# UNITED STATES
# SECURITIES AND EXCHANGE COMMISSION
**Washington, D.C. 20549**

---

# FORM 8-K

---

**CURRENT REPORT**
**Pursuant to Section 13 or 15(d)**
**of the Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported): June 16, 2023**

---

# Nasdaq, Inc.
**(Exact name of registrant as specified in its charter)**

---

| **Delaware** | **001-38855** | **52-1165937** |
|---|---|---|
| **(State or other jurisdiction of incorporation)** | **(Commission File Number)** | **(I.R.S. Employer Identification No.)** |

| **151 W. 42nd Street, New York, New York** | **10036** |
|---|---|
| **(Address of principal executive offices)** | **(Zip code)** |

**Registrant's telephone number, including area code: +1 212 401 8700**

**No change since last report**
**(Former Name or Address, If Changed Since Last Report)**

---

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|---|---|---|
| Common Stock, $0.01 par value per share | NDAQ | The Nasdaq Stock Market |
| 0.900% Senior Notes due 2033 | NDAQ33 | The Nasdaq Stock Market |
| 0.875% Senior Notes due 2030 | NDAQ30 | The Nasdaq Stock Market |
| 1.75% Senior Notes due 2029 | NDAQ29 | The Nasdaq Stock Market |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging Growth Company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

**Item 1.01. Entry into a Material Definitive Agreement.**

As previously announced, on June 10, 2023, Nasdaq, Inc. (“Nasdaq”) entered into an Agreement and Plan of Merger (the “Merger Agreement”) by and among Nasdaq, Argus Merger Sub 1, Inc., a Delaware corporation and a direct wholly owned subsidiary of Nasdaq, Argus Merger Sub 2, LLC, a Delaware limited liability company and a direct wholly owned subsidiary of Nasdaq, Adenza Holdings, Inc., a Delaware corporation (“Adenza”), and Adenza Parent, LP, a Delaware limited partnership (“Seller”), pursuant to which Nasdaq will acquire 100% of the stock of Adenza from Seller (the “Acquisition”). The Acquisition has not yet been consummated and there can be no assurance that the Acquisition will be consummated as contemplated or at all. For further information relating to the Acquisition, please see Nasdaq’s Current Report on Form 8-K filed with the SEC on June 12, 2023.

On June 16, 2023, in connection with the Acquisition, Nasdaq, certain lenders party thereto and Bank of America, N.A., as administrative agent (the “Administrative Agent”) entered into Amendment No. 2 (the “Amendment”) to that certain Amended and Restated Credit Agreement, dated as of December 16, 2022 (as amended by Amendment No. 1, dated as of March 29, 2023, the “Existing Credit Agreement”), among Nasdaq, the lenders party thereto, the Administrative Agent and the other parties from time to time party thereto.

Pursuant to the Amendment, the financial covenant in the Existing Credit Agreement will be amended to increase the maximum leverage ratio permitted thereunder in connection with and following the consummation of the Acquisition, subject to certain step-downs set forth therein.

The foregoing description of the Amendment does not purport to be complete and is qualified in its entirety by the full text of the Amendment, a copy of which is filed as Exhibit 10.1 hereto and is incorporated by reference herein.

**Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.**

The description contained under Item 1.01 above is hereby incorporated by reference in its entirety into this Item 2.03.

**Item 8.01. Other Events.**

Nasdaq is filing: (i) as Exhibit 99.1 to this Current Report on Form 8-K, the audited consolidated financial statements of Adenza Group, Inc., a Delaware corporation and wholly owned subsidiary of Adenza (“Adenza Group”), as of December 31, 2022 and 2021 and for each of the fiscal years ended December 31, 2022 and 2021; (ii) as Exhibit 99.2, Adenza Group’s interim unaudited consolidated financial statements as of March 31, 2023 and for the three months ended March 31, 2023; (iii) as Exhibit 99.3, the unaudited pro forma condensed combined financial statements of Nasdaq, giving effect to the Acquisition and the related transactions described therein; and (iv) as Exhibit 23.1, the consent of BDO USA, LLP, independent registered public accounting firm of Adenza Group.

This Current Report on Form 8-K does not modify or update the consolidated financial statements of Nasdaq included in its Annual Report on Form 10-K for the year ended December 31, 2022 or in its Quarterly Report on Form 10-Q for the quarter ended March 31, 2023, nor does it reflect any subsequent information or events.

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits.

The following exhibits are filed as part of this Current Report on Form 8-K:

| Exhibit No. | Exhibit Description |
|---|---|
| 10.1 | Amendment No. 2, dated as of June 16, 2023, among Nasdaq, Inc., a Delaware corporation, the lenders party thereto and Bank of America, N.A., as administrative agent. |
| 23.1 | Consent of BDO USA, LLP, independent auditor (with respect to Adenza Group, Inc.). |
| 99.1 | Audited consolidated financial statements of Adenza Group, Inc. as of December 31, 2022 and 2021, and for each of the fiscal years ended December 31, 2022 and 2021. |
| 99.2 | Interim unaudited consolidated financial statements of Adenza Group, Inc. as of March 31, 2023 and for the three months ended March 31, 2023. |
| 99.3 | Unaudited pro forma condensed combined financial statements of Nasdaq, Inc. as of March 31, 2023 and for the year ended December 31, 2022 and three months ended March 31, 2023. |
| 104 | Cover Page Interactive Data File - the cover page XBRL tags are embedded within the Inline XBRL document. |

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

| | | |
|---|---|---|
| Dated: June 20, 2023 | NASDAQ, INC. | |
| | By: | /s/ John A. Zecca |
| | Name: | John A. Zecca |
| | Title: | Executive Vice President and Chief Legal Officer |

**Exhibit 10.1**

***Execution Version***

**AMENDMENT NO. 2 TO AMENDED AND RESTATED CREDIT AGREEMENT**

This AMENDMENT NO. 2, dated as of June 16, 2023 (this "Amendment Agreement"), among Nasdaq, Inc., a Delaware corporation (the "Borrower"), the Lenders (as defined below) party hereto, Bank of America, N.A., as administrative agent (in such capacity, the "Administrative Agent").

WHEREAS, reference is made to that certain Amended and Restated Credit Agreement, dated as of December 16, 2022 (as amended by Amendment No. 1, dated as of March 29, 2023, the "Existing Credit Agreement" and as amended by this Amendment Agreement, the "Amended Credit Agreement"), among the Borrower, the lenders party thereto (collectively, the "Lenders"), the Administrative Agent and the other parties from time to time party thereto. Unless otherwise defined herein, terms defined in the Amended Credit Agreement and used herein shall have the meanings given to them in the Amended Credit Agreement;

WHEREAS, the Borrower intends to consummate the acquisition, directly or through one or more of its Subsidiaries, of Adenza Holdings, Inc. (the "Specified Acquisition") pursuant to an Agreement and Plan of Merger, dated as of June 10, 2023 (as may be amended, modified or supplemented from time to time, the "Acquisition Agreement"), by and among the Borrower, Argus Merger Sub 1, Inc., Argus Merger Sub 2, LLC, Adenza Holdings, Inc. and Adenza Parent, LP; and

WHEREAS, the Borrower desires to amend certain provisions of the Existing Credit Agreement, on the terms set forth herein; and

WHEREAS, Section 9.02(b) of the Credit Agreement provides that the Borrower, the Administrative Agent and the Required Lenders may amend the Credit Agreement and the other Loan Documents for certain purposes (including those set forth herein).

NOW, THEREFORE, in consideration of the premises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound hereby, agree as follows:

***Section 1***. *Amendment of the Existing Credit Agreement.* As of the Amendment No. 2 Effective Date (as defined below), the Existing Credit Agreement is hereby amended by:

(a) inserting the following definitions into Section 1.01 of the Credit Agreement (in applicable alphabetical order):

"Amendment No. 2" means that certain Amendment No. 2, dated as of the Amendment No. 2 Effective Date, by and among the Borrower, the Administrative Agent and the Lenders party thereto.

"Amendment No. 2 Effective Date" means June 16, 2023.

"Specified Acquisition" means the acquisition by the Borrower, directly or indirectly through one or more of its Subsidiaries, of Adenza Holdings, Inc.

"Specified Acquisition Closing" shall mean the time of the consummation of the Specified Acquisition.

"Subsequent Acquisition Holiday" shall have the meaning specified in the second paragraph of Section 6.06.

(b) replacing the words "The Borrower will not" in the first line of Section 6.06 of the Existing Credit Agreement with the words "Prior to the Specified Acquisition Closing, the Borrower will not".

(c) inserting the following language as a new second paragraph of Section 6.06 of the Existing Credit Agreement as follows:

From and after the Specified Acquisition Closing, the Borrower will not permit the Leverage Ratio as of the last day of any period of four consecutive fiscal quarters of the Borrower (a) ending on or prior to last day of the fourth full fiscal quarter following the Specified Acquisition Closing, to be greater than 4.75 to 1.00, (b) ending on or after the first day of the fifth full fiscal quarter following the Specified Acquisition Closing and on or prior to the last day of the sixth full fiscal quarter following the Specified Acquisition Closing, to be greater than 4.25 to 1.00, (c) ending on or after the first day of the seventh full fiscal quarter following the Specified Acquisition Closing and on or prior to the last day of the eighth full fiscal quarter following the Specified Acquisition Closing, to be greater than 4.00 to 1.00, (d) ending on or after the first day of the ninth full fiscal quarter following the Specified Acquisition Closing and on or prior to the last day of the tenth full fiscal quarter following the Specified Acquisition Closing, to be greater than 3.75 to 1.00 and (e) thereafter, to be greater than 3.50 to 1.00; provided that the Borrower shall be permitted on one occasion following the consummation of the Specified Acquisition and during the term of this Agreement, to allow the Leverage Ratio required under this second paragraph of Section 6.06 to be increased to (w) 4.50 to 1.00 in connection with an Acquisition for the period beginning on the closing date of such Acquisition until (and including) the last day of the second full fiscal quarter of the Borrower following the closing date of such Acquisition, (x) 4.25 to 1.00 for the period beginning on the first day of the third full fiscal quarter following the closing date of such Acquisition until (and including) the last day of the fourth full fiscal quarter of the Borrower following the closing date of such Acquisition, (y) 4.00 to 1.00 for the period beginning on the first day of the fifth full fiscal quarter following the closing date of such Acquisition until (and including) the last day of the sixth full fiscal quarter of the Borrower following the closing date of such Acquisition and (z) 3.75 to 1.00 for the period beginning on the first day of the seventh full fiscal quarter following the closing date of such Acquisition until (and including) the last day of the eighth full fiscal quarter of the Borrower following the closing date of such Acquisition (such increase, a "Subsequent Acquisition Holiday"), so long as (A) on the last day of the fiscal quarter immediately preceding the consummation of (or, at the Borrower's option, signing of the definitive agreement relating to) such Acquisition, the Leverage Ratio did not exceed 3.50 to 1.00 and (B) the Borrower is in compliance on a Pro Forma Basis with a maximum Leverage Ratio of 4.50 to 1.00 on the closing date of such Acquisition immediately after giving effect to such Acquisition; provided, further, that (i) the Borrower shall provide notice in writing to the Administrative Agent of such Subsequent Acquisition Holiday and a transaction description of such Acquisition (regarding the name of the Person or assets being acquired, the purchase price, the Leverage Ratio on a Pro Forma Basis and the acquired revenue (for the trailing four quarter period) and Consolidated EBITDA of such acquired Person or assets) and (ii) at the end of any Subsequent Acquisition Holiday, the maximum Leverage Ratio permitted under this second paragraph of Section 6.06 (if then applicable) shall revert to 3.50 to 1.00. For the avoidance of doubt, following consummation of the Specified Acquisition, this paragraph shall supersede the immediately preceding paragraph in this Section 6.06.

***Section 2***. *Effectiveness*. This Amendment Agreement shall become effective on the date (such date and time of effectiveness, the "Amendment No. 2 Effective Date") that each of the conditions set forth below shall have been satisfied:

(a) the Administrative Agent shall have received executed counterparts hereof from the Borrower, the Administrative Agent and the Lenders constituting the Required Lenders; and

(b) the Borrower shall have paid, or concurrently herewith shall pay, to the Administrative Agent, to the extent invoiced at least two (2) Business Days prior to the date hereof, its reasonable and documented out-of-pocket expenses incurred in connection with this Amendment Agreement, in each case, in accordance with, and subject to the limitations of, Section 9.03(a) of the Existing Credit Agreement.

***Section 3***. *Representations and Warranties.* In order to induce the Lenders party hereto and the Administrative Agent to enter into this Amendment Agreement, the Borrower hereby represents and warrants to each of the Lenders and the Administrative Agent that, as of the Amendment No. 2 Effective Date, both immediately before and immediately after giving effect to this Amendment Agreement:

(a) no Default (as defined in the Existing Credit Agreement) shall have occurred or be continuing; and

(b) the representations and warranties of the Borrower set forth in the Loan Documents shall be true and correct in all material respects on and as of the Amendment No. 2 Effective Date, except to the extent that any representation and warranty expressly relates to an earlier date, in which case such representation and warranty shall have been true and correct in all material respects as of such earlier date.

***Section 4***. *Effect of Amendment.*

(a) Except as expressly set forth herein, this Amendment Agreement shall not by implication or otherwise limit, impair, constitute a waiver of or otherwise affect the rights and remedies of the Lenders or the Administrative Agent under the Existing Credit Agreement or any other Loan Document and shall not alter, modify, amend or in any way affect any of the terms, conditions, obligations, covenants or agreements contained in the Existing Credit Agreement or any other provision of the Existing Credit Agreement or of any other Loan Document, all of which, subject to the terms of this Amendment Agreement, are ratified and affirmed in all respects and shall continue in full force and effect. Nothing herein shall be deemed to entitle the Borrower to a consent to, or a waiver, amendment, modification or other change of, any of the terms, conditions, obligations, covenants or agreements contained in the Existing Credit Agreement, Amended Credit Agreement or any other Loan Document in similar or different circumstances.

(b) On and after the Amendment No. 2 Effective Date, each reference in the Existing Credit Agreement to "this Agreement", "hereunder", "hereof", "herein", or words of like import, and each reference to the "Credit Agreement" in any other Loan Document, shall be deemed a reference to the Amended Credit Agreement. This Amendment Agreement shall constitute a "Loan Document" for all purposes of the Amended Credit Agreement and the other Loan Documents.

***Section 5***. *Governing Law; **WAIVER OF JURY TRIAL**.* This Amendment Agreement shall be governed by, and construed in accordance with, the laws of the State of New York. **SECTIONS 9.09(B), (C) AND (D) AND SECTION 9.10 OF THE AMENDED CREDIT AGREEMENT ARE HEREBY INCORPORATED BY REFERENCE HEREIN, *MUTATIS MUTANDIS*.**

***Section 6*.** *Counterparts.* This Amendment Agreement may be executed in any number of counterparts (and by different parties hereto in separate counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page of this Amendment Agreement by facsimile or other electronic transmission will be as effective as delivery of a manually executed counterpart hereof and shall have the same legal effect, validity and enforceability as a paper record. For the avoidance of doubt, the authorization under this paragraph may include, without limitation, use or acceptance by the parties hereto of a manually signed paper communication which has been converted into electronic form (such as scanned into .pdf format), or an electronically signed communication converted into another format, for transmission, delivery and/or retention and, for the further avoidance of doubt, the words "execution," "signed," "signature," "delivery," and words of like import in or relating to this Amendment Agreement shall be deemed to include electronic signatures, deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity and enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other state laws based on the Uniform Electronic Transactions Act, and the parties hereto consent to conduct the transactions contemplated hereunder by electronic means.

***Section 7***. *Headings*. Section headings in this Amendment Agreement are for convenience of reference only, and shall not govern the interpretation of any of the provisions of this Amendment Agreement.

***Section 8***. *Severability*. Any provision of this Amendment Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

*[Remainder of page intentionally blank; signature pages follow]*

IN WITNESS WHEREOF, the parties hereto have executed this Amendment Agreement as of the date first written above.

NASDAQ, INC.,
as Borrower

By: /s/ Ann Dennison
Name: Ann Dennison
Title: Executive Vice President and Chief Financial Officer

[Signature Page to Amendment No. 2 to Nasdaq, Inc. A&R Credit Agreement]

BANK OF AMERICA, N.A.,
as Administrative Agent and individually as a Lender

By: /s/ Sherman Wong
Name: Sherman Wong
Title: Director

[Signature Page to Amendment No. 2 to Nasdaq, Inc. A&R Credit Agreement]

GOLDMAN SACHS BANK USA,
as a Lender

By: /s/ Robert Ehudin
Name: Robert Ehudin
Title: Authorized Signatory

[Signature Page to Amendment No. 2 to Nasdaq, Inc. A&R Credit Agreement]

CITIBANK, N.A.,
as a Lender

By: /s/ Maureen Maroney

Name: Maureen Maroney
Title: Vice President

[Signature Page to Amendment No. 2 to Nasdaq, Inc. A&R Credit Agreement]

HSBS Bank USA National Association
as a Lender

By: /s/ James Stovell

Name: James Stovell
Title: Director

[Signature Page to Amendment No. 2 to Nasdaq, Inc. A&R Credit Agreement]

INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED, NEW YORK BRANCH,
as a Lender

By: /s/ Christopher Samms
Name: Christopher Samms
Title: Director

By: /s/ Pinyen Shih
Name: Pinyen Shih
Title: Executive Director

[Signature Page to Amendment No. 2 to Nasdaq, Inc. A&R Credit Agreement]

JPMORGAN CHASE BANK, N.A,
as a Lender

By: /s/ Jennifer M. Dunneback
Name: Jennifer M. Dunneback
Title: Executive Director

[Signature Page to Amendment No. 2 to Nasdaq, Inc. A&R Credit Agreement]

MIZUHO BANK, LTD.,
as a Lender

By: /s/ Donna DeMagistris
Name: Donna DeMagistris
Title: Executive Director

[Signature Page to Amendment No. 2 to Nasdaq, Inc. A&R Credit Agreement]

MORGAN STANLEY BANK, N.A.,
as a Lender

By: /s/ Michael King
Name: Michael King
Title: Authorized Signatory

[Signature Page to Amendment No. 2 to Nasdaq, Inc. A&R Credit Agreement]

NORDEA BANK ABP, NEW YORK BRANCH,
as a Lender

By: /s/ Rikard Gruvberg
Name: Rikard Gruvberg
Title: Head of FIG Americas

By: /s/ Henrik M. Steffensen
Name: Henrik M. Steffensen
Title: Executive Vice President

[Signature Page to Amendment No. 2 to Nasdaq, Inc. A&R Credit Agreement]

NORDEA BANK ABP, NEW YORK BRANCH,
as a Lender

By: /s/ Penny Neville-Park
Name: Penny Neville-Park
Title: Authorised Signatory

By: /s/ Alison Butt
Name: Alison Butt
Title: Authorised Signatory

TD Bank, N.A.,
as a Lender

By: /s/ Steve Levi
Name: Steve Levi
Title: Senior Vice President

[Signature Page to Amendment No. 2 to Nasdaq, Inc. A&R Credit Agreement]

WELLS FARGO BANK, NATIONAL ASSOCIATION
as a Lender

By: /s/ Megan Griffin
Name: Megan Griffin
Title: Managing Director

[Signature Page to Amendment No. 2 to Nasdaq, Inc. A&R Credit Agreement]

**Exhibit 23.1**

Consent of Independent Auditor

Adenza Group, Inc.
New York, New York

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (No. 333-255666) and Form S-8 (No. 333-239891, No. 333-225218, No. 333-196838, No. 333-167724, No. 333-167723, No. 333-110602, No. 333-106945, Nos. 333-76064, No. 333-72852, No. 333-70992 and Nos. 333-265824) of Nasdaq, Inc. of our report dated April 28, 2023, relating to the consolidated financial statements of Adenza Group, Inc. which appears in this Form 8-K of Nasdaq, Inc.

/s/ BDO USA, LLP

New York, NY

June 19, 2023

Exhibit 99.1

**Adenza Group, Inc. and Subsidiaries**

Consolidated Financial Statements
Year Ended December 31, 2022 and 2021

The report accompanying these financial statements was issued by
BDO USA, LLP, a Delaware limited liability partnership and the U.S. member of
BDO International Limited, a UK company Limited by guarantee.

