

FT PARTNERS FINTECH INDUSTRY RESEARCH

March 29, 2018



**CME Group (Nasdaq:CME) Acquires NEX Group (LSE:NEX)
for Approximately \$5.4 billion**



FT Partners Overview

- Financial Technology Partners ("FT Partners") was founded in 2001 and is the only investment banking firm focused exclusively on FinTech
- FT Partners regularly publishes research highlighting the most important transactions, trends and insights impacting the global Financial Technology landscape. Our unique insight into FinTech is a direct result of executing hundreds of transactions in the sector combined with over 15 years of exclusive focus on Financial Technology

FT Partners' Advisory Capabilities



FT Partners' FinTech Industry Research

In-Depth Industry Research Reports

Proprietary FinTech Infographics

Monthly FinTech Market Analysis

FinTech M&A / Financing Transaction Profiles



The Information

Named Silicon Valley's #1 FinTech Banker (2016) and ranked #2 Overall by *The Information*



Ranked #1 Most Influential Person in all of FinTech in *Institutional Investors* "FinTech Finance 35"



THE M&A ADVISOR

Numerous Awards for Transaction Excellence including "Deal of the Decade"

CME Group Acquires NEX Group for ~\$5.4 billion

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Transaction Summary

Transaction Summary

- On March 29, 2018, CME Group (Nasdaq:CME) announced it has reached an agreement to acquire NEX Group (LSE:NEX) for approximately \$5.4 billion
 - Under the terms of the agreement, CME will purchase NEX for approximately \$14 a per share, consisting of \$7.05 of cash and .0444 CME Group shares based on CME's closing share price of \$158.84 on Wednesday, March 28th
- The Boards of Directors of both companies have unanimously approved the transaction
 - The deal is expected to close in the second half of 2018, pending the customary regulatory approvals and NEX shareholder approval
- Following the completion of the transaction, NEX Group CEO Michael Spencer will join the CME Group Board of Directors
 - He will work as a Special Advisor, ensuring a smooth integration between the groups and the continued evolution of NEX Group's businesses
- The transaction is expected to be immediately accretive to CME's cash earnings per share while generating run-rate cost synergies of \$200 million annually by the end of 2021

Transaction Multiples

(\$ in mm)

Implied Equity Value: \$5,355

Equity Book Value⁽¹⁾: \$1,213

LTM Net Income⁽¹⁾: \$102

4.4x

Equity Value / Book Value

52.5x

Equity Value / LTM Net Income

Transaction Commentary

"At a time when market participants are seeking ways to lower trading costs and manage risk more effectively, this acquisition will allow us to create significant value and efficiencies for our clients globally...As one organization, we will be able to employ the complementary strengths of each company to serve a wider client base while diversifying our combined businesses across futures, cash and OTC products and post-trade services...Michael Spencer and his senior leadership team have built a world-class organization that is at the center of capital markets. We are committed to maintaining the longstanding relationships NEX has with its clients, and exchange and clearing house partners. Building on NEX's deep roots in Europe and Asia and CME's strong technology platform, we will transform our international profile and broaden our distribution network in spot and futures FX products as well as cash, repo and futures products in U.S. Treasuries"



Terry Duffy
CEO & Chairman



"The combination of NEX and CME will be an industry-changing transaction. Bringing together cash and futures products and OTC services will be unique, offering clients improved access to trading, greater financial efficiencies and highly valuable data sets. The technology and innovation opportunities will be diverse and extraordinary. Clients will be better served."



Michael Spencer
CEO



Sources: Company Press Release, CapIQ, FT Partners' proprietary transaction database

Note: Assuming USD / GBP = 1.4101 as of March 28th, 2018

(1) LTM as of 9/30/2017

Transaction Rationale



Opportunity to Create a Leading Global Markets Company, Generating Significant Efficiencies Across Futures, Cash and OTC Products

- The acquisition combines CME, the most diverse derivatives marketplace, with NEX's marketplace electronic FX and fixed income execution platforms, EBS and BrokerTec and OTC post-trade services
- Increased regulatory requirements, such as MiFID II and Uncleared Margin Rules, is increasing compliance costs and collateral requirements, and increasing demand for NEX's post-trade solution: NEX Optimization



Improves Offering to Customers Through Combination of CME's Exchange-Traded Derivative Products and NEX's OTC Products

- The scale and liquidity of NEX's trading platforms combined with NEX's post-trade capital efficiencies and risk mitigation makes the company highly complementary to CME's goal of managing risk well
- CME is committed to maintaining and strengthening relationships with NEX's customers, exchange partners, and clearing house partners



