(Registered Number: 07611628)

LME Clear Limited

Annual report and financial statements

31 December 2025

LME Clear Limited

Directors and independent auditors

Directors

The Directors of LME Clear Limited (the Company or LME Clear) who were in office during the year and up to the date of signing the financial statements were:

Current directors

J A Carruthers (Interim Chair)[1]	
N C Allen	
M Carty (CEO)	
P C Chapman[1]	
R Gil-Tienda	
H E Graham	
K S Ng	Appointed 21 July 2025
C Young[1]	
K Y Chow	Appointed 4 February 2026

Resigned directors

H P H Leung	Resigned 27 June 2025
D P Warren (previous Chairman)[1]	Resigned 31 December 2025
R A Wise	Resigned 9 January 2026

Registered office

10 Finsbury Square, London EC2A 1AJ

Independent auditors

PricewaterhouseCoopers LLP
7 More London Riverside, London SE1 2RT

[1] Denotes Independent Non-Executive Director

Strategic report

The Directors present their Strategic report on the Company for the year ended 31 December 2025. This report should be read in conjunction with the Directors' report on pages 10 to 18.

Overview

The Company is incorporated in England and Wales and is an indirect subsidiary of Hong Kong Exchanges and Clearing Limited (HKEX), a leading global financial market operator.

Principal activities

The Company is a Recognised Clearing House under the Financial Services and Markets Act 2000 and is authorised in accordance with the European Market Infrastructure Regulation (EMIR) as transposed into UK law (UK EMIR). The Company acts as the central counterparty (CCP) for exchange contracts traded on the London Metal Exchange (the LME). The clearing service principally provides counterparty risk mitigation services for the Company's Clearing Members.

Review of the business

The Directors are pleased to report that the Company has recorded a strong financial performance in 2025.

Profit after tax for the year was $50,531,000, an increase of 15% from 2024; primarily driven by growth in clearing revenues, higher investment income and lower professional fees, partly offset by higher staff costs and taxation during the year.

The Company serves as the clearing house for the LME, providing EMIR-compliant clearing and settlement services for all trades transacted across the LME's three trading venues – the Ring, the inter-office market, and the electronic trading platform LMEselect. The Company's performance is therefore closely tied to the volume of trading which takes place on the LME.

The Company's revenue and other income, primarily derived from clearing and settlement fees and investment income, increased 9% from the prior year.

Clearing and settlement fee income for the current year was $90,063,000 (2024: $80,203,000). The increase reflects the LME's higher average daily volume (ADV) that rose 8% year-on-year. ADV of metals contracts, representing chargeable volume excluding administrative trades was 717k lots (2024: 664k lots). Higher volumes were driven by a number of factors including volatility relating to economic tariffs-based uncertainty, supply side disruptions (in particular in copper), and increased interest in metals from existing and new participants, including governments as they drive the critical minerals agenda.

The Company, alongside the LME, has been making progress on a multi-year programme of change to strengthen and enhance its service offerings. In February 2025, the Company issued a consultation decision and related rule changes regarding its proposals to introduce a range of measures to further bolster market resilience. These included the introduction of a default fund mutualisation limit and anti-procyclicality control, effective from 28 February 2025, together with an increase in the minimum net capital requirements for members, effective from 12 May 2025.

In addition, and aligned to its over-arching objective to move towards a "defaulter pays" model, the Company also enhanced its Initial Margin methodology and introduced a new Stress Loss Additional Margin - a credit assessment-based stress loss exposure limit. These changes came into effect on 3 March 2025 following extensive market engagement.

In September 2025, the Company introduced a new tri-party member collateral service in collaboration with Euroclear Bank SA. The new service helps members manage their collateral obligations by enabling collateral to be posted more efficiently, streamlining mobilisation, and reducing operational friction. In November 2025, the Company improved its service offering for Clearing Members using offshore renminbi (CNH) as margin collateral.

Strategic report (continued)

Review of the business (continued)

Following the UK's exit from the European Union (EU) significant regulatory changes that affect the Company have yet to be announced - beyond the onshoring of EMIR into UK law. In 2025 the Bank of England (BoE) announced an intention to amend the structure of the regulation as applicable to UK CCPs via the creation of a new CCP rulebook - and within that, some targeted adjustments to certain UK EMIR provisions – effective no sooner than early 2027.

On 29 January 2025, the UK Supreme Court refused permission for the claimant Elliott (Elliott Associates L.P. and Elliott International L.P.) to appeal the judgment made by the UK Court of Appeal in October 2024 relating to the judicial review of the events in the nickel market in March 2022. These proceedings have now concluded in the Company and the LME's favour. The three related Human Rights Act (HRA) claims issued in March 2023, which had been stayed pending the final determination of the judicial review proceedings, have all been withdrawn by the HRA claimants.

Performance measurement and key performance indicators (KPIs)

Management employs commercial KPIs including clearing volume, margin portfolio size and critical system availability.

In respect of capital, the key performance indicator is compliance with regulatory capital requirements set in accordance with the UK EMIR. The Company held sufficient capital to meet its requirements throughout the year. Further detail on capital requirements is presented in the Directors' report.

Financial KPIs	**2025**	**2024**	**Increase / (decrease)**
	$ 000's	**$ 000's**	
Revenue and other income	143,911	132,306	9%
Operating expenses	77,643	73,501	6%
Earnings before interest, tax, depreciation, and amortisation	74,364	65,742	13%
Profit before tax	67,223	58,539	15%
Profit after tax	50,531	43,831	15%
Net assets	303,469	333,168	(9%)
Margin deposits from clearing participants	15,258,892	8,469,168	80%

Related non-financial KPIs			
ADV (000's; chargeable, excluding administrative trades)	717	664	53
Futures market open interest (lots)	2,051,192	1,786,686	264,506

Higher revenue is predominantly due to an increase in clearing and settlement fees due to the increase in ADV and higher investment income due to higher returns on investments made. The increase in operating expenses is due to higher staff costs offset by a decrease in legal and professional fee expense in the year. As a result, profits have increased compared to 2024.

No final dividend is proposed in respect of 2025 (2024: $nil). The Company paid interim dividends of $81,600,000 during the year (2024: $nil).

Strategic report (continued)

Strategy

The Company's strategy continues to focus on clearing the existing contracts traded on the LME and providing a resilient and efficient clearing service. In addition, the Company will seek to clear any new products developed by the LME and to diversify its clearing services to existing and prospective Clearing Members.

In 2024, the Company started a strategic multi-year clearing modernisation programme, at the core of which is the replacement of the Company's current core clearing platform with a new more scalable and innovative clearing platform. In 2025, the Company developed the delivery strategy for the programme and in 2026, will initiate the build of the new clearing platform, leveraging market-leading vendor capabilities alongside LME Group technologies.

The programme provides a strong foundation for the Company to support the growth and structural reform of the LME and will enable the Company to continuously enhance the services it provides to Clearing Members.

Business environment

The Company operates in a highly regulated, competitive and technology-intensive environment. The Company will continue to offer robust and resilient clearing services and improve its offering to its Clearing Members.

The macro-economic and political uncertainty of 2024 continued into 2025, with conflict in Russia / Ukraine, the Middle East and the Democratic Republic of Congo (DRC), ongoing civil war in Myanmar, and export restrictions in the DRC and Indonesia, all of which contributed to base metals production and supply chain disruption, compounded by significant mine site issues, including suspensions at Grasberg, Indonesia and El Teniente, Chile.

Increased uncertainty in the macro-economic environment and international relations between countries continued to evolve throughout 2025, especially in respect of tariffs and most notably in copper. The imposition of US tariffs on refined copper resulted in a material disruption to the usual supply chains as metal was re-routed to the US, followed by news that LME-grade copper would not be affected. Tariffs, combined with other government-led initiatives such as the Carbon Border Adjustment Mechanism (CBAM) in Europe, have increased the overall complexity of metal logistics.

Principal risks and uncertainties

The Company's activities as a CCP expose it to several risks, both financial and non-financial. The Company maintains a comprehensive risk management framework to manage these risks in accordance with the risk appetite set by the Board. The Company aligns all risks it faces under three principal risk categories, default, strategic and regulatory, and sets its risk appetite and tolerances at this level allowing the Board to monitor its performance. Detailed disclosure on the financial risks faced are included in note 16.

<u>Default risk</u>

Default risk covers the Company's principal financial risks which are mitigated through risk management processes. As a CCP the Company is the counterparty to every matched trade. It acts as a buyer to every seller and the seller to every buyer and as a result it recognises derivative instruments in respect of both sides of the trade. During the life of a trade the Company processes all cash flows, marks the trade to market and calls collateral in the form of initial and variation margin to protect the CCP from the risk of a counterpart to the trade defaulting. If either party defaults on the trade the Company owns the defaulter's risk and becomes accountable for its liabilities. In the event of default, the collateral held by the Company is used to fulfil the failed organisation's obligations, which minimises the risk that the party on the other side of the trade is negatively impacted by the default. Cash collateral collected from Clearing Members is invested in high quality liquid assets to minimise liquidity and credit risk.

The Company considers that the risks it faces with regard to its default risk continue to be within risk appetite and have been further mitigated by recent changes to its risk management practices including new margin, default fund and member liquidity requirements.

Strategic report (continued)

Principal risks and uncertainties (continued)

Strategic risks

(i) Change programme

As part of its strategic growth objectives and to maintain its regulatory status the Company undertakes an ongoing programme of change to its processes and systems. This change programme is managed carefully but can create risks and complex dependencies and so will remain a key focus of the Board as further improvements are made. In 2024 the Company started a strategic change programme to upgrade its core clearing platform, associated systems and operating model. This will be a multi-year programme of change with multiple dependencies internally or with external market participants and will be a significant undertaking for LME Clear. Change risk will be increased while this programme is undertaken, and LME Clear will monitor this heightened risk through its governance oversight and risk management practises.

(ii) Resilience risk

With continued reliance placed on technology, the Company is aware of the need to maintain high degrees of operational and system resilience. In addition, the risk of cyber-attacks, especially the ability to respond to and recover from the most extreme scenarios, remains significant with financial services companies among the most heavily targeted. To mitigate the risks, the Company continues to invest in controls and focus on its people, processes, data, third parties and technology. The Company maintains robust risk management processes and assesses resilience risks on an ongoing basis, seeks to continually improve processes and technology to mitigate identified risks. The Company has further refined operational incident and crisis management processes to manage incidents and ensure required improvements are identified which may then result in changes to processes or technology.

The Company continues to make significant cyber-security investment underpinned by a number of capabilities such as threat intelligence, regular penetration testing, maturity reviews against the National Institute of Standards and Technology framework, provision of training to employees in cyber techniques that could be used to compromise the Company. The Company's information security team liaise with key government and other bodies to keep up to date on the latest cyber threat information.

The Company's critical system availability is measured and monitored on a monthly basis. The Company achieved 100% uptime throughout 2025 for 9 out of 10 critical systems (2024: 100% uptime for 10 of 10 critical systems). Incidents were rapidly remediated and subject to detailed root cause analysis and implementation of preventative measures.

The BoE published guidance on operational resilience for Financial Market Infrastructures with a required compliance date of March 2025. The Company completed the required implementation work and submitted its Operational Resilience Self-Assessment in March 2025. Subsequently, the Company continues to invest heavily in this area, focusing on further embedding and maturing its approach.

Regulatory risk

The Company places a high emphasis on regulatory compliance in all jurisdictions in which it operates, seeks to promote active and co-operative relationships with its lead regulator, the BoE, and maintains an active interest and involvement where appropriate in regulatory matters arising in the UK and other global locations.

Following the UK's withdrawal from the EU, the Company continues to engage with UK legislators and policy makers as the UK develops its regulatory structure and environment. This includes discussions relating to the BoE's review of the structure of UK EMIR, alongside engagement as it evolves its CCP recovery and resolution regime. The implementation of a demanding and still evolving regulatory agenda and other market developments means that regulatory and compliance risks remain key risks.

Strategic report (continued)

Principal risks and uncertainties (continued)

Regulatory risk (continued)

In March 2023, the BoE announced the results of its supervisory review into the operation of the Company following the events in the nickel market in March 2022. The BoE also announced that it would appoint a skilled person under section 166 of the Financial Services and Markets Act 2000 to independently monitor, assess and report to the BoE on progress of implementation of the Company's implementation plan to strengthen its governance arrangements, increase independence in management and governance at the CCP, and improve on its wider risk management. This concluded with the delivery of the skilled person's final report in May 2025. The Company delivered the final actions and closed the programme at the end of 2025, having implemented several significant changes.

In January 2025, the European Commission announced that CCP equivalence for UK CCPs would be extended for a further three years until June 2028. In March 2025 ESMA confirmed it had extended LME Clear's third country licence accordingly – enabling the company to continue to provide clearing services for those Clearing Members that reside within the EU for that period.

Emerging risks

Geopolitical and macroeconomic environment

The overall geopolitical and macroeconomic environment remains turbulent. While metal prices have generally been driven by fundamental physical demand, which continues to be moderate, there have also been concerns around the slowdown in growth of the Chinese economy and the impact of the US Government on global trade flows. The major risk to the Company is the greater bifurcation of global trade, the impact of punitive sanctions or tariffs, driving or exacerbating a global slowdown.

