
Profit/(loss) from continuing operations	(106)	(3)
Post-tax profit or loss from discontinued operations	–	–
Other comprehensive income	–	–
TOTAL COMPREHENSIVE INCOME	**(106)**	**(3)**

NOTE 8 REVENUE FROM CONTRACTS WITH CUSTOMERS

8.1 Disaggregated Revenue Information

Substantially all of the Group's revenues are considered to be revenues from contracts with customers. At 31 December 2020 and 2019, there were no customers that individually exceeded 10% of the Group's revenue.

Set out below is the disaggregation of the Group's revenue from contracts with customers:

Major revenue stream *(In thousands of euros)*	Year ended 31 December 2020	Timing of revenue recognition – Product or service transferred: at a point in time	Timing of revenue recognition – Product or service transferred: over time	Year ended 31 December 2019	Timing of revenue recognition – Product or service transferred: at a point in time	Timing of revenue recognition – Product or service transferred: over time
Listing	145,473	12,291	133,182	128,951	7,587	121,364
of which						
Primary listing services and other	113,047	1,049	111,998	104,491	600	103,891
Corporate services	32,426	11,242	21,184	24,460	6,987	17,473
Trading revenue	365,100	365,100	–	272,810	272,810	–
of which						
Cash trading	262,226	262,226	–	205,565	205,565	–
Derivatives trading	49,206	49,206	–	44,324	44,324	–
FX trading	26,352	26,352	–	22,921	22,921	–
Power trading	27,316	27,316	–	–	–	–
Investor services	7,584	316	7,268	5,735	244	5,491
Advanced data services	139,036	1,269	137,767	128,756	1,210	127,546
Post-trade	177,228	118,264	58,964	104,831	70,791	34,040
of which						
Clearing	67,056	67,056	-	55,237	55,237	–
Custody & Settlement and other	110,172	51,209	58,963	49,594	15,554	34,040
Euronext Technology Solutions & other revenue	49,725	2,540	47,185	37,805	1,885	35,920
Other income	172	172	–	220	220	–
TOTAL REVENUE FROM CONTRACTS WITH CUSTOMERS	**884,318**	**499,952**	**384,366**	**679,108**	**354,747**	**324,361**

In 2020, the "point in time" *versus* "over time" ratio in the line *Custody and Settlement and other* was impacted by the full year contribution of VPS and the impact of VP Securities as from the acquisition. These two CSDs generate relatively more transaction based revenue compared to custody fees, whereas Interbolsa generates less transaction based revenue compared to custody fees. In 2019, *Custody and Settlement and other* comprises the full year contribution of Interbolsa and 6.5 months of VPS impact.

Set out below is the geographical information of the Group's revenue from contracts with customers:

In thousands of euros	France	Netherlands	United Kingdom	Belgium	Portugal	Ireland	United States	Norway	Sweden	Denmark	Finland	Hong Kong	Total
2020													
Revenue from contracts with customers[(a)]	372,200	188,295	5,936	33,049	33,212	39,188	27,557	148,700	8,266	27,618	281	16	884,318
2019													
Revenue from contracts with customers[(a)]	331,248	160,072	5,299	30,966	33,236	35,668	23,202	57,075	2,293	–	–	49	679,108

(a) Cash trading, Derivatives trading, Clearing and Advanced data services revenues are attributed to the country where the exchange is domiciled. Revenues from other categories are attributed to the billing entity.

8.2 Contract Balances

The Group has recognised the following assets and liabilities related to contracts with customers:

In thousands of euros	31 December 2020	31 December 2019	1 January 2019
Trade receivables (Note 21)	107,633	93,856	70,815
Contract receivables (Note 21)	24,926	19,878	21,996
Contract liabilities (Note 33)	106,874	108,620	96,948

Trade receivables are non-interest bearing and are generally due on terms of 30 to 90 days and represent amounts in respect of billed revenue, for which the Group has an unconditional right to consideration (i.e. only the passage of time is required before payment of the consideration is due). Trade receivables increased by €13.8 million, which is almost fully attributable to the acquisitions of Nord Pool and VP Securities, partly offset by foreign exchange impacts in Oslo Børs.

Contract receivables represent amounts in respect of unbilled revenue, for which the Group has an unconditional right to consideration (i.e. only the passage of time is required before payment of the consideration is due). Contract receivables increased by €5.0 million, primarily caused by the acquisitions of Nord Pool and VP Securities for €2.8 million.

In 2020, €3.4 million (2019: €1.6 million) was recognised as provision for expected credit losses on trade and contract receivables. The increase in loss allowance provision, was due to i) a higher customer base in general, ii) longer period of amounts outstanding, iii) adjustment of historical loss rates for non-trading customers to reflect increased risk in current economic environment and iv) increase of individually assessed customers at risk (see Notes 21 and 37.4).

Contract liabilities primarily relate to received consideration (or an amount of consideration is due) from customers for the initial (or subsequent) listing of equity securities, bond lifetime fees, indices licenses, software maintenance & hosting and corporate services. In 2020, the newly acquired subsidiaries didn't comprise substantial contract liabilities and therefore did not increase the contract liability position. The decrease of €1.7 million in contract liabilities was primarily attributable to foreign exchange impacts in Oslo Børs.

Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period amounted to €55.4 million (2019: €47.1 million). This increase is primarily caused by the impacts from Oslo Børs and Commcise Software Ltd. The amount of revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods was considered not significant (2019: not material).

8.3 Performance Obligations

Information about the Group's performance obligations are described in Note 3 "Significant accounting policies and judgements".

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) are as follows:

In thousands of euros	31 December 2020	31 December 2019
Within one year	67,919	67,902
More than one year	57,772	61,384
TOTAL	**125,691**	**129,286**

The remaining performance obligations expected to be recognised in more than one year primarily relate to the initial (or subsequent) listing of equity securities and bond lifetime fees which are recognised over the related listing period. Other performance obligations included in this category are software maintenance & hosting contracts, Indices license contracts and corporate services license contracts. As less fees related to the initial or subsequent listing of equity securities were added to the long-term listing admission fees balance during the year than that were released to the income statement, the long-term listing admission fees balance decreased. The approach of the expiry date of certain long-term technology solutions contacts also contributed to a decrease in the remaining performance obligations expected to be recognised.

NOTE 9 SALARIES AND EMPLOYEE BENEFITS

	Year ended	
In thousands of euros	31 December 2020	31 December 2019
Salaries and other short term benefits	(143,563)	(108,443)
Social Security contributions	(39,515)	(32,993)
Share-based payment costs	(8,519)	(6,943)
Pension cost – defined benefit plans	(2,892)	(1,292)
Pension cost – defined contribution plans	(4,481)	(3,474)
TOTAL	**(198,970)**	**(153,145)**

At the end of the year, the number of employees, based on full-time equivalents (FTE) stood at 1,435 (2019: 1,071). The increase in FTE was primarily the result of additional employees of the newly acquired companies during the year.

In 2020, "Share based payments costs" primarily contain costs related to the LTI Plans 2017, 2018, 2019 and 2020. Details of these plans are disclosed in Note 28.

NOTE 10 DEPRECIATION AND AMORTIZATION

	Year ended	
In thousands of euros	31 December 2020	31 December 2019
Depreciation of tangible fixed assets	(10,094)	(9,898)
Amortisation of intangible fixed assets	(32,368)	(22,831)
Amortisation of right-of-use assets	(15,314)	(10,947)
TOTAL	**(57,776)**	**(43,676)**

Amortisation of intangible fixed assets included €22.2 million (2019: €14.5 million) of software and customer relations amortisation from acquired companies as from their acquisition dates (see Note 18).

NOTE 11 OTHER OPERATIONAL EXPENSES

	Year ended	
In thousands of euros	31 December 2020	31 December 2019
Systems and communications	(38,527)	(26,385)
Professional services	(54,989)	(37,070)
Clearing expenses	(33,067)	(29,402)
Accommodation	(6,767)	(5,467)
Other expenses[a]	(31,950)	(28,219)
TOTAL	**(165,300)**	**(126,543)**

(a) Other expenses include marketing, taxes, insurance, travel, professional membership fees, corporate management and other expenses.

In 2020, Professional services contained the acquisition cost related to Nord Pool and VP Securities (see Note 5). These costs were not included in Note 12 "Exceptional items", as these transactions did not have a transformational character.

NOTE 12 EXCEPTIONAL ITEMS

In thousands of euros	Year ended 31 December 2020	Year ended 31 December 2019
Restructuring costs	(4,338)	(5,671)
Acquisition costs	(8,828)	(11,730)
Claims provisions/settlements	(1,500)	–
Write-off/impairment intangible assets	(1,549)	–
Settlement Algomi investment and related items	–	(1,341)
Termination of contracts	(172)	(2,245)
Litigation provisions/settlements	(770)	–
Onerous contract costs	(244)	(857)
Other	72	(27)
TOTAL	**(17,330)**	**(21,871)**

In 2020, exceptional items included:

- €4.3 million of restructuring costs mainly related to expenses for employee termination benefits in the various Euronext locations, with the main impacts in VP Securities, Euronext Amsterdam and Euronext Paris;
- €8.8 million of costs incurred for contemplated acquisitions of major significance to the Group, potentially changing the Group's form or character (transformational acquisitions), which primarily relate to the acquisition of the Borsa Italiana Group (see Note 2);
- €1.5 million of claims provision related to the trading platform outage on 19 October 2020;
- €1.5 million of impact from the write-off/impairment of software (see Note 18);
- €0.2 million of costs related to termination of contracts in Oslo Børs VPS;
- €0.8 million of litigation provisions attributable to individual legal cases;
- €0.2 million of costs related to onerous commercial contracts.

In 2019, exceptional items included:

- €5.7 million of restructuring costs mainly related to expenses for employee termination benefits in the various Euronext locations;
- €11.7 million of costs incurred for contemplated acquisitions of major significance to the Group, potentially changing the Group's form or character (transformational acquisitions), which primarily relate to the acquisition of Oslo Børs VPS;
- €1.3 million of settlement payment related to the investment in Algomi Ltd.;
- €2.2 million related to the early termination of various IT contracts within Oslo Børs VPS;
- €0.9 million of costs related to onerous commercial contracts.

If the exceptional items were presented by nature, salaries and employee benefits would increase by €4.3 million (2019: €5.7 million), depreciation and amortization would increase by €1.5 million (2019: €0.0 million) and other operational expenses would increase by €11.5 million (2019: €16.2 million). They relate to both income and expenses.

NOTE 13 NET FINANCING INCOME/(EXPENSE)

	Year ended	
In thousands of euros	31 December 2020	31 December 2019
Interest expense (effective interest method)	(17,043)	(11,632)
Interest in respect of lease liabilities	(525)	(555)
Other finance costs	306	336
Finance costs	**(17,262)**	**(11,851)**
Contingent consideration payables (see Note 35)	394	(1,310)
Redemption liabilities (see Note 35)	(131)	(11,965)
Change in fair value of financial liabilities	**263**	**(13,275)**
Interest income (effective interest method)	1,029	1,879
Interest income from interest rate swaps	4,949	4,971
Hedging result	(27)	124
Gain/(loss) on disposal of treasury investments	84	198
Net foreign exchange gain/(loss)	(1,836)	539
Other net financing income/(expense)	**4,199**	**7,711**
TOTAL	**(12,800)**	**(17,415)**

Interest expense for the year comprises the full year impacts of interest expenses related to Bond (#1) issued in April 2018 and Bond (#2) issued in June 2019. In addition, it includes the interest expenses following the tap offering on Bond #2, that was issued in June 2020 (see Notes 2 and 29).

In 2020, current financial liabilities were remeasured through profit or loss by €0.3 million. The comparative period was primarily impacted by the remeasurement of the contingent consideration payable and redemption liability related to Company Webcast B.V. (see Note 35).

Other net financing income was negatively impacted by foreign currency translation effects, primarily due to fluctuations in NOK.

Hedging result consists of gains or losses resulting from the ineffective part of the fair value hedge and net investment hedge (see Note 23).

NOTE 14 RESULTS FROM EQUITY INVESTMENTS

	Year ended	
In thousands of euros	31 December 2020	31 December 2019
Dividend income	1,646	7,270
TOTAL	**1,646**	**7,270**

In 2020, dividend income relates to dividends received from the Group's non-current equity investments at FVOCI in Sicovam Holding S.A.

In 2019, dividend income relates to dividends received from the Group's non-current equity investments at FVOCI in Euroclear S.A./N.V. and Sicovam Holding S.A.

NOTE 15 INCOME TAX EXPENSE

In thousands of euros	2020	2019
Current tax expense	(126,073)	(106,513)
Deferred tax expense	3,916	6,219
TOTAL	**(122,157)**	**(100,294)**

The actual tax charge incurred on the Group's profit before income tax differs from the theoretical amount that would arise using the weighted average tax rates applicable to profit before income tax of the consolidated entities as follows:

RECONCILIATION OF EFFECTIVE TAX CHARGE

In thousands of euros	2020	2019
Profit before income tax	442,704	325,572
Income tax calculated at domestic tax rates applicable to profits in the respective countries	(118,302)	(92,492)
Tax effects of:		
Non-deductible expenses[(a)]	(3,021)	(8,847)
Other tax exempt income[(b)]	1,135	205
Over provided in prior years[(c)]	–	275
Other(d)	(1,969)	565
TOTAL	**(122,157)**	**(100,294)**

(a) In 2020, non-deductible expenses mainly relate to non-deductible M&A expenses. In 2019, non-deductible expenses mainly relate to non-deductible M&A expenses and increased redemption liability.

(b) In 2020, other tax exempt income mainly relates to dividends and sales proceeds from investments.

(c) In 2020, "over provided in prior years" and under provided were balanced.

(d) As from 2014, the Company applies the statutory tax rates without (temporary) surcharges (in Portugal and France) to the profit before income tax to calculate tax at domestic rates. The (temporary) surcharges (-€2.9 million) have been included in the line "Other" Furthermore the line Other includes the impacts of statutory tax rate changes on deferred tax positions (-€.9 million) and an R&D tax credit of €1.7 million.

The Netherlands and France have changed their future tax rates (see Note 19). The recalculation of deferred tax resulting from these changes had a negative impact of €2.3 million, which is included in the line "Other".

The effective tax rate decreased from 30.8% for the year ended 31 December 2019 to 27.6% for the year ended 31 December 2020. These rates are practically in line with the normalized tax rate.

NOTE 16 PROPERTY, PLANT AND EQUIPMENT

In thousands of euros	Land & Buildings	Hardware & IT	Other Equipment[a]	Total
As at 31 December 2018				
Cost	25,779	34,576	50,564	110,919
Accumulated depreciation and impairment	(5,445)	(26,007)	(40,583)	(72,035)
Net book amount	**20,334**	**8,569**	**9,981**	**38,884**
As at 1 January 2019 net book amount	**20,334**	**8,569**	**9,981**	**38,884**
Exchange differences	(81)	16	(19)	(84)
Additions	7,674	2,930	4,059	14,663
Disposals & other	(1)	42	(90)	(49)
Acquisitions of subsidiaries	11,250	–	4,123	15,373
Depreciation charge (Note 10)	(680)	(4,745)	(4,473)	(9,898)
As at 31 December 2019 net book amount	**38,496**	**6,812**	**13,582**	**58,890**
As at 31 December 2019				
Cost	48,455	37,632	74,649	160,736
Accumulated depreciation and impairment	(9,959)	(30,820)	(61,067)	(101,846)
Net book amount	**38,496**	**6,812**	**13,582**	**58,890**
As at 1 January 2020 net book amount	**38,496**	**6,812**	**13,582**	**58,890**
Exchange differences	(653)	(54)	(405)	(1,112)
Additions	861	4,310	1,478	6,649
Disposals & other	131	(494)	60	(303)
Transfers	–	2,768	(2,768)	–
Acquisitions of subsidiaries (Note 5)	–	1,328	666	1,994
Depreciation charge (Note 10)	(1,366)	(6,082)	(2,646)	(10,094)
As at 31 December 2020 net book amount	**37,469**	**8,588**	**9,967**	**56,024**
As at 31 December 2020				
Cost	52,454	55,115	59,767	167,336
Accumulated depreciation and impairment	(14,985)	(46,527)	(49,800)	(111,312)
Net book amount	**37,469**	**8,588**	**9,967**	**56,024**

(a) Other Equipment includes building fixtures and fitting and lease improvements.

Last year, the significant increase in Property Plant and Equipment was primarily related to the acquired stock exchange building included in the acquisition of Oslo Børs VPS.

NOTE 17 LEASES

The Group leases offices in the various locations from which the Group operates its business, IT-hardware equipment such as data servers, racks and mainframes and leases of other equipment for use by its staff in offices. Lease of offices generally have an average lease term of four years, while hardware IT equipment generally have an average lease term of three years. Rental contracts are typically made for fixed periods, but may occasionally have extension options. Furthermore, the Group has very limited leases that contain variable lease payments and has no leases that are exposed to residual value guarantees. Payments associated with short-term leases (containing a lease term of 12 months or less) and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss.

17.1 Amounts Recognised in the Balance Sheet

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	Right-of-use assets			
In thousands of euros	Building	Equipment	Other	Total
At 1 January 2019	**52,066**	**2,186**	**–**	**54,252**
Additions	1,794	–	–	1,794
Acquisition of subsidiary	6,692	–	–	6,692
Depreciation charge (see Note 10)	(10,042)	(905)	–	(10,947)
Exchange impacts and other	(39)	–	–	(39)
At 31 December 2019	**50,470**	**1,281**	**–**	**51,751**
Additions	447	461		908
Acquisition of subsidiary (see Note 5)	10,343	–		10,343
Depreciation charge (see Note 10)	(14,053)	(1,261)		(15,314)
Exchange impacts and other	(765)	–		(765)
At 31 December 2020	**46,442**	**481**	**–**	**46,923**

Set out below are the carrying amounts of lease liabilities and the movements during the period:

In thousands of euros	2020	2019
At 1 January	**55,150**	**56,217**
Additions	808	1,673
Acquisition of subsidiary	10,343	6,692
Accretion of interest	525	555
Payments	(14,890)	(9,744)
Exchange impacts and other	(985)	(242)
At 31 December	**50,951**	**55,150**
Of which are:		
Non-current lease liabilities	35,051	41,180
Current lease liabilities	15,900	13,970

The maturity analysis of the lease liabilities are as follows:

In thousands of euros	Less than One year	between one and three years	between three and five years	More than five years	Total
2020					
Lease liabilities	15,900	28,933	4,535	1,583	50,951
2019					
Lease liabilities	13,970	23,541	16,459	1,180	55,150

17.2 Amounts Recognised in the Statement of Profit or Loss

The statement of profit or loss shows the following amounts related to leases:

In thousands of euros	2020	2019
Depreciation charge of right-of-use assets		
Building	(14,053)	(10,042)
Equipment	(1,261)	(905)
Other	–	–
Interest expense (included in finance cost)	(525)	(555)
Expenses related to short-term leases (included in other operational expenses)	(167)	(350)
Expenses related to leases of low-value asset (included in other operational expenses)	(682)	(650)
TOTAL	**(16,688)**	**(12,502)**

The total cash outflow for leases in 2020 was €15.7 million (2019: €10.7 million). The Group’s exposure to potential future cash outflows related to variable lease payments, extension or termination options and residual value guarantees was not material.

NOTE 18 GOODWILL AND OTHER INTANGIBLE ASSETS

In thousands of euros	Goodwill	Internally developed software	Purchased softw. Constr. in Pr. Patents & TrMr	Intangible assets recognised on acquisition of subsidiaries			Total
				Software	Customer Relations	Brand Names	
As at 31 December 2018							
Cost	644,299	93,503	46,297	12,815	74,393	7,181	878,488
Accumulated amortisation and impairment	(53,341)	(67,380)	(42,183)	(4,701)	(5,247)	–	(172,852)
Net book amount	**590,958**	**26,123**	**4,114**	**8,114**	**69,146**	**7,181**	**705,636**
As at 1 January 2019 net book amount	**590,958**	**26,123**	**4,114**	**8,114**	**69,146**	**7,181**	**705,636**
Exchange differences	(221)	49	28	108	(679)	118	(597)
Additions	–	9,655	1,739	–	–	–	11,394
Impairment charge/write off	–	(199)	–	–	–	–	(199)
Transfers and other	–	9	84	–	–	–	93
Acquisitions of subsidiaries	501,319	1,344	652	38,919	223,030	–	765,264
Amortisation charge (Note 10)	–	(6,758)	(1,563)	(6,330)	(8,180)	–	(22,831)
As at 31 December 2019 net book amount	**1,092,056**	**30,223**	**5,054**	**40,811**	**283,317**	**7,299**	**1,458,760**
As at 1 December 2019							
Cost	1,145,397	140,018	49,167	51,963	296,836	7,299	1,690,680
Accumulated amortisation and impairment	(53,341)	(109,795)	(44,113)	(11,152)	(13,519)	–	(231,920)
Net book amount	**1,092,056**	**30,223**	**5,054**	**40,811**	**283,317**	**7,299**	**1,458,760**
As at 1 January 2020 net book amount	**1,092,056**	**30,223**	**5,054**	**40,811**	**283,317**	**7,299**	**1,458,760**
Exchange differences	(43,039)	(380)	(133)	(2,967)	(16,469)	(691)	(63,679)
Additions	–	11,219	1,350	–	–	–	12,569
Impairment charge/write off	–	–	(1,549)	–	–	–	(1,549)
Transfers and other	758	231	(797)	–	–	–	192
Acquisitions of subsidiaries (Note 5)	49,655	16,439	3,768	34,420	48,151	9,779	162,212
Amortisation charge (Note 10)	–	(8,218)	(1,973)	(9,825)	(12,352)	–	(32,368)
As at 31 December 2020 net book amount	**1,099,430**	**49,514**	**5,720**	**62,439**	**302,647**	**16,387**	**1,536,137**
As at 31 December 2020							
Cost	1,153,753	172,229	55,574	82,982	327,916	16,387	1,808,841
Accumulated amortisation and impairment	(54,323)	(122,715)	(49,854)	(20,543)	(25,269)	–	(272,704)
Net book amount	**1,099,430**	**49,514**	**5,720**	**62,439**	**302,647**	**16,387**	**1,536,137**

Goodwill impairment test

Goodwill is monitored and tested for impairment at the lowest CGU Group level of the Group to which goodwill acquired in a business combination is allocated (see Note 3). Following the acquisitions of Euronext FX (former FastMatch Inc.) in 2017 and Nord Pool Holding AS in 2020 and the allocation of goodwill from those transactions to respectively the "FX Trading" CGU and the "Nord Pool" CGU, the Group tests goodwill at the level of three CGUs (Groups): "Euronext", "FX Trading" and "Nord Pool".

Euronext CGU (Group)

The recoverable value of the "Euronext" CGU Group is based on its fair value less cost of disposal, applying a discounted cash flow approach, and corroborated by observation of Company's market capitalisation. The fair value measurement uses significant unobservable inputs and is therefore categorised as a Level 3 measurement under IFRS 13.

Cash flow projections are derived from the 2021 budget and the business plan for 2022. Key assumptions used by management include third party revenue growth, which factors future volumes of European equity markets, the Group's market share, average fee per transaction, and the expected impact of new product initiatives. These assumptions are based on past experience, market research and management expectation of market developments.

For the impairment test performed as of 31 December 2020, revenues have been extrapolated using a perpetual growth rate of 1.3% (2019: 1.0%) after 2021. The weighted average cost of capital applied was 6.9% (2019: 7.3%).

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The annual impairment testing of the "Euronext" CGU Group performed at each year-end did not result in any instance where the carrying value of the operating segment exceeded its recoverable amount. Recoverable amount is sensitive to key assumptions. As of 31 December 2020, a reduction to 0% per year of third party revenue growth during the explicit forecast period, a reduction to 0% per year of perpetual growth rate, or an increase by 1% per year in discount rate, which management believes are individually reasonably possible changes to key assumptions, would not result in a goodwill impairment. The sensitivity test on the key assumptions defined in 2020 would not result in a goodwill impairment. Possible correlations between each of these parameters were not considered.

FX Trading CGU

The recoverable value of the "FX Trading" CGU is based on its fair value less cost of disposal, applying a discounted cash flow approach. The fair value measurement uses significant unobservable inputs and is therefore categorised as a Level 3 measurement under IFRS 13.

Cash flow projections are derived from the 2021 budget and the business plan for 2022. Key assumptions used by management include third party revenue growth, which factors future volumes on global Foreign Exchange trading markets, the Group's market share, average fee per transaction, and the expected impact of new product initiatives. These assumptions are based on past experience, market research and management expectation of market developments.

For the impairment test performed as of 31 December 2020, revenues have been extrapolated using a perpetual growth rate of 2.4% (2019: 2.4%) after 2021. The discount rate applied was 7.3% (2019: 7.5%).

The annual impairment testing of the "FX Trading" CGU performed at each year-end did not result in any instance where the carrying value of the operating segment exceeded its recoverable amount. Recoverable amount is sensitive to key assumptions. As of 31 December 2020, a reduction to 0% per year of third party revenue growth during the explicit forecast period, a reduction to 0% per year of perpetual growth rate, or an increase by 1% per year in discount rate, which management believes are individually reasonably possible changes to key assumptions, would not result in a goodwill impairment. The sensitivity test on the key assumptions defined in 2020 would not result in a goodwill impairment. Possible correlations between each of these parameters were not considered.

Nord Pool CGU

The recoverable value of the "Nord Pool" CGU is based on its fair value less cost of disposal, applying a discounted cash flow approach. The fair value measurement uses significant unobservable inputs and is therefore categorised as a Level 3 measurement under IFRS 13.

Cash flow projections are derived from the 2021 budget and the business plan for 2022. Key assumptions used by management include third party revenue growth, which factors future volumes on day ahead and intraday physical energy markets, the Group's market share, average fee per transaction, and the expected impact of new product initiatives. These assumptions are based on past experience, market research and management expectation of market developments.

For the impairment test performed as of 31 December 2020, revenues have been extrapolated using a perpetual growth rate of 1.9% after 2021. The discount rate applied was 7.3%.

The annual impairment testing of the "Nord Pool" CGU performed at year-end did not result in any instance where the carrying value of the operating segment exceeded its recoverable amount. Recoverable amount is sensitive to key assumptions. As of 31 December 2020, a reduction to 0% per year of third party revenue growth during the explicit forecast period, a reduction to 0% per year of perpetual growth rate, or an increase by 1% per year in discount rate, which management believes are individually reasonably possible changes to key assumptions, would not result in a goodwill impairment. The sensitivity test on the key assumptions defined in 2020 would not result in a goodwill impairment. Possible correlations between each of these parameters were not considered.

NOTE 19 DEFERRED INCOME TAX

The analysis of deferred tax assets and deferred tax liabilities is as follows:

In thousands of euros	2020	2019
Deferred income tax assets[(a)]	20,844	21,025
Deferred income tax liabilities[(a)]	(92,860)	(78,754)
TOTAL NET DEFERRED TAX ASSETS (LIABILITIES)	**(72,016)**	**(57,729)**

(a) As shown in the balance sheet, after offsetting deferred tax assets and liabilities related to the same taxable entity.

In thousands of euros	2020	2019
Deferred tax assets/(liabilities):		
Property, plant and equipment	(2,461)	(2,571)
Intangible assets[(a)]	(93,673)	(78,419)
Investments[(b)]	(20,789)	(16,435)
Provisions and employee benefits	15,290	14,712
Other[(c)]	28,973	20,490
Loss carried forward[(d)]	644	4,494
DEFERRED TAX ASSETS (NET)	**(72,016)**	**(57,729)**

(a) The increase mainly relates to the recognition of a deferred tax liability resulting from the intangible assets recognised upon the acquisitions of Nord Pool and VP Securities in 2020.

(b) The increase in investments mainly relates to the increase in the revaluation of assets measured at fair value through other comprehensive income (FVOCI) (Euroclear S.A./N.V. and Sicovam Holding S.A.).

(c) The line "Other" primarily relates to the impact from contract liabilities (€17.8 million), currency movements on intercompany loans (€6.1 million [NOK and USD]) and intra Group and Group relief items (€3.8 million).

(d) Losses carry forward mainly relate to losses carry forward recognised by investments in the USA, Singapore and the UK.

For the year 2020, the Netherlands have withdrawn the announced rate decrease and maintained the corporate income tax rate at 25%. For the year 2021 the tax rate will remain 25%.

For the year 2020, France has decreased the corporate income tax rate to 31% for turnover in excess of €250 million and as from the years 2021 and 2022, the corporate income tax rate will further decrease to 26.5% respectively 25%. The surcharge of 3.3% remains applicable.

For the year 2020, the Belgian corporate income tax rate has been decreased to 25% from 29.58% in 2019.

The deferred tax assets and liabilities have been recognised at prevailing rates in the various countries.

In thousands of euros	2020	2019
Balance at beginning of the year	**(57,729)**	**(497)**
Recognised in income statement	3,916	6,219
Reclassifications and other movements[(a)]	(23,827)	(61,208)
Exchange differences and other	2,952	139
Charge related to other comprehensive income	2,672	(2,382)
BALANCE AT END OF THE YEAR	**(72,016)**	**(57,729)**

(a) In 2020, the line "Reclassifications and other movements" was impacted by the acquisitions of Nord Pool and VP Securities for €24.1 million. In 2019, the line "Reclassifications and other movements" was impacted by the acquisition of Oslo Børs VPS for €57.7 million.

As per 31 December 2020 and 2019, no losses were unrecognised by the Group that can be carried forward against future taxable income. The majority of the net deferred tax asset is expected to be recovered or settled after more than twelve months.

NOTE 20 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

In thousands of euros	As at 31 December 2020	As at 31 December 2019
Euroclear S.A./N.V.	145,252	140,401
Sicovam Holding S.A.	58,913	57,061
Algomi Ltd.	–	–
Other	341	359
TOTAL	**204,506**	**197,821**

The Group's financial assets at fair value through other comprehensive income primarily include long-term investments in unlisted equity securities, which the Group has irrevocably elected at initial recognition to recognise in this category. The classification of the measurement within the fair value hierarchy is presented in Note 35.

Euroclear S.A./N.V. and Sicovam Holding S.A.

As of 31 December 2020, the Group holds a 3.53% ownership interest in Euroclear S.A./N.V. (31 December 2019: 3.53%), an unlisted company involved in the settlement of securities transaction and related banking services. The Group also holds a 9.60% ownership interest in Sicovam Holding S.A. (31 December 2019: 9.60%), resulting in an indirect 1.53% interest in Euroclear S.A./N.V. (31 December 2019: 1.53%). The common stock of Sicovam Holding S.A. and Euroclear S.A./N.V. are not listed.

The Group established a standardised multi-criteria approach valuation for financial institutions based on the Gordon Growth Model valuation technique as its primary valuation method and the regression valuation technique (P/BV and ROE) and trading multiples as control methods.

In 2020, the Group considered two most recent transactions observed in 2019 and 2018, while two transactions observed in 2018 were considered in 2019 for the determination of the fair value in addition to its primary valuation technique. The Group applied a weighted approach taking into account an illiquidity discount accounting for the limited number of transactions. This resulted in a total valuation of Euroclear S.A./N.V. of €4.1 billion (2019: €3.9 billion), and to an increase in fair value of Euronext N.V./S.A.'s direct- and indirect investments of €6.7 million (2019: €9.1 million) in 2020. This revaluation was recorded in Other Comprehensive Income.

Algomi Ltd.

On 6 March 2020, the Group sold its 7.74% minority stake in Algomi Ltd. to BGC Partners for a consideration of €2.6 million, comprising €1.9 million of cash receipt and €0.7 million of deferred receivable, pending any post-transaction settlements.

In Q1 2020, the investment was remeasured to fair value through Other Comprehensive Income at €2.6 million. Subsequently, the investment was derecognised and the realised portion of the historical revaluation gain (equal to the cash receipt of €1.9 million) was transferred within equity from FVOCI reserve to retained earnings.

NOTE 21 TRADE AND OTHER RECEIVABLES

In thousands of euros	2020	2019
Trade receivables	107,633	93,856
Contract receivables	24,926	19,878
Allowance for expected credit losses	(3,378)	(1,618)
Trade and contract receivables net	**129,181**	**112,116**
Tax receivables (excluding income tax)	39,311	8,145
Other receivables	12,669	5,115
TOTAL	**181,161**	**125,376**

Trade receivables are non-interest bearing and generally on terms of 30 to 90 days. Contract receivables represent amounts in respect of unbilled revenue, for which the Group has an unconditional right to consideration (i.e. only the passage of time is required before payment of the consideration is due).

The significant changes in trade and contract receivables are disclosed in Note 8.2.

Set out below is the movement in the allowance for expected credit losses of trade and contract receivables:

In thousands of euros	2020	2019
As at 1 January	**1,618**	**1,533**
Provision for expected credit losses	2,133	407
Receivables written off during the year	(373)	(322)
AT 31 DECEMBER	**3,378**	**1,618**

Management considers the fair value of the trade and other receivables to approximate their carrying value. The significant changes in loss allowance provision are disclosed in Note 8.2. The information about the credit exposures of trade and other receivables are disclosed in Note 37.4.

NOTE 22 OTHER CURRENT ASSETS AND ASSETS HELD FOR SALE

Other current assets

In thousands of euros	2020	2019
Prepayments	13,810	12,057
Other	–	–
TOTAL	**13,810**	**12,057**

The increase in prepayments is primarily due to the acquisition of subsidiaries in 2020.

Assets held for sale

In thousands of euros	2020	2019
Investment in associate held for sale	–	8,760
TOTAL	**–**	**8,760**

In 2019, the Group entered into a binding agreement to sell its 20% minority stake in EuroCCP. As a result of this agreement, the Group classified the investment at its expected proceeds of approximately €8.8 million as an asset held for sale as per 31 December 2019.

On 1 July 2020, the Group sold its 20% minority stake in associate EuroCCP to CBOE Global Markets, alongside the other EuroCCP shareholders, for a cash consideration of €8.8 million. Following the sale, the investment was derecognised.

NOTE 23 DERIVATIVES FINANCIAL INSTRUMENTS

The Group may use derivative instruments to manage financial risks relating to its financial positions or risks relating to its ongoing business operations. The Group's risk management strategy and how it is applied to manage risk is further explained in Note 37.

Derivatives designed as hedging instruments

Fair value hedge

At 31 December 2020, the Group had three interest rate swap agreements in place with a total notional amount of €500.0 million (2019: €500.0 million) whereby the Group receives an annual fixed interest rate of 1% and pays a variable rate of six-month EURIBOR, plus a weighted average spread of 0.3825%. At 31 December 2020, the rate applicable to the floating leg of the swap for the aggregated notional amount of €500.0 million was -0.115%. The swaps are being used to reduce the variability of the fair value of the 1% fixed rate Bond (Senior Unsecured Note #1) attributable to the change in interest rate, allowing it to transform the fixed rate exposure to floating rate.

There is an economic relationship between the hedged item and the hedging instrument as the terms of the interest rate swaps match the terms of the fixed rate Bond (i.e., notional amount, maturity, payment and reset dates). The Group has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the interest rate swap is identical to the hedged risk component. To assess the hedge effectiveness, the Group compares the changes in the fair value of the hedging instrument against the changes in fair value of the hedged item attributable to the hedged risk.

The hedge ineffectiveness can arise from:

- different interest rate curve applied to discount the hedged item and hedging instrument;
- differences in timing of cash flows of the hedged item and hedging instrument;
- the counterparties' credit risk differently impacting the fair value movements of the hedging instrument and hedged item.

The impact of respectively the hedging instrument and the hedged item on the balance sheet as at 31 December 2020 was as follows:

In thousands of euros	Notional amount	Carrying amount	Line item in the balance sheet	Change in fair value used for measuring ineffectiveness for the period
Interest rate swaps	500,000	23,735	Derivative financial instruments	4,382

In thousands of euros	Carrying amount	Accumulated fair value adjustments	Line item in the balance sheet	Change in fair value used for measuring ineffectiveness for the period
Senior Unsecured Note #1	524,275	24,275	Non-currrent Borrowings	4,409

The impact of respectively the hedging instrument and the hedged item on the balance sheet as at 31 December 2019 was as follows:

In thousands of euros	Notional amount	Carrying amount	Line item in the balance sheet	Change in fair value used for measuring ineffectiveness for the period
Interest rate swaps	500,000	19,353	Derivative financial instruments	11,992

In thousands of euros	Carrying amount	Accumulated fair value adjustments	Line item in the balance sheet	Change in fair value used for measuring ineffectiveness for the period
Senior Unsecured Note #1	519,866	19,866	Non-currrent Borrowings	11,867

As per 31 December 2020 the ineffective part of the hedge was a loss of €27k (2019: profit of €0.1 million) recognised in "hedging result" in the Statement of Profit or Loss (see Note 13).

