



# Adenza Acquisition Update

July 19, 2023

# Nasdaq's Acquisition of Adenza Transaction on Track

## Strong Progress Towards Close

- ✓ Secured financing for the transaction, having successfully raised \$5.02B of net bond proceeds, comprised of \$4.25B of USD bonds across 2-, 5-, 10-, 30-, and 40-year terms and a €750M 8-year bond, at a weighted average interest rate of just under 5.5%
- ✓ Regulatory review process underway
- ✓ Integration workstreams in progress

## Adenza Maintains Robust Performance

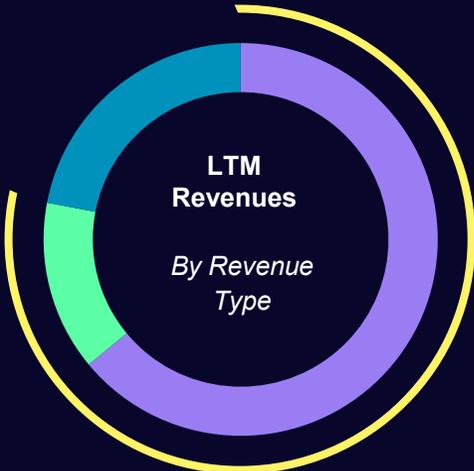
- ✓ Continued strong ARR growth in the high-teens compared to the prior-year period
- ✓ Maintained robust client and revenue retention with 98% gross and 115% net retention
- ✓ Both product lines maintained strong growth track record across new logo wins and client upsells:
  - During two-year period 2021 - 2022:<sup>1</sup>
    - Calypso added 37 new logos, with upsells to 160 clients
    - AxiomSL added 27 logos, with upsells to 117 clients
  - During 1H23:
    - Calypso signed 7 new clients and completed upsells to 40 existing clients
    - AxiomSL added 7 new logos, 2 of which were cross-sell to Calypso clients, with upsells to 25 existing clients