Climate risk

The Company considers climate risk to be an emerging risk that may have an impact on its operations, market, Clearing Members, and clients in the medium to long term. The Company has assessed that climate risk does not have any significant impact regarding its financial position as of the reporting date. Further detail of the Company's approach to sustainability and its net-zero commitment are set out in the Streamlined energy and carbon reporting section of the Directors' report

Section 172 Companies Act 2006

All Directors are collectively responsible for the success of the Company and take their duties and responsibilities, including those set out in section 172(1) of the Companies Act 2006, seriously. Whilst the duty of each Director is to promote the success of the Company for the benefit of its members (shareholders) as a whole, in doing so the Board considers as part of its discussions and decision-making process the interests of all key stakeholder groups as identified below.

The Board therefore recognises the importance of effective stakeholder engagement in driving the Company's strategic focus of clearing the contracts traded on the LME. Effective stakeholder engagement enables Directors to identify key emerging themes and trends in the markets that are served by the Company.

The Company identifies its key stakeholders as Company employees, Clearing Members, regulators, service providers/suppliers, and its ultimate parent, HKEX.

The Company uses a variety of approaches to engage with its stakeholders throughout the year, including scheduled meetings, consultations, townhalls and Company notices. Thematic results from these interactions with stakeholders are periodically presented to the Directors, primarily by senior management who lead such engagements.

Clearing Member satisfaction, the delivery of cost-effective services and critical system availability are important measures of performance for the Company.

Section 172 Companies Act 2006 (continued)

Clearing Members

Ongoing Clearing Member engagement is integral to the Company's governance framework. The Company engages with its membership base through the EMIR Risk Committee which includes Clearing Member and client representatives and also through the Risk Advisory Group to which all Clearing Members are invited to send representatives. The Company also receives metal-specific feedback from advisory committees established by the LME which are consulted on the cleared contracts and underlying physical commodities. During 2025 the Risk Committees and LME advisory committees provided valued input and advice to Company Directors and senior management.

Suppliers and service providers

The Board takes the Company's relationships with its suppliers seriously.

The Board has reaffirmed the Company's commitment to ensuring that there is no modern slavery in its organisation or supply chains. A Board-approved Modern Slavery Statement is in place, reflecting the Company's commitment to acting ethically and with integrity.

Regulators

The Company maintains a regular dialogue with the BoE as well as those regulators with which it has overseas licenses, engaging on relevant matters such as Board and management changes, capital requirements and proposed new products or services.

HKEX

The Company maintains close links with its ultimate parent company. A number of the Company's Directors hold directorships of HKEX or are members of the HKEX Management Committee and there is regular contact and interaction between HKEX management and staff and the Company's employees at all levels across the business.

Employee engagement

The Board recognises that engagement with Company employees is fundamental to the Company's success. Engagement with employees is undertaken by senior management, through townhalls, a variety of employee forums and regular staff surveys.

The Company has continued to be active in implementing measures to maintain and drive engagement. Regular communication of the Company's strategy and performance has been shared with employees, promoting greater understanding of how individual activities contribute to achieving the Company's goals. There has also been significant focus on the development of employees, with the launch of an updated learning and development curriculum in February 2025 offering a range of courses aligned to identified organisational needs and skills gaps. The Company launched a new competency framework in September 2025 providing employees with transparency around expected skills which in turn provides a strong basis for personal development plans and growth opportunities.

The Company operates a discretionary bonus scheme which remunerates employees based on their performance together with the Company and HKEX Group's performance. Employees set annual objectives aligned to the Company's corporate scorecard and discretionary incentives are awarded taking into account their performance against those objectives and the Company's values. The bonus scheme therefore encourages employees to contribute to the Company's overall objectives and performance and to behave in line with expected standards.

The Company continued to support employee wellbeing in 2025 through the provision of a wellness week focusing on mental, physical, and financial wellbeing. Healthy breakfast options continue to be provided as well as complimentary access to an on-site gym at the London office.

Strategic report (continued)

Employee engagement (continued)
From a people and culture perspective, diversity and inclusion have remained a focus in 2025. The Company has thriving employee networks raising awareness and engagement on this topic and continues to celebrate diversity through events such as International Women's Day, Pride Month and Black History Month.

The Company remains committed to the Women in Finance Charter, reinforcing its aim to increase gender diversity. When the LME Group signed up to the Women in Finance Charter in September 2020, it had 31.9% representation of females across its senior management positions (SVP and MD levels). The overall gender balance across senior management at LME Group had increased to 37.3% by September 2025 – falling short of the target of 40% female representation in senior management by this date. The Company is pleased with progress made and remains committed to increasing female representation in senior management and in embedding its four-pillar strategy for gender equity, focusing on attraction, retention and development of talent, education and governance and expect to see these efforts bear fruit in the coming years. As such the Company has recommitted to the 40% target and is extending the deadline to September 2028.

The Board believes that transparency around gender pay gap reporting continues to play an important role in understanding and addressing the gender-based inequality that persists in the wider society in which the Company operates. The LME Group's gender pay gap report for 2024 was published in 2025 showing mean gender pay gap standing at 11.1%, flat year on year. The Company remains committed to further narrowing the gap.

Throughout 2025, the Board will continue to review and challenge how the Company can improve engagement with its employees and other stakeholders.

Equal opportunities

The Company is an active equal opportunities employer, which promotes an environment free from discrimination, and where everyone receives equitable treatment and career development regardless of age, disability, sex, gender, gender reassignment, pregnancy, race (which includes colour, nationality and ethnic or national origins), sexual orientation, religion or belief, or because someone is married or in a civil partnership, among other diverse attributes. All decisions relating to employment practices are objective, free from bias and based on merit. The Company continues to build on its diversity and inclusion strategy and, as part of this, is committed to further enhancing its equal opportunities monitoring.

The Company gives full and fair consideration to applications for employment made by disabled people, and encourages and assists the recruitment, training, career development and promotion of disabled people. The Company also endeavours to retain employees who become disabled during the course of their employment. This includes a commitment to making reasonable adjustments to the employee's working environment where a physical feature or a provision, criterion or practice puts a disabled person at a substantial comparative disadvantage.

The arrangements outlined above are set out in a Company policy, which is subject to periodic review.

Charitable activities

The Company is committed to its charitable initiatives and engages with a variety of charitable causes at both a corporate and individual employee level. The Company's approach, priorities, and objectives in respect of charitable activities are primarily led by the joint LME and LME Clear Charity Committee.

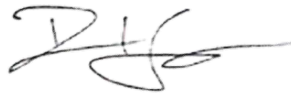
Since 2022, employees have participated in volunteering programmes organised by the Company's corporate charity partner Inspire, an education business partnership. Inspire works with organisations and individuals across London to make a positive impact on local schools and young people's lives. Employees have volunteered in a number of ways – from assisting with basic numeracy and literacy skills in primary schools, to helping arm senior school students with the key skills required to enter the world of work.

During the year, the Company made charitable donations amounting to $47,000 (2024: $41,000).

Strategic report (continued)

The Strategic report was approved by the Board of Directors on 11 February 2026.

Signed by order of the Board of Directors by:



D R Hennessy
Company Secretary
11 February 2026
LME Clear Limited
Registration number 07611628

Directors' report

The Directors submit their annual report to the sole shareholder together with the audited financial statements for the year ended 31 December 2025.

Incorporation

The Company is a private company limited by shares. It was incorporated in the United Kingdom on 21 April 2011. It is domiciled in the UK and registered in England and Wales. It is a wholly owned subsidiary of HKEX Global Commodities Limited. HKEX Global Commodities Limited, previously HKEX Investment (UK) Limited, is a private company limited by shares.

Results and dividend

The profit before tax for the year ended 31 December 2025 was $67,223,000 (2024: $58,539,000) and profit after tax was $50,531,000 (2024: $43,831,000).

The Directors do not propose the payment of a final dividend (2024: $nil). The Company paid interim dividends of $81,600,000 during the year (2024: $nil)

Directors

The Directors of the Company who were in office during the year and up to the date of signing the financial statements are listed on page 1.

Directors' indemnity and insurance

The Company's Articles of Association provide an indemnity (the Indemnity) for each Director of the Company. The Indemnity, which constitutes a qualifying third-party indemnity provision as defined by section 234 of the Companies Act 2006, was in force during the 2025 financial year and remains in force at the date of signing the financial statements. Directors' and officers' insurance cover is also maintained for Directors of the Company.

Anti-bribery and corruption policy

The Company supports a culture of integrity, ethical conduct, fairness, honesty, and openness when doing business, and zero tolerance of bribery. Accordingly, the Company's policy expressly states that all staff are strictly prohibited from engaging in bribery and corruption.

The Modern Slavery Act 2015

The Modern Slavery Act requires companies to prepare a slavery and human trafficking statement for each financial year of the organisation. Modern slavery is a serious global issue and represents one of the worst forms of human rights violation. The Company takes this very seriously and considers that its directors, management and staff all have a responsibility to be alert to the risks, however small, in the Company's operations and in the wider supply chain. Staff are expected to report concerns and management are expected to act upon them.

Future developments

The Company will continue to invest in its core clearing and technology services to ensure it remains competitive and continues to offer innovative and cost-effective clearing services for Clearing Members. The Company is assessing its longer-term strategy and is redeveloping its clearing services in concert with replacing its clearing platform in a multi-year programme of change.

Directors' report (continued)

Financial risk management

Information in respect of the Company's objectives, approach and exposure in respect of foreign exchange risk, price risk, cash flow and fair value interest rate risk, sovereign risk, credit risk and liquidity risk management is provided in note 16 to the financial statements.

Capital risk management

The Company's objectives when managing capital are:

- To safeguard the Company's ability to continue as a going concern, so that it continues to provide returns for the shareholder and benefits for other stakeholders;
- To support the Company's stability and growth;
- To provide capital for the purpose of strengthening the Company's risk management capability; and
- To ensure the Company complies with all regulatory requirements.

The Company holds capital resources in the form of share capital, retained earnings and reserves and actively and regularly reviews and manages its capital structure to ensure optimal capital structure and shareholder returns, taking into consideration the future expected capital requirements of the Company and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities.

The Company is regulated by the BoE as a Recognised Clearing House under the Financial Services and Markets Act 2000, and under UK EMIR.

The BoE's capital rules require that the Company must maintain liquid assets and net shareholders' funds in excess of its regulatory capital requirement. Liquid assets are represented by the Company's own cash and cash equivalents together with financial assets measured at amortised cost. Net shareholders' funds comprise total equity less intangible and fixed assets, trade and other receivables and any amounts due from group undertakings.

The Company's regulatory capital requirement amounts to $156,500,000 as of 31 December 2025 (2024: $155,100,000). This includes a contribution to the default fund of $28,700,000 (2024: $28,700,000). In addition, the Company's capital resources must be in the form of share capital, retained earnings and reserves, reduced by intangible assets and retained losses.

Employee engagement

Disclosures regarding action taken by the Company to engage with its employees have been included in the Employee engagement section of the Strategic report.

Disabled persons disclosures

A statement describing the company's policy on the hiring, continuing employment and career development of disabled persons has been included in the equal opportunities section of the Strategic report.

Charitable activities

Disclosures regarding the Company's charitable activities have been included in the Charitable activities section of the Strategic report.

Directors' report (continued)

Streamlined energy and carbon reporting

Since achieving carbon neutrality in 2024, the Company has continued to make progress in decarbonising its operations towards its goal of reaching net zero by 2040. The Company adopts a group-wide approach towards net-zero strategy, under which both LME and LME Clear follow the same overarching approach together as LME Group.

The Company is not required to report under the Task Force on Climate-related Financial Disclosures (TCFD) however climate related disclosures have been made below in the spirit of that required by the TCFD.

The Company's emissions data, including the streamlined energy and carbon reporting, is included within the metrics and targets section.

Governance

The Board has the ultimate responsibility for the management, general affairs, direction, performance and long-term success of the Company, including oversight of climate-related risks and opportunities. This responsibility is integrated into regular Board governance processes, such as reviewing strategies, major action plans, risk management policies, business plans, and budgets. Climate-related matters are reported to the Board through the CEO reports when notable updates occur, and at least annually, to ensure alignment with the Company's long-term sustainability objectives.

The Chief Sustainability Officer (CSO) leads the development of the Company's sustainability strategy, reporting and communications, ensuring ESG integration across operations, policies, and culture. The Corporate Sustainability team, led by the CSO, is responsible for implementing the strategy, coordinating across different business divisions, helping with day-to-day operations and communications, monitoring progress against ESG performance indicators, assessing climate-related risks, and promoting awareness of sustainability initiatives internally and externally.

Within the broader organisation, the Corporate Sustainability team chairs the Green Working Group, an internal cross-departmental forum that meets quarterly to review trends, updates, and progress on the Company's sustainability plans, driving initiatives and engagement across the organisation.

Metrics and targets

In 2025, the Company's ultimate parent, HKEX, submitted its science-based emission reduction targets – which covers the Company – and received approval from the Science Based Targets initiative (SBTi). The approved targets are as follows:

	Scope 1 & 2 GHG emissions	**Scope 3 GHG emissions**
Overall LME Group net-zero targets	Reach net-zero GHG emissions across the value chain by 2040	
2033 near-term targets (2023 base year)	Reduce emissions by 55%	Reduce emissions by 55%
2040 long-term targets (2023 base year)	Reduce emissions by 90%	Reduce emissions by 90%

To measure the Company's performance and progress towards achieving these targets, the Company has calculated its annual carbon footprint in accordance with the Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard, with emissions data presented in tonnes of carbon dioxide equivalent. The Company applies the "operational control" approach to define its organisational boundary. Reported figures below cover the respective year ending 31 December.

The emissions data presented in this report includes certain estimations and assumptions based on the best available information and methodologies and reflects the most accurate understanding of the Company's carbon footprint for the reporting period.

