

# Nasdaq, Inc.

## Consolidated Statements of GAAP Income

(all amounts in millions, except for per share amounts)

	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	2017	2018	2019	2020	2021
<b>Revenues:</b>																
Anti Financial Crime Technology <sup>(1)</sup>	26	29	28	31	42	58	62	68	72	75	77	79	98	107	116	231
Market Infrastructure Technology <sup>(1)</sup>	55	55	58	75	58	59	52	63	52	56	55	168	172	231	241	232
<b>Market Technology</b>	<b>81</b>	<b>84</b>	<b>86</b>	<b>106</b>	<b>100</b>	<b>117</b>	<b>114</b>	<b>131</b>	<b>124</b>	<b>131</b>	<b>132</b>	<b>247</b>	<b>270</b>	<b>338</b>	<b>357</b>	<b>463</b>
Market Data	94	98	105	102	106	104	102	104	108	105	104	356	378	387	399	414
Index	73	68	86	97	102	107	119	130	122	124	125	171	206	223	324	459
Analytics	41	44	45	46	48	50	51	54	54	54	55	48	118	158	175	203
<b>Investment Intelligence</b>	<b>208</b>	<b>210</b>	<b>236</b>	<b>245</b>	<b>256</b>	<b>261</b>	<b>272</b>	<b>288</b>	<b>284</b>	<b>283</b>	<b>284</b>	<b>575</b>	<b>702</b>	<b>768</b>	<b>898</b>	<b>1,076</b>
Listings Services	73	73	78	83	89	93	99	104	107	107	105	264	284	290	307	387
IR & ESG Services	53	52	53	56	57	56	56	58	61	61	63	192	197	200	214	226
<b>Corporate Platforms</b>	<b>126</b>	<b>125</b>	<b>131</b>	<b>139</b>	<b>146</b>	<b>149</b>	<b>155</b>	<b>162</b>	<b>168</b>	<b>168</b>	<b>168</b>	<b>456</b>	<b>481</b>	<b>490</b>	<b>521</b>	<b>613</b>
Equity derivative trading and clearing, net <sup>(2)</sup>	94	83	84	92	106	103	105	100	112	103	107	259	299	292	354	413
Cash equity trading, net <sup>(2)</sup>	98	106	85	105	133	110	96	105	106	108	97	253	285	263	393	444
Fixed income and commodities trading and clearing, net <sup>(2)</sup>	14	12	12	14	16	14	13	15	13	12	15	51	60	51	53	59
Trade management services <sup>(3)</sup>	68	69	72	74	76	78	78	80	80	84	86	272	273	275	284	313
<b>Market Services, net</b>	<b>274</b>	<b>270</b>	<b>253</b>	<b>285</b>	<b>331</b>	<b>305</b>	<b>292</b>	<b>300</b>	<b>311</b>	<b>307</b>	<b>305</b>	<b>835</b>	<b>917</b>	<b>881</b>	<b>1,084</b>	<b>1,229</b>
<b>Other Revenues</b>	<b>12</b>	<b>10</b>	<b>9</b>	<b>13</b>	<b>18</b>	<b>14</b>	<b>5</b>	<b>4</b>	<b>5</b>	<b>4</b>	<b>1</b>	<b>298</b>	<b>156</b>	<b>58</b>	<b>43</b>	<b>39</b>
<b>Net revenues<sup>(2)</sup></b>	<b>701</b>	<b>699</b>	<b>715</b>	<b>788</b>	<b>851</b>	<b>846</b>	<b>838</b>	<b>885</b>	<b>892</b>	<b>893</b>	<b>890</b>	<b>2,411</b>	<b>2,526</b>	<b>2,535</b>	<b>2,903</b>	<b>3,420</b>
<b>Operating expenses:</b>																
Compensation and benefits	195	189	198	205	239	231	230	238	254	247	249	670	712	707	786	938
Professional and contract services	27	31	38	40	27	38	36	43	35	29	34	153	144	127	137	144
Computer operations and data communications	35	35	39	42	44	46	47	49	50	50	50	125	127	133	151	186
Occupancy	25	26	29	26	28	26	27	28	27	25	25	94	95	97	107	109
General, administrative and other	61	25	13	43	13	12	42	19	21	34	38	82	120	125	142	85