Hedge of net investment in foreign operations

The Group has designated a EUR/GBP foreign exchange contract as a hedge of the investment in Commcise Software Ltd., a Group subsidiary in the United Kingdom, that was acquired by the end of 2018.

There is an economic relationship between the hedged item and the hedging instrument as the net investment creates a translation risk that will match the foreign exchange risk on the GBP foreign exchange contract. The Group has established a hedge ratio of 1:1 as the underlying risk of the hedging instrument is identical to the hedged risk component. The hedge effectiveness is assessed by comparing changes in the carrying amount of the foreign exchange contract that is attributable to a change in the spot rate with changes in the investment in the foreign operation due to movements in the spot rate (the offset method). Gains or losses on this foreign exchange contract related to the effective part of the hedge are transferred to other comprehensive income to offset any gains and losses on translation of the net investment in the subsidiary.

On 20 December 2019, the Group entered into a EUR/GBP foreign exchange contract with a notional amount of £27.1 million, which expired on 21 June 2020. The hedge did not cause material ineffectiveness.

On 21 June 2020, the Group entered into a new EUR/GBP foreign exchange contract with a notional amount of £27.3 million, expiring in six months. The hedge did not cause material ineffectiveness.

On 20 December 2020, the Group entered into a new EUR/GBP foreign exchange contract with a notional amount of £27.3 million, expiring in three months. As at 31 December 2020 the hedge was effective.

The impact of respectively the hedging instrument and the hedged item on the balance sheet as at 31 December 2020 was as follows:

		Fair value of derivative financial instruments	
In thousands of euros	Notional amount	Assets	Liabilities
Foreign exchange contract	30,171	–	298

In thousands of euros	Fair value	Change in fair value used for measuring ineffectiveness for the period	Foreign currency translation reserve
Net investment in foreign subsidiaries	30,469	298	298

The impact of respectively the hedging instrument and the hedged item on the balance sheet as at 31 December 2019 was as follows:

		Fair value of derivative financial instruments	
In thousands of euros	Notional amount	Assets	Liabilities
Foreign exchange contract	31,919	–	141

In thousands of euros	Fair value	Change in fair value used for measuring ineffectiveness for the period	Foreign currency translation reserve
Net investment in foreign subsidiaries	32,060	141	141

The hedging gain/(loss) recognised in Other Comprehensive Income before tax is equal to the change in fair value used for measuring effectiveness. The tax effect on the change in fair value of the derivative instrument was insignificant as per 31 December 2020 and 2019.

As per 31 December 2020, the derivative financial liabilities balance includes an impact of €77k in Nord Pool related to the effects of foreign exchange spot transactions made to facilitate electricity settlement. This impact brings the total derivatives financial liabilities balance at €375k as per 31 December 2019.

Impact of hedging on equity

Set out below is the reconciliation of each component of equity and the analysis of Other Comprehensive Income:

In thousands of euros	Foreign currency translation reserve
As at 1 January 2019	**3,351**
Changes in fair value of the hedging instrument	(1,824)
Foreign exchange forward point excluded from the hedge	(418)
Foreign currency revaluation of the net foreign operations	(139)
As at 31 December 2019	**970**
Changes in fair value of the hedging instrument	1,746
Foreign exchange forward point excluded from the hedge	(354)
Foreign currency revaluation of the net foreign operations(a)	(56,854)
AS AT 31 DECEMBER 2020	**(54,492)**

(a) In 2020, the impact was almost fully attributable to foreign currency translations of net foreign operations in NOK.

NOTE 24 OTHER CURRENT FINANCIAL ASSETS

In thousands of euros	2020	2019
Deposits > three months	39,468	12,118
Listed bonds	52,622	–
TOTAL	92,090	12,118

The other current financial assets of the Group consist of short-term deposits with a maturity of more than three months. In 2020, the increase is primarily linked to debt instruments that were included in the acquisition of VP Securities, comprising of listed bonds (see Note 5).

NOTE 25 CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following:

In thousands of euros	2020	2019
Cash and bank balances	537,430	267,985
Short term investments	92,039	101,837
TOTAL	629,469	369,822

Short-term investments are presented as cash and cash equivalents if they have a maturity of three months or less from the date of acquisition and are repayable with 24 hours' notice with no loss of interest.

NOTE 26 SHAREHOLDERS' EQUITY

Under the Articles of Association, the Company's authorised share capital amounts to €200,000,001.60 and is divided into 125,000,000 Ordinary Shares and one Priority Share, each with a nominal value of €1.60 per share. All of Euronext's shares have been or will be created under Dutch law.

As of 31 December 2020, the Company's issued share capital amounts to €112,000,000 and is divided into 70,000,000 Ordinary Shares. The Priority Share is currently not outstanding. The fully paid ordinary shares carry one vote per share and rights to dividends, if declared. The Group's ability to declare dividends is limited to distributable reserves as defined by Dutch law.

Number of shares outstanding:

(in numbers of shares)	2020	2019
Issued shares	70,000,000	70,000,000
Treasury shares		
Treasury shares as at 1 January	(232,625)	(386,019)
Liquidity contract	5,000	16,889
Share buy back	(200,000)	–
From share-based payments vesting	98,160	136,505
Treasury shares as at 31 December	**(329,465)**	**(232,625)**
OUTSTANDING AS AT 31 DECEMBER	**69,670,535**	**69,767,375**

26.1 Reserve Own Shares

Treasury shares are accounted for at trade date and all held by Euronext N.V.

The movement on the line "acquisitions of own shares" in the Consolidated Statement of Changes in Equity consists of the impact from transactions by the liquidity provider of €0.4 million (2019: €0.9 million), minus the impact from transactions under the share repurchase program for €13.6 million (2019: €0.0 million). Details of these movements are disclosed below at (i) and (ii).

(i) Liquidity Provider

Part of the movement in the reserve during the reporting period relates to the transactions in Euronext N.V. shares conducted by the liquidity provider on behalf of the Group under the liquidity contract established (€0.4 million in 2020).

The liquidity Agreement (the "Agreement") has been established in accordance with applicable rules, in particular the Regulation (EC) 2273/2003 of the European Commission of 22 December 2003 implementing the directive 2003/6/EC of the European Parliament and Council as regards exemptions for buyback programs and stabilisation of financial instruments, the provisions of article 2:95 of the Book II of Dutch civil code, the provisions of the general regulation of the French *Autorité des Marchés Financiers* (the "AMF"), the decision of the AMF dated 21 March 2011 updating the Accepted Market Practice n° 2011-07 on liquidity agreements, the Code of Conduct issued by the French Association française des marchés financiers (AMAFI) on 8 March 2011 and approved by the AMF by its aforementioned decision dated 21 March 2011 (the "AMAFI Code") and as the case maybe the relevant Dutch rules applicable to liquidity agreements in particular the regulation on Accepted Market Practices WFT (Regeling gebruikelijke marktpraktijken WFT) dated 4 May 2011 and Section 2.6 of the Book II – General Rules for the Euronext Amsterdam Stock Market (the "Dutch Rules").

As at 31 December 2020, Euronext N.V. holds no shares under the program (2019: 5,000 shares).

The movement schedule for the reported years are as follows:

In 2019

Transaction date (in euro)	Buy Euronext N.V. shares	Sell Euronext N.V. shares	Average share price	Total value transaction including commissions
As at 31 December 2018	**21,889**			
Purchases January	36,456		€52.50	1,913,903
Sales January		58,345	€51.96	(3,031,321)
Purchases February	85,975		€53.23	4,576,631
Sales February		79,875	€53.27	(4,255,334)
Purchases March	59,362		€55.28	3,281,735
Sales March		65,462	€55.27	(3,618,378)
Purchases April	58,371		€58.48	3,413,310
Sales April		58,371	€58.66	(3,424,234)
Purchases May	47,893		€62.31	2,984,267
Sales May		47,893	€62.56	(2,996,335)
Purchases June	68,346		€65.02	4,443,829
Sales June		62,181	€64.99	(4,041,053)
Purchases July	81,565		€68.80	5,611,840
Sales July		87,730	€68.72	(6,028,413)
Purchases August	65,200		€69.98	4,562,964
Sales August		63,251	€69.99	(4,426,717)
Purchases September	76,610		€70.90	5,431,555
Sales September		78,559	€71.16	(5,590,489)
Purchases October	76,279		€71.59	5,460,703
Sales October		76,279	€71.96	(5,489,297)
Purchases November	66,218		€70.37	4,659,431
Sales November		61,218	€70.71	(4,328,663)
Purchases December	94,305		€70.47	6,645,765
Sales December		94,305	€70.53	(6,651,490)
Total buy/sell	**816,580**	**833,469**		**(895,795)**
TOTAL AS AT 31 DECEMBER 2019	**5,000**			

In 2020

Transaction date *(in euro)*	Buy Euronext N.V. shares	Sell Euronext N.V. shares	Average share price	Total value transaction including commissions
As at 31 December 2019	**5,000**			
Purchases January	92,235		€77.08	7,109,771
Sales January		89,785	€77.08	(6,920,724)
Purchases February	55,826		€80.83	4,512,287
Sales February		54,276	€80.89	(4,390,436)
Purchases March	–		€0.00	–
Sales March		1,750	€79.03	(138,305)
Purchases April	6,013		€77.72	467,312
Sales April		4,263	€77.62	(330,911)
Purchases May	19,914		€82.11	1,635,093
Sales May		28,914	€81.43	(2,354,576)
Purchases June	89,350		€83.52	7,462,629
Sales June		89,350	€83.60	(7,469,642)
Purchases July	85,565		€93.68	8,016,108
Sales July		85,565	€93.80	(8,025,831)
Purchases August	58,075		€98.78	5,736,921
Sales August		56,575	€98.82	(5,590,765)
Purchases September	58,259		€101.16	5,893,498
Sales September		59,259	€101.38	(6,007,717)
Purchases October	91,996		€98.16	9,030,016
Sales October		87,496	€97.98	(8,572,579)
Purchases November	70,101		€90.03	6,311,067
Sales November		75,101	€90.24	(6,777,273)
Purchases December	25,423		€88.86	2,259,133
Sales December		25,423	€88.98	(2,262,112)
Total buy/sell	**652,757**	**657,757**		**(407,036)**
TOTAL AS AT 31 DECEMBER 2020	**–**			

(ii) Share Repurchase Program

The Group has entered into a discretionary management agreement with a bank to repurchase Euronext shares within the limits of relevant laws and regulations (in particular EC Regulation 2273/2003) and the Group's Articles of Association to cover the Group's outstanding obligations resulting from employee shares plans for 2017, 2018, 2019 and 2020. The share repurchase program aims to hedge price risk arising for granted employee share plans. In 2020, the Group repurchased 200,000 shares for a total consideration of €13.6 million. In 2019, the Group repurchased no shares.

The movement schedule for the reported years are as follows:

In 2019

Transaction date *(in euro)*	Buy Euronext N.V. shares	Average share price	Total value transaction including commissions
Purchases	–	–	–
Total buy/sell	**–**		**–**
Total as at 31 December 2019	**–**		**–**

In 2020

Transaction date *(in euro)*	Buy Euronext N.V. shares	Average share price	Total value transaction including commissions
Purchases March	200,000	€68.17	13,634,735
Total buy/sell	**200,000**		**13,634,735**
Total as at 31 December 2020	**200,000**		**13,634,735**

(iii) Share-Based Payments Vesting

In 2020, the Group delivered 98,160 shares with a cost of €4.6 million to employees for whom share plans had vested (2019: 136,505 shares with a cost of €5.7 million). This movement is disclosed on the line "Other" in the Consolidated Statement of Changes in Equity.

26.2 Legal Reserve

Retained earnings are not freely available for distribution for an amount of €29.8 million relating to legal reserves (see Note 52).

26.3 Dividend

On 14 May 2020, the Annual General Meeting of shareholders voted for the adoption of the proposed €1.59 dividend per ordinary share. On 22 May 2020, a dividend of €110.6 million has been paid to the shareholders of Euronext N.V.

NOTE 27 EARNINGS PER SHARE

Basic

Earnings per share are computed by dividing profit attributable to the shareholders of the Company by the weighted average number of shares outstanding for the period. The number of weighted average shares used for the basic earnings per share calculation for year ended 31 December 2020 was 69,671,287 and 31 December 2019 was 69,673,637.

Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The impact of share plans is determined by the number of shares that could have been acquired at fair value (determined as the average quarterly market price of Euronext's shares) based on the fair value (measured in accordance with IFRS 2) of any services to be supplied to Euronext in the future under these plans. The number of weighted average shares used for the diluted earnings per share calculation for the year ended 31 December 2020 was 69,909,911 and 31 December 2019 was 69,929,727.

NOTE 28 SHARE-BASED PAYMENTS

Euronext Long-Term Incentive Plan 2017 ("LTI Plan 2017")

The Restricted Stock Units ("RSUs") granted under LTI Plan 2017 fully cliff-vested in 2020.

Euronext Long-Term Incentive Plans ("LTI Plan") 2018, 2019 and 2020

Directors and certain employees of the Group benefited from Restricted Stock Units ("RSUs") granted by Euronext N.V. under the LTI Plans on their applicable grant dates. RSUs granted under LTI Plans cliff-vest after three years, subject to continued employment and a "positive EBITDA1" performance condition. These equity awards are measured by reference to the grant-date market price of Euronext's common share ("grant-date fair value").

In addition to these RSUs granted to all participants in the LTI Plans, Performance RSUs have been awarded to members of the Managing Board and Senior Leadership team. The vesting of these Performance RSUs is subject to two performance conditions:

- 50% of the performance RSUs vests subject to a Total Shareholder Return ("TSR") condition;
- 50% of the performance RSUs vests subject to an EBITDA[1]-based performance condition.

The grant-date fair value of performance shares with a TSR performance condition was adjusted for the possible outcomes of this condition. This has been assessed by applying a Monte Carlo simulation to model possible share prices of Euronext and its peer companies. At the end of each reporting period, the number of vesting performance shares is reconsidered based on the Group's EBITDA[1] performance relative to budgeted EBITDA[1] and the total cost for the performance RSUs could be adjusted accordingly. Grant-date fair value of RSUs granted under the LTI Plans 2018, 2019 and 2020 reflect the present value of expected dividends over the vesting period.

Movements in the number of shares granted as awards is as follows:

In 2019

Plan	Year of grant	1 January 2019	Granted	Performance adjustment	Vested	Forfeited	31 December 2019	Fair value at grant date per share *(in €)*
LTI, with performance	2016	76,352	–	3,907	(79,749)	(510)	–	€35.48
LTI, no performance	2016	29,982	–	–	(27,304)	(2,678)	–	€34.70
LTI, with performance	2017	72,187	–	–	–	(7,519)	64,668	€45.40
LTI, no performance	2017	35,703	–	–	–	(3,944)	31,759	€42.19
LTI, with performance	2018	88,184	–	–	–	(5,783)	82,401	€56.55
LTI, no performance	2018	46,943	–	–	–	(3,942)	43,001	€49.64
LTI, with performance	2019	–	75,477	–	–	(3,178)	72,299	€68.30
LTI, no performance	2019	–	56,576	–	–	(1,563)	55,013	€57.94
TOTAL		**349,351**	**132,053**	**3,907**	**(107,053)**	**(29,117)**	**349,141**	

In 2020

Plan	Year of grant	1 January 2020	Granted	Performance adjustment	Vested	Forfeited	31 December 2020	Fair value at grant date per share *(in €)*
LTI, with performance	2017	64,668	–	29,250	(92,425)	(1,493)	–	€45.40
LTI, no performance	2017	31,759	–	–	(30,800)	(959)	–	€42.19
LTI, with performance	2018	82,401	–	–	–	(4,751)	77,650	€56.55
LTI, no performance	2018	43,001	–	–	–	(2,956)	40,045	€49.64
LTI, with performance	2019	72,299	–	–	–	(4,783)	67,516	€68.30
LTI, no performance	2019	55,013	–	–	–	(3,725)	51,288	€57.94
LTI, with performance	2020	–	69,184	–	–	(1,763)	67,421	€110.64
LTI, no performance	2020	–	48,358	–	–	(1,473)	46,885	€81.30
TOTAL		**349,141**	**117,542**	**29,250**	**(123,225)**	**(21,903)**	**350,805**	

Euronext has taken into consideration the fact that the employees will not receive dividends during the vesting period of three years. The fair value has been adjusted taking into account the financial loss for the participants to not receive the payment of the dividends during the vesting period.

Share-based payment expenses recognised in the income statement for shares granted for all plans to directors and selected employees in 2020 amounted to €8.5 million (2019: €6.9 million), see Note 9.

NOTE 29 BORROWINGS

In thousands of euros	2020	2019
Non-current		
Borrowings		
Senior Unsecured Note #1 (a)	524,275	519,866
Senior Unsecured Note #2	750,000	500,000
Discount, premium and issue costs	(3,623)	(9,478)
Amortisation discount, premium and issue costs	1,858	1,128
Other	–	12
TOTAL	**1,272,510**	**1,011,527**
Current		
Borrowings (accrued interest)		
Accrued interest	8,243	6,750
TOTAL	**8,243**	**6,750**

(a) The Senior Unsecured Note #1 is carried at amortised cost and adjusted for fair value movements due to the hedged interest rate risk (see Note 23).

Senior Unsecured #1

On 18 April 2018, the Group issued a €500 million Bond ('Senior Unsecured Note #1') to refinance its 2017 and 2018 acquisitions and diversify its financing mix. The Bond has a seven year maturity, with an annual coupon of 1%. On 18 April 2018 the Bond, rated "A" by Standard & Poor's rating agency, was listed on Euronext Dublin. The Bond issue included €2.9 million of Bond discount and €0.5 million of issue costs, which are subsequently accounted for under the Effective Interest Rate method.

Senior Unsecured #2

On 4 June 2019, the Group issued a €500 million Bond ("Senior Unsecured Note #2") to (i) prefinance the outstanding shares of Oslo Børs VPS Holding ASA not already owned by the Group and (ii) for general corporate purposes in line with the Group's strategy. The Bond has a ten year maturity, with an annual coupon of 1.125%. On 12 June 2019 the Bond, rated "A-" by S&P Global Ratings Limited, was listed on Euronext Dublin. The Bond issue included €6.1 million of Bond discount and issue costs, which are subsequently accounted for under the Effective Interest Rate method.

On 22 June 2020, the Group successfully priced a tap offering of €250 million on its outstanding Senior Unsecured Note #2, rated A- by S&P, which is listed on Euronext Dublin. Settlement of this tap-on Bond was made on 29 June 2020. This tap-on Bond will mature in June 2029. This increases the total principal amount bearing interest at an annual rate of 1.125% to €750 million. The proceeds of the issue were used to (i) finance the acquisition of the outstanding shares of VP Securities AS and (ii) for general corporate purposes in line with the Group's strategy. The Bond issue included €5.7 million of Bond premium and issue costs, which are subsequently accounted for under the Effective Interest Rate method.

Revolving Credit Facility

The Group has a revolving credit facility agreement of €400.0 million that allows the Group to apply all amounts borrowed by it towards (i) general corporate and/or working capital purposes of the Group, (ii) satisfaction of the consideration payable for an acquisition and/or (iii) the payment of fees, costs and expense incurred in relation to an acquisition. The revolving credit facility has a maturity of five years plus a two-year extension possibility and bears an interest rate of EURIBOR plus a margin of 0.30%, based on the "A-" rating. On 14 February 2020, the Group requested the first one year extension, which was granted by all syndicate banks. As per 31 December 2020, no amounts were drawn under the revolving credit facility.

Euronext is required to maintain compliance with a maximum leverage ratio if the credit rating would drop below BBB+. The maximum leverage ratio measures Euronext total gross debt to EBITDA[2] (as such terms are defined in the Facilities Agreement). Euronext is required to maintain a leverage ratio of no more than 3.5x.

Bridge Loan Facility

On 7 October 2020, Euronext entered into a €4.4 billion bridge loan facility agreement with a group of banks to prefinance the acquisition of London Stock Exchange Group Holdings Italia S.p.A. ("Borsa Italiana Group"). The initial maturity date of this facility is 11 September 2021, which may be extended at the option of the issuer for two additional periods of six months each. The bridge loan facility bears an interest rate of EURIBOR plus an initial margin of 0.45%, that increases as the closing date of the acquisition moves further in time. As per 31 December 2020, no amounts were drawn under this facility.

In case of a downgrading event of Euronext, below BBB- or equivalent by rating agencies, Euronext shall ensure that the leverage ratio as defined in the Bridge Loan Facility Agreement would not be greater than 4x.

New Revolving Credit Facility

On 7 October 2020, the Group entered into a new revolving credit facility agreement of €600.0 million conditional to the closing of the acquisition of the Borsa Italiana Group, that allows the Group to apply all amounts borrowed by it towards (i) general corporate and/or working capital purposes of the Group, (ii) satisfaction of the consideration payable for an acquisition and/or (iii) the payment of fees, costs and expense incurred in relation to an acquisition.

The revolving credit facility has a maturity of five years plus a two-year extension possibility and bears an interest rate of EURIBOR plus a margin dependant on rating.

In case of a downgrading event of Euronext, below BBB- or equivalent by rating agencies, Euronext shall ensure that the leverage ratio as defined in the Revolving Credit Facility Agreement would not be greater than 4x.

NOTE 30 POST-EMPLOYMENT BENEFITS

The Group operates defined benefit pension plans for its employees, with the most significant plans being in France, Portugal and Norway. The Group's plans are funded by contributions from the employees and the relevant Group entities, taking into account applicable government regulations and the recommendations of independent, qualified actuaries. The majority of plans have plan assets held in trusts, foundations or similar entities, governed by local regulations and practice in each country. The assets for these plans are generally held in separate trustee administered funds. The benefits provided to employees under these plans are based primarily on years of service and compensation levels.

The French plans relate almost completely to retirement indemnities. French law stipulates that employees are paid retirement indemnities in form of lump sums on the basis of the length of service at the retirement date and the amount is prescribed by collective bargaining agreements.

The Portuguese plan is for both Euronext Lisbon and Interbolsa and is managed by CGD Pensoes – Sociedade Gestora de Fundos de Pensoes SA. The plan was defined benefit based on final pay. The funds covered payment of pensions to employees with a minimum of five year service. Annual contributions were based on actuarial calculations. In 2017, the Portuguese defined benefit plan was frozen and replaced by a new defined contribution plan, with an retroactive impact as from 1 January 2017. The old arrangement remains a defined benefit plan, and is disclosed as such in this Note.

The Norwegian plans relate to Oslo Børs VPS and Nord Pool. The plan in Oslo Børs VPS comprise both defined benefit schemes and defined contribution schemes. The general pension plan for employees in Norway is a defined contribution scheme. The defined benefit schemes are mainly related to lifetime pensions for former CEOs of Oslo Børs and VPS, as well as a voluntary early retirement scheme for Oslo Børs which was closed in 2003. Nord Pool has a defined benefit pension plan involving two former employees for which contributions are made in accordance with actuarial calculations. The Norwegian pension plans are in compliance with the Mandatory Occupational Pensions Act.

The movement in the defined obligation over the years presented is as follows:

In thousands of euros	Present value of obligation	Fair value of plan assets	Total
As at 31 December 2018	**30,719**	**(20,053)**	**10,666**
(Income)/expense:			
Current service cost	748	–	748
Interest expense/(income)	813	(451)	362
	1,561	(451)	1,110
Remeasurements:			
■ Return on plan assets, excluding amounts included in interest expense/(income)	–	(1,355)	(1,355)
■ (Gain)/loss from change in financial assumptions	5,287	–	5,287
■ Experience (gains)/losses	(2,368)	–	(2,368)
■ Effect of changes in foreign exchange rates and other	(154)	–	(154)
	2,765	**(1,355)**	**1,410**
Payments:			
■ Employer contributions	(253)	(82)	(335)
■ Benefit payments	(173)	173	–
■ Settlement payments from plan assets	13,990	(449)	13,541
■ Reclassifications and other	(434)	–	(434)
As at 31 December 2019	**48,175**	**(22,217)**	**25,958**
(Income)/expense:			
Current service cost	600	–	600
Interest expense/(income)	673	(319)	354
	1,273	**(319)**	**954**
Remeasurements:			
■ Return on plan assets, excluding amounts included in interest expense/(income)	–	(443)	(443)
■ (Gain)/loss from change in financial assumptions	1,907	–	1,907
■ Experience (gains)/losses	(414)	–	(414)
■ Effect of changes in foreign exchange rates and other	461	26	487
	1,954	**(417)**	**1,537**
Payments:			
■ Employer contributions	(764)	(248)	(1,012)
■ Benefit payments	(204)	207	3
■ Acquired in business combination (see Note 5)	278	–	278
■ Reclassifications and other	(1,241)	–	(1,241)
AS AT 31 DECEMBER 2020	**49,471**	**(22,994)**	**26,477**

The defined benefit obligation and plan assets are composed by country as follows:

	2020				
In thousands of euros	Belgium	Portugal	France	Norway	Total
Present value of obligation	30	25,501	10,919	13,021	49,471
Fair value of plan assets	–	(18,758)	(3,719)	(517)	(22,994)
TOTAL	**30**	**6,743**	**7,200**	**12,504**	**26,477**

	2019				
In thousands of euros	Belgium	Portugal	France	Norway	Total
Present value of obligation	39	24,729	10,286	13,121	48,175
Fair value of plan assets	–	(18,107)	(3,644)	(466)	(22,217)
TOTAL	**39**	**6,622**	**6,642**	**12,655**	**25,958**

The significant actuarial assumptions were as follows:

	2020			
	Belgium	Portugal	France	Norway
Discount rate	0.1%	1.3%	0.9%	1.7%
Salary growth rate	0.0%	1.7%	2.5%	0.8%
PENSION GROWTH RATE	**0.0%**	**0.0%**	**0.0%**	**1.2%**

	2019			
	Belgium	Portugal	France	Norway
Discount rate	0.3%	1.5%	1.1%	2.3%
Salary growth rate	0.0%	1.7%	2.5%	0.5%
Pension growth rate	0.0%	0.0%	0.0%	1.7%

The Group derives the discount rate used to determine the defined benefit obligation from yields on high quality corporate bonds of the duration corresponding to the liabilities.

As of 31 December 2020, the sensitivity of the defined benefit obligation to changes in the weighted principal assumptions were:

	Impact on defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	0.25%	-4.0%	4.4%
Salary growth rate	0.50%	1.8%	-1.7%
Pension growth rate	0.50%	3.2%	-2.9%

The pension plan assets allocation differs per plan. On a weighted average basis, the allocation was as follows:

	2020		2019	
Plan assets	Fair value of plan assets *in thousands of euros*	Fair value of plan assets *in percent*	Fair value of plan assets *in thousands of euros*	Fair value of plan assets *in percent*
Equity securities	6,902	30.0%	6,522	29.4%
Debt securities	14,311	62.2%	13,711	61.7%
Property	479	2.1%	470	2.1%
Investment funds	1,129	4.9%	1,324	6.0%
Cash	173	0.7%	190	0.9%
TOTAL	**22,994**	**100%**	**22,217**	**100%**

The maturity of expected benefit payments over the next ten years is as follows:

As at 31 December 2020	Less than a year	Between 1-2 year	Between 2-5 year	Between 5-10 year	Total
Pension benefits	960	1,002	3,444	9,814	15,220

The weighted average duration of the defined benefit obligation for retirement plans is 18 years at 31 December 2020.

For 2021, the expected obligations contributions are approximately €0.8 million.

NOTE 31 PROVISIONS

In thousands of euros	Restructuring	Leases	Jubilee	Legal claims	Plan Agents	Others	Total
Changes in provisions							
As at 1 January 2020	**3,238**	**2,037**	**2,463**	**1,899**	**1,156**	**4,390**	**15,183**
Additional provisions charged to income statement	3,248	249	188	651	–	155	4,491
Used during the year	(2,781)	(445)	(27)	–	(281)	(418)	(3,952)
Unused amounts reversed	–	–	–	–	–	(266)	(266)
Acquisition of subsidiary (Note 5)	239	1,000	–	–	–	–	1,239
Reclassifications and other	1,206	–	–	–	–	(320)	886
Exchange differences	(195)	(6)	–	–	–	(212)	(413)
AS AT 31 DECEMBER 2020	**4,955**	**2,835**	**2,624**	**2,550**	**875**	**3,329**	**17,168**
Composition of provisions							**–**
Current	**1,841**	**–**	**–**	**–**	**–**	**808**	**2,649**
Non Current	**3,114**	**2,835**	**2,624**	**2,550**	**875**	**2,521**	**14,519**
TOTAL	**4,955**	**2,835**	**2,624**	**2,550**	**875**	**3,329**	**17,168**

Restructuring

The restructuring provision relates to employee termination benefits that have an uncertain character. The increase for the year was primarily related to the recognition of restructuring costs in VP Securities and a reclassification from trade and other payables in Oslo.

Leases

The leases provision relates to estimated future dismantling or removing costs, primarily for the lease of its "Praetorium" office in Paris and the VP Securities office.

Jubilee

The Jubilee provision increased, mainly due to the decrease in discount rates.

Legal Claims

The legal claims provision relates to individual litigation settlement cases.

Plan Agents

The provision for Plan Agents relates to a retirement allowance for retired stockbrokers in Belgium, which is determined using actuarial assumptions. No cash outflows are expected for 2022.

Others

The "Others" provision primarily relates to a compensation scheme in Oslo, that gives employees compensation for a change in their historical DB pension arrangements. Furthermore, the provision comprises stamp duty tax and onerous cost related to terminated commercial contracts. The movements that occurred during the year related to these components.

NOTE 32 TRADE AND OTHER PAYABLES

In thousands of euros	2020	2019
Trade payables	56,259	3,155
Social Security and other taxes (excluding income tax)	36,928	32,634
Employees' entitlements and other payables[a]	60,089	43,883
Accrued expenses	32,561	37,626
TOTAL	**185,837**	**117,298**

(a) Amounts include salaries payable, bonus accruals, severance (signed contracts) and vacation accruals.

The carrying values of current trade and other payables are reasonable approximations of their fair values. These balances do not bear interest. The increase of trade payables in 2020, was due to the acquisition of Nord Pool Holding SA.

NOTE 33 CONTRACT LIABILITIES

In thousands of euros	2020	2019
Listing admission fees	80,558	83,532
Bond lifetime fees	10,859	10,802
Other[a]	15,456	14,286
TOTAL	**106,873**	**108,620**
Current	62,233	62,825
Non Current	44,641	45,795
TOTAL	**106,874**	**108,620**

(a) Includes contract liabilities related to Indices licenses, software maintenance & hosting and corporate services.

The contract liabilities primarily relate to received consideration (or an amount of consideration is due) from customers for the initial (or subsequent) listing of equity securities and bond lifetime fees. Contract liabilities are recognised as revenue when the Group performs under the contract.

The significant changes in contract liabilities are disclosed in Note 8.2.

NOTE 34 GEOGRAPHICAL INFORMATION

In thousands of euros	France	Netherlands	United Kingdom	Belgium	Portugal	Ireland	United States	Norway	Sweden	Denmark	Finland	Hong Kong	Total
2020													
Revenue from contracts with customers[a]	372,200	188,295	5,936	33,049	33,212	39,188	27,557	148,700	8,266	27,618	281	16	884,318
Property, plant and equipment	6,054	12,850	237	235	1,929	18,963	1,651	12,686	80	1,339	–	–	56,024
Intangible assets other than Goodwill[b]	2,077	42,181	7,209	–	551	20,843	34,900	251,525	489	76,634	298	–	436,707
2019													
Revenue from contracts with customers[a]	331,248	160,072	5,299	30,966	33,236	35,668	23,202	57,075	2,293	–	–	49	679,108
Property, plant and equipment	7,615	12,779	233	246	2,485	19,315	1,878	14,339	–	–	–	–	58,890
Intangible assets other than Goodwill[b]	2,348	46,185	9,094	–	702	22,539	39,769	245,799	267	–	–	–	366,703

(a) Trading, listing and advanced data services revenue is attributed to the country where the exchange is domiciled. Other revenue is attributed to the billing entity.
(b) Goodwill is monitored at the Group level and therefore not allocated by country.

NOTE 35 FINANCIAL INSTRUMENTS

35.1 Financial Instruments by Category

The financial instruments held by the Group are set out below.

	As at 31 December 2020				
In thousands of euros	Amortised cost	FVOCI equity instruments	FVOCI debt instruments	FVPL	Total
Financial assets					
Financial assets at fair value through other comprehensive income	–	204,506	–	–	204,506
Financial assets at amortised cost	3,173	–	–	–	3,173
Trade and other receivables	181,161	–	–	–	181,161
Derivative financial instruments	–	–	–	23,735	23,735
Other current financial assets	39,468	–	52,622	–	92,090
Cash and cash equivalents	629,469	–	–	–	629,469
TOTAL	**853,271**	**204,506**	**52,622**	**23,735**	**1,134,134**
Financial liabilities					–
Borrowings (non-current)	1,272,510	–	–	–	1,272,510
Lease liabilities (non-current)	35,051	–	–	–	35,051
Borrowings (current)	8,243	–	–	–	8,243
Derivative financial instruments	–	–	–	375	375
Lease liabilities (current)	15,900	–	–	–	15,900
Other current financial liabilities[(a)]	–	–	–	521	521
Trade and other payables	185,837	–	–	–	185,837
TOTAL	**1,517,541**	**–**	**–**	**896**	**1,518,437**

(a) Consists of the contingent consideration payable related to the acquisition of Ticker (see Note 5), which was remeasured to €0.5 million in 2020.

	As at 31 December 2019				
In thousands of euros	Amortised cost	FVOCI equity instruments	FVOCI debt instruments	FVPL	Total
Financial assets					
Financial assets at fair value through other comprehensive income	–	197,821	–	–	197,821
Financial assets at amortised cost	1,503	–	–	–	1,503
Trade and other receivables	125,376	–	–	–	125,376
Derivative financial instruments	–	–	–	19,353	19,353
Other current financial assets	12,118	–	–	–	12,118
Cash and cash equivalents	369,822	–	–	–	369,822
TOTAL	**508,819**	**197,821**	**–**	**19,353**	**725,993**
Financial liabilities					–
Borrowings (non-current)	1,011,527	–	–	–	1,011,527
Lease liabilities (non-current)	41,180	–	–	–	41,180
Borrowings (current)	6,750	–	–	–	6,750
Derivative financial instruments	–	–	–	141	141
Lease liabilities (current)	13,970	–	–	–	13,970
Other current financial liabilities[(a)]	–	–	–	30,675	30,675
Trade and other payables	117,298	–	–	–	117,298
TOTAL	**1,190,725**	**–**	**–**	**30,816**	**1,221,541**

(a) Consists of (i) contingent consideration payables related to Company Webcast B.V. and InsiderLog AB of respectively €5.0 million and €3.6 million, and (ii) redemption liability of €22.2 million related to Company Webcast B.V.

The Group's exposure to various risks associated with the financial instruments is discussed in Note 37. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial assets mentioned above.

35.2 Fair Value Measurement

35.2.1 Fair Value Hierarchy

The table below analyses financial instrument carried at fair value, by valuation method. The different levels have been defined as follows:

- level 1: quoted prices in active markets for identical assets or liabilities;
- level 2: inputs that are based on observable market data, directly or indirectly;
- level 3: unobservable inputs.

In thousands of euros	Level 1	Level 2	Level 3	Total
As at 31 December 2020				
Assets				
Financial assets at FVOCI				
Unlisted equity securities	–	–	204,506	204,506
Quoted debt instruments	52,622	–	–	52,622
Financial assets at FVPL				–
Hedging derivatives – interest rate swaps	–	23,735	–	23,735
TOTAL ASSETS	**52,622**	**23,735**	**204,506**	**280,863**
Liabilities				
Financial liabilities at FVPL				
Hedging derivatives – foreign exchange forward contract – GBP[(a)]	–	375	–	375
Contingent consideration payables	–	–	521	521
TOTAL LIABILITIES	**–**	**375**	**521**	**896**
As at 31 December 2019				
Assets				
Financial assets at FVOCI				
Unlisted equity securities	–	–	197,821	197,821
Financial assets at FVPL				–
Hedging derivatives – interest rate swaps	–	19,353	–	19,353
TOTAL ASSETS	**–**	**19,353**	**197,821**	**217,174**
Liabilities				
Financial liabilities at FVPL				
Hedging derivatives – foreign exchange forward contract – GBP	–	141	–	141
Contingent consideration payables	–	–	8,510	8,510
Redemption liability	–	–	22,165	22,165
TOTAL LIABILITIES	**–**	**141**	**30,675**	**30,816**

(a) Including foreign exchange spot transactions of €77k in Nord Pool (see Note 23).

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels at the end of the reporting period. There were no transfers between the levels of fair value hierarchy in 2020 and 2019. The Group did not measure any financial assets or financial liabilities at fair value on a non-recurring basis as at 31 December 2020.