In 2025, scope 1 emissions fell to one tonne due to reduced refrigerant leakage, while scope 2 emissions increased by one tonne across the LME Group. Scope 3 emissions rose to 2,088 tonnes (an increase of 26%), driven primarily by higher expenditure on third-party suppliers.

Directors' report (continued)

Streamlined energy and carbon reporting (continued)

Metrics and targets (continued)

LME Clear greenhouse gas emissions	Unit	2025	2024
Total GHG emissions (Scope 1, 2 and 3)	tonnes	2,090	1,664
GHG emissions (Scope 1, 2 and 3) per floor area	tonnes/m2	0.5215	2.3453
Emissions breakdown			
Scope 1	tonnes	1	6
Scope 2 (market-based*)	tonnes	1	1
Scope 3	tonnes	2,088	1,657
Category 1 – Purchased goods and services	tonnes	1,234	–
Category 2 – Capital goods	tonnes	251	–
Category 3 – Fuel- and energy-related activities	tonnes	4	–
Category 4 – Upstream transportation and distribution	tonnes	1	–
Category 5 – Waste generated in operations	tonnes	3	–
Category 6 – Business travel	tonnes	243	–
Category 7 – Employee commuting	tonnes	53	–
Category 8 – Upstream leased assets	tonnes	299	–

*Scope 2 emissions are based on a market-based calculation that tracks scope 2 emissions based on the specific emissions intensity of the electricity provider, rather than that of the local grid offering (also known as location-based).

Climate resilience and mitigation

Climate related risks and opportunities

The Company has identified various climate-related risks and opportunities and reviewed their potential impact on its business model and value chain and assessed the potential financial and non-financial implications where applicable. These climate-related risks and opportunities are primarily linked to the transition to net-zero, which are currently regarded as emerging rather than principal risks.

These climate-related risks have been assessed from an LME Group perspective, reflecting the fact that risks and opportunities for LME will impact the activities of LME Clear. The Company will continue to monitor their development and evaluate potential financial and non-financial impacts as they evolve.

Transition risks

Risks	Description and implications	Time horizon
Policy and legal considerations	The implementation of CBAM, which addresses carbon leakage by applying a carbon-related cost to certain imported products, has impacted the LME Group and the wider metals and mining industry in several ways. The potential legal and regulatory changes introduced by these policy measures offer up both risks and opportunities to the LME Group and its listed brands, members, and its underlying customers. Other climate-related regulatory and legal changes could have a similar impact, and the LME Group should continue to monitor and take action where necessary.	Current - 4 years
Market implications	Climate-driven demand for energy transition metals continues to grow. Failure to provide an effective, orderly and informed market for sustainable metals may hinder the LME Group's own overall market effectiveness and competitiveness.	Current - 4 years
Reputational impact	With the broader metals and mining industry often being depicted and compared against other industries as not sustainable, e.g. deep-sea mining of metals, the LME Group should continue engaging closely with market participants to understand if there is suitable market demand to explore wider sustainability matters.	Current - 4 years

Directors' report (continued)

Streamlined energy and carbon reporting (continued)

Climate resilience and mitigation (continued)

Physical risks

Risks	Description and implications	Time horizon
Acute	Although the LME Group is exposed to limited acute risks, its warehouse network might be exposed to these risks. While the LME Group does not own or operate these warehouses, it does approve them for use in the storage of LME-listed metals, and as such they play a vital role in the operation of the LME Group.	Current - 4 years
Chronic	Gradual changes in climate (e.g. changes in mean temperatures, water availability and rising sea-levels) have the potential to impact the LME Group's real estate and infrastructure, business continuity, people, and food systems. Failure to meet such operating requirements would adversely impact the LME Group's services provision and increase operating expenses.	4+ years

While climate change imposes a range of physical and transitional risks to the Company's strategy, operations and assets, there are also opportunities for its operations and markets.

Opportunities	Description and implications	Time horizon
Access to new markets	The LME Group is aware of opportunities associated with electric vehicle production, renewable energy and batteries, which rely heavily on metals to meet these demands. There are opportunities arising from energy transition, e.g. sustainable metals premia and opportunities linked to CBAM. In addition, leveraging LMEpassport, the LME Group also sees opportunities in providing the industry with greater transparency and access to accurate, comparable sustainability information relating to metals.	Current - 4 years
Climate leadership	The LME Group is committed to pursuing net-zero emissions and leading by example in facilitating the low-carbon transition. This would enhance the LME Group's profile as a sustainability and climate champion.	Current - 4 years

Climate resilience

To navigate these risks and opportunities, the LME Group has employed scenario analysis based on three distinct climate pathways: a 1.5°C scenario aligned with global net-zero targets; a below 2°C scenario; and a "business as usual" scenario. These scenarios are informed by data from various sources, including the International Energy Agency and the Network for Greening the Financial System. By evaluating potential economic and regulatory changes under each scenario, the LME Group can assess the resilience of its strategy and business model and prepare for the financial implications of different climate trajectories.

In 2025, the LME Group's strategic focus is to assess whether the enhanced sustainability credentials of certain LME metal brands could command price premia. To support this initiative, a new HKEX Group company, Commodity Pricing and Analysis Limited, has been established in Dubai to act as the pricing administrator. This underscores the LME Group's commitment to enhancing transparency and taking a proactive role in meeting the growing demand for sustainable metal products.

The LME Group is also carefully evaluating potential cost implications from climate-related factors, such as carbon pricing, stricter regulatory compliance, and operational risks due to climate impacts. This dual approach not only aims to minimise financial risks but also positions the LME Group to capitalise on increasing market preferences for low-carbon and sustainably sourced / produced products.

Streamlined energy and carbon reporting (continued)

Risk management

The Company manages its principal risks through implementing the LME Group Enterprise Risk Management Framework which provides a comprehensive and consistent approach to identifying, mitigating and overseeing risks to which it is exposed as part of pursuing strategic ambitions and through daily operations. Whilst the company doesn't explicitly categorise climate risk as a principal risk presently, it recognises that this falls under the umbrella of strategic risk, which is identified as a principal risk and forms part of the risk taxonomy outlined in the LME Group Risk Appetite Framework. Climate risks are identified and managed as part of the risk management lifecycle, to ensure there is a continuous approach to risk management with risk owners assigned in the first line of defence. As part of this process, the Company identifies current risks, which are housed in risk registers as part of the risk and control self-assessment process, and through its emerging risk processes to identify forward-looking risks which may impact the Company and may warrant risk mitigation measures to limit their potential impact. An example of this has been to evaluate potential impacts of climate risks to the Company's business model over short-, medium-, and long-term horizons, considering both physical risks (such as extreme weather events) and transition risks (including market shifts towards sustainable products).

As part of the Company's longer-term net-zero planning it plans to utilise the risk insights gained from the risk registers and emerging risk identification process to inform strategic decisions related to product development and overall business strategy, while liaising closely with HKEX, to ensure alignment with group-level sustainability objectives. This approach helps factor potential risks into long-term planning and enables proactive adjustments. Additionally, there is ongoing monitoring and reporting of climate-related key performance indicators by the Sustainability team, the Green Working Group and the Executive Risk Committee. Updates are provided to the Boards and Executive Committee, establishing a feedback loop that enables timely responses to emerging climate risks.

The Company's assessments also cover key financial impacts of climate-related risks. These include potential revenue shifts driven by increasing demand for sustainable financial products and services, expected rises in operational costs from carbon pricing and regulatory compliance, and the risk of asset impairments. The latter involves analysing assets, and those closely associated with the LME ecosystem, that could be at risk due to changing regulations or a market shift toward low-carbon alternatives. Through this holistic approach, the Company ensures that climate considerations are fully embedded within its risk management strategy, allowing for informed decision-making and enhancing the organisation's resilience against climate-related challenges.

Strategy

As part of the Company's efforts to achieving net-zero by 2040, a number of critical areas have been prioritised to decarbonise the business. A key focus is the transition to 100% renewable energy across operations to reduce Scope 2 emissions. Efforts are also underway to deepen the understanding of supply chain emissions by identifying carbon-intensive hotspots and engaging directly with suppliers to obtain actual emissions data.

This approach is expected to enhance the accuracy and quality of emissions reporting. The Company is also improving the energy efficiency of its data centres by optimising energy usage, leveraging renewable energy sources, and reducing waste, water consumption, and refrigerant emissions.

Additionally, the Company is working closely with HKEX to develop a structured and transparent carbon offsetting strategy. This strategy will both support the Company's net-zero ambition and help build a credible narrative around climate commitments.

Corporate governance

The Board affirms its commitment to high standard of corporate governance. As a CCP, the Company is required to meet statutory requirements.

The corporate governance structure adopted by the Company is summarised below.

The Board and Board composition

The Articles of Association of the Company prescribe the composition of the Board and the procedures for appointment to it. The Articles of Association provide that the total number of directors shall be ten, four of whom shall be independent non-executive directors.

Governance structure

The Board is the main decision-making body for the Company. To assist the Board to effectively discharge its roles and responsibilities, day-to-day management of the Company is delegated to the Chief Executive Officer. The scope of the Chief Executive Officer’s role is set out in his or her remit of responsibility.

The UK’s Senior Managers Regime (SMR) does not apply to the Company. However, the Board fully supports the SMR’s aim of embedding a culture of personal responsibility and accountability at the heart of financial services which, in turn, should raise governance standards, increase individual accountability, and support consumer confidence. The Board therefore made the decision in 2021 to amend its governance structure so that it would be similar to that which would operate under the SMR. A key aspect of these changes was a shift towards clear individual accountability. The Board was aware of the legislative proposals to introduce a Senior Manager Certification Regime for exchanges however the government does not plan to take forward secondary legislation to apply the regime to CCP at this time and closed the consultation in July 2025. The Board will continue to monitor any developments in this space and work with policy makers accordingly

The remit of responsibility for the Chief Executive Officer permits the Chief Executive Officer to sub-delegate his or her responsibilities to accountable executives, and states that ultimate responsibility for any areas of responsibility delegated by the Chief Executive Officer will remain with the Chief Executive Officer, while ultimate oversight of any sub-delegated responsibilities will remain with the Board.

The Executive Committee is the primary committee which assists and advises the Chief Executive Officer in the discharge of the duties delegated to them by the Board in his remit of responsibility. The Executive Committee represents all key roles and functions, representing the key functional areas of the organisation.

The Board is supported by sub-committees to which specific responsibilities are delegated, and advisory committees. During the year, the key committees included the Audit Committee, Nomination Committee, Remuneration Committee, Transformation Oversight Committee, EMIR Risk Committee and Board Risk Committee.

Gender metrics

As at 31 December 2025, the Board consisted of three women and seven men (30% female representation).

As at 31 December 2024, the Board consisted of two women and eight men (20% female representation).

The Company’s Board Diversity and Recruitment Policy govern director recruitment and sets targets for Board diversity.

Directors' report (continued)

Statement of directors' responsibilities in respect of the financial statements

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with UK-adopted international accounting standards.

Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing the financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- State whether applicable UK-adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Make judgements and accounting estimates that are reasonable and prudent; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' confirmations

In the case of each Director in office at the date the Directors' report is approved:

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

Independent auditors

PricewaterhouseCoopers LLP held office in accordance with Section 487 of the Companies Act 2006 for the financial year ended 31 December 2025. Following a rigorous tender process conducted by the HKEX Group in 2025, the Board intends to appoint KPMG LLP as independent auditors for the financial year ending 31 December 2026. Formal appointment of KPMG LLP as auditors to the Company will be completed after the approval of these financial statements.

Directors' report (continued)

Going concern

In determining the going concern basis for preparing the financial statements, the Directors consider the Company's objectives and strategy, its principal risks and uncertainties in achieving its objectives and its review of business performance and financial position, which are all set out in the Strategic report (see pages 2 to 9).

The Directors are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company holds capital in excess of regulatory requirements and is forecast to be profitable and cash generating for the foreseeable future. Accordingly, the going concern basis for preparing the financial statements is considered appropriate.

The Directors' report was approved by the Board of Directors on 11 February 2026.

Signed by order of the Board by:

D R Hennessy
Company Secretary
11 February 2026
LME Clear Limited

Independent auditors' report to the members of LME Clear Limited

Report on the audit of the financial statements

Opinion

In our opinion, LME Clear Limited's financial statements:

- Give a true and fair view of the state of the Company's affairs as at 31 December 2025 and of its profit and cash flows for the year then ended;
- Have been properly prepared in accordance with UK-adopted international accounting standards; and
- Have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the annual report and financial statements (the Annual Report), which comprise:

- the statement of financial position as at 31 December 2025;
- the statement of profit or loss and other comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

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

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

Independent auditors’ report to the members of LME Clear Limited (continued)

Report on the audit of the financial statements (continued)

Reporting on other information (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors’ report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors’ report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors’ report for the year ended 31 December 2025 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors’ report.

