

Media Release

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ECB makes Boerse Stuttgart Group the only European exchange operator to participate in EU-wide blockchain tests

Testing of market infrastructure for tokenized securities // Direct settlement on the blockchain with six partner banks and Bundesbank

Boerse Stuttgart Group is the only exchange operator in Europe to have successfully applied for the second wave of the European Central Bank's (ECB) EU-wide tests, in which the settlement of blockchain-based financial transactions against central bank money is being explored.

With its partners Commerzbank, Deutsche Bank, DZ Bank, LBBW, Bankhaus Metzler and V-Bank, Boerse Stuttgart Group tests the settlement of exchange transactions with tokenized securities against euros for the first time. The banks act as trading and settlement participants and are directly connected to the new blockchain-based settlement solution of Boerse Stuttgart Group. The Deutsche Bundesbank is providing its trigger solution for the test, which connects blockchain transactions with the traditional euro payment system.

Boerse Stuttgart Group settles secondary market transactions of tokenized securities directly between trading participants on the blockchain – within minutes, without a central securities depository and against payments in central bank money. This innovative, end-to-end delivery-versus-payment process is particularly efficient, enables peer-to-peer settlement and reduces the number of intermediaries and counterparty risks.

"We are a pioneer in digital assets, and we are convinced of the benefits of blockchain and tokenization for the European securities markets. That's why we want to shape the future digital European market infrastructure for tokenized securities. In the EU, we are taking the first important step with the ECB tests. In Switzerland, we are even further ahead: BX Digital, our exchange for the trading and settlement of tokenized securities, is set to launch in the second half of 2024. It

is fully regulated and will use our self-developed, blockchain-based settlement solution," says Dr Matthias Voelkel, CEO of Boerse Stuttgart Group.

Until November, Boerse Stuttgart Group will implement its use case in a test environment with the participating banks. The aim is to gain practical insights into the scalability, efficiency and speed of the settlement process involving central bank money. On behalf of Boerse Stuttgart Group, its broker EUWAX AG and its crypto custodian Boerse Stuttgart Digital Custody are also involved in the ECB tests.

About Boerse Stuttgart Group

Boerse Stuttgart Group is the sixth largest exchange group in Europe with strategic pillars in the capital markets business and in the digital and crypto business. It operates exchanges in Germany, Sweden and Switzerland. As a true pioneer, it has built the largest digital and crypto business of all European exchange groups. Boerse Stuttgart Group has a workforce of 700 and premises in Stuttgart, Berlin, Frankfurt, Ljubljana, Milan, Stockholm and Zurich.