

Cost Accounting Methodology for Nordic and Baltic Market Data Feed

Purpose and Scope

- The Markets in Financial Instruments Directive II¹ (“MiFID II”) and The Markets in Financial Instruments Regulation² (“MiFIR”) became applicable on January 3rd, 2018. With that, among other regulations, new provisions were introduced for trading venues, which are further specified in Level 2 delegated acts such as Commission Delegated Regulation (EU) 2025/1156³ (“Delegated Regulation”).
- The provisions of the Delegated Regulation stipulate that the price of market data shall be based on the cost of producing and disseminating such data and may include a reasonable margin. Also, the costs of producing and disseminating market data may include an appropriate share of joint costs for other services provided by market operators or investment firms operating a trading venue or by systematic internalisers. The Commission notes in the Delegated Regulation, specifying the exact cost is very complex. Therefore, cost allocation and cost apportionment methodologies should be specified instead.
- The purpose of this document is to describe the methodology Nasdaq uses to calculate costs for the purpose of determining Nordic and Baltic market data fees, respectively.

Company Overview – Nasdaq, Inc.

- Nasdaq, Inc. is a leading provider of trading, clearing, exchange technology, regulatory services, securities listing, information, and public company services. Nasdaq’s global offerings are diverse and include trading and clearing across multiple asset classes, trade management services, data products, financial indexes, capital formation solutions, corporate solutions, and market technology products and services. Nasdaq’s technology powers markets across the globe, supporting equity derivative trading, clearing and settlement, cash equity trading, fixed income trading and many other functions.

In Europe, Nasdaq operates trading venues in Stockholm (Sweden), Copenhagen (Denmark), Helsinki (Finland) and Reykjavik (Iceland). Nasdaq also operates trading venues in Tallinn (Estonia), Riga (Latvia) and Vilnius (Lithuania). Nasdaq

¹ Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU.

² Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012.

³ Commission Delegated Regulation (EU) 2025/1156 of 12 June 2025 supplementing Regulation (EU) No 600/2014 of the European Parliament and of the Council with regard to regulatory technical standards on the obligation to make market data available to the public on a reasonable commercial basis.

owns Nasdaq Tallinn and has a majority ownership in Nasdaq Vilnius and Nasdaq Riga⁴. In addition to the Nordic and Baltic trading venues mentioned above, Nasdaq operates a commodity derivatives trading venue for European products in Oslo (Norway)⁵. Besides operating trading venues, Nasdaq Stockholm also operates an Approved Publication Arrangement (APA) in Sweden. Furthermore, Nasdaq operates a central counterparty (CCP) in Sweden and Norway⁶ for clearing of derivatives and owns a central securities depository, Nasdaq CSD, that provides notary, settlement, central maintenance, and other services in the Baltic countries and in Iceland.

- Collectively, the Nasdaq Nordic and Nasdaq Baltic trading venues offer trading in cash equities and depository receipts, warrants, convertibles, rights, fund units and exchange traded funds. Nasdaq's platform allows the trading venues to share the same trading system, which enables efficient cross-border trading and settlement, cross membership, and a single source for Nordic and Baltic data products.

Data Products

- The market data offerings are comprised of all the market information generated in the Nordic and Baltic Nasdaq trading venues and APA respectively. The market data consists of information relating to the instruments traded at the local trading venues and reported to the APA and consists of the following classes of assets: cash equities, bonds, derivatives, and commodities.
- Nasdaq's European data products business sells and distributes historical and real-time quotes and trade information to market participants and data distributors on behalf of the trading venues and APA. European data products and services are based on trading information from the Nasdaq Nordic and Nasdaq Baltic trading venues and APA. These products are sold by Nasdaq Nordic Ltd. on behalf of the Nasdaq Nordic and Nasdaq Baltic trading venues and APA, respectively. However, certain data products relating to the Nasdaq Baltic trading venues are sold directly by the relevant trading venue. Nasdaq Nordic and Nasdaq Baltic provide varying levels of quote and trade information to market participants and to data distributors, who in turn provide subscriptions for this information.