# Diversified Profile Supports Adenza's Strong Growth Outlook

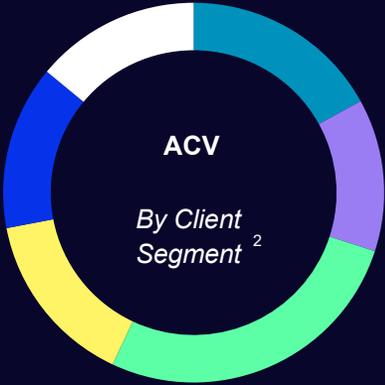


Globally-Diversified Business Exposure

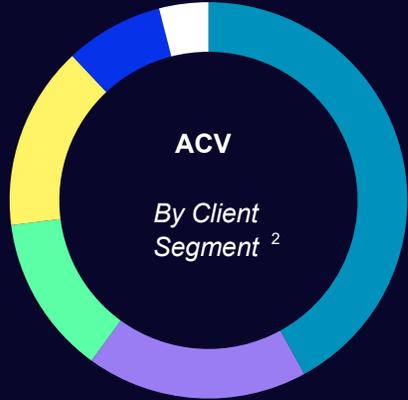
78% RECURRING



Strong Recurring Revenue Base



Capital Markets Solutions  
~60% of Adenza ACV



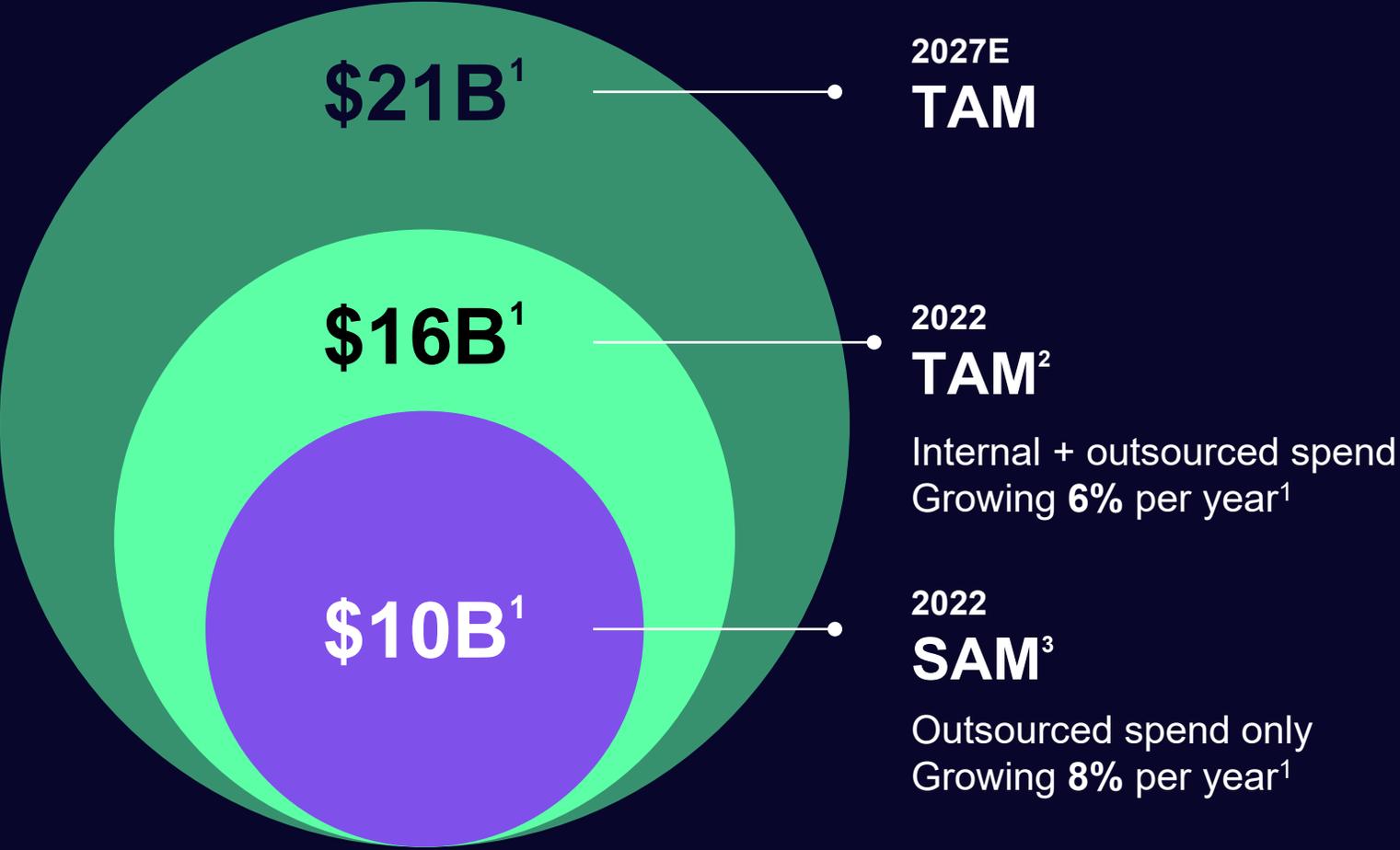
Regulatory Solutions  
~40% of Adenza ACV

Note: As of June 30, 2023

(1) Other primarily includes client-delivery revenues.  
(2) Refer to appendix for definition of client segments.

# Adenza is Well-Positioned in Large and Fast-Growing Markets

## Adenza's Large and Expanding Revenue Opportunity (\$US)



TAM growth trends supported by customer needs across business resilience and sustainable growth priorities

Replacement of in-house platforms drives accelerating conversion of TAM to SAM

<sup>1</sup> Source: Oliver Wyman outside-in analysis.  
<sup>2</sup> TAM comprises internal spend and vendor spend related to services that Adenza addresses with current capabilities.  
<sup>3</sup> Vendor spend only related to services that Adenza addresses with current capabilities.

# Powerful Secular Trends Propel Demand for Adenza's Solutions

## 1 Regulation

**Intensifying Regulatory Scrutiny & Compliance Oversight**

**Ongoing Market Infrastructure Reforms**



Creates constant need for investment in new capabilities

Drives customer demand for integrated and comprehensive compliance and reporting tools

## 2 Outsourcing

**Process Standardization & Automation**

**Growing Adoption of Outsourced Solutions**



Reduces 'total cost of ownership' while providing superior solutions with less operational risk