Responsibilities for the financial statements and the audit

<u>Responsibilities of the Directors for the financial statements</u>

As explained more fully in the Statement of directors’ responsibilities in respect of the financial statements, the Directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

<u>Auditors’ responsibilities for the audit of the financial statements</u>

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

Independent auditors' report to the members of LME Clear Limited (continued)

Report on the audit of the financial statements (continued)

Responsibilities for the financial statements and the audit (continued)

Auditors' responsibilities for the audit of the financial statements (continued)

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Bank of England regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006 and UK tax legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting inappropriate journals to manipulate financial performance and management bias in the determination of accounting estimates and judgements. Audit procedures performed by the engagement team included:

- Discussions with management, including internal audit and those charged with governance, in relation to known or suspected instances of non-compliance with laws and regulations and fraud;
- Review of internal audit reports and minutes of meetings of the Board and other committees;
- Review of correspondence with, and reports to regulators;
- Identifying and testing journal entries meeting specific fraud criteria;
- Challenging assumptions and judgements made by management in their accounting estimates, in particular in relation to the capitalisation of software and impairment assessments of intangible assets;
- Testing of information security controls relating to system access and change management; and
- Incorporating unpredictability into the nature, timing and extent of audit procedures performed.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Independent auditors' report to the members of LME Clear Limited (continued)

Report on the audit of the financial statements (continued)

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Claire Sandford

Claire Sandford (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
11 February 2026

LME Clear Limited

Statement of profit or loss and other comprehensive income
For the year ended 31 December 2025

	Note	2025 $ 000's	2024 $ 000's
Clearing and settlement fees		90,063	80,203
Other revenue		8,108	9,206
Interest income		437,478	542,007
Interest expense		(391,738)	(499,110)
Net interest income		45,740	42,897
Revenue and other income	3	**143,911**	**132,306**
Operating expenses	4	(77,643)	(73,501)
Other gains / (losses)		955	(266)
Profit before tax		**67,223**	**58,539**
Taxation	5	(16,692)	(14,708)
Profit for the year		**50,531**	**43,831**
Cash flow hedges		1,329	(1,470)
Changes in fair value of financial assets measured at fair value through other comprehensive income		382	(167)
Taxation		(416)	509
Other comprehensive income / (expense), net of tax[1]		**1,295**	**(1,128)**
Total comprehensive income		**51,826**	**42,703**

[1] Other comprehensive income / (expense) comprises only items that have been or subsequently will be reclassified to profit and loss.

No final dividend is proposed in respect of 2025 (2024: $nil). The Company paid interim dividends of $81,600,000 during the year (2024: $nil).

All of the profits and comprehensive income included above are derived from continuing operations in the current year and the prior year.

The notes on pages 27 to 59 are an integral part of these financial statements.

LME Clear Limited

Statement of financial position
As at 31 December 2025

	Note	2025 $ 000's	2024 $ 000's
Assets			
Non-current assets			
Intangible assets	6	32,878	29,369
Property, plant and equipment	7	75	47
Deferred tax asset	8	572	969
		33,525	**30,385**
Current assets			
Trade and other receivables	9	3,755	2,288
Cash and cash equivalents	10	14,137,540	8,165,411
Financial assets measured at fair value through other comprehensive income	12	2,699,696	1,774,331
Derivative financial assets	12	20,633,544	8,706,193
		37,474,535	**18,648,223**
Liabilities			
Current liabilities			
Trade and other payables	11	50,845	38,165
Derivative financial liabilities	12	20,633,583	8,707,561
Members' contribution to clearing house funds	12	1,257,234	1,123,542
Margin deposits from clearing participants	12	15,258,892	8,469,168
Current tax liabilities		222	17
Amounts due to fellow undertaking	18	3,815	6,987
		37,204,591	**18,345,440**
Net current assets		**269,944**	**302,783**
Net assets		**303,469**	**333,168**
Equity			
Share capital	13	178,701	178,701
Foreign currency translation reserve		(1,363)	(1,363)
Hedging reserve		(29)	(1,026)
Revaluation reserve		(282)	(470)
Retained earnings		126,442	157,326
Total equity		**303,469**	**333,168**

The notes on pages 27 to 59 are an integral part of these financial statements.

These financial statements on pages 23 to 59 were approved by the Board of Directors and signed on its behalf by:

M Carty
Director
11 February 2026

LME Clear Limited

Statement of changes in equity
For the year ended 31 December 2025

	Note	Share capital	Foreign currency translation reserve	Hedging reserve	Revaluation reserve	Retained earnings	Total equity
		$ 000's	$ 000's	$ 000's	$ 000's	$ 000's	$ 000's
At 1 January 2025		**178,701**	**(1,363)**	**(1,026)**	**(470)**	**157,326**	**333,168**
Profit for the year		-	-	-	-	**50,531**	**50,531**
Other comprehensive income – cash flow hedge, revaluation reserve and tax credit		-	-	997	188	-	**1,185**
Total comprehensive income		-	-	**997**	**188**	**50,531**	**51,716**
Transactions with shareholder – interim dividends	15	-	-	**-**	**-**	(81,600)	**(81,600)**
Tax credit to equity reserves	5	**-**	**-**	**-**	**-**	185	**185**
At 31 December 2025		**178,701**	**(1,363)**	**(29)**	**(282)**	**126,442**	**303,469**

For the year ended 31 December 2024

	Note	Share capital	Foreign currency translation reserve	Hedging reserve	Revaluation reserve	Retained earnings	Total equity
		$ 000's	$ 000's	$ 000's	$ 000's	$ 000's	$ 000's
At 1 January 2024		**178,701**	**(1,363)**	**76**	**(444)**	**113,478**	**290,448**
Profit for the year		-	-	-	-	**43,831**	**43,831**
Other comprehensive expense – cash flow hedge, revaluation reserve and tax charge		-	-	(1,102)	(26)	-	**(1,128)**
Total comprehensive income		-	-	**(1,102)**	**(26)**	**43,831**	**42,703**
Tax credit to equity reserves	5	**-**	**-**	**-**	**-**	**17**	**17**
At 31 December 2024		**178,701**	**(1,363)**	**(1,026)**	**(470)**	**157,326**	**333,168**

The notes pages 27 to 59 are an integral part of these financial statements.

LME Clear Limited

Statement of cash flows
For the year ended 31 December 2025

	Note	2025 $ 000's	2024 $ 000's
Cash flows from operating activities			
Cash inflow / (outflow) from operating activities	14	6,079,756	(772,163)
Effects of foreign exchange movements		1,060	(149)
Tax paid		(16,409)	(15,343)
Net cash inflow / (outflow) from operating activities		**6,064,407**	**(787,655)**
Cash flows from investing activities			
Purchase of intangible assets	6	(10,649)	(11,194)
Purchase of property, plant and equipment	7	(29)	(1)
Net cash outflow from investing activities		**(10,678)**	**(11,195)**
Cash flows from financing activities			
Dividend paid to shareholder	15	**(81,600)**	-
Net increase / (decrease) in cash and cash equivalents		**5,972,129**	**(798,850)**
Cash and cash equivalents at the beginning of year		8,165,411	8,964,261
Cash and cash equivalents at the end of year	10	**14,137,540**	**8,165,411**

The notes on pages 27 to 59 are an integral part of these financial statements.

Notes to the financial statements

1 Material accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all of the periods presented, unless otherwise stated. There have been no significant changes in accounting policies during the year.

1.1 Basis of preparation

The Company's financial statements have been prepared on a going concern basis in accordance with UK-adopted international accounting standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

The Company's financial statements are prepared under the historical cost convention as modified by the revaluation of certain financial assets and liabilities measured at fair value, and on the basis of the principal accounting policies set out below.

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. These estimates and assumptions are based on historical experience and other factors that are considered to be relevant. The areas involving a higher degree of judgement or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

1.2 New and amended standards adopted by the Company

In 2025, the Company adopted the following new/revised international accounting standards which were effective for accounting periods beginning on or after 1 January 2025. These amendments were adopted with effect from 1 January 2025 and have had no financial impact on the Company and no impact on the disclosures.

i) Amendment to IAS 21 – 'The effects of changes in foreign exchange rates': Lack of exchangeability

1.3 New standards, amendments and interpretations issued but not effective for the financial year beginning 1 January 2025 and not adopted early

The following standards, amendments and interpretations have been issued but are not yet effective for the financial year beginning 1 January 2025 and therefore have not been applied in preparing these financial statements.

i) IFRS 18 – 'Presentation and disclosure in financial statements' effective for annual periods beginning on or after 1 January 2027.

ii) Amendments to IAS 21 – 'The effects of changes in foreign exchange rates': Translation to a hyperinflationary presentation currency, effective for annual periods beginning on or after 1 January 2027.

iii) Amendments to IFRS 9 – 'Financial instruments' and IFRS 7 – 'Financial instruments: disclosures', effective for annual periods beginning on or after 1 January 2026.

iv) Annual improvements to IFRS accounting standards – volume 11, effective for annual periods beginning on or after 1 January 2026.

The adoption of the amendments to IAS 21, IFRS 9 and IFRS 7 and the annual improvements to IFRS accounting standards volume 11 are not expected to have any significant impact on the Company.

1 Material accounting policies (continued)

1.3 New standards, amendments and interpretations issued but not effective for the financial year beginning 1 January 2025 and not adopted early (continued)

IFRS 18 will replace IAS 1 – 'Presentation of financial statements'. Many aspects of financial statement presentation and disclosure will be affected, particularly the income statement. The Company is still in the process of assessing the impact of IFRS 18, particularly with respect to the categorisation of income and expenses in the Company's income statement, and statement of cash flows, and the additional disclosure required for management-defined performance measures (MPMs).

Key new requirements in IFRS 18:

i) Income and expenses in the income statement to be classified into three new defined categories, namely, operating, investing, and financing. It also requires two new subtotal which are 'Operating profit or loss' and 'Profit or loss before financing and income tax'.

ii) Disclosures about MPMs in the financial statements. MPMs are subtotals of income and expenses used in public communications to communicate management's view of the company's financial performance.

iii) Disclosure of information based on enhanced general requirements on aggregation and disaggregation. In addition, specific requirements to disaggregate certain expenses, in the notes, will be required for companies that present operating expenses by function in the income statement.

iv) Operating profit subtotal is required to use as the starting point for the statement of cash flows statement when presenting operating cash flows under the indirect method.

1.4 Revenue and other income recognition

Revenue and other income excludes value added tax and other sales taxes, and is recognised in the Statement of profit or loss and other comprehensive income on the following basis:

i) Fees for the clearing of trades between Clearing Members transacted on the London Metal Exchange (LME) are recognised in full on the trade match date, net of any applicable discounts or rebates.

ii) Fees for settlement transactions are recognised upon completion of the settlement.

iii) Other revenue comprises:

- Membership fees are recognised on a straight-line basis over time as the performance obligation is satisfied.
- Non-cash collateral fees are charged in connection with custody of non-cash collateral provided by clearing members and are included in other revenue. Recognition is on an accruals basis as the performance obligation is satisfied.

iv) Net interest income comprises:

- Interest income is income earned from short-term investments and interest charged to Clearing Members. Interest charged is based on the Company's deposit rate. Interest income is recognised on a time apportionment basis using the effective interest rate method.
- Interest expense is interest payable to Clearing Members. Interest payable is based on the Company's deposit rate. Interest expense is recognised on a time apportionment basis using the effective interest rate method.

1 Material accounting policies (continued)

1.5 Revenue and other income recognition (continued)

Deferred revenue (the terminology 'contract liability' under IFRS 15 – 'Revenue from contracts with customers' is presented as deferred revenue) is recognised when the customers pay considerations before the Company transfers control of goods or satisfies a performance obligation. This represents the unsatisfied performance obligations at year end resulting from long-term contracts.

Accrued revenue (the terminology 'contract asset' under IFRS 15 – 'Revenue from contracts with customers' is presented as accrued income) is recognised when the Company transfers control of goods or satisfies a performance obligation to a customer and has a right to consideration arising therefrom.

1.6 Staff costs and other expenses

The Company awards shares under the HKEX Group Share Award Scheme (Share Award Scheme), under which the Company receives services from employees as consideration for share awards granted under the Share Award Scheme (Awarded Shares). The fair value of the employee services received in exchange for the Awarded Shares is recognised as employee share-based compensation expense.

The total amount to be expensed is determined by reference to the fair value of the Awarded Shares granted, taking into account all non-vesting conditions associated with the grants. The total expense is recognised over the vesting periods, with a corresponding credit to equity.

The corresponding credit is recorded as a capital contribution in the Company's financial statements and an increase to investment in subsidiaries in HKEX's financial statements, with a corresponding credit to employee share-based compensation reserve. Any reimbursement by the Company to HKEX is offset against the capital contribution.

The cost of accumulating compensated absences is recognised as an expense and measured based on the additional amount the Company expects to pay as a result of the unused entitlement that has accumulated at the end of the year.

Other expenses are charged to the Statement of profit or loss and other comprehensive income as incurred.

1.7 Intangible assets

Intangible assets consist of computer software-related projects capitalised when the development stage of the project is completed and the asset can be put into use. Development costs that are directly attributable to the design and testing of identifiable and unique systems controlled by the Company are recognised as intangible assets when the following criteria are met:

i) it is technically feasible to complete the system so that it will be available for use;

ii) management intends to complete the system and use or sell it;

iii) there is an ability to use or sell the system;

iv) it can be demonstrated how the system will generate probable future economic benefits;

v) adequate technical, financial and other resources to complete the development and to use or sell the system are available; and

vi) the expenditure attributable to the system during its development can be reliably measured.

1 Material accounting policies (continued)

1.7 Intangible assets (continued)

Other development expenditures that do not meet these criteria are recognised as expenses as incurred. Costs incurred in configuring or customising software in a cloud computing arrangement can only be recognised as intangible assets if the activities create to an intangible asset that the Company controls and the intangible asset meets the recognition criteria. Those costs that do not result in intangible assets are expensed as incurred, or, in certain circumstances, over the expected renewable terms of the cloud computing arrangement. Costs associated with maintaining computer systems are recognised as expenses as incurred. System development costs recognised as assets are amortised on a straight-line basis over the estimated useful lives, which do not exceed ten years.

