

Cboe Global Markets Completes Acquisition of Chi-X Asia Pacific

Jun 30, 2021



- - Transaction is another step in Cboe's strategy to build one of the world's largest global derivatives and securities trading networks
- - With a presence in Asia Pacific, Cboe expects to expand its global equities and market data businesses, broaden distribution of its proprietary products, as well as bring other new trading solutions and services to the region
- - Chi-X Asia Pacific planned to be fully integrated into Cboe's existing global business operations and technology platforms

CHICAGO, June 30, 2021 /PRNewswire/ -- Cboe Global Markets, Inc. (Cboe: CBOE), a leading provider of global market infrastructure and tradable products, today announced it has completed its acquisition of Chi-X Asia Pacific Holdings, Ltd. (Chi-X Asia Pacific), an alternative market operator and provider of innovative market solutions. Through ownership of Chi-X Asia Pacific, Cboe gains entrance into two of the world's largest securities markets – Japan and Australia – to establish a significant presence in the Asia Pacific region for the first time.

"Welcoming Chi-X Asia Pacific to the Cboe network represents an exciting milestone in Cboe's growth story and another important step in our vision to become a truly global marketplace for our customers," said Ed Tilly, Chairman, President and Chief Executive Officer at Cboe Global Markets. "The team at Chi-X Asia Pacific shares Cboe's dedication to defining markets through innovative products, services and trading solutions. We look forward to the opportunities ahead as we welcome the Chi-X team to the Cboe community and work together to accelerate Chi-X Asia Pacific's further growth and extend Cboe's global footprint."

Through Chi-X Asia Pacific, Cboe now has the opportunity to bring new trading solutions and services to Asia Pacific, including extending the industry-leading block trading capabilities of BIDS Trading to the region. BIDS, acquired by Cboe in January 2021, operates the largest block trading ATS by volume in the U.S., and one of the largest block trading platforms in Europe. With BIDS' current network covering U.S., Europe and expanding into Canada, the addition of Asia Pacific is expected to create a global block trading platform to serve an even broader base of customers.

Cboe plans to fully integrate Chi-X Asia Pacific into its existing global business operations and technology platforms, beginning with the integration of Chi-X Asia Pacific and BIDS. Chi-X Australia and Chi-X Japan are planned to migrate to Cboe's state-of-the-art trading platform thereafter. Providing one, unified technology platform will help provide market participants greater access to Cboe's diverse product set and more efficiency, resiliency and functionality when trading across Cboe's markets.

Vic Jokovic, Chief Executive Officer at Chi-X Australia, said: "Through the years, Chi-X Australia has established itself as the country's most innovative market operator, consistently delivering best-in-class trading solutions, technology and customer service. We couldn't be more excited for the future of our exchange as we join the Cboe team and leverage its global resources to further our growth and develop new products and services that will benefit the Australian markets."

Toru Irokawa, Representative Director and President at Chi-X Japan, said: "Chi-X Japan has gained tremendous success by providing superior service and trading solutions that help deliver best execution and significant cost-savings for retail and institutional investors. We look forward to the many opportunities that this acquisition will create and expect Cboe to further propel our growth, as well as enhance the competitive landscape to help bring greater efficiency and resiliency to the Japanese markets."

Chi-X Asia Pacific positions Cboe to expand its global equities business into Asia Pacific and build an unparalleled, high value global market data business that is expected to offer data from major markets around the world, including the U.S., Canada, Australia, Japan and 18 European countries. In addition, Cboe plans to further broaden investor access to its unique suite of proprietary products – including U.S. index options products based on the S&P 500 Index (SPX) and Cboe Volatility Index (VIX) – to meet growing investor demand globally for U.S.-based derivatives products. Cboe plans to extend trading hours for SPX and VIX options to nearly 24 hours a day beginning November 21, subject to regulatory approval.

Chi-X Asia Pacific is one of the most successful alternative market operators in Asia Pacific, with offices in Australia, Japan, Hong Kong and the Philippines. Chi-X Australia (CXA), the country's second largest securities exchange achieving an 18.6 percent total market share¹, offers trading in all Australian-listed securities, as well as the exclusive trading of CXA quoted warrants and ETFs. Chi-X Japan (CXJ), a leading proprietary trading system for Japanese equities and third largest equities venue in the country with a 2.5 percent lit market share², offers four trading books, including both displayed and non-displayed mechanisms.

Cboe acquired Chi-X Asia Pacific from J.C. Flowers & Co. LLC. Terms of the deal were not disclosed, however the company noted that the purchase price is not material from a financial perspective and is expected to be nominally accretive to the company's adjusted earnings in 2021. Cboe funded the transaction with cash on hand and borrowings under its term loan credit agreement. Chi-X Asia Pacific generated approximately USD 26 million in net revenue for the 12 months ended December 31, 2020, reflecting a 26 percent growth rate compared to the prior year, with non-transactional revenue comprising approximately 67 percent of the overall 2020 net revenue. For additional background information on Chi-X Asia Pacific, see the slide deck available under events and presentations on Cboe's Investor Relations website at <http://ir.cboe.com/events-and-presentations>.

Legal advisors to Cboe Global Markets on the transaction were Sidley Austin LLP (U.S. and Hong Kong), King & Wood Mallesons (Australia), Nagashima Ohno & Tsunematsu (Japan) and SyCip Salazar Hernandez & Gatmaitan (Philippines), with BofA Securities serving as financial advisor.