Expands the SAM for technology providers

## 3 Technology

**Technology Modernization & Emerging Technology Adoption**

**Differentiated End Consumer Experience**



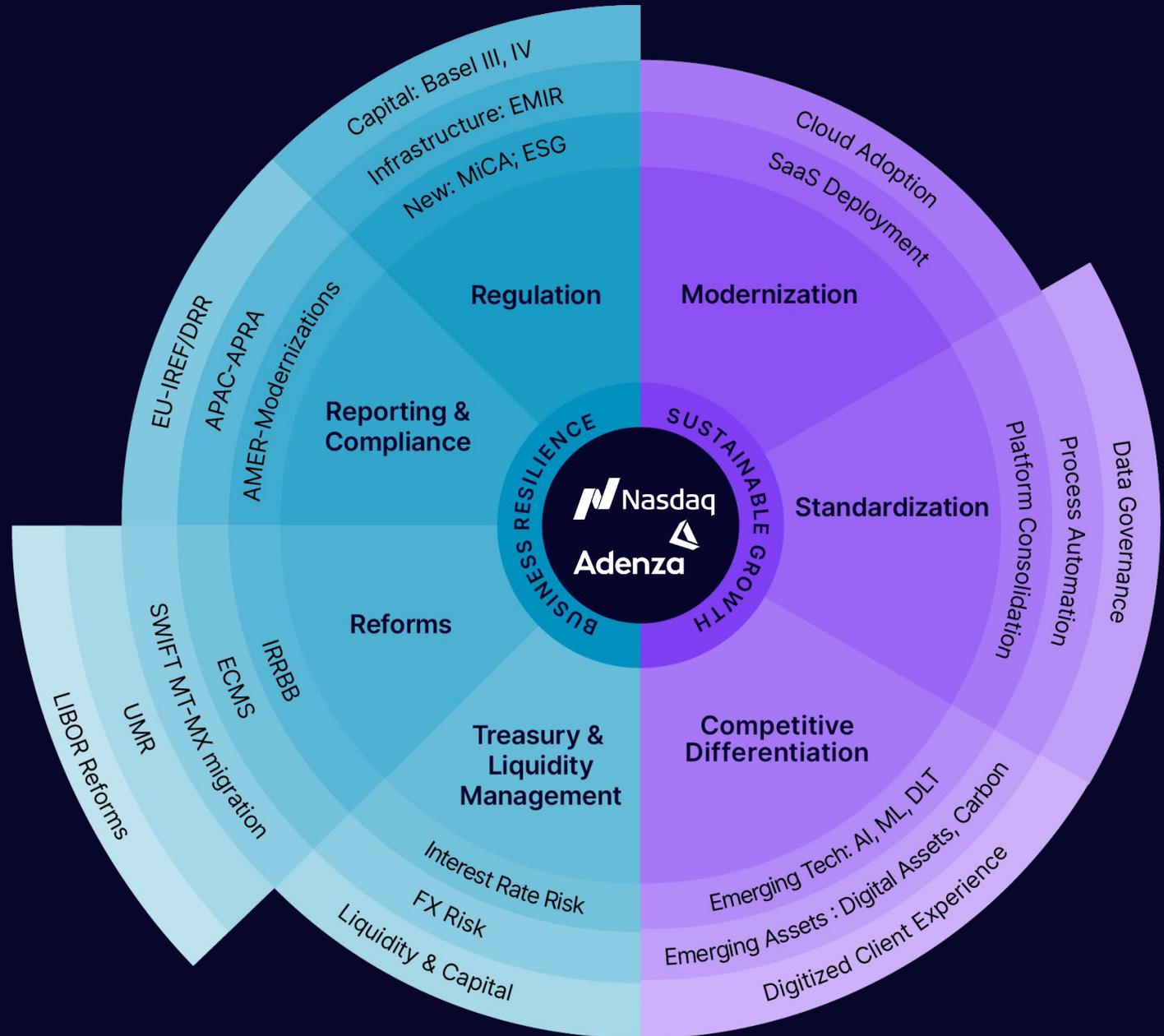
Leads to adoption of software and tools providing seamless UX

Accelerates move to Cloud and SaaS, benefits nimble, and tech-first players

# Nasdaq and Adenza Positioned to Support Clients' Growth and Resilience

## Client Benefits

- Decreased Risk Exposure
- Simplified Regulatory and Reporting Burden
- Improved Operational Resilience
- Unlocked Human and Financial Capital



# Leading Capabilities and Deep Client Understanding to Solve Clients' Most Pressing Pain Points

## Challenges across Buyer Personas

## Combined Capabilities

### Head of Business / Head of Trading

- Competitive differentiation and margin pressures
- Drive towards modernization and technology adoption
- Responsiveness to evolving client needs
- Enhance business agility

### C-Suite

- Balance operational resiliency, efficiency and growth
- Reduce complexity, increase automation, enable greater scale
- Optimize capital and liquidity to meet regulatory and business needs