**Adenza Group, Inc. and Subsidiaries**

Consolidated Financial Statements
Year Ended December 31, 2022 and 2021

## Contents

Tel: 212-371-4446
Fax: 212-371-9374
www.bdo.com

622 Third Ave, Suite 3100
New York, NY 10017

**Independent Auditor's Report**

Board of Directors
Adenza Group, Inc.
New York, New York

Opinion

We have audited the consolidated financial statements of Adenza Group, Inc. and its subsidiaries (the Company), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, and the related consolidated statements of operations and comprehensive loss, changes in stockholders' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Basis for Opinion*

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the consolidated financial statements are issued or available to be issued.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

BDO USA, LLP

New York, New York
April 28, 2023

**Adenza Group, Inc. and Subsidiaries**

**Consolidated Balance Sheet**

| (USD 000) | *December 31, 2022* | *December 31, 2021* |
|---|---|---|
| **Assets** | | |
| **Current Assets** | | |
| Cash and cash equivalents | 185,469 | 190,657 |
| Restricted cash | 916 | 517 |
| Accounts receivable, net | 125,991 | 101,061 |
| Unbilled receivables | 126,273 | 103,129 |
| Prepaid expenses and other current assets | 10,469 | 8,330 |
| Deferred contract costs | 3,618 | 1,778 |
| Prepaid income taxes | 5,724 | 5,707 |
| **Total Current Assets** | 458,460 | 411,179 |
| Unbilled receivables, noncurrent | 32,155 | 44,832 |
| Goodwill | 3,679,682 | 3,679,682 |
| Intangible assets, net | 1,943,620 | 2,094,412 |
| Property and equipment, net | 8,745 | 8,494 |
| Due from related parties | 6,475 | 2,188 |
| Right-of-use assets | 17,037 | 29,967 |
| Deferred contract costs, noncurrent | 11,194 | 6,496 |
| Deferred tax assets | 2,865 | 2,793 |
| Restricted Cash | 986 | 674 |
| Prepaid expenses | 327 | 418 |
| Equity Investment | 2,498 | 2,389 |
| Other long-term assets | 2,220 | 3,016 |
| **Total Assets** | 6,166,264 | 6,286,540 |

*The remainder of this page intentionally left blank.*

**Adenza Group, Inc. and Subsidiaries**

**Consolidated Balance Sheet**

| (USD 000) | *December 31, 2022* | *December 31, 2021* |
|---|---|---|
| **Liabilities and Stockholders' Equity** | | |
| **Current Liabilities** | | |
| Current maturities of long-term debt | 21,027 | 20,475 |
| Accounts payable | 6,363 | 2,481 |
| Income taxes payable | 9,540 | 3,974 |
| Accrued expenses | 54,735 | 60,234 |
| Deferred revenue | 176,949 | 161,124 |
| Lease liabilities | 4,954 | 5,390 |
| **Total Current Liabilities** | 273,568 | 253,678 |
| Long-term debt, less current maturities | 1,958,471 | 1,971,048 |
| Lease liabilities | 17,877 | 24,526 |
| Other long-term liabilities | 2,596 | 2,257 |
| Deferred revenue, net of current portion | 12,272 | 2,554 |
| Deferred tax liabilities | 358,707 | 427,174 |
| **Total Liabilities** | 2,623,491 | 2,681,237 |
| **Contingencies (Note 11)** | | |
| **Stockholders' Equity** | | |
| Common stock | — * | — * |
| Additional paid-in capital | 3,711,428 | 3,711,428 |
| Accumulated deficit | (134,186) | (89,876) |
| Accumulated other comprehensive income | (34,469) | (16,249) |
| **Total Stockholders' Equity** | 3,542,773 | 3,605,303 |
| **Total Liabilities and Stockholders' Equity** | 6,166,264 | 6,286,540 |

* *Represents value less than $1,000*

*The accompanying notes are an integral part of these consolidated financial statements.*

*The remainder of this page intentionally left blank.*

**Adenza Group, Inc. and Subsidiaries**

**Consolidated Statements of Operations**

| (USD 000) | Year ended December 31, 2022 | Year ended December 31, 2021 |
|---|---|---|
| **Net Sales** | 513,725 | 293,609 |
| Cost of sales | 96,707 | 58,059 |
| Cost of sales – Stock Appreciation Rights (SARs) and stock- based compensation | — | 4,897 |
| Amortization of Developed Technology | 61,068 | 34,516 |
| **Gross Profit** | 355,950 | 196,137 |
| Research and development | 56,856 | 45,412 |
| Selling, general, and administrative | 75,866 | 57,024 |
| Depreciation and amortization | 101,709 | 62,700 |
| SARs and stock-based compensation | — | 13,575 |
| Re-organization costs (Note 12) | 18,083 | 9,457 |
| Transaction Costs | 1,097 | 6,629 |
| **Income from Operations** | 102,339 | 1,340 |
| **Other (Expense)/ Income** | | |
| Interest expense | (172,980) | (91,223) |
| Interest income | 711 | 143 |
| Loss on foreign currency transactions | (701) | (14,947) |
| Other Income / (Expense) | 1,210 | (53) |
| **Loss Before Provision for Income Taxes** | (69,421) | (104,740) |
| Benefit for Income Taxes (Note 13) | 25,111 | 32,204 |
| **Net Loss** | (44,310) | (72,536) |

*The accompanying notes are an integral part of these consolidated financial statements.*

*The remainder of this page intentionally left blank.*

**Adenza Group, Inc. and Subsidiaries**

**Consolidated Statements of Comprehensive Loss**

| (USD 000) | Year ended December 31, 2022 | Year ended December 31, 2021 |
|---|---|---|
| **Net Loss** | (44,310) | (72,536) |
| **Other Comprehensive Expense** | | |
| Unrealized loss on foreign currency translation | (18,220) | (23,360) |
| **Comprehensive Loss** | (62,530) | (95,896) |

*The accompanying notes are an integral part of these consolidated financial statements.*

*The remainder of this page intentionally left blank.*

**Adenza Group, Inc. and Subsidiaries**

**Consolidated Statements of Changes in Stockholders' Equity**

| (USD 000) | Common Stock | Additional Paid-In Capital | Accumulated Deficit | Accumulated Other Comprehensive (Loss) Income | Total |
|---|---|---|---|---|---|
| **Opening Balance,** December 31, 2020 | — * | 1,271,421 | (17,340) | 7,111 | 1,261,192 |
| Shares issued | — * | 2,440,007 | — | — | 2,440,007 |
| Net loss | — | — | (72,536) | — | (72,536) |
| Unrealized loss on currency translation | — | — | — | (23,360) | (23,360) |
| **Balance,** December 31, 2021 | — * | 3,711,428 | (89,876) | (16,249) | 3,605,303 |
| Net loss | — | — | (44,310) | — | (44,310) |
| Unrealized loss on currency translation | — | — | — | (18,220) | (18,220) |
| Balance, December 31, 2022 | — * | 3,711,428 | (134,186) | (34,469) | 3,542,773 |

* *Represents value less than $1000*

*The accompanying notes are an integral part of these consolidated financial statements.*

*The remainder of this page intentionally left blank.*

**Adenza Group, Inc. and Subsidiaries**

**Consolidated Statements of Cash Flows**

| (USD 000) | Year ended December 31, 2022 | Year ended December 31, 2021 |
|---|---|---|
| **Cash Flows from Operating Activities** | | |
| Net loss | (44,310) | (72,536) |
| Adjustments to reconcile net loss to net cash provided by operating activities: | | |
| Depreciation and amortization of property and equipment | 3,183 | 2,014 |
| Amortization of debt issuance costs | 7,898 | 4,490 |
| Amortization of deferred contract costs | 2,625 | 675 |
| Amortization of intangible assets | 159,594 | 95,202 |
| Impairment of leasehold improvement | 1,201 | — |
| Impairment of right-of-use assets | 5,735 | — |
| Deferred income tax | (67,628) | (49,836) |
| Changes in assets decrease / (increase): | | |
| Accounts receivable | (25,025) | (51,538) |
| Unbilled receivables | (11,788) | 456 |
| Prepaid expenses and other current assets | (1,960) | (36) |
| Deferred contract costs | (9,178) | (7,919) |
| Prepaid income taxes | (17) | 2,047 |
| Other assets | 515 | (647) |
| Changes in liabilities increase / (decrease): | | |
| Accounts payable | 3,910 | (1,705) |
| Income taxes payable | 6,087 | 3,477 |
| Accrued expenses | (4,536) | (3,745) |
| Other current liabilities | — | (3,029) |
| Other long-term liabilities | 662 | 497 |
| Deferred revenue | 26,398 | 92,994 |
| **Net Cash Provided by Operating Activities** | 53,366 | 10,861 |
| **Cash Flows from Investing Activities** | | |
| Capitalized software development costs | (20,377) | (9,625) |
| Capitalized software implementation costs and other intangibles | (2,580) | (2) |
| Purchase of property and equipment | (5,017) | (1,851) |
| Disposal of property and equipment | 2 | — |
| Payment to previous owners on the Merger | — | (438) |
| Business acquisition, net of cash acquired | — | (3,815,349) |
| **Net Cash Used in Investing Activities** | (27,972) | (3,827,265) |
| **Cash Flows from Financing Activities** | | |
| Issuance of long-term debt | — | 1,550,000 |
| Issuance of common stock | — | 2,422,191 |
| Due from/to related parties | (4,286) | (2,188) |
| Payments made for debt issuance costs | — | (36,053) |
| Payments of debt | (20,475) | (12,738) |
| **Net Cash (Used in) / Provided by Financing Activities** | (24,761) | 3,921,212 |
| **Effect of Exchange Rate Changes on Cash and Cash Equivalents and Restricted Cash** | (5,110) | (2,992) |
| **Net (Decrease) / Increase in Cash and Cash Equivalents and Restricted Cash** | (4,477) | 101,816 |
| **Cash and Cash Equivalents and Restricted Cash,** beginning of period | 191,848 | 90,032 |
| **Cash and Cash Equivalents and Restricted Cash,** end of period | 187,371 | 191,848 |

**Adenza Group, Inc. and Subsidiaries**

**Consolidated Statements of Cash Flows**

| (USD 000) | | |
|---|---|---|
| **Supplemental Disclosure of Cash Flow Information** | | |
| Contribution of rollover equity in exchange for common stock | — | 17,816 |
| Increase in lease liabilities from obtaining right-of-use assets – ASC 842 adoption | — | 9,097 |
| Increase in lease liabilities from obtaining right-of-use assets | 2,907 | 23,914 |
| Reduction in lease liabilities due to remeasurement and termination | (4,652) | — |
| Cash paid during the period for income taxes | 36,245 | 10,952 |
| Cash paid during the period for interest | 164,502 | 89,810 |

**Reconciliation of Cash and Cash Equivalents and Restricted Cash**

| **(USD 000)** | ***December 31, 2022*** | ***December 31, 2021*** |
|---|---|---|
| Cash and cash equivalents | 185,469 | 190,657 |
| Current, Restricted cash | 916 | 517 |
| Non-current, Restricted cash | 986 | 674 |
| **Total Cash and Cash Equivalents and Restricted Cash** | **187,371** | **191,848** |

*The accompanying notes are an integral part of these consolidated financial statements.*

*The remainder of this page intentionally left blank.*

## 1. Nature of Operations and Principles of Consolidation

### *Business Activity*

Adenza Group, Inc. and Subsidiaries (collectively, the Company) provide software solutions for enterprise risk management, data management, regulatory reporting, and compliance requirements of financial institutions. The Company's software provides a comprehensive solution for all levels of regulatory and management financial reporting, and complete integration, and provides a data-warehousing platform for risk data, market data, front/middle/back-office data, reference data, and operational loss data. It enables clients to automate and streamline business operations while optimizing processes, systems, data enrichment, and transparency to enhance decision-making and reduce operational costs. This is offered on-premises or in a software-as-a-service model.

Consulting services of the Company include systems specification, design, resource scheduling, project management, and regulatory reporting and integration.

On October 17, 2020, the Company entered into an Agreement and Plan of Merger (as amended and restated on November 4, 2020, the Agreement), whereby Project Agile Parent, LLC (Adenza Parent) agreed to acquire the Company, pursuant to the terms and conditions of the Agreement through a merger of Project Agile Merger Sub, Inc. with and into the Company (the Merger). The Merger closed on December 3, 2020, pursuant to the filing of a Certificate of Merger with the Secretary of State of the State of Delaware.

On March 19, 2021, the Company entered into an Agreement with shareholders of Calypso Group Lux S.C.A. to acquire Calypso Group Lux S.C.A. and its subsidiaries (collectively, the Calypso Group) through its subsidiary Capri Bidco Limited (as amended and restated on July 22, 2021, the Agreement), pursuant to the terms and conditions of the Agreement (the Acquisition). Stock transfer forms for the change of ownership were executed on July 22, 2021, the date of acquisition.

### *Impact of war between Russia and Ukraine*

Following the invasion of Ukraine by Russia, Adenza concluded that its ongoing presence in Russia was inconsistent with its values as an organization and discontinued all operations in Russia by the end of 2022. All employment contracts and contracts with Russian customers have been terminated. The Company recorded a $6.4 million loss in revenue in 2022 due to the contract terminations.

Adenza has two Russian subsidiaries, one has been placed into liquidation in February 2023 and the other is dormant pending liquidation.

### *Principles of Consolidation*

The accompanying consolidated financial statements include the accounts of the Company and its subsidiaries. All intercompany accounts and transactions have been eliminated in the consolidated financial statements.

## 2. Summary of Significant Accounting Policies

### *Basis of Presentation*

The accompanying consolidated financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

The consolidated financial statements are presented in US dollars and all values are rounded to the nearest thousand (USD 000), except when otherwise indicated. The consolidated financial statements provide comparative information for the previous period. The current year results are not comparable with the previous period since current year results include the operations of the Calypso Group for the entirety of the year ended December 31, 2022 while the prior year results include the operations of Calypso Group subsequent to the acquisition date.

Certain amounts in prior year's financial statements have been reclassified to conform to current year's financial presentation.

***Use of Estimates***

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Significant estimates, judgments, and assumptions in these consolidated financial statements include those related to the valuation of goodwill and intangible assets, useful lives of assets for calculating depreciation and amortization, valuation of long-lived assets, allowances for doubtful accounts, valuation of deferred tax assets, provisions for uncertain tax positions, assumptions used for the valuation of stock-based compensation, and in the allocation of a transaction price to distinct performance obligations in connection with revenue recognition.

***Fair Value of Financial Instruments***

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. To increase the comparability of fair value measurements, a three-tier fair value hierarchy, which prioritizes the inputs used in the valuation methodologies, is as follows:

*Level 1* - Valuations are based on quoted prices for identical assets and liabilities in active markets.

*Level 2* - Valuations are based on observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data.

*Level 3* - Valuations are based on unobservable inputs reflecting the Company's own assumptions, consistent with reasonably available assumptions made by other market participants. These valuations require significant judgment.

At December 31, 2022 and 2021, the fair value of the Company's financial instruments, including cash and cash equivalents, accounts receivable, unbilled receivable, accounts payable, and accrued expenses, approximated book value due to the short maturity of these instruments. The carrying amount of restricted cash approximates fair value because, as the restrictions expire, the carrying value represents the amount that the Company will receive. Liabilities are shown net of any discounts.

At December 31, 2022 and 2021, the Company does not have assets or liabilities required to be measured at fair value in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 820, *Fair Value Measurements*.

***Cash and Cash Equivalents***

The Company considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents. Cash equivalents are related to funds deposited into money market funds and other short-term certificates of deposit.

***Restricted Cash***

Amounts included in restricted cash as of December 31, 2022 and 2021 pertain to certain customer and lease deposits.

***Accounts Receivable***

Accounts receivable consists of trade receivables recorded at the original invoice amount less an estimate made for uncollectible accounts. The Company analyzes the collectability of trade accounts receivable by considering historical bad debts, client creditworthiness, current economic trends, changes in client payment terms, and collection trends when evaluating the adequacy of the allowance for doubtful accounts. Any change in the assumptions used in analyzing a specific account receivable may result in an allowance for doubtful accounts being recognized in the period in which the change occurs. Trade receivables are net of allowances for doubtful accounts of $1.1 million and $1.6 million as of December 31, 2022 and 2021, respectively. In certain instances, in accordance with ASC 606, the Company will not recognize revenue when there is uncertainty as to the collectability of amounts due under the contract. Such occurrences have been infrequent and immaterial to the consolidated financial statements.

***Property and Equipment***

Property and equipment are stated at cost. The costs of additions and betterments are capitalized and expenditures for repairs and maintenance are expensed in the period incurred. When items of property and equipment are sold or retired, the related costs and accumulated depreciation are removed from the accounts and any gain or loss is included in income.

Depreciation of property and equipment is provided utilizing the straight-line method over the estimated useful lives of the respective assets. Furniture and fixtures, computer equipment, and leasehold improvements are depreciated over the shorter of the remaining term of the related lease or the estimated economic useful life of the improvement.

***Foreign Currency Translation***

For all foreign operations, the functional currency is their respective local currency. Transactions in foreign currencies are translated into the respective functional currencies using the exchange rates prevailing at the dates of the transactions. Foreign exchange differences arising from the settlement of such transactions and from the translation at the reporting date of monetary assets and liabilities denominated in foreign currencies are recognized in Consolidated statements of operations.

At the time of the Acquisition, the Company entered a forward cover to purchase EUR 270 million to pay off the EUR debt of the Calypso Group. This resulted in a loss of $11.8 million shown as part of “Loss on foreign currency transactions” in the Consolidated Statements of Operations for the year ended December 31, 2021.

Assets and liabilities of these operations are translated into U.S. dollars using the exchange rates in effect at the consolidated balance sheet date. Consolidated statements of operations accounts are translated at the average rate of exchange prevailing during the year ended December 31, 2022 and 2021. Translation adjustments arising from the use of differing exchange rates from period to period are included in accumulated other comprehensive loss.

***Impairment of Long-Lived Assets***

Long-lived assets consist primarily of Intangibles, property and equipment. The Company evaluates these long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. If the estimated future cash flows (undiscounted and without interest charges) from the use of an asset are less than the carrying value, a write-down would be recorded to reduce the related asset to its estimated fair value.

When the Company determines that the carrying value of long-lived assets may not be recoverable based upon the existence of the above indicators of impairment and the carrying value of the asset cannot be recovered from projected undiscounted cash flows, the Company records an impairment charge. Significant management judgment is required in determining whether an indicator of impairment exists and in projecting cash flows. No impairment loss was recorded for the year ended December 31, 2022 and 2021.

***Equity Investment***

Associates are those entities over which the Company has significant influence (defined as the ability to participate in the financial and operating decisions of the investee but not control over those policies) but are not subsidiaries. The results of associates are incorporated in these consolidated financial statements using the equity method of accounting, under which investments in associates are carried in the consolidated Balance sheet at cost as adjusted for post-acquisition changes in the Company’s share of net assets of the associate less any impairment in the value of individual investments.

As part of the Acquisition, the Company acquired an investment in Sernova Financials Limited (“Sernova”) at a value of $2.4 million in which the Calypso Group held 19.5% of outstanding share capital. For the years ended December 31, 2022 and 2021, the Company recorded its share of Sernova’s profit $0.1 million and $0.01 million respectively in Other (Expense)/ Income in the consolidated Statements of Operations.

There is also a Subscription agreement between Calypso Technology Inc and Sernova wherein Calypso provides cloud-hosted software to Sernova, which Sernova uses for the sole purpose of providing a fully managed service to its end clients. Sernova pays subscription fees to Calypso for using the cloud-hosted Calypso software and such subscription fees are a percentage of the fee charged by Sernova to its end clients.

The subscription fee percentage is 50% of Sernova’s revenue from its customer up to $6.0 million annually and then it reduces by 5% for each incremental million-dollar annual revenue up to 35% for revenue above $8.0 million. For the years ended December 31, 2022 and 2021, the Company recorded subscription revenue of $4.25 million and $1.1 million, respectively. The Company had receivables outstanding of $0.9 million and $0.8 million as of December 31, 2022 and 2021, respectively.

***Accumulated Other Comprehensive Income***

FASB ASC Topic 220, *Reporting Comprehensive Income*, establishes rules for the reporting of comprehensive income and its components. Comprehensive income is defined as all changes in equity from non-owner sources. For the Company, comprehensive loss consists of net loss and changes in the cumulative foreign currency translation adjustments.

***Stock-Based Compensation***

The Company accounts for stock-based compensation in accordance with FASB ASC Topic 718, *Stock-Compensation*. Under the fair value recognition provisions of this accounting guidance, stock-based compensation cost is measured at the grant date based on the fair value of the award and is recognized as expense over the requisite service period, which is the vesting period.

As stock-based compensation expense recognized in the Company's consolidated statements of operations is based on awards ultimately expected to vest, the amount of expense has been reduced for forfeitures as they occur, as permitted under FASB ASC Topic 718.

*Pre-Merger share appreciation rights*

Prior to the Merger, the Company had granted share appreciation rights (SARs) to employees in 2019 and 2018. The vesting for these SARs and corresponding expense recognition was dependent on a "Milestone Event", as well as time-based vesting conditions, which stipulate the on-going service of the recipient to the Company. Once both criteria were met, the Company would recognize an expense consistent with the fair value of the vested portion of the award, with a corresponding liability as awards are satisfied in cash. Further information regarding SARs can be found in Note 10.1.

*Post-Merger incentive plan*

Adenza Parent, L.P. ("Adenza Parent"), the ultimate holding company, implemented a management incentive plan in which it issues Class B Units of Adenza Parent ("Class B PIUs") or Class B equity appreciation rights (the "Class B EARs" and collectively with the Class B PIUs, the "Awards") to the Company's employees for the performance of services. In 2022 and 2021, Adenza Parent allocated the awards to certain employees ("the Participants").

Since the value of these awards were estimated to be insignificant at the time of the grant, there is no stock based compensation recognized within the Company's consolidated statements of operations. The fair value was arrived using a discounted cash flow analysis and the market implications of the Merger transaction.

***Developed Technology***

The Company's Developed technology includes the costs of internally developed software technology and software technology purchased through acquisition. In accordance with FASB ASC Topic 985, *Software*, the Company capitalizes costs incurred to develop software once technological feasibility has been reached which for the Company is defined as the earlier of when a detailed program plan is established, or a working model is created. Capitalized costs include costs to design the software configuration and interfaces, coding, installation, and testing, as well as development costs related to software enhancements that add functionality.

During the years ended December 31, 2022 and 2021, the Company capitalized such costs of $20.4 million and $9.6 million, respectively. These capitalized costs are amortized over the software's expected useful life, which is generally five years. Amortization expense related to the Developed technology for the years ended December 31, 2022 and 2021 amounted to $61.1 million and $34.5 million, respectively.

***Income Taxes***

Deferred tax assets and liabilities are recognized for the expected future tax consequences attributable to differences between financial statements carrying amounts of assets and liabilities and their respective tax basis. Deferred taxes are calculated using currently enacted income tax rates for the year in which they are recognized. The effect of a change in income tax rates on deferred tax asset and liability balances is recognized in income in the period that includes the enactment of such rate change. A valuation allowance, if necessary, is recorded against deferred tax assets if utilization is not likely.

Changes in tax laws and rates could also affect recorded deferred tax assets and liabilities in the future. Should tax laws change, the Company’s tax expense and cash flows could be materially impacted.