In 2024, the estimated useful lives of software systems were revised from ‘three to five years’ to ‘three to ten years’ to better reflect the useful lives of these assets. The financial impact of such change in accounting estimate was no impact for the year ended 31 December 2024.

The Company selects its amortisation rates based on expected economic lives, taking into account the expected rate of technological developments, market requirements, obsolescence and expected use of the assets. The selected rates are regularly reviewed to ensure they remain appropriate to the Company’s circumstances. Residual values and economic lives are reviewed at each balance sheet date. An asset’s carrying amount is written down immediately to its recoverable amount if the asset’s carrying amount is greater than its estimated recoverable amount.

Capitalised assets under development which are not yet ready for use are not amortised but are reviewed for impairment at each balance sheet date.

1.8 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the assets. They are depreciated when they are available for use at rates sufficient to write off their costs net of expected residual values over their estimated useful lives on a straight-line basis. The residual values and useful lives are reviewed at the balance sheet date.

Computer systems and equipment (hardware) - three to five years.

Furniture, fixtures and fittings - three to five years.

1.9 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, current bank balances and other short-term highly liquid investments and reverse repurchase arrangements that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value with original maturities of three months or less.

Reverse repurchase agreements are recorded in the Statement of financial position as cash and cash equivalents, reflecting the nature of these arrangements as short-term highly liquid investments as defined in the previous paragraph. Securities purchased under these agreements and that are resold at a specified future date are not recognised in the Statement of financial position. Cash amounts received as collateral under these agreements are recognised in the Statement of financial position cash and cash equivalents and a collateral liability is recognised in trade and other payables.

1 Material accounting policies (continued)

1.10 Hedge accounting

The Company designates certain financial instruments as cash flow hedges in respect of highly probable forecast transactions such as payroll costs.

At the point of designation of each hedge, the Company documents the relationship between the hedging instrument and hedged item(s) as well as its risk management objectives and strategy for undertaking hedge accounting. The Company also documents its assessment, both at hedge inception and on an ongoing basis, of whether the hedging instrument is highly effective in offsetting changes in the cash flows of hedged items.

The Company's hedging instruments are set out in note 12. Movements on the hedging reserve in other comprehensive income are shown in note 12.

The effective portion of changes in the fair value of financial instruments that are designated as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the Statement of profit or loss and other comprehensive income within other gains / (losses).

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss and are recognised in the Statement of profit or loss and other comprehensive income within the relevant cost category or the Statement of financial position when the hedge item is a prepayment (trade and other receivables) or the purchase of intangible assets.

When a hedging instrument no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the Statement of profit or loss and other comprehensive income. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the Statement of profit or loss and other comprehensive income within other gains / (losses).

1.11 Financial assets

The Company classifies its financial instruments into the following categories:

- those measured at fair value through profit or loss; or
- those measured at fair value through other comprehensive income; and
- those measured at amortised cost.

The classification depends on the business model for managing the financial assets and the contractual terms of the cash flows. The Company reclassifies debt investments only in the event that its business model for managing those investments changes.

Financial assets are classified as current assets unless they are expected to mature or be disposed of after twelve months from the end of the reporting period, in which case they are included in non-current assets. Financial assets derived from margin deposits or Clearing Members' contributions to clearing house funds are classified as current assets as they will be liquidated whenever required.

i) Financial assets measured at fair value through profit or loss

Assets are classified as financial assets measured at fair value through profit or loss (FVPL) if they do not meet the conditions to be measured at fair value through other comprehensive income or amortised cost. Derivative financial instruments are classified as FVPL financial assets when their fair values are positive.

At initial recognition, the Company measures a FVPL financial asset at its fair value. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

1 Material accounting policies (continued)

1.11 Financial assets (continued)

ii) Financial assets measured at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income (FVOCI) if it meets both of the following conditions and is not designated as at fair value through profit or loss:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

At initial recognition, the Company measures a FVOCI financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

Financial assets measured at FVOCI are subsequently measured at fair value. Other changes in carrying amounts are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit and loss. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in the Statement of profit or loss and other comprehensive income.

Impairment
The Company assesses on a forward-looking basis the expected credit losses associated with its assets measured at fair value through other comprehensive income. Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all expected cash shortfalls.

In measuring expected credit losses, the Company takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions.

For financial assets measured at fair value through other comprehensive income, the Company recognises a provision for impairment losses equal to 12-month expected credit losses unless there has been a significant increase in the credit risk of the financial assets since initial recognition, in which case the provision for impairment losses is measured at an amount equal to lifetime expected credit losses.

Expected credit losses are measured at each reporting date to reflect changes in the financial asset's credit risk since initial recognition. Any change in the expected credit loss amount is recognised as an impairment loss or reversal of impairment loss in the Statement of profit or loss and other comprehensive income, with a corresponding adjustment to the carrying amount.

iii) Financial assets measured at amortised cost

Assets are classified under financial assets measured at amortised cost if they satisfy both of the following conditions:

- the assets are held within business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets within trade and other receivables and amounts due from group undertakings are also classified under this category.

1 Material accounting policies (continued)

1.11 Financial assets (continued)

iii) Financial assets measured at amortised cost (continued)

Financial assets measured at amortised cost are initially recognised at fair value plus transaction costs and subsequently carried at amortised cost using the effective interest method. The amortised cost is reduced by loss allowance for expected credit losses. Interest income, foreign exchange gains and losses and impairment are recognised in the Statement of profit or loss and other comprehensive income. Any gains and losses on de-recognition are recognised in the Statement of profit or loss and other comprehensive income.

Impairment
The Company assesses on a forward-looking basis the expected credit losses associated with its financial assets measured at amortised cost.

For receivables due from customers, the Company applies the simplified approach permitted by IFRS 9 – 'Financial instruments', which requires expected lifetime losses to be recognised from initial recognition of the receivables. Expected credit losses of receivables are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date.

Expected credit losses are re-measured at each reporting date to reflect changes in the financial assets credit risk since initial recognition. Any change in the expected credit loss amount is recognised as an impairment loss or reversal of impairment loss in the Statement of profit or loss and other comprehensive income, with a corresponding adjustment to the carrying amount.

The gross carrying amount of a financial asset is written off (partially or in full) to the extent that there is no realistic prospect of recovery. Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in the Statement of profit or loss and other comprehensive income in the period in which the recovery occurs.

1.12 Derivative financial assets and liabilities

Derivative financial instruments include forward, futures and options contracts, comprising the outstanding derivatives contracts between the Company and its Clearing Members, as the Company is the CCP to all contracts traded on the LME as well as forward foreign exchange contracts used to manage the Company's foreign exchange risk.

Futures contracts are margined under a realised variation margin basis and are cash settled to market on a daily basis.

Derivatives are initially recognised at fair value on the date contracts are entered into and are subsequently re-measured at their fair values. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship designated.

The Company designates forward foreign exchange contracts as hedges of foreign exchange risk associated with the cash flows of highly probable forecast transactions and changes in the fair value of these derivatives are recognised in other comprehensive income to the extent that the hedges are effective.

1 Material accounting policies (continued)

1.12 Derivative financial assets and liabilities (continued)

Derivatives not designated as hedging instruments are categorised as held for trading with changes in fair value recognised in Statement of profit or loss and other comprehensive income. These derivatives outstanding on the reporting date are classified as financial assets measured at fair value through profit or loss when their fair values are positive and as financial liabilities at fair value through profit or loss when their fair values are negative. Since the asset and liability positions of the Company arising through its activities as a CCP are matched, the same amount is recorded for both the assets and liabilities with the fair value gain and losses recognised, but offset, in the Statement of profit or loss and other comprehensive income.

Derivative financial assets and liabilities are offset and the net amount reported in the Statement of financial position 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.

1.13 Trade and other payables

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

Trade payables are initially recognised at fair value and subsequently measured at amortised cost.

1.14 Members' contributions to clearing house funds

Members' contributions to the clearing house funds (default funds) are included under current liabilities. Liabilities held in this category are initially recognised at fair value and subsequently re-measured at amortised cost using the effective interest rate method.

1.15 Margin deposits and cash collateral from clearing members

The Company receives margin deposits from its Clearing Members as collateral in connection with the outstanding derivatives contracts between the Company and its Clearing Members. The obligation to refund the margin deposits is disclosed as margin deposits from clearing members under current liabilities. Liabilities held in this category are initially recognised at fair value and subsequently re-measured at amortised cost using the effective interest rate method.

Non-cash collateral (i.e. securities) received from Clearing Members is not recognised on the Statement of financial position as they remain in the beneficial ownership of the Clearing Members.

1 Material accounting policies (continued)

1.16 Current and deferred tax

Tax charge for the year comprises current and deferred tax. Tax is recognised in the Statement of profit or loss and other comprehensive income.

i) Current tax

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the United Kingdom. Provisions are established where appropriate on the basis of amounts expected to be paid to the tax authorities.

ii) Deferred tax

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Tax rates enacted or substantively enacted by the end of the reporting period are used to determine the deferred tax assets and liabilities.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences or the current tax losses can be utilised.

The Company has made a determination that recognised deferred tax asset will be recoverable using the estimated future taxable income based on the Company's approved budget which forecasts continued taxable income.

1.17 Foreign currencies

The financial statements are presented in US dollars (USD), which is the Company's presentation and functional currency.

Monetary assets and liabilities denominated in currencies other than the functional currency are translated into USD at the rates of exchange ruling on the Statement of financial position date. Transactions in foreign currencies are recorded at the prevailing foreign exchange rates at the date of the transaction. Exchange differences are recorded in other gains / (losses) in the Statement of profit or loss and other comprehensive income.

1.18 Provisions and contingencies

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 more likely than not 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.

Contingent liabilities are possible obligations whose existence will only be confirmed by future events not wholly within the control of the Company, or present obligations where it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured with sufficient reliability. Contingent liabilities are not recognised in the financial statements but are disclosed, if material, unless the possibility of an outflow of economic resources is considered remote.

Contingent assets are possible assets that arise from past events and whose existence will only be confirmed by future events not wholly within the control of the Company. Contingent assets are not recognised in the financial statements but are disclosed only when an inflow of economic benefits is probable. A contingent asset is not recognised until the future event occurs and confirms the asset's existence, or when it becomes virtually certain that the future event will occur, and the asset will be realised.

1 Material accounting policies (continued)

1.19 Equity

i) Share capital

Ordinary shares are classified as equity.

ii) Foreign currency translation reserve

The Company changed its presentation currency from British pounds sterling (GBP) to US dollars in 2014. In doing so, the 2013 comparative financial results were restated in US dollars, resulting in the recognition of a foreign currency translation reserve.

iii) Hedging reserve

The hedging reserve arises from the effective portion of fair value gains and losses on hedging instruments prior to the recognition of the related hedged item, and the associated deferred taxation. Further details of hedging are set out in note 1.10.

iv) Revaluation reserve

The revaluation reserve arises from fair value gains and losses on financial assets at FVOCI, and the associated deferred taxation. Further details are set out in note 1.11 (ii).

v) Retained earnings

Retained earnings includes all current and prior period retained profits, taxation recognised directly in equity and transactions with the Company's shareholder, such as dividends paid.

1.20 Dividends

The dividend distribution to the Company's sole shareholder is recognised as a liability in the Company's financial statements in the period in which the dividend is approved by the Company's shareholder.

2 Critical accounting estimates and assumptions

Judgements and estimates are regularly evaluated based on historical experience, current circumstances and expectations of future events.

In connection with the preparation of the financial statements, management has made assumptions and estimates about future events and applied judgements that affect the reported amounts of assets, liabilities, revenue, expenses and the related disclosures. The assumptions, estimates and judgements are based on historical experience and other factors that management believes to be relevant at the time the financial statements are prepared. On a regular basis, management reviews the accounting policies, assumptions, estimates and judgements to ensure that the financial statements are presented fairly and in accordance with UK-adopted international accounting standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

Intangible assets

As described in notes 1.7 and 6, the Company incurs significant expenditure on the development of software and implementation of systems. The judgements regarding capitalisation, impairment and the date of transfer to 'in-use' have a material impact on these financial statements

The Company follows the accounting policy described in note 1.7.

The Company has carefully considered the following judgements:

i) whether costs meet the capitalisation criteria under IAS 38 'Intangible Assets'; and
ii) whether the asset is impaired.

Notes to the financial statements (continued)

3 Revenue and other income

Timing of revenue recognition	2025	2024
	$ 000's	$ 000's
At a point in time	137,170	124,209
Over time	6,741	8,097
	143,911	**132,306**

4 Operating expenses

Operating expenses comprise the following:

	2025	2024
	$ 000's	$ 000's
Wages and salaries	31,925	29,652
Social security costs	3,270	2,345
Other pension costs	1,186	1,025
Share-based payments	1,246	1,042
Legal and professional fees	1,581	2,262
Depreciation	1	103
Amortisation	7,140	7,100
Technology costs	9,624	8,559
Other costs	21,670	21,413
Total	**77,643**	**73,501**

During the year the Company obtained the following services from the Company's external auditors at costs as detailed below:

	2025	2024
	$ 000's	$ 000's
Statutory audit of the Company's financial statements	347	322
Audit related assurance services	30	15
	377	**337**

The number of employees (excluding directors) was:

	2025	2024
At 31 December	93	72
Monthly average for the year	83	75

The Directors have agreed with the Company's auditors that the auditors' liability to damages for breach of duty in relation to the audit of the Company's financial statements for the year ended 31 December 2025 should be limited to the greater of £5,000,000 or five times the auditors' fees, and that in any event the auditors' liability for damages should be limited to that part of any loss suffered by the Company as is just and equitable having regard to the extent to which the auditors, the Company and any third parties are responsible for the loss in question. The shareholder waived the need for approval of this limited liability agreement, as required by the Companies Act 2006 by a resolution dated 23 July 2025.