Marketing and advertising	9	4	7	19	10	9	12	26	10	11	10	31	37	39	39	57
Depreciation and amortization	48	50	51	53	63	68	67	80	67	65	63	188	210	190	202	278
Regulatory	7	7	2	8	7	7	8	41	8	8	9	33	32	31	24	64
Merger and strategic initiatives	7	4	1	22	45	12	13	17	15	12	14	44	21	30	33	87
Restructuring charges	12	13	11	12	10	21	—	—	—	—	—	—	—	39	48	31
<b>Total operating expenses</b>	<b>426</b>	<b>384</b>	<b>389</b>	<b>470</b>	<b>486</b>	<b>470</b>	<b>482</b>	<b>541</b>	<b>487</b>	<b>481</b>	<b>492</b>	<b>1,420</b>	<b>1,498</b>	<b>1,518</b>	<b>1,669</b>	<b>1,979</b>
<b>Operating income</b>	<b>275</b>	<b>315</b>	<b>326</b>	<b>318</b>	<b>365</b>	<b>376</b>	<b>356</b>	<b>344</b>	<b>405</b>	<b>412</b>	<b>398</b>	<b>991</b>	<b>1,028</b>	<b>1,017</b>	<b>1,234</b>	<b>1,441</b>
<i>Operating margin</i>	<i>39 %</i>	<i>45 %</i>	<i>46 %</i>	<i>40 %</i>	<i>43 %</i>	<i>44 %</i>	<i>42 %</i>	<i>39 %</i>	<i>45 %</i>	<i>46 %</i>	<i>45 %</i>	<i>41 %</i>	<i>41 %</i>	<i>40 %</i>	<i>43 %</i>	<i>42 %</i>
Interest income	2	1	—	—	1	—	—	—	—	—	2	7	10	10	4	1
Interest expense	(26)	(26)	(24)	(24)	(29)	(33)	(33)	(31)	(32)	(32)	(32)	(143)	(150)	(124)	(101)	(125)
Gain on sale of investment security	—	—	—	—	—	—	—	—	—	—	—	—	118	—	—	—
Net gain on divestiture of businesses	—	—	—	—	—	84	—	—	—	—	—	—	33	27	—	84
Other (loss) income	5	—	1	—	1	—	42	39	(6)	8	6	2	7	5	5	81
Net income (loss) from unconsolidated investees	17	26	54	(27)	57	27	6	(38)	7	9	8	15	18	84	70	52
<b>Income before taxes</b>	<b>273</b>	<b>316</b>	<b>357</b>	<b>267</b>	<b>395</b>	<b>454</b>	<b>371</b>	<b>314</b>	<b>374</b>	<b>397</b>	<b>382</b>	<b>872</b>	<b>1,064</b>	<b>1,019</b>	<b>1,212</b>	<b>1,534</b>
Income tax provision	70	75	93	43	97	113	83	55	91	90	88	143	606	245	279	347
<b>Net income</b>	<b>203</b>	<b>241</b>	<b>264</b>	<b>224</b>	<b>298</b>	<b>341</b>	<b>288</b>	<b>259</b>	<b>283</b>	<b>307</b>	<b>294</b>	<b>729</b>	<b>458</b>	<b>774</b>	<b>933</b>	<b>1,187</b>
Net loss attributable to Noncontrolling interests	—	—	—	—	—	—	—	—	1	—	—	—	—	—	—	—
<b>Net income attributable to Nasdaq</b>	<b>203</b>	<b>241</b>	<b>264</b>	<b>224</b>	<b>298</b>	<b>341</b>	<b>288</b>	<b>259</b>	<b>284</b>	<b>307</b>	<b>294</b>	<b>729</b>	<b>458</b>	<b>774</b>	<b>933</b>	<b>1,187</b>
Effective tax rate	25.6 %	23.7 %	26.1 %	16.1 %	24.6 %	24.9 %	22.4 %	17.5 %	24.3 %	22.7 %	23.0 %	16.4 %	57.0 %	24.0 %	23.0 %	22.6 %
<b>Earnings per Share:</b>																
Diluted EPS	<b>0.41</b>	<b>0.48</b>	<b>0.53</b>	<b>0.45</b>	<b>0.59</b>	<b>0.68</b>	<b>0.56</b>	<b>0.51</b>	<b>0.57</b>	<b>0.62</b>	<b>0.59</b>	<b>1.43</b>	<b>0.91</b>	<b>1.55</b>	<b>1.86</b>	<b>2.35</b>
<b>Weighted average numbers of common stock shares:</b>																
Diluted shares	500.3	498.2	502.5	501.8	501.3	499.3	510.5	509.1	501.7	496.6	496.3	509.0	503.1	500.9	500.7	505.1
Cash dividends declared per share	\$ 0.16	\$ 0.16	\$ 0.16	\$ 0.16	\$ 0.16	\$ 0.18	\$ 0.18	\$ 0.18	\$ 0.18	\$ 0.20	\$ 0.20	\$ 0.49	\$ 0.57	\$ 0.62	\$ 0.65	\$ 0.70

