

MATCH

**MATCHNow/BIDS Trading
Client Conference Call**

June 22, 2021



Strategic Overview

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Cboe LIS Powered by BIDS Enhancements

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Questions & Answers

Cautionary Statements Regarding Forward-Looking Information



This presentation 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 and 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 indexes 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 cause 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.

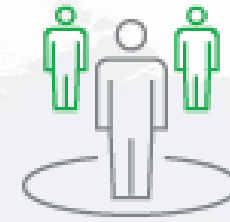
We do not undertake, and we expressly disclaim, any duty to update any forward-looking statement whether as a result of new information, future events or otherwise, except as required by law. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. All planned dates and timelines are subject to change without notice.

Cboe LIS Powered by BIDS in Canada Represents the Next Chapter in the Evolution of MATCHNow's Conditionals Offering



Building on our successful Conditionals offering

- As an early provider of Conditionals in the region, we have continued to see steady growth and record volumes in our Conditionals book
- Subscribers rely on our Conditionals functionality for a viable source of block liquidity
- Planned enhanced Conditionals functionality leverages BIDS' technology and the Cboe LIS model as we look to build a more robust electronic block offering in Canada



Broaden Canadian user adoption of Conditionals

- Through the Cboe LIS model, we will be able to extend MATCHNow's Conditionals platform to the BIDS global buy-side distribution network, creating greater block-sized liquidity in the marketplace, increase matching opportunities for all participants, and ultimately, grow the overall block trading market in Canada
- MATCHNow is proud to continue leading the evolution of non-displayed liquidity in Canada

Vision is to grow BIDS into a global, multi-asset, institutional block trading platform to deliver block trading capabilities to all major countries that global buy-side participants want exposure to



A leader in the ATS space

- BIDS has rapidly grown to become the number one ATS in the U.S., and with BIDS technology, Cboe LIS has become the number two block trading platform in Europe
- BIDS Trader, a proprietary front-end interface, is used by more than 450 global investment managers to route orders to both the BIDS ATS in the U.S. and Cboe LIS in Europe



Global block trading network

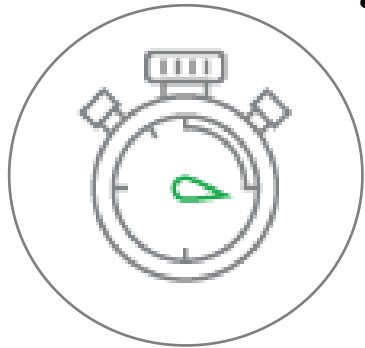
- BIDS and Cboe have established a fantastic track record with the LIS model in Europe and are now looking to bring that successful model to Canada, followed by Japan and Australia
- Planned expansion into Canadian equities will provide BIDS customers around the world with trading access in a new market, while bringing a differentiated network of global buy-side investment managers and sell-side constituents to the Canadian equities trading ecosystem

Send Conditionals through the new Sponsored Access Model



- Direct Electronic Access (DEA) clients of MATCHNow Subscribers will be eligible
- DEA clients of MATCHNow Subscribers will need to be properly set up as clients of one or more specific MATCHNow Subscribers, or where permitted, as clients of those clients
- The MATCHNow Subscriber will also be required to execute a new “Sponsored Access Addendum” to their MATCHNow Subscriber Agreement
- At firm-up, each DEA client will be required to select a specific “sponsoring” Subscriber (aka “broker”)
- MATCHNow will provide a new risk management gateway and portal, powered by BIDS, to assist the sponsoring broker in carrying out their regulatory supervisory and risk-control obligations
- Risk control responsibilities will remain at the Subscriber level but MATCHNow will verify that every sponsoring Subscriber has set static limits of their choosing for each DEA client and can shut off any sponsored DEA client at any time

New invitation sequencing and time limits for proposed Conditional interactions



- Three types of Conditional interactions will be offered:
 1. Subscriber-to-DEA Client (electronic-to-human)
 - Invitation sent to a DEA client using the BIDS Trader interface with up to 30 seconds to firm up
 - Once firmed-up, an invitation will go to the contra-side Subscriber, which will have one second to firm up
 - MATCHNow's existing Conditionals Compliance Mechanism will prevent human traders from abusing the 30-second window by mitigating the risk of information leakage through suspensions
 2. Subscriber-to-Subscriber (electronic-to-electronic)
 - Synchronous invitations
 - One-second time limit, as is the case currently
 3. DEA Client-to-DEA Client (human-to-human)
 - Synchronous invitations
 - 30-second time limit for both sides

Minimum Size Threshold, PNBBO and Conditionals Compliance Mechanism



Minimum Size Threshold

- Minimum size threshold, recently approved by OSC as part of Opt-In Feature, will continue
- All Conditionals will need to meet the same minimum order size requirements set in UMIR 6.6
 - A quantity greater than 50 standard trading units and a value greater than \$30,000 or any quantity with a value greater than \$100,000

Protected National Best Bid or Offer

- A new optional pegged order functionality will permit executions anywhere within the PNBBO
- Will also include support of peg-offset in half-penny increments with three types of peg orders: near-side, far-side and mid
- We expect moving away from mid-point-only executions to executions anywhere within the PNBBO will increase number of matches and facilitate more activity in the book

Conditionals Compliance Mechanism

- Full suspension of all trading when the firm up ratio falls below the designated threshold will be replaced with a symbol-by-symbol suspension
- Elimination of one-second “look back”
- Continued report of daily suspensions of Subscribers by MATCHNow



Improved Reporting Functionality

- Cboe LIS powered by BIDS will include improved reporting functionality for Subscribers
- Cboe LIS to include BIDS technology-based reporting, which is well-regarded in the U.S. and Europe
- We believe this enhanced reporting will benefit the Canadian market as well

Allocation Process

- Current pro-rata model to be replaced by a price-broker-size-time priority model that interacts on a one-to-one basis rather than one-to-many
- Allocations done based on price, broker, size and then time priority, in that order, give fewer fall-downs and smaller wait times for firm-ups
- This model has worked well in the U.S. and Europe, and we believe it will have a similar positive impact in Canada

Key Highlights

- Plan to introduce Cboe LIS powered by BIDS in conjunction with the completion of the MATCHNow migration, scheduled for February 1, 2022*
- Cboe technology to serve as matching engine, BIDS technology will serve as the engine for Cboe LIS offering

New Enhancements

- New Sponsored Access Model
- Improved reporting functionality
- Protected National Best Bid or Offer (PNBBO) to replace mid-point-only executions
- Enabling both human and electronic interactions
- Replacement of pro-rata allocation with price-broker-size-time priority allocation

Resources

- Integration microsite: matchnow.cboe.com
- MATCHNow Trade Desk: 416-861-1010 ext. 0

Q&A

Cboe Global Markets

[Cboe.com](https://www.cboe.com)