***401(k) Retirement Plan***

Two subsidiaries of the Company in the United States maintain a qualified 401(k) plan for its eligible employees, who may elect to contribute voluntarily through payroll deductions, subject to certain statutory limitations as mentioned in the table below. One of the subsidiaries has elected to provide for a matching contribution while the other subsidiary has elected to not provide for a matching contribution. The Company contributed $0.5 million and $0.1 million towards employer contributions for the year ended December 31, 2022 and 2021, respectively.

| | (USD 000) | |
|---|---|---|
| **Year** | **Basic Contribution Limit** | **Catch-Up Contribution (50 or older)** |
| 2022 | 20.5 | 6.5 |
| 2021 | 19.5 | 6.5 |

*The remainder of this page intentionally left blank.*

***Revenue Recognition***

The Company derives substantially all of its revenues from selling licenses and maintenance for a fixed fee, and from providing consulting services. The Company's agreements for licenses and maintenance generally have annual or multi-year terms. The Company typically invoices customers annually at the beginning of each annual contract period but may also invoice customers on a quarterly or monthly basis. Payments are generally due and payable upon receipt of invoice by the Company's customers or within 30 days of the stated billing date.

The Company applies the following five steps in order to determine the appropriate amount of revenue to be recognized as it fulfills its obligations under each of its arrangements:

- Identify the contract with a customer.
- Identify the performance obligations in the contract.
- Determine the transaction price.
- Allocate the transaction price to performance obligations in the contract.
- Recognize revenue as the performance obligation is satisfied.

The Company's contracts may include one or any combination of the following products and services.

*License and Solutions Reporting Templates*

Licenses for on-premise software provide the customer with a right to use the software as it exists when made available to the customer. Customers may purchase perpetual licenses or subscribe to time-based licenses, which provide customers with the same functionality and differ mainly in the duration over which the customer benefits from the software. Revenue from distinct on-premise or time-based licenses is recognized upfront at the point in time when the software is made available to the customer as this is the point the user of the software can direct the use of and obtain substantially all of the remaining benefits from the software license.

Solutions Reporting Templates provide customers with one or more "Software Components" of the Company's Regulatory Solutions software that are being licensed by a customer. Solutions Reporting Template contracts include two performance obligations: a term license to the on-premise software, and associated maintenance to provide technical support, bug fixes, and unspecified updates on a stand-ready basis.

When contracted with customers for on-premise use, license and solution revenue is recognized at a point in time when control is passed to the customer upon receipt of the license and solution. License maintenance and solution maintenance revenue is recognized over the contract term.

*Cloud Services*

The Company offers cloud services arrangements whereby the software is hosted and managed for certain customers. When contracted simultaneously with the Company's software, there is a single performance obligation of the Company to maintain the use of the software. Revenue is recognized for such arrangements ratably over the duration of the contact.

*Consulting Services*

Consulting is comprised of two types of services, implementation, and training. Implementation consists of services to implement the Company's software for the client, including software installation, environment set-up, configuration of data sources, and models for uploading into the software, systems testing, and user testing. The Company offers training sessions for client users. Consulting services are typically billed on a time and expense basis. These are provided based on hourly or daily rates and revenue is recognized based on actual hours incurred. The Company also offers fixed price contract agreements and revenue is recognized using the input method to measure progress towards complete satisfaction of the services, because the customer simultaneously receives and consumes the benefits provided by the Company. In contracts with multiple performance obligations, we account for individual performance obligations separately if they are distinct. The input method is based upon hours consumed relevant to the total project.

For certain Regulatory Solutions, the Company allocates the transaction price to each performance obligation based on our relative standalone selling price out of total consideration of the contract. Standalone selling price is determined utilizing observable prices to the extent available based on a grouping of recent contracts with similar performance obligations. If the standalone selling price for a performance obligation is not directly observable, we use an estimate based on observable inputs.

For certain Capital Market Solutions, the Company determines standalone selling prices for professional services and software maintenance services for perpetual licenses using observable pricing as these are sold separately to its customers. As pricing for perpetual and time-based licenses is highly variable, the Company applies the residual approach when determining the standalone selling price of the perpetual license and time-based license and maintenance services bundle and does so by deducting the sum of the observable standalone selling prices of the other performance obligations in the contract from the transaction price.

***Disaggregated Revenue Information***

The following table provides the timing of revenue recognition of disaggregated revenue:

| | (USD 000) | |
|---|---|---|
| *December 31,* | 2022 | 2021 |
| Over time | 393,615 | 206,591 |
| Point in time | 120,110 | 87,018 |
| | 513,725 | 293,609 |

***Deferred Contract Costs***

The Company capitalizes commission expenses paid to internal sales personnel that are incremental to obtaining customer contracts. Costs related to the initial signing of contracts are amortized over the average customer life, which has been estimated to be five years. The Company determined the period of benefit by taking into consideration the length of terms in its customer contracts, including renewals and extensions, the average customer life, and the expected useful life of the Company's technology. Amounts expected to be recognized within one year of the balance sheet date are recorded as deferred contract costs, and the remaining portion is recorded as deferred contract costs, non-current in the consolidated balance sheets.

Amortization expense is included in selling, general, and administrative expense in the consolidated statements of operations.

The following table represents a roll forward of the Company's deferred contract costs:

| | (USD 000) |
|---|---|
| **Balance,** December 31, 2020 | 1,079 |
| Additions to deferred contract costs | 7,870 |
| Amortization of deferred contract costs | (675) |
| **Balance,** December 31, 2021 | 8,274 |
| Additions to deferred contract costs | 9,163 |
| Amortization of deferred contract costs | (2,625) |
| **Balance,** December 31, 2022 | 14,812 |

***Contract Assets (Unbilled Receivables) and Contract Liabilities (Deferred Revenue)***

The Company records unbilled accounts receivable related to revenue recognized in excess of amounts invoiced as the Company has an unconditional right to invoice and receive payment in the future related to those fulfilled obligations. The Company records contract assets as amounts related to the contractual right to consideration for both completed and partially completed performance obligations that may not have been invoiced. The Contract asset balance was $158.4 million and $148.0 million as of December 31, 2022 and 2021, respectively, of which $126.3 million and $103.1 million are included in current assets as of December 31, 2022 and 2021, respectively. The remaining balance is presented within long term assets.

The Company records contract liabilities to deferred revenue when the Company receives customer payments in advance of the performance obligations being satisfied on the Company's contracts.

The following table represents a rollforward of the Company's contract liabilities (deferred revenue):

| | (USD 000) |
|---|---|
| **Balance,** December 31, 2020 | 5,304 |
| On acquisition of Calypso | 65,277 |
| Additions to deferred revenue | 307,887 |
| Reduction of deferred revenue | (214,790) |
| **Balance,** December 31, 2021 | 163,678 |
| Additions to deferred revenue | 436,950 |
| Reduction of deferred revenue | (411,407) |
| **Balance,** December 31, 2022 | 189,221 |

Deferred revenue that will be recognized during the succeeding 12-month period is recorded as current deferred revenue and the remaining portion is recorded as deferred revenue, net of current portion on the accompanying balance sheets.

***Leases***

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company applies a single recognition and measurement approach for all leases, except for short-term and low-value leases. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

*Right-of-use assets*

The Company recognizes right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Amortization of the right-of-use asset is calculated as the difference between the predetermined straight-line rent expense and the imputed interest on the lease liability.

*Lease liabilities*

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognized as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

*Short-term leases and leases of low-value assets*

The Company applies the short-term lease recognition exemption to its short-term leases of Properties i.e., those leases that have a term of 12 months or less from the commencement date and do not contain a purchase option. The Company also applies the lease of low-value assets recognition exemption to leases that are low in value. Both of the above type of lease payments are recognized as expenses on a straight-line basis over the lease term.

***Goodwill***

Goodwill represents the excess of the purchase price over the estimated fair value of the net tangible and identifiable intangible assets acquired in business combinations. The Company’s annual impairment assessment is performed at the end of each fiscal year or performed at other times if an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying amount. ASC 350, Intangibles – Goodwill and Other state that if an indicator of impairment exists then an entity should perform its annual or interim goodwill impairment test by comparing the fair value of a reporting unit with its carrying amount and recognize an impairment charge for the amount by which the carrying amount exceeds the reporting unit’s fair value. ASC 350 also states that a reporting unit with a $0 or negative carrying amount is not required to perform a qualitative assessment. The Merger resulted in an acquisition of Goodwill of $1,125.0 million in 2020, which was increased by $0.4 million in 2021 due to the forfeiture of SARs. Further upon the Acquisition of Calypso, additional Goodwill of $2,554.3 million was recognized.

The Company analyzed its operational structure for the purpose of identifying reporting units in accordance with ASC 350 and determined that the Company’s operations comprise a single reporting unit. There were no indicators of impairment during the year and hence, the Company performed only the annual evaluation of the impairment. Such evaluation did not result in any impairment charge during the year ended December 31, 2022 and 2021.

***Intangible Assets***

Definite-lived intangible assets are amortized over their respective estimated useful lives to their estimated residual values, in a pattern that reflects when the economic benefits will be consumed and are reviewed for impairment under the provisions of ASC 360-10-35, *Property, Plant and Equipment/Overall/Subsequent Measurement*. The Company reviews intangible assets subject to amortization for impairment whenever events or circumstances indicate that the carrying amount of an asset may not be recoverable. If the sum of the expected cash flows, undiscounted and without interest, is less than the carrying amount of the asset, an impairment loss is recognized in an amount by which the carrying amount of the asset exceeds its fair value.

No impairment loss was recognized for intangible assets with definite lives during the year ended December 31, 2022 and 2021.

Intangible assets are amortized on a straight-line basis over their useful finite economic lives, as noted below, and are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The assessed useful life of customer relationships requires a high degree of management judgment and estimation. Such estimates are, in part, predicated upon assumed attrition and growth rates applicable to existing customers at the time of acquisition. If actual results deviate from these assumptions, it could result in an impairment or change in the estimated useful life that could have a material impact on future operating results.

| | | (USD 000) | |
|---|---|---|---|
| *December 31,* | Useful lives | 2022 | 2021 |
| Trademark | 8-10 years | 130,763 | 130,616 |
| Developed technology | 5-7 years | 391,223 | 372,639 |
| Customer relationships | 18-21 years | 1,675,053 | 1,688,273 |
| Purchased software | 1.5-5 years | 3,900 | 1,475 |
| | | 2,200,939 | 2,193,003 |
| Less: accumulated amortization | | (257,319) | (98,591) |
| | | 1,943,620 | 2,094,412 |

Amortization on Intangible assets for the year ended December 31, 2022 and 2021 is $159.6 million and $95.2 million, respectively. The expected amortization expense for each of the fiscal years 2023 through 2027 and for periods thereafter is as follows:

| *Year ending December 31,* | (USD 000) |
|---|---|
| 2023 | 162,820 |
| 2024 | 162,729 |
| 2025 | 162,469 |
| 2026 | 162,187 |
| 2027 | 138,822 |
| Thereafter | 1,154,593 |
| **Total Intangible Assets, Net** | 1,943,620 |

*The remainder of this page intentionally left blank.*

### 3. Purchase Accounting and Business Acquisition

The following table summarizes the fair values of the assets acquired and liabilities assumed on July 22, 2021, in connection with the Acquisition of the Calypso Group and is inclusive of all related acquisition accounting in the Company's consolidated financial statements:

| | (USD 000) |
|---|---|
| **Assets** | |
| Cash | 58,333 |
| Restricted Cash | 1,049 |
| Accounts receivable | 21,286 |
| Unbilled receivable | 108,885 |
| Prepaid expenses and other current assets | 6,496 |
| Prepaid income taxes | 10,547 |
| Property and equipment, net | 6,379 |
| Intangible assets- Purchased software | 1,473 |
| Intangible assets | 1,583,700 |
| Right of use assets | 21,417 |
| Goodwill | 2,554,292 |
| Other assets | 5,484 |
| Deferred tax assets | 1,655 |
| **Total Assets Acquired** | 4,380,996 |
| **Liabilities** | |
| Accounts payable | 3,466 |
| Deferred revenue | 65,277 |
| Accrued expenses | 37,897 |
| Income tax payable | 639 |
| Other long-term reserves | 1,875 |
| Other liabilities | 318 |
| Lease liabilities | 21,173 |
| Deferred tax liabilities | 356,889 |
| **Total Liabilities Assumed** | 487,534 |
| **Total Purchase Consideration** | 3,893,462 |

The purchase price for the Acquisition was allocated to intangible assets as follows: $80.0 million of trademarks, amortizable over a period of eight years, $1,247.5 million of customer relationships, amortizable over a period of twenty-one years, and $256.2 million of developed technology, amortized over a period of six years. The fair value of the acquired customer relations was determined using an excess earnings method. The fair value of the trademarks and developed technology was determined using a relief from royalty method.

The Acquisition resulted in the recognition of $2,554.3 million of goodwill. Goodwill largely consisted of the value of the acquired assembled workforce, the fair value of expected synergies, not including those available to market participants and premiums paid by the merging entity. As part of the purchase accounting, the Company recognized deferred tax liabilities resulting from temporary differences between the book and tax basis of acquired intangible assets.

Transaction costs included in the accompanying consolidated statements of operations is $1.1 million and $6.6 million for the year ended December 31, 2022 and 2021, respectively.

During the year ended December 31, 2021, the Company adopted ASU 2021-08, which enables the Company to recognize deferred revenue acquired in a business combination as if it had originated from the contract. This accounting treatment was applied to the deferred revenue acquired in the Calypso Group acquisition.

## 4. Concentration of Risks Related to Credit, Foreign Operations, and Foreign Currencies

Financial instruments that potentially subject the Company to concentrations of credit risk are primarily cash and cash equivalents, deposits with banks and financial institutions including restricted balances as well as exposure to customers including accounts receivables and unbilled receivable. The Company maintains cash balances in several United States financial institutions, which are insured by the Federal Deposit Insurance Corporation (FDIC) for up to $250,000 per institution. Beyond the United States of America, the Company has cash balances covered by comparable insurance based on local regulations. From time to time, the Company’s balances may exceed these limits however balances are held with financial institutions with high credit standing.

The Company performs ongoing evaluations of its customers’ financial condition and maintains an allowance for uncollectible accounts receivable based upon the expected collectability of all accounts receivable, using the provision matrix and the specific identification method. The Company does not require collateral from its customers. The Company is not able to predict changes in the financial stability of its customers. In cases when a delinquency in payments occurs, the Company may withhold services delivery under current implementation, discontinue support or limit the right to use its software.

As of December 31, 2022, and 2021, there is no geographical concentration of credit risk as the Company’s customer base is internationally dispersed and no individual customer represents more than 10% of the Company’s outstanding trade and other unbilled receivables balances or more than 10% of the Company’s revenue in any of the periods presented.

At December 31, 2022 and 2021, geographic concentrations of net assets by countries outside the United States were as follows:

| | (USD 000) | |
|---|---|---|
| *December 31,* | 2022 | 2021 |
| United Kingdom | 35,429 | 20,992 |
| Netherlands | 207,775 | 230,663 |
| Singapore | 14,662 | 14,380 |
| | 257,866 | 266,035 |

The Company is also subject to foreign currency risks that arise from normal business operations. These risks include the translation of local currency balances of the foreign affiliates and intercompany loans, as well as transactions denominated in foreign currencies.

## 5. Property and Equipment, Net

Property and equipment, net is summarized as follows:

| *December 31,* | (USD 000) 2022 | 2021 |
|---|---|---|
| Furniture and fixtures | 98 | 617 |
| Computer equipment | 6,450 | 5,447 |
| Leasehold improvements | 5,383 | 4,300 |
| | 11,931 | 10,364 |
| Accumulated Impairment | (1,201) | — |
| Accumulated depreciation | (1,985) | (1,870) |
| | 8,745 | 8,494 |

Depreciation and amortization expense related to property and equipment for the year ended December 31, 2022 and 2021 amounted to $3.2 million and $2.0 million, respectively.

## 6. Due from Related Parties

The due from related parties consists of receivable from Adenza Holdings, Inc., an intermediate Parent entity, for repurchases of its share capital funded by the Adenza Group, Inc. on its behalf. The receivable is unsecured and bears no interest, as it is payable on demand.

## 7. Leases

The Company has lease contracts for its office premises which are operating in nature as per ASC 842. Leases of property generally have lease terms between 12 months to 10 years depending upon the importance of a particular location and other factors such as the number of customers and employees in that country. The Company's obligations under its leases are secured by the lessor's title to the leased assets.

The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases. Set out below are the carrying amounts of right-of-use assets recognized for operating leases and the movements during the years then ended:

| (USD 000) | 2022 | 2021 |
|---|---|---|
| **As at January 1,** | 29,967 | — |
| Effect of adoption of ASC 842 Leases at January 1, 2021 | — | 9,258 |
| On account of acquisition of Calypso | — | 21,417 |
| RoU assets obtained in exchange for new operating lease liabilities | 2,907 | 2,742 |
| Termination of lease | (1,740) | — |
| Remeasurement of lease term | (2,888) | — |
| Impairment of RoU assets | (5,735) | — |
| Amortization for the year | (5,474) | (3,450) |
| As of December 31, | 17,037 | 29,967 |

Set out below are the carrying amounts of operating lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

| | (USD 000) 2022 | 2021 |
|---|---|---|
| **As at January 1,** | 29,916 | — |
| Effect of adoption of ASC 842 Leases at January 1, 2021 | — | 9,097 |
| On account of acquisition of Calypso | — | 21,172 |
| Additions on account of new lease contracts | 2,907 | 2,742 |
| Termination of lease | (1,766) | — |
| Remeasurement of lease term | (2,888) | — |
| Accretion of interest | 2,055 | 1,375 |
| Payment of lease liabilities | (7,393) | (4,470) |
| As of December 31, | 22,831 | 29,916 |
| Less: current portion | 4,954 | 5,390 |
| Total non-current lease liabilities | 17,877 | 24,526 |

The following table presents a maturity analysis of expected undiscounted cash flows for operating leases on an annual basis for the next five years and thereafter:

| *Year ending December 31,* | (USD 000) |
|---|---|
| 2023 | 6,466 |
| 2024 | 6,449 |
| 2025 | 4,684 |
| 2026 | 3,828 |
| 2027 | 2,752 |
| Thereafter | 2,777 |
| **Total Operating lease payments** | 26,956 |
| Imputed Interest | (4,125) |
| **Total** | 22,831 |

The following table presents the weighted-average lease term and discount rate for operating leases:

| | (USD 000) 2022 | 2021 |
|---|---|---|
| Weighted-average remaining lease term | 4.58 years | 5.88 years |
| Weighted-average discount rate | 7.48% | 7.31% |

Amortization and interest expense on the Capitalized Operating leases for the year ended December 31, 2022 and 2021, amounted to $7.5 million and $4.8 million, respectively.

The Company has non-cancellable minimum operating lease commitments for short-term leases and low-value assets as of December 31, 2022 and 2021 totaling $0.07 million and $0.7 million respectively.

*Impairment of Leases and related assets*

During the year ended December 31, 2022, the Company decided to exit and seek sublease for two leased facilities predominately due to a remote work model for a significant number of employees arising from the COVID-19 pandemic and synergies arising from the Acquisition. The Company recorded a non-cash impairment charge of $5.7 million related to operating lease right-of-use assets for the affected facilities and an impairment charge of $1.2 million for associated leasehold improvements. The impairment was determined by comparing the fair value of the impacted right-of-use asset to the carrying value of the asset as of the impairment measurement date, as required under ASC Topic 360, Property, Plant, and Equipment. The fair value of the right-of-use asset was based on the estimated sublease income for the affected facilities taking into consideration the time it will take to obtain a sublease tenant, the applicable discount rate and the sublease rate which represents Level 3 unobservable inputs. The impairment is presented in the Re-organization costs on the Consolidated Statements of Operations. No impairment was recorded during the year ended December 31, 2021.

*Sublease*

During 2022, the Company sub-leased office space where the Company is the tenant to several surplus non-cancellable leases. Total sublease income for the years ended December 31, 2022 and 2021 was $1.0 million and $0, respectively. Total estimated aggregate sublease income to be received over the term of the sub-lease arrangement from January 01, 2023 and ending August 31,2029 amount to $6.9 million.

### 8. Long-Term Debt and Line-of-Credit

On December 3, 2020, in relation to the Merger, the Company entered into a term loan agreement with the principal amount of $500.0 million (the "Term loan"). The loan matures on December 3, 2027 and requires quarterly principal payments of $1.3 million and interest payments of 7.50% on the outstanding principal amount. In connection with the term loan agreement, the Company incurred $14.3 million of debt issuance costs.

In connection with the Acquisition, the Company increased its existing term loan agreement by $1,650.0 million including $100.0 million of Delayed Draw Term Loan (DDTL) with the same maturity date of December 3, 2027. As of the year ended December 31, 2021, the Company had drawn $1,550.0 million towards term loan and DDTL was not drawn. The quarterly principal payments were revised to $5.1 million and interest rate was reduced by 50bps to 7.00% on the outstanding principal amount. The interest rate applicable is made up of two components which are LIBOR with a floor of 1% and a credit spread of 6%. During the year ended December 31, 2022, the Company paid off principal to the extent of $20.48 million and credit spread ranged between 6% to 5.75% depending upon the Company's leverage ratio.

Until such time that the DDTL is utilized, a commitment fee of 1.00% is payable on the committed amount of $100.0 million. As of December 31, 2022 and 2021, the Company has no outstanding borrowings against the DDTL.

During the year ended December 31, 2021, the Company evaluated the amendment to the debt arrangement in accordance with ASC 470-50, Debt – Modifications and Extinguishments, and determined it represented a modification. The Company incurred $33.8 million of debt issuance costs for increase in limits which are recognized as deferred financing costs offsetting the debt balance and amortized as interest expense through the maturity date.

Principal payments required to be made under the terms of the term loan agreement are as follows:

| *Year ending December 31, 2022* | (USD 000) |
|---|---|
| 2023 | 20,475 |
| 2024 | 20,475 |
| 2025 | 20,475 |
| 2026 | 20,475 |
| 2027 | 20,475 |
| Thereafter | 1,914,413 |
| | **2,016,788** |

The loan balance reported in the consolidated balance sheet is presented net of the unamortized balance of debt issuance costs of $37.8 million and $45.7 million as of December 31, 2022 and 2021, respectively. Amortization of these costs is calculated by the straight-line method, which approximates the effective interest method, and reported as interest expense in the accompanying statements of operations. The interest expense representing amortization of loan issuance costs for the year ended December 31, 2022 and 2021 was $7.9 million and $4.5 million, respectively.