(1) In the first quarter of 2022, Nasdaq reclassified risk solutions product revenues from the Anti Financial Crime Technology business to the Market Infrastructure Technology business. For all quarterly periods presented, the reclassification was \$4 million per period. Total Market Technology revenues were unchanged.

(2) Represents revenues less transaction-based expenses.

(3) In the third quarter of 2022, Nasdaq reclassified prior period revenues related to our Broker Services business from Trade Management Services to Other revenues due to the wind down of the business in June 2022. For all quarterly periods presented, the reclassification was \$4 million per period.

# Nasdaq, Inc.

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(all amounts in millions, except for per share amounts)

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Market Infrastructure Technology <sup>(1)</sup>	55	55	58	75	58	59	52	63	52	56	55	168	172	231	241	232
<b>Market Technology</b>	<b>81</b>	<b>84</b>	<b>86</b>	<b>106</b>	<b>100</b>	<b>117</b>	<b>114</b>	<b>131</b>	<b>124</b>	<b>131</b>	<b>132</b>	<b>247</b>	<b>270</b>	<b>338</b>	<b>357</b>	<b>463</b>
Market Data	94	98	105	102	106	104	102	104	108	105	104	356	378	387	399	414
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Analytics	41	44	45	46	48	50	51	54	54	54	55	48	118	158	175	203
<b>Investment Intelligence</b>	<b>208</b>	<b>210</b>	<b>236</b>	<b>245</b>	<b>256</b>	<b>261</b>	<b>272</b>	<b>288</b>	<b>284</b>	<b>283</b>	<b>284</b>	<b>575</b>	<b>702</b>	<b>768</b>	<b>898</b>	<b>1,076</b>
Listings Services	73	73	78	83	89	93	99	104	107	107	105	264	284	290	307	387
IR & ESG Services	53	52	53	56	57	56	56	58	61	61	63	192	197	200	214	226
<b>Corporate Platforms</b>	<b>126</b>	<b>125</b>	<b>131</b>	<b>139</b>	<b>146</b>	<b>149</b>	<b>155</b>	<b>162</b>	<b>168</b>	<b>168</b>	<b>168</b>	<b>456</b>	<b>481</b>	<b>490</b>	<b>521</b>	<b>613</b>
Equity derivative trading and clearing, net <sup>(2)</sup>	94	83	84	92	106	103	105	100	112	103	107	259	299	292	354	413
Cash equity trading, net <sup>(2)</sup>	98	106	85	105	133	110	96	105	106	108	97	253	285	263	393	444
Fixed income and commodities trading and clearing, net <sup>(2)</sup>	14	12	12	14	16	14	13	15	13	12	15	51	60	51	53	59
Trade management services <sup>(3)</sup>	68	69	72	74	76	78	78	80	80	84	86	272	273	275	284	313
<b>Market Services, net<sup>(2)</sup></b>	<b>274</b>	<b>270</b>	<b>253</b>	<b>285</b>	<b>331</b>	<b>305</b>	<b>292</b>	<b>300</b>	<b>311</b>	<b>307</b>	<b>305</b>	<b>835</b>	<b>917</b>	<b>881</b>	<b>1,084</b>	<b>1,229</b>
<b>Other Revenues</b>	<b>12</b>	<b>10</b>	<b>9</b>	<b>13</b>	<b>18</b>	<b>14</b>	<b>5</b>	<b>4</b>	<b>5</b>	<b>4</b>	<b>1</b>	<b>298</b>	<b>156</b>	<b>58</b>	<b>43</b>	<b>39</b>
<b>Net revenues<sup>(1)</sup></b>	<b>701</b>	<b>699</b>	<b>715</b>	<b>788</b>	<b>851</b>	<b>846</b>	<b>838</b>	<b>885</b>	<b>892</b>	<b>893</b>	<b>890</b>	<b>2,411</b>	<b>2,526</b>	<b>2,535</b>	<b>2,903</b>	<b>3,420</b>