Costs Considered when Evaluating Nordic and Baltic Market Data Fees

General

⁴ Nasdaq Copenhagen, Nasdaq Helsinki, Nasdaq Iceland, Nasdaq Riga, Nasdaq Stockholm, Nasdaq Tallinn, and Nasdaq Vilnius are respectively brand names for Nasdaq Copenhagen A/S, Nasdaq Helsinki Ltd, Nasdaq Iceland hf., Nasdaq Riga AS, Nasdaq Stockholm AB, Nasdaq Tallinn AS and AB Nasdaq Vilnius. Nasdaq Nordic represents the common offering by Nasdaq Copenhagen, Nasdaq Helsinki, Nasdaq Iceland and Nasdaq Stockholm. Nasdaq Baltic represents the common offering by Nasdaq Tallinn, Nasdaq Riga and Nasdaq Vilnius.

⁵ Nasdaq is migrating its Commodities business to Euronext in 2026. The Service Withdrawal Date was set for 30 April 2026 when Nasdaq wound down its commodities trading and clearing services. This methodology document is in reference to Nasdaq's 2025 regulated European Market Data and therefore the commodities business is still included since it was part of the market data business through Q1 2026.

⁶ See note 5.

- Market data prices are set to cover costs, including a reasonable margin. The cost accounting methodology accounts for:
 - Direct Costs:** Solely attributable to the administration and distribution of regulated market data
 - Joint Costs:** Resulting from the joint production of market data and market trading services
 - Common Costs:** Shared with other products and services
 - Global Market Data Costs:** Costs related to support from Capital Access Platforms, the broader division that supports European Market Data
- All costs, described in more detail below, are included in the financial statements of the specific and relevant legal entities in accordance with Nasdaq's statutory reporting requirements.

Costs Considered

- **Direct Costs:** Nasdaq considers all costs for the distribution and administration of the Nordic and Baltic market data products, including costs for:
 - Technology and Communications Infrastructure and Connectivity:
 - Product development
 - Example costs include:
 - IT Development Costs
 - Testing
 - Creation and distribution of documentation
 - Operations of the data distribution system and associated infrastructure
 - Example costs include:
 - Costs for Genium Consolidated Feed
 - Costs for File Delivery System
 - Connectivity costs
 - Technical services
 - Example costs include:
 - Infrastructure (Servers, Switches etc.)
 - Maintenance/set-up/changes, network topology, technical troubleshooting of issues/questions
 - Personnel:
 - Example costs include:
 - Salaries
 - Sales incentive compensation
 - Employee social benefits
 - Taxes
 - Equity grants and occupancy costs

- Professional and Contractor Services
 - Travel costs
 - Training costs
- Roles related to Personnel:
 - Example costs include:
 - Product development for Nordic products
 - Team of product managers supporting regulated products
 - Customer support
 - Support team dealing with troubleshooting issues, answering questions on product functionality, creating Frequently Asked Question documentation, basic first line support
 - Team of sales and account management personnel dealing with relationship management, prospecting, qualifying, nurturing customers, creating marketing materials, follow-up/follow-through on client satisfaction, speaking engagements to sell products
 - Management
 - Billing administration and client onboarding
 - Operations team dealing with second line billing and invoicing issues
 - Marketing
 - Communications
- Financial
 - Example costs include:
 - Depreciation and amortization
 - Provision for bad debt
- General Administrative and Other costs
 - Example costs include:
 - Telephone and supplies
 - IT costs relating to direct personnel
 - Office and facilities costs
- **Joint Costs:** Joint costs are defined as costs of trading systems and infrastructure and other associated costs, as they jointly contribute to trading execution and generation of market data. These costs include costs related to:
 - Technology and Communication Infrastructure and Connectivity:
 - Example costs include:
 - Requirements analysis, planning, design, build, testing, deploying, bug fixing, product architecture.
 - Costs of market operations
 - Financial
 - Personnel
 - General Administrative and Other costs