35.2.2 Fair Value Measurements Using Quoted Prices in Active Markets for Identical Assets or Liabilities (level 1)

The quoted debt instruments primarily relate to the investments in listed bonds in VP Securities AS. Fair values of these debt instruments are determined by reference to published price quotations in an active market.

35.2.3 Fair Value Measurements Using Observable Market Data, Directly or Indirectly (level 2)

The fair value of interest rate swaps is calculated as the present value of the estimated future net cash flows based on observable yield curves at the reporting date. The fair value of foreign exchange forwards is calculated as the present value of future net cash flows based on the forward exchange rates at the balance sheet date.

35.2.4 Fair Value Measurements Using Unobservable Inputs (Level 3)

The following table presents the changes in level 3 instruments for the period ended 31 December 2020:

In thousands of euros	Unlisted equity securities	Contingent consideration payables	Redemption liability	Total
As at 31 December 2018	**188,416**	**(14,186)**	**(10,200)**	**164,030**
Revaluations recognised in OCI	8,903	–	–	8,903
Revaluations recognised in P&L	–	(1,310)	(11,965)	(13,275)
Additions	246	–	–	246
Payments	–	6,888	–	6,888
Acquisitions/(incurrences)	255	–	–	255
Exchange differences	–	98	–	98
As at 31 December 2019	**197,821**	**(8,510)**	**(22,165)**	**167,145**
Revaluations recognised in OCI	9,226	–	–	9,226
Revaluations recognised in P&L	–	394	(131)	263
Additions	(2,523)	–	–	(2,523)
Payments	–	8,608	22,296	30,904
Acquisitions/(incurrences)	–	(1,013)	–	(1,013)
Exchange differences	(17)	–	–	(17)
As at 31 December 2020	**204,506**	**(521)**	**–**	**203,985**

Valuation Process

Concerning the valuation process for fair value measurement categorised within level 3 of the fair value hierarchy, the Group's Central Treasury department collects and validates the available level 3 inputs and performs the valuation according to the Group's valuation methodology for each reporting period. The fair value estimates are discussed with-, and challenged by the Group Finance Director and the Chief Financial Officer. Periodically the values of investments categorized in "level 3" are validated by staff with extensive knowledge of the industry in which the invested companies operate. Although valuation techniques are applied consistently as a principle, Management, upon advice from the Group's valuation experts, may decide to replace a valuation technique if such a change would improve the quality or the reliability of the valuation process.

Unlisted Equity Securities in Euroclear S.A./N.V. and Sicovam Holding S.A.

For measuring fair value of its long-term investments in unlisted equity securities in Euroclear S.A./N.V. and Sicovam Holding S.A., the Group applies the Gordon Growth Model valuation technique as its primary valuation method with return on equity and expected dividend growth rate as key non-observable parameters. In 2020, the Group considered two most recent transactions observed in 2019 and 2018, while two transactions observed in 2018 were considered in 2019 for the determination of the fair value in addition to its primary valuation technique. In addition, for measuring the fair value of Sicovam Holding S.A., the Group applied an illiquidity discount as an unobservable input for which a sensitivity impact of +10%/(-10%) would amount to a decrease or (increase) of €6.5 million in the fair value (2019: €6.3 million). More information on the investments is further disclosed in Note 20.

The key assumptions used in the Gordon Growth Model valuation model are as follows:

2020

In thousands of euros	Fair value at 31 December 2020	Unobservable inputs*	Range of inputs (probability-weighted average)	Relationship of unobservable inputs to fair value: Increase	Relationship of unobservable inputs to fair value: decrease
Euroclear S.A./N.V.	145,252	Return on equity	7.9%-8.9% (8.4%)	4,958	(5,492)
		Expected dividend growth rate	0.74%-1.74% (1.24%)		
Sicovam Holding S.A.	58,913	Return on equity	7.9%-8.9% (8.4%)	1,928	(2,136)
		Expected dividend growth rate	0.74%-1.74% (1.24%)		

* *There were no significant inter-relationships between unobservable inputs that materially affect fair value*

2019

In thousands of euros	Fair value at 31 December 2019	Unobservable inputs*	Range of inputs (probaility-weighted average)	Relationship of unobservable inputs to fair value Increase	decrease
Euroclear S.A./N.V.	140,401	Return on equity	7.9%-8.9% (8.4%)	4,283	(5,816)
		Expected dividend growth rate	0.73%-1.73% (1.23%)		
Sicovam Holding S.A.	57,061	Return on equity	7.9%-8.9% (8.4%)	1,666	(2,262)
		Expected dividend growth rate	0.73%-1.73% (1.23%)		

* *There were no significant inter-relationships between unobservable inputs that materially affect fair value*

The sensitivity analysis shows the impact on fair value using the most favorable combination (increase), or least favorable combination (decrease) of the unobservable inputs per investment in unlisted equity securities.

Unlisted equity securities in Algomi Ltd.

On 6 March 2020, the Group sold its 7.74% minority stake in Algomi Ltd. to BGC Partners for a consideration of €2.6 million, comprising €1.9 million of cash receipt and €0.7 million of deferred receivable, pending any post-transaction settlements.

In Q1 2020, the investment was remeasured to fair value through Other Comprehensive Income at €2.6 million. Subsequently, the investment was derecognised and the realised portion of the historical revaluation gain (equal to the cash receipt of €1.9 million) was transferred within equity from FVOCI reserve to retained earnings.

Contingent consideration payables and redemption liability

The contingent consideration payables related to Company Webcast B.V. and InsiderLog AB of €5.0 million and €3.6 million respectively and the redemption liability related to Company Webcast B.V. of €22.3 million were paid in full during the year ended 31 December 2020, with any remaining revaluation result recognised in Profit or Loss (see Note 12).

The acquisition of Ticker contained a contingent consideration payable, initially estimated at €1.0 million based on business assumptions and a multiple of revenue. The liability was remeasured at €0.5 million as per 31 December 2020.

35.2.5 Fair Values of Other Financial Instruments

The Group also has a number of financial instruments which are not measured at fair value in the balance sheet. For these instruments the fair values approximate their carrying amounts.

NOTE 36 RELATED PARTIES

36.1 Transactions with Related Parties

The Group has related party relationships with its associates and joint ventures (as described in Note 7). Transactions with associates and joint ventures are generally conducted with terms equivalent to arm's length transactions. Transactions between subsidiaries are not included in the description as these are eliminated in the Consolidated Financial Statements. The interests in Group Companies are set out in Note 4.

The transactions with related parties and outstanding year-end balances are reported in the tables below:

In thousands of euros	2020	2019
Sales to related parties	67,433	50,158
Purchases from related parties	34,767	29,804

In thousands of euros	As at 31 December 2020	As at 31 December 2019
Receivables from related parties	3,308	2,191
Payables to related parties	111	381

36.2 Key Management Remuneration

The other related parties disclosure relates entirely to the key management of Euronext, being represented by the Company's Managing Board and Supervisory Board.

The compensation expense recognised for key management is as follows:

	2020		
In thousands of euros	Managing Board	Supervisory Board	Total
Short term benefits	(6,441)	(896)	(7,331)
Share-based payment costs[(a)]	(2,920)	–	(2,920)
Post-employment benefits	(151)	–	(151)
Termination benefits	(252)	–	(252)
TOTAL BENEFITS	**(9,764)**	**(896)**	**(10,660)**

(a) Share based payments costs are recognised in accordance with IFRS 2.

	2019		
In thousands of euros	Managing Board	Supervisory Board	Total
Short term benefits	(5,304)	(764)	(6,068)
Share-based payment costs[(a)]	(2,105)	–	(2,105)
Post-employment benefits	(138)	–	(138)
Termination benefits	–	–	–
TOTAL BENEFITS	**(7,547)**	**(764)**	**(8,311)**

(a) Share based payments costs are recognised in accordance with IFRS 2.

NOTE 37 FINANCIAL RISK MANAGEMENT

As a result of its operating and financing activities, the Group is exposed to market risks such as interest rate risk, currency risk and credit risk. The Group has implemented policies and procedures designed to measure, manage, monitor and report risk exposures, which are regularly reviewed by the appropriate management and supervisory bodies. The Group's central treasury team is charged with identifying risk exposures and monitoring and managing such risks on a daily basis. To the extent necessary and permitted by local regulation, the Group's subsidiaries centralise their cash investments, report their risks and hedge their exposures in coordination with the Group's central treasury team. The Group performs sensitivity analyses to determine the effects that may result from market risk exposures. The Group uses derivative instruments solely to hedge financial risks related to its financial position or risks that are otherwise incurred in the normal course of its commercial activities. The Group does not use derivative instruments for speculative purposes.

37.1 Liquidity Risk

The Group would be exposed to a liquidity risk in the case where its short-term liabilities become, at any date, higher than its cash, cash equivalents, short-term financial investments and available bank facilities and in the case where the Group is not able to refinance this liquidity deficit, for example, through new banking lines.

Cash, cash equivalents and short-term financial investments are managed as a global treasury portfolio invested in non-speculative financial instruments, readily convertible to cash, such as bank balances, money market funds, overnight deposits, term deposits and other money market instruments, thus ensuring a very high liquidity of the financial assets. The Group's policy is to ensure that cash, cash equivalents and available bank facilities allow the Group to repay its financial liabilities at all maturities, even disregarding incoming cash flows generated by operational activities, excluding the related party loans granted by the Group's subsidiaries to its Parent.

The net position of current financial assets, financial liabilities and available credit facilities, excluding working capital items, as of 31 December, 2020 and 2019 is described in the table below:

In thousands of euros	2020	2019
Cash cash equivalents and short term investments	629,469	369,822
Available revolving credit facility (RCF)	400,000	400,000
Available bridge loan facility	4,400,000	–
Financial debt (long term and short term borrowings)	(1,280,753)	(1,018,277)
NET POSITION	**4,148,716**	**(248,455)**

The Group has a €400 million revolving credit facility that can be used for general corporate or M&A purposes and €4.4 billion bridge loan facility dedicated solely for the acquisition of the Borsa Italiana Group (see Notes 2 and 29). As of 31 December 2020, the Group did not have any amounts drawn under either facility.

Depending on closing of the Borsa Italiana Group transaction, the initial bridge loan facility financing will be replaced by long-term financing through a mix of (i) existing available cash, (ii) new debt and (iii) new equity to be issued, which comprises a private placement to long-term strategic investors CDP Equity S.p.A. and Intesa Sanpaolo S.p.A. and a rights offer to Euronext's shareholders.

The Group reviews its liquidity and debt positions on an ongoing basis, and subject to market conditions and strategic considerations, may from time to time re-examine the debt structure of its debt and modify the maturity profile and the sources of financing. The Group is able to support short term liquidity and operating needs through existing cash balance and its strong ability to generate adequate cash flow. The Group has generally access to debts markets, including bank facilities, and may be able to obtain additional debt or other sources of financing to finance its strategic development, provided that its financial risk profile allows it to do so.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments , including principal - and interest amounts, expected throughout the life of the obligations:

In thousands of euros	Maturity < 1 year	Maturity between one and five years	Maturity > five years	Total
2020				
Trade and other payables	185,837	–	–	185,837
Other current financial liabilities	521	–	–	521
Borrowings	13,548	553,750	783,750	1,351,048
Lease liabilities	15,900	33,468	1,583	50,951
Other non-current financial liabilities	–	–	–	–
2019				
Trade and other payables	117,298	–	–	117,298
Other current financial liabilities	30,675	–	–	30,675
Borrowings	10,625	42,500	1,033,125	1,086,250
Lease liabilities	13,970	40,000	1,180	55,150
Other non-current financial liabilities	–	–	–	–

37.2 Interest Rate Risk

Substantially all interest-bearing financial assets and liabilities of the Group are either based on floating rates or based on fixed rates with an interest term of less than one year, except for the fixed rated Bonds #one and #2, which have maturities of respectively seven years and ten years. The Group entered into interest rate swap contracts in order to hedge the interest rate risk inherent to the fixed rate Bond #1. As a result, the Group is exposed to fair value risk affecting fixed-rate financial assets and liabilities only through its fixed rate Bond #2. As at 31 December 2020, the Group had an aggregated notional of €500 million fixed-to-floating interest rate swaps outstanding in relation to the fair value hedge of the €500 million Bond #1.

As at 31 December 2020 and 2019 the interest rate exposure of the Company was as follows:

Currency	Position in EUR		Positions in GBP		Positions in USD		Positions in NOK		Positions in DKK	
Type of rate and maturity *In thousands of euros*	Floating rate with maturity < one year	Floating rate with maturity > one year	Floating rate with maturity < one year	Floating rate with maturity > one year	Floating rate with maturity < one year	Floating rate with maturity > one year	Floating rate with maturity < one year	Floating rate with maturity > one year	Floating rate with maturity < one year	Floating rate with maturity > one year
2020										
Interest bearing financial assets[(a)]	355,941	–	30,735	–	16,002	–	80,682	–	39,068	–
Interest bearing financial liabilities	16	–	–	–	–	–	–	–	–	–
Net position before hedging	355,925	–	30,735	–	16,002	–	80,682	–	39,068	–
Net position after hedging	356,043	(500,000)	30,735	–	16,002	–	80,682	–	39,068	–
2019										
Interest bearing financial assets[(a)]	201,403	–	25,622	–	9,343	–	64,099	–	–	–
Interest bearing financial liabilities	62	–	–	–	–	–	–	–	–	–
Net position before hedging	201,341	–	25,622	–	9,343	–	64,099	–	–	–
Net position after hedging	201,311	(500,000)	25,622	–	9,343	–	64,099	–	–	–

Currency	Position in EUR		Positions in GBP		Positions in USD		Positions in NOK		Positions in DKK	
Type of rate and maturity *In thousands of euros*	Fixed rate with maturity < one year	Fixed rate with maturity > one year	Fixed rate with maturity < one year	Fixed rate with maturity > one year	Fixed rate with maturity < one year	Fixed rate with maturity > one year	Fixed rate with maturity < one year	Fixed rate with maturity > one year	Fixed rate with maturity < one year	Fixed rate with maturity > one year
2020										
Interest bearing financial assets[(a)]	95,469	3,516	19,334	–	16,143	–	30,531	–	37,795	–
Interest bearing financial liabilities	8,227	1,272,510	–	–	–	–	77	–	–	–
Net position before hedging	87,242	(1,268,994)	19,334	–	16,143	–	30,454	–	37,795	–
Net position after hedging	114,195	(768,994)	19,334	–	16,143	–	30,454	–	37,795	–
2019										
Interest bearing financial assets[(a)]	45,815	–	5,909	–	14,909	–	19,098	–	–	–
Interest bearing financial liabilities	7,000	1,011,527	–	–	–	–	–	–	–	–
Net position before hedging	38,815	(1,011,527)	5,909	–	14,909	–	19,098	–	–	–
Net position after hedging	61,531	(511,527)	5,909	–	14,909	–	19,098	–	–	–

(a) Includes cash and cash equivalents and non-current financial assets at amortised cost.

The Group is exposed to cash-flow risk arising from net floating-rate positions. The Group was a net borrower in Euros at 31 December 2020 and 2019. The sensitivity of net interest income to a parallel shift in the interest curves is that a 0.5% increase/decrease of the rate would have resulted in an increase/decrease of net interest income of €0.7 million based on the positions at 31 December 2020 (2019: €1.5 million).

The Group was a net lender in Pound Sterling at 31 December 2020 and 2019. The sensitivity of net interest income to a parallel shift in the interest curves is that a 0.5% increase/decrease of the rate would not have had a material impact on the net interest income based on the positions at 31 December 2020 and 2019.

The Group was a net lender in US Dollar at 31 December 2020 and 2019. The sensitivity of net interest income to a parallel shift in the interest curves is that a 0.5% increase/decrease of the rate would not have had a material impact on net interest income based on the positions at 31 December 2020 and 2019.

The Group was a net lender in Norwegian Kroner at 31 December 2020 and 2019. The sensitivity of net interest income to a parallel shift in the interest curves is that a 0.5% increase/decrease of the rate would have resulted in an increase/decrease of net interest income of €0.4 million based on the positions at 31 December 2020 (2019: €0.3 million).

The fluctuation of the DKK against the EUR is set within the bandwidth +/-2.25% as an exchange rate mechanism established by the Denmarks Nationalbank. Therefore, currency risk sensitivity inherent to the Group exposure to that currency is deemed to be irrelevant.

37.3 Currency Risk

Foreign currency translation risk:

The Group's net assets are exposed to the foreign currency risk arising from the translation of assets and liabilities of subsidiaries with functional currencies other than the euro. The following table summarises the assets and liabilities recorded in respectively GBP, USD and NOK functional currency and the related impact of a 10% in/decrease in the currency exchange rate on balance sheet:

In thousands	2020	2019
Assets	£74,334	£58,755
Liabilities	£(8,758)	£(7,561)
Net currency position	**£65,576**	**£51,194**
Net currency position after hedge	£38,290	£24,052
ABSOLUTE IMPACT ON EQUITY OF 10% IN/DECREASE IN THE CURRENCY EXCHANGE RATE	**€4,276**	**€2,841**

In thousands	2020	2019
Assets	$205,286	$194,824
Liabilities	$(13,766)	$(12,322)
Net currency position	**$191,520**	**$182,502**
ABSOLUTE IMPACT ON EQUITY OF 10% IN/DECREASE IN THE CURRENCY EXCHANGE RATE	**€15,666**	**€16,253**

In thousands	2020	2019
Assets	kr9,362,231	kr8,489,992
Liabilities	kr(1,900,044)	kr(1,161,871)
Net currency position	**kr7,462,187**	**kr7,328,121**
ABSOLUTE IMPACT ON EQUITY OF 10% IN/DECREASE IN THE CURRENCY EXCHANGE RATE	**€71,089**	**€74,322**

Most operating revenue and expenses in the various subsidiaries of the Group are denominated in the functional currency of each relevant subsidiary. The Group's consolidated income statement is exposed to foreign currency risk arising from receivables and payables denominated in currencies different from the functional currency of the related entity.

The Group may use derivatives instruments designated as hedge of net investment or foreign denominated debt to manage its net Investment exposures. The decision to hedge the exposure is considered on a case by case basis since the Group is generally exposed to major, well established and liquid currencies. The Group would, by the same token, hedge transaction risk arising from cash flows paid or received in a currency different from the functional currency of the group contracting entity on a case by case basis. As at 31 December 2020, the Group had a EUR/GBP foreign exchange contract with a notional amount of £27.3 million expiring in three months, which has been designated as a hedge of the net investment in the acquired subsidiary Commcise Software Ltd. (see Note 23).

37.4 Credit Risk

The Group is exposed to credit risk in the event of a counterparty's default. The Group is exposed to credit risk from its operating activities (primarily trade receivables), from its financing activities and from the investment of its cash and cash equivalents and short-term financial investments. The Group limits its exposure to credit risk by rigorously selecting the counterparties with which it executes agreements. Most customers of the Group are leading financial institutions that are highly rated. Investments of cash and cash equivalents in bank current accounts and money market instruments, such as short-term fixed and floating rate interest deposits, are governed by rules aimed at reducing credit risk: maturity of deposits strictly depends on credit ratings, counterparties' credit ratings are permanently monitored and individual counterparty limits are reviewed on a regular basis. In addition to the intrinsic creditworthiness of counterparties, the Group's policies also prescribe the diversification of counterparties (banks, financial institutions, funds) so as to avoid a concentration of risk. Derivatives are negotiated with leading high-grade bank

37.4.1 Impairment of Financial Assets

The Group's trade and contract receivables and other debt financial assets at amortised cost and FVOCI are subject to the expected credit loss model. While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was considered immaterial.

Trade and Contract Receivables

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade and contract receivables.

To measure expected credit losses, trade and contract receivables have been grouped based on shared credit risk characteristics and the days past due. The historical loss rates are based on the payment profiles of the sales over a period of 24 months before reporting date and the corresponding historical credit losses experience within this period. The historical loss rates are adjusted to reflect current and forward-looking factors specific to the debtors and economic environment. Generally trade receivables are written-off if past due more than one year, or when there is no reasonable expectation of recovery. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 21. The Group evaluates the concentration of credit risk with respect to trade and contract receivables as low, as most of its customers are leading financial institutions that are highly rated.

Set out below is the information about the credit risk exposure on the Group's trade and contract receivables using a provision matrix as at 31 December 2020 and 2019:

31 December 2020

		Trade receivables				
In thousands of euros	Contract Receivables	Current	30-60 days past due	61-90 days past due	> 91 days past due	Total
Expected credit loss rate	0.79%	0.08%	0.23%	0.60%	1.73%	
Collectively assessed receivables	24,926	57,560	17,521	1,822	28,130	129,959
Expected credit loss collective basis	**196**	**45**	**40**	**11**	**486**	**778**
Expected credit loss rate	–	–	–	–	100.0%	
Individually assessed receivables	–	–	–	–	2,600	2,600
Expected credit loss individual basis	**–**	**–**	**–**	**–**	**2,600**	**2,600**
TOTAL EXPECTED CREDIT LOSS	**196**	**45**	**40**	**11**	**3,086**	**3,378**

31 December 2019

		Trade receivables				
In thousands of euros	Contract Receivables	Current	30-60 days past due	61-90 days past due	> 91 days past due	Total
Expected credit loss rate	0.09%	0.09%	0.24%	0.63%	1.75%	
Collectively assessed receivables	19,878	43,787	28,314	7,597	12,938	112,514
Expected credit loss collective basis	**17**	**38**	**68**	**48**	**226**	**397**
Expected credit loss rate	–	–	–	–	100.0%	–
Individually assessed receivables	–	–	–	–	1,221	1,221
Expected credit loss individual basis	**–**	**–**	**–**	**–**	**1,221**	**1,221**
TOTAL EXPECTED CREDIT LOSS	**17**	**38**	**68**	**48**	**1,447**	**1,618**

In 2020, the increase in loss allowance provision, was due to i) a higher customer base in general, ii) longer period of amounts outstanding, iii) adjustment of historical loss rates for non-trading customers to reflect increased risk in current economic environment and iv) an increase of individually assessed customers at risk.

Other Debt Financial Assets at Amortised Cost and FVOCI

The other debt financial assets comprise i) debt investments at amortised cost, which include short-term deposits with a maturity over three months and ii) debt investments at FVOCI, which include investments in listed bonds.

The other debt financial assets at amortised cost and FVOCI are considered to have low credit risk, as the issuers of the instruments have a low risk of default evidenced by their strong capacity to meet their contractual cash flow obligations in the near term. The loss allowance recognised during the period was therefore limited to 12 months expected credit losses. The Group did not recognise any material provision for expected credit losses on its other debt financial assets at amortised cost and FVOCI as per 31 December 2020 (2019: not material). The amount of credit-impaired financial assets is considered not significant.

37.5 Equity Market risk

The Group's investment in publicly traded equity securities was insignificant in 2020 and 2019.

37.6 Capital Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, to comply with regulatory requirements and to maintain an optimal capital structure to reduce the cost of capital and provide return to shareholders. Certain entities of the Group are regulated as Exchanges or as Central Securities Depository ("CSD") and are subject to certain statutory regulatory requirements based on their local statutory Financial Statements and risks. In general, the financial ratios of the Group's subsidiaries significantly exceed the regulatory requirements and they maintain a safety cushion in order to avoid any concern from the regulators.

Euronext N.V. must comply with prudential requirements, as a result of an agreement reached with the Dutch Finance Ministry in May 2016, which are set forth in three pillars:

- a minimum Total Equity level equal of at least €250 million; and
- the Group shall take care of stable financing. Long-term assets of the Group will be financed with shareholders equity and long term liabilities, to the satisfaction of the AFM; and
- the Group shall have a positive regulatory capital on a consolidated basis. The regulatory capital is calculated according to the following formula: the paid up share capital plus the freely available reserves less the items listed in section 36 of Regulation (EU) no. 575/201. In deviation to mentioned formula, the value of the intangible fixed assets in connection with Mergers and Acquisitions will be deducted in 10 (default) or more (20 for Oslo Børs ASA) equal instalments (grow in period) from the regulatory capital. Considering a consistent dividend policy, the grow in period can be extended if the P/E ratio would exceed 10 times. If the grow in period and the related dividend policy provide for a negative a regulatory capital for a limited number of years of the gown-in period, then this fact will not prevent the execution of the consistent and prudent dividend policy of the Group in those years.

As per 31 December 2020, Euronext N.V. complied with these requirements.

Euronext Amsterdam N.V. is subject to a minimum statutory capital requirement of €730 thousand, shall have a regulatory capital in the amount of 50% of the direct fixed cost of Euronext Amsterdam N.V. during the preceding financial year and in addition the cash and cash equivalents shall be higher than the required minimum regulatory capital to operate as an exchange in the Netherlands. As per 31 December 2020, Euronext Amsterdam N.V. was in compliance with these requirements.

Euronext Brussels SA/NV shall maintain adequate financial resources at its disposal to ensure orderly functioning of the market. The law mentions that FSMA may, by a regulation, set financial ratios for market operators and determine which financial information they are required to provide. At this date, no quantitative requirements has ever been set either by a regulation or by the Financial Authority FSMA.

Euronext Dublin shall at all time hold a minimum level of capital based on the Basic Capital Requirement and the Systematic Capital Add-on and maintain liquid financial assets at least equal to the sum of these two amounts of required capital. As per 31 December 2020, Euronext Dublin complied with these requirements.

Euronext Lisbon S.A. shall maintain minimum statutory share capital of €3.0 million and shall maintain minimum statutory equity of €6.0 million. In addition, Euronext Lisbon's liabilities must not exceed its own funds (basically the amount of equity). As per 31 December 2020, Euronext Lisbon complied with these requirements.

Euronext London Ltd. shall maintain a minimum level of financial resources, of at least equal to six months of operating costs, to be able to properly perform its exchange functions. As per 31 December 2020, Euronext London Ltd. complied with these requirements.

Euronext Paris S.A. shall maintain statutory regulatory equity at no less than 50% of its yearly expenses and a solvency ratio on operational risks at no less than 8%. As per 31 December 2020, Euronext Paris S.A. complied with these requirements.

Interbolsa S.A. shall maintain minimum statutory share capital of €2.75 million and shall maintain minimum statutory equity of €5.5 million. In addition, as a CSD, Interbolsa S.A. shall hold an amount of capital, including retained earnings and reserves, higher or equal to the sum of CSD'S capital requirements. As per 31 December 2020, Interbolsa S.A. complied with these requirements.

VPS ASA must maintain primary capital equivalent to at least nine months of operating costs plus an adequate buffer amount. In this context, primary capital comprises equity after deducting items including intangible assets such as system development costs and deferred tax assets. Dividend payments by VPS ASA require approval of the Ministry of Finance. As per 31 December 2020, VPS ASA complied with these requirements. Oslo Børs ASA must maintain an adequate level of primary capital. In this context, primary capital comprises equity after deducting items including intangible assets such as system development costs and deferred tax assets. Although the Norwegian legislation does not stipulate any specific quantitative level of capital requirements, Oslo Børs ASA maintains at all times sufficient liquid assets and capital resources. As per 31 December 2020, Oslo Børs ASA complied with these requirements.

Euronext Markets Singapore Pte Ltd. shall maintain a minimum regulatory capital requirement (a) 18% of its annual operating revenue, (b) 50% of its annual operating costs, and (c) $500,000 restricted cash deposit. As per 31 December 2020, Euronext Markets Singapore Pte Ltd. complied with these requirements.

VP Securities AS shall comply with the capital requirement regulation for CSDs. As such, it shall hold an amount of capital, including retained earnings and reserves, higher or equal to the sum of CSD's capital requirements. As per 31 December 2020, VP Securities AS complied with this requirement.

37.7 Changes in Liabilities Arising From Financing Activities

The changes in liabilities arising from the Group's financing activities in 2020 and 2019 were as follows:

In thousands of euros	Borrowings due within one year	Borrowings due after one year	Leases due within one yea	Leases due after one year	Total liabilities from financing activity
As at 1 January 2019	**3,746**	**504,941**	**11,092**	**45,125**	**564,904**
Cash flows	(6,252)	448,251	(9,744)	–	432,255
Acquisitions	65	45,956	1,543	5,149	52,713
Additions	–	–	233	1,440	1,673
Fair Value adjustments	–	11,867	–	–	11,867
Accrued interest	9,303	–	555	–	9,858
Amortisation and transfer of issue costs	–	684	–	–	684
Foreign exchange impacts	(112)	(172)	21	(44)	(307)
Other	–	–	10,270	(10,490)	(220)
As at 31 December 2019	**6,750**	**1,011,527**	**13,970**	**41,180**	**1,073,427**
Cash flows	(11,564)	255,855	(14,890)	–	229,401
Acquisitions	–	–	2,350	7,993	10,343
Additions	–	–	401	407	808
Fair Value adjustments	–	4,409	–	–	4,409
Accrued interest	13,057	–	525	–	13,582
Amortisation and transfer of issue costs	–	731	–	–	731
Foreign exchange impacts	–	–	(202)	(587)	(789)
Other	–	(12)	13,746	(13,942)	(208)
AS AT 31 DECEMBER 2020	**8,243**	**1,272,510**	**15,900**	**35,051**	**1,331,704**

The line "Other" includes the effect of reclassification of non-current portion of lease liabilities to current due to the passage of time.

NOTE 38 CONTINGENCIES

The Group is involved in a number of legal proceedings that have arisen in the ordinary course of our business. Other than as discussed below, management does not expect these pending or threatening legal proceedings to have a significant effect on the Group's financial position or profitability. The outcome of legal proceedings, however, can be extremely difficult to predict and the final outcome may be materially different from managements' expectation.

Euronext Amsterdam Pension Fund

Approximately 120 retired and/or former Euronext Amsterdam employees, united in an association ("VPGE"), served summons on Euronext Amsterdam on 3 April 2014. The claim is based on the fact that Euronext Amsterdam terminated its pension agreement with the pension fund Mercurius ("PMA") and transferred the pension of the current employees of Euronext Amsterdam to Delta Lloyd Asset Management ("Delta Lloyd"). The pension entitlements of the retired and/or former employees of Euronext Amsterdam have also been transferred by PMA to Delta Lloyd. The retired and/or former employees have been informed by PMA that the transfer of their entitlements to Delta Lloyd will result in a nominal pension entitlement without indexation in the future. The association claims that Euronext Amsterdam should guarantee the same pension entitlements of the retired Euronext Amsterdam employees under the same or similar conditions as those in the agreement between Euronext Amsterdam and PMA with the consideration that (i) the administration fee will be covered, (ii) the liability ratio will be covered and (iii) the loyalty and solidarity between retired and current employees is provided for. The amount will need to be calculated by an actuary.

On 24 June 2016 the judge delivered a decision. The claim that Euronext Amsterdam should guarantee the same pension entitlements of the retired Euronext Amsterdam employees under the same or similar conditions as those in the agreement between Euronext Amsterdam and PMA is rejected. However, the judge did hold that there has been an attributable breach by Euronext Amsterdam in the performance of the pension agreements with the members of the association. Euronext Amsterdam is ordered to pay for damages resulting from the loss of indexation perspective incurred by the claimants other than the association. The association is not eligible to claim damages. The amount of the damages needs to be determined in a separate procedure (a "schadestaatprocedure"). Management believes that the decision is insufficiently motivated.

On 21 September 2016, Euronext Amsterdam filed for appeal against the decision. The grounds for appeal were filed on 6 December 2016. On 14 February 2017 claimants filed their responses and also filed for appeal against certain parts of the decision of 24 June 2016. Euronext Amsterdam has responded to the grounds for appeal raised by claimants on 25 April 2017. An oral hearing took place on 24 November 2017.

The actuaries of Euronext had already calculated that the pensioners would have lower pension rights in the event that the implementation agreement would have been continued. These calculations are based on all the financial obligations of the implementation agreement and the financial position of the pension fund. Furthermore the calculations are based on the legal parameters of the Pension Act 2007, Therefore, Euronext has called for rejection of the claims of the pensioners because there is no financial loss. The pensioners have responded to this information on 23 July 2019.

On 28 July 2020 the Higher Court ordered Euronext:

- to restore the pension reduction of 1.55% to the VPGE members; and
- to pay for indexation of the VPGE member's pensions. However, the premium is limited to 49% (42/85.2) of 8.52% of the annual pension premium. The cost that have been paid already for indexation and the missed interest (2014-2019) must be settled.

From a Euronext standpoint, the Higher Court has applied the Pensions Act incorrectly and has inexplicably misjudged important facts. Euronext has lodged an appeal in Cassation before the Supreme Court on 23 October 2020. On 18 December 2020 the counterparty submitted its statement of defence including appeal in Cassation. On 15 January 2021, Euronext submitted its statement of defence against the appeal in Cassation of the counterparty.

No provision has been booked in connection with this case.

NOTE 39 COMMITMENTS

39.1 Capital Commitments

As of 31 December, capital expenditures contracted but not yet incurred were as follows:

In thousands of euros	2020	2019
No later than one year	931	10,740
Later than 1 year and no later than 5 years	341	189
Later than 5 years	–	–
TOTAL	**1,272**	**10,929**

The decrease in capital expenditures contracted was due to termination of the supplier contract related to the Euronext Dublin office building for which improvement projects were finalised in 2020.

39.2 Guarantees Given

As per 31 December 2020, Euronext N.V. participates in a number of guarantees within the Group (see Note 59).

39.3 Securities Held as Custodian

In Portugal, Norway and Denmark, the Group acts as a National Central Securities Depository, operated by respectively Interbolsa, Verdipapirsentralen ASA ("VPS") and VP Securities AS.

Interbolsa

As at 31 December 2020, the value of securities kept in custody by Interbolsa amounted to €384 billion (2019: €347 billion) based on the market value of shares and the nominal value of bonds. The procedures of this National Central Securities Depository are focused on the provision of notary services, central maintenance services and settlement securities services, according to the CSDR (Central Securities Depository Regulation). The settlement services, provided through T2S platform, have its risks mitigated mainly by early warning systems. The reconciliation procedures in place mitigate the major risks related to the registration of securities.

VPS

As at 31 December 2020, the value of securities kept in custody by VPS amounted to €622 billion (2019: €615 billion) based on the market value of shares and the nominal value of bonds.

Under the terms of Section 9-1 the Norwegian Securities Register Act of 5 July 2002, VPS is liable for losses that other parties may incur as a result of errors that occur in connection with registration activities. This does not apply if VPS is able to demonstrate that the error was outside VPS' control. Errors on the side of the account operator are under the current law seen as being under the control of VPS, however VPS has a right to recourse from the account operator. The statutory liability according to Section 9-1, first paragraph, only applies to direct losses and is limited to NOK 500 million per claim. In case of gross negligence or wilful misconduct these limitations do not apply.

The Securities Register Act stipulates that VPS' potential liability pursuant to Section 9-1, first paragraph of the Act, must be covered through insurance, or by some other form of guarantee subject to approval by the FSA. Oslo Børs VPS Holding ASA has taken out errors and omissions insurance for the parent company and its subsidiaries, with an annual limit of NOK 1 billion and a deductible of NOK 10 million per claim. VPS shares this insurance with the other companies in the Group up to a limit of NOK 300 million and is the sole insured party for the balance of NOK 700 million. The insurance is subject to a limit of NOK 500 million for any one claim.

VPS received in March 2021 a notification of a claim that refers to an alleged wrongful act performed by an account operator leading to a potential loss for a third party. According to the current Securities Register Act and General terms and conditions for account operators VPS can be responsible towards third parties for wrongful acts by an account operator, but is entitled to be indemnified by the account operator for the loss.

VP Securities

As at 31 December 2020, the value of securities kept in custody by VP Securities amounted to €1,456 billion based on the market value of shares and the nominal value of bonds. The procedures of this National Central Securities Depository are focused on the provision of notary services, central maintenance services and settlement securities services, according to the CSDR (Central Securities Depository Regulation). The settlement services, provided through T2S platform, have its risks mitigated mainly by early warning systems. The reconciliation procedures in place mitigate the major risks related to the registration of securities.

NOTE 40 EVENTS AFTER THE REPORTING PERIOD

The significant events that occurred between 31 December 2020 and the date of this report that could have a material impact on the economic decisions made based on these Financial Statements are listed below:

Acquisition of London Stock Exchange Group Holdings Italia S.p.A. ("Borsa Italiana Group")

As referred to in Note 2, the acquisition of the Borsa Italiana Group is subject to a broad range of conditions.

During the first months of 2021, the following major conditions were satisfied:

- On 13 January 2021, the European Commission has conditionally approved, under the EU Merger Regulation, LSEG proposed acquisition of Refinitiv;
- On 29 January 2021, LSEG closed its acquisition of Refinitiv;
- On 25 February 2021, the Financial Conduct Authority approved the Proposed Combination;
- On 26 February 2021, the European Commission approved Euronext under the EU Merger Regulation as a suitable purchaser for the Proposed Combination;
- On 11 March 2021, Euronext received a declaration of non-objection from Euronext's College of Regulators in relation with the Proposed Combination;
- On 9 March 2021, Euronext received a declaration of non-objection from the National Bank of Belgium in relation with the Proposed Combination;
- On 25 March 2021, LSEG received the approval of the Financial Industry Regulatory Authority ("FINRA") in relation with the Proposed Combination.