<b>Operating expenses:</b>																
Compensation and benefits	195	188	198	205	239	231	230	238	254	247	249	670	712	707	785	938
Professional and contract services	27	31	35	40	26	34	33	40	33	27	31	153	138	121	133	133
Computer operations and data communications	35	36	39	42	44	46	47	49	50	50	50	125	127	133	152	186
Occupancy	24	24	24	23	27	26	27	28	27	25	25	92	94	95	95	107
General, administrative and other	16	14	11	43	13	11	13	19	20	19	18	72	80	81	84	56
Marketing and advertising	9	4	7	19	10	9	12	26	10	11	10	31	37	39	39	57
Depreciation and amortization	23	23	24	26	27	28	27	26	26	26	25	96	100	88	96	108
Regulatory	7	7	8	8	7	7	8	8	8	8	9	32	32	31	30	31
<b>Total operating expenses</b>	<b>336</b>	<b>327</b>	<b>346</b>	<b>406</b>	<b>393</b>	<b>392</b>	<b>397</b>	<b>434</b>	<b>428</b>	<b>413</b>	<b>417</b>	<b>1,271</b>	<b>1,320</b>	<b>1,295</b>	<b>1,414</b>	<b>1,616</b>
<b>Operating income</b>	<b>365</b>	<b>372</b>	<b>369</b>	<b>382</b>	<b>458</b>	<b>454</b>	<b>441</b>	<b>451</b>	<b>464</b>	<b>480</b>	<b>473</b>	<b>1,140</b>	<b>1,206</b>	<b>1,240</b>	<b>1,489</b>	<b>1,804</b>
Operating margin	52 %	53 %	52 %	48 %	54 %	54 %	53 %	51 %	52 %	54 %	53 %	47%	48%	49%	51%	53%
Net interest income (expense)	(24)	(25)	(24)	(24)	(28)	(33)	(33)	(31)	(32)	(32)	(30)	(136)	(140)	(114)	(97)	(124)
Other (loss) income	—	—	1	—	1	—	1	—	(1)	(1)	—	2	7	—	1	1
Net income (loss) from unconsolidated investees	1	1	(1)	—	—	1	—	(1)	1	—	—	2	2	2	—	—
<b>Income before taxes</b>	<b>342</b>	<b>348</b>	<b>345</b>	<b>358</b>	<b>431</b>	<b>422</b>	<b>409</b>	<b>419</b>	<b>432</b>	<b>447</b>	<b>443</b>	<b>1,008</b>	<b>1,075</b>	<b>1,128</b>	<b>1,393</b>	<b>1,681</b>
Income tax provision	91	92	89	90	104	106	106	91	104	105	108	338	278	293	362	408
<b>Net income</b>	<b>251</b>	<b>256</b>	<b>256</b>	<b>268</b>	<b>327</b>	<b>316</b>	<b>303</b>	<b>328</b>	<b>328</b>	<b>342</b>	<b>335</b>	<b>670</b>	<b>797</b>	<b>835</b>	<b>1,031</b>	<b>1,273</b>
Net loss attributable to Noncontrolling interests	—	—	—	—	—	—	—	—	1	—	—	—	—	—	—	—
<b>Net income attributable to Nasdaq</b>	<b>251</b>	<b>256</b>	<b>256</b>	<b>268</b>	<b>327</b>	<b>316</b>	<b>303</b>	<b>328</b>	<b>329</b>	<b>342</b>	<b>335</b>	<b>670</b>	<b>797</b>	<b>835</b>	<b>1,031</b>	<b>1,273</b>
Effective tax rate	26.6 %	26.4 %	25.8 %	25.1 %	24.1 %	25.1 %	25.9 %	21.7 %	24.1 %	23.5 %	24.4 %	33.5%	25.9%	26.0%	26.0%	24.3%
<b>Earnings per Share:</b>																
Diluted EPS	<b>0.50</b>	<b>\$ 0.51</b>	<b>\$ 0.51</b>	<b>\$ 0.53</b>	<b>\$ 0.65</b>	<b>\$ 0.63</b>	<b>\$ 0.59</b>	<b>\$ 0.64</b>	<b>\$ 0.66</b>	<b>\$ 0.69</b>	<b>\$ 0.68</b>	<b>\$ 1.32</b>	<b>\$ 1.58</b>	<b>\$ 1.67</b>	<b>\$ 2.06</b>	<b>\$ 2.52</b>
<b>Weighted average numbers of common stock shares:</b>																
Diluted shares	500.3	498.2	502.5	501.8	501.3	499.3	510.5	509.1	501.7	496.6	496.3	509.0	503.1	500.9	500.7	505.1