- **Common Costs:** The operating costs of common functions borne by the legal entity are taken into account when determining Nordic and Baltic market data fees as these costs represent functions critical to the overall operation and delivery of Nordic and Baltic market data. More specifically, the common costs include the Nordic and Baltic market data share of common functions shared by every revenue business unit residing in the respective legal entity. Functions include:
 - Global Technology
 - Finance & Workplace (including Treasury Services, Global Real Estate)
 - Financial Infrastructure
 - Corporate Compensation & Benefits and People@Nasdaq
 - Management Services
 - Information Security Services
 - Internal Audit
 - Corporate IT and Corporate Systems

- The costs for the above functions include:
 - Technology and Communication Infrastructure and Connectivity
 - Personnel
 - Financial
 - General Administrative and Other costs

- **Global Market Data Costs:** Costs which sit outside of the European legal entities but which support European market data via the Capital Access Platforms division and the broader Global Market Data business and all of its geographies. This includes, but is not limited to, management, project management, regulatory support, legal, billing, collections, finance and marketing. The costs for Global Market Data include costs related to:
 - Personnel
 - Infrastructure
 - Other (including office and facilities costs, IT costs relating to direct personnel)

Cost Allocation Principles and Allocation Keys

- **Direct Costs:** Direct costs are directly attributable to the production and distribution of market data and 95% allocated to Nordic Market Data, and from 4% to 14% to Baltic Market Data depending on legal entity. A 95% allocation is applied to Nordic entities because the substantial majority of direct costs relate exclusively to dedicated market data infrastructure and functions supporting it. The residual 5% reflects a prudential acknowledgement that a small proportion of costs may serve functions not solely attributable to regulated market data, making a 100% allocation inappropriate on a reasonable commercial basis. Baltic Market Data allocations of 4%-14% are based on a revenue allocation of regulated European

Market Data revenue within the entity as a percentage of total revenue within the entity. Baltic entities are treated differently because unlike Nordic, they do not operate dedicated market data infrastructure and functions. Direct costs are shared across broader business activities of which market data represents smaller variable proportions.

- **Joint Costs:** As market data is the joint product of trading services, joint costs are shared equally between Nasdaq Nordic and Baltic Market Data and Market Services businesses.
- **Common Costs:** Common costs are distributed among all of Nasdaq's revenue business units on the basis of a cost-based allocation. Specific expenses have been allocated to European market data using different allocation keys so as to most accurately reflect costs attributable to market data. The allocation key is derived from the compensation-based allocation methodology, which incorporates the proportional distribution of direct, joint, and shared services compensation according to the allocation keys assigned to each respective cost group. Depending on the legal entity and its associated headcount and compensation, the resulting allocation percentages range from 8% to 35%.
- **Global Market Data Costs:** The allocation key is determined using an effort-based approach that accounts for the required level of support provided to European market data. Allocation percentages vary between 5% and 30%, depending on the nature and intensity of the support line.

Costs not attributable to market data have been identified and are excluded.

Margin

- Margin refers to the difference between market data revenue and related costs (operating profit) expressed as a percentage of costs. A margin is applied on top of estimated costs.
- Nasdaq's margin methodology ensures compliance with the main principles in setting a reasonable margin established under the Delegated Regulation. First, the operating margin does not disproportionately exceed the total costs of producing and disseminating market data. Second, the market data margin is aligned with the margins applicable across Nasdaq's overall business, consistent with regulatory requirement that margin reasonableness be assessed by reference to the broader business that the market data provider undertakes.
- Nasdaq's cost accounting framework identifies and allocates all direct costs attributable to market data provision. The operating profit is computed as the difference between revenues and the total costs and is assessed against both the cost base and the overall business margin to confirm proportionality. An annual

review of cost categories and margin levels is conducted to ensure ongoing compliance.

Concluding Remarks

- This document has described the costs Nasdaq takes into account when determining Nordic and Baltic market data fees, including applicable cost allocation and cost apportionment methodologies. It is Nasdaq's view that all the above costs are relevant for the production and dissemination of Nordic and Baltic market data and consequently also relevant to consider when evaluating Nordic and Baltic market data fees. Thus, in Nasdaq's view the document provides a fair view of how market data is provided on a reasonable commercial basis.