Expands CME's International Footprint and Client Base in EMEA and APAC

- Taking advantage of NEX's strong presence in Europe and Asia, the transaction will expand CME's already global footprint and strengthens its distribution to wider range of clients, geographies, and markets
- The deal is expected to increase CME's international revenue by over 35%, with approximately \$350 million of NEX's current revenue being derived from markets outside the United States



Financially Attractive Transaction Because of Cost Synergies and Enhanced Combined Growth Opportunities

- CME expects the deal to generate run rate cost synergies of \$200 million which will be achieved by the end of 2021 through the centralization of operations, IT system integration, and removal of redundant SG&A expenses
- CME will be able to market its existing product offering to NEX's customer base while NEX will also benefit from the opportunity to cross sell NEX products

CME Group Acquires NEX Group for ~\$5.4 billion

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NEX Group Overview

Company Overview



CEO: Michael Spencer

Headquarters: London, UK

Employees: 1,941

- **NEX Group delivers pricing, analytics, index and regulatory reporting solutions to various clients worldwide**
 - Clients include asset managers, corporations, banks, hedge funds, market infrastructure providers, trading firms, and sovereign wealth funds from mostly Europe and Asia
- **The group operates through four main business segments: NEX Markets, NEX Optimization, NEX Opportunities and NEX Exchange**
 - A large majority of the group's revenues are derived from the NEX Markets and NEX Optimization segments
- Nex Group was formerly called ICAP plc and changed its name in December 2016

Management Team



Michael Spencer
Group CEO



Seth Johnson
NEX Markets CEO



Ken Pigaga
NEX Optimization CEO

LTM Company Financials (as of 09/30/17)

Market Cap ⁽¹⁾ \$5,240 million

Revenue \$778 million

EBT Excl. Unusual Items \$153 million

Net Income \$102 million

Diluted EPS \$0.26

Stock Performance (LSE:NEX)



Source: Company website, Capital IQ, Company Filings, FT Partners Proprietary Transaction Database

(1) As of April 3, 2018

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NEX Group Products & Services Overview



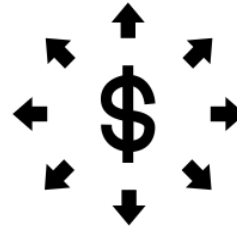
NEX Optimization

Provides clients with a suite of services meant to mitigate risk, increase efficiency in their workflows, reduce overall costs, and streamline increasingly complex processes



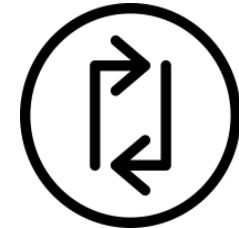
NEX Markets

Trade execution platforms that connect buyers and sellers, such as banks, hedge funds, asset managers and more, to the fixed income and FX markets and provide users with reliable price discovery and execution



NEX Opportunities

A fully backed and supported Segment of the NEX Group that invests in innovative, disruptive FinTech companies that promises to deliver the newest generation of financial technology for tomorrow



NEX Exchange

Provides issuers, investors, advisors, and brokers a publicly accessible platform for the trading of equities and fixed income

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CME Group Overview

Company Overview



CEO:	Terry Duffy
Headquarters:	Chicago, IL
Founded:	1898
Employees	2,830

- CME Group through its subsidiaries, operates contract markets for the trading of futures and options on futures contracts worldwide
- The group offers a wide range of global benchmark products across all major asset classes, including futures and options based on interest rates, equity indexes, foreign exchange, energy, agricultural products and metals

Selected M&A and Financing Activity

Announce Date	Type	Target	Amount (\$ in mm)
03/29/18	Acquisition		\$5,355
12/03/14	Investment		32
09/30/14	Investment		10

Company Financials (as of 12/31/17)

Market Cap ⁽¹⁾	\$53,683 million
Revenue	\$3,645 million
EBITDA	\$2,511 million
Net Income	\$4,063 million
Diluted EPS	\$11.94

Stock Performance (Nasdaq:CME)



Selected FT Partners Research – *Click to View*



Research Report: Innovations in Capital Markets Technology



Moneyfarm Acquires the Technology Assets of Ernest



Addepar's \$140 million Series D Financing



TCA's \$275 million sale to E*TRADE



Uphold Announces Financing, Partnership and Acquisition – includes CEO Interview



S&P Global Acquires Kensho for Approximately \$550 million



Wealthsimple Raises \$51 million in Financing



eToro Raises \$100 million in Series E Financing

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Selected FT Partners Capital Markets / WealthTech Transactions