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## Non-GAAP reconciliations

(\$s in millions, except for per share amounts)

	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	2017	2018	2019	2020	2021
<b>U.S. GAAP operating expenses</b>	<b>426</b>	<b>384</b>	<b>389</b>	<b>470</b>	<b>486</b>	<b>470</b>	<b>482</b>	<b>541</b>	<b>487</b>	<b>481</b>	<b>492</b>	<b>1,420</b>	<b>1,498</b>	<b>1,518</b>	<b>1,669</b>	<b>1,979</b>
Non-GAAP adjustments:																
Amortization expense of acquired intangible assets	(25)	(26)	(26)	(26)	(36)	(40)	(40)	(54)	(40)	(39)	(38)	(92)	(109)	(101)	(103)	(170)
Merger and strategic initiatives	(7)	(4)	(1)	(22)	(45)	(12)	(13)	(17)	(15)	(12)	(14)	(44)	(21)	(30)	(33)	(87)
Charitable donations	(5)	(12)	—	—	—	—	—	—	—	—	—	—	—	—	(17)	—
Clearing default	—	—	—	—	—	—	—	—	—	—	—	—	(31)	—	—	—
Restructuring charges	(12)	(13)	(11)	(12)	(10)	(21)	—	—	—	—	—	—	—	(39)	(48)	(31)
Regulatory matters	—	—	6	—	—	—	—	(33)	—	—	—	—	—	—	6	(33)
Extinguishment of debt	(36)	—	—	—	—	—	(33)	—	—	(16)	—	(10)	—	(11)	(36)	(33)
Provision for notes receivable	—	—	(6)	—	—	—	—	—	—	—	—	—	—	(20)	(6)	—
Other	(5)	(2)	(5)	(4)	(2)	(5)	1	(3)	(4)	(1)	(23)	(3)	(17)	(22)	(18)	(9)
<b>Total operating expense non-GAAP adjustments</b>	<b>(90)</b>	<b>(57)</b>	<b>(43)</b>	<b>(64)</b>	<b>(93)</b>	<b>(78)</b>	<b>(85)</b>	<b>(107)</b>	<b>(59)</b>	<b>(68)</b>	<b>(75)</b>	<b>(149)</b>	<b>(178)</b>	<b>(223)</b>	<b>(255)</b>	<b>(363)</b>
<b>Non-GAAP operating expenses</b>	<b>336</b>	<b>327</b>	<b>346</b>	<b>406</b>	<b>393</b>	<b>392</b>	<b>397</b>	<b>434</b>	<b>428</b>	<b>413</b>	<b>417</b>	<b>1,271</b>	<b>1,320</b>	<b>1,295</b>	<b>1,414</b>	<b>1,616</b>
<b>U.S. GAAP operating income</b>	<b>275</b>	<b>315</b>	<b>326</b>	<b>318</b>	<b>365</b>	<b>376</b>	<b>356</b>	<b>344</b>	<b>405</b>	<b>412</b>	<b>398</b>	<b>991</b>	<b>1,028</b>	<b>1,017</b>	<b>1,234</b>	<b>1,441</b>