The Company also maintains a $150.0 million revolving credit facility (RCF) which matures on December 3, 2025. Interest on amounts borrowed are payable at the same rate as applicable to the Term loan and, until the facility is utilized, there is a commitment fee of 0.50% is payable on the total amount of the facility. As of December 31, 2022 and 2021, the Company has no outstanding borrowings against the facility.

The term loan and credit facilities are subject to certain financial and affirmative covenants. As of December 31, 2022 and 2021 the Company was in compliance with all required covenants. The term loan and credit facilities are secured by the assets of the Company.

*The remainder of this page intentionally left blank.*

## 9. Capital Structure

Pursuant to the Merger, all issued and outstanding equity of the Company (the Equity Instruments) was canceled and converted into the right to receive Merger Consideration as defined in the Agreement. The Equity Instruments included Series A-1 Preferred Stock, Class A Voting Common Stock, Class B Non-Voting Common Stock, and options to acquire Class B Non-Voting Common Stock. Certain holders of Class A Voting Common Stock and Class B Non-Voting Common Stock (the Rollover Securities) agreed to rollover their securities into the acquiring structure. This was accomplished on December 3, 2020 through a contribution of the Rollover Securities to Adenza Parent, L.P. (the Ultimate Parent) in exchange for partnership units in the Ultimate Parent. The Ultimate Parent contributed the Rollover Securities to Project Agile Parent, LLC, and the Rollover Securities were cancelled in connection with the Merger (without the payment of further consideration therefor).

In connection with the Acquisition, the Company received capital amounting to $2,350.0 million from the Ultimate Parent, via intermediate entities, to complete the acquisition of the Calypso Group. Additionally, certain shareholders of the Calypso Group agreed to rollover their securities amounting to $17.8 million into shares in the Ultimate Parent and this was accomplished in the same manner as described above on July 22, 2021.

During the year ended December 31, 2021, additional capital contributions were made to the Company by the Ultimate Parent, via intermediate entities, which amounted to $72.2 million.

### *Capital Stock*

As of December 31, the Company’s capital structure is summarized as follows:

| Common Stock | 2022 | 2021 |
|---|---|---|
| Authorized | 1,000 | 1,000 |
| Issued | 1,000 | 1,000 |
| Outstanding | 1,000 | 1,000 |
| Par | $0.010 | $0.010 |

### *Common Stock*

*Dividend rights*

The Company’s common shares do not contain any dividend rights.

*Voting Rights*

The Company’s common shares do not contain any voting rights.

*Redemption Rights*

The common shares are not redeemable.

*The remainder of this page intentionally left blank.*

## 10. Management incentive plan

*10.1 Pre-Merger Management incentive plan*

***Stock Appreciation Rights***

Pursuant to the Amended and Restated AxiomSL 2017 Equity Incentive Plan, the Company granted SARs to employees in 2019 and 2018. The SARs vested over a period of three years and upon the occurrence of a milestone event, such as a merger with a person or group resulting in a change of control of the Company. In December 2020, in relation to the Merger, 2,986,955 SAR units had a payment of 50% of the per share of $9.04 less the Base Price identified in the applicable SAR Agreement of approximately $2.37 per share. In December 2021, the remaining 50% of the SAR's balance was paid, reduced by forfeitures and accelerated payments.

Total SARs and other stock-based awards expense recognized in the Company's consolidated statements of operations is $0 and $18.5 million for the year ended December 31, 2022 and 2021, respectively.

*10.2 New Management incentive plan*

Adenza Parent L.P., the ultimate Parent, implemented the Amended and Restated Adenza Parent, L.P. Incentive Equity Plan and the Adenza Parent, L.P. Equity Appreciation Rights Plan (collectively, the "Plan") pursuant to which Adenza Parent issues awards of incentive equity to employees of the Company and its direct and indirect subsidiaries. Pursuant to the Plan, incentive equity may be issued in the form of Class B Units of Adenza Parent ("Class B PIUs") or Class B equity appreciation rights ("Class B EARs" and collectively with the Class B PIUs, the "Awards"). Adenza Parent issued Class B PIUs and Class B EARs to certain employees and directors of Adenza Parent ("the Participants") for no cash consideration in March and April 2021 and again in December 2021. Since the value of these Awards was immaterial at the time of the grant, there is no compensation expense recognized during the year ended December 31, 2021. The estimated valuation of the awards was determined using a discounted cash flow analysis.

A summary of activity is as follows:

| | Class B EARs | Class B PIUs | Total |
|---|---|---|---|
| December 31, 2020 | — | 87,138 | 87,138 |
| Granted | 1,558,098 | 8,613,550 | 10,171,648 |
| Cancelations | — | (1,214,709) | (1,214,709) |
| December 31, 2021 | 1,558,098 | 7,485,979 | 9,044,077 |
| Granted | 316,445 | 769,404 | 1,085,849 |
| Cancelations | (91,232) | (675,694) | (766,926) |
| December 31, 2022 | 1,783,311 | 7,579,689 | 9,363,000 |

Class B PIUs are equity in Adenza Parent. Subject to a participation threshold, if any, each holder of Class B PIUs is entitled to its pro rata share of proceeds from a Change in Control of Adenza Parent after satisfaction of all liabilities and payment to the holders of Class A Units of the Class A Unreturned Capital and Class A Unpaid Yield, each as defined in the Second Amended and Restated Limited Partnership Agreement of Adenza Parent.

The Class B EARs have a financial right to consideration upon a Change in Control. The Class B EARs are not actual equity interests in the Adenza Parent or any entity but represent a hypothetical unit of measurement maintained by the Adenza Parent in a bookkeeping account for the Participant's benefit, entitling the Participant to a cash payment subject to the terms and conditions of the Plan and assuming for these purposes that each Class B EAR is economically equivalent to one Class B PIU.

The Awards are subject to certain restrictions, including vesting restrictions, transferability restrictions, repurchase rights, and rights of first refusal. Some or all of the Awards may be subject to cancellation or repurchase upon the Participant's termination of employment with the Company.

Awards granted in March and April 2021 were subject to two types of vesting:

1. Type I – time-based vesting – 25% of the Awards would vest on the first anniversary of the acquisition of AxiomSL by Thoma Bravo (i.e., December 3, 2021), and the remaining 75% of the Type I Awards will vest in equal amounts monthly over the next thirty-six (36) months.
2. Type II – performance-based vesting – These Awards will vest depending upon Adenza meeting the EBITDA-based targets set by the Board for the relevant years 2021-2024. If the EBITDA-based target for a period is met, then 25% of the Type II Awards will vest as of December 31 of the relevant year.

Holders of Awards issued in March and April 2021 were offered the option to switch to the following vesting terms, which applied to all Awards issued in December 2021 and all awards issued in 2022, except for those under the Sales Vesting Plan described below. Some holders opted to switch to the terms of the awards issued in December 2021 however the value of both the awards is insignificant resulting in no impact on consolidated statements of operations.

Vesting can be divided into 3 types that are as follows:

1. Type I - time-based vesting - 25% of Type I Awards will vest on the first anniversary of the acquisition of Calypso by Thoma Bravo (i.e., July 22, 2022), and the remaining 75% of the Type I Awards will vest in equal amounts daily over the next thirty-six (36) months.
2. Type II - performance-based vesting - These Awards will vest depending upon Adenza meeting the EBITDA-based targets set by the Board for the relevant years 2022-2025. If the EBITDA-based target for a period is met, then 25% of the Type II Awards will vest as of December 31 of the relevant year.
3. Type Ill - will vest upon a change of control.

Participants may have the right to acceleration upon a Change in Control, as set forth in the applicable Grant Agreement. Upon termination of employment, unvested Awards are cancelled. Vested awards may be subject to cancelation or repurchase, depending on the terms of the applicable Grant Agreement and the circumstances of the Participant's termination.

*The remainder of this page intentionally left blank.*

In May 2022, the Ultimate Parent issued Awards to Participants who are Sales Executives of the Company and its direct and indirect subsidiaries (the “Sales Vesting Plan”). Each Award is divided into three equal annual tranches. Vesting is determined based on each Participant’s sales quota as set forth in the Participant’s Sales Compensation Plan, and is determined as follows:

1. 0% to 65% Quota Achievement: No vesting of the annual tranche. All amounts in the annual tranche are forfeited.
2. 65% to 80% Quota Achievement: No vesting of the annual tranche, however 40% of the annual tranche carries over to the next year.
3. 80% to 100% Quota Achievement: Minimum 40% vesting of the annual tranche. The remaining 60% vests based on proportionate achievement between 80% and 100%. Unvested amounts carryover to the following year.

Quota overachievement entitles the Participant to additional vesting from the subsequent year’s tranche. Amounts carried-over from a prior year tranche are available for the next year only.

Awards granted under the Sales Vesting Plan are subject to the same restrictions and other terms and conditions as the other vesting plans.

## 11. Contingencies

The Company, from time to time, may be involved in various claims and lawsuits, both for and against the Company, arising in the normal course of business. Management believes that any financial responsibility that may be incurred in settlement of such claims and lawsuits would not be material to the Company’s financial position, operations, and cash flows.

## 12. Re-organization costs

Re-organization costs are summarized below:

| (USD 000) | Year ended December 31, 2022 | Year ended December 31, 2021 |
|---|---|---|
| **Restructure** - *Severance and office relocation on account of Axiom & Calypso merger and Russia operations windup* | 5,433 | 8,638 |
| **One time projects** - *Internal entities reorganization post-merger and other realignment projects* | 3,038 | — |
| **Systems** - *Implementation of Finance and Customer Relationship Management systems* | 1,487 | 819 |
| **Others** - *Calypso acquisition and Cyber security* | 1,199 | — |
| Impairment of Right of Use Asset | 5,725 | — |
| Impairment of Leasehold improvement | 1,201 | — |
| | 18,083 | 9,457 |

## 13. Income Taxes

The Benefit for income taxes for the year ended December 31, 2022 and 2021 is summarized as follows:

| (USD 000) | Year ended December 31, 2022 | Year ended December 31, 2021 |
|---|---|---|
| **Current tax** | | |
| Federal | 26,349 | 6,317 |
| State and local | 3,209 | 1,761 |
| Foreign | 12,206 | 9,338 |
| **Total Current** | 41,764 | 17,416 |
| **Deferred tax** | | |
| Federal | (53,444) | (26,161) |
| State and local | (11,607) | (18,094) |
| Foreign | (1,824) | (5,365) |
| **Total Deferred** | (66,875) | (49,620) |
| **Total Income Tax Benefit** | (25,111) | (32,204) |

The effective income tax rate differs from the amount computed by applying the U.S. federal statutory income tax rate to income before income taxes approximately as follows:

| *December 31,* | (USD 000) 2022 | 2021 |
|---|---|---|
| **Loss before tax** | (69,421) | (104,740) |
| Income tax benefit at statutory rate of 21% | (14,578) | (21,995) |
| State and local income taxes net of federal tax benefit | (6,635) | (13,182) |
| Non-deductible/non-taxable items: | | |
| Transaction costs | — | 1,652 |
| Non-deductible foreign exchange loss | — | 2,470 |
| Stock based compensation | — | 583 |
| Non-taxable income and gains or non-deductible losses | (101) | — |
| Non-deductible expenses | 125 | 119 |
| Tax credits related to research activity | (1,307) | (1,297) |
| Effect of U.S. tax inclusion from foreign subsidiaries | 669 | 204 |
| Deduction allowed for export sales and services | (4,695) | (3,028) |
| Foreign tax rate differential | (731) | 1,285 |
| Withholding and other taxes - net | 3,311 | 435 |
| Prior period, rate changes, and other adjustments | (438) | 365 |
| Unrecognized tax position | (829) | 269 |
| Change in valuation allowance | 117 | 29 |
| Other adjustments | (19) | (113) |
| **Income tax benefit** | (25,111) | (32,204) |

| *December 31,* | 2022 | 2021 |
|---|---|---|
| Income tax benefit at statutory rate of 21% | 21% | 21% |
| State and local income taxes net of federal tax benefit | 9.56% | 12.59% |
| Non-deductible/non-taxable items: | | |
| Transaction costs | — | (1.58%) |
| Non-deductible foreign exchange loss | — | (2.36%) |
| Stock based compensation | — | (0.56%) |
| Non-taxable income and gains or non-deductible losses | 0.15% | 0.00% |
| Non-deductible expenses | (0.18%) | (0.11%) |
| Tax credits related to research activity | 1.88% | 1.24% |
| Effect of U.S. tax inclusion from foreign subsidiaries | (0.96%) | (0.19%) |
| Deduction allowed for export sales and services | 6.76% | 2.90% |
| Foreign tax rate differential | 1.05% | (1.23%) |
| Withholding and other taxes - net | (4.77%) | (0.42%) |
| Prior period, rate changes, and other adjustments | 0.63% | (0.35%) |
| Unrecognized tax position | 1.19% | (0.26%) |
| Change in valuation allowance | (0.17%) | (0.03%) |
| Other adjustments | 0.02% | 0.11% |
| **Income tax benefit** | 36.16% | 30.75% |

The tax effects of temporary differences and related deferred tax assets and liabilities as of December 31, 2022 and 2021, are presented below:

| *December 31,* | (USD 000) 2022 | 2021 |
|---|---|---|
| **Deferred Tax Assets** | | |

| | | |
|---|---|---|
| Net operating loss, interest, and tax credit carryforwards | 56,740 | 33,442 |
| Accruals and reserves | 3,607 | 7,370 |
| Transaction costs | 1,688 | 1,879 |
| Lease liabilities | 5,328 | 7,016 |
| Other | 47 | 21 |
| **Total Deferred Tax Assets** | 67,410 | 49,728 |
| **Deferred Tax Liabilities** | | |
| Depreciation and amortization | (408,520) | (455,855) |
| Deferred revenue | (253) | (325) |
| Capitalized expenses | (3,015) | (1,038) |
| Right of use assets | (3,885) | (6,945) |
| Other | (83) | (82) |
| **Total Deferred Tax Liabilities** | (415,756) | (464,245) |
| **Gross Deferred Tax Liabilities** | (348,346) | (414,517) |
| Valuation allowance | (7,496) | (9,864) |
| **Net Deferred Tax Liabilities** | (355,842) | (424,381) |

The Company’s effective tax rate differs from the statutory tax rate primarily due to state taxes, non-deductible expenses and losses, foreign rate differential, Foreign Derived Intangible Income (FDII) deduction, Global Intangible Low-Taxed Income (GILTI) inclusion, and credits and incentives.

The Company generally considers the earnings of its foreign subsidiaries to be indefinitely invested outside the United States and estimates that future domestic cash generation will be sufficient to meet future domestic cash needs. However, there are certain limited jurisdictions from where the company does plan to distribute its unremitted earnings. The Company has estimated that no additional material tax provisions are required for the planned remittances from those jurisdictions in the foreseeable future. As of December 31, 2022 and 2021, taxes are generally not provided on income of the Company's foreign subsidiaries. If, in the future, the foreign earnings are repatriated to the United States, or if the Company determines that the earnings will be remitted in the foreseeable future, additional tax provisions may be required. It is not practicable to estimate the amount of deferred tax liability related to investments in these foreign subsidiaries.

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Based upon the weight of all available evidence, which includes the historical operating performance and the recorded cumulative losses or credits in prior fiscal periods, management does not believe that it is more likely than not that the Company will realize its net deferred tax assets in its Netherland holdings subsidiary as of December 31, 2022 and 2021, and its unused R&D credits in the state of California as of December 31, 2022 and 2021. As a result, a valuation allowance of $7.5 million and $9.9 million has been provided as of December 31, 2022 and 2021, respectively. The valuation allowance decreased by $2.4 million from December 31, 2021.

As of December 31, 2022, the Company's net operating loss carryforwards primarily relate to state tax loss carryforwards that will begin to expire in 2035 if not utilized. As of December 31, 2022 and 2021, the Company had nil federal net operating loss carryforwards, and net operating loss carryforwards for various state tax purposes of approximately $9.3 million and $6.1 million respectively. The Company's Netherlands holdings subsidiary has loss carryforwards of $1.5 million and $1.0 million as of December 31, 2022 and 2021, which may be carried forward indefinitely.

US GAAP provides that the tax effects from uncertain tax positions can be recognized in the financial statements only if the position is more likely than not of being sustained on audit, based on the technical merits of the position. On December 31, 2022 and 2021, the Company had $4.5 million and $4.9 million of unrecognized benefits recorded, respectively.

The Company recognizes interest and penalties related to uncertain tax positions in its income tax provision. On December 31, 2022 and 2021, approximately $0.1 million and $0.4 million of interest and penalties related to uncertain tax positions was accrued.

The Company does not expect any material changes in the amount of unrecognized tax benefits within the next twelve months.

The Company files income tax returns in the U.S., various state jurisdictions, and various foreign jurisdictions. The U.S., state, and foreign jurisdictions have statutes of limitations that generally range from three to five years. To the extent utilized in future years' tax returns, net operating loss carryforwards as of December 31, 2022 and 2021 will remain subject to examination until the respective tax year is closed.

Under the Tax Cuts and Jobs Act of 2017, research and development costs are no longer fully deductible and are required to be capitalized and amortized for U.S. tax purposes effective January 1, 2022. The mandatory capitalization requirement increased the deferred tax assets and the cash tax liabilities of the Company. On August 16, 2022, Congress passed the Inflation Reduction Act of 2022. Management does not anticipate the tax provisions of the newly introduced act to impact the financial position of the Company and will continue to monitor as new information and guidance becomes available.

## 14. Subsequent Events

The Company evaluated events occurred after December 31, 2022 through April 28, 2023, the date when the consolidated financial statements were available to be issued, and there are no subsequent events that met recognition or disclosure criteria.

*The remainder of this page intentionally left blank.*

**Exhibit 99.2**

# Adenza Group, Inc. and Subsidiaries

Consolidated Financial Statements
Three Month Period Ended March 31, 2023

**Adenza Group, Inc. and Subsidiaries**

Consolidated Financial Statements
Three Month Period Ended March 31, 2023

## Contents

**Adenza Group, Inc. and Subsidiaries**

**Consolidated Balance Sheet**
**(unaudited)**

| (USD 000) | *March 31*, 2023 |
|---|---|
| **Assets** | |
| **Current Assets** | |
| Cash and cash equivalents | 189,548 |
| Restricted cash | 918 |
| Accounts receivable, net | 82,704 |
| Unbilled receivables | 110,333 |
| Prepaid expenses and other current assets | 11,092 |
| Deferred contract costs | 4,041 |
| Prepaid income taxes | 4,379 |
| **Total Current Assets** | 403,015 |
| Unbilled receivables, noncurrent | 35,495 |
| Goodwill | 3,679,682 |
| Intangible assets, net | 1,913,117 |
| Property and equipment, net | 7,596 |
| Due from related parties | 6,846 |
| Right-of-use assets | 15,855 |
| Deferred contract costs, noncurrent | 11,910 |
| Deferred tax assets | 2,972 |
| Restricted Cash | 986 |
| Prepaid expenses | 304 |
| Equity Investment | 2,642 |
| Other long-term assets | 2,224 |
| **Total Assets** | 6,082,644 |

*The remainder of this page intentionally left blank.*

**Adenza Group, Inc. and Subsidiaries**

**Consolidated Balance Sheet**
**(unaudited)**

| (USD 000) | *March 31*, 2023 |
|---|---|
| **Liabilities and Stockholders' Equity** | |
| **Current Liabilities** | |
| Current maturities of long-term debt | 20,480 |
| Accounts payable | 5,295 |
| Income taxes payable | 16,389 |
| Accrued expenses | 41,052 |
| Deferred revenue | 152,148 |
| Lease liabilities | 5,070 |
| **Total Current Liabilities** | 240,434 |
| Long-term debt, less current maturities | 1,955,327 |
| Lease liabilities | 16,446 |
| Other long-term liabilities | 2,571 |
| Deferred revenue, net of current portion | 5,964 |
| Deferred tax liabilities | 340,835 |
| **Total Liabilities** | 2,561,577 |
| **Contingencies (Note 11)** | |
| **Stockholders' Equity** | |
| Common stock | -* |
| Additional paid-in capital | 3,711,428 |
| Accumulated deficit | (160,546) |
| Accumulated other comprehensive income | (29,815) |
| **Total Stockholders' Equity** | 3,521,067 |
| **Total Liabilities and Stockholders' Equity** | 6,082,644 |

* *Represents value less than $1,000*

*The accompanying notes are an integral part of these consolidated financial statements.*

*The remainder of this page intentionally left blank.*

**Adenza Group, Inc. and Subsidiaries**

**Consolidated Statement of Operations**
**(unaudited)**

| (USD 000) | Three month period ended March 31, 2023 |
|---|---|
| **Net Sales** | 125,779 |
| Cost of sales | 27,987 |
| Amortization of Developed Technology | 15,843 |
| **Gross Profit** | 81,949 |
| Research and development | 14,445 |
| Selling, general, and administrative | 20,099 |
| Depreciation and amortization | 25,592 |
| Re-organization costs (Note 12) | 1,316 |
| Transaction Costs | 30 |
| **Income from Operations** | 20,467 |
| **Other (Expense)/ Income** | |
| Interest expense | (54,286) |
| Interest income | 579 |
| Gain on foreign currency transactions | 891 |
| Other Income | 526 |
| **Loss Before Provision for Income Taxes** | (31,823) |
| Benefit for Income Taxes (Note 10) | 5,463 |
| **Net Loss** | (26,360) |

*The accompanying notes are an integral part of these consolidated financial statements.*

*The remainder of this page intentionally left blank.*

**Adenza Group, Inc. and Subsidiaries**

**Consolidated Statement of Comprehensive Loss**
**(unaudited)**

| (USD 000) | Three month period ended March 31, 2023 |
|---|---|
| **Net Loss** | (26,360) |
| **Other Comprehensive Income** | |
| Unrealized gain on foreign currency translation | 4,654 |
| **Comprehensive Loss** | (21,706) |

*The accompanying notes are an integral part of these consolidated financial statements.*

