



# Investor Presentation Offer to acquire Oslo Børs VPS

March 4, 2019

# Executive Summary

**1**

**Oslo Børs VPS is a leading regional exchange and central securities depository, with international leadership in shipping, energy and seafood issuers, and combining Oslo Børs VPS with Nasdaq's Nordic business unlocks significant value**

**2**

**Nasdaq's offer for Oslo Børs VPS is aligned with our strategy, improves the positioning of our Nordic businesses, and delivers on our financial objectives**

**3**

**Nasdaq's superior offer is supported by the Oslo Børs VPS Board, key investors and significant customers, and we will work to ensure value of combination is clear to other stakeholders**

# Oslo Børs VPS, Facilitating Norwegian Markets

## Diverse Set of Capabilities and Services



*Primary marketplace for the trading and listing of financial instruments in the Norwegian market*

- Leading Norwegian equity, ETF, FI, Commodities/Derivatives Marketplace
- Significant data/connectivity franchises
- Listing of corporate equities and bonds
- Leadership in Energy, Seafood and Shipping

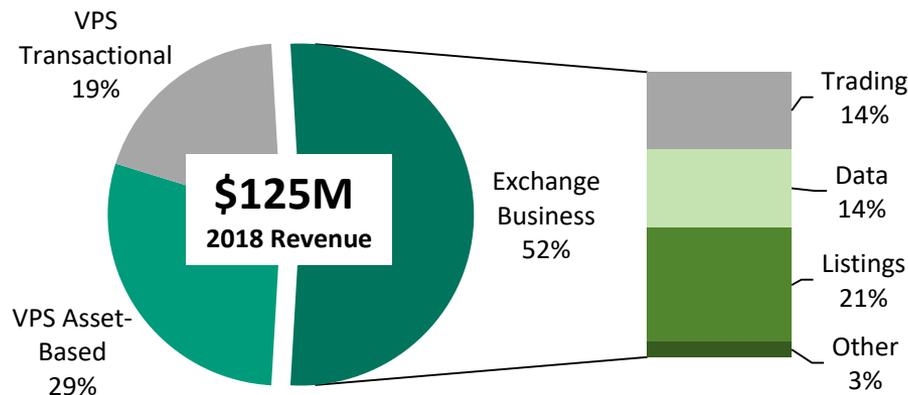


THE NORWEGIAN CSD

*Norway's central securities depository serving issuers, investors, funds*

- Serving issuers, investors and funds with critical post-trade processing solutions
- Leading CSD in Norway

## Revenue Contribution by Business Line



## Revenue Growth

**5%** 3-Year CAGR

- 7% for Exchange Business
- 3% for Post-Trade (VPS)

## Profitability

**43%** EBIT Margin

# Our combination creates growth opportunities for Oslo Børs VPS and the Norwegian markets community

## 1 Combination creates enhanced client experience and operating efficiencies

- **Leverage Nasdaq's global trading platform** to upgrade Oslo Børs VPS' exchange and to bring efficiencies to Nordic capital market participants
- **Align exchange and corporate functions** across Nordic centers of excellence
- **Co-locating Nasdaq's commodities market with Oslo Børs VPS**

## 2 Nasdaq's global platform can deliver Oslo Børs VPS' unique capabilities to more customers

- Enhance Oslo Børs VPS' global leading positions in energy, shipping and seafood, to **further develop Norway as a center of excellence in commodities**, and to enable Oslo Børs to benefit from the full global reach of Nasdaq
- **Establish VPS as Nasdaq's regional center of excellence** for custody and settlement services, and **develop international solution** offerings in the post-trade area

# Unifying the Pan-Nordic marketplace

Nasdaq currently operates **7** equity exchanges, **1** commodities market, **1** clearing house and **2** CSDs in **4** countries in the **Nordics**

All are supported by the industry leading **Nasdaq Market Technology business**, which supports >100 3rd-party market infrastructure operators globally

Nasdaq believes in **global scale** while at the same time investing in and supporting **local ecosystems**.

Nasdaq has developed and would continue to invest in **geographical hubs** as **Centers of Excellence**:

- **Oslo:** Commodities and the Central Securities Depository
- **Stockholm:** Global technology business and business ops, equity derivatives and CCP
- **Copenhagen:** Exchange data development
- **Helsinki:** Equity trading and financial product management



	Nasdaq	Oslo Børs VPS	Total
Equity Trading Turnover	796	137	933
Equity Listings	1,015	237	1,252
Bond Listings	6,935	2,193	9,128

