

Media release

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Boerse Stuttgart launches Germany's first regulated trading venue for digital assets

Digital Exchange harnesses the power of blockchain technology to facilitate direct, flexible and efficient investments for experienced investors

Chairperson of the Supervisory Board:

Alexander Höptner

Managing Directors:

Peter Großkopf, Dr. Dirk Sturz

Trading has started on Boerse Stuttgart Digital Exchange (BSDEX). It is Germany's first regulated trading venue for digital assets where investors' orders are executed directly against each other according to fixed rules. BSDEX combines all the potential of blockchain technology with the reliability of an established financial market player. BSDEX meets the regulatory requirements in accordance with section 2, paragraph 12 of the German Banking Act (Kreditwesengesetz). As of now, selected users in Germany can connect directly to the trading venue, where they can trade the Bitcoin-Euro pair initially. BSDEX will be opened up gradually to other retail and also institutional investors, who can register for it now.

BSDEX is the next step of Boerse Stuttgart Group in creating an end-to-end ecosystem for digital assets, thus driving the digital transformation of financial markets. Blockchain technology makes it possible to replace legacy systems and create efficient new investment processes, for example by eliminating intermediaries and complex settlement procedures. As a first mover in Germany, BSDEX now makes a reality of this potential.

BSDEX offers a transparent environment and an appropriate legal framework for digital asset trading, so investors can focus entirely on their trading strategies. BSDEX is operated as a multilateral trading facility in accordance with section 2, paragraph 12 of the German Banking Act by Baden-Wuerttembergische Wertpapierboerse GmbH, which also is the operating company for the public stock exchange in Stuttgart. 'As the operating company, we regulate trading on BSDEX with its own market rules and monitor compliance with these rules. Of course, we also bring in our expertise in the

field of exchange trading here,' says Oliver Hans, Managing Director at Baden-Wuerttembergische Wertpapierboerse GmbH since 2005.

The technical operator of BSDEX is Boerse Stuttgart Digital Exchange GmbH, a joint venture of Boerse Stuttgart GmbH, Axel Springer and finanzen.net. 'The market in cryptocurrencies is worth billions, and more digital assets will emerge on the basis of blockchain. Our goal is to build up the leading European trading venue for those assets,' says Dr Dirk Sturz, CEO at Boerse Stuttgart Digital Exchange GmbH, who has worked at Boerse Stuttgart since 2007. 'BSDEX will give retail and institutional investors direct access to digital assets and provide flexible and relatively low-cost trading. We believe blockchain is set to bring about significant changes in the financial industry, and we want to leverage its potential to create the trading venue of the future,' says Peter Großkopf, CTO at Boerse Stuttgart Digital Exchange GmbH. He joined the company in April 2019 from solarisBank AG, which is supporting the development of the new trading venue. He held the position of CTO at solarisBank AG from 2016 to 2019 and headed the Blockchain Factory there.

Investors can connect directly to BSDEX so that they can trade without a broker. Trading is almost 24 hours, seven days a week. To begin with, investors can use market and limit orders, with further options to be available soon. Open order books provide information about existing orders and the current market situation. In addition, financial services provider EUWAX AG, a subsidiary of Boerse Stuttgart GmbH, increases liquidity by providing buying and selling prices. At BSDEX, there are transaction fees based on the type of order, but at present there are no other costs for users.

As an external technology and banking partner, solarisBank AG is responsible for payment processing and the custody of customers' cash deposits in Euro. They are comprised in the BSDEX account, which is free of charge for users, by the German statutory deposit guarantee¹. blocknox GmbH, a subsidiary of Boerse Stuttgart Digital Ventures GmbH, takes care of the custody of the acquired cryptocurrencies on an escrow basis.

For more information about Boerse Stuttgart Digital Exchange, see www.bsdex.de/en

¹ https://www.solarisbank.com/content/partner/Informationen_zur_Einlagensicherung_v1.2_deutsch.pdf