*The remainder of this page intentionally left blank.*

**Adenza Group, Inc. and Subsidiaries**

**Consolidated Statement of Changes in Stockholders' Equity**
**(unaudited)**

| (USD 000) | Common Stock | Additional Paid-In Capital | Accumulated Deficit | Accumulated Other Comprehensive (Loss) Income | Total |
|---|---|---|---|---|---|
| **Balance,** December 31, 2022 | — * | 3,711,428 | (134,186) | (34,469) | 3,542,773 |
| Net loss | — | — | (26,360) | — | (26,360) |
| Unrealized gain on currency translation | — | — | — | 4,654 | 4,654 |
| **Balance**, March 31, 2023 | — * | 3,711,428 | (160,546) | (29,815) | 3,521,067 |

* *Represents value less than $1000*

*The accompanying notes are an integral part of these consolidated financial statements.*

*The remainder of this page intentionally left blank.*

**Adenza Group, Inc. and Subsidiaries**

**Consolidated Statement of Cash Flows**
**(unaudited)**

| (USD 000) | Three month period ended March 31, 2023 |
|---|---|
| **Cash Flows from Operating Activities** | |
| Net loss | (26,360) |
| Adjustments to reconcile net loss to net cash provided by operating activities: | |
| Depreciation and amortization of property and equipment | 742 |
| Amortization of debt issuance costs | 1,974 |
| Amortization of deferred contract costs | 964 |
| Amortization of intangible assets | 40,693 |
| Deferred income tax | (18,406) |
| Changes in assets decrease / (increase): | |
| Accounts receivable | 43,642 |
| Unbilled receivables | 12,928 |
| Prepaid expenses and other current assets | 71 |
| Deferred contract costs | (2,057) |
| Prepaid income taxes | 1,383 |
| Other assets | (142) |
| Changes in liabilities increase / (decrease): | |
| Accounts payable | (1,105) |
| Income taxes payable | 6,887 |
| Accrued expenses | (13,996) |
| Other current liabilities | (706) |
| Other long-term liabilities | (805) |
| Deferred revenue | (31,329) |
| **Net Cash Provided by Operating Activities** | 14,378 |
| **Cash Flows from Investing Activities** | |
| Capitalized software development costs | (5,761) |
| Purchase of property and equipment | (451) |
| **Net Cash Used in Investing Activities** | (6,212) |
| **Cash Flows from Financing Activities** | |
| Due from/to related parties | (352) |
| Payments of debt | (5,119) |
| **Net Cash Used in Financing Activities** | (5,471) |
| **Effect of Exchange Rate Changes on Cash and Cash Equivalents and Restricted Cash** | 1,386 |
| **Net Increase in Cash and Cash Equivalents and Restricted Cash** | 4,081 |
| **Cash and Cash Equivalents and Restricted Cash,** beginning of period | 187,371 |
| **Cash and Cash Equivalents and Restricted Cash,** end of period | 191,452 |

**Adenza Group, Inc. and Subsidiaries**

**Consolidated Statement of Cash Flows**
**(unaudited)**

| (USD 000) | |
|---|---|
| **Supplemental Disclosure of Cash Flow Information** | |
| Cash paid during the three month period for income taxes | 4,445 |
| Cash paid during the three month period for interest | 52,852 |

**Reconciliation of Cash and Cash Equivalents and Restricted Cash**

| (USD 000) | *March 31*, 2023 |
|---|---|
| Cash and cash equivalents | 189,548 |
| Current, Restricted cash | 918 |
| Non-current, Restricted cash | 986 |
| **Total Cash and Cash Equivalents and Restricted Cash** | **191,452** |

*The accompanying notes are an integral part of these consolidated financial statements.*

*The remainder of this page intentionally left blank.*

## 1. Nature of Operations and Principles of Consolidation

***Business Activity***

Adenza Group, Inc. and Subsidiaries (collectively, the Company) provide software solutions for enterprise risk management, data management, regulatory reporting, and compliance requirements of financial institutions. The Company’s software provides a comprehensive solution for all levels of regulatory and management financial reporting, and complete integration, and provides a data-warehousing platform for risk data, market data, front/middle/back-office data, reference data, and operational loss data. It enables clients to automate and streamline business operations while optimizing processes, systems, data enrichment, and transparency to enhance decision-making and reduce operational costs. This is offered on-premises or in a software-as-a-service model.

Consulting services of the Company include systems specification, design, resource scheduling, project management, and regulatory reporting and integration.

***Principles of Consolidation***

The accompanying consolidated financial statements include the accounts of the Company and its subsidiaries. All intercompany accounts and transactions have been eliminated in the consolidated financial statements.

## 2. Summary of Significant Accounting Policies

***Basis of Presentation***

The accompanying consolidated financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

The consolidated financial statements are presented in US dollars and all values are rounded to the nearest thousand (USD 000), except when otherwise indicated.

In the opinion of management, the accompanying unaudited Consolidated Financial Statements contain all adjustments, consisting of only normal recurring adjustments, necessary for a fair statement of the Company’s financial position as of March 31, 2023 and for the three months then ended. The results for interim periods are not necessarily indicative of the results that may be expected for a full fiscal year or for any other future period.

***Use of Estimates***

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Significant estimates, judgments, and assumptions in these consolidated financial statements include those related to the valuation of goodwill and intangible assets, useful lives of assets for calculating depreciation and amortization, valuation of long-lived assets, allowances for doubtful accounts, valuation of deferred tax assets, provisions for uncertain tax positions, assumptions used for the valuation of stock-based compensation, and in the allocation of a transaction price to distinct performance obligations in connection with revenue recognition.

***Fair Value of Financial Instruments***

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. To increase the comparability of fair value measurements, a three-tier fair value hierarchy, which prioritizes the inputs used in the valuation methodologies, is as follows:

*Level 1* - Valuations are based on quoted prices for identical assets and liabilities in active markets.

*Level 2* - Valuations are based on observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data.

*Level 3* - Valuations are based on unobservable inputs reflecting the Company's own assumptions, consistent with reasonably available assumptions made by other market participants. These valuations require significant judgment.

At March 31, 2023, the fair value of the Company's financial instruments, including cash and cash equivalents, accounts receivable, unbilled receivable, accounts payable, and accrued expenses, approximated book value due to the short maturity of these instruments. The carrying amount of restricted cash approximates fair value because, as the restrictions expire, the carrying value represents the amount that the Company will receive. Liabilities are shown net of any discounts.

At March 31, 2023, the Company does not have assets or liabilities required to be measured at fair value in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 820, *Fair Value Measurements*.

***Cash and Cash Equivalents***

The Company considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents. Cash equivalents are related to funds deposited into money market funds and other short-term certificates of deposit.

***Restricted Cash***

Amounts included in restricted cash as of March 31, 2023 pertain to certain customer and lease deposits.

***Accounts Receivable***

Accounts receivable consists of trade receivables recorded at the original invoice amount less an estimate made for uncollectible accounts. The Company analyzes the collectability of trade accounts receivable by considering historical bad debts, client creditworthiness, current economic trends, changes in client payment terms, and collection trends when evaluating the adequacy of the allowance for doubtful accounts. Any change in the assumptions used in analyzing a specific account receivable may result in an allowance for doubtful accounts being recognized in the period in which the change occurs. Trade receivables are net of allowances for doubtful accounts of $1.1 million as of March 31, 2023. In certain instances, in accordance with ASC 606, the Company will not recognize revenue when there is uncertainty as to the collectability of amounts due under the contract. Such occurrences have been infrequent and immaterial to the consolidated financial statements.

***Property and Equipment***

Property and equipment are stated at cost. The costs of additions and betterments are capitalized and expenditures for repairs and maintenance are expensed in the period incurred. When items of property and equipment are sold or retired, the related costs and accumulated depreciation are removed from the accounts and any gain or loss is included in income.

Depreciation of property and equipment is provided utilizing the straight-line method over the estimated useful lives of the respective assets. Furniture and fixtures, computer equipment, and leasehold improvements are depreciated over the shorter of the remaining term of the related lease or the estimated economic useful life of the improvement.

***Foreign Currency Translation***

For all foreign operations, the functional currency is their respective local currency. Transactions in foreign currencies are translated into the respective functional currencies using the exchange rates prevailing at the dates of the transactions. Foreign exchange differences arising from the settlement of such transactions and from the translation at the reporting date of monetary assets and liabilities denominated in foreign currencies are recognized in Consolidated statement of operations.

Assets and liabilities of these operations are translated into U.S. dollars using the exchange rates in effect at the consolidated balance sheet date. Consolidated statement of operations accounts are translated at the average rate of exchange prevailing during the three month period ended March 31, 2023. Translation adjustments arising from the use of differing exchange rates from period to period are included in accumulated other comprehensive loss.

***Impairment of Long-Lived Assets***

Long-lived assets consist primarily of intangibles, property and equipment. The Company evaluates these long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. If the estimated future cash flows (undiscounted and without interest charges) from the use of an asset are less than the carrying value, a write-down would be recorded to reduce the related asset to its estimated fair value.

When the Company determines that the carrying value of long-lived assets may not be recoverable based upon the existence of the above indicators of impairment and the carrying value of the asset cannot be recovered from projected undiscounted cash flows, the Company records an impairment charge. Significant management judgment is required in determining whether an indicator of impairment exists and in projecting cash flows. No impairment loss was recorded for the three month period ended March 31, 2023.

***Equity Investment***

Associates are those entities over which the Company has significant influence (defined as the ability to participate in the financial and operating decisions of the investee but not control over those policies) but are not subsidiaries. The results of associates are incorporated in these consolidated financial statements using the equity method of accounting, under which investments in associates are carried in the consolidated Balance sheet at cost as adjusted for post-acquisition changes in the Company’s share of net assets of the associate less any impairment in the value of individual investments.

In connection with the Company's acquisition of Calypso Group Lux S.C.A in March of 2021, an investment in Sernova Financials Limited ("Sernova") was acquired at a value of $2.4 million for 19.5% of outstanding share capital. For the three month period ended March 31, 2023, the Company recorded its share of Sernova's profit amounting to $0.1 million in Other (Expense)/ Income in the consolidated Statement of Operations.

There is also a Subscription agreement between Adenza Inc. (previously known as Calypso Technology Inc.) and Sernova wherein Adenza Inc. provides cloud-hosted software to Sernova, which Sernova uses for the sole purpose of providing a fully managed service to its end clients. Sernova pays subscription fees to Adenza Inc. for using the cloud-hosted software and such subscription fees are a percentage of the fee charged by Sernova to its end clients.

The subscription fee percentage is 50% of Sernova's revenue from its customers up to $6.0 million annually and then it reduces by 5% for each incremental million-dollar annual revenue up to 35% for revenue above $8.0 million. For the three month period ended March 31, 2023, the Company recorded subscription revenue of $1.4 million. The Company had receivables outstanding of $1.0 million as of March 31, 2023.

***Accumulated Other Comprehensive Income***

FASB ASC Topic 220, *Reporting Comprehensive Income*, establishes rules for the reporting of comprehensive income and its components. Comprehensive income is defined as all changes in equity from non-owner sources. For the Company, comprehensive loss consists of net loss and changes in the cumulative foreign currency translation adjustments.

***Stock-Based Compensation***

The Company accounts for stock-based compensation in accordance with FASB ASC Topic 718, *Stock-Compensation*. Under the fair value recognition provisions of this accounting guidance, stock-based compensation cost is measured at the grant date based on the fair value of the award and is recognized as expense over the requisite service period, which is the vesting period.

As stock-based compensation expense recognized in the Company's consolidated statement of operations is based on awards ultimately expected to vest, the amount of expense has been reduced for forfeitures as they occur, as permitted under FASB ASC Topic 718.

*Incentive plan*

Adenza Parent, L.P. ("Adenza Parent"), the ultimate holding company, implemented a management incentive plan in which it issues Class B Units of Adenza Parent ("Class B PIUs") or Class B equity appreciation rights (the "Class B EARs" and collectively with the Class B PIUs, the "Awards") to the Company's employees for the performance of services. In 2022 and 2021, Adenza Parent allocated the awards to certain employees ("the Participants").

Since the value of these awards were estimated to be insignificant at the time of the grant, there is no stock based compensation recognized within the Company's consolidated statement of operations. The fair value was arrived using a discounted cash flow analysis and the market implications of the Merger transaction.

*The remainder of this page intentionally left blank.*

***Developed Technology***

The Company's Developed technology includes the costs of internally developed software technology and software technology purchased through acquisition. In accordance with FASB ASC Topic 985, *Software*, the Company capitalizes costs incurred to develop software once technological feasibility has been reached which for the Company is defined as the earlier of when a detailed program plan is established, or a working model is created. Capitalized costs include costs to design the software configuration and interfaces, coding, installation, and testing, as well as development costs related to software enhancements that add functionality.

During the three month period ended March 31, 2023, the Company capitalized such costs of $5.8 million. These capitalized costs are amortized over the software's expected useful life, which is generally five years. Amortization expense related to the Developed technology for the three month period ended March 31, 2023 amounted to $15.8 million.

***Income Taxes***

Deferred tax assets and liabilities are recognized for the expected future tax consequences attributable to differences between financial statements carrying amounts of assets and liabilities and their respective tax basis. Deferred taxes are calculated using currently enacted income tax rates for the year in which they are recognized. The effect of a change in income tax rates on deferred tax asset and liability balances is recognized in income in the period that includes the enactment of such rate change. A valuation allowance, if necessary, is recorded against deferred tax assets if utilization is not likely.

Changes in tax laws and rates could also affect recorded deferred tax assets and liabilities in the future. Should tax laws change, the Company's tax expense and cash flows could be materially impacted.

***401(k) Retirement Plan***

Two subsidiaries of the Company in the United States maintain a qualified 401(k) plan for its eligible employees, who may elect to contribute voluntarily through payroll deductions, subject to certain statutory limitations as mentioned in the table below. One of the subsidiaries has elected to provide for a matching contribution while the other subsidiary has elected to not provide for a matching contribution. The Company contributed $0.3 million towards employer contributions for the three month period ended March 31, 2023.

| | | (USD 000) |
|---|---|---|
| **Year** | **Basic Contribution Limit** | **Catch-Up Contribution (50 or older)** |
| 2023 | 22.5 | 7.5 |

*The remainder of this page intentionally left blank.*

***Revenue Recognition***

The Company derives substantially all of its revenues from selling licenses and maintenance for a fixed fee, and from providing consulting services. The Company's agreements for licenses and maintenance generally have annual or multi-year terms. The Company typically invoices customers annually at the beginning of each annual contract period but may also invoice customers on a quarterly or monthly basis. Payments are generally due and payable upon receipt of invoice by the Company's customers or within 30 days of the stated billing date.

The Company applies the following five steps in order to determine the appropriate amount of revenue to be recognized as it fulfills its obligations under each of its arrangements:

- Identify the contract with a customer.
- Identify the performance obligations in the contract.
- Determine the transaction price.
- Allocate the transaction price to performance obligations in the contract.
- Recognize revenue as the performance obligation is satisfied.

The Company's contracts may include one or any combination of the following products and services.

*License and Solutions Reporting Templates*

Licenses for on-premise software provide the customer with a right to use the software as it exists when made available to the customer. Customers may purchase perpetual licenses or subscribe to time-based licenses, which provide customers with the same functionality and differ mainly in the duration over which the customer benefits from the software. Revenue from distinct on-premise or time-based licenses is recognized upfront at the point in time when the software is made available to the customer as this is the point the user of the software can direct the use of and obtain substantially all of the remaining benefits from the software license.

Solutions Reporting Templates provide customers with one or more "Software Components" of the Company's Regulatory Solutions software that are being licensed by a customer. Solutions Reporting Template contracts include two performance obligations: a term license to the on-premise software, and associated maintenance to provide technical support, bug fixes, and unspecified updates on a stand-ready basis.

When contracted with customers for on-premise use, license and solution revenue is recognized at a point in time when control is passed to the customer upon receipt of the license and solution. License maintenance and solution maintenance revenue is recognized over the contract term.

*Cloud Services*

The Company offers cloud services arrangements whereby the software is hosted and managed for certain customers. When contracted simultaneously with the Company's software, there is a single performance obligation of the Company to maintain the use of the software. Revenue is recognized for such arrangements ratably over the duration of the contact.

*Consulting Services*

Consulting is comprised of two types of services, implementation, and training. Implementation consists of services to implement the Company's software for the client, including software installation, environment set-up, configuration of data sources, and models for uploading into the software, systems testing, and user testing. The Company offers training sessions for client users. Consulting services are typically billed on a time and expense basis. These are provided based on hourly or daily rates and revenue is recognized based on actual hours incurred. The Company also offers fixed price contract agreements and revenue is recognized using the input method to measure progress towards complete satisfaction of the services, because the customer simultaneously receives and consumes the benefits provided by the Company. In contracts with multiple performance obligations, we account for individual performance obligations separately if they are distinct. The input method is based upon hours consumed relevant to the total project.

For certain Regulatory Solutions, the Company allocates the transaction price to each performance obligation based on our relative standalone selling price out of total consideration of the contract. Standalone selling price is determined utilizing observable prices to the extent available based on a grouping of recent contracts with similar performance obligations. If the standalone selling price for a performance obligation is not directly observable, we use an estimate based on observable inputs.

For certain Capital Market Solutions, the Company determines standalone selling prices for professional services and software maintenance services for perpetual licenses using observable pricing as these are sold separately to its customers. As pricing for perpetual and time-based licenses is highly variable, the Company applies the residual approach when determining the standalone selling price of the perpetual license and time-based license and maintenance services bundle and does so by deducting the sum of the observable standalone selling prices of the other performance obligations in the contract from the transaction price.

*Disaggregated Revenue Information*

The following table provides the timing of revenue recognition of disaggregated revenue for the three-month period ended March 31, 2023:

| (USD 000) | Three month period ended March 31, 2023 |
|---|---|
| Over time | 105,873 |
| Point in time | 19,905 |
| **Total** | **125,779** |

***Deferred Contract Costs***

The Company capitalizes commission expenses paid to internal sales personnel that are incremental to obtaining customer contracts. Costs related to the initial signing of contracts are amortized over the average customer life, which has been estimated to be five years. The Company determined the period of benefit by taking into consideration the length of terms in its customer contracts, including renewals and extensions, the average customer life, and the expected useful life of the Company's technology. Amounts expected to be recognized within one year of the balance sheet date are recorded as deferred contract costs, and the remaining portion is recorded as deferred contract costs, non-current in the consolidated balance sheets.

Amortization expense is included in selling, general, and administrative expense in the consolidated statement of operations.

The following table represents a roll forward of the Company's deferred contract costs:

| | (USD 000) |
|---|---|
| **Balance,** December 31, 2022 | 14,812 |
| Additions to deferred contract costs | 2,103 |
| Amortization of deferred contract costs | (964) |
| **Balance,** March 31, 2023 | 15,951 |

***Contract Assets (Unbilled Receivables) and Contract Liabilities (Deferred Revenue)***

The Company records unbilled accounts receivable related to revenue recognized in excess of amounts invoiced as the Company has an unconditional right to invoice and receive payment in the future related to those fulfilled obligations. The Company records contract assets as amounts related to the contractual right to consideration for both completed and partially completed performance obligations that may not have been invoiced. The Contract asset balance was $145.8 million as of March 31, 2023, of which $110.3 million is included in current assets and the remaining balance is presented within long term assets.

The Company records contract liabilities to deferred revenue when the Company receives customer payments in advance of the performance obligations being satisfied on the Company's contracts.

The following table represents a rollforward of the Company's contract liabilities (deferred revenue):

| | (USD 000) |
|---|---|
| **Balance,** December 31, 2022 | 189,221 |
| Additions to deferred revenue | 87,750 |
| Reduction of deferred revenue | (118,859) |
| **Balance,** March 31, 2023 | 158,112 |

Deferred revenue that will be recognized during the succeeding 12-month period is recorded as current deferred revenue and the remaining portion is recorded as deferred revenue, net of current portion on the accompanying balance sheets.

***Leases***

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company applies a single recognition and measurement approach for all leases, except for short-term and low-value leases. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

*Right-of-use assets*

The Company recognizes right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Amortization of the right-of-use asset is calculated as the difference between the predetermined straight-line rent expense and the imputed interest on the lease liability.

*Lease liabilities*

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognized as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

*Short-term leases and leases of low-value assets*

The Company applies the short-term lease recognition exemption to its short-term leases of Properties i.e., those leases that have a term of 12 months or less from the commencement date and do not contain a purchase option. The Company also applies the lease of low-value assets recognition exemption to leases that are low in value. Both of the above type of lease payments are recognized as expenses on a straight-line basis over the lease term.

***Goodwill***

Goodwill represents the excess of the purchase price over the estimated fair value of the net tangible and identifiable intangible assets acquired in business combinations. The Company's annual impairment assessment is performed at the end of each fiscal year or performed at other times if an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying amount. ASC 350, Intangibles – Goodwill and Other state that if an indicator of impairment exists then an entity should perform its annual or interim goodwill impairment test by comparing the fair value of a reporting unit with its carrying amount and recognize an impairment charge for the amount by which the carrying amount exceeds the reporting unit's fair value. ASC 350 also states that a reporting unit with a $0 or negative carrying amount is not required to perform a qualitative assessment.

The Company analyzed its operational structure for the purpose of identifying reporting units in accordance with ASC 350 and determined that the Company's operations comprise a single reporting unit. There were no indicators of impairment during the three month period ended March 31, 2023. The carrying value of Goodwill as at March 31, 2023 was $3,679.7 million.

*The remainder of this page intentionally left blank.*

***Intangible Assets***

Definite-lived intangible assets are amortized over their respective estimated useful lives to their estimated residual values, in a pattern that reflects when the economic benefits will be consumed and are reviewed for impairment under the provisions of ASC 360-10-35, *Property, Plant and Equipment/Overall/Subsequent Measurement*. The Company reviews intangible assets subject to amortization for impairment whenever events or circumstances indicate that the carrying amount of an asset may not be recoverable. If the sum of the expected cash flows, undiscounted and without interest, is less than the carrying amount of the asset, an impairment loss is recognized in an amount by which the carrying amount of the asset exceeds its fair value.