Non-GAAP adjustments	90	57	43	64	93	78	85	107	59	68	75	149	178	223	255	363
<b>Non-GAAP operating income</b>	<b>365</b>	<b>372</b>	<b>369</b>	<b>382</b>	<b>458</b>	<b>454</b>	<b>441</b>	<b>451</b>	<b>464</b>	<b>480</b>	<b>473</b>	<b>1,140</b>	<b>1,206</b>	<b>1,240</b>	<b>1,489</b>	<b>1,804</b>
Depreciation and amortization of tangibles	23	23	24	26	27	28	27	26	26	26	25	96	100	88	96	108
<b>EBITDA</b>	<b>388</b>	<b>395</b>	<b>393</b>	<b>408</b>	<b>485</b>	<b>482</b>	<b>468</b>	<b>477</b>	<b>490</b>	<b>506</b>	<b>498</b>	<b>1,236</b>	<b>1,306</b>	<b>1,328</b>	<b>1,585</b>	<b>1,912</b>
<b>GAAP net income (loss)</b>	<b>203</b>	<b>241</b>	<b>264</b>	<b>224</b>	<b>298</b>	<b>341</b>	<b>288</b>	<b>259</b>	<b>284</b>	<b>307</b>	<b>294</b>	<b>729</b>	<b>458</b>	<b>774</b>	<b>933</b>	<b>1,187</b>
Operating income Non-GAAP adjustments	90	57	43	64	93	78	85	107	59	68	75	149	178	223	255	363
Non-operating Gain Non-GAAP adjustments:																
Net loss (income) from unconsolidated investees	(16)	(25)	(55)	27	(57)	(26)	(6)	37	(6)	(9)	(8)	(13)	(16)	(82)	(70)	(52)
Net gain on divestiture of businesses	—	—	—	—	—	(84)	—	—	—	—	—	—	(33)	(27)	—	(84)
Gain on the sale of investment security	—	—	—	—	—	—	—	—	—	—	—	—	(118)	—	—	—
Other	(5)	—	—	—	—	—	(41)	(39)	5	(9)	(6)	—	—	(5)	(4)	(80)
<b>Total non-operating Non-GAAP adjustments</b>	<b>(21)</b>	<b>(25)</b>	<b>(55)</b>	<b>27</b>	<b>(57)</b>	<b>(110)</b>	<b>(47)</b>	<b>(2)</b>	<b>(1)</b>	<b>(18)</b>	<b>(14)</b>	<b>(13)</b>	<b>(167)</b>	<b>(114)</b>	<b>(74)</b>	<b>(216)</b>
<b>Total non-GAAP pre-tax adjustments</b>	<b>69</b>	<b>32</b>	<b>(12)</b>	<b>91</b>	<b>36</b>	<b>(32)</b>	<b>38</b>	<b>105</b>	<b>58</b>	<b>50</b>	<b>61</b>	<b>136</b>	<b>11</b>	<b>109</b>	<b>181</b>	<b>147</b>