The transaction is still subject to regulatory approvals in several jurisdictions.

Euronext expects to complete the transaction in in the first half of 2021.

Exercise of Call Option For Remaining Shares in iBabs B.V.

On 3 March 2021, the Group exercised its call option to acquire the remaining 40% of the shares in iBabs B.V. Cash consideration of €55.6 million was paid to the non-controlling shareholders, which was recognised directly against Shareholders' equity. Consequently, the Group now has an ownership of 100% in iBabs B.V.

Sale of subsidiary Centevo AB

On 19 March 2021, the Group completed the sale of 100% of the share capital in its subsidiary Centevo AB to Profile Software, an international financial solutions provider. The proceeds of the sale amounted to €4.0 million. The result from disposal of this subsidiary was considered not significant.

Changes in the Group's Key Management Personnel

On 18 January 2021, the Group announced that Anthony Attia will be handing over his position as CEO of Euronext Paris and member of the Managing Board of Euronext N.V., following his appointment as Global Head of Primary Markets and Post Trade.

In addition, the Group announced that Delphine d'Amarzit has been appointed as his successor, subject to regulatory and shareholder approvals, starting from 15 March 2021.

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Authorisation of Consolidated Financial Statements

Amsterdam, 30 March 2021

Supervisory Board	Managing Board
Dick Sluimers *(Chairman)*	Stéphane Boujnah *(CEO and Chairman)*
Franck Silvent	Chris Topple
Jim Gollan	Daryl Byrne
Lieve Mostrey	Georges Lauchard
Luc Keuleneer	Isabel Ucha
Manuel Ferreira da Silva	Øivind Amundsen
Morten Thorsrud	Simone Huis in 't Veld
Nathalie Rachou	Vincent van Dessel
Padraic O'Connor	

Company Financial Statements for the year ended 31 December 2020

Company Income Statement

In thousands of euros	Note	Year ended 31 December 2020	Year ended 31 December 2019
Net turnover	**42**	**–**	**–**
Other operating expenses	43	(16,649)	(20,396)
Total operating (loss)		**(16,649)**	**(20,396)**
Income from equity investments	44	–	5,784
Other interest income and similar income	44	18,202	10,067
Interest expenses and similar charges	44	(48,401)	(10,368)
Result before tax		**(46,848)**	**(14,913)**
Tax	45	7,498	1,446
Share in result of participations	46	354,834	235,433
NET RESULT FOR THE YEAR		**315,484**	**221,966**

The above Company Income Statement should be read in conjunction with the accompanying notes.

Company Balance Sheet (Before appropriation of profit)

In thousands of euros	Note	As at 31 December 2020	As at 31 December 2019
Assets			
Fixed assets			
Investments in consolidated subsidiaries	46	1,892,156	1,602,307
Investments in associates and joint ventures	46	68,051	67,025
Related party loans	46	459,705	504,736
Financial assets at fair value through OCI	47	137,374	132,786
Other non-current financial and other assets	48	5,101	957
Total financial fixed assets		**2,562,387**	**2,307,811**
Total fixed assets		**2,562,387**	**2,307,811**
Current assets			
Trade and other receivables	49	66,052	57,011
Income tax receivable		23,570	37,014
Related party loans	50	100,621	50,734
Total receivables		**190,243**	**144,759**
Derivative financial instruments	51	23,735	19,353
Total securities		**23,735**	**19,353**
Cash		**205,467**	**19,024**
Total current assets		**419,445**	**183,136**
Assets held for sale		**–**	**8,760**
TOTAL ASSETS		**2,981,832**	**2,499,707**
Shareholders' equity and liabilities			
Shareholders' equity			
Issued capital		112,000	112,000
Share premium		107,562	107,562
Reserve for own shares		(19,867)	(11,194)
Retained earnings		517,567	517,567
Legal reserves and other		26,003	70,884
Profit for the year		315,484	221,966
Total shareholders' equity	**52**	**1,058,748**	**918,140**
Long-term liabilities			
Borrowings	53	1,272,510	1,011,515
Deferred tax liabilities		12,700	14,028
Total long-term liabilities		**1,285,210**	**1,025,543**
Short-term liabilities			
Borrowings	53	8,227	6,747
Related party borrowings	54	378,019	430,947
Derivative financial instruments	51	298	141
Trade and other payables	55	251,330	118,131
Current contract liabilities		–	58
Total short-term liabilities		**637,874**	**556,024**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**2,981,832**	**2,499,707**

The above Company Balance Sheet should be read in conjunction with the accompanying notes.

Notes to the Company Financial Statements

NOTE 41 BASIS OF PREPARATION

Euronext N.V. is a Dutch public company with limited liability (*naamloze Vennootschap*) which has its registered office in Amsterdam under Chamber of Commerce number 60234520.

The Company Financial Statements of Euronext N.V. (hereafter: the Company) have been prepared in accordance with Part 9, Book 2 of the Dutch Civil Code. In accordance with sub 8 of article 362, Book 2 of the Dutch Civil Code, the Company's Financial Statements are prepared based on the accounting principles of recognition, measurement and determination of profit, as applied in the Consolidated Financial Statements. These principles also include the classification and presentation of financial instruments, being equity instruments or financial liabilities.

In case no other policies are mentioned, refer to the accounting policies as described in the accounting policies in the Consolidated Financial Statements of this annual report. For an appropriate interpretation, the Company Financial Statements of Euronext N.V. should be read in conjunction with the Consolidated Financial Statements.

Valuation of investments in consolidated subsidiaries

Investments in consolidated subsidiaries are presented at net asset value. Net asset value is based on the measurement of assets, provisions and liabilities and determination of profit based on the principles applied in the Consolidated Financial Statements.
If the valuation of a consolidated subsidiary based on the net asset value is negative, it will be stated at nil. If and insofar the Company can be held fully or partially liable for the debts of the consolidated subsidiary, or has the firm intention of enabling the consolidated subsidiary to settle its debts, a provision is recognised for this. In determining the value of consolidated subsidiaries with a negative equity, any non-current loans, issued to the consolidated subsidiary, that should be seen as part of the net investment are taken into account. Non-current loans are considered to be part of the net investment if these loans are not expected to be settled in the near future nor planned to be settled in the near future.

NOTE 42 NET TURNOVER

In thousands of euros	2020	2019
Market Data revenues	125,868	117,184
Recharge of Market Data revenues	(125,868)	(117,184)
TOTAL	**–**	**–**

Euronext N.V. receives market data revenues. The subsidiaries charge Euronext N.V. as market data providers. Euronext N.V. does not charge its subsidiaries a fee for its role of administering the sale of market data to third parties and as such does not recognise a margin on the sales.

NOTE 43 OTHER OPERATING EXPENSES

In thousands of euros	2020	2019
Systems and communications	(267)	(94)
Professional Services	(14,620)	(16,984)
Other expenses	(1,762)	(3,318)
TOTAL	**(16,649)**	**(20,396)**

In 2020, professional services expenses contains €8.8 million of acquisition costs (2019: €11.7 million).

In 2019, other expenses contains €1.3 million that is related to a settlement payment regarding the investment in Algomi Ltd..

Number of employees

Euronext N.V. had no employees during 2020 and 2019. The remuneration of the Supervisory Board is included in other expenses.

NOTE 44 FINANCIAL INCOME AND EXPENSES

In thousands of euros	2020	2019
Income from equity investments	–	5,784
Interest and similar income	18,202	10,067
Interest and similar expenses	(16,089)	(10,944)
Exchange differences	(32,312)	576
TOTAL	**(30,199)**	**5,483**

In 2019, Income from equity investments contains the dividend received from Euroclear S.A./N.V.

Interest and similar income contains the income of €4.9 million (2019: €5.0 million) from interest rate swaps entered into by the Group (see Note 23 of the Consolidated Financial Statements) and the interest income on related party loans for €13.2 million in 2020 (2019: €0.9 million). This increase of the interest income is mainly attributable to the full year interest impact of the related party loan to Euronext Nordics Holding AS, as it was issued on 23 December 2019.

Interest and similar expenses increased, following a tap-on Bond on Senior Unsecured Note #2 issued in June 2020. In 2019, the Senior Unsecured Note #2 was issued in June 2019 (see Note 29 of the Consolidated Financial Statements).

In 2020, the exchange differences are mainly triggered by revaluations of the related party loans to Euronext Nordics Holding AS, Oslo Børs VPS, Euronext UK Holdings Ltd., and Euronext US Inc. (see Note 46).

NOTE 45 TAX

In thousands of euros	2020	2019
Result before tax	(46,849)	(14,913)
Corporate income tax current financial year	7,498	1,446
Corporate income tax previous financial years	–	–
TOTAL	**7,498**	**1,446**

The effective tax rate mainly deviates from the applicable tax rate as a result of the non-deductible expenses. For the year 2020, the statutory corporate income tax rate was 25%. For the year 2021, the Netherlands have withdrawn the rate decrease to 21.7% announced in 2019, and the corporate income tax rate in the Netherlands will remain at 25%. Reference is made to Notes 15 and 19 of the Consolidated Financial Statements for more information on the tax rate changes.

	2020	2019
Effective tax rate	16%	10%
Applicable tax rate	25%	25%

NOTE 46 INVESTMENTS IN CONSOLIDATED SUBSIDIARIES, ASSOCIATES, JOINT VENTURES AND NON-CURRENT RELATED PARTY LOANS

In thousands of euros	Investments in consolidated subsidiaries	Investments in associates and joint ventures	Related party loans	Total
Net book amount as at 31 December 2018	**1,202,896**	**72,685**	**118,678**	**1,394,258**
Investments	363,155	5,194	380,080	748,429
Capital contributions/(settlements)	(324)	1,231	–	907
Exchange differences	(6,157)	(2)	5,978	(180)
Share-based payments, subsidiaries	6,921	–	–	6,921
Actuarial gains/losses IAS 19	(1,632)	–	–	(1,632)
Revaluation financial assets at FVOCI	2,595	–	–	2,595
Share in result of participations	233,589	1,844	–	235,433
Dividend received	(196,971)	(5,097)	–	(202,068)
Reclassification	–	(8,760)	–	(8,760)
Other	(1,765)	(70)	–	(1,835)
Total movements in book value	**399,411**	**(5,660)**	**386,058**	**779,810**
NET BOOK AMOUNT AS AT 31 DECEMBER 2019	**1,602,307**	**67,025**	**504,736**	**2,174,068**
Investments	217,296	–	(13,154)	204,142
Capital contributions/(settlements)	(1,050)	–	–	(1,050)
Exchange differences	(63,136)	(22)	(31,877)	(95,035)
Share-based payments, subsidiaries	8,520	–	–	8,520
Actuarial gains/losses IAS 19	(1,198)	–	–	(1,198)
Revaluation financial assets at FVOCI	1,926	–	–	1,926
Share in result of participations	345,878	8,956	–	354,834
Dividend received	(203,916)	(7,870)	–	(211,786)
Reclassification	–	(39)	–	(39)
Other	(14,471)	–	–	(14,471)
Total movements in book value	**289,849**	**1,025**	**(45,031)**	**245,843**
NET BOOK AMOUNT AS AT 31 DECEMBER 2020	**1,892,156**	**68,051**	**459,705**	**2,419,911**

Investments in consolidated subsidiaries

In 2020, Euronext N.V. acquired and/or increased the interest/ investment in VP Securities AS and Euronext Nordics Holding AS for a total of €217.3 million. The Company transferred its investment in Enternext S.A. to Euronext Paris S.A. for the amount of €1.0 million. The cost of employee shares vesting in the subsidiaries for a total of €13.0 million is included in Other (2019: €7.4 million).

In 2019, Euronext N.V. acquired and/or increased the interests/ investments in Euronext US Inc., Euronext Nordics Holding AS, and Finance Web Working SAS for a total of €363.2 million.

For additional information on these acquired and/or increased interests/investments please refer to Notes 4 and 5 of the Consolidated Financial Statements.

Investments in associates and joint ventures

In 2020, Euronext N.V. neither acquired nor increased the interests/ investments in associates and joint ventures.

In 2019, Euronext N.V. acquired and/or increased the interests/ investments in Tokeny Solutions and LiquidShare SAS for a total of €5.2 million. The Company impaired its investment in EuroCCP for the amount of €6.0 million. The residual investment in EuroCCP was reclassified as asset held for sale with the amount of €8.8 million. On 1 July 2020, the Group sold its 20% investment in associate EuroCCP to CBOE Global Markets for a cash consideration of €8.8 million. The investment, classified as an asset held for sale, was subsequently derecognised (see Note 7 and 22 of the Consolidated Financial Statements).

Amounts due from subsidiaries

As at 1 January 2019, Amounts due from subsidiaries contains a loan agreement of £16.3 million that Euronext N.V. entered with Euronext UK Holdings Ltd. to enable the acquisition of Commcise Software Ltd. This loan has a maturity of ten years and bears an interest rate of LIBOR UK one month plus 0.125%. The interest amount is received monthly and is included in Note 50.

Furthermore, Euronext N.V. has loan agreements with Euronext US Inc. at a total amount of $115.3 million, of which $110.0 million was grated in order to finance the acquisition of FastMatch Inc.. These loans have a maturity of ten years and bear a weighted average interest rate of 3.36%. The interest amounts of these loans are recognised monthly and are included in Note 50.

On 1 August 2019, Euronext N.V. entered into a loan agreement of NOK 275 million with Oslo Børs VPS Holding ASA. The loan has a maturity of five years and bears an interest rate of NIBOR three month plus 0.300%. On 23 December 2019, Euronext N.V. entered into a loan agreement of NOK 3,500 million with Euronext Nordics Holding AS. The loan has a maturity of ten years with a fixed interest rate of 3%.

In January 2020, Oslo Børs VPS Holding ASA repaid NOK 130 million to Euronext N.V. The outstanding amount of NOK 145 million loan with Oslo Børs VPS Holding ASA was transferred to Euronext Nordics Holding AS. The loan maintains a maturity of five years from the grant date of 1 August 2019 and bears an interest rate of NIBOR three month plus 0.300%.

As at 31 December 2020, the total outstanding amount of non-current related party loans are €459.7 million (2019: €504.7 million).

NOTE 47 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

The financial assets at fair value through Other Comprehensive Income of €137.4 million (2019: €132.8 million) represent the direct investment in Euroclear S.A./N.V. For additional information on this investment, reference is made to Note 20 of the Consolidated Financial Statements.

NOTE 48 OTHER NON-CURRENT FINANCIAL AND OTHER ASSETS

The increase of other non-current financial and other assets is due to the recognition of the issue costs that were linked to the syndicated bridge loan facility agreement entered into with a group of banks to prefinance the acquisition of Borsa Italiana Group for a total of €4.6 million. These capitalised costs will be amortised over the life of the bridge loan facility. Reference is made to Notes 29 of the Consolidated Financial Statements for more information on the bridge loan facility agreement. For additional information on Other non-current financial and other assets, reference is made to Note 37.4 of the Consolidated Financial Statements.

NOTE 49 TRADE AND OTHER RECEIVABLES

In thousands of euros	As at 31 December 2020	As at 31 December 2019
Trade receivables	11,940	14,701
Contract receivables	10,720	9,124
Allowance for expected credit losses	(19)	(35)
Trade and contract receivables net	**22,641**	**23,790**
Related party receivables	36,806	27,168
Tax receivables (excluding income tax)	1,451	1,619
Prepayments and accrued income	174	136
Other receivables	4,980	4,298
TOTAL	**66,052**	**57,011**

Trade receivables are non-interest bearing and generally on terms of 30 to 90 days. Contract receivables represent amounts in respect of unbilled revenue, for which the Group has an unconditional right to the consideration (i.e. only the passage of time is required before payment of the consideration is due).

Other receivables contains the accrued interest income from the interest rate swaps entered into in April 2018 (see Note 23 of the Consolidated Financial Statements).

The fair value of the receivables approximates the book value, due to their short-term character.

Set out below is the movement in the allowance for expected credit losses of trade and contract receivables:

In thousands of euros	2020	2019
As at 1 January	**35**	**34**
Provision for expected credit losses	(16)	1
Receivables written off during the year	–	–
AT 31 DECEMBER	**19**	**35**

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for its trade and contract receivables. Reference is made to Notes 3 and 37.4 of the Consolidated Financial Statements on the inputs used in establishing the provision matrix used to calculate the loss allowance provision.

Set out below is the information on the credit risk exposure on the Company's trade and contract receivables using a provision matrix:

31 December 2020

		Trade receivables				
In thousands of euros	Contract Receivables	Current	30-60 days past due	61-90 days past due	> 91 days past due	Total
Expected credit loss rate	0.02%	0.02%	0.07%	0.26%	0.48%	
Collectively assessed receivables	10,720	8,640	1,185	668	1,447	
Expected credit loss collective basis	**2**	**2**	**1**	**2**	**7**	**14**
Expected credit loss rate	0.00%	0.00%	0.00%	0.00%	100.00%	
Individually assessed receivables	–	–	–	–	5	
Expected credit loss individual basis	**–**	**–**	**–**	**–**	**5**	**5**
TOTAL EXPECTED CREDIT LOSS	**2**	**2**	**1**	**2**	**12**	**19**

31 December 2019

		Trade receivables				
In thousands of euros	Contract Receivables	Current	30-60 days past due	61-90 days past due	> 91 days past due	Total
Expected credit loss rate	0.01%	0.01%	0.02%	0.12%	0.13%	
Collectively assessed receivables	9,124	8,662	3,784	611	1,614	
Expected credit loss collective basis	**1**	**1**	**1**	**1**	**2**	**5**
Expected credit loss rate	0.00%	0.00%	0.00%	0.00%	100.00%	
Individually assessed receivables	–	–	–	–	30	
Expected credit loss individual basis	**–**	**–**	**–**	**–**	**30**	**30**
TOTAL EXPECTED CREDIT LOSS	**1**	**1**	**1**	**1**	**33**	**35**

NOTE 50 CURRENT RELATED PARTY LOANS

In thousands of euros	As at 1 January 2020	Loans advanced	Interest accrued	As at 31 December 2020
Current				
Euronext Corporate Services B.V.	41,842	37,017	–	78,858
Finance Web Working SAS	228	–	–	228
Interest receivable on non current intercompany loans	8,646	–	12,832	21,478
Interest receivable on current intercompany loans	18	–	38	56
TOTAL	**50,734**	**37,017**	**12,870**	**100,621**

In thousands of euros	As at 1 January 2019	Loans advanced	Interest accrued	As at 31 December 2019
Current				
Euronext Corporate Services B.V.	41,842	–	–	41,842
Finance Web Working SAS	–	228	–	228
Interest receivable on non current intercompany loans	4,587	–	4,059	8,646
Interest receivable on current intercompany loans	17	–	1	18
TOTAL	**46,446**	**228**	**4,060**	**50,734**

The fair value of the related party loans receivable approximate their carrying values.

The €78.9 million loan receivable from Euronext Corporate Services B.V. has no maturity and is repayable at lender's or borrower's request upon 48 hours' notice. The interest amount is paid received and based on EONIA OIS and EURIBOR three months as reference rates plus 0.125%.

NOTE 51 DERIVATIVE FINANCIAL INSTRUMENTS

The derivative financial instruments recognised by the Company are resulting from hedging activities, which are further disclosed in Note 23 of the Consolidated Financial Statements.

NOTE 52 SHAREHOLDERS' EQUITY

The movements in shareholder's equity were as follows:

In thousands of euros	Issued capital	Share premium	Reserve for own shares	Retained earnings	Profit for the year	Legal reserves and other: Non-distributable profits and other gains regarding subsidiaries	Legal reserves and other: Revaluation reserve	Legal reserves and other: Reserve for translation differences	Total
As at 31 December 2018	**112,000**	**107,562**	**(17,816)**	**321,440**	**215,968**	**9,541**	**40,633**	**1,765**	**791,093**
Share based payments	–	–	–	6,943	–	–	–	–	6,943
Appropriation of the result of preceding year	–	–	–	108,729	(215,968)	–	–	–	(107,239)
Net result for the period	–	–	–	–	221,966	–	–	–	221,966
Transfers within equity	–	–	–	(13,580)	–	13,580	–	–	–
Exchange rate differences	–	–	–	–	–	–	–	(2,380)	(2,380)
Revaluation subsidiaries	–	–	–	963	–	–	–	–	963
Other revaluations	–	–	–	–	–	–	7,745	–	7,745
Purchase of shares	–	–	896	–	–	–	–	–	896
Other movements	–	–	5,726	(7,573)	–	–	–	–	(1,847)
As at 31 December 2019	**112,000**	**107,562**	**(11,194)**	**416,922**	**221,966**	**23,121**	**48,378**	**(615)**	**918,140**
Share based payments	–	–	–	8,469	–	–	–	–	8,469
Appropriation of the result of preceding year	–	–	–	111,346	(221,966)	–	–	–	(110,620)
Net result for the period	–	–	–	–	315,484	–	–	–	315,484
Transfers within equity	–	–	–	(6,664)	–	6,664	–	–	–
Exchange rate differences	–	–	–	–	–	–	–	(55,462)	(55,462)
Revaluation subsidiaries	–	–	–	728	–	–	–	–	728
Other revaluations	–	–	–	–	–	–	3,917	–	3,917
Acquisition of NCI subsidiaries	–	–	–	(6,906)	–	–	–	–	(6,906)
Purchase of shares	–	–	(13,228)	–	–	–	–	–	(13,228)
Other movements	–	–	4,554	(6,328)	–	–	–	–	(1,774)
AS AT 31 DECEMBER 2020	**112,000**	**107,562**	**(19,867)**	**517,567**	**315,484**	**29,785**	**52,295**	**(56,077)**	**1,058,748**

For further information to the shareholder's equity, see Note 26 of the Consolidated Financial Statements.

The movements in the shareholder's equity are before the proposed profit appropriation (see Note 60). The proposed profit appropriation includes the following items: the addition to retained earnings (€151.1 million), legal reserves (€6.7 million) and proposed dividends (€157.7 million).

Non-distributable profits and other gains regarding subsidiaries

As at 31 December 2020, profits and other gains from subsidiaries are not freely available for distribution for an amount of €29.8 million relating to legal reserves (2019: €23.1 million). In 2020 and 2019, the increases of legal reserves are mainly relating from Irish Stock Exchange plc.

Revaluation reserve

The revaluation reserve is maintained for the revaluation for the financial assets at FVOCI, net of tax. This reserve is a non-distributable legal reserve.

Reserve for translation differences

The reserve for translation differences concerns all exchange rate differences arising from the translation of the net investment in foreign entities and the related goodwill. This reserve is a non-distributable legal reserve.

NOTE 53 BORROWINGS

For additional information on the borrowing positions, a reference is made to Note 29 of the Consolidated Financial Statements.

NOTE 54 RELATED PARTY BORROWINGS

In thousands of euros	As at 1 January 2020	Loan settlements made	Loans advanced	Interest accrued/ (paid)	As at 31 December 2020
Current					
Euronext Paris S.A.	257,639	(52,928)	–	–	204,711
Euronext IP & IT Holding B.V.	84,686	–	–	–	84,686
Euronext Amsterdam N.V.	25,000	–	–	–	25,000
Euronext Brussels S.A./N.V.	60,000	–	–	–	60,000
Euronext Corporate Services B.V.	3,500	–	–	–	3,500
Interest payable on intercompany loan	122	–	–	–	122
TOTAL	**430,947**	**(52,928)**	**–**	**–**	**378,019**

In thousands of euros	As at 1 January 2019	Loan settlements made	Loans advanced	Interest accrued/ (paid)	As at 31 December 2019
Current					
Euronext Paris S.A.	257,639	–	–	–	257,639
Euronext IP & IT Holding B.V.	84,686	–	–	–	84,686
Euronext Amsterdam N.V.	25,000	–	–	–	25,000
Euronext Brussels S.A./N.V.	60,000	–	–	–	60,000
Euronext Corporate Services B.V.	–	–	3,500	–	3,500
Interest payable on intercompany loan	121	–	–	1	122
TOTAL	**427,446**	**–**	**3,500**	**1**	**430,947**

The fair value of the related party loans payable approximate their carrying values.

The €204.7 million loan payable to Euronext Paris S.A. has no maturity and is repayable at lender's or borrower's request upon 48 hours' notice. The interest is EONIA OIS plus 0.125% payable annually on one loan. The sensitivity of the related party loan payables to changes in the EONIA interest rate is that a 0.5% increase/decrease of the interest rate will result in an increase/decrease of the interest income by €1.0 million (2019: €1.3 million).

The €84.7 million loan payable to Euronext IP & IT Holding B.V. has no maturity and is repayable at lender's or borrower's request upon 48 hours' notice. The interest is Euribor three months plus 0.125% payable annually on two loans. The sensitivity of the related party loan payables to changes in the Euribor interest rate is that a 0.5% increase/decrease of the interest rate will result in an increase/decrease of the interest income by €0.4 million (2019: €0.4 million).

The €25.0 million loan payable to Euronext Amsterdam N.V. has no maturity and is repayable at lender's or borrower's request upon 48 hours' notice. The interest is EONIA plus 0.125% payable annually on one loan. The sensitivity of the related party loan payables to changes in the EONIA interest rate is that a 0.5% increase/decrease of the interest rate will result in an increase/decrease of the interest income by €0.1 million (2019: €0.1 million).

The €60.0 million loan payable to Euronext Brussels S.A./N.V. has no maturity and is repayable at lender's or borrower's request upon 48 hours' notice. The interest is Euribor three months plus 0.125% payable annually on one loan. The sensitivity of the related party loan payables to changes in the EONIA interest rate is that a 0.5% increase/decrease of the interest rate will result in an increase/decrease of the interest income by €0.3 million (2019: €0.3 million).

The €3.5 million loan payable to Euronext Corporate Services B.V. has no maturity and is repayable at lender's or borrower's request upon 48 hours' notice. The interest is EONIA plus 0.125% payable annually on one loan.

NOTE 55 TRADE AND OTHER PAYABLES

In thousands of euros	As at 31 December 2020	As at 31 December 2019
Trade payables	157	23
Amounts due to subsidiaries	247,103	113,049
Other	4,070	5,059
TOTAL	**251,330**	**118,131**

In 2020, Group transferred the Group's cash pool from Euronext Paris S.A. to Euronext N.V., resulting the increase of Amount due to subsidiaries. The amounts due to subsidiaries contained a €25.5 million payable position with Euronext Paris S.A. as at 31 December 2020 (2019: €104.1 million).

The carrying values of current trade and other payables are reasonable approximations of their fair values. These balances do not bear interest.

NOTE 56 MANAGING BOARD AND SUPERVISORY BOARD REMUNERATION

56.1 Managing Board Remuneration

	2020					
In thousands of euros	Fixed Benefits	Variable Benefits	Share-based payment costs	Post-employment benefits	Termination payments	Total Benefits
Stéphane Boujnah	885	1,238	1,314	0	0	3,437
Anthony Attia	417	340	360	0	0	1,117
Chris Topple	414	382	569	29	0	1,394
Daryl Byrne	311	190	183	32	0	716
Georges Lauchard [(a)]	191	360	81	0	0	632
Håvard Abrahamsen [(b)]	32	0	0	1	252	285
Isabel Ucha	248	140	108	35	0	531
Simone Huis in 't Veld	297	175	61	11	0	544
Øivind Amundsen [(c)]	171	176	37	7	0	391
Vincent van Dessel	354	120	207	36	0	717
TOTAL	**3,320**	**3,121**	**2,920**	**151**	**252**	**9,764**

(a) Georges Lauchard was appointed to the Managing Board at the AGM of 14 May 2020. His appointment became effective on 8 July 2020.
(b) Håvard Abrahamsen was appointed to the Managing Board at the EGM which took place on 8 October 2019. On 29 January 2020, the Group announced that he resigned from the Managing Board.
(c) Øivind Amundsen was appointed to the Managing Board at the AGM of 14 May 2020.

	2019					
In thousands of euros	Fixed Benefits	Variable Benefits	Share-based payment costs	Post-employment benefits	Termination payments	Total Benefits
Stéphane Boujnah	857	1,155	1,024	–	–	3,036
Anthony Attia	377	300	302	–	–	979
Chris Topple	379	342	396	27	–	1,144
Daryl Byrne	317	135	20	32	–	504
Håvard Abrahamsen	95	–	–	2	–	97
Isabel Ucha[(d)]	155	115	44	22	–	336
Maurice van Tilburg[(e)]	238	150	139	15	–	542
Simone Huis in 't Veld[(f)]	74	135	–	5	–	214
Vincent van Dessel	367	113	180	35	–	695
TOTAL	**2,859**	**2,445**	**2,105**	**138**	**–**	**7,547**

(d) Isabel Ucha was appointed to the Managing Board at the AGM of 16 May 2019.

(e) On 20 August 2019, the Group announced that Maurice van Tilburg had resigned from the Managing Board.

(f) Simone Huis in 't Veld was appointed to the Managing Board at the EGM which took place on 8 October 2019.

The Company has not granted any loans, advanced payments and guarantees to the members of the Managing Board and Supervisory Board.

The fixed compensation components consist of base salary and other benefits in kind like company car and health care insurance, if applicable. These components are linked to the overall job responsibilities of the individual Managing Board member and reflect internal consistency.

The variable salary consists of an annual performance compensation component as a percentage of base salary. The percentages are target percentages of the annual base salary, which are only payable if all objectives are met. Performance criteria are set and reviewed on an annual basis by the Remuneration Committee and the Supervisory Board. For 2020, all bonus targets have been met by the Managing Board.

56.2 Euronext Share Plans

2020

In number of RSU	Plan	Year of Granting	Outstanding as at 1 January 2020	Granted	Performance Adjustment	Forfeited	Vested	Outstanding as at 31 December 2020
Stéphane Boujnah	LTI	2017	15,469	–	7,162	–	(22,631)	–
	LTI	2018	14,798	–	–	–	–	14,798
	LTI	2019	11,381	–	–	–	–	11,381
	LTI	2020	–	14,063	–	–	–	14,063
Anthony Attia	LTI	2017	4,801	–	2,223	–	(7,024)	–
	LTI	2018	4,035	–	–	–	–	4,035
	LTI	2019	3,532	–	–	–	–	3,532
	LTI	2020	–	3,069	–	–	–	3,069
Georges Lauchard	LTI	2020	–	3,069	–	–	–	3,069
Vincent van Dessel	LTI	2017	2,856	–	1,322	–	(4,178)	–
	LTI	2018	2,472	–	–	–	–	2,472
	LTI	2019	2,210	–	–	–	–	2,210
	LTI	2020	–	1,631	–	–	–	1,631
Simone Huis in 't Veld	LTI	2020	–	2,302	–	–	–	2,302
Chris Topple	LTI	2018	13,760	–	–	–	–	13,760
	LTI	2019	4,313	–	–	–	–	4,313
	LTI	2020	–	3,442	–	–	–	3,442
Daryl Byrne	LTI	2018[a]	717	–	–	–	–	717
	LTI	2019	3,178	–	–	–	–	3,178
	LTI	2020	–	2,302	–	–	–	2,302
Isabel Ucha	LTI	2017[a]	853	–	395	(1,248)	–	–
	LTI	2018[a]	717	–	–	–	–	717
	LTI	2019	1,805	–	–	–	–	1,805
	LTI	2020	–	1,307	–	–	–	1,307
Øivind Amundsen	LTI	2020	–	1,399	–	–	–	1,399

(a) Shares not granted in capacity as member of the Managing Board.

2019

In number of RSU	Plan	Year of Granting	Outstanding as at 1 January 2019	Granted	Performance Adjustment	Forfeited	Vested	Outstanding as at 31 December 2019
Stéphane Boujnah	LTI	2016	18 518	-	954	-	(19 472)	-
	LTI	2017	15 469	-	-	-	-	15 469
	LTI	2018	14 798	-	-	-	-	14 798
	LTI	2019	-	11 381	-	-	-	11 381
Anthony Attia	LTI	2016	5 747	-	296	-	(6 043)	-
	LTI	2017	4 801	-	-	-	-	4 801
	LTI	2018	4 035	-	-	-	-	4 035
	LTI	2019	-	3 532	-	-	-	3 532
Chris Topple	LTI	2018	13 760	-	-	-	-	13 760
	LTI	2019	-	4 313	-	-	-	4 313
Daryl Byrne	LTI	2018[(a)]	717	-	-	-	-	717
	LTI	2019	-	3 178	-	-	-	3 178
Maurice van Tilburg	LTI	2016	5 172	-	266	-	(5 438)	-
	LTI	2017	4 320	-	-	(4 320)	-	-
	LTI	2018	3 632	-	-	(3 632)	-	-
	LTI	2019	-	3 178	-	(3 178)	-	-
Isabel Ucha	LTI	2016[(a)]	1 074	-	-	-	(1 074)	-
	LTI	2017[(a)]	853	-	-	-	-	853
	LTI	2018[(a)]	717	-	-	-	-	717
	LTI	2019	-	1 805	-	-	-	1 805
Vincent van Dessel	LTI	2016	3 381	-	174	-	(3 555)	-
	LTI	2017	2 856	-	-	-	-	2 856
	LTI	2018	2 472	-	-	-	-	2 472
	LTI	2019	-	2 210	-	-	-	2 210

(a) Shares not granted in capacity as member of the Managing Board.

For additional information on the value of awards granted to the Managing Board reference is made to Note 28 of the Consolidated Financial Statements.

56.3 Supervisory Board Remuneration

In thousands of euros	2020	2019
Dick Sluimers	198	144
Franck Silvent	84	81
Jim Gollan	112	119
Kerstin Günther	30	81
Lieve Mostrey	–	–
Luc Keuleneer	114	96
Manuel Ferreira da Silva	90	87
Morten Thorsrud	84	17
Nathalie Rachou	94	18
Padraic O'Connor	90	84
Ramon Fernandez	–	37
TOTAL	**896**	**764**

Immediately after the Annual General Meeting (AGM) held on 14 May 2020, Kerstin Günther stepped down from the Supervisory Board.

During the comparative period, Ramon Fernandez stepped down from the Supervisory Board immediately after the AGM held on 16 May 2019. At the Extraordinary General Meeting (EGM) that took place on 8 October 2019, Nathalie Rachou and Morten Thorsrud were appointed as members of the Supervisory Board. Their appointments took effect on 5 November 2019.

NOTE 57 AUDIT FEES

In thousands of euros	EY Accountants 2020	EY Accountants 2019
Audit services – Group and statutory	1,841	1,479
Other assurance services	534	203
Tax services	–	–
Other non-audit services	–	–
TOTAL	**2,375**	**1,682**

The audit services relate to the financial year to which the Financial Statements relate, regardless of whether the activities were performed by the external auditor and the audit firm during the financial year. In addition to the performance of the statutory audit of the Group Financial Statements and other (statutory) Financial Statements of Euronext N.V. and its subsidiaries, EY provides a number of other assurance services. These other assurance services consist of the review of the half year interim Financial Statements and work related to the registration document. The comparative figures have been adjusted accordingly, in line with the relevant EU Regulation.

The total fees of EY Netherlands, charged to Euronext N.V. and its consolidated Group entities amounted to €1.4 million in 2020 (2019: €0.8 million).

NOTE 58 COMMITMENTS AND CONTINGENCIES NOT INCLUDED IN THE BALANCE SHEET

Tax Group

The Company is the head of a fiscal unity with Euronext Amsterdam N.V., Euronext IP & IT B.V. and Euronext Corporate Services B.V. Under the standard conditions, the members of the tax group are jointly and severally liable for any taxes payable by the fiscal unity. Each company within the fiscal unity recognises its own tax position on its company balance sheet.

The Financial Statements of Euronext N.V., Euronext Amsterdam N.V., Euronext IP & IT B.V. and Euronext Corporate Services B.V. recognise a tax liability based on their taxable profit.

Guarantees

The Company participates in a number of guarantees. Within the Group, the Company act in the guarantor for certain liabilities of its subsidiary up to an amount of €7.8 million. In addition, the Company has provided a 403 statement for the benefit of Euronext Amsterdam N.V. It should be noted that the Group consistently waives guarantee fees for intergroup guarantees, meaning these transactions are not at arm's length.

NOTE 59 APPROPRIATION OF PROFIT

Proposed profit appropriation

The Management Board proposes to appropriate the profit of €315.5 million as follows:

In thousands of euros	2020	2019
Addition to legal reserves	6,664	13,580
Addition to retained earnings	151,078	97,403
At the disposal of the Annual General Meeting of Shareholders (Dividend)	157,742	110,983
TOTAL	315,484	221,966

In respect of the year ended 31 December 2020, a dividend representing a 50% pay-out ratio of net profit and amounting to a total of €157.7 million is to be proposed at the annual general meeting on 11 May 2021. This represents a dividend of €2.25 per share based on the number of outstanding shares as per 31 December 2020 (2019: €1.59 per share, based on the number of outstanding shares as per 31 December 2019). The dividend per share will change if capital increases or other corporate actions would occur before the record date of the dividend payment. These financial statements do not reflect the dividend payable related to the result of 2020.