M&A Transactions

<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as advisor to</p> <p>BLACKROCK</p> <p>in its 100% acquisition of</p> <p>FutureAdvisor</p> <p>FINANCIAL TECHNOLOGY PARTNERS The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p>PENSCO TRUST COMPANY</p> <p>in its sale to</p> <p>OpusBank</p> <p>for total consideration of</p> <p>\$ 104,000,000</p> <p>FINANCIAL TECHNOLOGY PARTNERS The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p>TRUST COMPANY OF AMERICA</p> <p>in its sale to</p> <p>EXTRADE</p> <p>for total consideration of</p> <p>\$ 275,000,000</p> <p>FINANCIAL TECHNOLOGY PARTNERS The Only Investment Bank Focused Exclusively on Financial Technology</p>
<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p>ATD</p> <p>in its sale to</p> <p>citi</p> <p>for cash and stock consideration of approximately</p> <p>\$ 680,000,000</p> <p>FINANCIAL TECHNOLOGY PARTNERS The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p>INSTINET</p> <p>in the sale of its stake in</p> <p>CHIX EUROPE</p> <p>to</p> <p>BATS</p> <p>for total consideration of approximately</p> <p>\$ 305,000,000</p> <p>FINANCIAL TECHNOLOGY PARTNERS The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p>THE MARKETS.COM</p> <p>in its sale to</p> <p>Capital IQ</p> <p>A Division of Standard & Poor's</p> <p>for total consideration of approximately</p> <p>\$ 300,000,000</p> <p>FINANCIAL TECHNOLOGY PARTNERS The Only Investment Bank Focused Exclusively on Financial Technology</p>
<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p>WOMBAT FINANCIAL SOFTWARE</p> <p>in its sale to</p> <p>NYSE Euronext</p> <p>for total consideration of approximately</p> <p>\$ 225,000,000</p> <p>FINANCIAL TECHNOLOGY PARTNERS The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p>Alpha</p> <p>in its acquisition by</p> <p>CHIX EUROPE</p> <p>TMX Maple Group</p> <p>valued at approximately</p> <p>\$ 175,000,000</p> <p>FINANCIAL TECHNOLOGY PARTNERS The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p>ITC INVESTMENT TECHNOLOGY</p> <p>in the acquisition of</p> <p>macgregor</p> <p>for cash consideration of approximately</p> <p>\$ 230,000,000</p> <p>FINANCIAL TECHNOLOGY PARTNERS The Only Investment Bank Focused Exclusively on Financial Technology</p>

Financing Transactions

<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p>riskalyze</p> <p>in its growth equity investment led by</p> <p>FTV CAPITAL</p> <p>for total consideration of</p> <p>\$ 20,000,000</p> <p>FINANCIAL TECHNOLOGY PARTNERS The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p>alphasense</p> <p>in its growth financing from</p> <p>Quantum Strategic Partners</p> <p>in private investment vehicle management by TRIBECA VENTURE PARTNERS</p> <p>for total consideration of</p> <p>\$ 33,000,000+</p> <p>FINANCIAL TECHNOLOGY PARTNERS The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p>ADDEPAR</p> <p>in its Series D financing co-led by</p> <p>VALOR 8VC</p> <p>Harald McPike</p> <p>for total consideration of</p> <p>\$ 140,000,000</p> <p>FINANCIAL TECHNOLOGY PARTNERS The Only Investment Bank Focused Exclusively on Financial Technology</p>
<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as Capital Markets & IPO Advisor to</p> <p>ENVESTNET</p> <p>in its</p> <p>\$69,000,000</p> <p>Initial Public Offering</p> <p>valuing the equity at approximately</p> <p>\$ 300,000,000</p> <p>FINANCIAL TECHNOLOGY PARTNERS The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p>liquidnet</p> <p>in its financing for approximately</p> <p>\$ 250,000,000</p> <p>valued at approximately</p> <p>\$ 1,800,000,000</p> <p>FINANCIAL TECHNOLOGY PARTNERS The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p>AXIAL</p> <p>in its financing led by</p> <p>Edison PARTNERS</p> <p>for total consideration of approximately</p> <p>\$ 14,000,000</p> <p>FINANCIAL TECHNOLOGY PARTNERS The Only Investment Bank Focused Exclusively on Financial Technology</p>
<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p>TradingScreen</p> <p>SIMPLIFYING GLOBAL MARKETS</p> <p>in its minority recapitalization for</p> <p>\$ 110,000,000</p> <p>FINANCIAL TECHNOLOGY PARTNERS The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p>ITC INVESTMENT TECHNOLOGY</p> <p>in its debt financing</p> <p>Senior Revolving Credit Facility</p> <p>Senior Term Loan</p> <p>of approximately</p> <p>\$ 205,000,000</p> <p>FINANCIAL TECHNOLOGY PARTNERS The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p>MarketAxxess</p> <p>in its minority capital raise with</p> <p>TCV</p> <p>for approximately</p> <p>\$ 35,000,000</p> <p>FINANCIAL TECHNOLOGY PARTNERS The Only Investment Bank Focused Exclusively on Financial Technology</p>