<b>Total non-GAAP adjustments to tax provision</b>	<b>(21)</b>	<b>(17)</b>	<b>4</b>	<b>(47)</b>	<b>(7)</b>	<b>7</b>	<b>(23)</b>	<b>(36)</b>	<b>(13)</b>	<b>(15)</b>	<b>(20)</b>	<b>(195)</b>	<b>328</b>	<b>(48)</b>	<b>(83)</b>	<b>(61)</b>
<b>Total non-GAAP adjustments, net of tax</b>	<b>48</b>	<b>15</b>	<b>(8)</b>	<b>44</b>	<b>29</b>	<b>(25)</b>	<b>15</b>	<b>69</b>	<b>45</b>	<b>35</b>	<b>41</b>	<b>(59)</b>	<b>339</b>	<b>61</b>	<b>98</b>	<b>86</b>
<b>Non-GAAP net income</b>	<b>251</b>	<b>256</b>	<b>256</b>	<b>268</b>	<b>327</b>	<b>316</b>	<b>303</b>	<b>328</b>	<b>329</b>	<b>342</b>	<b>335</b>	<b>670</b>	<b>797</b>	<b>835</b>	<b>1,031</b>	<b>1,273</b>
GAAP effective tax rate	25.6 %	23.7 %	26.1 %	16.1 %	24.6 %	24.9 %	22.4 %	17.5 %	24.3 %	22.7 %	23.0 %	16.4 %	57.0 %	24.0 %	23.0 %	22.6 %
Impact of non-GAAP adjustments on effective tax rate	1.0 %	2.7 %	(0.3)%	9.0 %	(0.5)%	0.2 %	3.5 %	4.2 %	(0.2)%	0.8 %	1.4 %	17.1 %	(31.1)%	2.0 %	3.0 %	1.7 %
Non-GAAP effective tax rate	26.6 %	26.4 %	25.8 %	25.1 %	24.1 %	25.1 %	25.9 %	21.7 %	24.1 %	23.5 %	24.4 %	33.5 %	25.9 %	26.0 %	26.0 %	24.3 %
Average Diluted Shares Outstanding	500.3	498.2	502.5	501.8	501.3	499.3	510.5	509.1	501.7	496.6	496.3	509.0	503.1	500.9	500.7	505.1
<b>GAAP diluted EPS</b>	<b>0.41 \$</b>	<b>0.48 \$</b>	<b>0.53 \$</b>	<b>0.45 \$</b>	<b>0.59 \$</b>	<b>0.68 \$</b>	<b>0.56 \$</b>	<b>0.51 \$</b>	<b>0.57 \$</b>	<b>0.62 \$</b>	<b>0.59 \$</b>	<b>1.43 \$</b>	<b>0.91 \$</b>	<b>1.55 \$</b>	<b>1.86 \$</b>	<b>2.35</b>
<b>Non-GAAP diluted EPS</b>	<b>0.50 \$</b>	<b>0.51 \$</b>	<b>0.51 \$</b>	<b>0.53 \$</b>	<b>0.65 \$</b>	<b>0.63 \$</b>	<b>0.59 \$</b>	<b>0.64 \$</b>	<b>0.66 \$</b>	<b>0.69 \$</b>	<b>0.68 \$</b>	<b>1.32 \$</b>	<b>1.58 \$</b>	<b>1.67 \$</b>	<b>2.06 \$</b>	<b>2.52</b>