In 2020, total addition to the legal reserves was €6.7 million. In 2019, a total amount of €13.6 million was added to the legal reserves, which was due to the new distribution restrictions applicable to the Irish Stock Exchange plc..

NOTE 60 EVENTS AFTER THE REPORTING PERIOD

The events occurred between 31 December 2020 and the date of this report that could have a material impact on the economic decisions made based on these Financial Statements, are described in Note 40 of the Consolidated Financial Statements.

Authorisation of Company Financial Statements

Amsterdam, 30 March 2021

Supervisory Board

Dick Sluimers *(Chairman)*
Franck Silvent
Jim Gollan
Lieve Mostrey
Luc Keuleneer
Manuel Ferreira da Silva
Morten Thorsrud
Nathalie Rachou
Padraic O'Connor

Managing Board

Stéphane Boujnah *(CEO and Chairman)*
Chris Topple
Daryl Byrne
Georges Lauchard
Isabel Ucha
Øivind Amundsen
Simone Huis in 't Veld
Vincent van Dessel


EURONEXT

9

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9.1 Profit Appropriation Section

Provisions in the Articles of Association relating to profit appropriation

Article 28.2 of the Articles of Association states that from the profits, as they appear from the adopted annual accounts, first, in the event that the priority share has been issued and is held by a party other than the Company, a dividend of ten per cent (10%) of the par value of the priority share will be paid to the holder of the priority share. The profits which remain after application of the first sentence of this Article 28.2 shall be at the free disposal of the general meeting, provided that there shall be no further distribution on the priority share, and provided that the general meeting may only resolve on any reservation or distribution of profits pursuant to and in accordance with a proposal thereto of the Supervisory Board or a proposal of the Managing Board, which proposal has been approved by the Supervisory Board.

9.2 Independent auditor's report

To: the shareholders and supervisory board of Euronext N.V.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS 2020 INCLUDED IN THE UNIVERSAL REGISTRATION DOCUMENT

Our opinion

We have audited the financial statements 2020 of Euronext N.V. (the 'company'), based in Amsterdam. The financial statements include the consolidated financial statements and the company financial statements.

In our opinion:

- the accompanying consolidated financial statements give a true and fair view of the financial position of Euronext N.V. as at 31 December 2020, and of its result and its cash flows for 2020 in accordance with International Financial Reporting Standards as adopted by the European Union (EU IFRS) and with Part 9 of Book 2 of the Dutch Civil Code;
- the accompanying company financial statements give a true and fair view of the financial position of Euronext N.V. as at 31 December 2020, and of its result for 2020 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The consolidated financial statements comprise:

- the consolidated balance sheet as at 31 December 2020;
- the consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for 2020;
- the notes comprising a summary of the significant accounting policies and other explanatory information.

The company financial statements comprise:

- the company balance sheet as at 31 December 2020;
- the company income statement for 2020;
- the notes comprising a summary of the accounting policies 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 Euronext N.V. in accordance with the EU Regulation on specific requirements regarding statutory audit of public-interest entities, 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.

OUR AUDIT APPROACH

Our understanding of the business

Euronext N.V. is a European market infrastructure group which offers a diverse range of products and services in amongst others Paris, Amsterdam, Brussels, Lisbon, Dublin and Oslo. The group is structured in components and we tailored our group audit approach accordingly. We paid specific attention in our audit to a number of areas driven by the operations of the group and our risk assessment.

We start by determining materiality and identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud, non-compliance with laws and regulations or error in order to design audit procedures responsive to those risks, and to obtain 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.

We were forced to perform our procedures related to the audit of the 2020 financial statements to a great extent remotely due to the Covid-19 measures. In order to compensate for the limitations related to physical presence and direct observation, we more extensively used communication technologies and written information exchange to obtain the audit evidence that is sufficient and appropriate to provide a basis for our opinion.

Materiality

Materiality	€22 million (2019: €16 million)
Benchmark applied	5% of the profit before income tax (2019: 5%)
Explanation	We consider profit before income tax as the most appropriate basis to determine materiality as it is one of the key performance measures for the users of the financial statements. Profit before tax of Euronext increased in 2020 compared to the prior year, primarily because of the full year inclusion of the acquisitions in Norway and the higher general trading volumes in this year's volatile markets. Our materiality increased accordingly.

We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with the supervisory board that misstatements in excess of €1.1 million, which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Scope of the group audit

Euronext N.V. is at the head of a group. The financial information of this group is included in the consolidated financial statements of Euronext N.V.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group components. Decisive were the size and the risk profile of the group entities or operations. On this basis, we selected components for which an audit or review had to be carried out on the complete set of financial information or specific items.

We have:

- performed audit procedures ourselves at the components in the Netherlands and France;
- used the work of other auditors within our EY network when auditing components in Norway, Ireland and Portugal;
- used the work of non-EY auditors for the audit of components in Denmark and the United States of America.

In total these procedures represent 94% of revenue and 99.7% of the group's total assets.

Component performance materiality was determined using judgment, based on the relative size of the component and our risk assessment. Component performance materiality did not exceed EUR 3.2 million and the majority of our component auditors applied a component performance materiality that is significantly less than this threshold.

Because of the international travel restrictions and social distancing requirements due to the Covid-19 pandemic, we have been unable to visit component management and auditors to perform our oversight procedures on site. Instead, we predominantly used video or teleconferencing facilities, as well as EY's electronic audit file platform and screen sharing to communicate. Based on our risk assessment, we held virtual site visits supported with the on-site support of the local EY office at the new component location in Denmark. Our communication with all component teams included discussions relating to, among others, the business activities and the identified significant risks, as well as the matters arising from their audit procedures and our evaluation.

By performing the procedures mentioned above at the group components, together with additional procedures such as analytical reviews on out of scope entities at group level, we have been able to obtain sufficient and appropriate audit evidence about the group's financial information to provide an opinion about the consolidated financial statements.

Teaming and use of specialists

We ensured that the audit teams both at group and at component levels included the appropriate skills and competences which are needed for the audit of a listed client in the market infrastructure industry. We included specialists in the areas of IT audit, forensic, legal and income tax and have made use of our own experts in the areas of valuation of derivatives, hedge accounting, employee benefits, fair value disclosures, purchase price accounting and impairment analysis of goodwill.

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 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. Non-compliance with laws and regulations may result in fines, litigation or other consequences for the company that may have a material effect on the financial statements.

Our audit response related to fraud risks

In order to identify and assess the risks of material misstatements of the financial statements due to fraud, we obtained an understanding of the company and its environment, including the company's internal control relevant to the audit and in order to design audit procedures that are appropriate in the circumstances. As in all of our audits, we addressed the risk of management override of internal control. We do not audit internal control per se for the purpose of expressing an opinion on the effectiveness of the company's internal control.

We considered available information and made enquiries of relevant executives, directors (including internal audit, risk, legal and compliance) and the supervisory board. As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud and misappropriation of assets in close co-operation with our forensic specialists. In our risk assessment we considered the potential impact of amongst others the performance based bonus schemes which the company has in place, the increased regulatory supervision on laws and regulations and organizational changes. We also considered whether the Covid-19 pandemic gives rise to specific fraud risk factors with remote working or illness possibly diluting the effectiveness of internal controls.

We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness, of internal controls that mitigate fraud risks. In addition, we performed procedures to evaluate key accounting estimates for management bias in particular relating to important judgment areas and significant accounting estimates as disclosed in Note 3 to the financial statements. We have also used data analysis to identify and address high-risk journal entries. Our audit procedures to address the assessed fraud risks did not result in a key audit matter.

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

If so, we re-evaluate our assessment of fraud risk and its resulting impact on our audit procedures.

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

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 managing board, reading minutes, inspection of reports from internal audit, risk, legal and compliance, and performing substantive tests of details of classes of transactions, account balances or disclosures.

We also inspected lawyers' letters and correspondence with regulatory authorities and remained alert to any indication of (suspected) non-compliance throughout the audit. In cases of instances of non-compliance with laws and regulations (with the potential of having a material effect) we assessed whether the company has a process in place to evaluate the impact of non-compliance for its operations and financial reporting and, where relevant, the company implemented remediation plans. Finally we obtained written representations that all known instances of non-compliance with laws and regulations have been disclosed to us.

Going concern

We performed procedures in order to identify and assess the risks of going concern and to conclude on the appropriateness of management's use of the going concern basis of accounting. Management made a specific assessment of the company's ability to continue as a going concern and to continue its operations for at least the next 12 months. We discussed and evaluated the assessment exercising professional judgment and maintaining professional scepticism, and specifically focusing on the process followed by management to make the assessment, management bias that could represent a risk, the impact of current events and conditions may have on the company's operations and forecasted cash flows, particularly whether the company will have sufficient liquidity to continue to meet its obligations as they fall due.

Based on the audit evidence obtained, we consider whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company'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. 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.

General audit procedures

Our audit further included among others:

- performing audit procedures responsive to the risks identified, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the managing board;
- 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.

Our key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the supervisory board. The key audit matters are not a comprehensive reflection of all matters discussed. Following the Covid-19 pandemic, a new key audit matter has been identified.

The matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

THE IMPACT OF THE COVID-19 PANDEMIC	
Risk	The developments around the Covid-19 pandemic have a profound impact on society and the economy. This also effects the operational and financial performance of organizations and the assessment of the ability to continue as a going concern. The situation continues to evolve giving rise to inherent uncertainty. Therefore, we consider the impact of Covid-19 a key audit matter. Euronext N.V. is confronted with this uncertainty and disclosed this in note 2 of the consolidated financial statements in the section 'Covid-19' and in the risk management section 2 in the universal registration document, particularly concerning the operational risks.
Our audit approach	We discussed and evaluated the impact of the Covid-19 pandemic on the operational and financial performance of Euronext N.V. and focused particularly on the effectiveness of internal controls while certain staff of the company is working remote, and the impact on organizational transformational projects. Accordingly, we designed and performed specific audit procedures responsive to the potential impact. For the internal controls testing we inspected the monitoring conducted by the control functions of Euronext and, through data-analyses, performed incremental procedures especially on outgoing payments. Finally, we evaluated the disclosures in the universal registration document and the financial statements related to the impact of the Covid-19 pandemic.
Key observations	Based on our procedures performed we consider that the main issues and elaborations in respect of the impact of Covid-19 on the operational and financial performance of Euronext N.V. have been properly presented in the risk chapter of the universal registration document and in the disclosures to the financial statements in accordance with EU-IFRS.

ACCOUNTING FOR ACQUIRED BUSINESSES	
Risk	During 2020 Euronext acquired all shares of VP Securities AS and a 60% interest in Nord Pool AS. As disclosed in notes 2 and 5 to the financial statements considerations paid totalled EUR 196 million. The acquisitions have been included in the consolidated financial position and results of Euronext from the moment control was obtained. Based on the purchase price allocations performed by management, separately identifiable intangible assets of € 110 million and goodwill of € 46 million have been recognized. Accounting for business combinations involves a number of judgments, such as the identification of intangible assets, the choice of valuation techniques and underlying assumptions, as well as the allocation to cash generating units. The use of different techniques and assumptions could produce significantly different estimates. Given the relative size of the amounts involved and the inherent complexity, we consider this as a key audit matter.
Our audit approach	We gained an understanding of the material business acquisitions and made an assessment of the process that management has undertaken to determine the allocation of the purchase price, including understanding the scope of work, assessing the qualifications and competence of the external valuation experts and evaluating whether the correct accounting treatment has been applied in accordance with IFRS 3 'Business Combinations'. We tested the considerations paid and the identification and valuation of the identifiable tangible and intangible assets acquired, in particular the customer relations and software. We have audited the fair value measurements prepared by management and their valuation experts including assessing the key valuation assumptions used and engaged our valuation specialists to evaluate the methodology and assumptions applied by Euronext. Furthermore, we benchmarked key data inputs used in the valuation model such as the EBIT margin, longevity of acquired customer relationships and reviewed the reasonableness of the amortization period applied. Finally, we have evaluated the appropriateness of the disclosures related to business combinations.
Key observations	We found the identification and measurement of the goodwill, identifiable assets and liabilities related to the acquisitions of Nord Pool AS and VP Securities AS reasonable. The disclosures of these business combinations are in accordance with the requirements under EU-IFRS.

MEASUREMENT OF FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	
Risk	Euronext holds a direct interest in Euroclear S.A. and an indirect minority interest in Euroclear S.A. through Sicovam Holding S.A. As described in note 20 to the financial statements this investment is classified as a financial asset at fair value through other comprehensive income. As Euroclear is a non-listed company, Euronext applies an internally developed model to estimate the fair value, as disclosed in note 35 to the financial statements. Since 2018, a weighted approach is applied which is based on the return on equity, expected dividend growth rate (non-observable parameters) and cost of capital of comparable regulated entities and market observable transactions less a discount for illiquidity. In 2020, Euronext revalued its interest by EUR 7 million, increasing the fair value to EUR 204 million. The determination of the fair value of the interest in Euroclear involves significant management judgment and assumptions as certain unobservable inputs are used. The use of different valuation techniques and assumptions could produce significantly different estimate of fair value. Given the inherent subjectivity we determined this a key matter for our audit.
Our audit approach	Our audit procedures comprised, among others, an evaluation of the methodology and the appropriateness of the valuation model for consistency and an assessment against generally accepted market practice and inputs used to value the investments. Further, we used our valuation specialists to independently evaluate the valuation performed. As part of these audit procedures we tested the reasonability of key inputs used in the valuation such as the market observable transfers, and the non-observable parameters, the return on equity and expected dividend growth rates. Finally, we evaluated the completeness and appropriateness of the disclosures related to financial assets at fair value through other comprehensive income.
Key observations	We found the valuation techniques used to be adequate, and the key inputs and fair value of the financial assets at fair value through other comprehensive income reasonable. The disclosures are in accordance with the requirements under EU-IFRS.

RELIABILITY, AVAILABILITY AND CONTINUITY OF THE IT ENVIRONMENT	
Risk	The activities and financial reporting of Euronext N.V. are highly dependent on the reliability and continuity of the IT environment. Effective general IT controls with respect to change management, logical access, infrastructure and operations, secure to a large extent the integrity and continuity of the IT systems as well as the operating effectiveness of the automated controls. Furthermore, the increased granularity of financial and non-financial data are important to stakeholders and supervisors and require processing of high quality data. As described in the risk management section 2 in the universal registration document, the IT environment and the IT organization of Euronext N.V. are constantly changing in the context of process improvement, digitization and occasional incident repair and remediation. During these changes there is a risk that the generic IT control measures may not always operate as intended which could impact the reliability, availability and continuity of Euronext's systems relevant for our audit of the financial statements. Therefore we identified this as a key audit matter.
Our audit approach	With the assistance of our IT audit specialists, we assessed the reliability, availability and continuity of the IT environment, to the extent necessary for the scope of our audit of the financial statements. In this context, we evaluated design and implementation of the IT processes and tested the operating effectiveness of the general IT controls. In some areas we performed additional substantive procedures on access management, cyber security, security event monitoring and segregation of duties for the related systems. We also assessed the possible impact of changes during the year resulting from the internal transformation activities and remedial measures on the operating effectiveness of general IT controls and the automated controls.
Key observations	Our testing of the general IT controls and the other tests performed, provided sufficient evidence to enable us to rely on the adequate and continued operation of the IT systems relevant for our audit of the financial statements.

REPORT ON OTHER INFORMATION INCLUDED IN THE UNIVERSAL REGISTRATION DOCUMENT

In addition to the financial statements and our auditor's report thereon, the universal registration document contains other information that consists of:

- the managing board report within the meaning of section 2:391 of the Dutch Civil Code, consisting of sections 1, 2, 3, 4.1, 4.2, 5.1, 5.2, 6 and 7;
- the Report of the supervisory board (section 4.3);
- the remuneration report (section 4.4);
- the Pro Forma Combined financial information (section 5.3 and 5.4);
- other information as required by Part 9 of Book 2 of the Dutch Civil Code.

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 and Sections 2:135b and 2:145 sub-section 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 and Section 2:135b sub-Section 7 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.

The managing board is responsible for the preparation of the other information, including the managing board report in accordance with Part 9 of Book 2 of the Dutch Civil Code, other information required by Part 9 of Book 2 of the Dutch Civil Code and the remuneration report in accordance with Sections 2:135b and 2 145 sub-section 2 of the Dutch Civil Code.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Engagement

We were engaged by the general meeting of shareholders as auditor of Euronext N.V. on 19 May 2017, as of the audit for the year 2017 and have operated as statutory auditor since that date.

No prohibited non-audit services

We have not provided prohibited non-audit services as referred to in Article 5(1) of the EU Regulation on specific requirements regarding statutory audit of public-interest entities.

DESCRIPTION OF RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

Responsibilities of the managing board and the supervisory board for the financial statements

The managing board is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the managing board is responsible for such internal control as the managing board 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, the managing board is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the managing board should prepare the financial statements using the going concern basis of accounting unless the managing board either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. The managing board should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The supervisory board is responsible for overseeing the company's financial reporting process.

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 scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. The Our audit approach section above includes an informative summary of our responsibilities and the work performed as the basis for our opinion.

Communication

We communicate with the supervisory board 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. In this respect we also submit an additional report to the audit committee of the supervisory board in accordance with Article 11 of the EU Regulation on specific requirements regarding statutory audit of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

We provide the supervisory board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the supervisory board, we determine the key audit matters: those matters that were of most significance in the audit of the financial statements. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Amsterdam, 30 March 2021

Ernst & Young Accountants LLP

Signed by A.B. Roeders

9.3 Assurance Report of the Independent Auditor

To: the shareholders and Supervisory Board of Euronext N.V.

OUR CONCLUSION

We have performed a limited assurance engagement on selected non-financial key performance indicators (hereafter: selected non-financial KPIs) in the Universal Registration Document for the year 2020 of Euronext N.V. based in Amsterdam.

Based on our procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the selected non-financial KPIs are not prepared, in all material respects, in accordance with the reporting criteria as included in chapter 3.7 "Summary ESG KPI" of the Universal Registration Document.

The selected non-financial KPIs are included in chapter 3.7 (Summary ESG PKI) and consist of:

Impact areas	KPIs
Our markets	1. Number of serious incidents on the regulated markets reported to the College of Regulators 2. Number of operational alerts treated by EMS 3. Availability time of the system Optiq (99.99%)
Our partners	4. Percentage of suppliers signing the code of conduct (June 2020 to December 2020) 5. NPS
Our people	6. Percentage of women in the Senior Leadership Team
Our society	7. Use of the Whistleblower mechanism 8. Data Protection training by new joiners to the Company 9. Personal Data breaches
Our environment	10. Carbon footprint

BASIS FOR OUR CONCLUSION

We have performed our limited assurance engagement on the selected non-financial KPIs in accordance with Dutch law, including Dutch Standard *3000A "Assurance-opdrachten anders dan opdrachten tot controle of beoordeling van historische financiële informatie (attest-opdrachten)" (Assurance engagements other than audits or reviews of historical financial information* (attestation engagements)*).* Our responsibilities under this standard are further described in the "Our responsibilities for the assurance engagement on the selected non-financial KPIs" section of our report.

We are independent of Euronext N.V. in accordance with 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. This includes that we do not perform any activities that could result in a conflict of interest with our independent assurance engagement. Furthermore, we have complied with the *"Verordening gedrags- en beroepsregels accountants"* (VGBA, Dutch code of ethics).

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

REPORTING CRITERIA

The selected non-financial KPIs need to be read and understood together with the reporting criteria. Euronext N.V. is solely responsible for selecting and applying these reporting criteria, taking into account applicable law and regulations related to reporting.

The reporting criteria used for the preparation of the selected non-financial KPIs are the reporting criteria developed by Euronext N.V. and are disclosed in section 3.7 (Summary ESG KPI) of the Universal Registration Document.

The absence of an established practice on which to draw, to evaluate and measure the selected non-financial KPIs allows for different, but acceptable, measurement techniques and can affect comparability between entities and over time.

UNASSURED CORRESPONDING INFORMATION

No assurance engagement has been performed on the selected non-financial indicators for the year 2019. Consequently, the corresponding selected non-financial indicators for the year 2019 are not assured.

LIMITATIONS TO THE SCOPE OF OUR ASSURANCE ENGAGEMENT

Our assurance engagement is restricted to the selected non-financial KPIs in chapter 3.7 (Summary ESG KPI). We have not performed assurance procedures on any other information as included in the Universal Registration Document in light of this engagement.

RESPONSIBILITIES OF THE MANAGING BOARD AND THE SUPERVISORY BOARD FOR THE SELECTED NON-FINANCIAL KPIS

The Managing Board is responsible for the preparation of reliable and adequate selected non-financial KPIs in accordance with the reporting criteria as included in chapter 3.7 (Summary ESG KPI) of the Universal Registration Document. In this context, the Managing Board is responsible for the identification of the intended users and the criteria being applicable for their purposes. The choices made by the Managing Board regarding the scope of the selected non-financial KPIs and the reporting policy are summarized in chapter 3 of the Universal Registration Document.

The Managing Board is also responsible for such internal control as the Managing Board determines is necessary to enable the preparation of the selected non-financial KPIs that are free from material misstatement, whether due to fraud or errors.

The Supervisory Board is responsible for overseeing the reporting process of Euronext N.V.

OUR RESPONSIBILITIES FOR THE ASSURANCE ENGAGEMENT ON THE SELECTED NON-FINANCIAL KPIS

Our responsibility is to plan and perform our limited assurance engagement in a manner that allows us to obtain sufficient and appropriate assurance evidence for our conclusion.

Procedures performed to obtain a limited level of assurance are aimed to determine the plausibility of information and vary in nature and timing from, and are less in extent, than for a reasonable assurance engagement. The level of assurance obtained in a limited assurance engagement is therefore substantially less than the assurance obtained in a reasonable assurance engagement.

We apply the *"Nadere voorschriften kwaliteitssystemen"* (NVKS, Regulations for Quality management systems) and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The procedures of our limited assurance engagement included amongst others:

- performing an analysis of the external environment and obtaining an understanding of the sector, insight into relevant social themes and issues, relevant laws and regulations and the characteristics of the Company as far as relevant to the selected non-financial KPIs;
- evaluating the appropriateness of the reporting criteria used, their consistent application and related disclosures on the selected non-financial KPIs;
- obtaining an understanding of the reporting processes for the selected non-financial KPIs, including obtaining a general understanding of internal control relevant to our assurance engagement;
- identifying areas of the selected non-financial KPIs with a higher risk of misleading or unbalanced information or material misstatements, whether due to fraud or errors. Designing and performing further assurance procedures aimed at determining the plausibility of the selected non-financial KPIs responsive to this risk analysis. These further assurance procedures consisted amongst others of:
  - interviewing management and relevant staff at corporate level responsible for the strategy, policy and results relating to the selected non-financial KPIs,
  - interviewing relevant staff responsible for providing the information for, carrying out internal control procedures on, and consolidating the data in the selected non-financial KPIs,
  - obtaining assurance information that the selected non-financial KPIs reconcile with underlying records of the Company,
  - reviewing, on a limited test basis, relevant internal and external documentation,
  - performing an analytical review of the data and trends,
  - evaluating the consistency of the selected non-financial indicators with the information in the Universal Registration Document which is not included in the scope of our assurance engagement,
  - evaluating the overall presentation, structure and content of the selected non-financial KPIs.

Amsterdam, 30 March 2021

Ernst & Young Accountants LLP

Signed by R.J. Bleijs


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GLOSSARY, CONCORDANCE TABLES & ANNEX

GLOSSARY

ACPR	The French Prudential Supervision and Resolution Authority (*Autorité de Contrôle Prudentiel et de Résolution*)
AFM	*Stichting Autoriteit Financiële Markten*, the Netherlands Authority for the Financial Markets
Alternext	Multilateral trading facilities operated by the Company in Paris, Brussels and Lisbon
AMF	French Authority for the Financial Markets (*Autorité des Marchés Financiers*)
Articles of Association	The Articles of Association (*statuten*) of the Company
Brexit	British exit, referring to the UK's decision in a referendum on 23 June 2016 to leave the European Union
CAGR	Compounded annual growth rate
Cash Clearing Agreement	The Cash Clearing Agreement entered into between Euronext and certain of its affiliates and LCH SA S.A. and LCH SA group Limited on 22 January 2013
CCPs	Central counterparties
CDP	*Carbon Disclosure Project:* CDP is a not-for-profit organization that runs the global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts.
CEO	Chief Executive Officer
CFO	Chief Financial Officer
Clearing Services	Clearing Services is the procedure by which an organisation (CCP) acts as an intermediary and assumes the role of a buyer and seller in a transaction through the process of novation in order to reconcile orders between transacting parties.
CMVM	*Comissão do Mercado de Valores Mobiliários,* the Portuguese Securities Markets Commission
Code of conduct and ethics	Code that reaffirms the Euronext N.V.'s commitment to high standards of ethical conduct and reinforces its business ethics, policies and procedures
Company	Euronext N.V. and its consolidated subsidiaries, unless otherwise indicated
Compliance department	The Compliance department of Euronext N.V.
COO	Chief Operating Officer
Core Items	The intellectual property in the UTP and other trading technology, including core software and technology
CSD	Central Securities Depositories
CSD Regulation	EU Regulation on securities settlement and central securities depositories (published on the Official Journal of the European Union on 23 July 2014)
DBAG	Deutsche Börse AG
DMA	Direct market access
Derivatives Clearing Agreement	The Derivatives Clearing Agreement entered into between Euronext and certain of its affiliates and LCH SA S.A. and LCH SA group Limited on 14 October 2013. The revenue sharing agreement became effective as of 1 April 2014
Code	The Dutch Corporate Governance Code
Dutch Financial Supervision Act	The Dutch Financial Supervision Act (Wet op het Financieel Toezicht) and the rules promulgated thereunder
EBITDA	Operating Profit Before Exceptional Items and Depreciation and Amortisation
ECB	European Central Bank
EEA	European Economic Area
EMEA	Europe, Middle East and Africa
EMIR	The EU Regulation on OTC derivative transactions, central counterparties and trade repositories (Regulation 648/2012)
ESG	Environmental, Social and Governance
ESMA	European Securities and Markets Authority
ETF or ETFs	Exchange traded funds
ETPs	Exchange traded products
EU	European Union
EU Market Abuse Rules	The EU Market Abuse Regulation 596/2014/EU, providing for specific rules that intend to prevent market abuse, such as the prohibitions on insider trading, divulging inside information and tipping, and market manipulation
€, Euro	The lawful currency of the Member states of the European Union that have adopted it
Euroclear	Euroclear Bank S.A./N.V.

Euronext	Euronext N.V. and its consolidated subsidiaries, unless otherwise indicated
Euronext Amsterdam	Euronext Amsterdam N.V. and/or the Regulated Market of the Company in Amsterdam
Euronext Brussels	Euronext Brussels S.A./N.V. and/or the Regulated Market of the Company in Brussels
Euronext College of Regulators	The parties to a *Memorandum* of Understanding between the competent authorities regarding the coordinated regulation and supervision of Euronext being the FCA, the AMF, the AFM, the FSMA and the CMVM
Euronext Dublin	Irish Stock Exchange Plc and/or the Regulated Market of the Company in Dublin
Euronext Lisbon	Euronext Lisba-Sociedade Gestora de Mercados Regulamentados and/or the Regulated Market of the Company in Lisbon
Euronext London	Euronext London Ltd. and/or the Regulated Market of the Company in London
Market Operator	The operator of a Regulated Market
Euronext Market Subsidiary or Subsidiaries	(A) each and any of (1) Euronext Paris S.A., (2) Euronext Amsterdam N.V., (3) Euronext Brussels S.A./N.V., (4) Euronext Lisbon S.A., (5) Euronext London Ltd and (6) any other Subsidiary of the Company operating a Regulated Market, and[b] any other Subsidiary that is subject to regulatory supervision controlled, directly or indirectly, by any of the entities listed in sub-paragraph[a], including without limitation Interbolsa S.A.
Euronext Paris	Euronext Paris S.A. and/or the Regulated Market of the Company in Paris
Euronext Rulebooks	The Euronext Rulebook containing the rules applicable to the Euronext Market Operators (Rulebook I) and the various non-harmonised Euronext Rulebooks containing local exchange-specific rules (Rulebook II)
Exchange Licence	(A) each declaration of no-objection or approval granted by or on behalf of the College of European Regulators to the Company in relation to the operation or holding of one or more Regulated Markets and/or the operation of one or more multilateral trading facilities by the Company or any of the Euronext Market Subsidiaries[b], each licence granted by or on behalf of the minister of Finance of the Netherlands to the Company in relation to the operation or holding of one or more Regulated Markets, as well as[c] each declaration of no-objection granted by or on behalf of the minister of Finance of the Netherlands to any person holding a qualifying participation in the Company and/or any of its Euronext Market Subsidiaries in the Netherlands within the meaning of section 1 of the Act, in each case such licence, approval or declaration of no-objection (i) as granted pursuant to the Act or other applicable law implementing Directive 2004/39/EC or the relevant *memorandum* of understanding constituting the College of European Regulators and (ii) as in force and as amended at the relevant time
Facilities Agreement	The Facilities Agreement relates to a term loan facilities and a revolving loan facilities entered into between Euronext N.V. and Bank syndicates
FCA	The UK Financial Conduct Authority
FCPE	Fonds Commun de Placement d'Entreprise "Euronext Group"
FICC	Fixed Income, Currencies and Commodities
Finanstilsynet	Financial Supervisory Authority of Norway
FinTech or fintech	Abbreviation for Financial Technology
FRSA	The Dutch Financial Reporting Supervision Act (*Wet toezicht financiële verslaggeving*)
FSMA	Belgian Authority for the Financial Markets (Financial Services and Markets Authority)
FTEs	Full-time employee equivalents
FTT	The Financial Transaction Tax proposed by the European Union
General meeting	The general meeting of shareholders (*algemene vergadering van aandeelhouders*) of Euronext N.V.
GHG	Green House Gaz
GOA	The further amended and restated governance and option agreement, to which ICE, the stichting and the Company are parties
Group	The Company and its consolidated subsidiaries
ICE	Intercontinental Exchange, Inc. (formerly named Intercontinental Exchange Group, Inc.), together with its consolidated subsidiaries
IFRS	International Financial Reporting Standards as adopted by the European Union
IOI	Indication of interest
IPO	Initial public offering
IT	Information technology
Interbolsa	The CSD in Portugal for the Portuguese market
JV SPV	Joint Venture Special Purpose Vehicle
LCH SA	Banque Centrale de Compensation, trading as LCH SA
LCH SA Agreements	The Cash Clearing Agreement and the Derivatives Clearing Agreement
LIFFE	LIFFE Administration and Management
LTI	Long Term Incentive
LSEG	London Stock Exchange Group plc,
MAD	The EU Market Abuse Directive (2003/6/EC), now superseded by MAR

Managing Board	The Managing Board (*bestuur*) of Euronext N.V.
MAR	EU Regulation on insider dealing and market manipulation (published on the Official Journal of the European Union on 16 April 2014) which replaces MAD since its entry into force on 3 July 2016
MiFID I	The EU Markets in Financial Instruments Directive (2004/39/EC)
MiFID II	The revised EU Directive on MiFID (published on the Officiel Journal of the European Union on 12 June 2014)
MiFID II/MiFIR legislation	MiFID II and MiFIR
MiFIR	EU Regulation on Markets in Financial Instruments (published on the Official Journal of the European Union on 12 June 2014)
MTFs	Multilateral trading facilities designated under MiFID and MiFID II
NYSE Euronext	The Parent through 13 November 2013
Offering	The offering of Ordinary Shares as that took place on 20 June 2014
Optiq ®	Euronext new enhanced multi-market proprietary trading platform
Ordinary Shares	Issued and outstanding ordinary shares in the share capital of the Company
OTC	Over-the-counter
Parent	NYSE Euronext, through 13 November 2013, and ICE, from 13 November 2013 until 20 June 2014
Priority Share	Priority share in the share capital of the Company
Prospectus Directive	Directive 2003/71/EC of the European Union, and any amendments thereto, including Directive 2010/73/EU
Qualifying Participation	Direct or indirect interest of 10% or more of the share capital or voting rights
Quantitative Easing	Quantitative easing is a monetary policy in which a central bank purchases government securities or other securities from the market in order to lower interest rates and increase the money supply
Reference Shareholders	A group of institutional investors comprised ofNovo Banco., an affiliate of Banco Espírito Santo, S.A., BNP Paribas S.A., BNP Paribas Fortis S.A./N.V., ABN AMRO Bank N.V. through its subsidiary ABN AMRO Participaties Fund I B.V., ASR Levensverzekering N.V. (a company of the ASR Nederland group), Caisse des Dépôts et Consignations, Bpifrance Participations, Euroclear S.A./N.V., Société Fédérale de Participations et d'Investissement/Federale Participatie- en Investeringsmaatschappij, Société Générale and BancoBPI Pension Fund represented by BPI Vida e Pensões – Companhia de Seguros, S.A.
Reference Shareholders Agreement	The agreement entered into by the Reference Shareholders dated 3 June 2014
Regulated Market	A multi-lateral system or trading venue designated to be a "regulated market" under MiFID and MiFID II
RIE	Recognised investment exchange
Selling Shareholder	ICE Europe Parent Ltd
Separation	Establishment of Euronext as an independent, publicly traded company by means of an initial public offering
SFTI®	Secure Financial Transactions Infrastructure
Shareholder	Any shareholder of the Company at any time
Share Purchase Agreement	The sale and purchase agreement of Ordinary Shares in Euronext N.V. entered into between ICE, the Selling Shareholder and the Reference Shareholders dated 27 May 2014
Single Order Book	Single Order Book for Euronext Paris, Euronext Amsterdam, Euronext Brussels and Euronext London which unites trading, clearing and settlement across the exchanges in France, Belgium, the Netherlands and the United Kingdom, which results in one single trading line for all listed securities, including those listed currently on more than one Euronext markets for which the Single Order Book executes trades on the designated market of reference
SLAs	Transitional services agreements and related agreements
SMEs	Small and medium enterprises
SRI	Socially Responsible Investing refers to investment strategies that seek to maximise financial return while maximising social good and minimizing environmental footprint
Subsidiary	Has the meaning as referred to in section 2: 24a of the Dutch Civil Code
Supervisory Board	The Supervisory Board of Euronext N.V.
Support Items	Related support items to the Core Items
Tech or tech	abbreviation for technology
Transparency Directive	The EU Transparency Directive 2004/109/EC, as amended by Directive 2013/50/EU with respect to transparency and disclosure obligations
T2S	TARGET2-Securities, the European technical platform set up and operated by the Eurosystem that allow core, neutral and borderless settlement of securities transactions on a DvP (delivery-*versus*-payment) basis in Central Bank Money
UK FSMA	UK Financial Services and Markets Act 2000
UTP or Euronext UTP	Universal Trading Platform or Euronext Universal Trading Platform

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Annex to the Universal Registration Document

London Stock Exchange Group Holdings Italia S.p.A.