FT Partners has advised on some of the most prominent and groundbreaking transactions in the Securities / Capital Markets / Wealth Technology sectors

Award-Winning Investment Banking Franchise Focused on Superior Client Results

Institutional Investor
Institutional Investor
Annual Ranking

2017
2015 - 2016
2006 - 2008

- Ranked #1 Most Influential Executive on Institutional Investor's FinTech 40 List
- Steve McLaughlin Ranked Top 5 on Institutional Investor's FinTech 35 List
- Consecutively Ranked (2006, 2007 and 2008) among the Top Bankers on Institutional Investor's "Online Finance 40"

I The Information

2016

- Ranked #2 Top Technology Investment Banker on The Information's "Silicon Valley's Most Popular Dealmakers"



M&A Advisor
Awards

2015 - 2017

2010 - 2014

2004 - 2007

- Investment Banker of the Year – 2017
- Investment Banking Firm of the Year – 2016
- Cross Border Deal of the Year - 2016
- Dealmaker of the Year – 2015
- Technology Deal of the Year – 2015
- Equity Financing Deal of the Year - 2014
- Professional Services Deal of the Year, Above \$100 mm – 2014
- Dealmaker of the Year – 2012
- Professional Services Deal of the Year, Above \$100 mm – 2012
- Boutique Investment Bank of the Year – 2011
- Deal of the Decade – 2011
- Upper Middle Market Deal of the Year, Above \$500 mm – 2010
- IT Services Deal of the Year, Below \$500 mm – 2010
- Cross-Border Deal of the Year, Below \$500 mm – 2010
- Dealmaker of the Year – Steve McLaughlin – 2007
- Business to Business Services Deal of the Year - 2007
- Computer and Information Technology Deal of the Year, Above \$100 mm – 2007
- Financial Services Deal of the Year, Above \$100 mm – 2007
- Investment Bank of the Year – 2004



Middle Market
Financing Awards

2006 - 2008

- Equity Financing Dealmaker of the Year – Steve McLaughlin – 2008
- Information Technology Deal of the Year – 2008
- Financial Services Deal of the Year – 2008
- Financing Professional of the Year – Steve McLaughlin – 2006

The FT Partners Senior Banker Team

Name / Position	Prior Background	Experience / Education	Years of Experience
Steve McLaughlin <i>Founder, CEO and Managing Partner</i>		<ul style="list-style-type: none"> Formerly with Goldman, Sachs & Co. in New York and San Francisco from 1995-2002 Former Co-Head of Goldman Sachs' Financial Technology Group (#1 market share) Wharton M.B.A. 	23
Greg Smith <i>Managing Director</i>		<ul style="list-style-type: none"> Formerly award winning Equity Research Analyst at Merrill Lynch / J.P. Morgan / Hambrecht & Quist 20+ years of experience covering FinTech as both an Analyst and Investment Banker 	22
Osman Khan <i>Managing Director</i>		<ul style="list-style-type: none"> Former Managing Director / Head of FIG M&A at Alvarez & Marsal 15+ years FIG deal, consulting and assurance experience at PwC 40 Under 40 M&A Advisor Award Winner in 2013 LSE (BSc w/Honors), MBS (MBA w/Distinction), ICAEW (FCA) 	21
Steve Stout <i>Managing Director</i>		<ul style="list-style-type: none"> Former Global Head of Strategy at First Data Formerly Led J.P. Morgan Payments Investment Banking Former Equity Research Analyst on #1 ranked team at UBS and Economist at the Federal Reserve Bank 	20
Tim Wolfe <i>Managing Director</i>		<ul style="list-style-type: none"> Formerly with Goldman, Sachs & Co. beginning in 2000 Started at FT Partners in 2002 40 Under 40 M&A Advisor Award Winner 2013 Harvard M.B.A. 	16
Timm Schipporeit <i>Managing Director</i>		<ul style="list-style-type: none"> 11+ years with Morgan Stanley, Senior Executive Director of European Technology Investment Banking Team in London Formerly a Venture and Growth Investor focused on FinTech at Index Ventures 	15
Andrew McLaughlin <i>Managing Director</i>		<ul style="list-style-type: none"> 20+ years experience executing / implementing financial and operational strategy Formerly with Deloitte Consulting 	12