*Note: All figures are for 2018, equity turnover in US\$ in billions*

# Combination with Oslo Børs VPS is consistent with Nasdaq's strategy and delivers against financial targets



**>70%**

**Recurring & subscription**

revenue contribution maintained across NDAQ

**5-7%**

**Organic revenue growth outlook**

across non-transactional segments affirmed

**≥10%**

**Return on Invested Capital**

achieved within 3-5 years of close

**Accretive**

**To Non-GAAP Earnings per Share**

Expected within 12 months of Closing

# Summary Transaction Overview

## Price

- Offer to acquire all outstanding shares of Oslo Børs VPS for NOK 158 per share, valuing the company at NOK 6,795 million, or ~\$795 million<sup>1</sup>
- Represents a 44% premium to the Oslo Børs VPS undisturbed share price on December 17, 2018; Transaction multiple of ~14x 2018 EBITDA and ~19x on 2018 EPS

## Support by Key Stakeholders

- Nasdaq has the unanimous support of the Oslo Børs VPS' Board of Directors and enthusiastic support of management and employees
- Shareholders representing more than one-third of Oslo Børs VPS shares have provided irrevocable commitments to accept Nasdaq's offer until the later of March 4, 2020 or 60 days after the Euronext offer lapses, closes or is withdrawn

## Financing

- Financing expected through a combination of available cash and new borrowings
- Assuming a Q3 2019 close, pro forma leverage of ~3.1x with ability to de-leverage to mid 2's in the second half of 2020

## Governance

- Plan to maintain key leadership positions, including a Norway CEO
- Nasdaq Nordic Board of Directors will be expanded to include two representatives from the Norwegian financial and corporate community
- A representative of the Norwegian market will be added to the Nasdaq Nordic Advisory Board

## Next Steps and Timing

- Acceptance period has been extended to March 29, 2019. The offer is dependent on, among other things, Oslo Børs VPS Board maintaining its recommendation, a minimum acceptance level of at least two-thirds of Oslo Børs VPS shares (or such higher percentage as may be necessary to comply with any applicable regulatory requirement) being reached, and the approval of relevant supervisory and competition authorities

1) NOK to USD of 8.56

# Nasdaq's offer has clear path to succeed

- **Nasdaq has presented a clearly superior offer:**
  - A combination with Nasdaq would strengthen the Nordic region as a capital market with strong international distribution and visibility for Norwegian issuers as well as efficient infrastructure and limited adaptation requirements for Norwegian and Nordic companies.
  - Our offer delivers strong economic value to Oslo Børs VPS shareholders.
- Nasdaq's offer has the **unanimous support of the Oslo Børs VPS' Board of Directors, and shareholders making up over one-third of Oslo Børs VPS** have provided irrevocable commitments supporting our offer.
- Nasdaq and the Oslo Børs VPS strongly believe that **due to Oslo Børs VPS' strategic importance** to the Norwegian capital markets and economy, **Norwegian stakeholders, including regulators, will carefully consider all options** when determining Oslo Børs VPS' strongest path forward.

# Disclaimers

## **Important Information about this Offer**

This document relates to the tender offer, as may be amended from time to time, made by Nasdaq AB to acquire all outstanding shares of Oslo Børs VPS Holding ASA. In the United States, the tender offer was made in reliance on the Tier I exemption pursuant to Rule 14d-1(c) under the Securities Exchange Act of 1934. Investors and shareholders of Oslo Børs VPS are urged to read the Offer Document published by Nasdaq AB because it contains important information about the Offer. Investors and shareholders of Oslo Børs VPS are also urged to read all other disclosures related to the Offer on Nasdaq's website under "Investor Relations", including any amendments to the Offer since the Offer Document was published by Nasdaq AB.

This document is for informational purposes only and does not constitute an offer to purchase, or a solicitation of an offer to sell, any shares of Oslo Børs VPS. This document is an outline of matters for discussion only. The information contained in this document is subject to discussion, completion and amendment. This document does not contain all the information necessary to fully evaluate the business potential of an investment and, as such, no reliance should be placed on the contents of this document. Nothing in this document shall constitute any representation or warranty, express or implied, with respect to the information in this document.

## **Cautionary Note Regarding Forward-Looking Statements**

Statements in this presentation relating to future status and circumstances, including statements regarding the anticipated offer timeline, future performance, growth and other projections as well as benefits of the Offer, are forward-looking statements. These statements may generally, but not always, be identified by the use of words such as "anticipates", "expects", "believes", or similar expressions. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. Actual results may differ materially from those expressed or implied by these forward-looking statements due to many factors, many of which are outside the control of Nasdaq and its subsidiaries. Such risk factors may include the (i) performance of the global economy, (ii) ability of Nasdaq to integrate Oslo Børs VPS, receive regulatory approvals necessary for the Offer, or complete the Offer, (iii) projections relating to its future financial results, total shareholder returns, growth, trading volumes, products and services, or synergy targets, (iii) Nasdaq's ability to implement its strategic initiatives and (iiii) any other risk factors detailed in Nasdaq's annual report on Form 10-K, and periodic reports filed with the U.S. Securities and Exchange Commission. Any such forward-looking statements speak only as of the date on which they were made and Nasdaq has no obligation (and undertake no such obligation) to update or revise any of them, whether as a result of new information, future events or otherwise, except for as required by applicable laws and regulations.

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