About Cboe Global Markets, Inc.

Cboe Global Markets (Cboe: CBOE), a leading provider of market infrastructure and tradable products, delivers cutting-edge trading, clearing and investment solutions to market participants around the world. The company is committed to operating a trusted, inclusive global marketplace, providing leading products, technology and data solutions that enable participants to define a sustainable financial future. Cboe provides trading solutions and products in multiple asset classes, including equities, derivatives and FX, across North America, Europe and Asia Pacific. To learn more, visit www.cboe.com.

About Chi-X Asia Pacific Holdings, Ltd.

Chi-X Asia Pacific Holdings, Ltd. ("Chi-X Asia Pacific") is a leader in driving marketplace innovation across the Asia-Pacific region. For over a decade the business has been operating trading venues and generating pioneering products and services for the benefit of financial markets and the global trading community. The company believes that modern competition from technology-driven markets increases overall market volumes and improves investor performance, providing benefits to all participants. As an alternative market operator, Chi-X Asia Pacific operates market centers two of the Asia-Pacific region's key securities trading centers in Australia and Japan, while its Chi-Tech™ technology services units provide technology to its business. The company maintains offices in Sydney, Tokyo, Hong Kong and Manila. For more information, visit www.chi-x.com.

Media Contacts

Angela Tu

+1-646-856-8734

atu@cboe.com

Tim Cave

+44 (0) 7593-506-719

tcave@cboe.com

Analyst Contact

Debbie Koopman

+1-312-786-7136

koopman@cboe.com

CBOE-C

CBOE-OE

Cboe®, Cboe Global Markets®, Cboe Volatility Index®, and VIX® are registered trademarks of Cboe Exchange, Inc. Chi-X Asia Pacific, Chi-X Australia and Chi-X Japan are registered trademarks of Chi-X Asia Pacific Holdings, Ltd. All other trademarks and service marks are the property of their respective owners.

Cautionary Statements Regarding Forward-Looking Information

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that involve a number of risks and uncertainties. You can identify these statements by forward-looking words such as "may," "might," "should," "expect," "plan," "anticipate," "believe," "estimate," "predict," "potential" or "continue," and the negative of these terms and other comparable terminology. All statements that reflect our expectations, assumptions or projections about the future other than statements of historical fact are forward-looking statements. These forward-looking statements, which are subject to known and unknown risks, uncertainties and assumptions about us, may include projections of our future financial performance based on our growth strategies and anticipated trends in our business. These statements are only predictions based on our current expectations and projections about future events. There are important factors that could cause our actual results, level of activity, performance or achievements to differ materially from those expressed or implied by the forward-looking statements.

We operate in a very competitive and rapidly changing environment. New risks and uncertainties emerge from time to time, and it is not possible to predict all risks and uncertainties, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

Some factors that could cause actual results to differ include: the impact of the novel coronavirus ("COVID-19") pandemic, including changes to trading behavior broadly in the market; the loss of our right to exclusively list and trade certain index options and futures products; economic, political and market conditions; compliance with legal and regulatory obligations; price competition and consolidation in our industry; decreases in trading or clearing volumes, market data fees or a shift in the mix of products traded on our exchanges; legislative or regulatory changes; our ability to protect our systems and communication networks from security risks, cybersecurity risks, insider threats and unauthorized disclosure of confidential information; increasing competition by foreign and domestic entities; our dependence on and exposure to risk from third parties; fluctuations to currency exchange rates; our index providers' ability to maintain the quality and integrity of their indices and to perform under our agreements; our ability to operate our business without violating the intellectual property rights of others and the costs associated with protecting our intellectual property rights; our ability to attract and retain skilled management and other personnel; our ability to minimize the risks, including our credit and default risks, associated with operating a European clearinghouse; our ability to accommodate trading and clearing volume and transaction traffic, including significant increases, without failure or degradation of performance of our systems; misconduct by those who use our markets or our products or for whom we clear transactions; challenges to our use of open source software code; our ability to meet our compliance obligations, including managing potential conflicts between our regulatory responsibilities and our for-profit status; our ability to maintain BIDS Trading as an independently managed and operated trading venue, separate from and not integrated with our registered national securities exchanges; damage to our reputation; the ability of our compliance and risk management methods to effectively monitor and manage our risks; our ability to manage our growth and strategic acquisitions or alliances effectively; restrictions imposed by our debt obligations and our ability to make payments on or refinance our debt obligations; our ability to maintain an investment grade credit rating; impairment of our goodwill, long-lived assets, investments or intangible assets; and the accuracy of our estimates and expectations. More detailed information about factors that may affect our actual results to differ may be found in our filings with the SEC, including in our Annual Report on Form 10-K for the year ended December 31, 2020 and other filings made from time to time with the SEC.

We do not undertake, and we expressly disclaim, any duty to update any forward-looking statement whether as a result of new information, future events or otherwise, except as required by law. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof.

¹Source: Australian Securities and Investments Commission equity market data. Based on average daily value traded 2021 YTD through May

²Based on lit market volume 2021 YTD through May

View original content to download multimedia:<https://www.prnewswire.com/news-releases/cboe-global-markets-completes-acquisition-of-chi-x-asia-pacific-301323750.html>

SOURCE Cboe Global Markets, Inc.