No impairment loss was recognized for intangible assets with definite lives during the three month period ended March 31, 2023.

Intangible assets are amortized on a straight-line basis over their useful finite economic lives, as noted below, and are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The assessed useful life of customer relationships requires a high degree of management judgment and estimation. Such estimates are, in part, predicated upon assumed attrition and growth rates applicable to existing customers at the time of acquisition. If actual results deviate from these assumptions, it could result in an impairment or change in the estimated useful life that could have a material impact on future operating results.

| *March 31,* | Useful lives | (USD 000) 2023 |
|---|---|---|
| Trademark | 8-10 years | 130,933 |
| Developed technology | 5-7 years | 397,507 |
| Customer relationships | 18-21 years | 1,678,626 |
| Purchased software | 1.5-5 years | 4,676 |
| | | 2,211,742 |
| Less: accumulated amortization | | (298,625) |
| | | 1,913,117 |

Amortization of Intangible assets for the three month period ended March 31, 2023 is $40.7 million. The expected amortization expense for each of the fiscal years 2023 through 2027 and for periods thereafter is as follows:

| *Year ending December 31,* | (USD 000) |
|---|---|
| 2023 – From April 1 to December 31 | 123,415 |
| 2024 | 164,328 |
| 2025 | 164,068 |
| 2026 | 163,785 |
| 2027 | 140,386 |
| Thereafter | 1,157,135 |
| **Total Intangible Assets, Net** | 1,913,117 |

*The remainder of this page intentionally left blank.*

## 3. Concentration of Risks Related to Credit, Foreign Operations, and Foreign Currencies

Financial instruments that potentially subject the Company to concentrations of credit risk are primarily cash and cash equivalents, deposits with banks and financial institutions including restricted balances as well as exposure to customers including accounts receivables and unbilled receivable. The Company maintains cash balances in several U.S. financial institutions, which are insured by the Federal Deposit Insurance Corporation (FDIC) for up to $250,000 per institution. Beyond the United States of America, the Company has cash balances covered by comparable insurance based on local regulations. From time to time, the Company's balances may exceed these limits however balances are held with financial institutions with high credit standing.

The Company performs ongoing evaluations of its customers' financial condition and maintains an allowance for uncollectible accounts receivable based upon the expected collectability of all accounts receivable, using the provision matrix and the specific identification method. The Company does not require collateral from its customers. The Company is not able to predict changes in the financial stability of its customers. In cases when a delinquency in payments occurs, the Company may withhold services delivery under current implementation, discontinue support or limit the right to use its software.

As of March 31, 2023, there is no geographical concentration of credit risk as the Company's customer base is internationally dispersed and no individual customer represents more than 10% of the Company's outstanding trade and other unbilled receivables balances or more than 10% of the Company's revenue in any of the periods presented.

At March 31, 2023, geographic concentrations of net assets by countries outside the United States were as follows:

| (USD 000)<br>*March 31,* | 2023 |
|---|---|
| United Kingdom | 41,025 |
| Netherlands | 207,097 |
| Singapore | 15,381 |
| | 263,503 |

The Company is also subject to foreign currency risks that arise from normal business operations. These risks include the translation of local currency balances of the foreign affiliates and intercompany loans, as well as transactions denominated in foreign currencies.

*The remainder of this page intentionally left blank.*

## 4. Property and Equipment, Net

Property and equipment, net is summarized as follows:

| *March 31,* | (USD 000) 2023 |
|---|---|
| Furniture and fixtures | 123 |
| Computer equipment | 5,937 |
| Leasehold improvements | 5,621 |
| | 11,681 |
| Accumulated depreciation and impairment | (4,085) |
| | 7,596 |

Depreciation and amortization expense related to property and equipment for the three month period ended March 31, 2023 amounted to $0.7 million.

## 5. Due from Related Parties

The due from related parties consists of receivable from Adenza Holdings, Inc., an intermediate Parent entity, for repurchases of its share capital funded by the Adenza Group, Inc. on its behalf amounting to $6.8 million as of March 31, 2023. The receivable is unsecured and bears no interest, as it is payable on demand.

## 6. Leases

The Company has lease contracts for its office premises which are operating in nature as per ASC 842. Leases of property generally have lease terms between 12 months to 10 years depending upon the importance of a particular location and other factors such as the number of customers and employees in that country. The Company’s obligations under its leases are secured by the lessor’s title to the leased assets.

The Company applies the ‘short-term lease’ and ‘lease of low-value assets’ recognition exemptions for these leases. Set out below are the carrying amounts of right-of-use assets recognized for operating leases and the movements during the years then ended:

| (USD 000) | 2023 |
|---|---|
| **As at January 1,** | 17,037 |
| Amortization | (1,182) |
| As of March 31, | 15,855 |

Set out below are the carrying amounts of operating lease liabilities (included under interest-bearing loans and borrowings) and the movements during the three month period:

| | (USD 000) 2023 |
|---|---|
| **As at January 1,** | 22,831 |
| Accretion of interest | 417 |
| Payment of lease liabilities | (1,732) |
| As of March 31, | 21,516 |
| Less: current portion | 5,070 |
| Total non-current lease liabilities | 16,446 |

The following table presents a maturity analysis of expected undiscounted cash flows for operating leases on an annual basis for the next five years and thereafter:

| *Year ending December 31,* | (USD 000) |
|---|---|
| 2023 – April 1 to December 31 | 4,733 |
| 2024 | 6,449 |
| 2025 | 4,684 |
| 2026 | 3,828 |
| 2027 | 2,752 |
| Thereafter | 2,778 |
| **Total Operating lease payments** | 25,224 |
| Imputed Interest | (3,708) |
| **Total** | 21,516 |

The following table presents the weighted-average lease term and discount rate for operating leases:

| *March 31,* | (USD 000) 2023 |
|---|---|
| Weighted-average remaining lease term | 4.41 years |
| Weighted-average discount rate | 7.45% |

Amortization and interest expense on the Capitalized Operating leases for the three month period ended March 31, 2023 amounted to $1.6 million.

The Company has non-cancellable minimum operating lease commitments for short-term leases and low-value assets as of March 31, 2023 totaling $0.2 million.

*Sublease*

During 2022, the Company sub-leased office space where the Company is the tenant to several surplus non-cancellable leases. Total sublease income for the three month period ended March 31, 2023 was $0.4 million. Total estimated aggregate sublease income to be received over the term of the sub-lease arrangement from April 1, 2023 and ending August 31, 2029 amounts to $6.6 million.

*The remainder of this page intentionally left blank.*

## 7. Long-Term Debt and Line-of-Credit

In 2020, the Company entered into a term loan agreement with the principal amount of $500.0 million (the "Term loan"). The loan matures on December 3, 2027 and requires quarterly principal payments of $1.3 million and interest payments of 7.50% on the outstanding principal amount. In connection with the term loan agreement, the Company incurred $14.3 million of debt issuance costs.

In 2021, the Company increased its existing term loan agreement by $1,650.0 million including $100.0 million of Delayed Draw Term Loan (DDTL) with the same maturity date of December 3, 2027. As of March 31, 2023, the Company had drawn $1,550.0 million towards term loan and DDTL was not drawn. The quarterly principal payments were revised to $5.1 million and interest rate was reduced by 50bps to 7.00% on the outstanding principal amount. The interest rate applicable is made up of two components which are LIBOR with a floor of 1% and a credit spread of 6%. During the three month period ended March 31, 2023, the Company paid off principal to the extent of $5.1 million and credit spread was 5.75% based upon the Company's leverage ratio.

Until such time that the DDTL is utilized, a commitment fee of 1.00% is payable on the committed amount of $100.0 million. As of March 31, 2023, the Company has no outstanding borrowings against the DDTL.

During 2021, the Company incurred $33.8 million of debt issuance costs for increase in limits which are recognized as deferred financing costs offsetting the debt balance and amortized as interest expense through the maturity date.

Principal payments required to be made under the terms of the term loan agreement are as follows:

| *Year ending December 31* | (USD 000) |
|---|---|
| 2023 – From April 1 to December 31 | 15,356 |
| 2024 | 20,475 |
| 2025 | 20,475 |
| 2026 | 20,475 |
| 2027 | 20,475 |
| Thereafter | 1,914,413 |
| | 2,011,669 |

The loan balance reported in the consolidated balance sheet is presented net of the unamortized balance of debt issuance costs of $35.9 million as of March 31, 2023. Amortization of these costs is calculated by the straight-line method, which approximates the effective interest method, and reported as interest expense in the accompanying statement of operations. The interest expense representing amortization of loan issuance costs for the three month period ended March 31, 2023 was $2.0 million.

The Company also maintains a $150.0 million revolving credit facility (RCF) which matures on December 3, 2025. Interest on amounts borrowed are payable at the same rate as applicable to the Term loan and, until the facility is utilized, there is a commitment fee of 0.50% is payable on the total amount of the facility. As of March 31, 2023, the Company has no outstanding borrowings against the facility.

The term loan and credit facilities are subject to certain financial and affirmative covenants. As of March 31, 2023, the Company was in compliance with all required covenants. The term loan and credit facilities are secured by the assets of the Company.

## 8. Capital Structure

***Capital Stock***

As of March 31, 2023, the Company's capital structure is summarized as follows:

| Common Stock | 2023 |
|---|---|
| Authorized | 1,000 |
| Issued | 1,000 |
| Outstanding | 1,000 |
| Par | $0.010 |

***Common Stock***

*Dividend rights*

The Company's common shares do not contain any dividend rights.

*Voting Rights*

The Company's common shares do not contain any voting rights.

*Redemption Rights*

The common shares are not redeemable.

*The remainder of this page intentionally left blank.*

## 9. Management incentive plan

Adenza Parent L.P., the ultimate Parent, implemented the Amended and Restated Adenza Parent, L.P. Incentive Equity Plan and the Adenza Parent, L.P. Equity Appreciation Rights Plan (collectively, the "Plan") pursuant to which Adenza Parent issues awards of incentive equity to employees of the Company and its direct and indirect subsidiaries. Pursuant to the Plan, incentive equity may be issued in the form of Class B Units of Adenza Parent ("Class B PIUs") or Class B equity appreciation rights ("Class B EARs" and collectively with the Class B PIUs, the "Awards"). Adenza Parent issued Class B PIUs and Class B EARs to certain employees and directors of Adenza Parent ("the Participants") for no cash consideration in March and April 2021 and again in December 2021, May 2022 and January 2023. Since the value of these awards was immaterial at the time of the grant, there is no compensation expense recognized during the three month period ended March 31, 2023. The estimated valuation of the awards was determined as an average of various valuation methods such as discounted cash flow analysis, comparable public company analysis and comparable acquisition analysis.

A summary of activity is as follows:

| | Class B EARs | Class B PIUs | Total |
|---|---|---|---|
| December 31, 2022 | 1,783,311 | 7,579,689 | 9,363,000 |
| Granted | 392,211 | 381,117 | 773,328 |
| Cancelations | (15,662) | (12,679) | (28,341) |
| March 31, 2023 | 2,159,860 | 7,948,127 | 10,107,987 |

Class B PIUs are equity in Adenza Parent. Subject to a participation threshold, if any, each holder of Class B PIUs is entitled to its pro rata share of proceeds from a Change in Control of Adenza Parent after satisfaction of all liabilities and payment to the holders of Class A Units of the Class A Unreturned Capital and Class A Unpaid Yield, each as defined in the Second Amended and Restated Limited Partnership Agreement of Adenza Parent.

The Class B EARs have a financial right to consideration upon a Change in Control. The Class B EARs are not actual equity interests in the Adenza Parent or any entity but represent a hypothetical unit of measurement maintained by the Adenza Parent in a bookkeeping account for the Participant's benefit, entitling the Participant to a cash payment subject to the terms and conditions of the Plan and assuming for these purposes that each Class B EAR is economically equivalent to one Class B PIU.

The Awards are subject to certain restrictions, including vesting restrictions, transferability restrictions, repurchase rights, and rights of first refusal. Some or all of the Awards may be subject to cancellation or repurchase upon the Participant's termination of employment with the Company.

Awards granted in March and April 2021 were subject to two types of vesting:

1. Type I – time-based vesting – 25% of the Awards would vest on the first anniversary of the acquisition of AxiomSL by Thoma Bravo (i.e., December 3, 2021), and the remaining 75% of the Type I Awards will vest in equal amounts monthly over the next thirty-six (36) months.
2. Type II – performance-based vesting—These Awards will vest depending upon Adenza meeting the EBITDA-based targets set by the Board for the relevant years 2021-2024. If the EBITDA-based target for a period is met, then 25% of the Type II Awards will vest as of December 31 of the relevant year.

Holders of Awards issued in March and April 2021 were offered the option to switch to the following vesting terms, which applied to all Awards issued in December 2021 and thereafter, except for those under the Sales Vesting Plan described below. Some holders opted to switch to the terms of the awards issued in December 2021 however the value of both the awards is insignificant resulting in no impact on consolidated statement of operations.

Vesting can be divided into 3 types that are as follows:

1. Type I—time-based vesting—25% of Type I Awards will vest on the first anniversary of the vesting start date (for the Awards issued in December 2021, the vesting start date was the date of the acquisition of Calypso by Thoma Bravo (i.e., July 22, 2022)), and the remaining 75% of the Type I Awards will vest in equal amounts daily over the next thirty-six (36) months.
2. Type II—performance-based vesting—These Awards will vest depending upon Adenza meeting the EBITDA-based targets set by the Board for the relevant years 2022-2025 (or 2023-2026, for awards issued in May 2022 or January 2023). If the EBITDA-based target for a period is met, then 25% of the Type II Awards will vest as of December 31 of the relevant year.
3. Type Ill—will vest upon a change of control.

Participants may have the right to acceleration upon a Change in Control, as set forth in the applicable Grant Agreement. Upon termination of employment, unvested Awards are cancelled. Vested awards may be subject to cancelation or repurchase, depending on the terms of the applicable Grant Agreement and the circumstances of the Participant's termination.

In May 2022, the Ultimate Parent issued Awards to Participants who are Sales Executives of the Company and its direct and indirect subsidiaries (the "Sales Vesting Plan"). Each Award is divided into three equal annual tranches. Vesting is determined based on each Participant's sales quota as set forth in the Participant's Sales Compensation Plan, and is determined as follows:

1. 0% to 65% Quota Achievement: No vesting of the annual tranche. All amounts in the annual tranche are forfeited.
2. 65% to 80% Quota Achievement: No vesting of the annual tranche, however 40% of the annual tranche carries over to the next year.
3. 80% to 100% Quota Achievement: Minimum 40% vesting of the annual tranche. The remaining 60% vests based on proportionate achievement between 80% and 100%. Unvested amounts carryover to the following year.

Quota overachievement entitles the Participant to additional vesting from the subsequent year's tranche. Amounts carried-over from a prior year tranche are available for the next year only.

Awards granted under the Sales Vesting Plan are subject to the same restrictions and other terms and conditions as the other vesting plans.

*The remainder of this page intentionally left blank.*

### 10. Income Taxes

The Company determines the tax provision for interim periods using an estimate of its annual effective tax rate. Each quarter, the Company updates its estimate of annual effective tax rate, and if its estimated tax rate changes, the Company makes a cumulative adjustment.

The Company recorded income tax benefit of $5.5 million for the three month period ended March 31, 2023. The Company's effective tax rate is 17.2% and differs from the statutory tax rate primarily due to state taxes, non-deductible expenses and losses, foreign rate differential, Global Intangible Low-Taxed Income (GILTI) inclusion, and credits and incentives.

### 11. Contingencies

The Company, from time to time, may be involved in various claims and lawsuits, both for and against the Company, arising in the normal course of business. Management believes that any financial responsibility that may be incurred in settlement of such claims and lawsuits would not be material to the Company's financial position, operations, and cash flows.

### 12. Re-organization costs

Re-organization costs are summarized below:

| (USD 000) | Three month period ended March 31, 2023 |
|---|---|
| **One time projects**—*Internal entities reorganization post-merger and other realignment projects* | 716 |
| **Systems**—*Implementation and consolidation of internal systems* | 600 |
| | 1,316 |

### 13. Subsequent Events

The Company evaluated events occurred after March 31, 2023 through June 19, 2023, the date when the consolidated financial statements were available to be issued, and there are no subsequent events that met recognition or disclosure criteria, other than as disclosed below:

On 10 June 2023, Adenza Parent, L.P. entered into a definitive Agreement and Plan of Merger to sell the entire share capital of Adenza Holdings, Inc, its immediate subsidiary holding the rest of the Group, to Nasdaq, Inc. a technology company serving the global financial system. Completion is subject to various regulatory and anti-trust reviews and approvals.

*The remainder of this page intentionally left blank.*

## UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

The following unaudited pro forma condensed combined financial information combines the historical condensed consolidated balance sheet and statement of income of Nasdaq, Inc. (the "Company" or "Nasdaq") and the historical condensed consolidated balance sheet and statement of operations of Adenza Group, Inc ("Adenza Group"), a wholly owned subsidiary of Adenza Holdings, Inc. ("Adenza"), after giving effect to the Acquisition (as defined in *Note 1 – Description of the Acquisition and Financing Transactions*) and the pro forma effects of certain assumptions and adjustments described in "Notes to the Unaudited Pro Forma Condensed Combined Financial Information" below.

The unaudited pro forma condensed combined financial information has been prepared to give effect to the following:

- Application of the acquisition method of accounting under the provisions of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification 805, *Business Combinations* ("ASC 805") where the assets and liabilities of Adenza will be recorded by Nasdaq at their respective fair values as of the date the Acquisition was completed;
- Adjustments to conform financial statement presentation of Adenza Group to those of Nasdaq, based upon preliminary assessment by Nasdaq;
- Adjustments to reflect the following financing transactions (collectively, the "Financing Transactions") and other adjustments:
  - Nasdaq's proposed commercial paper issuances;
  - Nasdaq's proposed offerings of U.S. dollar-denominated and euro-denominated senior notes; and
  - Nasdaq's proposed entry into a delayed draw term loan facility;
- The transfer of purchase consideration comprised of $5,750 million in cash and 85,608,414 shares of Nasdaq common stock to be issued (subject to customary closing adjustments), in exchange for the right, title, and interest in and to all the outstanding shares of Adenza; and
- Adjustments to reflect transaction costs in connection with the Acquisition that would have been incurred had the Acquisition been consummated.

The following unaudited pro forma condensed combined balance sheet as of March 31, 2023 and the unaudited pro forma condensed combined statements of income for the year ended December 31, 2022 and the three months ended March 31, 2023 are derived from and should be read in conjunction with Nasdaq's (i) audited historical consolidated financial statements filed in the Annual Report on Form 10-K of Nasdaq for the year ended December 31, 2022 and (ii) unaudited interim condensed consolidated financial statements filed in the Quarterly Report on Form 10-Q of Nasdaq for the three months ended March 31, 2023 and Adenza Group's (i) audited historical consolidated financial statements of Adenza Group for the year ended December 31, 2022, (ii) unaudited interim condensed consolidated financial statements of Adenza Group for the three months ended March 31, 2023. The difference between Adenza and Adenza Group's financial statements is immaterial, and the activity of Adenza outside of Adenza Group is related primarily to intercompany activity which is eliminated in consolidation. The unaudited pro forma condensed combined financial information gives effect to the Acquisition and the Financing Transactions as if they had occurred on (i) March 31, 2023 for purposes of the unaudited pro forma condensed combined balance sheet, and (ii) January 1, 2022 for purposes of the unaudited pro forma condensed combined statements of income for the year ended December 31, 2022 and the three months ended March 31, 2023.

The unaudited pro forma financial information has been derived from the financial statements of Nasdaq and Adenza Group after giving pro forma effect to the Acquisition and the Financing Transactions. The unaudited pro forma condensed combined financial statements have been prepared by Nasdaq's management for illustrative purposes only and are not necessarily indicative of the consolidated financial position or results of operations that would have been realized had the Acquisition and the Financing Transactions occurred on the dates indicated, nor are they meant to be indicative of any future consolidated financial position or future results of operations that Nasdaq will experience. Pro forma adjustments reflected in the unaudited pro forma condensed combined financial statements are based on available information and certain assumptions that we believe are reasonable and supportable, and do not reflect any cost savings, operating synergies or revenue synergies that may result from the Acquisition or the costs to achieve such synergies. The financial statements of Adenza Group used to prepare the unaudited pro forma condensed combined statements of income were prepared for the purpose of the unaudited pro forma condensed combined statements of income for the three months ended March 31, 2023.

The unaudited pro forma condensed combined financial information has been prepared using the acquisition method of accounting under U.S. GAAP, which requires all of the following steps: (a) identifying the acquirer; (b) determining the acquisition date; (c) recognizing and measuring the identifiable assets acquired, the liabilities assumed and any noncontrolling interest in the acquiree; and (d) recognizing and measuring goodwill or a gain from a bargain purchase. For the Acquisition, Nasdaq is determined to be the accounting acquirer of Adenza. The identifiable assets acquired, and liabilities assumed, and goodwill are measured and recorded at their acquisition date fair value, with limited exceptions. The results of operations for the combined company will be reported prospectively after the Acquisition date. Nasdaq intends to finalize the valuations, other studies, and the purchase price allocation as soon as practicable within the measurement period, but in no event later than one year following the closing date of the Acquisition. The assets and liabilities of Adenza have been measured based on various preliminary estimates using assumptions that Nasdaq believes are reasonable, based on information that is currently available. Accordingly, actual adjustments may differ materially from the amounts reflected in the unaudited pro forma condensed combined financial information and the differences may be material. We therefore caution you not to place undue reliance on the unaudited pro forma condensed combined financial information. An initial review of the accounting policies was completed to determine material differences and Nasdaq will continue to review the accounting policies and practices of Adenza, and as a result, may identify differences between the accounting policies and practices of the two companies that, when conformed, could have an impact on the financial statements of the Company after giving effect to the Acquisition.

As a result of the foregoing, the pro forma adjustments are preliminary and are subject to change as additional information becomes available and as additional analysis is performed. The preliminary pro forma adjustments have been made solely for the purpose of providing the unaudited pro forma condensed combined financial information.

## UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET
## As of March 31, 2023
## ($ in millions)

| | Nasdaq Historical As of March 31, 2023 | (Note 3) Adenza Group Reclassed As of March 31, 2023 | (Note 5) Transaction Accounting Adjustments – Acquisition | | (Note 5) Transaction Accounting Adjustments – Financing | | Pro Forma Combined |
|---|---|---|---|---|---|---|---|
| **Assets** | | | | | | | |
| Current assets: | | | | | | | |
| Cash and cash equivalents | $ 373 | $ 190 | $ (5,911) | (a) (b) | $ 5,872 | (a) | $ 524 |
| Restricted cash and cash equivalents | 57 | 1 | — | | — | | 58 |
| Default funds and margin deposits | 7,055 | — | — | | — | | 7,055 |
| Financial investments | 197 | — | — | | — | | 197 |
| Receivables, net | 666 | 193 | — | | — | | 859 |
| Other current assets | 192 | 19 | (4) | (c) | — | | 207 |
| **Total current assets** | 8,540 | 403 | (5,915) | | 5,872 | | 8,900 |
| Property and equipment, net | 529 | 8 | — | | — | | 537 |
| Goodwill | 8,103 | 3,680 | 3,214 | (d) | — | | 14,997 |
| Intangible assets, net | 2,545 | 1,913 | 1,941 | (e) | — | | 6,399 |
| Operating lease assets | 427 | 16 | — | | — | | 443 |
| Other non-current assets | 631 | 63 | (12) | (c) | — | | 682 |
| **Total assets** | $ 20,775 | $ 6,083 | $ (772) | | $ 5,872 | | $ 31,958 |
| **Liabilities** | | | | | | | |
| Current liabilities: | | | | | | | |
| Accounts payable and accrued expenses | $ 183 | $ 46 | $ — | | $ — | | $ 229 |
| Section 31 fees payable to SEC | 125 | — | — | | — | | 125 |
| Accrued personnel costs | 157 | — | — | | — | | 157 |
| Deferred revenue | 664 | 152 | — | | — | | 816 |
| Other current liabilities | 173 | 22 | — | | — | | 195 |
| Default funds and margin deposits | 7,055 | — | — | | — | | 7,055 |
| Short-term debt | 347 | 20 | (20) | (f) | 260 | (j) | 607 |
| **Total current liabilities** | 8,704 | 240 | (20) | | 260 | | 9,184 |
| Long-term debt | 4,762 | 1,955 | (1,955) | (f) | 5,632 | (j) | 10,394 |
| Deferred tax liabilities, net | 463 | 341 | 486 | (g) | — | | 1,290 |
| Operating lease liabilities | 442 | 16 | — | | — | | 458 |
| Other non-current liabilities | 225 | 9 | — | | — | | 234 |
| **Total liabilities** | 14,596 | 2,561 | (1,489) | | 5,892 | | 21,560 |
| **Commitments and contingencies** | | | | | | | |
| **Equity** | | | | | | | |
| Nasdaq stockholders' equity: | | | | | | | |
| Common stock, $0.01 par value | 5 | — | 1 | (i) | — | | 6 |
| Additional paid-in capital | 1,312 | 3,712 | 672 | (h) (i) | — | | 5,696 |
| Common stock in treasury, at cost | (555) | — | — | | — | | (555) |
| Accumulated other comprehensive loss | (2,006) | (30) | 30 | (i) | — | | (2,006) |
| Retained earnings | 7,411 | (160) | 14 | (b) (h) (i) | (20) | (k) | 7,245 |
| Total Nasdaq stockholders' equity | 6,167 | 3,522 | 717 | | (20) | | 10,386 |
| Noncontrolling interests | 12 | — | — | | — | | 12 |
| **Total equity** | 6,179 | 3,522 | 717 | | (20) | | 10,398 |
| **Total liabilities and equity** | $ 20,775 | $ 6,083 | $ (772) | | $ 5,872 | | $ 31,958 |

See the accompanying notes to the Unaudited Pro Forma Condensed Combined Financial Information

**UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF INCOME**
**For the Year Ended December 31, 2022**
**($ in millions, except per share data)**

| | Nasdaq Historical Year Ended December 31, 2022 | (Note 3) Adenza Group Reclassed Year Ended December 31, 2022 | (Note 6) Transaction Accounting Adjustments – Acquisition | | Transaction Accounting Adjustments – Financing | | Pro Forma Combined | |
|---|---|---|---|---|---|---|---|---|
| **Revenue:** | | | | | | | | |
| Market Platforms | $ 4,225 | $ — | $ — | | $ — | | $ 4,225 | |
| Capital Access Platforms | 1,684 | — | — | | — | | 1,684 | |
| Adenza | — | 514 | — | | — | | 514 | |
| Anti-Financial Crime | 306 | — | — | | — | | 306 | |
| Other revenues | 11 | — | — | | — | | 11 | |
| **Total revenues** | 6,226 | 514 | — | | — | | 6,740 | |
| **Transaction-based expenses:** | | | | | | | | |
| Transaction rebates | (2,092) | — | — | | — | | (2,092) | |
| Brokerage, clearance and exchange fees | (552) | — | — | | — | | (552) | |
| **Revenues less transaction-based expenses** | 3,582 | 514 | — | | — | | 4,096 | |
| **Operating expenses:** | | | | | | | | |
| Compensation and benefits | 1,003 | 181 | 393 | (a) | — | | 1,577 | |
| Professional and contract services | 140 | 12 | — | | — | | 152 | |
| Computer operations and data communications | 207 | 16 | — | | — | | 223 | |
| Occupancy | 104 | 10 | — | | — | | 114 | |
| General, administrative and other | 125 | 11 | — | | — | | 136 | |
| Marketing and advertising | 51 | 1 | — | | — | | 52 | |
| Depreciation and amortization | 258 | 163 | 193 | (b) | — | | 614 | |
| Regulatory | 33 | — | — | | — | | 33 | |
| Merger and strategic initiatives | 82 | 1 | 136 | (c) | — | | 219 | |
| Restructuring charges | 15 | 18 | — | | — | | 33 | |
| **Total operating expenses** | 2,018 | 413 | 722 | | — | | 3,153 | |
| **Operating income** | 1,564 | 101 | (722) | | — | | 943 | |
| Interest income | 7 | 1 | — | | — | | 8 | |
| Interest expense | (129) | (172) | — | | (197) | (e) | (498) | |
| Other income | 2 | 1 | — | | — | | 3 | |
| Net income from unconsolidated investees | 31 | — | — | | — | | 31 | |
| **Income before income taxes** | 1,475 | (69) | (722) | | (197) | | 487 | |
| Income tax provision (benefit) | 352 | (25) | (82) | (d) | (49) | (f) | 196 | |
| **Net income** | $ 1,123 | $ (44) | $ (640) | | $ (148) | | $ 291 | |
| Net loss attributable to noncontrolling interests | 2 | — | — | | — | | 2 | |
| **Net income attributable to Nasdaq** | $ 1,125 | $ (44) | $ (640) | | $ (148) | | $ 293 | |
| Weighted Average Common Shares Outstanding—Basic | 492.4 | | 85.6 | (g) | | | 578.0 | (g) |
| Weighted Average Common Shares Outstanding—Diluted | 497.9 | | 85.6 | (g) | | | 583.5 | (g) |
| Earnings per share—Basic | $ 2.28 | | | | | | $ 0.51 | (g) |
| Earnings per share—Diluted | $ 2.26 | | | | | | $ 0.50 | (g) |

See the accompanying notes to the Unaudited Pro Forma Condensed Combined Financial Information

## UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF INCOME
### For the Three Months Ended March 31, 2023
### ($ in millions, except per share data)

| | Nasdaq Historical Three Months Ended March 31, 2023 | (Note 3) Adenza Group Reclassed Three Months Ended March 31, 2023 | (Note 6) Transaction Accounting Adjustments - Acquisition | (Note 6) Transaction Accounting Adjustments - Financing | Pro Forma Combined |
|---|---|---|---|---|---|
| **Revenue:** | | | | | |
| Market Platforms | $ 1,032 | $ — | $ — | $ — | $ 1,032 |
| Capital Access Platforms | 416 | — | — | — | 416 |
| Adenza | — | 126 | — | — | 126 |
| Anti-Financial Crime | 84 | — | — | — | 84 |
| Other revenues | 1 | — | — | — | 1 |
| **Total revenues** | 1,533 | 126 | — | — | 1,659 |
| **Transaction-based expenses:** | | | | | |
| Transaction rebates | (487) | — | — | — | (487) |
| Brokerage, clearance and exchange fees | (132) | — | — | — | (132) |
| **Revenues less transaction-based expenses** | 914 | 126 | — | — | 1,040 |
| **Operating expenses:** | | | | | |
| Compensation and benefits | 256 | 51 | — | — | 307 |
| Professional and contract services | 32 | 2 | — | — | 34 |
| Computer operations and data communications | 54 | 5 | — | — | 59 |
| Occupancy | 39 | 2 | — | — | 41 |
| General, administrative and other | 14 | 2 | — | — | 16 |
| Marketing and advertising | 9 | — | — | — | 9 |
| Depreciation and amortization | 69 | 42 | 47 (b) | — | 158 |
| Regulatory | 9 | — | — | — | 9 |
| Merger and strategic initiatives | 2 | — | — | — | 2 |
| Restructuring charges | 18 | 1 | — | — | 19 |
| **Total operating expenses** | 502 | 105 | 47 | — | 654 |
| **Operating income** | 412 | 21 | (47) | — | 386 |
| Interest income | 6 | 1 | — | — | 7 |
| Interest expense | (36) | (54) | — | (32) (e) | (122) |
| Other income | — | 1 | — | — | 1 |
| Net income from unconsolidated investees | 14 | — | — | — | 14 |
| **Income before income taxes** | 396 | (31) | (47) | (32) | 286 |
| Income tax provision (benefit) | 95 | (5) | (12) (d) | (8) (f) | 70 |
| **Net income** | $ 301 | $ (26) | $ (35) | $ (24) | $ 216 |
| Net loss attributable to noncontrolling interests | 1 | — | — | — | 1 |
| **Net income attributable to Nasdaq** | $ 302 | $ (26) | $ (35) | $ (24) | $ 217 |
| Weighted Average Common Shares Outstanding—Basic | 489.9 | | 85.6 (g) | | 575.5 (g) |
| Weighted Average Common Shares Outstanding—Diluted | 494.8 | | 85.6 (g) | | 580.4 (g) |
| Earnings per share—Basic | $ 0.62 | | | | $ 0.38 (g) |
| Earnings per share—Diluted | $ 0.61 | | | | $ 0.37 (g) |

See the accompanying notes to the Unaudited Pro Forma Condensed Combined Financial Information

## NOTES TO THE UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

### Note 1 - Description of the Acquisition and Financing Transactions

*The Acquisition*

On June 12, 2023, Nasdaq announced that it had entered into an Agreement and Plan of Merger (the “Merger Agreement”) by and among Nasdaq, Argus Merger Sub 1, Inc. (“Merger Sub 1”), Argus Merger Sub 2, LLC (“Merger Sub 2”), Adenza, and Adenza Parent, LP (“Seller”) to acquire the entire issued and to be issued share capital of Adenza for cash consideration of $5,750 million and 85,608,414 shares of Nasdaq common stock. A portion of the cash consideration will be used to settle the existing indebtedness of Adenza and its subsidiaries. The estimated fair value of the purchase consideration was $10,135 million based on the closing price per share of Nasdaq common stock on June 16, 2023. In connection with the consummation of the Acquisition, (i) Merger Sub 1 will merge with and into Adenza with Adenza being the surviving entity (“Surviving Corporation”) and will become a subsidiary of Nasdaq, (ii) Surviving Corporation will merge with and into Merger Sub 2 and Merger Sub 2 being the surviving company (“Surviving Company”) and will be a subsidiary of Nasdaq.

The unaudited pro forma condensed combined financial information includes various assumptions, including those related to the preliminary purchase price allocation of the assets acquired and liabilities assumed of Adenza based on Nasdaq management’s best estimate of fair value. The final purchase price allocation may vary based on final valuations and analyses of fair value of the acquired assets and assumed liabilities. The actual results of Adenza for periods subsequent to March 31, 2023 may result in material differences to the pro forma results had they been prepared on the basis of subsequent periods. Accordingly, the pro forma adjustments are preliminary and have been made solely for illustrative purposes.

*The Financing Transactions*

The unaudited pro forma condensed combined financial information includes certain financing adjustments related to the expected concurrent issuances of (i) U.S. dollar and euro-denominated senior notes, (ii) loans under a new three-year unsecured term loan credit facility and (iii) commercial paper. The proceeds of the Financing Transactions will be used to finance the Acquisition as well as for repayment of Adenza and its subsidiaries’ existing indebtedness and to settle transaction related fees and expenses.

### Note 2 – Basis of Presentation

The unaudited pro forma condensed combined financial statements are based on the historical consolidated financial statements of Nasdaq and Adenza Group, respectively, as adjusted to give pro forma effect to the Acquisition and the Financing Transactions. Adenza Group is a wholly owned subsidiary of Adenza, and its financial statements represent the operations of Adenza, noting the difference in financial statements between the two entities is immaterial and that the activity of Adenza outside of Adenza Group is related primarily to intercompany activity which is eliminated in consolidation.

The unaudited pro forma condensed combined balance sheet as of March 31, 2023, the unaudited pro forma condensed combined statement of income for the year ended December 31, 2022, and the unaudited pro forma condensed combined statement of income for the three months ended March 31, 2023 presented herein are based on the historical financial statements of Nasdaq and Adenza Group. The following financial information was combined:

- The unaudited pro forma condensed combined balance sheet as of March 31, 2023 is presented as if the Acquisition and the Financing Transactions had occurred on March 31, 2023 and combines the historical unaudited condensed consolidated balance sheet of Nasdaq as of March 31, 2023 with the historical unaudited condensed consolidated balance sheet of Adenza Group as of March 31, 2023.
- The unaudited pro forma condensed combined statement of income for the year ended December 31, 2022 has been prepared as if the Acquisition and Financing Transactions had occurred January 1, 2022, the first day of the beginning of Nasdaq’s fiscal year 2022 and the beginning of Nasdaq’s annual period presented, and combines Nasdaq’s historical audited consolidated statement of income for the year ended December 31, 2022 with Adenza Group’s historical audited consolidated statement of operations for the year ended December 31, 2022.
- The unaudited pro forma condensed combined statement of income for the three months ended March 31, 2023 has been prepared as if the Acquisition and Financing Transactions had occurred on January 1, 2022 and combines Nasdaq’s historical unaudited condensed consolidated statement of income for the three months ended March 31, 2023 with Adenza Group’s historical unaudited consolidated statement of operations for the three months ended March 31, 2023.

Pro forma adjustments reflected in the unaudited pro forma condensed combined financial statements are based on available information. Given the Acquisition has not yet been consummated, the Company is still in the process of aligning Adenza’s revenue with Nasdaq’s segment presentation. Therefore, the Company has presented Adenza’s revenue separately in the unaudited pro forma condensed combined statement of income for the year ended December 31, 2022, and the unaudited pro forma condensed combined statement of income for the three months ended March 31, 2023.

The Acquisition is accounted for as a business combination using the acquisition method of accounting under the provisions of ASC 805 and using the fair value concepts defined in ASC 820, Fair Value Measurements. Under ASC 805, all assets acquired and liabilities assumed are recorded at their acquisition date fair value, while transaction costs associated with the business combination are expensed as incurred. The excess of acquisition consideration over the estimated fair value of assets acquired and liabilities assumed, if any, is allocated to goodwill. The determination of the fair values of the assets acquired and liabilities assumed (and the related determination of estimated useful lives of amortizable identifiable intangible assets) requires significant judgment and estimates. The estimates and assumptions used include the projected timing and amount of future cash flows and discount rates reflecting risk inherent in the future cash flows related to the businesses acquired. The preliminary fair value estimates of the net assets acquired are based upon preliminary calculations and valuations, and those estimates and assumptions regarding certain tangible assets acquired and liabilities assumed, the valuation of intangible assets acquired, income taxes, and goodwill are subject to change as the Company obtains additional information during the measurement period (up to one year from the Acquisition date). Although the Company believes the fair values assigned to the assets acquired and liabilities assumed from the Acquisition are reasonable, new information may be obtained about facts and circumstances that existed as of the date of the Acquisition during the twelve-month period following the Acquisition which could cause actual results to differ materially from the unaudited pro forma condensed combined financial information.

The unaudited pro forma condensed combined financial statements do not include the realization of any cost savings from operating efficiencies, synergies or other restructuring activities which might result from the Acquisition.

**Note 3 – Reclassification Adjustments**

Reclassification of historical Adenza Group financial statement line items was required as of March 31, 2023, for the year ended December 31, 2022 and the three months ended March 31, 2023 to conform to the expected financial statement line items of the combined company following the Acquisition.

*Pro Forma Combined Balance Sheet reclassification adjustments as of March 31, 2023 included the following (in millions):*

| Adenza Group Historical Consolidated Balance Sheet Line Items | Nasdaq Historical Consolidated Balance Sheet Line Items | Adenza Group Historical Consolidated Balances As of March 31, 2023 | Reclassification | | Adenza Group Reclassed As of March 31, 2023 |
|---|---|---|---|---|---|
| Restricted cash | Restricted cash and cash equivalents | 1 | — | | 1 |
| Accounts receivable, net | Receivables, net | 83 | 110 | (a) | 193 |
| Unbilled receivables | | 110 | (110) | (a) | — |
| Prepaid expenses and other assets | Other current assets | 11 | 8 | (b) (c) | 19 |
| Deferred contract costs | | 4 | (4) | (b) | — |
| Prepaid income taxes | | 4 | (4) | (c) | — |
| Unbilled receivables, noncurrent | | 35 | (35) | (a) | — |
| Due from related parties | | 7 | (7) | (d) | — |
| Right-of-use assets | Operating lease assets | 16 | — | | 16 |
| Deferred contract costs, noncurrent | | 12 | (12) | (b) | — |
| Deferred tax assets | | 3 | (3) | (e) | — |
| Restricted cash (non-current) | | 1 | (1) | (f) | — |
| Other long-term assets | Other non-current assets | 2 | 61 | (a) (b) (d) (e) (f) (g) | 63 |
| Equity investment | | 3 | (3) | (g) | — |
| Current maturities of long-term debt | Short-term debt | 20 | — | | 20 |
| Accounts payable | Accounts payable and accrued expenses | 5 | 41 | (h) | 46 |
| Accrued expenses | | 41 | (41) | (h) | — |
| | Other current liabilities | — | 22 | (i) (j) | 22 |
| Income taxes payable | | 17 | (17) | (i) | — |
| Lease liabilities | | 5 | (5) | (j) | — |
| Long-term debt, less current maturities | Long-term debt | 1,955 | — | | 1,955 |
| Deferred tax liabilities | Deferred tax liabilities, net | 341 | — | | 341 |
| Lease liabilities (non-current) | Operating lease liabilities | 16 | — | | 16 |
| Other long-term liabilities | Other non-current liabilities | 3 | 6 | (k) | 9 |
| Deferred revenue, net of current portion | | 6 | (6) | (k) | — |
| Accumulated deficit | Retained earnings | (160) | — | | (160) |

(a) Reclassification of $110 million of Unbilled receivables to Receivables, net;
Reclassification of $35 million of Unbilled receivables, noncurrent to Other non-current assets;
(b) Reclassification of $4 million of Deferred contract costs to Other current assets;
Reclassification of $12 million of Deferred contract costs, noncurrent to Other non-current assets;
(c) Reclassification of $4 million of Prepaid income taxes to Other current assets;
(d) Reclassification of $7 million of Due from related parties to Other non-current assets;
(e) Reclassification of $3 million of Deferred tax assets to Other non-current assets;
(f) Reclassification of $1 million of Restricted cash (non-current) to Other non-current assets;
(g) Reclassification of $3 million of Equity investment to Other non-current assets;
(h) Reclassification of $41 million of Accrued expenses to Accounts payable and accrued expenses;
(i) Reclassification of $17 million of Income taxes payable to Other current liabilities;
(j) Reclassification of $5 million of Lease liabilities (current) to Other current liabilities; and
(k) Reclassification of $6 million of Deferred revenue, net of current portion to Other non-current liabilities.

*Pro Forma Combined Statement of Income reclassification adjustments for the year ended December 31, 2022 included the following (in millions):*

| Adenza Group Historical Consolidated Statement of Operations Line Items | Nasdaq Historical Consolidated Statements of Income Line Items | Adenza Group Historical Year Ended December 31, 2022 | Reclassification | | Adenza Group Reclassed Year Ended December 31, 2022 |
|---|---|---|---|---|---|
| | Compensation and benefits | — | 181 | (a) (c) (d) | 181 |
| | Professional and contract services | — | 12 | (a) (d) | 12 |
| | Computer operations and data communications | — | 16 | (a) (c) (d) | 16 |
| | Occupancy | — | 10 | (c) (d) | 10 |
| | General, administrative, and other | — | 11 | (a) (c) (d) (e) | 11 |
| | Marketing and advertising | — | 1 | (d) | 1 |
| Cost of sales | | 97 | (97) | (a) | — |
| Amortization of developed technology | | 61 | (61) | (b) | — |
| Research and development | | 57 | (57) | (c) | — |
| Selling, general and administrative | | 76 | (76) | (d) | — |
| Depreciation and amortization | Depreciation and amortization | 102 | 61 | (b) | 163 |
| Transaction costs | Merger and strategic initiatives | 1 | — | | 1 |
| Re-organization costs | Restructuring charges | 18 | — | | 18 |
| Loss on foreign currency transactions | | 1 | (1) | (e) | — |
| Benefit for income taxes | Income tax provision | (25) | — | | (25) |

(a) Reclassification of $97 million of Cost of sales, of which $79 million to Compensation and benefits, $8 million to Professional and contract services, $8 million to Computer operations and data communications and $2 million to General, administrative and other;

(b) Reclassification of $61 million of Amortization of developed technology to Depreciation and amortization;

(c) Reclassification of $57 million of Research and development, of which $52 million to Compensation and benefits, $3 million to Computer operations and data communications, $1 million to Occupancy and $1 million to General, administrative and other;

(d) Reclassification of $76 million of Selling, general and administrative, of which $50 million to Compensation and benefits, $4 million to Professional and contract services, $5 million to Computer operations and data communications, $9 million to Occupancy, $7 million to General, administrative and other and $1 million to Marketing and advertising; and

(e) Reclassification of $1 million of Loss on foreign currency transactions to General, administrative, and other.