Notes to the financial statements (continued)

5 Taxation

	Note	2025 $ 000's	2024 $ 000's
Income tax			
Current year		16,793	14,658
Adjustments in respect of prior years		39	(10)
Foreign exchange		(98)	87
Total current tax		16,734	**14,735**
Deferred tax			
Deferred tax for the current year		(13)	(23)
Adjustments in respect of prior years		(29)	(4)
Total deferred tax	**8**	(42)	**(27)**
Taxation charge		**16,692**	**14,708**

Factors affecting the tax charge for the year

The reconciling items between the standard rate of corporation tax in the UK of 25% and the taxation charge for the year are explained below:

	2025 $ 000's	2024 $ 000's
Profit before tax	**67,223**	**58,539**
Profit before tax multiplied by the standard rate of corporation tax in the UK of 25%	16,806	14,635
Foreign exchange	(99)	87
Taxation on share schemes	(38)	(13)
Expenses not deductible / income not taxable	12	13
Adjustments in respect of prior years	11	(14)
Taxation charge	**16,692**	**14,708**

Tax (credited) / charged to equity:	2025 $ 000's	2024 $ 000's
Deferred tax - share options	(75)	(16)
Deferred tax - prior year	-	(1)
Taxation credit	**(75)**	**(17)**

Notes to the financial statements (continued)

6 Intangible assets

For the year ended 31 December 2025	Capitalised software in use $ 000's	Capitalised software under development $ 000's	Total $ 000's
Costs			
At 1 January 2025	98,471	7,429	105,900
Additions	-	10,649	10,649
Disposals	-	-	-
Transfer	7,822	(7,822)	-
At 31 December 2025	**106,293**	**10,256**	**116,549**
Accumulated amortisation			
At 1 January 2025	(76,531)	-	(76,531)
Charge for the year	(7,140)	-	(7,140)
Write back on disposal	-	-	-
At 31 December 2025	**(83,671)**	**-**	**(83,671)**
For the year ended 31 December 2024			
Costs			
At 1 January 2024	83,978	11,024	95,002
Additions	-	11,194	11,194
Disposals	(296)	-	(296)
Transfer	14,789	(14,789)	-
At 31 December 2024	**98,471**	**7,429**	**105,900**
Accumulated amortisation			
At 1 January 2024	(69,727)	-	(69,727)
Charge for the year	(7,100)	-	(7,100)
Write back on disposal	296	-	296
At 31 December 2024	**(76,531)**	**-**	**(76,531)**
Net book value			
At 31 December 2025	**22,622**	**10,256**	**32,878**
At 31 December 2024	21,940	7,429	29,369

Amortisation of intangibles is recognised in operating expenses in the Statement of profit or loss and other comprehensive income.

Notes to the financial statements (continued)

7 Property, plant and equipment

For the year ended 31 December 2025	Computer hardware $ 000's	Furniture, fixture and fittings $ 000's	Total $ 000's
Costs			
At 1 January 2025	989	4	993
Additions	29	-	29
Disposals	(165)	-	(165)
At 31 December 2025	**853**	**4**	**857**
Accumulated depreciation			
At 1 January 2025	(942)	(4)	(946)
Charge for the year	(1)	-	(1)
Written back on disposal	165	-	165
At 31 December 2025	**(778)**	**(4)**	**(782)**
For the year ended 31 December 2024			
Costs			
At 1 January 2024	2,255	6	2,261
Additions	1	-	1
Disposals	(1,267)	(2)	(1,269)
At 31 December 2024	**989**	**4**	**993**
Accumulated depreciation			
At 1 January 2024	(2,106)	(6)	(2,112)
Charge for the year	(103)	-	(103)
Written back on disposal	1,267	2	1,269
At 31 December 2024	**(942)**	**(4)**	**(946)**
Net book value			
At 31 December 2025	**75**	**-**	**75**
At 31 December 2024	47	-	47

Depreciation of property, plant and equipment is recognised in operating expenses in the Statement of profit or loss and other comprehensive income.

8 Deferred tax assets

The movements in the net deferred tax asset during the year are shown below:

	Fixed and intangible assets $ 000's	Employee benefits $ 000's	Share options $ 000's	Cash flow hedge $ 000's	Revaluation reserve $ 000's	IFRS 9 transitional adjustment $ 000's	Total $ 000's
At 1 January 2024	**109**	**-**	**223**	**(25)**	**150**	**(54)**	**403**
Adjustments in respect of prior years credited							
- to profit or loss	-	4	-	-	-	-	4
-to equity	-	-	1	-	-	-	1
Other (credits) /charges							
- to profit or loss	-	(4)	27	-	-	-	23
- to other comprehensive income	-	-	-	367	141	14	522
- to equity	-	-	16	-	-	-	16
At 31 December 2024	**109**	**-**	**267**	**342**	**291**	**(40)**	**969**
Other (credits) / charges							
- to profit or loss	(28)	-	70	-	-	-	**42**
- to other comprehensive income	-	-	-	(332)	(195)	13	**(514)**
- to equity	-	-	75	-	-	-	**75**
At 31 December 2025	**81**	**0**	**412**	**10**	**96**	**(27)**	**572**

Deferred taxation is calculated in full on temporary differences under the liability method.

The net deferred tax asset includes deferred tax assets of $599,000 and deferred tax liabilities of $27,000.

The deferred tax assets have arisen as a consequence of movements in fixed assets, movements in revaluation reserve, adoption of IFRS 9, movement in cash flow hedges and share options.

8 Deferred tax assets (continued)

Factors that may affect future tax charges

The Company will receive tax relief on the same basis as amortisation of intangible assets.

Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws substantively enacted at the balance sheet date.

Current tax and deferred tax

The UK corporation tax rate applicable to the Company was 25%.

Legislation in respect of Pillar II income taxes was enacted in the UK on 11 July 2023 and is effective for accounting periods commencing on or after 1 January 2024. The UK legislation enacted includes a Qualified Domestic Minimum Top Up Tax rule, and an Income Inclusion Rule. The UK government also enacted the Undertaxed Profits Rule in March 2025 and effective for accounting periods commencing on or after 1 January 2025.

The Company is a subsidiary of a group of companies, that are in scope of the enacted legislation. The Company has performed an assessment of its potential exposure to Pillar II income taxes. It is anticipated the Company will benefit from the Country-by-Country Reporting Transitional Safe Harbours that apply until 2026. The Company therefore does not expect a material Pillar II exposure. No Pillar Two top-up taxes have been recognised within these financial statements.

The IAS 12 exception to recognise and disclose information about deferred tax assets and liabilities related to Pillar Two income taxes has been applied.

9 Trade and other receivables

	2025 $ 000's	2024 $ 000's
Accrued income	3,120	1,939
Prepayments	628	346
Other receivables	7	3
	3,755	**2,288**

The maximum exposure to credit risk at the reporting date is the book value of the accrued income and other receivable balances above. The Company holds cash and non-cash collateral as security as described further in note 10.

As at 31 December 2025 expected lifetime losses were $nil (2024: $nil).

The historical loss rates are adjusted to reflect current and forward-looking information affecting the ability of customers to settle receivables. There has been no history of default since launch in 2014.

In respect of forward-looking information, the Company takes into account the results of its regular credit assessments of its Clearing Members, and it has default mechanisms which allow it to reclaim any outstanding trade and other receivables. Accordingly, taking these factors into account, the loss provision is $nil (2024: $nil).

10 Cash and cash equivalents

The cash and cash equivalents represent cash at bank and short-term investments.

	2025 $ 000's	2024 $ 000's
Cash at bank	35,079	33,490
Short-term investments		
- reverse repurchase agreements	14,102,461	8,131,921
	14,137,540	**8,165,411**

$14,102,461,000 (2024: $8,131,921,000) of short-term investments are fully collateralised by or are comprised of sovereign and investment grade corporate securities in accordance with eligibility criteria approved by the Company's Clearing Risk Committee.

A significant component of cash and cash equivalents comprise amounts initially received from Clearing Members in cash as initial and variation margin, and as contributions to the default funds. In compliance with the UK EMIR, these amounts are held in accounts separate from the Company's own resources.

The Company's own cash and cash equivalents comprise $321,111,000 (2024: $347,032,000) of cash and cash equivalents, of which $28,700,000 (2024: $28,700,000) is restricted as the Company's own resources to be used in the default waterfall.

11 Trade and other payables

	2025 $ 000's	2024 $ 000's
Social security and other taxes	4,113	3,217
Other payables	985	2,532
Accrued interest payable	34,217	26,722
Accruals and deferred income	11,530	5,694
	50,845	**38,165**

Trade and other payables totalling $50,845,000 have contractual payment terms of less than three months (2024: $38,165,000).

12 Financial instruments and hedge accounting

Fair value measurements

The following table presents the carrying value of financial assets and financial liabilities measured at fair values according to the levels of the fair value hierarchy defined in IFRS 13: Fair value measurement, with the fair value of each financial asset and financial liability categorised based on the lowest level of input that is significant to that fair value measurement. The levels are defined as follows:

- Level 1: fair values measured using quoted prices (unadjusted) in active markets for identical financial instruments.
- Level 2: fair values measured using valuation techniques in which all significant inputs other than quoted prices included within Level 1 are directly or indirectly based on observable market data.
- Level 3: fair values measured using valuation techniques in which any significant input is not based on observable market data.

	At 31 Dec 2025		
	Level 1	**Level 2**	**Total**
	$ 000's	**$ 000's**	**$ 000's**
Financial assets measured at fair value through profit or loss:			
Base metal futures and options derivative contracts	-	20,633,544	20,633,544
	-	**20,633,544**	**20,633,544**
Financial assets measured at fair value through other comprehensive income:			
Debt securities	2,699,696	-	2,699,696
	2,699,696	**-**	**2,699,696**
Financial liabilities measured at fair value through profit or loss:			
Base metal futures and options derivative contracts	-	20,633,544	20,633,544
Forward foreign exchange contracts	-	39	39
	-	**20,633,583**	**20,633,583**
Net financial assets	**2,699,696**	**(39)**	**2,699,657**

12 Financial instruments and hedge accounting (continued)

Fair value measurements (continued)

	At 31 Dec 2024		
	Level 1	Level 2	Total
	$ 000's	$ 000's	$ 000's
Financial assets measured at fair value through profit or loss:			
Base metal futures and options derivative contracts	-	8,706,193	8,706,193
	-	**8,706,193**	**8,706,193**
Financial assets measured at fair value through other comprehensive income:			
Debt securities	1,774,331	-	1,774,331
	1,774,331	**-**	**1,774,331**
Financial liabilities measured at fair value through profit or loss:			
Base metal futures and options derivative contracts	-	8,706,193	8,706,193
Forward foreign exchange contracts	-	1,368	1,368
	-	**8,707,561**	**8,707,561**
Net financial assets	**1,774,331**	**(1,368)**	**1,772,963**

During 2025 and 2024, no financial assets or financial liabilities were classified under Level 3 and there were no transfers of instruments between Levels 1 and 2.

The value of Level 2 instruments is derived from the spot prices of underlying contracts or similar.

The Company's policy is to recognise transfers into and out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

Fair value of financial assets and financial liabilities not reported at fair values

The carrying amounts of short-term receivables (i.e. trade and other receivables, cash and cash equivalent and amounts due from group undertakings) and short-term payables (e.g. trade and other payables, members' contribution to the clearing house funds, margin deposits from clearing participants and amounts due to group companies) approximated their fair values, and accordingly no disclosure of the fair values of these items is presented.

Impairment

No provision for impairment loss was made at 31 December 2025 (2024: $nil) as the financial assets were considered to be of low credit risk and the expected credit loss was minimal.

Debt securities held were of investment grade and had a weighted average credit rating of AAA. They had no history of default and there was no unfavourable current and forecast general economic conditions as at the reporting dates.

12 Financial instruments and hedge accounting (continued)

Offsetting financial assets and financial liabilities

The Company reports financial assets and financial liabilities 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 liability simultaneously. The Company applies offsetting by settlement date and by Clearing Member account to its open derivative contracts as at each reporting date.

As a CCP, the Company sits in the middle of Clearing Members' transactions and holds initial and variation margin amounts as a collateral against the default of a Clearing Member. A further amount of cash collateral is held comprising the default funds. Whilst these amounts are not available for offset on the Statement of financial position, in the event of default these balances would reduce the Company's exposure further under the Rules of the clearing house. Default funds of $1,257,234,000 (2024: $1,123,542,000) and margin funds of $15,258,892,000 (2024: $8,469,168,000) are held by the Company and have maturities of less than three months.

The following table shows the impact of netting arrangements on all financial assets and liabilities subject to master netting agreements that are reported net on the balance sheet.