### Head of Risk & Compliance

- Siloed views of risk exposure
- Increasingly sophisticated criminal threats
- Evolving reporting requirements across geographies
- Rising cost of risk management and compliance



- ✓ Real-Time Risk Management
- ✓ Front-Office Tools (pricing, TCA)
- ✓ Trading and Access Services
- ✓ Trade and Transaction Processing
- ✓ Trade Surveillance
- ✓ Portfolio Management (Buy-Side)

- ✓ Anti-Financial Crime (KYC, FRAML)
- ✓ Balance Sheet and Liquidity Risk Management
- ✓ Treasury and Collateral Management
- ✓ Regulatory, Capital, and Liquidity Reporting

- ✓ Capital Management
- ✓ Trade and Transaction Reporting
- ✓ Regulatory Reporting
- ✓ Trade Surveillance
- ✓ Anti-Financial Crime (KYC, FRAML)

# Strong Connectivity with Institutions across the Financial Ecosystem

	 Nasdaq	 Nasdaq	 Nasdaq	 Nasdaq	 CALYPSO	 AXIOMSL™
	<b>Marketplace Technology</b>	<b>Surveillance</b>	<b>Fraud &amp; Anti-Money Laundering</b>	<b>Index, Data &amp; Analytics</b>	<b>Trade Lifecycle Management</b>	<b>Regulatory Solutions</b>
	Multi-asset market infrastructure solutions	Cross-market, multi-asset market surveillance solutions	Comprehensive, end-to-end capabilities across the full spectrum of financial crime categories	Suite of transparency, analytics, and workflow solutions across the investment lifecycle	Comprehensive solutions across the trade lifecycle, trade operations, and treasury management	End-to-end regulatory risk, financial reporting, and compliance solutions
Sell-Side	●	●	●	●	●	●
Buy-Side				●	●	●
Market Infrastructure	●	●			●	
Central Banks	●				●	

# Why Adenza Wins: Key Strengths

## Comprehensive and Modern Solutions Combined with Innovation Leadership

Scaled leader  
with modern  
technology

Natively multi-  
jurisdiction, cross-  
asset, front-to-back  
modular platform

Global reach,  
locally adaptable

Delivering reduced  
Total Cost of  
Ownership  
(TCO)

Deeply embedded  
offering

**~45%**

Staff in R&D

**50+**

Modules covering capital  
markets

**55**

Regulatory jurisdictions  
covered

**Faster**

Implementation time and  
lower cost than scaled  
competitors due to modular  
design

**~98%**

Gross revenue retention

**53%**

1H23 software bookings in  
Cloud-delivered solutions

**5,000+**

Regulatory reports  
covered

**110**

Regulators covered

**~115%**

Net revenue retention

# Long-Standing Track Record of Growth by Replacing In-House Processes with Modular Software Solutions

## Treasury Management Latin American Central Bank

## Regulatory Reporting Solution North American Super Regional Bank

### Why Adenza?

- Mission-critical capabilities to support Reserves Management and Monetary Operations, enabling bank's needs to provide stability to the financial system
- Differentiated modern technology, built from the ground up to be flexible, scalable, and modular
- Enables automation of previously manual tasks managed on multiple systems, for greater operational efficiency, reduced cost, and risk

- Heightened regulatory scrutiny and oversight driving need for best-in-class solution for complex regulatory and risk requirements
- RegCloud enables clients to continuously stay up-to-date with changing regulations

### Client Signing Date

- 4Q22

- 2Q23

### Relationship and Solutions

- Reserves Management
- Treasury Management

- Regulatory Reporting
- Capital and Credit
- Liquidity Management

High 6-figure  
ACV

Annualized  
Contract Value

7-figure  
ACV

# Proven Ability to Deepen Trusted Client Relationships

## Regulatory Reporting Solution US-based G-SIB

## Risk Management Solution Global Tier 1 Bank

Why Adenza?

- Desire for scalable platform with no business disruption
- Comprehensive coverage and ability to support large volumes

- Cross-asset platform; Open API
- Scalable and configurable modern tech stack

Relationship and Solutions

- **Initial:** Capital risk and regulatory reporting
- **Expanded:** Global; FinReg; Credit Risk; CCAR; Operations reporting

- **Initial:** FX, money market and interest rate derivatives
- **Expanded:** Functionality across asset classes; Productivity tools