Consolidated Financial Statements as of 31 December 2020

London Stock Exchange Group Holdings Italia S.p.A.
REGISTERED OFFICE: PIAZZA degli AFFARI 6 – 20123 MILANO
SHARE CAPITAL €350,000,000 – R.E.A MILANO N. 2008080
REGISTRATION OF COMPANIES IN MILAN
FISCAL CODE No. 08182260961 and GROUP VAT CODE No. 10977060960

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

In thousands of euros	Notes	For Year ended 31 December 2020	For Year ended 31 December 2019
Revenue	4	417,172	401,041
Net treasury income through CCP business	5	55,687	55,330
Other income	6	6,326	7,357
TOTAL INCOME		**479,186**	**463,728**
Cost of sales	7	(18,075)	(18,951)
Gross profit		**461,111**	**444,777**
Employee costs		(87,501)	(84,227)
Total Property Costs		(3,764)	(4,701)
IT costs		(52,084)	(56,850)
Total other costs		(39,545)	(39,374)
FX		(266)	(394)
Expenses excluding depreciation, amortisation and impairment	**8**	**(183,160)**	**(185,546)**
Total share of profit after tax of asociates	14	0	(681)
Earnings before interest, tax, depreciation, amortisation and impairment		**277,951**	**258,550**
Depreciation – Tangible fixed assets	12	(12,491)	(10,795)
Amortisation – Intangible fixed assets	13	(61,355)	(62,855)
Depreciation, amortisation and impairment		**(73,846)**	**(73,650)**
Operating profit		**204,105**	**184,900**
Finance income		1,294	3,933
Finance costs		(4,164)	(6,385)
Net finance expenses	**9**	**(2,871)**	**(2,452)**
Profit before income tax		**201,235**	**182,448**
Current tax expense		(62,413)	(71,264)
Deferred tax		10,921	10,545
Taxation	**10**	**(51,492)**	**(60,719)**
PROFIT FOR THE PERIOD		**149,743**	**121,729**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

In thousands of euros	For Year ended 31 December 2020	For Year ended 31 December 2019
Profit for the financial year/period	**149,743**	**121,729**
Defined benefit pension scheme remeasurement gain/(loss)	74	101
Taxes relating to OCI items NOT to be reclassified to the income statement	500	(25)
Other comprehensive (loss)/income net of tax not to be reclassified to IS	**575**	**76**
Net gains/(losses) on the revaluation of financial instruments classed as Debt	10,395	16,082
Exchange (loss)/gain on translation of foreign operations	(1,923)	705
Tax related to OCI items to be reclassified to the income statement	(3,438)	(5,308)
Other comprehensive (loss)/income to be reclassified to income statement	**5,035**	**11,479**
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR	**155,353**	**133,284**
Total comprehensive income for the financial year attributable to equity holders	150,636	129,403
Total comprehensive income for the financial year attributable to NCI	4,717	3,881
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR	**155,353**	**133,284**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets

In thousands of euros	Notes	As of 31 December 2020	As of 31 December 2019	As of1 January 2019
Property, plant and equipment	12	43,113	45,035	50,288
Intangible assets	13	1,334,628	1,379,543	1,427,027
Investment in associates	14	2,170	1,197	1,820
Financial assets at FVOCI – Debt Instruments – Non Current	15	20,641	29,397	33,388
Deferred tax assets	16	4,932	5,159	9,194
Amounts due from joint ventures and associates	14	-	1,071	0
Total other non-current assets		172	222	105
Total non-current assets		**1,405,656**	**1,461,624**	**1,521,822**
Trade and other receivables	17	75,027	88,189	87,113
CCP clearing business assets	18	128,996,358	174,563,663	179,039,372
Current tax assets	19	16,162	1,100	180
Financial assets at FVOCI – Debt Instruments – Current	15	102,330	94,517	59,282
Cash and cash equivalents	20	299,358	220,170	258,304
Current assets		**129,489,235**	**174,967,639**	**179,444,251**
TOTAL ASSETS		**130,894,892**	**176,429,264**	**180,966,073**

Liabilities

In thousands of euros	Notes	As of 31 December 2020	As of 31 December 2019	As of 1 January 2019
Trade and other payables	21	(86,218)	(96,385)	(118,580)
CCP clearing business liabilities	18	(128,963,663)	(174,529,270)	(179,023,661)
Current tax liabilities	19	(5,893)	(1,566)	768
Provisions – current	22	(467)	(3,453)	0
Contract Liabilities – current	23	(5,932)	(7,275)	(7,027)
Current liabilities		**(129,062,173)**	**(174,637,948)**	**(179,148,500)**
Long term loans	24	(132,800)	(90,500)	(158,500)
Non-current contract liabilities	23	(10,060)	(10,157)	(9,092)
Deferred tax liabilities	16	(103,871)	(112,186)	(121,255)
Retirement benefit obligation	25	(9,286)	(10,754)	(9,806)
Other non-current payables	21	(18,888)	(29,144)	(42,978)
Non-current liabilities		**(274,906)**	**(252,741)**	**(341,631)**
TOTAL LIABILITIES		**(129,337,079)**	**(174,890,689)**	**(179,490,131)**
NET ASSETS		**1,557,813**	**1,538,574**	**1,475,942**

Equity

In thousands of euros	Notes	As of 31 December 2020	As of 31 December 2019	As of 1 January 2019
Ordinary share capital		350,000	350,000	350,000
Share premiums		538,535	538,535	538,535
Total retained earnings/(losses)		603,056	577,084	506,114
Other reserves		259	1,468	988
Total shareholder's funds		**1,491,850**	**1,467,087**	**1,395,637**
Non-controlling interests		**65,963**	**71,487**	**80,305**
TOTAL EQUITY	**26**	**1,557,813**	**1,538,574**	**1,475,942**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to Equity Holders						
	Ordinary Share Capital CR/(DR)	Share premium CR/(DR)	Retained earnings/ (losses) CR/(DR)	Other reserves CR/(DR)	Total attributable to equity holders CR/(DR)	Non-controlling interests CR/(DR)	Total equity CR/(DR)
	In thousands of euros			*In thousands of euros*			
31 December 2018	**350,000**	**538,535**	**510,416**	**988**	**1,399,938**	**80,305**	**1,480,243**
Profit for the year	-	-	118,054	-	118,054	3,675	121,729
IFRS adjustments	-	-	(4,298)	-	(4,298)	-	(4,298)
FVOCI Revaluation Movements	-	-	16,070	-	16,070	12	16,082
Pension Actuarial Gains Losses	-	-	112	-	112	(11)	101
Exchange gains/(losses)	-	23	-	481	503	202	705
Income tax relating to items not recognised in income statement	-	-	(28)	-	(28)	3	(25)
Income tax relating to items which may be recognised in income statement	-	-	(5,308)	-	(5,308)	(0)	(5,308)
Dividends	-	-	(63,000)	-	(63,000)	(9,108)	(72,108)
Tax in relation to employee share scheme expenses	-	-	44	-	44	26	70
Cost of Capital Raised	-	(23)	-	-	(23)	-	(23)
Disposal of business	-	-	(24)	-	(24)	-	(24)
Purchase of non-controlling interest (WE BUY)	-	-	5,046	-	5,046	(3,617)	1,429
31 December 2019	**350,000**	**538,535**	**577,084**	**1,468**	**1,467,087**	**71,487**	**1,538,574**
Profit for the year	-	-	144,407	-	144,407	5,336	149,743
IFRS adjustments	-	-	1	-	1	-	1
FVOCI Revaluation Movements	-	-	10,395	-	10,395	0	10,395
Pension Actuarial Gains Losses	-	-	50	-	50	24	74
Exchange gains/(losses)	(14)	(59)	-	(1,210)	(1,282)	(641)	(1,923)
Income tax relating to items not recognised in income statement	-	-	503	-	503	(3)	500
Income tax relating to items which may be recognised in income statement	-	-	(3,438)	-	(3,438)	-	(3,438)
Dividends	-	-	(126,000)	-	(126,000)	(10,356)	(136,356)
Tax in relation to employee share scheme expenses	-	-	194	-	194	116	310
Cost of Capital Raised	5,014	59	1	-	5,073	-	5,073
Disposal of business	(5,000)	-	(3,196)	-	(8,196)	-	(8,196)
Purchase of non-controlling interest (WE BUY)	-	-	10,786	-	10,786	-	10,786
Merge adjustment	-	-	(7,731)	-	(7,731)	-	(7,731)
31 December 2020	**350,000**	**538,535**	**603,056**	**259**	**1,491,850**	**65,963**	**1,557,813**

CONSOLIDATED STATEMENT OF CASH FLOWS

In thousands of euros	For the year ended 31 December 2020	For the year ended 31 December 2019
Profit before taxation	201,235	182,448
Depreciation	12,491	10,795
Amortisation	61,355	62,855
Share of (profit)/loss of associate	-	681
Movement in pension cost	(1,150)	1,114
Movement in provisions	(2,986)	3,453
Finance expense	4,109	5,421
Finance income	(1,234)	(3,868)
Royalties	217	104
Equity settled share based payment expense	6,123	0
Net foreign exchange differences	97	(506)
(Increase)/Decrease in trade and other receivables	(4,981)	(9,767)
Increase/(Decrease) in trade and other payables	(3,860)	(40,365)
Decrease/(increase) in CCP financial assets	45,577,381	4,491,377
Increase/(Decrease) in CCP clearing business liabilities	(45,565,607)	(4,494,391)
CASH GENERATED FROM/(ABSORBED BY) OPERATIONS	**283,188**	**209,351**

In thousands of euros	For the year ended 31 December 2020	For the year ended 31 December 2019
Cash flow from Operating Activities		
Interest received	92	184
Interest paid	(3,505)	(5,639)
Corporation tax paid	(72,851)	(68,740)
Royalties received	138	-
Royalties paid	(355)	(100)
Cash generated from/(absorbed by) operations	283,188	209,351
NET CASH INFLOW(OUTFLOW) FROM OPERATING ACTIVITIES	**206,707**	**135,056**
Cash flow from Investing Activities		
Purchase of owned property, plant and equipment	(12,380)	(3,602)
Purchase of intangible assets	(10,372)	(6,176)
Investment in subsidiaries – cash consideration paid	-	(10,215)
Proceeds from disposal of subsidiary	-	18,780
Investment in associates cash consideration	(1,029)	-
Purchase of financial assets held at fair value though OCI	2,371	3,519
NET CASH INFLOW(OUTFLOW) FROM INVESTING ACTIVITIES	**(21,411)**	**2,306**
Cash flow from Financing Activities		
Cost of capital raise	1,901	-
Capital additions into Group entities	(3,580)	-
Capital contributions received from Group entities	1,753	-
Dividends paid to non-controlling interests	(13,074)	(3,889)
Dividends paid to other entities within the LSE group	(53,000)	(63,000)
Cash repayments received on loans – IC	7,876	7,567
Loans from other LSE group entities – IC – cash received	(30,700)	(68,000)
Finance Lease – cash payments made – Lessor is external to LSE group	(17,635)	(16,858)
Loan to associate	-	(1,044)
Repayment from associate	1,029	-
NET CASH INFLOW(OUTFLOW) FROM FINANCING ACTIVITIES	**(105,430)**	**(145,224)**
Increase/(decrease) in cash and cash equivalents	**79,866**	**(7,862)**
Cash and cash equivalents at beginning of period	220,170	258,304
Exchange (losses)/gains on cash and cash equivalents	(678)	(30,272)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**299,358**	**220,170**

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Notes to the Consolidated Financial Statements

NOTE 1 CORPORATE INFORMATION

The present document represents the Consolidated Financial Statements of London Stock Exchange Group Holdings Italia S.p.A. and its subsidiaries (collectively, the Group) for the year ended 31st December 2020. LSEGH Italia S.p.A. (the Parent Company or the parent) is a limited company incorporated and domiciled in Italy. The registered office is located at Piazza Affari 6 – 20123 Milan, Italy.

The Group is principally engaged in the organisation, management and running of a diversified market infrastructure. Its prevalent objective is the development and maximization of the liquidity, as well as transparency, competitiveness and efficiency. The Group operations are diversified across the following business units: Capital markets / Information services, post-trade and Technology.

Capital markets / Information services

Capital markets: Borsa Italiana is the exchange infrastructure of Italian financial markets that provides services relating to: (1) listings, primary and secondary markets for equities and derivatives and (2) European fixed income trading, through MOT (Mercato Obbligazionario Telematico) and MTS, the leading trading platform for of European government bonds. Borsa Italiana also provide retails solutions for bond markets through MOT and EuroTLX.

Information services: the Group, through a broad range of products, sells market data (prices, trades and other information) generated from the management of its trading venues to a variety of customers in the financial industry.

Post-trade

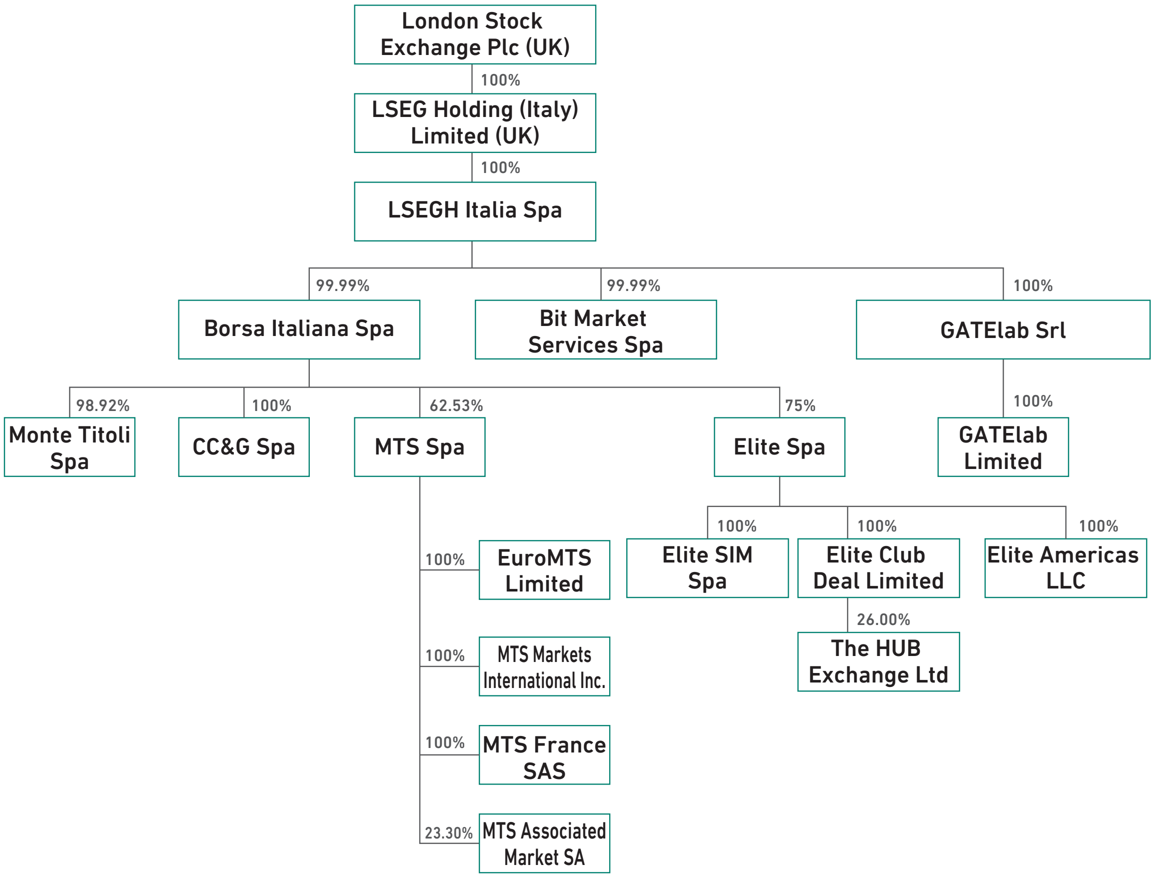
This unit includes Cassa di Compensazione e Garanzia S.p.A. (CC&G), the Italian clearing house providing risk management and CCP services; and Monte Titoli S.p.A., the Italian CSD leader in providing services for efficient and secure settlement, collateral management and issuer services, custody and asset servicing to domestic and international clients.

Post-trades provides services relating to: (1) clearing and settlement, through CC&G and (2) CSD, through Monte Titoli.

Technology services

Technology services, providing high quality IT consulting services to investment banks, brokerage houses, institutional investors, internet brokers and companies that operate market places, offering technological knowledge and valuable experience in creating solutions that integrate and rationalise business processes.

The following diagram illustrates the composition of the Group as at 31st December 2020:



The changes in the composition of the Group compared to 31st December 2019 are the following:

- Merge of EuroTLX S.p.A. (owned at 100% by Borsa Italiana S.p.A. at 31st December 2019) into Borsa Italiana S.p.A. effective from 1st January 2020;
- Increase in Monte Titoli S.p.A. stake from 98.89% to 98.92%;
- Decrease in The Hubx Exchange Ltd stake from 31% to 26%.

Consolidated subsidiaries	Principal activity	Country of incorporation and principal operations	% equity and votes held
Borsa Italiana S.p.A.	Recognised investment exchange	Italy	99.99
Cassa di Compensazione e Garanzia S.p.A.	CCP clearing services	Italy	99.99
Monte Titoli S.p.A.	Pre-settlement, settlement and centralised custody	Italy	98.92
MTS S.p.A.	Wholesale fixed income bonds	Italy	62.52
EuroMTS Limited	Wholesale fixed income bonds	England and Wales	62.52
MTS France S.A.	Wholesale fixed income bonds	France	62.52
MTS Markets International Inc.	Broker Dealer	United States	62.52
Elite S.p.A.	Business support programme	Italy	74.99
Elite Club Deal Limited	Business support programme - brokerage services	England and Wales	74.99
Elite SIM S.p.A.	Brokerage services	Italy	74.99
Elite Americas LLC	Business support programme	United States	74.99
Gatelab Srl	IT Solutions provider	Italy	100
Gatelab Limited	IT Solutions provider	England and Wales	100
BIt Market Services S.p.A.	IT Solutions provider - Events and training center	Italy	99.99

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NOTE 2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

2.1 Basis of Preparation

The consolidated financial statements of London Stock Exchange Group Holdings Italia S.p.A. and its subsidiaries have been prepared for the first time for the year ended 31st December 2020 in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The consolidated financial statements have been prepared on a voluntary basis for the purpose of their inclusion in the offering documents to be prepared by Euronext N.V. for the proposed issue and offering of certain securities by Euronext N.V. in connection with the proposed acquisition of the Group.

For all the periods up to and including the year ended 31st December 2019, the Group did prepare its owwn consolidated financial statements since London Stock Exchange Group Holdings Italia S.p.A. is an intermediate parent company within the London Stock Exchange Group and is consolidated by the ultimate parent company.

As a result of the Group becoming a first-time adopter for its consolidated financial statements later than its ultimate parent, management has elected to measure its assets and liabilities at the carrying amounts that would be included in the ultimate parent's consolidated financial statements, based on the ultimate parent's date of acquisition of the subsidiary sub-group, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary.

In making such an election, management took into consideration that the Borsa Italiana sub-group was acquired by the London Stock Exchange Group on 1st October 2007 via a branch entity, which was subsequently transferred under a common control transaction on 1st April 2013 to the newly formed and wholly-owned subsidiary, London Stock Exchange Group Holdings Italia S.p.A,. that was incorporated on 13th March 2013.

No other elections or exemptions have been made by management in preparing these consolidated financial statements for the first time under IFRS.

The consolidated financial statements have been prepared on a historical cost basis, except for financial instruments, debt and equity financial assets and contingent consideration that have been measured at fair value.

The consolidated financial statements, which provide comparative information in respect of the previous period, are presented in euros and all values are rounded to the nearest thousand (€000), except when otherwise indicated.

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

2.2 Basis of Consolidation

The consolidated financial statements as at 31 December 2020 is composed of the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity, consolidated statement of cash flows and these Notes.

The structure and the content of the consolidated financial statement are aligned to the indications provided by the IAS n. 1 ("presentation of the financial statements") and to the criteria for the classification of the items included in the tables in the notes to the consolidated financial statements which are constant over time.

The consolidated financial statements of the Group comprise the financial statements of the Parent Company and its subsidiary companies with all inter-company balances and transactions eliminated, together with the Group's attributable share of the results of associates.

The results of subsidiary companies sold or acquired in the period are included in the income statement up to, or from, the date that control passes. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee..

The acquisition of subsidiary companies is accounted for using the acquisition method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Upon completion of the Group's fair value exercise, comparatives are revised up to 12 months after the acquisition date, for the final fair value adjustments. Adjustments to fair values include those made to bring accounting policies into line with those of the Group.

The Group applies a policy of treating transactions with non-controlling interests through the economic entity model.

Transactions with non-controlling interests are recognised in equity.

These consolidated financial statement have been prepared under the going concern basis assumption, as the directors have verified the absence of indicators of financial, management or other nature that could determine critical situations regarding the ability of the Group to meet its obligations in the foreseeable future and in particular over the next twelve months.

2.3 Critical Accounting Judgements and Estimates

Judgements and estimates are regularly evaluated based on historical experience, current circumstances and expectations of future events. The Group has considered and exercised judgements in evaluating the ongoing impact of Covid-19 on preparation of these consolidated financial statements. In addition to sources of estimation uncertainty, a number of areas have been impacted by Covid-19 as explained in Note 3.

2.4 Going Concern

In assessing whether the appropriate basis of preparation of the consolidated financial statements, the directors are required to consider whether the Group and Parent Company can continue in operational existence for the foreseeable future.

The Group's combined businesses are profitable, generate strong free cash flow and operations are not significantly impacted by seasonal variations. The Group maintains sufficient liquid resources to meet its financial obligations as they fall due.

Management monitors forecasts of the Group's cash flow and overlays sensitivities to these forecasts to reflect assumptions about more difficult market conditions or stress events. The forecasts reflect the outcomes that the directors consider most likely, based on the information available at the date of signing of these Financial Statements.

To assess the Group's resilience to more adverse outcomes, its forecast performance was sensitised to reflect a reasonable worstcase downside scenario, causing a significant market dislocation and included the observed impact of the Covid pandemic on the business.

The directors consider there to be no material uncertainties that may cast significant doubt on the Group and Parent Company's ability to continue to operate as a going concern. The directors have a reasonable expectation that the Group and the Parent Company have adequate resources to continue in operational existence for the foreseeable future, being at least 12 months from the date of signing of these Consolidated Financial Statements. Accordingly, they continue to adopt the going concern basis in the preparation of these Consolidated Financial Statements.

2.5 Recent Accounting Developments

New standards applicable to financial period ended 31st December 2020

In compliance with IAS 8, the following table shows the new international accounting standards, or the amendments to the standards already in force, and the related homologation Regulations whose application has become mandatory from the 2020 financial year.

IFRS APPROVED AT 31.12.2020 AND IN FORCE SINCE 2020

Rule/Approval	Title	Date of entry in force
2075/2019	Changes to references to the conceptual framework*	01/01/2020 first year start on 01/01/2020 or later
2014/2019	Changes to IAS 1 Presentation of the financial statements - Relevant definition	01/01/2020 first year start on 01/01/2020 or later
	Changes to IAS 8 accounting principles, change in accounting estimates - Relevant definition	01/01/2020 first year start on 01/01/2020 or later
34/2020	Change to IFRS 9 financial instruments - Reform of the reference indices for determing interest rates**	01/01/2020 first year start on 01/01/2020 or later
	Change to IAS 39 financial instruments: detection and evaluation - Reform of the reference indices for determing interest rates**	01/01/2020 first year start on 01/01/2020 or later
	Changes to IFRS 7 financial instruments: additional information - Reform of the reference indices for determing interest rates**	01/01/2020 first year start on 01/01/2020 or later
551/2020	Change to IFRS 3 Business combinations: definition of a business activity	01/01/2020 first year start on 01/01/2020 or later
1434/2020	Changes to IFRS 16 Leasing - Concessions onrelated fees to COVID-19	01/01/2020 first year start on 01/01/2020 or later

* *The document updates the references to the conceptual framework in: IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, SIC 32.*

** *The rules n. 34/2020, approved on 15.01.2020, is mandatory and applicable from 1st january 2020, except for the possibility of early application for the financial statement 2019.*

The amendments approved above have not had a significant impact on the Group's consolidated financial statements.

New accounting standards and interpretations already issued but not yet effective

The following table, on the other hand, shows the new international accounting standards or the amendments to the accounting standards already in force, with the related Regulations approved by the European Commission, the mandatory application of which starts from 1st January 2021 - in the case of financial statements coinciding with the calendar year - or from a later date.

IFRS APPROVED AT 31.12.2020 AND APPLICATION AFTER 31.12.2020

Rule/Approval	Title	Date of entry in force
2097/2020	Changes of IFRS 4 Insurance contracts - Extension of the temporary exemption from application of IFRS 9	01/01/2021 first year start on 01/01/2021 or later
25/2021*	Reform of the reference indices for the determination of interest rates — fase 2 changes of IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	01/01/2021 first year start on 01/01/2021 or later

* *The regulation n. 25/2021 has been approved on 13.01.2021.*

New accounting standards not yet approved by European Union

Finally, the following table shows the new international accounting standards or amendments to accounting standards already in force not yet approved by the European Commission are reported.

IFRS NOT YET APPROVED AT 31.12.2020

Principle/ Interpretation	Title	Date of publication
IFRS 17	Insurance Contracts	18/05/2017
Principle/Interpretation	Changes	Date of publication
IAS 1	Presentation of Financial Statements: Classification of Liabilities as Current or Non-current	23/01/2020
IAS 1	Presentation of Financial Statements: Classification of Liabilities as Current or Non-current - Deferral of Effective Date	15/07/2020
IFRS 3	Business Combination	14/05/2020
IAS 16	Property, Plants and Equipment	14/05/2020
IAS 37	Provisions, Contingent Liabilities and Contingent Assets	25/06/2020
IFRS 17	Insurance Contracts	25/06/2020

AMENDMENT TO IFRS 16 "LEASING": CONCESSIONS ON FEES RELATED TO THE COVID-19 PANDEMIC

The Covid-19 pandemic has led in some cases to the granting by the lessors of incentives in favour of the tenants, by postponing or reducing some instalments of the contract.

The IFRS 16 accounting standard requires, in the presence of contractual changes, the recalculation of the liability for rent payable using a revised discount rate in counterpart of the right of use (RoU), therefore without it detecting immediate impacts on the income statement.

The IFRS Foundation approved an amendment to IFRS 16 to clarify how to account for the incentives granted following the pandemic by the lessees who prepare their financial statements using international accounting standards.

This amendment, approved on 12th October 2020, with the publication of EU Regulation 2020/1434, provides for the exemption by lessees from the obligation to assess whether the incentives relating to Covid-19 represent contractual changes to the leasing. Therefore, if the lessee makes use of this option, she must account for any change in the payments due for the lease resulting from a concession on the rent in the same way she would account for the change as if the latter did not constitute a change in the lease itself, allowing, therefore , to identify them as "variable rent" with a direct impact on the income statement to reflect changes in payments due.

In order to apply this exemption, all the following conditions must be met:

- the change made involves fees equal to or lower than the fees envisaged prior to the same;
- the change relates only to fees to be paid until 30th June 2021;
- no further significant changes have been made to the contract.

If an entity applies this practical expedient, it is required to disclose it appropriately in the financial statements.

At the date of approval it is not expected any impact of the above mentioned amendments principles on the Group's consolidated financial statements.

2.6 Subsequent events to the balance sheet date

In the period between the reference date of these consolidated financial statements and its approval by the Board of Directors, no events occurred that would entail a correction of the data approved. The draft consolidated financial statements were approved by the Board of Directors on 25th March 2021 and were authorized for publication on that date (IAS 10).

2.7 Summary of Significant Accounting Policies

Business Combinations and Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses. The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs.

The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9, "Financial Instruments", is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit ("CGU") and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

Current and Non-Current Classification

Current assets comprise assets held primarily for trading purposes, cash and cash equivalents, and assets expected to be realised within one year from the reporting date or intended for trade or consumption and realised in the course of the Group's operating cycle. All other assets are classified as non-current assets.

Current liabilities comprise liabilities held primarily for trading purposes, liabilities expected to be settled in the course of the Group's operating cycle and those liabilities due within one year from the reporting date. All other liabilities are classified as non-current liabilities.

Fair Value Measurement

The Group measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Financial Statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
- level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the Financial Statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group determines the policies and procedures for both recurring fair value measurement, such as investment properties and unquoted financial assets, and for non-recurring measurement, such as assets held for sale in discontinued operations.

At each reporting date, the Group analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies. For this analysis, the Group verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Group also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

Property, Plant and Equipment

Property, plant and equipment are recorded at the acquisition (or production) cost, reduced by any accumulated depreciation and any accumulated impairment losses. Ancillary costs as well as direct and indirect costs for the amount reasonably attributable to the asset are included.

Costs incurred for ordinary and/or regular maintenance and reparations are directly attributed to the income statement of the period in which they are incurred. The capitalisation of costs inherent to the expansion, modernisation or improvement of proprietary or third-party structural elements is carried out exclusively within the limits in which these respond to the requisites to be classified separately as assets.

The aforementioned fixed assets are systematically depreciated in each period based on their remaining useful life, determined in relation to the remaining possibility of asset utilisation. When the activity object of amortization is composed by separate elements, whose useful life meaningfully differs from that of other parts that compose the asset, the amortization is applied for every part separately in application of the "component approach".

The useful life estimated for the various categories of tangible assets is the following:

Equipment, plant, machinery	Useful life
Hardware and computer system	3 years-8 years
Plant and Equipment	3 years-8 years
Furniture and Fittings	3 years-8 years
Other assets:	
Improvements to leased property	The minor between duration of lease and useful life of the assets

Depreciation begins the first day of the month after the asset is available for use.

The Group verifies, at least once a year, if there is any indication that an asset may be impaired. If any indication exists, the Group estimates the asset's recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use.

Right-of-Use Assets and Lease Liabilities

The Group recognises a right-of-use asset where the Group has control of an asset for a period of more than 12 months. Assets are recorded initially at cost and depreciated on a straight-line basis over the shorter of the lease term or the estimated useful economic life. Cost is defined as the lease liabilities recognised plus any initial costs and dilapidations provisions less any lease incentives received.

The lease term is the non-cancellable term plus any optional extensions or less any reductions due to break clauses that in the judgement of management are likely to be exercised.

Lease liabilities are recognised at the net present value of the future payments to be made over the lease term at the commencement of a lease. Where a lease includes a break clause or extension option, management use their best estimate on the likely outcome on a lease by lease basis. Since the Group has no external sources of financing, the net present value is determined applying a discount rate equal to the interest rate for intercompany loans to determine the net present value

Lease payments due within the next 12 months are classified as current liabilities; payments due after 12 months are classified as non-current payables.

Intangible Assets

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, then the difference is recognised in profit or loss as a gain on purchase.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

On the acquisition of a business, fair values are attributed to the assets and liabilities acquired. These may include brand names, customer and supplier relationships, software licences and intellectual property, all of which are recognised as intangible assets and recorded at cost less accumulated amortisation and accumulated impairment losses. These assets are amortised on a straight-line basis.

The useful economic lives are based on management's best estimates such as attrition rates on customer relationships, product upgrade cycles for software and technology assets, market participant perspective for brands and pace of change of regulation for business.

Third-party software costs for the development and implementation of systems which enhance the services provided by the Group are capitalised and amortised over their estimated useful economic lives of 3 years-5 years.

Internal product development expenditure is capitalised if the costs can be reliably measured, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group has sufficient resources to complete the development and to use or sell the asset. The assets are recorded at cost including labour, directly attributable costs and any third-party expenses, and amortised over their useful economic lives of 3 years-5 years.

Intangible assets are assessed for any indicators of impairment at least at each balance sheet date. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. The recoverable amount is determined for an individual asset or CGU. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

The Group recognises an intangible right-of-use asset where the Group has control of an asset for a period of more than 12 months. Assets are recorded initially at cost and depreciated on a straight-line basis over the lease term. Cost is defined as the lease liabilities recognised plus any initial costs.

The estimated useful life for intangible assets is the following:

Intangible assets	Useful life
Customer and supplier relationships	13-25 years
Brands	2-15 years
Software licences and intellectual property	1.5-15 years
Software licenses	3 years -5 years
Application Software development costs	3 years -5 years

Amortisation begins the first day of the month after the asset is available for use.

The Group verifies, at least once a year, if there is any indication that intangible assets could have undergone impairment compared to the book value recorded in the Financial Statements. In the presence of these indications, the recoverable value of the asset is estimated, to determine the possible extent of the impairment.

Investment in Associates

An associate is a company over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the Company, but is not control nor joint control over those policies. Significant influence is determined using considerations similar to those for determining control over subsidiaries.

The Group's investments in associates are accounted for at cost, less any impairments recognised in profit or loss.

The Group's investments in associates are assessed for impairment at least at each balance sheet date. Where indicators of impairment are identified, a full impairment assessment is performed and any difference between the recoverable amount of the associate and its carrying value is recognised as an impairment loss in the income statement.

Financial Assets and Liabilities

The Group classifies its financial instruments as fair value through profit or loss (FVPL), fair value impacting on comprehensive income ("FVOCI"), or amortised cost.

The classification depends on the Group's business model for managing its financial instruments and whether the cash flows generated are "solely payments of principal and interest" ("SPPI").

Initial recognition:

- financial assets/liabilities at fair value impacting on income statement (through profit or loss (FVPL)) are assets/liabilities held at fair value. They include CCP businesses' clearing member trading balances comprising derivatives, equity and debt instruments that are marked to market on a daily basis. In particular this item includes:
  - financial trading assets/liabilities for Central Counterparty activities: measurement at fair value of open transactions not settled at the reporting date on the derivatives market in which Cassa di Compensazione e Garanzia S.p.A. operates as a central counterparty. The fair value valuation of such positions is determined on the market price of each individual financial instrument at the closing of the financial year; since the Company has a perfect balance of assets and liabilities, this amount is equally entered in both assets and liabilities, therefore the fair value of both items does not lead to any net profit or loss in the income statement of the Company (item "Net profit/loss from trading activities"),
  - other financial assets/liabilities measured at fair value for CCP activities: the Company decided to adopt the settlement date as reference date for the recognition of these items. Given the Company's fully balanced position as market central counterparty with regard to assets and liabilities, no net income or loss is generated;
- financial assets/liabilities at amortised cost are financial instruments that are held in order to collect the contractual cash flows and the contractual terms give rise to cash flows that are solely payments of principal and interest (Solely Payment of Principal and Interest test – SPPI – passed). Receivables that do not pass the SPPI test are classified under the portfolio of financial assets that must be measured at fair value (see Financial assets measured at fair value impacting the income statement). This item includes cash and cash equivalents, trade and other receivables/payables, receivables/payables from/to clearing member, and other receivables/payables from/to clearing members for CCP activities. The initial recognition of financial assets is done on the settlement date for debt instruments and on the date of disbursement in the case of receivables. At the time of initial recognition, assets are stated at their fair value, which normally corresponds to the total amount disbursed for costs/incomes directly determined from the start of the transaction, referring to individual instruments, even if they are settled at a subsequent date. Even though they may have the stated characteristics, costs are excluded when they refer to a reimbursement by the debtor counterparty or if they qualify as administrative costs;
- financial assets at fair value impacting on comprehensive income ("FVOCI") include all financial assets (debt instruments, equities and loans) classified in the portfolio at fair value, impacting on comprehensive income. The CCP has decided to include in this item all financial assets that do not belong to other categories of financial instruments typical of its core business.

These assets are initially recognised at fair value, which corresponds to the purchase or subscription cost of the transaction. This category includes the investment in secured assets of Margins and payments to the Default Funds deposited by participants with the central guarantee system, in compliance with EMIR rules. This refers to EU country Government Bonds and Bonds issued by the European Union and Supranational Bonds issued by the European Investment Bank, the European Stability Mechanism and the European Financial Stability Facility.

Subsequent measurement:

- financial instruments at FVPL are carried on the balance sheet at fair value with net changes in fair value recognised in the statement of profit or loss;
- financial instruments at amortised cost are measured at amortised cost. The amortised cost equals the difference between the gross carrying amount and the provision for losses determined by the expected credit losses. The gross carrying amount is

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the amount in the initial recognition, decreased/increased by: principal repayments; the amortisation of the difference between the amount paid and the amount reimbursable on expiry, represented by initial costs/incomes. The amortisation is calculated based on the effective interest rate method, which considers this costs/income; profits/losses from a concession. At the close of each financial period or interim position, financial assets measured at amortised cost are subject to impairment with the recognition of the expected credit losses.

Gains and losses are recognised in profit or loss when the asset is disposed of or impaired:

- For debt instruments held at FVOCI, after the initial recording, accrued interest is shown in the income statement according to the actual interest rate of the transaction. Financial assets measured at fair value through other comprehensive income are measured at fair value on the basis of the closing prices published on the active market. Capital gains and losses resulting from changes in the fair value are shown directly in the shareholders' equity, in a specific valuation reserve, except for impairment losses. In case of sale before maturity, the gains and losses from a valuation pending in the shareholders' equity reserve are shown in the income statement "Gain/loss deriving from disposal or repurchase of financial assets".

Gains and losses on equity instruments held at FVOCI are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Impairment:

The Group adopts a forward-looking approach to estimate impairment losses on financial assets. An expected credit loss ("ECL") is calculated based on the difference between the contractual cash flows due and the expected cash flows. The difference is discounted at the asset's original effective interest rate and recognised as an allowance against the original value of the asset.

- At the close of each financial period or interim position, financial assets measured at amortised cost are subject to impairment with the recognition of the expected credit losses (over a 12 month time frame or based on the financial instrument's entire life, should the credit risk rise significantly in relation to the financial asset's initial recognition – lifetime expected losses). They are classified under three categories (defined as stages) for impairment purposes, in ascending order according to the deterioration in credit quality.
  - The first category – (Stage 1) – includes financial instruments that have not undergone a significant increase in the credit risk since initial recognition.
  - The second category – (Stage 2) – includes financial instruments that have undergone a significant increase in credit risk, which is measured by taking into account the indicators set by the accounting standard and the relevance these have for the Company.
  - The third category – (Stage 3) – includes all impaired positions.

Expected credit losses over a 12-month time frame are recognised for financial instruments in the first category. For financial instruments in the other two categories, expected losses are determined over the course of the financial instrument's entire life cycle (lifetime expected losses).