*Pro Forma Combined Statement of Income reclassification adjustments for the three months ended March 31, 2023 included the following (in millions):*

| Adenza Group Historical Consolidated Statement of Operations Line Items | Nasdaq Historical Consolidated Statements of Income Line Items | Adenza Group Historical Three Months Ended March 31, 2023 | Reclassification | | Adenza Group Reclassed Three Months March 31, 2023 |
|---|---|---|---|---|---|
| | Compensation and benefits | — | 51 | (a) (c) (d) | 51 |
| | Professional and contract services | — | 2 | (a) (d) | 2 |
| | Computer operations and data communications | — | 5 | (a) (c) (d) | 5 |
| | Occupancy | — | 2 | (d) | 2 |
| | General, administrative, and other | — | 2 | (a) (d) (e) | 2 |
| Cost of sales | | 28 | (28) | (a) | — |
| Amortization of developed technology | | 16 | (16) | (b) | — |
| Research and development | | 15 | (15) | (c) | — |
| Selling, general and administrative | | 20 | (20) | (d) | — |
| Depreciation and amortization | Depreciation and amortization | 26 | 16 | (b) | 42 |
| Re-organization costs | Restructuring charges | 1 | — | | 1 |
| Gain on foreign currency transactions | | (1) | 1 | (e) | — |
| Benefit for income taxes | Income tax provision | (5) | — | | (5) |

(a) Reclassification of $28 million of Cost of sales, of which $23 million to Compensation and benefits, $1 million to Professional and contract services, $3 million to Computer operations and data communications and $1 million to General, administrative and other;

(b) Reclassification of $16 million of Amortization of developed technology to Depreciation and amortization;

(c) Reclassification of $15 million of Research and development, of which $14 million to Compensation and benefits and $1 million to Computer operations and data communications;

(d) Reclassification of $20 million of Selling, general and administrative, of which $14 million to Compensation and benefits, $1 million to Professional and contract services, $1 million to Computer operations and data communications, $2 million to Occupancy and $2 million to General, administrative and other; and

(e) Reclassification of $(1) million of Loss on foreign currency transactions to General, administrative and other.

**Note 4 – Preliminary Purchase Price Allocation**

*(a) Estimated Purchase Consideration*

The total estimated purchase consideration is calculated as follows:

| **Purchase Consideration** *(in millions, except share data)* | **Amount** |
|---|---|
| Shares of Nasdaq common stock to be issued | 85,608,414 |
| Closing price per share of Nasdaq common stock on June 16, 2023 | $ 51.22 |
| Fair value of equity portion of the purchase consideration | $ 4,385 |
| Cash purchase consideration | 5,750 |
| **Aggregate purchase consideration** | $ 10,135 |
| Less: Adenza Group closing indebtedness as of March 31, 2023 settled by Nasdaq | (2,011) |
| Less: Adenza transaction costs settled by Nasdaq | (50) |
| **Total consideration to shareholders** | $ 8,074 |

The estimated purchase consideration calculated above and reflected in the unaudited pro forma condensed combined financial information is preliminary and does not purport to represent the fair value of consideration to be paid as of the closing date of the Acquisition. In accordance with ASC 805, the fair value of equity securities issued as part of the consideration paid will be measured on the closing date of the Acquisition at the then-current market price. This requirement will likely result in a per-share equity component different from the $51.22 assumed in the unaudited pro forma condensed combined financial information and the difference may be material. Nasdaq believes that an increase or decrease of 30% in the market price of Nasdaq's common shares on the closing date of the Acquisition as compared to the market price of Nasdaq's common shares assumed for the purposes of the unaudited pro forma condensed combined financial information is possible based upon the recent history of the market price of Nasdaq's common shares. This amount was derived based on historical volatility of Nasdaq's common shares and is not indicative of Nasdaq's expectation for future share price performance. A change of this magnitude would increase or decrease the purchase price by approximately $1,316 million, which would result in a corresponding increase or decrease to goodwill in the unaudited pro forma condensed combined financial information.

*(b) Preliminary Purchase Price Allocation*

The preliminary aggregate purchase consideration allocation to assets acquired and liabilities assumed is provided throughout these notes to the unaudited pro forma condensed combined financial statements. The following table provides a summary of the preliminary aggregate purchase consideration allocation by major categories of assets acquired and liabilities assumed based on Nasdaq's management's preliminary estimate of their respective fair values:

| **Preliminary Aggregate Purchase Consideration Allocation** *(in millions)* | **Amount** |
|---|---|
| Total aggregate purchase consideration | $10,135 |
| **Recognized amounts of identifiable assets acquired and liabilities assumed:** | |
| Net book value of assets acquired | 5,497 |
| Write-off of preexisting Adenza Group goodwill and intangible assets | (5,593) |
| Adjusted net book value of assets acquired | (96) |
| Identifiable intangible assets at fair value | 3,854 |
| Less: Elimination of capitalized commissions for purchase accounting | (16) |
| Less: Transaction costs to be paid by Adenza prior to transaction close | (15) |
| Less: Deferred tax adjustments | (486) |
| **Net assets acquired** | 3,241 |
| **Pro forma goodwill** | $ 6,894 |

The preliminary aggregate purchase consideration allocation above reflects preliminary estimated goodwill of $6,894 million as of the Acquisition date. Goodwill represents the excess of the aggregate purchase consideration over the preliminary estimated fair values of recorded tangible and intangible assets acquired and liabilities assumed in the Acquisition. The actual amount of goodwill to be recorded in connection with the Acquisition is subject to change once the valuation of the fair value of tangible and intangible assets acquired and liabilities assumed has been completed. The final valuation of such assets and liabilities is expected to be completed as soon as practicable but no later than one year after the consummation of the Acquisition.

**Note 5 – Adjustments to the Unaudited Pro Forma Condensed Combined Balance Sheet**

*Acquisition Accounting Adjustments:*

(a) The change in cash and cash equivalents was determined as follows:

| **Cash and Cash Equivalents** *(in millions)* | **Amount** |
|---|---|
| *Transaction accounting adjustments – Acquisition* | |
| *Uses for Acquisition of Adenza:* | |
| Cash consideration transferred, net | $(3,739) |
| Settlement of Adenza Group's existing debt (See (f) below) | (2,011) |
| Nasdaq transaction costs (See (b) below) | (86) |
| Settlement of Adenza transaction costs (See (b) below) | (65) |
| Prepayment premium on settlement of outstanding indebtedness (See (b) below) | (10) |
| **Pro forma adjustment – acquisition to Cash and cash equivalents** | $(5,911) |

| **Cash and Cash Equivalents** *(in millions)* | **Amount** |
|---|---|
| *Transaction accounting adjustments – Financing* | |
| *Sources for Acquisition of Adenza:* | |
| Proceeds from the Financing Transactions | $5,931 |
| Less: Capitalized debt issuance costs and transaction costs for financing | (59) |
| **Pro forma adjustment – financing to Cash and cash equivalents** | $5,872 |

(b) Represents $86 million of total Nasdaq transaction costs expected to be incurred in connection with the Acquisition and $10 million related to a prepayment penalty for the extinguishment of Adenza Group's existing indebtedness. See (a) above. The adjustment reflects a reduction in cash of $96 million and an increase to retained earnings of $96 million.

Represents $65 million of total Adenza transaction costs expected to be incurred in connection with the Acquisition, of which approximately $50 million is anticipated to be settled at close as a distribution from the purchase consideration. No transaction related expenses were recorded by Adenza Group as of March 31, 2023. The recognition of the Adenza transaction costs results in a reduction to retained earnings and a reduction to cash of $65 million. The following provides a reconciliation of transaction costs to be incurred by Adenza related to the Acquisition and paid by Nasdaq as a reduction to purchase consideration:

| **Adenza Transaction Costs** *(in millions)* | **Amount** |
|---|---|
| Adenza transaction costs to be incurred | $ 65 |
| Less: Transaction costs to be settled by Adenza prior to transaction close | (15) |
| **Adenza transaction costs settled by Nasdaq** (1) | $ 50 |

(1) See Note 4(a).

(c) Represents the removal of assets related to capitalized commission expenses that are not part of the net assets acquired at the closing of the Acquisition. The total historical Adenza Group capitalized commission expenses of $16 million included a short-term portion of $4 million in Other current assets and a long-term portion of $12 million in Other non-current assets.

(d) Represents the elimination of Adenza Group's historical goodwill and the recognition of the preliminary goodwill for estimated purchase consideration in excess of the fair value of the net assets acquired in connection with the Acquisition:

| **Goodwill** *(in millions)* | **Amount** |
|---|---|
| Fair value of consideration transferred in excess of the preliminary fair value of assets acquired and liabilities assumed | $ 6,894 |
| Removal of Adenza Group's historical goodwill | (3,680) |
| **Pro forma net adjustment to Goodwill** | $ 3,214 |

The adjustment to goodwill is calculated based on Adenza Group's historical goodwill as of March 31, 2023.

(e) Represents an adjustment of $1,941 million to intangible assets acquired from Adenza in connection with the Acquisition, consisting of the following:

| **Intangible Assets** *(in millions)* | **Amount** | **Estimated Useful Life (in years)** |
|---|---|---|
| Customer relationships | $ 2,505 | 18 |
| Acquired technology | 1,253 | 6 |
| Trade name | 96 | 20 |
| Removal of Adenza Group's historical intangible assets, net of accumulated amortization | (1,913) | |
| **Pro forma net adjustment to Acquired intangible assets** | $ 1,941 | |

The fair value estimates for all identifiable intangible assets are preliminary and are based on assumptions that market participants would use in pricing an asset, based on the most advantageous market for the asset (i.e., its highest and best use). The final fair value determination for identifiable intangible assets may differ materially from this preliminary determination.

The estimated fair value of Adenza Group's preliminary identified intangible assets includes customer relationships, acquired technology and trade name. The adjustment to intangible assets records identifiable intangible assets acquired at their fair value based on preliminary estimates. For purposes of estimating the fair values of the intangible assets, benchmarking information, publicly available information as well as a variety of other assumptions, including market participant assumptions, were used. The fair values of the intangible assets were valued using the market comparable approach.

(f) The following table reflects the settlement of Adenza Group's existing indebtedness as of March 31, 2023, resulting in the decrease in debt balances as follows:

| **Settlement of Historical Adenza Group Debt** *(in millions)* | **Amount** |
|---|---|
| *Use of proceeds:* | |
| Settlement of Adenza Group's outstanding indebtedness | $ 2,011 |
| Less: Write-off of capitalized debt issuance costs | (36) |
| Settlement of existing Adenza Group's indebtedness, net | $ 1,975 |
| **Pro forma net adjustment to Short-term debt** | $ (20) |
| **Pro forma net adjustment to Long-term debt** | $(1,955) |

(g) Reflects deferred taxes resulting from pro forma fair value adjustments based on the estimated blended statutory tax rate of approximately 25% as follows:

| **Deferred Tax Adjustment** *(in millions)* | **Amount** |
|---|---|
| Deferred tax | $ 964 |
| Less: Adenza Group's historical deferred tax liabilities | (478) |
| **Deferred tax adjustment due to PPA adjustments** | $ 486 |

The effective tax rate of the combined company could be significantly different (either higher or lower) depending on post-acquisition activities, including cash needs, the geographical mix of income and changes in tax law. Because the tax rates used for the pro forma financial information are estimated, the blended rate will likely vary from the actual effective rate in periods subsequent to completion of the Acquisition. This determination is preliminary and subject to change based upon the final determination of the fair value of the acquired assets and assumed liabilities.

(h) Reflects a one-time $393 million Adenza Group pre-combination compensation expense related to accelerated vesting of existing employee incentive awards as an adjustment to Retained earnings and Additional paid-in capital, respectively. Such amounts are due in accordance with "change in control" provisions under the existing plan agreements and are attributable to pre-acquisition services performed by the respective employees. As Adenza Group has not historically accounted for these awards, this expense has been estimated as the fair value of the accelerated awards as of the transaction date. There is no remaining unvested compensation expense under the pre-combination Adenza plans as of March 31, 2023.

(i) Represents the elimination of Adenza Group's historical equity balances. The pro forma net adjustment to Additional paid-in capital consists of the following:

| **Additional Paid-in Capital Adjustment** *(in millions)* | **Amount** |
|---|---|
| Elimination of historical Adenza Group Additional paid-in capital | $(3,712) |
| Fair value of equity portion of the purchase consideration, less $0.01 par value | 4,384 |
| **Pro forma net adjustment to Additional paid-in capital** | $ 672 |

The adjustment of $1 million to Common stock reflects the issuance of 85,608,414 shares of Nasdaq common stock with a par value of $0.01 per share to satisfy the equity portion of the purchase consideration, assuming closing price per share of Nasdaq common stock on June 16, 2023 of $51.22 per share. See Note 4(a).

*Financing Adjustments*:

(j) Represents the drawdown(s) on the Financing Transactions, resulting in the increase in debt balances as follows:

| **Debt, net** *(in millions)* | **Amount** |
|---|---|
| Proceeds from the Financing Transactions | $5,931 |
| Less: Capitalized debt issuance costs | (39) |
| **Total debt, net** | $5,892 |
| **Less: Short-term debt** | (260) |
| **Long-term debt, net** | $5,632 |

Proceeds from the Financing Transactions assume $821 million of Euro denominated notes converted using the spot exchange rate of 1.09 Euro to Dollar as of June 16, 2023. The ultimate proceeds in US Dollars from the Euro denominated offering will be subject to the exchange rates as of funding close.

(k) Represents the recognition of $20 million of expense incurred to obtain the bridge term loan facility in respect of which the Company has obtained commitments (the "Bridge Loan Financing"); for pro forma purposes it is expected that the Bridge Loan Financing will not be drawn and no further impact of the facility being drawn has been reflected in the pro forma financial statements.

**Note 6 – Adjustments to the Unaudited Pro Forma Condensed Combined Statements of Income**

*Acquisition Accounting Adjustments:*

(a) Reflects a one-time $393 million Adenza Group pre-combination compensation expense related to accelerated vesting of existing employee incentive awards. Such amounts are due in accordance with "change in control" provisions under the existing plan agreements and are attributable to pre-acquisition services performed by the respective employees. As Adenza Group has not historically accounted for these awards, this expense has been estimated based on the fair value of the accelerated awards as of the transaction date. There is no remaining unvested compensation expense under the pre-combination Adenza plans as of the three months ended March 31, 2023.

(b) Represents an adjustment to reflect an increase to amortization expense for the estimated fair value adjustment of acquired intangible assets on a straight-line basis over the remaining useful life as follows:

| **Amortization of Technology-Based Intangibles** *(in millions)* | **Estimated Useful Life** | **Estimated Fair Value** | **For the Year Ended December 31, 2022** | **For the Three Months Ended March 31, 2023** |
|---|---|---|---|---|
| Acquired technology | 6 | $ 1,253 | $ 209 | $ 52 |
| Less: Adenza Group's historical amortization in Depreciation and Amortization | | | (67) | (17) |
| **Pro forma net adjustment to Depreciation and Amortization** | | | $ 142 | $ 35 |

| **Amortization of Customer-Based Intangibles** *(in millions)* | **Estimated Useful Life** | **Estimated Fair Value** | **For the Year Ended December 31, 2022** | **For the Three Months Ended March 31, 2023** |
|---|---|---|---|---|
| Customer relationships | 18 | $ 2,505 | $ 139 | $ 35 |
| Less: Adenza Group's historical amortization in Depreciation and Amortization | | | (83) | (21) |
| **Pro forma net adjustment to Depreciation and Amortization** | | | $ 56 | $ 14 |

| **Amortization of Trade Name-Based Intangibles** *(in millions)* | **Estimated Useful Life** | **Estimated Fair Value** | **For the Year Ended December 31, 2022** | **For the Three Months Ended March 31, 2023** |
|---|---|---|---|---|
| Trade name | 20 | $ 96 | $ 5 | $ 1 |
| Less: Adenza Group's historical amortization in Depreciation and Amortization | | | (10) | $ (3) |
| **Pro forma net adjustment to Depreciation and Amortization** | | | $ (5) | $ (2) |

| *(in millions)* | **For the Year Ended December 31, 2022** | **For the Three Months Ended March 31, 2023** |
|---|---|---|
| **Total pro forma net adjustment to Depreciation and Amortization** | $ 193 | $ 47 |

The amortization related to these amortizable identifiable intangible assets is reflected as a pro forma adjustment in the unaudited pro forma condensed combined statements of income. The identifiable intangible assets and related amortization are preliminary and are based on management's estimates after consideration of similar transactions as well as an analysis of the net present value of the projected cash flows for Adenza Group over the weighted-average estimated useful lives. For purposes of the pro forma adjustment for the amortization of the intangible assets, the estimated useful lives used are consistent with the Company's accounting policy. As discussed above, the amount that will ultimately be allocated to identifiable intangible assets and liabilities, and the related amount of amortization, may differ materially from this preliminary allocation. In addition, the periods the amortization impacts will ultimately be based upon the periods in which the associated economic benefits or detriments are expected to be derived or, where appropriate, based on the use of a straight-line method. Therefore, the amount of amortization following the closing of the Acquisition may differ significantly between periods based upon the final value assigned and amortization methodology used for each identifiable intangible asset. The final valuation of such assets and liabilities is expected to be completed as soon as practicable but no later than one year after the consummation of the Acquisition.

(c) Reflects the $86 million incremental buyer transaction costs expected to be incurred related to the Acquisition, together with $50 million incremental seller transaction costs to be settled by Nasdaq from the purchase consideration.

(d) Reflects the income tax impact of the acquisition accounting adjustments utilizing an estimated blended statutory income tax rate of approximately 25.0% for the year ended December 31, 2022 and for the three months ended March 31, 2023. The effective tax rate of the combined company could be significantly different (either higher or lower) depending on activities following the consummation of the Acquisition, including cash needs, the geographical mix of income and changes in tax law.

*Financing Adjustments***:**

(e) The following table summarizes the removal of historical Adenza Group interest expense and the pro forma interest expense related to the Financing Transactions:

| **Interest Expense** *(in millions)* | **Principal Balance** | **For the Year Ended December 31, 2022** | **For the Three Months Ended March 31, 2023** |
|---|---|---|---|
| Interest expense | $ 5,931 | $ 337 | $ 85 |
| Amortization of capitalized debt issuance costs | | 3 | 1 |
| Bridge Loan Financing issuance costs | | 20 | — |
| Prepayment premium on settlement of outstanding indebtedness | | 10 | — |
| Less: Adenza Group's historical interest expense | | (165) | (52) |
| Less: Adenza Group's historical amortization of capitalized debt issuance costs | | (8) | (2) |
| **Pro forma net adjustment to Interest and other related expense, net** | | $ 197 | $ 32 |

The pro forma net adjustment to Interest and other related expense, net represents the Company's best estimate of the interest rates and terms it believes it can obtain in the Financing Transactions based on the Company's evaluation of current market conditions. Financing costs are sensitive to changes in interest rates and the pro forma adjustment presented is not intended to reflect the ultimate interest rates the Company will secure. For each 0.125% change (increase or decrease) in actual or assumed interest rates, interest expense would increase or decrease by approximately $9 million for the year ended December 31, 2022 and increase or decrease by approximately $2 million for the three months ended March 31, 2023.

(f) Reflects the income tax impact of the financing adjustments utilizing an estimated blended statutory income tax rate of approximately 25.0% for the year ended December 31, 2022 and for the three months ended March 31, 2023. The effective tax rate of the combined company could be significantly different (either higher or lower) depending on activities following the consummation of the Acquisition, including cash needs, the geographical mix of income and changes in tax law.

(g) The following tables calculate the unaudited pro forma combined basic and diluted earnings per share, which is adjusted to reflect the pro forma net income for the year ended December 31, 2022 and for the three months ended March 31, 2023, as presented on the unaudited pro forma condensed combined statements of income:

| *(in millions, except share data)* | **For the Year Ended December 31, 2022** Basic | Diluted |
|---|---|---|
| **Numerator:** | | |
| Pro forma combined net income (loss) | $ 291 | $ 291 |
| Pro forma combined net (income) loss attributable to noncontrolling interests | 2 | 2 |
| Pro forma combined net income (loss) attributable to common stockholders | $ 293 | $ 293 |
| | | |
| **Denominator:** | | |
| Historical Nasdaq weighted average shares outstanding as of December 31, 2022 | 492,420,787 | 497,857,565 |
| Adjustment to give effect to the issuance of shares of Nasdaq common stock upon closing | 85,608,414 | 85,608,414 |
| Pro forma weighted average shares outstanding | 578,029,201 | 583,465,979 |
| Pro forma net income (loss) per share | $ 0.51 | $ 0.50 |

| *(in millions, except share data)* | **For the Three Months Ended March 31, 2023** Basic | Diluted |
|---|---|---|
| **Numerator:** | | |
| Pro forma combined net income (loss) | $ 216 | $ 216 |
| Pro forma combined net (income) loss attributable to noncontrolling interests | 1 | 1 |
| Pro forma combined net income (loss) attributable to common stockholders | $ 217 | $ 217 |
| | | |
| **Denominator:** | | |
| Historical Nasdaq weighted average shares outstanding as of March 31, 2023 | 489,931,178 | 494,769,011 |
| Adjustment to give effect to the issuance of shares of Nasdaq common stock upon closing | 85,608,414 | 85,608,414 |
| Pro forma weighted average shares outstanding | 575,539,592 | 580,377,425 |
| Pro forma net income (loss) per share | $ 0.38 | $ 0.37 |