Potential Relationship Expansion

- Additional countries, US liquidity
- Cloud migration

- Clearing module; Additional users
- Market Reform



# Global Industry Recognition as a Cross-Category Leader

						
<p><b>Annual Sales League Table 2022</b></p> <p>2022 Annual Sales League Table 2022   Treasury &amp; Risk Management</p> <p>2021 Global FinTech Innovation Awards   Most Effective Compliance /RegTech Deployment</p>	<p><b>Chartis RiskTech Quadrant</b></p> <p>2022 Category Leader for Regulatory Reporting Solutions</p>	<p><b>RiskTech 100</b></p> <p>2023: #12</p> <p>2022: #14</p> <p>2021: AxiomSL #19 Calypso #37</p>	<p><b>Central Banking Awards</b></p> <p>2021 Collateral Management Services</p> <p>2020 Treasury Systems Initiative</p>	<p><b>Regulation Asia</b></p> <p>2022 Best Solution Capital/Liquidity Modelling &amp; Stress Testing</p> <p>2021 Best Solution in Capital/Liquidity Modelling &amp; Stress Testing</p>	<p><b>FTF News Awards</b></p> <p>2021 Buy-Side Collateral Management Solution</p> <p>2021 Software solution of the year</p>	<p><b>Risk Markets Technology Awards</b></p> <p>2023 Central counterparty clearing support product of the year   Best UMR</p>
						
<p><b>RegTech Insight</b></p> <p>2022 Best Solution for FRTB</p> <p>2021 Best Risk Calculation Engine for Regulatory Compliance</p>	<p><b>RegTech Insight</b></p> <p>2022 Best Solution for FRTB</p> <p>2021 Best Vendor Solution for FATCA</p> <p>2021 Best Vendor Solution for NSFR Reporting</p> <p>2021 Best Data Management Solution for Sell-Side Regulatory Compliance</p>	<p><b>RegTech Insight</b></p> <p>2022 Best Risk Calculation Engine For Regulatory Compliance</p> <p>2021 Best ESG</p>	<p><b>Data Management Insight</b></p> <p>2022 Best Data Lineage Solution</p> <p>2021 Best Data Lineage Solution</p>	<p><b>RegTech Insight</b></p> <p>2022 Most Innovative Regulatory Reporting Solution</p>	<p><b>Asia Risk Awards</b></p> <p>2022 Collateral management solution of the year   Libor solution of the year</p>	<p><b>IBSi</b></p> <p>2023 Most Effective Compliance   RegTech Deployment</p>

# Supplemental Information

References to Adenza financial information and customer data in this presentation were provided to Nasdaq by Adenza's management.

The following terms used in this presentation have the meanings set forth below, which may be different than how Nasdaq's defines such terms in its financial reporting.

Annualized Recurring Revenue (ARR) for a given period is the annualized revenue derived from subscription contracts with a defined contract value. This excludes contracts that are not recurring, are one-time in nature or where the contract value fluctuates based on defined metrics. ARR is currently one of our key performance metrics to assess the health and trajectory of our recurring business. ARR does not have any standardized definition and is therefore unlikely to be comparable to similarly titled measures presented by other companies. ARR should be viewed independently of revenue and deferred revenue and is not intended to be combined with or to replace either of those items. For certain term-based subscription license agreements ARR is calculated based upon annualized contract value, which deviates from U.S. GAAP revenue recognition whereby a portion of the total contract value is recognized upfront as license revenue, with the remainder allocated to the maintenance and support performance obligation and recognized ratably over the contract term. ARR is not a forecast and the active contracts at the end of a reporting period used in calculating ARR may or may not be extended or renewed by our customers.

Gross retention is calculated as ARR in the current period over ARR in the prior year period for existing customers excluding price increases and upsells and excluding new customers.

Net retention is calculated as ARR in the current period over ARR in the prior year period for existing customers including price increases and upsells and excluding new customers.

# Appendix

# Adenza Definition of Customer Segments

Sell-side – Tier A	30 large, global financial institutions: sell-side banks characterized by global presence across asset classes and extensive Capital Markets activity and/or Regulatory compliance requirements
Sell-side – Tier B	Sell-side banks not in Tier A with >\$500bn assets OR with >\$100bn in total assets and >\$100m Net Trading Income
Sell-side – Tier C	Sell-side banks not in Tier A and B with >\$100bn assets OR with >\$100m Net Trading Income
Sell-side – Tier D	Sell-side banks not in Tier A-C with >\$10bn assets OR with >\$20m Net Trading Income
Buy-Side	Global asset managers, sovereign wealth funds, pension funds, hedge funds, and insurers
Market Infrastructure	Exchanges, Clearing Houses, Central Banks, Fund Administrators