- Financial assets at FVOCI – debt instruments held at FVOCI comprise high-quality government bonds that have a low credit risk and equity instruments. The Group's policy is to calculate a 12-month ECL on these assets. If there is a significant increase in credit risk, then a lifetime ECL will be calculated. A significant increase in credit risk is considered to have occurred when contractual payments are more than 30 days past due. Equity instruments are not impaired.
- Financial assets at FVPL – no ECL is calculated for assets held at FVPL as any exposure to credit risk would be reflected in the instrument's fair value and recognised immediately in profit or loss.

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Cash and Cash Equivalents

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term highly liquid deposits with a maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

If these items are in Euro, they are recorded at the nominal value which equals the fair value, while if they are denominated in another currency, they will be recorded at the exchange rate current at the end of the period.

Trade and Other Receivables

Trade receivables are initially recognised at the amount of the consideration that is unconditionally due and subsequently at amortised cost, less any expected credit loss. The Group's approach to calculating expected credit loss allowances is described in the financial instruments policy.

Other receivables are initially recognised at fair value and subsequently at amortised cost, less any loss allowance as described above.

Fees receivable are recognised when the Group has an unconditional right to consideration in exchange for goods or services transferred, but no fee invoice has been formally issued. Amounts are transferred to trade receivables when a formal invoice has been issued.

Where there is no longer any expectation of recovery of a receivable the full amount is written off. The Group will continue to seek recovery and any subsequent amounts recovered against amounts previously written off are recognised in profit or loss.

Contract Liabilities

Revenue relating to future periods is classified as a contract liability on the balance sheet to reflect the Group's obligation to transfer goods or services to a customer for which it has received consideration, or an amount of consideration is due, from the customer.

Contract liabilities are amortised and recognised as revenue over the period the services are rendered.

Provisions for Risks and Charges

A provision is recognised where there is a present obligation, whether legal or constructive, as a result of a past event for which it is probable that a transfer of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the present value of the best estimate of the expenditure required to settle the present obligation at the end of the reporting period, i.e. the present value of the amount that the Group would rationally pay to settle the obligation at the balance sheet date or to transfer it to a third party.

All provisions are discounted where the time value of money is considered material. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance expense.

Employees Benefits

Pursuant to Article 2120 of the Civil Code, benefits provided after the end of employment including severance indemnity owed to employees, are recognized in the Financial Statements as their actuarial value.

Following the entry into force of the 2007 Finance Act and related decrees, the severance indemnity (TFR), maturing 1 January 2007 can no longer be retained by the companies that employ more than 50 employees but must be paid to a pension fund or, alternatively, into an open treasury fund opened at INPS, according to the option exercised by the employees themselves.

This implies that accruals calculated after 1 January 2007 are part of a defined contribution plan because the Company's obligation is satisfied by the payment of contributions to pension funds or INPS.

The liability regarding the severance indemnity prior to the date mentioned above shall instead continue to represent a defined benefit plan to be valued applying the actuarial method based on the provisions set forth in IAS 19.

Liabilities are posted in the Financial Statements at their current value determined by an independent accountant based on the actuarial theories using the so-called "projected unit credit method." Actuarial gains/losses arising from the valuation of obligation are recognized in the statement of comprehensive income with their fiscal effects.

Share-Based payments

The employee payments based on shares, granted by the parent company London Stock Exchange Plc are counted by recording cost in the income statement for the portion of the share allocation plan, determined at fair value, on the allocation date, and considering terms and conditions to which ones these instruments have been given.

In order to comply with LSE Group policies, starting from 1 January 2016 the debit has been included in current liabilities (until 31 December 2015 the debt was included in the shareholders equity as dedicated reserve).

In addition to the cost of the share allocation plan, the Income Statement records the portions of severance indemnity that the company will have to settle or recognise at the end of the accrual period, recording a corresponding increase in the related liabilities. The employment benefit expense recognised in profit or loss is determined by the fair value of the options granted or shares awarded at the date of grant and recognised over the relevant vesting period.

Revenues

The main source of the Group's revenue is through fees for services provided. Revenue is measured based on the consideration specified in a contract with a customer. Amounts deducted from revenue relate to discounts, revenue share arrangements whereby as part of an operating agreement amounts are due back to the customer and pass-through costs where the Group has arrangements to recover specific costs from its customers with no mark up.

The Group recognises revenue as services are performed and as it satisfies its obligations to provide a product or service to a customer.

Further details of the Group's revenue accounting policy are set out below:

Capital Markets

Revenues in the Capital Markets segment are generated from Primary and Secondary market services.

Primary market initial admission and the ongoing listing services represent one performance obligation and the Group recognises revenue from initial admissions and further issues over the period the Group provides the listing services. All admission fees are billed to the customer at the time of admission to trading and become payable when invoiced.

Primary market annual fees, secondary markets membership and subscription fees are generally paid in advance on the first day of the membership or subscription period. The Group recognises revenue on a straight-line basis over the period to which the fee relates, as this reflects the extent of the Group's progress towards completion of the performance obligation under the contract.

Revenue from secondary market trading and associated capital market services is recognised as revenue on a per transaction basis at the point that the service is provided.

Information Services

The Information Services segment generates revenues from the provision of information and data products including indexes, benchmarks, real-time pricing data and trade reporting and reconciliation services.

Data subscription and index licence fees are recognised over the licence or usage period as the Group meets its obligation to deliver data consistently throughout the licence period. Services are billed on a monthly, quarterly or annual basis.

Other information services include licences to the regulatory news service and reference data businesses. Revenue from licences that grant the right to access intellectual property are recognised over time, consistent with the pattern of the service provision and how the performance obligation is satisfied throughout the licence period. Revenues from other information services, including revenues from the sale of right to use licences, are recognised at the point the licence is granted or service is delivered.

Post Trade Revenues

In the Post Trade segment are generated from clearing, settlement, custody and other post trade services. Clearing, settlement and custody services generate fees from trades or contracts cleared and settled, compression and custody services which are recognised as revenue at a point in time when the Group meets its obligations to complete the transaction or service. In cases where the Group's performance obligations are completed over time, revenue is recognised on a straight-line basis over that period, representing the continuous transfer of services during that time. In cases where there is a fixed annual fee for a service, the revenue is recognised and billed monthly in arrears.

Other post trade services include revenue from client connectivity services which is recognised as revenue on a straight-line basis over the service period as this reflects the continuous transfer of services. Post trade services relating to capital market services are recognised on a per transaction basis at the point the service is provided.

Technology

Technology revenue is generated from contracts to develop capital market Technology Solutions, software licences, network connections and hosting services.

Capital markets software licence contracts contain multiple deliverables for the provision of licences and software installation, and ongoing maintenance services. The transaction price for each contract is allocated to these performance obligations based upon the relative standalone selling price. Revenue is recognised based on the actual service provided during the reporting period, as a proportion of the total services to be provided. This is determined by measuring the inputs consumed in delivering the service (for example, material and actual labour) relative to the total expected input consumption over the contract. This best reflects the transfer of assets to the customer which generally occurs as the Group incurs costs on the contract.

Network connection and hosting services revenues are recognised on a straight-line basis over the period to which the fee relates as this reflects the continuous transfer of technology services and measures the extent of progress towards the completion of the performance obligation.

Other

Fees are generated from the provision of events and media services, and are typically recognised as revenue at the point the service is rendered and becomes payable when invoiced.

Customer contracts across the Group that contain a single performance obligation at a fixed price do not require variable consideration to be constrained or allocated to multiple performance obligations. Certain businesses in the Group provide services to customers under a tiered and tariff pricing structure that generates a degree of variability in the revenue streams from the contract as a result of discounts given. Where the future revenue from a contract varies due to factors that are outside of the Group's control, the Group limits the total transaction price at contract inception and recognises the minimum expected revenue guaranteed by the terms of the contract over the contract period. Any variable element is subsequently recognised in the period in which the variable factor occurs. Rebates given to customers as part of an operating agreement are calculated on a pro rata basis on revenue earned and recognised as they fall due.

The Group does not have any contracts where the period between the transfer of services to a customer and when the customer is expected to pay for that service is in excess of one year. Consequently, no adjustments are made to transaction prices for any financing component.

Cost of Sales

Cost of sales comprises data and licence fees, data feed costs, expenses incurred in respect of revenue share arrangements and any other costs linked and directly incurred to generate revenues and provide services to customers.

Net Treasury Income

Income recognised in the CCP clearing businesses includes net treasury income earned on margin and default funds, held as part of the risk management process. Net treasury income is the result of interest earned on cash assets lodged with the clearing house, less interest paid to the members on their margin and default fund contributions. Net treasury income is shown separately from the Group's revenues on the face of the income statement to distinguish this income stream from revenues arising from other activities and provide a greater understanding of the operating activities of the Group. Where negative interest rates apply, the Group recognises interest paid on cash assets as a treasury expense and interest received on clearing members' margin as treasury income.

Costs of Purchase of Good and Services

These are charged to the income statement on an accruals basis and are substantiated by decreases in economic benefits, with an offsetting entry of outgoing cash flows or amortisation or depreciation of asset value or increase in liability value.

Foreign Currencies

The Consolidated Financial Statements are presented in Euro, which is the Parent Company's presentation and functional currency. Foreign currency transactions are converted into the functional currency of the reporting entity using the rate ruling at the date of the transaction. Foreign exchange gains or losses resulting from the settlement of such transactions and from the translation at year end rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except for differences arising on pension fund assets or liabilities which are recognised in other comprehensive income.

The results and financial position of all Group entities that have a functional currency different from the presentation currency are converted into the presentation currency as follows:

- assets and liabilities including goodwill, purchased intangible assets and fair value adjustments are converted at the closing balance sheet rate;
- income and expenses are translated at the average rate for the period; and
- all resulting exchange differences are recognised in other comprehensive income as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowing and other currency instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is disposed of, exchange differences that were recorded in other comprehensive income are recognised in profit or loss as part of the gain or loss on sale.

Finance Income and Expense

Finance income and expense comprises interest earned on cash deposited with financial counterparties and interest paid on borrowings which reflect the agreed market-based or contractual rate for each transaction undertaken during the financial period and calculated using the effective interest rate method. In conditions where negative interest rates apply, the Group recognises interest paid on cash deposits as an expense and interest received on liabilities as income.

Recurring fees and charges levied on committed bank facilities, cash management transactions and the payment services provided by the Group's banks are charged to profit and loss as accrued in other finance expenses. Credit facility arrangement fees are capitalised and then amortised to profit or loss over the term of the facility subject to projected utilisation.

Leases

Leases in which a significant portion of the risks and benefits of holding the leased asset remains of the lessee, is classified as operative leasing.

Payments made in relations to operative leasing are recognized into the income statement *pro rata temporis* in the period of the lease's duration.

Cash Dividend

The Group recognises a liability to pay a dividend when the distribution is authorised, and the distribution is no longer at the discretion of the Group companies. As per the corporate laws of Euroland, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

Taxes

Current Income Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except;

- when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year 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 reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Sales Tax

Expenses and assets are recognised net of the amount of sales tax, except:

- when the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable;
- when receivables and payables are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Use of Estimates

The preparation of the consolidated financial statements and the related notes in application of the international accounting standards requires the making of estimates and assessments that affect the values of the assets and liabilities in the consolidated financial statements and the disclosure relating to potential assets and liabilities at the balance sheet date. The final results may differ from the estimates made.

Evaluations and judgments are periodically revisited and effects of every change are immediately reflected in the income statement.

The main estimates and judgments made by the Group relate to the Impairment test on the value of assets recorded in the consolidated financial statements. The Impairment test is performed if there are specific indicators on the estimate of the useful life of tangible and intangible assets, as well as on the depreciation of receivables.

NOTE 3 SIGNIFICANT ESTIMATES AND JUDGEMENTS, RISK MANAGEMENT AND COVID

Judgements and estimates are regularly evaluated based on historical experience, current circumstances and expectations of future events. A number of areas have been impacted by Covid-19 when exercising judgements and estimates and these are identified below.

3.1 Estimates

For the year ended 31st December 2020, the following areas require the use of estimates:

Impairment of goodwill and intangible assets. Goodwill and intangible assets form a significant part of the balance sheet and are key assets for the Group's businesses. The recoverable amounts of relevant cash generating units are based on value in use calculations using management's best estimate of future performance and estimates of the return required by investors to determine an appropriate discount rate. The Group has reviewed the impact of Covid-19 on future cash flows along with the impact on the weighted average cost of capital applied to each cash generating unit and long- term growth rates. Following this review there was no direct impact to any cash generating units for Covid-19. Details are provided in Note 13 "Intangible Assets – Goodwill".

Defined benefit pension asset or liability. Defined benefit pension asset or liability are determined based on the present value of future pension obligations using assumptions determined by the Group with advice from an independent qualified actuary.

Estimated service period for admission and listing services within the Primary Markets business. The Group determines the estimated period for admission services using historical analysis of listing durations in respect of the companies on our markets. The estimated service period inherently incorporates an element of uncertainty in relation to the length of a customer listing which is subject to factors outside of the Group's control. The estimated service periods are reassessed at each reporting date to ensure the period reflects the Group's best estimates

Expected credit losses – the Group has factored into impairment reviews of financial assets the expectations of future events including Covid-19. The measured lifetime expected credit losses associated with these assets have not been materially impacted. The Group continues to monitor events and review whether additional provisions will be required in future periods.

3.2 Judgements

In preparing the consolidated financial statements for the year ended 31st December 2020, the following judgement has been made:

Clearing member trading assets and trading liabilities – The Group uses its judgement to carry out the offsetting within clearing member balances. The carrying values of the balances are offset at what the Group considers an appropriate level to arrive at the net balances reported in the balance sheet. The Group has an aligned approach for its CCP subsidiaries to ensure the principles applied are consistent across similar assets and liabilities. The approach is reviewed on a timely basis to ensure the approach used is the most appropriate. Details of amounts offset are provided in Note 18 "Offsetting".

Lease terms – The Group uses its judgement when assessing the lease term of property assets where options exist to either extend or curtail the lease term. The Group takes into account the location and likely use of the property when making its judgement (Note 21 "Lease liabilities").

3.3 Financial Risk Management Exchange Rate Risks

The Group is not exposed to significant exchange rate risks because its operations in currencies other than the euro are marginal.

Interest Rate Risks

The Group is not exposed to significant interest rate risks. The borrowing in place is a long loan agreement with London Stock Exchange Group Holdings (Italy) Ltd, in force from 1st April 2018 to 31st March 2023 at the fixed interest rate of 1.40% *per annum*. There are not funding in place with third parties.

Credit Risk

Credit risk is the exposure of a company to potential losses arising from the non-compliance with the obligations taken on by the counterparties. Solvency risks are low as Group clients are mainly highly rated financial institutions. The Group does not show a significant concentration of the credit risk since its exposure is spread over several counterparties.

Liquidity Risk

Liquidity risk is the risk of being unable to satisfy the Group's obligations, current or future, due to the lack of available funds. The Group is not exposed to significant liquidity risks.

3.4 COVID

The impact of the events of 2020, most noticeably the Covid-19 pandemic, acted as a catalyst for the change we are already witnessing across the financial services industry. Group continue to invest in the technologies, cyber security and process capabilities that underpin our product offerings and support our customers through volatile market conditions, ensuring our platforms are capable of managing the demands for service and connectivity across the financial system.

Technology enhancements have been accelerated by the impact of Covid-19 which has propagated the widespread adoption of digital communication channels and information sharing tools.

The Covid-19 pandemic has presented many challenges throughout 2020 and required a coordinated response across all businesses to ensure continuity of operations whilst maintaining the wellbeing of all colleagues. Since the beginning of the pandemic Covid-19, the group has adopted a safety protocol aimed at protecting its employees through the use of structural Smart Working which lasted throughout 2020 and is still in place. Remote working has put additional pressure on technology resources and colleagues as they learn to adapt to new working practices.

The response to the Covid-19 pandemic was driven from our pandemic plan and was governed using our Crisis Management structure. A centralised framework for decision making across the Group drew upon local intelligence which ensured consistent implementation that could be tailored to local conditions. Technology infrastructure was bolstered early in the pandemic and there are regular communications with colleagues about our approach alongside wellbeing support. Refinitiv have followed a similar model to the rest of the Group for their Covid -19 response with more local decision-making to ensure speed of response across multiple locations. A Crisis Management plan is in place and regularly tested to ensure the business can respond appropriately in all situations. Plans must be the approach to resilience.

ANALYSIS OF CONSOLIDATED FINANCIAL STATEMENTS ITEMS AS AT 31 DECEMBER 2020 (1)

Consolidated Statement of Profit and Loss

NOTE 4 REVENUES

The following table shows the breakdown of Revenue by CGU.

	For the year ended 31 December 2020						
In thousands of euros	Capital Markets	Post Trade group	Information Services	Chief Operating and Information Offices	Corporate & Management	Total Group Non Departmental	Continuing
Total admission fees	8,251	1,820	-	-	-	-	10,071
Total training fees	-	-	-	1,578	-	-	1,578
Total transaction fees	116,730	48,668	-	-	78	-	165,477
Registration fees	373	-	-	-	-	-	373
Point in time – Total other revenue	-	2,721	1,022	-	-	-	3,743
Total revenue shares and discounts	690	-	-	-	-	-	690
Total settlement fees receivable	5,360	10,950	-	-	-	-	16,310
Total clearing fees	155	45,039	-	-	-	-	45,194
Point in time – Revenue	**131,560**	**109,198**	**1,022**	**1,578**	**78**	**-**	**243,436**
Total licence fees	-	-	22,854	-	-	-	22,854
Over time – Data fees	10,467	-	21,933	-	-	-	32,399
Total annual and subscription fees	40,274	-	-	-	-	-	40,274
Total connectivity fees	19,260	-	-	3,209	-	-	22,470
Total consultancy fees	-	-	-	9,783	-	-	9,783
Total royalty receivable	138	-	-	-	-	-	138
Over time – Total membership fees	14,155	5,712	-	-	-	-	19,867
Over time – Total other revenue	4,073	4,987	1,355	11,521	-	4,015	25,951
Over time – Revenue	**88,367**	**10,699**	**46,142**	**24,513**	**-**	**4,015**	**173,736**
Revenue	**219,927**	**119,897**	**47,164**	**26,092**	**78**	**4,015**	**417,172**

(1) For the information not detailed in the tables, the equivalent value at 31 December 2019 is reported by brackets.

	For the year ended 31 December 2019						
In thousands of euros	Capital Markets	Post Trade group	Information Services	Chief Operating and Information Offices	Corporate & Management	Total Group Non Departmental	Continuing
Total admission fees	7,947	1,807	-	-	-	-	9,754
Total training fees	-	-	-	4,490	-	-	4,490
Total transaction fees	102,657	48,163	-	-	96	95	151,010
Point in time – Total other revenue	-	3,457	812	-	-	-	4,269
Total revenue shares and discounts	2,024	-	-	-	-	-	2,024
Total settlement fees receivable	5,373	9,332	-	-	-	-	14,705
Total clearing fees	148	45,567	-	-	-	-	45,715
Point in time – Revenue	**118,149**	**108,325**	**812**	**4,490**	**96**	**95**	**231,967**
Total licence fees	-	-	18,710	-		-	18,710
Over time – Data fees	10,382	-	21,137	-	-	37	31,556
Total annual and subscription fees	39,077	-	-	-	-	-	39,077
Total connectivity fees	18,355	-	-	3,484	-	-	21,839
Total consultancy fees	-	-	-	12,634	-	-	12,634
Over time – Total membership fees	13,991	5,595	-	-	-	-	19,586
Over time – Total other revenue	5,754	4,336	1,554	13,999	8	23	25,674
Over time – Revenue	**87,559**	**9,931**	**41,400**	**30,117**	**8**	**60**	**169,074**
Revenue	**205,709**	**118,256**	**42,212**	**34,606**	**103**	**155**	**401,041**

Starting from 1st January 2018 Borsa Italiana S.p.A. has adopted, with a retrospective approach, IFRS 15 over the admission fees for the markets MTA, AIM and ETF, which were previously recognised at the time of admission to trading under IAS 18.

In accordance with IFRS 15, such fees are now considered as one performance obligation and recognised from the date of admission over a period equal to the estimated time of listing. The Company has estimated this time performing an historical analysis of the average duration of listing of the securities in each of the abovementioned markets. The estimated service period inherently incorporates an element of uncertainty since it is subject to factors outside of the Company's control.

The time of listing has been estimated equal to 12 years for the MTA and ETF markets and 4 years for the AIM market.

The following table shows the geographical breakdown of revenues:

In thousands of euros	For the year ended 31 December 2020 Continuing	For the year ended 31 December 2019 Continuing
Revenue		
UK	10,892	14,975
Italy	399,859	379,315
France	1,977	2,332
USA	4,444	4,420
TOTAL	**417,172**	**401,041**

NOTE 5 NET TREASURY INCOME THROUGH CCP BUSINESS

Income recognised in the CCP clearing businesses includes net treasury income earned on margin and default funds, held as part of the risk management process.

For the year ended 31 December 2020 the item amounts to €55,687 thousand (31 December 2019 €55,330 thousand) and is the result of interest earned on cash assets lodged with the clearing house, less interest paid to the members on their margin and default fund contributions. Where negative interest rates apply, the Group recognises interest paid on cash assets as a treasury expense and interest received on clearing members' margin as treasury income.

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NOTE 6 OTHER INCOME

For the year ended 31 December 2020 the item amounts to Euro 6,326 thousand (31 December 2019 Euro 7,357 thousand) and mainly includes senior management recharge and fees for technology services to LSE Group.

NOTE 7 COST OF SALES

For the year ended 31 December 2020 the item amounts to €18,075 thousand (31 December 2019 €18,951 thousand) and mainly includes data and licence fees, data feed costs, and technology linked and directly incurred to generate revenues and provide services to customers. for Euro 16,905 thousand, data and licence fees for euro 566 thousand and data feed costs for Euro 604 thousand.

NOTE 8 EXPENSES BY NATURE

The following table shows the breakdown of Expenses by nature:

In thousands of euros	For the year ended 31 December 2020 Continuing	For the year ended 31 December 2019 Continuing
Employee costs	(87,501)	(84,227)
IT costs	(50,857)	(56,241)
Other costs	(43,575)	(44,469)
IT-low value items leasing	(1,228)	(609)
Short-term lease office rent	-	-
TOTAL OPERATING EXPENSE	**(183,160)**	**(185,545)**

The following table shows the breakdown of the employee costs.

In thousands of euros	For the year ended 31 December 2020 Continuing	For the year ended 31 December 2019 Continuing
Employee costs		
Staff costs	(56,768)	(55,433)
Share Awards	(6,113)	(4,765)
Pension	(4,987)	(6,508)
Social security costs	(15,642)	(14,122)
Staff costs other	(3,991)	(3,400)
TOTAL	**(87,501)**	**(84,227)**

The following table shows the number by geography of employees.

	December 2020 Average All Divisions	December 2019 Average All Divisions
Average number of employees by geography		
UK	36	37
France	2	2
Italy	648	643
TOTAL	**686**	**682**

NOTE 9 NET FINANCE INCOME AND EXPENSES

The following table shows the breakdown of Net finance income and expenses.

In thousands of euros	For the year ended 31 December 2020 Continuing	For the year ended 31 December 2019 Continuing
Finance income		
Bank deposit and other interest income	1,153	3,739
Other finance income	141	194
Total	**1,294**	**3,933**
Finance expense		
Interest payable on bank and other borrowings	(402)	(62)
Defined benefit pension scheme interest cost	(56)	(120)
Other finance expenses	(3,161)	(5,439)
Lease interest expense	(546)	(765)
Total	**(4,164)**	**(6,385)**
NET FINANCE INCOME/EXPENSE	**(2,870)**	**(2,452)**

NOTE 10 TAXATION

The following table shows the breakdown of Current and Deferred Taxation.

In thousands of euros	For the year ended 31 December 2020 Continuing	For the year ended 31 December 2019 Continuing
Taxation (charged)/credited to the income statement		
Current Tax:		
Corporation tax – UK	(130)	(3,585)
Corporation tax – overseas	(17,678)	(14,905)
Corporation tax – IRES	(51,973)	(53,838)
Overseas tax for the period	**(69,781)**	**(68,743)**
Corporation tax – PY adjustment	7,368	1,063
CT ADJUSTMENTS IN RESPECT OF PREVIOUS YEARS	**7,368**	**1,063**
CURRENT TAX EXPENSE	**(62,413)**	**(71,264)**
Deferred Tax:		
Deferred tax – UK	0	10
Deferred tax – overseas	(487)	(563)
Deferred tax for the period	**(487)**	**(554)**
Deferred tax – PY adjustment	(347)	144
DT Adjustments in respect of previous years	**(347)**	**144**
Deferred tax – amortisation and impairment of purchased intangibles	11,755	10,955
DEFERRED TAX	**10,921**	**10,545**
TAXATION CHARGE	**(51,492)**	**(60,719)**

In thousands of euros	For the year ended 31 December 2020 Continuing	For the year ended 31 December 2019 Continuing
Taxation on items not credited/(charged) to the income statement		
Deferred tax (loss)/credit:		
Movement in value of Financial assets at FVOCI	(3,438)	(5,308)
	(3,438)	**(5,308)**

Following an analysis conducted by an external consultant (Studio Tremonti) which resulted in a different interpretation of the tax regulation (in particular of the art. 162-bis of the Italian income tax code, TUIR), the classification for fiscal purposes of Borsa Italiana S.p.A. and MTS S.p.A. changed from industrial/commercial companies to industrial holdings, while the classification of Cassa di Compensazione e Garanzia S.p.A. and Monte Titoli S.p.A.(1) changed from financial institutions to industrial/commercial companies. As a consequence, in November 2020 such companies presented to the Italian Tax Authority supplementary tax returns for the fiscal years 2018.

At the same time Cassa di Compensazione e Garanzia S.p.A. and Monte Titoli S.p.A. filed an advance tax ruling (pursuant to art. 11, paragraph 1, lett. to the. 27th July 2000, n. 212) to the Tax Authority in order to confirm this new interpretation.

On 24th February 2021 both companies received a positive response from the Tax Authority, which confirmed that, following the recent (2018) changes to article 162-bis TUIR, such entities should be considered "among ordinary industrial and commercial companies with what follows in terms of application of the related tax provisions", as they did in filing 2018 (supplementary) and 2019 tax return.

The impact of the abovementioned reclassification on the current year income statement is reported in the table above in the line Corporation tax – PY adjustments.

NOTE 11 DIVIDEND

The following table shows the breakdown of dividends.

In thousands of euros	December 2020	December 2019
Dividends non-controlling interests	(10,356)	(9,108)
Dividends paid to controlling company	(126,000)	(63,000)
DIVIDENDS PAID	**(136,356)**	**(72,108)**

NOTE 12 PROPERTY, PLANT AND EQUIPMENT

The following table shows the movements in Property, plant and equipment.

In thousands of euros	Land and Buildings		Right-of-use asset property	Fixed plant, other plant and equipment	Right-of-use other	Total
	Freehold	Leasehold				
Property, plant and equipment – cost						
Opening balance	-	4,688	31,522	67,882	1,972	106,064
Additions	-	270	-	8,268	-	8,537
Additions – finance leases	-	-	-	-	6,707	6,707
Asset transfer	-	(1)	-	(3)	(4,571)	(4,575)
Disposal	-	-	-	(60)	-	(60)
InterCo Business Transfers	-	(4)	-	4	-	-
Write Off	-	(3)	-	-	(687)	(690)
FX Calculated	-	-	(94)	(22)	-	(116)
DECEMBER 2020	**-**	**4,950**	**31,428**	**76,069**	**3,420**	**115,867**

(1) Please note that the classification of MTS S.p.A. as an industrial holding was applicable only for the fiscal year 2018. In 2019, accordingly to art. 162-bis TUIR, the Company was correctly classified as industrial/commercial. Therefore the supplementary tax return has been presented only for the fiscal year 2018.

In thousands of euros	Land and Buildings – Freehold	Land and Buildings – Leasehold	Right-of-use asset property	Fixed plant, other plant and equipment	Right-of-use other	Total
Property, plant and equipment – accumulated depreciation						
Opening balance	-	(1,946)	(6,412)	(51,670)	(1,001)	(61,029)
Asset transfer	-	-	-	(1)	-	(1)
Depreciation	-	(917)	(6,304)	(4,254)	(1,016)	(12,491)
Disposal	-	-	-	60	-	60
Write Off	-	-	-	-	660	660
FX Calculated	-	-	42	4	-	46
DECEMBER 2020	**-**	**(2,863)**	**(12,674)**	**(55,861)**	**(1,357)**	**(72,754)**

In thousands of euros	Land and Buildings – Freehold	Land and Buildings – Leasehold	Right-of-use asset property	Fixed plant, other plant and equipment	Right-of-use other	Total
Net Book Values:						
December 2020	-	2,087	18,754	20,208	2,063	43,112
OPENING BALANCE	**-**	**2,742**	**25,110**	**16,212**	**971**	**45,035**

The Group leases a number of properties in which it operates and these are represented above as property right-of-use assets.

The following table shows the comparable amounts for the year ended 31 December 2019:

In thousands of euros	Land and Buildings – Freehold	Land and Buildings – Leasehold	Right-of-use asset property	Fixed plant, other plant and equipment	Right-of-use other	Total
Property, plant and equipment - cost						
Opening balance	-	3,824	-	64,757	-	68,581
IFRS adjustments	-	-	53,993	0	1,972	55,965
Additions	-	249	-	4,436	-	4,685
Additions - finance leases	-	-	840	0	-	840
Asset transfer	-	710	(23,310)	(1,311)	-	(23,912)
Disposal	-	-	-	(11)	-	(11)
Write Off	-	(95)	-	-	-	(95)
Movement (calc)	-	-	-	-	-	0
FX Calculated	-	-	-	11	-	11
DECEMBER 2019	**-**	**4,688**	**31,522**	**67,882**	**1,972**	**106,064**

In thousands of euros	Land and Buildings – Freehold	Land and Buildings – Leasehold	Right-of-use asset property	Fixed plant, other plant and equipment	Right-of-use other	Total
Property , plant and equipment - accumulated depreciation						
Opening balance	-	(1,139)	-	(49,597)	-	(50,736)
Asset transfer	-	23	-	479	-	502
Depreciation	-	(830)	(6,412)	(2,552)	(1,001)	(10,795)
Disposal	-	-	-	11	-	11
Movement (calc)	-	-	-	-	-	-
FX Calculated	-	-	-	(11)	-	(11)
DECEMBER 2019	**-**	**(1,946)**	**(6,412)**	**(51,670)**	**(1,001)**	**(61,029)**

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In thousands of euros	Land and Buildings – Freehold	Land and Buildings – Leasehold	Right-of-use asset property	Fixed plant, other plant and equipment	Right-of-use other	Total
Net Book Values:						
December 2019	-	2,742	25,110	16,212	971	45,035
Opening Balance	-	2,685	-	15,160	-	17,845

NOTE 13 INTANGIBLE ASSETS

The table below shows the movements in intangible assets, including goodwill.

	Purchased intangible assets					
In thousands of euros	Goodwill	Customer and supplier relationships	Brands	Software, licenses and intellectual property	Software and Other	Total
Intangible assets – cost						
Opening Balance	1,027,349	766,965	1,047	73,255	180,733	2,049,349
Additions	-	-	-	13	13,732	13,745
Asset transfer	-	-	-	-	4,575	4,575
Write Off	-	-	-	-	(488)	(488)
FX Calculated	(841)	(530)	(8)	(88)	(303)	(1,770)
DECEMBER 2020	**1,026,508**	**766,436**	**1,038**	**73,180**	**198,250**	**2,065,411**

	Purchased intangible assets					
In thousands of euros	Goodwill	Customer and supplier relationships	Brands	Software, licenses and intellectual property	Software and Other	Total
Intangible costs – accumulated amortisation						
Opening Balance	(60,575)	(417,457)	(495)	(59,448)	(131,832)	(669,807)
Amortisation	-	(35,412)	(63)	(5,048)	(20,832)	(61,355)
Asset transfer	-	-	-	-	1	1
FX Calculated	-	263	8	38	68	378
DECEMBER 2020	**(60,575)**	**(452,605)**	**(550)**	**(64,457)**	**(152,595)**	**(730,783)**

	Purchased intangible assets					
In thousands of euros	Goodwill	Customer and supplier relationships	Brands	Software, licenses and intellectual property	Software and Other	Total
Net book values:						
Opening Balance	966,774	349,508	552	13,808	48,901	1,379,543
DECEMBER 2020	**965,933**	**313,830**	**488**	**8,723**	**45,654**	**1,334,628**

The following table shows the comparable amounts for the year ended 31 December 2019:

In thousands of euros	Goodwill	Customer and supplier relationships	Brands	Software, licenses and intellectual property	Software and Other	Total
	Purchased intangible assets					
Intangible assets – cost						
Opening Balance	1,027,141	766,834	1,045	72,284	145,161	2,012,465
Additions	-	-	-	971	12,056	13,028
Asset transfer	-	-	-	-	23,410	23,410
Write Off	-	-	-	-	-	-
FX Calculated	208	131	2	-	106	447
DECEMBER 2019	**1,027,349**	**766,965**	**1,047**	**73,255**	**180,733**	**2,049,349**

In thousands of euros	Goodwill	Customer and supplier relationships	Brands	Software, licenses and intellectual property	Software and Other	Total
	Purchased intangible assets					
Intangible costs – accumulated amortisation						
Opening Balance	(60,575)	(381,990)	(429)	(54,559)	(109,303)	(606,857)
Amortisation	-	(35,420)	(63)	(4,889)	(22,483)	(62,855)
Asset transfer	-	-	-	-	-	-
Movement (calc)	-	-	-	-	-	-
FX Calculated	-	(47)	(2)	-	(46)	(95)
DECEMBER 2019	**(60,575)**	**(417,457)**	**(495)**	**(59,448)**	**(131,832)**	**(669,807)**

In thousands of euros	Goodwill	Customer and supplier relationships	Brands	Software, licenses and intellectual property	Software and Other	Total
	Purchased intangible assets					
Net book values:						
Opening Balance	966,566	384,844	615	17,725	35,858	1,405,608
DECEMBER 2019	**966,774**	**349,508**	**552**	**13,808**	**48,901**	**1,379,543**

Purchased intangible assets

The Group's purchased intangible assets include:

- Customer and supplier relationships.

  These assets have been recognised on acquisition of major subsidiary companies by the Group. The amortisation periods remaining on these assets are between 6 to 12 years;

- Brands.

  Brand name assets have been recognised on a number of major acquisitions and the remaining amortisation periods on these assets are between 7 and 8 years;

- Software, licences and intellectual property.

  These assets have been recognised on acquisition of subsidiary companies and have a remaining amortisation period of 1 to 2 years. There are no other individual purchased intangible assets with a carrying value that is considered material to each asset class.

At 31st December 2020 no indicators of impairment or changes in the useful lives have been identified by management with reference to all of these categories of purchased intangible assets.

Goodwill

There were no additions to goodwill in the current year.

Impairment Tests for Goodwill

Goodwill has been allocated for impairment testing purposes to the following three cash generating units (CGUs):

- Capital Markets / Information Services;
- Post Trade;
- Technology.

	Net book value of goodwill		
In thousand of euros	31 December 2019	Foreign Exchange Translation	31 December 2020
Capital markets / Infor services	490,391	(841)	489,550
Post trade	452,412		452,412
Technology services	23,970		23,970
	966,774	**(841)**	**965,933**

The recoverable amounts of these CGUs have been determined on the basis of the value in use calculated using a Discounted Cash Flow (DCF) model based on a three-year aggregated business plan for the years 2021-2023, further projected for two more years to 31st December 2025. Cash flows beyond this period have been determined using the estimated long-term growth rate and the discount rates mentioned below:

Key assumptions

Discount rate: 8.8%

Long-term growth rate: 1.4%

Effective tax rate: 28.0% -33.5%*

The discount rate used has been calculated mainly on the basis of market benchmarks relating to the risk-free rate of 3.13%, the market premium of 6.2% and the equity beta of 0.87%.

Management has based its value in use calculations for each CGU on key assumptions about short- and medium-term revenue and cost growth, long-term economic growth rates (used to determine terminal values) and pre-tax discount rates. Therefore value in use calculations are sensitive to changes in such parameters.

Long-term growth rates represent management's internal forecasts based on external estimates of GDP and inflation analysis for the 10-year period 1st January 2015 to 31st December 2024, and do not exceed the long-term average growth rates for the countries in which the CGUs operate.

Following management assessment, as reported in the table below, the value in use of each CGU is significantly higher than the carrying value and is unlikely to be materially impaired by reasonable adverse changes to key assumptions. The excess of value in use over carrying value is determined by reference to the net book value as at 31st December 2020. Revenue and cost sensitivities assume a 5% change in revenues or costs for each of the 5 years in the value in use calculations.