## **Non-GAAP Information**

In addition to disclosing results determined in accordance with U.S. GAAP, we have also provided certain non-GAAP results of operations, including, but not limited to, non-GAAP net income attributable to Nasdaq, non-GAAP diluted earnings per share, non-GAAP operating income, non-GAAP operating expenses and non-GAAP EBITDA that include certain adjustments or exclude certain charges and gains that are described in the reconciliation table of U.S. GAAP to non-GAAP information provided. Management uses this non-GAAP information internally, along with U.S. GAAP information, in evaluating our performance and in making financial and operational decisions. 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 our 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 comparative measures. Investors should not rely on any single financial measure when evaluating our business. This non-GAAP 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. 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. For further information, refer to Nasdaq's filings with the U.S. Securities and Exchange Commission, including its annual reports on Form 10-K and quarterly reports on Form 10-Q, which are available on Nasdaq's investor relations website at [ir.nasdaq.com](http://ir.nasdaq.com) and the SEC's website at [www.sec.gov](http://www.sec.gov).

We understand that analysts and investors regularly rely on non-GAAP financial measures, such as those described above, to assess operating performance. We use these measures because they highlight trends more clearly in our business that may not otherwise be apparent when relying solely on U.S. GAAP financial measures, since these measures eliminate from our results specific financial items, such as those described below, that have less bearing on our ongoing operating performance. The non-GAAP measures attributable to Nasdaq for the periods presented are calculated by adjusting for certain items as described below:

*Amortization expense of acquired intangible assets:* We amortize intangible assets acquired in connection with various acquisitions. Intangible asset amortization expense can vary from period to period due to episodic acquisitions completed, rather than from our ongoing business operations.

*Merger and strategic initiatives expense:* We have pursued various strategic initiatives and completed acquisitions and divestitures in recent years that have resulted in expenses which would not have otherwise been incurred. The frequency and the amount of such expenses vary significantly based on the size, timing and complexity of the transaction. These expenses primarily include integration costs, as well as legal, due diligence and other third party transaction costs.

*Charitable donations:* Donations made to the Nasdaq Foundation, COVID-19 response and relief efforts, and social justice charities.

*Clearing default:* Charges associated with the clearing default which occurred in 2018.

*Restructuring charges:* The charges in 2019, 2020 and 2021 are associated with our restructuring program initiated in September 2019 with the goal of transitioning certain technology platforms to advance Nasdaq's strategic opportunities as a technology and analytics provider and continuing our re-alignment of certain business areas. The program was completed as of June 30, 2021.

*Extinguishment of debt:* These charges relate to premiums paid for the early extinguishment of previously outstanding debt.

*Regulatory matters:* In December 2021, we recorded a \$33 million charge related to a decision made by the Swedish Administrative court rejecting an appeal by Nasdaq Clearing to dismiss an administrative fine imposed by the Swedish Financial Supervisory Authority (SFS) associated with the default of a member of the Nasdaq Clearing commodities market that occurred in 2018. Nasdaq Clearing has appealed the court's recent decision and firmly believes in the merits of its appeal. For the year ended December 31, 2020 we recorded a \$6 million reversal of a regulatory fine issued by the SFS. Both charges were recorded to regulatory expense in our Consolidated Statements of Income.

*Provision for notes receivable:* These charges are associated with the funding of technology development for the consolidated audit trail.

*Net loss (income) from unconsolidated investees:* This primarily represents the earnings and losses recognized from our equity interest in the Options Clearing Corporation (OCC).

*Net gain on divestiture of businesses:* Represents the net gain on sale of our U.S. Fixed Income business in the second quarter of 2021, the net gain on the sale of the BWISE enterprise governance, risk and compliance software platform in 2019 and the net gain on the sale of our Public Relations Solutions and Digital Media Services businesses in 2018.

*Gain on the sale of investment security:* Represents a pre-tax gain on the sale of our 5.0% ownership interest in LCH Group Holdings Limited.

Other significant items include certain other charges or gains, including certain tax items, that are the result of other non-comparable events to measure operating performance. For the three months and the nine months ending September 30, 2022, other significant items included an accrual related to a legal matter as well as net gains and losses from strategic investments entered into through our corporate venture program. Significant items in 2021 include gains from sales of strategic investments entered into through our corporate venture program; for 2020, charges associated with duplicative rent and impairment of leasehold assets related to our global headquarters move; for 2019, a tax reserve for certain prior year examinations and certain litigation costs; for 2018, certain litigation costs, certain charges related to a sales and use tax audit and VAT reserves; for 2017 wind down costs associated with an equity method investment that was previously written off.

The non-GAAP adjustment to the income tax provision primarily includes the tax impact of each non-GAAP adjustment. In addition, for the three months and year ended December 31, 2021, we recorded a tax benefit related to state and local provision to return adjustments and a release of tax reserves due to statute of limitation expiration. For the year ended December 31, 2021, we also recorded a prior year tax benefit, net of reserve. In addition, for the three months and year ended December 31, 2020, we recorded a tax benefit related to favorable audit settlements, a release of tax reserves due to statute of limitation expiration, partially offset with an increase to certain tax reserves related to certain tax filings. For the year ended December 31, 2020, we also recorded a tax benefit on compensation related deductions determined to be allowable.