As at 31 December 2025				**Related amounts not offset in the Statement of financial position**		
	Gross amounts recognised	**Gross amounts offset**	**Net amount presented in the Statement of financial position**	**Financial (liabilities) / assets other than cash collateral**	**Cash collateral received**	**Total**
	$ 000's	**$ 000's**	**$ 000's**	**$ 000's**	**$ 000's**	**$ 000's**
Derivative financial						
- assets	478,586,962	457,953,418	20,633,544	(13,863,641)	(6,769,903)	-
- liabilities	(478,586,962)	(457,953,418)	(20,633,544)	13,863,641	-	(6,769,903)

As at 31 December 2024				**Related amounts not offset in the Statement of financial position**		
	Gross amounts recognised	**Gross amounts offset**	**Net amount presented in the Statement of financial position**	**Financial (liabilities) / assets other than cash collateral**	**Cash collateral received**	**Total**
	$ 000's	**$ 000's**	**$ 000's**	**$ 000's**	**$ 000's**	**$ 000's**
Derivative financial						
- assets	191,509,720	182,803,527	8,706,193	(5,921,782)	(2,784,411)	-
- liabilities	(191,509,720)	(182,803,527)	(8,706,193)	5,921,782	-	(2,784,411)

12 Financial instruments and hedge accounting (continued)

Hedge accounting

The Company's forward foreign exchange contracts have been designated as a cash flow hedge of foreign exchange risks associated with the cash flows of highly probable forecast transactions relating to the Company's staff costs and related expenses, technology costs, legal expenses and intangible assets.

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments, to ensure that an economic relationship exists between the hedged item and hedging instrument. For hedges of future purchases in sterling, the Company enters into hedge relationships where the critical terms of the hedging instrument (amount, currency and maturity dates) match exactly with the terms of the hedged item. The Company therefore performs a qualitative assessment of effectiveness.

If changes in circumstances affect the terms of the hedged item, such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the Company uses the hypothetical derivative method to assess effectiveness. In hedges of future purchases in sterling, ineffectiveness might arise if the timing of the forecast transaction changes from what was originally estimated, or if there are changes in the credit risk of the UK or the derivative counterparty.

Further details of the hedging instruments that have been designated as cash flow hedges of the Company's highly probable forecast transactions and the hedged items at the end of the reporting period are as follows:

	2025	**2024**
	$ 000's	**$ 000's**
Forward foreign exchange contracts		
Carrying amount	(39)	(1,368)
Notional amount	29,065	30,299
Maturity date	0 - 12 months	0 - 12 months
Hedge ratio	1:1	1:1
Change in fair value of outstanding hedging instruments since inception of the hedge	(39)	(1,368)
Change in value of hedged item used to determine hedge ineffectiveness	(39)	(1,368)
Weighted average hedged rate for outstanding hedging instruments (including forward points) USD:GBP	1.34439	1.30939

The hedging instruments are denominated in the same currency as the hedged items so the hedge ratio is 1:1.

12 Financial instruments and hedge accounting (continued)

Hedge accounting (continued)

Movements in the hedging reserve during the year are shown below:

	2025 $ 000's	2024 $ 000's
At 1 January	(1,026)	76
Loss / (Gain) on hedging instruments recognised in other comprehensive income	1,451	(1,300)
Reclassified to profit or loss:		
- Wages and salaries	(90)	(92)
- Legal and professional fees	(5)	(10)
- Other costs	(11)	(12)
- Other losses	(1)	(1)
Reclassified to Statement of financial position		
- Intangible assets	(15)	(54)
Deferred tax (charge) / credit to other comprehensive income	(332)	367
At 31 December	**(29)**	**(1,026)**

During the year $1,000 of hedge ineffectiveness was recognised (2024: $1,000).

13 Share capital

	2025 $ 000's	2024 $ 000's
Total share capital	178,701	178,701

The Company has 107,500,001 (2024:107,500,001) ordinary shares in issue, each with a nominal value of £1. There is no restriction on the number of shares to be issued.

14 Cash inflow / (outflow) from operating activities

Reconciliation of profit before tax to net cash inflow / (outflow) from operating activities:

	2025 $ 000's	2024 $ 000's
Profit before tax	67,223	58,539
Adjustments for:		
Depreciation and amortisation	7,141	7,203
(Decrease) / increase in intercompany payable	(3,172)	127
Effects of foreign exchange movements	(1,060)	149
Increase in financial assets measured at fair value through profit and loss or other comprehensive income	(924,983)	(672,681)
Other non-cash movements	(23)	24
(Increase) / decrease in accounts receivable	(1,467)	3,380
Increase / (decrease) in accounts payable, accruals and other liabilities	12,681	(64,633)
Increase / (decrease) in margin deposits and default fund	6,923,416	(104,271)
Cash inflow / (outflow) from operating activities	**6,079,756**	**(772,163)**

15 Dividends paid to shareholder

The Company paid interim dividends of $81,600,000 during the year (2024: $nil).

16 Financial risk management

The Company's activities expose it to some financial risks: market risk (including foreign exchange risk, interest rate risk, and market price risk), sovereign risk, liquidity risk and credit risk. The Company's overall risk management framework is designed to consider these risks and mitigate them through its structures and controls.

a) Market risk

Market risk is the risk of loss arising from movements in observable market variables such as foreign exchange rates, commodity prices and interest rates. The Company is exposed to market risk primarily through its financial assets and financial liabilities.

The Company's investment policy is to prudently invest all funds managed by the Company in a manner which will satisfy liquidity requirements, safeguard financial assets, and manage risks while optimising return on investments.

The Company's Investment Policy is approved by the Board and reviewed annually. Investment restrictions and guidelines form an integral part of risk control. The Company's investment policy is designed to ensure diversification of investments across a range of highly rated financial institutions and to minimise risk using a carefully considered limit framework. The majority of investments take the form of short-dated reverse repurchase agreements against high quality sovereign securities to also minimise liquidity risk. No investments are made for speculative purposes. The limit framework and risk structures are designed to control liquidity, credit, counterparty concentration, maturity and interest rate risks of the investments.

(i) Foreign exchange risk management

Foreign exchange risk is the risk that the value or cash flows of an asset, liability or highly probable forecast transaction denominated in foreign currency (i.e. a currency other than the functional currency of the Company) will fluctuate because of changes in foreign exchange rates. The Company may invest in non-USD securities from time to time.

The Company is exposed to foreign currency risk arising from payments of various expenditures (predominately in GBP, a significant component of which is staff costs) and investments and bank deposits denominated in foreign currencies (mainly in GBP and EUR). Its risk management policy is to forecast the amount of GBP expenditures for each forthcoming year and to enter into forward currency contracts to cover a high proportion of its forecast costs. The Company also forecasts its GBP payments and ensures it holds sufficient GBP bank deposits to cover future payments or converts from USD to GBP as soon as deemed appropriate.

The Company primarily receives margin from Clearing Members in USD, but also holds margin in other currencies – EUR, GBP, JPY, and CNH. Cash margin received from Clearing Members is invested primarily through reverse repurchase arrangements against high quality government securities. Where the securities or cash are not denominated in USD the Company requires an additional haircut to cover the notional foreign exchange risk that would arise in the event of the non-return of the USD cash.

The Company's derivative asset and liability positions are denominated in the Company's core clearing currencies – which are equal and opposite positions and as a result there is no net foreign exchange exposure for the Company on these positions.

16 Financial risk management (continued)

a) Market risk (continued)

(i) Foreign exchange risk management (continued)

The tables below summarise the Company's financial assets and financial liabilities denominated in foreign currencies excluding derivative assets and liabilities:

	At 31 December 2025						
	$ 000's	**$ 000's**	**$ 000's**	**$ 000's**	**$ 000's**	**$ 000's**	**$ 000's**
	EUR	**HKD**	**GBP**	**JPY**	**CNH**	**NOK**	**Total**
Cash and cash equivalents	251,976	-	342,830	20,472	12,980	-	628,258
Trade and other receivables	38	-	90	-	(1)	-	127
Total	252,014	-	342,920	20,472	12,979	-	628,385
Trade and other payables	(422)	(19)	(15,243)	(5)	-	(7)	(15,696)
Amounts due to related parties	-	(275)	(3,260)	-	-	-	(3,535)
Margin deposits and default fund	(246,047)	-	(326,504)	(20,415)	(12,898)	-	(605,864)
Total	(246,469)	(294)	(345,007)	(20,420)	(12,898)	(7)	(625,095)
Total assets / (liabilities)	**5,545**	**(294)**	**(2,087)**	**52**	**81**	**(7)**	**3,290**
Notional effect if exchange rates change by +/- 10%	**+/-554**	**+/-29**	**+/-209**	**+/-5**	**+/-8**	**+/-1**	**+/-329**

	At 31 December 2024						
	$ 000's	**$ 000's**	**$ 000's**	**$ 000's**	**$ 000's**	**$ 000's**	**$ 000's**
	EUR	**HKD**	**GBP**	**JPY**	**CNH**	**NOK**	**Total**
Cash and cash equivalents	311,288	-	564,507	26,956	78	-	902,829
Trade and other receivables	49	-	145	2	-	-	196
Total	311,337	-	564,652	26,958	78	-	903,025
Trade and other payables	(717)	-	(5,971)	-	-	-	(6,688)
Amounts due to related parties	-	(241)	(6,402)	-	-	-	(6,643)
Margin deposits and default fund	(307,311)	-	(550,100)	(26,854)	(8)	-	(884,273)
Total	(308,028)	(241)	(562,473)	(26,854)	(8)	-	(897,604)
Total assets / (liabilities)	**3,309**	**(241)**	**2,179**	**104**	**70**	**-**	**5,421**
Notional effect if exchange rates change by +/- 10%	**+/-331**	**+/-24**	**+/-218**	**+/-10**	**+/-7**	**+/-0**	**+/-542**

16 Financial risk management (continued)

a) Market risk (continued)

(ii) Interest rate risk management

The Company is exposed to interest rate risk arising from the cash and investment balances it maintains, versus the margin and default fund balances it receives from Clearing Members. The Company determines the returns paid on Clearing Member liabilities with reference to a spread against external overnight benchmark rates, as such the investment risk relates to the difference between the rate received on its investments and the amount it determines is payable to Clearing Members with reference to the overnight benchmark rates. The Company retains the ability to adjust the spread in the event of its investment activity departing from the benchmark rates.

The following table shows the average interest rates for the year applicable to each relevant category of interest-bearing financial instrument held at the Statement of financial position date:

Financial assets / (liabilities)	**Amount (USD)**	**Average contractual interest rate receivable by / (payable) from the Company**	**Notional effect if interest rates change by +/- 10%**
At 31 December 2025	**$ 000's**	**%**	**$ 000's**
Short-term deposits (reverse repurchase agreements)			
- USD (own funds)	289,440	3.80%	1,099
- GBP (own funds)	15,793	3.83%	60
- EUR (own funds)	5,852	1.97%	12
- USD (margin deposits and default fund)	13,218,826	3.78%	50,019
- GBP	326,504	3.78%	1,236
- EUR	246,047	1.96%	483
Financial assets measured at fair value through other comprehensive income (USD)	2,699,696	3.90%	10,526
Margin deposits and default fund			
- USD	15,910,262	3.41%	54,254
- GBP	326,504	3.33%	1,086
- EUR	246,047	1.44%	355
- JPY	20,415	0.43%	9
- CNH	12,898	1.28%	17
At 31 December 2024	**$ 000's**	**%**	**$ 000's**
Short-term deposits (reverse repurchase agreements)			
- USD (own funds)	317,143	4.42%	1,402
- GBP (own funds)	13,370	4.80%	64
- EUR (own funds)	3,908	2.40%	9
- USD (margin deposits and default fund)	6,940,089	4.44%	30,786
- GBP	550,100	4.75%	2,615
- EUR	307,311	2.51%	771
Financial assets measured at fair value through other comprehensive income (USD)	1,774,331	4.69%	8,326
Margin deposits and default fund			
- USD	8,708,445	(4.09)%	35,618
- GBP	550,100	(4.30)%	2,365
- EUR	307,311	(2.44)%	748
- JPY	26,854	0.07%	(2)

16 Financial risk management (continued)

a) Market risk (continued)

(iii) Market price risk management

As a CCP the Company has a balanced position in all cleared contracts and runs no significant market price risk unless a Clearing Member defaults as described at the 'Clearing and settlement-related risk management' section below. The Company has limited exposure to market price risk arising from fluctuations in the value of market-traded securities; all purchased securities are debt securities and are held to collect the contractual cashflows and therefore the Company's business model minimises market price risk.

b) Sovereign risk

Distress amongst sovereigns through market concerns over the level of government debt and the ability of certain governments to service their debts over time could have adverse effects on the Company's cleared products, margin, collateral, investments, clearing membership and the financial industry as a whole.

The Company generally only accepts or invests in high quality collateral to limit the overall sovereign risk it faces and additionally has risk frameworks to control wrong way risk and sovereign exposure from less well rated counterparts. Regular sovereign and counterpart ratings and credit monitoring are carried out to ensure risks are identified and ratings corrected where relevant.

c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset, and it results from amount and maturity mismatches of assets and liabilities. The Company employs projected cash flow analysis to manage liquidity risk by forecasting the amount of cash required and monitoring the working capital of the Company to ensure that all liabilities due and known funding requirements could be met.

Surplus cash of the Company is invested in high quality short-term investments, and the investments of the Company are kept sufficiently liquid to meet the operating needs and possible liquidity requirements of the clearing house funds and Clearing Members' margin. Other than certain derivative financial assets and liabilities and certain floating rate notes, all financial instruments of the Company have contractual maturities of less than three months.

As a result of the Company's position as the central counterparty to each cleared trade the maturity of derivative assets will perfectly match the maturity of derivative liabilities and as a result the Company has minimal liquidity risk from derivatives. In the event of a counterparty default the Company may require significant liquid resources to manage consequent cashflows until it has returned to a matched book. It therefore undertakes thorough daily liquidity stress testing to ensure it is sufficiently prepared and has rule-based powers to require its members to provide it with increased USD if its forecasting or stress testing identifies potential risks.

d) Credit risk management

(i) Investment and accounts receivable-related risk management

The Company is exposed to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. It arises primarily from the Company's derivative financial assets and accounts receivables. Impairment provisions are made for losses that have been incurred at the end of the reporting period. The Company limits its exposure to credit risk by rigorously selecting the counterparties (i.e., deposit-takers, bond issuers and debtors) and by diversification.