	Capital Markets / Information Services	Technology services	Post trade	LSEGH(I) group
	€m	€m	€m	€m
Value in use (€m)	1,754.9	88.3	1,069.2	2,912.5
Carrying value				
Tangible assets/liabilities	43.7	3.7	5.5	52.9
Purchased intangibles	261.2	0.6	61.3	323
Deferred tax on purchased intangibles	72.7	0.2	21.4	94.3
Goodwill	489.5	24	452.4	965.9
Carrying value attributable to LSEG	867.2	28.4	540.6	1,436.2
Notional MI goodwill	64.5	-	-	64.5
	10.3%	0.0%	0.0%	
Carrying value (incl. MI goodwill)	931.7	28.4	540.6	1,500.7
Carrying value (incl. MI goodwill) excluding deferred tax	859	28.2	519.1	1,406.4
Excess/(impairment)	896.0	60.0	550.1	1,506.1

The outcome of the test at 31st December 2020 was satisfactory so no impairment of the value of goodwill was carried out.

In addition, to support the results of the impairment test conducted at 31st December 2020, reference should be made to the market value transaction announced by LSEG plc on 9th October 2020, when a contract with Euronext N.V. was signed for the sale of 100% of the shares of London Stock Exchange Group Holdings Italia S.p.A., for a value of 4.325 billion euros, plus an additional amount that reflects the generation of cash until the completion of the transaction, which is conditional, among other things, on obtaining the necessary authorizations from the competent authorities.

* Tax rates applied depend on CGU.

The test performed at 31st December 2019 used the following key assumptions:

Key assumptions

Discount rate: 9.3%

Long-term growth rate: 1.8%

Effective tax rate: 26.8% -33.4%*

The discount rate used was calculated mainly on the basis of market benchmarks relating to the risk-free rate of 3.73%, the market premium of 6.3% and the equity beta of 0.91%.

	Capital Markets / Information Services	Technology services	Post trade	LSEGH(I) group
	€m	€m	€m	€m
Value in use (€m)	1,604.5	77.1	878.8	2,560.5
Carrying value				
Tangible assets/liabilities	28.2	5.5	19.7	53.4
Purchased intangibles	289.3	0.6	74	363.9
Deferred tax on purchased intangibles	81.6	0.2	25.9	107.7
Goodwill	490.4	24	452.4	
Carrying value attributable to LSEG	889.4	30.3	572	1,491.7
Notional MI goodwill	64.5	0	0	64.5
	0.103	0	0	
Carrying value (incl. MI goodwill)	953.9	30.3	572	1,556.2
Carrying value (incl. MI goodwill) excluding deferred tax	872.3	30.1	546.1	1,448.5
Excess/(impairment)	732.2	47	332.7	1,112

The outcome of the test at 31st December 2019 was satisfactory so no impairment of the value of goodwill was carried out.

NOTE 14 INVESTMENT IN ASSOCIATES

The following table shows the movements in Investment in associates.

In thousands of euros	December 2020 Investment in associates	December 2019 Investment in associates
Opening balance	1,197	1,820
Capital additions	1,029	-
Share of profit	-	(681)
FX Calculated	(56)	58
DECEMBER 2020	**2,170**	**1,197**

The investment in associates is related to (i) MTS Associated Markets S.A. and (ii) The Hub Exchange Limited.

During the year, the Group made an additional investment of £1 million in The Hub Exchange Limited (2019: nil).

The investment was done through the conversion of the loan to equity for £915 thousand that at 31 December 2019 was classified under "non-current assets: Amount due from associates"

* Tax rates applied depend on CGU.

NOTE 15 FINANCIAL ASSETS AT FVOCI - DEBT INSTRUMENTS

All investments in secured assets relating to investments linked to the Cassa di Compensazione e Garanzia S.p.A. own funds have been included in this item to meet the needs envisaged by EU Regulation 648/2012 (EMIR) Article 47 paragraphs 1 and 2 in terms of Regulatory Capital invested in secured assets.

	December 2020			Decewmber 2019		
In thousands of euros	L1	L2	L3	L1	L2	L3
Financial assets at FVOCI - Debt Instruments - Non current	20,641	-	-	29,397	-	-
Financial assets at FVOCI - Debt Instruments - Current	102,330	-	-	94,517	-	-
	122,971	-	-	123,914	-	-

The portion of the securities representing the Company's own funds, included in the aforementioned total, amounts to € 122,971 thousand corresponding to a purchase value of € 123,451 thousand and a nominal value of € 121,300 thousand, adjusted for interest not yet accrued at the date for € 1,100 thousand and € 519 thousand as an effect deriving from the valuation of the securities at fair value at the closing date of the consolidated financial statements.

Part of these own funds are, in fact, invested in securities in compliance with the EMIR regulation on the capital requirements of central counterparties.

Currently the investment in secured assets consists of Government Bonds issued by the States of Belgium, France, Ireland, Italy, Holland, Portugal and Spain; and Supranational Securities issued by the European Stability Mechanism and the European Financial Stability Facility, as well as by securities issued by Spanish (Instituto de Credito Oficial) and French (Caisse d'Amortissement de la Dette Sociale) government agencies. These securities were recognized at fair value and valued at public market prices at the date of these consolidated financial statements. The counter-entry of the valuation is recognized in equity in the balance sheet, item "FVOCI Revaluation movements", net of prepaid and deferred taxes which have no economic impact as they reflect only the theoretical taxation on equity items. These prepaid and deferred taxes are present in item "Deferred tax liabilities".

NOTE 16 DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

Deferred tax are recognised for all taxable temporary differences. The main item is related to the Purchase price allocation (see note 13).

The following table shows the movements in deferred taxation.

In thousands of euros	Acquisition deferred tax and amortisation	Provisions and other temporary difference	Total
Opening balance			
Assets at December 2019	-	5,159	5,159
Liabilities at December 2019	(106,083)	(6,103)	(112,186)
Movement of the year			
Assets at December 2019	-	(227)	(227)
Liabilities at December 2019	11,755	(3,440)	8,315
Assets at December 2019	-	4,932	4,932
Liabilities at December 2020	(94,329)	(9,542)	(103,871)
Net at December 2020	(94,329)	(4,610)	(98,939)

NOTE 17 TRADE AND OTHER RECEIVABLES

The following table shows the movements in Trade and other receivables impairment provision.

In thousands of euros	December 2020	December 2019
Trade and other receivables		
Trade receivables	55,224	58,179
Provision for impairment of receivables	(1,963)	(2,711)
Trade receivables – net	53,261	55,468
Amounts due from controlling companies	11,503	22,086
Other receivables	611	653
Prepayments	1,851	2,065
Fees receivable	7,801	7,917
TRADE AND OTHER RECEIVABLES – CURRENT	**75,027**	**88,189**

The following table shows the movements in Trade and other receivables impairment provision.

In thousands of euros	December 2020	December 2019
Movement in impairment provision		
Opening balance	(2,711)	(2,209)
Provision charged to income statement	(2,529)	(977)
Amounts recovered during the year	1,606	172
Amounts written off to BS as uncollectible	1,660	313
FX Calculated	14	(10)
FX Input	(2)	-
DECEMBER 2020	**(1,963)**	**(2,711)**

NOTE 18 CCP CLEARING BUSINESS ASSETS AND LIABILITIES

The following tables show the breakdown of CCP Clearing business assets and liabilities as at 31st December 2020.

In thousands of euros	December 2020				
	Amortised cost	Held to maturity assets	Available for sale at fair value through OCI	Financial instruments at fair value through profit or loss	Total
Assets as per Balance Sheet:					
CCP trading assets at fair value	-	-	-	6,433,941	6,433,941
CCP trading assets at amortised cost	106,139,307	-	-	-	106,139,307
Other receivables from clearing members	3,405,670	-	-	-	3,405,670
Financial assets	-	-	5,915,642	-	5,915,642
Cash and cash equivalents of clearing members	7,101,798	-	-	-	7,101,798
Total financial assets for CCP clearing business	**116,646,776**	**-**	**5,915,642**	**6,433,941**	**128,996,358**
Other non-current assets (excl contract assets)	167	-	-	-	167
Trade and other receivables (ex prepayments and contract assets)	73,176	-	-	-	73,176
Cash and cash equivalents	299,358	-	-	-	299,358
Financial assets at FVOCI – Debt Instruments – Non Current	-	-	20,641	-	20,641
Current financial assets at FVOCI	-	-	102,330	-	102,330
TOTAL	**117,019,477**	**-**	**6,038,613**	**6,433,941**	**129,492,031**

In thousands of euros	December 2020		
	Financial liabilities at amortised cost	Financial liabilities at fair value through profit and loss	Total
Liabilities as per Balance Sheet:			
Financial liabilities of the CCP clearing business:			
■ CCP trading liabilities	-	(6,433,951)	(6,433,951)
■ Liabilities under repurchase transactions	(106,139,307)	-	(106,139,307)
■ Other payables to clearing members	(16,390,404)	-	(16,390,404)
■ Financial liabilities held at fair value	-	-	-
Total financial liabilities of the CCP clearing business	**(122,529,712)**	**(6,433,951)**	**(128,963,663)**
Trade and other payables excl Def Inc. and Social Security	(75,663)	-	(75,663)
Other non-current liabilities	(18,888)	-	(18,888)
TOTAL	**(122,624,264)**	**(6,433,951)**	**(129,058,215)**

In thousands of euros	December 2020			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total Fair Value
CCP trading assets measured at fair value				
Derivative instrument				
■ Futures	4,609,741	-	-	4,609,741
■ Options	1,813,132	-	-	1,813,132
■ Commodities derivatives	4,903	-	-	4,903
Non-derivative instruments:				
■ CCP transactions	6,165	-	-	6,165
Financial assets held at fair value:				
■ Securities	5,915,642	-	-	5,915,642
CCP Trading assets – Fair value of transactions with CCP members	**12,349,583**	**-**	**-**	**12,349,583**
Available for sale financial assets:				
■ Government Bonds	122,920	-	-	122,920
■ Investment in unquoted equity	52	-	-	52
TOTAL	**122,971**	**-**	**-**	**122,971**

In thousands of euros	December 2020			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total Fair Value
Financial liabilities measured at fair value				
■ CCP trading liabilities:				
Derivative instruments:				
■ Futures	(4,609,741)	-	-	(4,609,741)
■ Options	(1,813,132)	-	-	(1,813,132)
■ Commodities derivatives	(4,903)	-	-	(4,903)
Financial liabilities held at fair value:				
■ Equities and bonds	(6,176)	-	-	(6,176)
Fair value of transactions with CCP members	**(6,433,951)**	**-**	**-**	**(6,433,951)**

The following tables show the comparable amounts for the year ended 31st December 2019.

In thousands of euros	December 2019 Amortised cost	Held to maturity assets	Available for sale at fair value through OCI	Financial instruments at fair value through profit or loss	Total
Assets as per Balance Sheet:					
CCP trading assets at fair value	-	-	-	13,444,831	13,444,831
CCP trading assets at amortised cost	140,312,649	-	-	-	140,312,649
Other receivables from clearing members	4,602,263	-	-	-	4,602,263
Financial assets	-	-	5,411,121	-	5,411,121
Cash and cash equivalents of clearing members	10,792,799	-	-	-	10,792,799
Total financial assets for CCP clearing business	**155,707,711**	**-**	**5,411,121**	**13,444,831**	**174,563,663**
Contract Assets Curent	12,513		-		12,513
Other non-current assets (excl contract assets)	221	-	-	-	221
Trade and other receivables (ex prepayments and contract assets)	79,035	-	-	-	79,035
Cash and cash equivalents	214,747	-	-	-	214,747
Financial assets at FVOCI – Debt Instruments – Non Current	-	-	29,397	-	29,397
Current financial assets at FVOCI	-	-	94,517	-	94,517
TOTAL	**156,014,227**	**-**	**5,535,035**	**13,444,831**	**174,994,093**

In thousands of euros	December 2019 Financial liabilities at amortised cost	Financial liabilities at fair value through profit and loss	Total
Liabilities as per Balance Sheet:			
Financial liabilities of the CCP clearing business:			
■ CCP trading liabilities	-	(13,444,831)	(13,444,831)
■ Liabilities under repurchase transactions	(140,312,649)	-	(140,312,649)
■ Other payables to clearing members	(20,771,790)	-	(20,771,790)
■ Financial liabilities held at fair value	-	-	-
Total financial liabilities of the CCP clearing business	**(161,084,439)**	**(13,444,831)**	**(174,529,270)**
Trade and other payables excl Def Inc. and Social Security	(87,338)	-	(87,338)
Other non-current liabilities	(29,141)	-	(29,141)
TOTAL	**(161,200,918)**	**(13,444,831)**	**(174,645,749)**

In thousands of euros	December 2019 Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total Fair Value
CCP trading assets measured at fair value				
Derivative instrument				
■ Futures	12,038,036	-	-	12,038,036
■ Options	1,398,504	-	-	1,398,504
■ Commodities derivatives	4,260	-	-	4,260
Non-derivative instruments:				
■ CCP transactions	4,030	-	-	4,030
Financial assets held at fair value:				
■ Securities	5,411,121	-	-	5,411,121
CCP Trading assets – Fair value of transactions with CCP members	**18,855,952**	**-**	**-**	**18,855,952**
Available for sale financial assets:				
■ Government Bonds	123,863	-	-	123,863
■ Investment in unquoted equity	52	-	-	52
TOTAL	**123,915**	**-**	**-**	**123,915**

In thousands of euros	December 2019 Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total Fair Value
Financial liabilities measured at fair value				
■ CCP trading liabilities:				
Derivative instruments:				
■ Futures	(12,038,036)	-	-	(12,038,036)
■ Options	(1,398,504)	-	-	(1,398,504)
■ Commodities derivatives	(4,260)	-	-	(4,260)
Financial liabilities held at fair value:				
■ Equities and bonds	(4,030)	-	-	(4,030)
Fair value of transactions with CCP members	**(13,444,831)**	**-**	-	**(13,444,831)**
Derivatives not used for hedging				
■ Foreign exchange forward contracts	-	-	-	-
■ Cross currency interest rate swaps	-	-	-	-
Derivatives used for hedging				
■ Foreign exchange forward contracts	-	-	-	-
■ Cross currency interest rate swaps	-	-	-	-
Other non-current liabilities				
■ Canadian dollar denominated Put option	-	-	-	-
■ Euro denominated Put option	-	-	-	-
■ GBP denominated Put option	-	-	-	-
TOTAL	**(13,444,831)**	**-**	**-**	**(13,444,831)**

The Group uses its judgement to carry out the offsetting within clearing member balances. The carrying values of the balances are offset at what the Group considers an appropriate level to arrive at the net balances reported in the balance sheet. The Group has an aligned approach for its CCP subsidiaries to ensure the principles applied are consistent across similar assets and liabilities. The approach is reviewed on a timely basis to ensure the approach used is the most appropriate.

The following table shows the offsetting breakdown by products:

In thousands of euros	December 2020		
	Gross amounts	Amounts offset	Net amounts as reported
Derivative financial assets	18,871,668	(12,443,893)	6,427,775
Reverse repurchase agreements	126,738,971	(20,599,664)	106,139,307
Other	10,103	(3,938)	6,165
TOTAL ASSETS	**145,620,742**	**(33,047,495)**	**112,573,247**
Derivative financial liabilities	(18,871,668)	12,443,893	(6,427,775)
Reverse repurchase agreements	(126,738,971)	20,599,664	(106,139,307)
Other	(10,103)	3,938	(6,165)
TOTAL LIABILITIES	**(145,620,742)**	**33,047,495**	**(112,573,247)**

In thousands of euros	December 2019		
	Gross amounts	Amounts offset	Net amounts as reported
Derivative financial assets	26,866,967	(13,426,166)	13,440,801
Reverse repurchase agreements	174,050,265	(33,737,616)	140,312,649
Other	9,237	(5,207)	4,030
TOTAL ASSETS	**200,926,469**	**(47,168,989)**	**153,757,480**
Derivative financial liabilities	(26,866,967)	13,426,166	(13,440,801)
Reverse repurchase agreements	(174,050,265)	33,737,616	(140,312,649)
Other	(9,237)	5,207	(4,030)
TOTAL LIABILITIES	**(200,926,469)**	**47,168,989**	**(153,757,480)**

NOTE 19 CURRENT TAX ASSETS AND CURRENT TAX LIABILITIES

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income, mainly Italy but also United Kingdom, France and United States of America.

The item current tax assets typically includes the withholding taxes while this year includes also the effect of the positive tax ruling on Cassa di Compensazione e Garanzia S.p.A. and Monte Titoli S.p.A (see note 9 Taxation).

The item current tax liabilities represent the amount outstanding for annual income tax in the different jurisdictions where the Group operates.

	December 2020	December 2019
Current tax assets	16,162	1,100
Current tax liabilities	(5,893)	(1,566)

NOTE 20 CASH AND CASH EQUIVALENT

As at 31st December 2020, Cash and cash equivalent is composed of cash at bank for €299,358 thousand (31st December 2019 €220,170).

NOTE 21 TRADE AND OTHER PAYABLES

The following table shows the breakdown of Trade and other payables.

In thousands of euros	December 2020	December 2019
Trade payables	(9,147)	(8,805)
Amounts owed to group undertakings	(13,629)	(24,644)
Amounts due to joint venture & associates	(150)	(205)
Social security and other taxes	(10,554)	(9,047)
Other payables	(24,024)	(25,988)
Total accruals	(13,026)	(11,822)
Finance lease obligations current	(15,687)	(15,874)
Trade and Other Payables – Current	**(86,218)**	**(96,385)**
Finance lease obligations non-current	(18,888)	(29,144)
Non-current	**(18,888)**	**(29,144)**
Current	**(86,218)**	**(96,385)**
Non-current	**(18,888)**	**(29,144)**
	(105,106)	**(125,529)**

The following table shows the movements in Lease liabilities.

	December 2020	December 2019
In thousands of euros	Total Lease Liabilities	Total Lease Liabilities
Opening balance	(45,018)	-
IFRS adjustments	-	(60,266)
Finance leases – new	(6,707)	(845)
Finance lease interest	(546)	(765)
Finance lease capital payments	17,635	16,858
Business Transfers	8	-
FX Calculated	53	0
CLOSING BALANCE	**(34,575)**	**(45,018)**

The following table shows the split of Lease liabilities between current and non-current.

In thousands of euros	December 2020	December 2019
Finance lease obligations current	(15,687)	(15,874)
Finance lease obligations non-current	(18,888)	(29,144)
CLOSING BALANCE	**(34,575)**	**(45,018)**

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NOTE 22 PROVISIONS

The following table shows the movements in Provisions.

In thousands of euros	December 2020 Other Provisions	December 2019 Other Provisions
Opening balance	(3,453)	-
Provision charge to IS	19	-
Restructuring costs charged to P&L	(4)	(3,453)
Release	2,912	-
Utilised	60	-
DECEMBER 2020	**(467)**	**(3,453)**

In thousands of euros	December 2020	December 2019
Current provisions	(467)	(3,453)
DECEMBER 2020	**(467)**	**(3,453)**

NOTE 23 CONTRACT LIABILITIES CURRENT AND NON-CURRENT

The following table shows the breakdown by nature of current and non-current Contract liabilities.

In thousands of euros	December 2020	December 2019
Non-current contract liabilities	(10,060)	(10,157)
Deferred income	(5,932)	(7,266)
Deferred Income-IC	-	(9)
TOTAL CONTRACT LIABILITIES	**(15,993)**	**(17,432)**

The following table shows the breakdown by maturity of current and non-current Contract liabilities as at 31st December 2020.

	December 2020					
In thousands of euros	Capital Markets BS	Post Trade BS	Information Services BS	Chief Operating Office BS	Corporate & Management BS	All Divisions
Profile						
Less than 1 year	(2,482)	(188)	(1,763)	(842)	(658)	(5,932)
More than one year but less than five years	(6,215)	-	-	-	-	(6,215)
Over 5 years	(3,846)	-	-	-	-	(3,846)
TOTAL	**(12,543)**	**(188)**	**(1,763)**	**(842)**	**(658)**	**(15,993)**

The following table shows the comparable amounts for the year ended 31st December 2019.

	December 2019					
In thousands of euros	Capital Markets BS	Post Trade BS	Information Services BS	Chief Operating Office BS	Corporate & Management BS	All Divisions
Profile						
Less than 1 year	(3,501)	(1)	(3,187)	(553)	(33)	(7,275)
More than one year but less than five years	(7,207)	-	-	-	-	(7,207)
Over 5 years	(2,950)	-	-	-	-	(2,950)
TOTAL	**(13,658)**	**(1)**	**(3,187)**	**(553)**	**(33)**	**(17,432)**

NOTE 24 NET DEBT

The following table shows the composition of Net debt.

In thousands of euros	December 2020	December 2019
Due within one year		
Cash and cash equivalents	299,358	220,170
Intercompany borrrowings	6,876	14,752
	306,234	**234,922**
Due after one year		
Loans from subsidiary undertakings	(132,800)	(90,500)
	(132,800)	**(90,500)**
TOTAL NET DEBT	**173,434**	**144,422**

Intercompany Borrowings refers to the short-term loan between EuroMTS Ltd and LSE Group Holdings Ltd classified in Trade and other receivables.

Long term debt item amounts to €132.8 million and refers to the loan agreement with London Stock Exchange Group Holdings (Italy) Ltd, in force from 1st April 2018 to 31 March 2023 at the fixed interest rate of 1.40% *per annum.*

NOTE 25 RETIREMENT BENEFIT OBLIGATION

Under IAS 19 and according to IFRS interpretations, employee termination indemnities have been calculated in accordance with the relevant contractual and legal provisions and revalued on an actuarial basis.

In particular, the effects of the reform (Finanziaria 2007) of supplementary pension provision, relating to the severance paid, were considered evaluating the TFR liability still accrued within the Group, as the share accrued after 1st January 2007 has been paid to separated entities without these payments resulting in further obligations for the Group related to future employment (considering the remaining duration of labour relations and the future amounts to be paid). Even for those who decided to maintain the TFR within the Group, and then under the previous legislation, the TFR accrued as of 1st January 2007 has been paid to the Treasury Fund managed by INPS.

The following table shows the assumptions used by the independent actuary for the determination of the revaluation.

Assumptions adopted for actuarial valuation	31/12/2020	31/12/2019
Annual technical discount rate	0.37%	0.71%
Annual inflation rate	1.00%	1.00%
Annual increase of executive salaries	3.00%	3.00%
Annual increase of staff salaries	2.00%	2.00%
Annual increase of TFR	2.25%	2.25%

At 31st December 2020, this item amounted to €9,286 thousand (31st December 2019 €10,754 thousand) . The table below shows the variances in the item:

In thousands of euros	For the year ended 31 December 2020	For the year ended 31 December 2019
Amounts recognised in the income statement		
Defined benefit scheme – current service cost and expense	(4,984)	(6,509)
Total pension charge included in employee costs	(4,984)	(6,509)
Net finance (expense)/income	(56)	(120)
AMOUNTS RECOGNISED IN THE INCOME STATEMENT	**(5,039)**	**(6,629)**

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In thousands of euros	For the year ended 31 December 2020	For the year ended 31 December 2019
Defined benefit assets/(obligations) from pension schemes		
Present value of funded obligations	(9,286)	(10,754)
(DEFICIT)/SURPLUS	**(9,286)**	**(10,754)**

In thousands of euros	For the year ended 31 December 2020	For the year ended 31 December 2019
Changes in the present value of defined benefit obligations during the period/year		
Benefit obligation as at beginning of period/year	**(10,754)**	**(9,806)**
Current service cost	(4,984)	(6,509)
Interest cost	(56)	(120)
Subtotal included in the income statement	**-**	**-**
Re-measurement losses/(gains):		
Actuarial losses/(gains) – financial assumptions	74	101
Subtotal included in other comprehensive income	74	101
Benefits paid – Pension obligation	6,434	5,579
Foreign exchange	-	-
BENEFIT OBLIGATION AS AT END OF PERIOD/YEAR	**(9,286)**	**(10,754)**

NOTE 26 SHAREHOLDERS' EQUITY

The shareholders' equity as at 31 December 2020 is €1,557,813 thousand (€1,538,574 thousand at 31st December 2019).

The Share Capital is composed by 350.000.000 ordinary shares with nominal value of €1 each.

NOTE 27 FINANCIAL RISK MANAGEMENT

	December 2020				
In thousands of euros	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Trade and other payables (Financial liabilities)	(59,977)	-	-	-	(59,977)
CCP liabilities	(128,963,663)	-	-	-	(128,963,663)
FINANCIAL LIABILITIES MATURITY TOTAL	**(129,023,640)**	**-**	**-**	**-**	**(129,023,640)**

	December 2019				
In thousands of euros	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Trade and other payables (Financial liabilities)	(71,464)	-	-	-	(71,464)
CCP liabilities	(174,529,270)	-	-	-	(174,529,270)
FINANCIAL LIABILITIES MATURITY TOTAL	**(174,600,734)**	**-**	**-**	**-**	**(174,600,734)**

NOTE 28 RISK ASSESSMENT

Below is reported the Risk assessment as at 31st December 2020 with the comparable amounts for the year ended 31st December 2019.

In thousands of euros	December 2020	December 2019
Book Value of Capital		
Total shareholder's funds	1,475,998	1,467,087
Borrowings – current	-	-
Borrowings – non-current	-	-
TOTAL BORROWINGS	**-**	**-**
Regulatory and Operational Cash and Investments		
Amount included in cash and cash equivalents	116,543	127,146
Total Regulatory and operational cash and investments	239,463	207,700

In thousands of euros	December 2020	December 2019
Total Collateral Pledged		
Margin received in cash	9,433,069	10,378,324
Margin received by title transfer	748,329	1,778,889
Default Fund Total	(5,168,433)	(7,425,053)
Total On Balance Sheet Collateral	**5,012,965**	**4,732,160**
Total Member Collateral Pledged	**5,012,965**	**4,732,160**
Investment Portfolio		
CCP Other Financial Assets	5,915,642	5,411,121
Clearing member cash equivalents – short-term deposits	339,934	349,738
Clearing member cash – central bank deposits	6,743,294	10,423,846
Clearing member cash – other banks	18,570	19,215
Clearing member cash	**7,101,798**	**10,792,799**

In thousands of euros	December 2020	December 2019
Sovereign Investment		
Italy	2,956,096	2,501,642
Spain	1,355,784	1,443,641
Portugal	958,066	1,005,057
EU Central	638,894	658,427
France	185,085	131,144
Ireland	80,066	16,656
Belgium	70,125	32,554
Netherlands	10,025	-
Germany	-	21,584
TOTAL FOR ALL COUNTRIES (INCLUDING OTHER)	**6,254,141**	**5,810,704**

In thousands of euros		December 2020	December 2019
Credit Rating			
Transactions with clearing members			
Unrated		112,573,248	153,757,480
TOTAL		**112,573,248**	**153,757,480**
Investment and cash portfolio			
Government backed	AAA	648,919	675,980
Government backed	AA	185,085	161,580
Government backed	AA-	70,125	15,823
Government backed	A+	80,066	-
Government backed	A	-	1,245,818
Government backed	A-	1,255,817	-
Government backed	BBB	958,066	3,310,958
Government backed	BBB-	2,716,130	-
Government backed	Unrated	6,743,294	10,423,846
Secured	A-	99,968	179,735
Secured	BBB	-	170,000
Secured	BBB-	239,966	-
Unsecured	AA+	(136)	-
Unsecured	AA	15	-
Unsecured	AA-	-	33,765
Unsecured	A+	39,132	36,456
Unsecured	A	1,540	-
Unsecured	BBB+	-	54,913
Unsecured	BBB	1,223	70,411
Unsecured	BBB-	66,724	19,414
Unsecured	BB	3	-
Unsecured	Unrated	1,450	19,964
TOTAL		**13,107,387**	**16,418,662**

NOTE 30 LONG TERM INCENTIVE SHARE PLAN

The information required by IFRS 2 regarding share based payments or share options is reported below.

Plans granted to employees of the Group belong to the following types:

- **Performance Shares**. Performance shares have been activated for a group of Executives and Senior Managers and consist of the opportunity to receive, for free, shares of the London Stock Exchange Group, after specific Performance Conditions have been satisfied, to be verified at the end of a three- year period (Performance period) from the date of allocation.

  The Performance Conditions are measured:

  - for 50% of the assigned shares: the number of shares to be allocated at the expiry of the individual plans shall be determined based on the position of the TSR or the yield rate of the LSEG shares, in the maturation period, calculated by assuming the reinvestment of the dividends on the same shares,
  - for remaining 50% of the assigned shares: the number of shares to be assigned at the maturity of the individual plans will be determined based on the increased EPS or the adjusted share profit basis for LSEG;
- **Matching Shares**. Matching Shares have been activated for a limited group of Executives and Senior Managers and allows this limited group to invest personal resources, within the limit of 50% of their own gross annual salary, in shares of the London Stock Exchange Group (so-called "investment shares") and receive a bonus (Matching Award) having a maximum limit of twice the amount invested. The shares of the Matching Award shall be allocated definitively and transferred to the employee at the expiry of the third year of the date of attribution if the "investment shares" are retained by the employee and the employee is still employed by the Group;

- **Performance Related Equity Plan**. Performance Related Equity Plan is designed to reward a selected group of high-performing, high potential employees. Awards under the plan consist of two discrete awards:
  - **Restricted Share Award** which would deliver London Stock Exchange Group Plc ordinary shares to the participants if the conditions were met,
  - **Share Option Award** in the form of an option with exercise price (this is the price that the participant must pay to take ownership of an individual share), subject to the same performance conditions as the Restricted Share Award.

  Both awards would vest three years after the grant date. The Performance Conditions are measured:

  1. for 50% of the assigned shares: the number of shares to be allocated at the expiry of the individual plans shall be determined based on the position of the TSR or the yield rate of the London Stock Exchange Group shares, in the maturation period, calculated by assuming the reinvestment of the dividends on the same shares,
  2. for remaining 50% of the assigned shares: the number of shares to be assigned at the maturity of the individual plans will be determined based on the position of the Group's costs compared to specific budget targets;

- **Save As Your Earn.** The **SAYE** includes the allocation of options on shares for employees. At the time of assigning the option, the employee has the right to join a "save as you earn" plan managed by Yorkshire Building Society in the United Kingdom, which includes a monthly deduction from an employee's net salary for three years starting from when the savings plan begins. The amounts paid over three years will be interest bearing. At the end of the three-year period (the "Maturity Date"), the Plan allows common stock to be purchased from the London Stock Exchange Group Plc at a price determined. If instead, at the end of the period, the shares have not appreciated, the employee will not be required to purchase them and may instead withdraw the entire amount, increased by any interest.

The shares object of the LTIP are purchased on the market by LSEG itself.

The total cost on 31 December 2020 for the assignment of shares and share options to the employees is €6,113 thousand (31 December 2019 €4,765 thousand) including of the Severance Indemnity.

In the following table are reported the changes of LSEG shares allocated for LTIP and the period average weighted price:

Number of shares	Share options	SAYE	LTIP	Deferred bonus	Total
OPENING BALANCE 01/01/2020	**1,676**	**123,457**	**611,695**	**-**	**736,828**
Granted shares	-	17,725	73,358	4,241	95,324
Transferred shares	-	-	-	-	-
Transferred shares fom UK	-	-	-	-	-
Exercised shares	-	(42,933)	(236,035)	-	(278,968)
Forfeited shares	-	(7,203)	(72,471)	-	(79,674)
Cancelled shares (lapsed)	-	-	-	-	-
ENDING BALANCE 31/12/2020	**1,676**	**91,046**	**376,547**	**4,241**	**473,510**

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The fair value of the LTIP shares allocated during the period was determined using a probability evaluation model. The principal evaluation assumptions used in the model are as follows:

2020: The fair value of share awards and share options granted during the year was determined using a stochastic valuation model. The key assumptions used in the valuation were as follow:

	SAYE Sharesave Plan	LSEG LTIP Performance Shares			LSEG LTIP Matching Shares	Deferred Bonus Plan	Restricted Share Award Plan		
Date of grant	28-Apr-20	22-Apr-20	14-Sep-20	24-Nov-20	16-Mar-20	16-Mar-20	22-Apr-20	14-Sep-20	24-Nov-20
Grant date share price	£74.88	£76.22	£89.60	£76.16	£63.12	£63.12	£76.22	£89.60	£89.60
Expected life	3.3 years	3 years	3 years	3.4 years	2 years to 3 years	1 year to 3 years	0.9 year to 4.9 years 0.	5 year to 3.5 years	1.8 years to 3.8 years
Exercise price	£56.00 to £58.09	nil	nil	nil	nil	nil	nil	nil	nil
Dividend yield	1.15%	1.12%	0.92%	0.96%	n.a.	1.11%	1.12%	0.92%	0.96%
Risk-free interest rate	0.09%	0.11%	-0.12%	0.00%	0.09% to 0.10%	0.09% to 0.11%	0.11% to 0.21%	-0.11% to 0.03%	-0.02% to 0%
Volatility	25%	29.10%	27.10%	26.80%	26.6% to 23.7%	23.7% to 32.1%	25.8% to 38.5%	25.8% to 41.2%	26.0% to 33.1%
Fair value	£20.18 to £21.45	n.a.	n.a.	n.a.	63.12	£61.05 to £62.42	£72.15 to £75.46	£86.76 to £89.19	£0.96 to £0.97
Fair value TSR	n.a.	£65.64	£76.80	£29.64	n.a.	n.a.	n.a.	n.a.	n.a.
Fair value EPS	n.a.	£73.71	£87.16	£74.01	n.a.	n.a.	n.a.	n.a.	n.a.

IFRS 2 – paragraphs 46 and 47

46: An entity shall disclose information that enables users of the Financial Statements to understand how the fair value of the goods or services received, or the fair value of the equity granted, during the period was determined.

47: If the entity has measured the fair value of goods or services received as consideration for equity instruments of the entity indirectly, by reference to the fair value of the equity instrument granted, to give effect to the principle in paragraph 46, the entity shall disclose at least the following:

i. *the option pricing model used and the inputs to that model, including the weighted-average share price, exercise price, expected volatility, option life, expected dividends, the risk-free interest rate and any other inputs to the model, including the method used and the assumptions made to incorporate the effects of expected early exercise;*

ii. *how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and*

iii. *whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.*

The volatility was calculated by a weekly analysis of the LSEG share price since its listing in July 2001. The fair value of the shares allocated during the period takes into account the vesting conditions linked to TSR. The employees who are allocated shares linked to the LTIP do not have the right to receive dividends declared by LSE during the vesting period.

CONSOLIDATED FINANCIAL STATEMENTS APPROVAL

The draft consolidated financial statements has been approved from the Board of Directors on 25 March 2021 and it has been authorized for publication on the same date (IAS 10).

These consolidated financial statements as at 31 December 2020 represent in a true and correct way the equity and financial situation as well as the economic result at the aforesaid date.

Milan, 25th March 2021

For the Board of Directors

Chairman

Andrea Sironi

Independent auditor's report

To the Shareholders of London Stock Exchange Group Holdings Italia S.p.A.

OPINION

We have audited the consolidated financial statements of London Stock Exchange Group Holdings Italia S.p.A. (the "Company") and of its subsidiaries (together with the Company, the "Group") which comprise the consolidated statement of financial position as of December 31st, 2020, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies. The consolidated financial statements have been prepared for their inclusion in the offering documents of Euronext N.V. in connection with the proposed issue and offering of certain securities.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as of December 31st, 2020, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We are independent of the Company in accordance with the regulations and standards on ethics and independence applicable to audits of financial statements under Italian Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

OTHER MATTER

This report is not issued pursuant to the provisions of the Italian law, since the consolidated financial statements of the Group are prepared for their inclusion in the offering documents of Euronext N.V. in connection with the proposed issue and offering of certain securities, and are not subject to the statutory audit pursuant to the Italian law.

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union, and, within the terms provided by the law, for such internal control as they determine necessary to enable the preparation of financial statements that are free from material misstatement. whether due to fraud or error.

The Directors are responsible for assessing the Group's ability to continue as a going concern and, when preparing the consolidated financial statements, for the appropriateness of the going concern assumption, and for appropriate disclosure thereof. The Directors prepare the consolidated financial statements on a going concern basis unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The statutory audit committee ("Collegio Sindacale") is responsible, within the terms provided by the law, for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we have exercised professional judgment and maintained professional skepticism throughout the audit. In addition:

- we have identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained 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;

- we have obtained 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 Group's internal control;
- we have evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;
- we have concluded on the appropriateness of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group'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 consider this matter in forming our opinion. 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 the Group to cease to continue as a going concern;
- we have evaluated the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- we have obtained sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We have communicated with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Milan, 29 March 2021

EY S.p.A.

This document is printed in France by an Imprim'Vert certified printer
on PEFC certified paper produced from sustainably managed forest.

Designed & published by LABRADOR INFORMATION DESIGN +33 (0)1 53 06 30 80