



Supplemental Adenza Information

January 17, 2024

Supplemental Adenza Financial Information

On 1/17/24, Nasdaq filed a Form 8-K/A, which includes pro forma financial statements for the nine months ended 9/30/23 and the year ended 12/31/22. Nasdaq will report earnings on 1/31/24, and the notes below provide additional information regarding Adenza's performance for the full year 2023 and Nasdaq's ownership period of November and December. 4Q23 information is preliminary.

	Adenza Standalone 9M23	Notes
<i>(all \$ figures in millions)</i>		
Revenue	\$393	FY23 revenue was \$583mm v. guidance of \$590mm with 40% of the variance due to the impact of a significant bankruptcy. Nov/Dec revenue was \$149mm, due to strong bookings trends in the period.
Adjusted EBITDA Margin	53%	FY23 adjusted EBITDA margin was 59% v. guidance of 58%. Nov/Dec non-GAAP operating income of \$114mm was 77% of revenue driven by bookings performance in the last two months of the year.
Unlevered Pre-Tax Cash Flow	\$155	FY23 unlevered pre-tax cash flow was \$306mm, ahead of ~\$300mm guidance
Constant Currency ARR growth (Y/Y)	17%	FY23 constant currency ARR growth was 14%, or 16% excluding the impact of a significant bankruptcy
Gross Revenue Retention	97%	FY23 gross revenue retention was 96%, or 97% excluding the impact of a significant bankruptcy
Net Revenue Retention	113%	FY23 net revenue retention was 111%, or 112% excluding the impact of a significant bankruptcy

Non-GAAP Reconciliations

<i>(all \$ figures in millions)</i>	9M23	FY23
Revenues	\$393	\$583
Adjusted EBITDA	\$207	\$342
Adjusted EBITDA Margin	53%	59%
Net (Loss)	(\$69)	(\$151)
Interest	169	220
Taxes (benefit) provision	(30)	105
Depreciation and amortization ¹	126	141
EBITDA	\$197	\$315
Restructuring / Other ³	11	27
Adjusted EBITDA	\$207	\$342

¹ 9M23 and FY23 includes \$118mm and \$131mm of pre-acquisition amortization expense related to Adenza's intangible assets existing prior to its acquisition by Nasdaq.

² The intangible asset amortization for the two months of November and December 2023 relates to intangibles recognized by Nasdaq as part of its acquisition of Adenza.

³ For the nine months ended September 30, 2023, these items primarily related to a restructuring program which was initiated under Thoma Bravo's ownership upon the merger of AxiomSL and Calypso in order to achieve synergies. For the twelve months ended December 31, 2023, these items also included deal and integration related costs associated with Nasdaq's acquisition of Adenza, of which \$1 million relates to November and December 2023.

<i>(all \$ figures in millions)</i>	9M23	FY23
Cash flow from operations	(\$39)	\$78
Capital expenditure	(20)	(26)
Free cash flow	\$(59)	\$52
Interest paid	163	182
Income taxes paid	43	49
Restructuring	8	23
Unlevered, pre-tax free cash flow	\$155	\$306

<i>(all \$ figures in millions)</i>	Nov '23-Dec '23 (2 months)
Revenues	\$149
Operating income	\$45
Intangible asset amortization ²	68
Restructuring ³	1
Adjusted operating income	\$114
Adjusted operating margin	77%

Defined Terms

ARR: ARR for a given period is the current annualized value derived from subscription contracts with a defined contract value. This excludes contracts that are not recurring, are one-time in nature, or where the contract value fluctuates based on defined metrics. ARR is currently one of our key performance metrics to assess the health and trajectory of our recurring business. ARR does not have any standardized definition and is therefore unlikely to be comparable to similarly titled measures presented by other companies. ARR should be viewed independently of revenue and deferred revenue and is not intended to be combined with or to replace either of those items. For Adenza recurring revenue contracts, the amount included in ARR is consistent with the amount that we invoice the customer during the current period. For contracts that include annual values that increase over time, we include in ARR only the annualized value of components of the contract that are considered active as of the date of the ARR calculation. We do not include the future committed increases in the contract value as of the date of the ARR calculation. ARR is not a forecast and the active contracts at the end of a reporting period used in calculating ARR may or may not be extended or renewed by our customers.

Constant Currency: Constant Currency ARR growth excludes the impact of foreign currency fluctuations and is calculated by translating the current period ARR at the prior period exchange rates.

Gross Revenue Retention: Gross Revenue Retention for a given period is calculated as ARR in the current period over ARR in the prior year period for existing customers excluding price increases and upsells and excluding new customers.

Net Revenue Retention: Net Revenue Retention for a given period is calculated as ARR in the current period over ARR in the prior year period for existing customers, including price increases and upsells and excluding new customers.

Unlevered Pre-tax Free Cash Flow: Unlevered pre-tax free cash flow is equal to cash flow from operations plus cash interest paid and cash taxes paid, less capital expenditures and adjusted for one-time pre and post-acquisition restructuring related items. This calculation deviates from how Nasdaq measures free cash flow as restructuring items are not excluded, however, this measure is consistent with guidance previously given on the stand-alone Adenza business. As we integrate Adenza, we will align their reporting to Nasdaq's.

Disclaimers

Non-GAAP financial measures

This communication includes certain non-GAAP financial measures, including non-GAAP operating margin, adjusted EBITDA margin and Unlevered pre-tax cash flow. We believe our presentation of these measures provides investors with greater transparency and supplemental data relating to our financial condition and results of operations. In addition, we believe the presentation of these measures is useful to investors for period-to-period comparisons of results as the items described in the incorporated reconciliation tables do not reflect ongoing operating performance. These measures are not in accordance with, or an alternative to, U.S. GAAP, and may be different from non-GAAP measures used by other companies. In addition, other companies, including companies in our industry, may calculate such measures differently, which reduces their usefulness as a comparative measure. Investors should not rely on any single financial measure when evaluating our business. This information should be considered as supplemental in nature and is not meant as a substitute for our operating results in accordance with U.S. GAAP. We recommend investors review the U.S. GAAP financial measures included in this earnings release. When viewed in conjunction with our U.S. GAAP results and the accompanying reconciliations, we believe these non-GAAP measures provide greater transparency and a more complete understanding of factors affecting our business than U.S. GAAP measures alone.

Preliminary results

As set forth in this communication, financial results for Adenza for the fourth quarter of 2023 are preliminary and are subject to change pending finalization. As such, actual results may differ materially from the estimated preliminary results and will not be finalized until after we complete our normal year-end accounting procedures. Preliminary results set forth herein reflect management's best estimate of the impact of events during the year and are based on the information currently available as of the date of this communication.