16 Financial risk management (continued)

d) Credit risk management (continued)

(i) Investment and accounts receivable-related risk management (continued)

At 31 December 2025, the cash and cash equivalents held for Clearing Members' margin, the clearing house funds and corporate funds held were all held only with banks with a minimum rating of Baa1 (Moody's). All investments are subject to concentration limits for counterparty, sovereign and maturity approved by the Board as part of the Investment Policy.

The Company mitigates its exposure to risks relating to accounts receivable from its Clearing Members by requiring the Clearing Members to meet the Company's established financial requirements and criteria for admission as Clearing Members. The Company is obliged to return this non-cash collateral upon request when the Clearing Members' collateral obligations have been substituted with cash collateral or otherwise discharged. The Company is permitted to sell or pledge such collateral in the event of the default of a Clearing Member. Any non-cash collateral lodged at central securities depositories or custodians is subject to a lien or pledge for the services they provide in respect of the collateral held.

In addition, the Company holds non-cash collateral in the form of debt securities and gold bullion in respect of initial and variation margin posted by clearing participants. The fair value of this collateral was $2,397,200,000 as at 31 December 2025 (2024: $2,781,765,000).

The Company also holds securities as collateral in respect of its investments in overnight triparty reverse repurchase agreements under which it is obliged to return equivalent securities to the investment counterparties at maturity of the reverse repurchase agreements. The reverse repurchase agreements are subject to master netting agreements. The fair value of this collateral was $14,329,305,000 as at 31 December 2025 (2024: $7,928,115,000). The collateral held was not recorded on the Statement of financial position as at 31 December 2025. The collateral held, together with certain on-balance sheet debt securities amounting to $2,699,696,000 as at 31 December 2025 (2024: $1,774,331,000) have been pledged to the Company's investment agent and custodian banks under security arrangements for the settlement and depository services they provide in respect of the collateral and investments held.

(ii) Clearing and settlement-related risk management

In the normal course of business, the Company will offer to act as the buying and selling counterparty to trades between participants, on acceptance of the Company's offer by each party two cleared contracts are formed, one between the Company and the buyer and between the Company and the seller. As a result, the Company has credit risk since the Clearing Members' ability to honour their obligations in respect of their trades may be adversely impacted by economic conditions affecting the commodities markets. If the Clearing Members default on their obligations on settlement, the Company could be exposed to potential risks not otherwise accounted for in these financial statements.

The Company mitigates its exposure to risks described above by requiring the Clearing Members to meet the Company's established financial requirements and operational and other criteria for admission as a Clearing Member. All Clearing Members are required to deposit initial margin to cover the positions that they hold, to regularly post variation margin to cover any mark-to-market losses and also to contribute to the default fund set up by the Company to cover extreme but plausible losses in excess of initial margin. The Company has an obligation to contribute $28,700,000 of capital as a 'skin-in-the-game' amount which must be fully utilised in the event of a clearing member default before it can draw on the default fund contributions from the non-defaulting Clearing Members. If these loss-absorbing resources were fully utilised the Company then has the right to call upon surviving Clearing Members to contribute up to a further three

16 Financial risk management (continued)

d) Credit risk management (continued)

(ii) Clearing and settlement-related risk management (continued)

replenishments of the default fund for additional defaults. For each additional replenishment the Company is obliged to also contribute a further amount equal to the $28,700,000 ‘skin-in-the-game’.

If a Clearing Member were to default, the Company has arrangements and resources in place to ensure that it can respond in an orderly and efficient way. Firstly, the Company would seek to transfer (port) client positions of a Clearing Member and hedge or liquidate the remaining positions of the defaulting Clearing Member through hedging activities in the market or a default auction that remaining clearing members are mandated to bid in. This will return the Company to a matched book.

The Company is able to draw upon the defaulting Clearing Member’s initial margin and other assets including the defaulting party’s contribution to the Default fund held in order to cover the costs of returning to a matched book of contracts. Due to the Company’s margin policies the probability of the amounts owed by a defaulting Clearing Member exceeding the amount of margin held is statistically very small. However, if the collateral posted by the defaulter was insufficient to meet the amount owed, the Company can then draw upon the remaining resources in the default waterfall process including its own capital contribution (skin-in-the-game), the remaining Default Fund and rights of replenishment.

(iii) Exposure to credit risk

At 31 December, the maximum exposure to credit risk of the financial assets of the Company were equal to their carrying amounts.

17 Provisions and contingencies

Contingent liabilities

In 2024, the Company had a contingent liability arising from ongoing litigation in which the Company was a defendant.

One of the claimants (Elliott Associates L.P. and Elliott International L.P.) sought and was granted permission to appeal to the Court of Appeal (the Appeal). The Appeal was heard by the Court of Appeal in July 2024. Judgment in respect of the Appeal was handed down by the Court of Appeal on 7 October 2024, in which the Court of Appeal found in the LME and LME Clear’s favour and dismissed the Appeal. The Court of Appeal further ordered Elliott to pay the LME and LME Clear’s costs of the Appeal.

On 29 January 2025, the Supreme Court refused permission for Elliott to appeal the Appeal outcome to the Supreme Court and ordered Elliott to pay the LME and LME Clear’s costs of opposing Elliott’s permission application. This effectively brings an end to the Judicial Review (JR) proceedings, aside from dealing with consequential matters in relation to costs.

The three related Human Rights Act (HRA) claims issued in March 2023, which had been stayed pending the final determination of the judicial review proceedings, have all been withdrawn by the HRA claimants.
In light of the judgments of the Court and the Court of Appeal, all rights of appeal against which have now been exhausted, and further, given the withdrawal of the HRA claims, no probable or contingent liability exists in relation to this matter at 31 December 2025.

17 Provisions and contingencies (continued)

Contingent assets

In 2024, the claimants made a payment of £1,650,000 to LME Clear to cover part of their costs of the JR Proceedings, and Elliott made a payment of £347,000 in respect of LME Clear's costs of the Appeal in October 2024.

The Company has filed insurance claims to cover residual costs associated with the JR proceedings. These claims are considered contingent assets and will be recognised in the period when payment (if any) from the insurers is received.

18 Transactions with related parties

Directors

During the financial year, no contracts were entered into by the Company in which any of the Directors had a material interest.

There are no other related party transactions other than those disclosed in these financial statements.

Pension fund

The Company is a participating employer in the London Metal Exchange 1989 Pension Scheme, a trust-based defined contribution pension scheme. The principal funds are those managed in the UK.

The contributions in respect of the Company's pension scheme are disclosed in note 4.

Parent and group subsidiaries

During the year, the Company undertook the following transactions with other related parties:

	2025 $ 000's	2024 $ 000's
Intra group licensing fee	(10,000)	(10,000)
Payroll costs for Company employees paid by LME	(21,785)	(19,879)
Shared services – staff-related	(10,686)	(9,481)
Legal fees	(244)	1,377
IT related services	(4,516)	(3,993)
Facilities costs	(827)	(749)
Other costs	(3,265)	(3,389)
	(51,323)	**(46,114)**

Total monies collected by the Company as agent and paid to LME in 2025 were $270,275,475 (2024: $238,414,000).

18 Transactions with related parties (continued)

Hong Kong Exchanges and Clearing Limited	2025 $ 000's	2024 $ 000's
Expenses in relation to share-based payments	(1,160)	(1,251)
Other costs	-	(245)
IT related services	(83)	-
	(1,243)	**(1,496)**

HKEX Technology (Shenzhen) Limited (previously Gangsheng Technology Services (Shenzhen) Limited)	2025 $ 000's	2024 $ 000's
IT related staff costs	(605)	(328)

As at 31 December 2025 and 31 December 2024 the balances with other related parties were as follows:

	2025		2024	
	$ 000's	$ 000's	$ 000's	$ 000's
	Owed by:	Owed to:	Owed by:	Owed to:
The London Metal Exchange	-	3,616	-	6,730
Hong Kong Exchanges and Clearing Limited	-	119	-	214
HKEX Technology (Shenzhen) Limited (previously Gangsheng Technology Services (Shenzhen) Limited)	-	80	-	43
	-	**3,815**	**-**	**6,987**

No amounts due from related parties were past due or impaired. Amounts due to related parties have contractual payment terms of less than three months (2024: less than three months).

19 Key management compensation

Compensation for directors (included within the relevant costs in note 4) of the Company and the members of the executive committee, regarded as the key personnel who have authority for planning, directing, and controlling the Company:

	2025 $ 000's	2024 $ 000's
Salaries and other short-term employee benefits	4,471	3,862
Deferred bonus and other long-term employee benefits	182	388
Share-based payments	1,017	839
Pensions	223	197
Remuneration for loss of office	402	-
Aggregate emoluments for key management personnel	**6,295**	**5,286**

20 Directors' emoluments

Directors' emoluments for the year included in staff costs are as follows:

	2025 $ 000's	2024 $ 000's
Aggregate emoluments	2,831	2,541
Company contributions paid to defined contribution pension scheme	8	8
	2,839	**2,549**

There are no retirement benefits accruing to directors under the defined contribution scheme (2024: $nil).

Remuneration of highest paid director

	2025 $ 000's	2024 $ 000's
Aggregate emoluments	1,572	1,381
Company contributions paid to defined contribution pension scheme	8	8
	1,580	**1,389**

Aggregate emoluments include shares received or receivable under the Company's long-term incentive plan. There are no retirement benefits accruing under the defined contribution scheme (2024: $nil).

21 Long-term incentive plan

Employees of the Company are eligible to receive share awards under the Company's HKEX Share Award Scheme (the Scheme). Following the decision to award an award sum (Awarded Sum) for the purchase of Awarded Shares to eligible employees and/or selected senior executives, the Awarded Shares are either purchased from the market or are awarded by re-granting the forfeited or unallocated shares held by the Company's Share Award Scheme. Before vesting the Awarded Shares are held in a trust set up by the Scheme.

Further shares are derived from dividends payable on the Awarded Shares held in the Scheme from reinvesting dividends (dividend shares) and are allocated to the awardees on a pro rata basis and have the same vesting periods as the related Awarded Shares.

Employee Share Awards vest progressively over the vesting period after the shares are granted, provided that the relevant awardees (i) remain employed by the Company (ii) are made redundant or (iii) are deemed to be 'good leavers', and Employee Share Awards vest immediately if the relevant awardee dies or suffers from permanent disability Effective 1 January 2023, the scheme rules relating to the vesting of shares have been amended, with any share awards granted on or after 1 January 2023 vesting in accordance with the original vesting schedule, instead of vesting immediately on the date of retirement of the awardees applicable to awards granted prior to 1 January 2023. Unless otherwise determined by the HKEX Board, the HKEX Remuneration Committee or the Chief Executive, the vesting period of Employee Share Awards granted was three years, and the shares would be vested in two equal tranches from the second to the third year after the shares are granted.

For awardees who do not meet the vesting criteria, the unvested shares are forfeited. The forfeited shares are held by the trust set up by the Scheme.

21 Long-term incentive plan (continued)

For Awarded Shares granted to the employees of the Company, the fair value of the employees' services received, measured by reference to the grant date fair value, is recognised over the projected vesting period, being the period for which the services from the employees are received and is charged to staff costs and related expenses. The corresponding credit is recorded as a capital contribution in the Company's financial statements and an increase to investment in subsidiaries in HKEX's financial statements, with a corresponding credit to employee share-based compensation reserve. Fair values of awarded shares are derived from quoted market prices on the date of purchase. Any reimbursement by the Company to HKEX is offset against the capital contribution.

During 2025, Awarded Sums amounting to $1,630,000 (2024: $1,429,000) were granted to selected employees. At 31 December 2025, the allocation of shares had not yet been completed.

Details of the awarded shares vesting in part or in full in 2025:

Date of award	Number of shares awarded	Average fair value per share $	Reference sum award $ 000's	Vesting period
31-Dec-22	25,639	42.24	-	8 Dec 2022 – 8 Dec 2025
31-Dec-23	32,100	32.19	-	8 Dec 2023 – 8 Dec 2026
31-Dec-24	37,587	38.77	-	11 Dec 2024 – 11 Dec 2027
31-Dec-25	-	-	1,630	10 Dec 2025 – 10 Dec 2028

Movement in the number of awarded shares outstanding:

	2025	2024
Outstanding at 1 January	34,642	27,354
Awarded	37,587	32,100
Vested	(17,742)	(16,312)
Forfeited	-	(278)
Good leavers	(8,357)	(8,222)
Outstanding at 31 December	**46,130**	**34,642**

22 Immediate and ultimate controlling entity

HKEX Global Commodities Limited (previously HKEX Investment (UK) Limited), a company incorporated in England and Wales, is the Company's immediate parent company. The registered address of HKEX Global Commodities Limited is 10 Finsbury Square, London, EC2A 1AJ.

Hong Kong Exchanges and Clearing Limited, a company incorporated in Hong Kong, is the ultimate controlling entity and is the largest and smallest group to consolidate these financial statements. The registered address of Hong Kong Exchanges and Clearing Limited is 8/F, Two Exchange Square, 8 Connaught Place, Central, Hong Kong.

23 Events after the reporting date

The Board approved an interim dividend of $45,000,000 at its meeting on 11 February 2026.