

Form CA-1 – Exhibit H-2

CBOE CLEAR U.S., LLC

FINANCIAL STATEMENTS

**AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2024**



KPMG LLP
Suite 1100
1000 Walnut Street
Kansas City, MO 64106-2162

Independent Auditors' Report

Board of Directors and Member
Cboe Clear U.S., LLC:

Opinion

We have audited the financial statements of Cboe Clear U.S., LLC (the Company), which comprise the statement of financial condition as of December 31, 2024, and the related statements of operations, changes in member's equity, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024, and the results of its operations and its cash flows for the year then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.



- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

KPMG LLP

Kansas City, Missouri
March 20, 2025

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Cboe Clear U.S., LLC
Statement of Financial Condition
As of December 31, 2024

Assets

Cash, at bank	\$ 31,613,031
Cash, restricted, at bank	25,000,000
Customer cash, restricted, at bank	4,071,519
Other assets	52,828
Total assets	<u>\$ 60,737,378</u>

Liabilities and Member's Equity

Liabilities

Accounts payable and accrued expenses	\$ 644,123
Payable to customers	4,071,519
Payable to affiliates	382,420
Total liabilities	<u>5,098,062</u>

Member's Equity

Member's equity	72,314,263
Accumulated deficit	(16,674,947)
Total member's equity	<u>55,639,316</u>
Total liabilities and member's equity	<u>\$ 60,737,378</u>

See accompanying notes to financial statements.

Cboe Clear U.S., LLC
Statement of Operations
For the Year Ended December 31, 2024

Revenue:		
Clearing revenue	\$	217,684
Direct trading costs		<u>(634,662)</u>
Revenue less cost of revenue		(416,978)
Operating expenses:		
Compensation and benefits		3,364,456
Technology support services		482,389
Professional fees		299,725
Other		<u>645,748</u>
Total operating expenses		<u>4,792,318</u>
Operating loss		(5,209,296)
Other income:		
Interest income and other		<u>2,872,601</u>
Total other income		2,872,601
Net loss	\$	<u><u>(2,336,695)</u></u>

See accompanying notes to financial statements.

Cboe Clear U.S., LLC
Statement of Changes in Member's Equity
For the Year Ended December 31, 2024

Balance at January 1, 2024	\$ 31,976,011
Capital contributions	26,000,000
Net loss	<u>(2,336,695)</u>
Balance at December 31, 2024	<u>\$ 55,639,316</u>

See accompanying notes to financial statements.

Cboe Clear U.S., LLC
Statement of Cash Flows
For the Year Ended December 31, 2024

Cash flows from operating activities:	
Net loss	\$ (2,336,695)
Adjustments to reconcile net loss to net cash used in operations:	
Digital assets held	134,344
Other assets	172,665
Accounts payable and accrued expenses	445,202
Payable to affiliates	1,218,142
Payable to customers	(9,959,875)
Net cash and restricted cash used in operating activities	<u>(10,326,217)</u>
Cash flows from financing activities:	
Capital contributions	<u>25,000,000</u>
Net cash provided by financing activities	<u>25,000,000</u>
Net increase in cash and restricted cash	<u>14,673,783</u>
Cash and restricted cash:	
Beginning of period	<u>46,010,767</u>
End of period	<u><u>\$ 60,684,550</u></u>
Reconciliation to cash and restricted cash on the statement of financial condition:	
Cash, at bank	\$31,613,031
Cash, restricted, at bank	25,000,000
Customer cash, restricted, at bank	4,071,519
Total cash and restricted cash	<u><u>\$ 60,684,550</u></u>
Supplemental disclosure of noncash financing activities:	
Settlement of payable to affiliates - deemed capital contribution	\$ 1,000,000

CBOE CLEAR U.S., LLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Cboe Clear Digital, LLC, rebranded to Cboe Clear U.S., LLC on December 1, 2024, (“Cboe Clear US” or the “Company”), is a Delaware Limited Liability Company formed on October 16, 2017 and is registered as a Derivatives Clearing Organization (“DCO”) with the U.S. Commodity Futures Trading Commission (“CFTC”) and provides clearing and settlement services for digital asset futures trades. Cboe Clear Digital Holdings, LLC (“Cboe Clear Digital Holdings”), is the sole Member of Cboe Clear US.

Cboe Clear Digital Holdings is a Delaware Limited Liability Company formed on October 16, 2017 as a holding company for Cboe Clear US. Cboe Digital Exchange, LLC (“Cboe Digital Exchange”) is the sole Member of Cboe Clear Digital Holdings.

Cboe Digital Exchange is a Delaware Limited Liability Company formed on February 4, 2010 and it operates as a Designated Contract Market (“DCM”) regulated by the CFTC.

Cboe Digital Intermediate Holdings, LLC (“Cboe Digital Intermediate Holdings”) is a Delaware Limited Liability Company formed on November 29, 2017. Cboe Digital Intermediate Holdings is the parent and sole Member of Cboe Digital Exchange.

Cboe Digital Intermediate Holdings is a wholly owned subsidiary of Cboe Digital Holdings, Inc.

Cboe Digital Holdings, Inc. is a wholly owned subsidiary of Cboe Global Markets, Inc. (“CGM”).

In April 2024, Cboe Digital Exchange and Cboe Clear US announced plans to wind down the spot crypto market offered and transition the cash-settled margin Bitcoin and Ether futures contracts currently listed on Cboe Digital Exchange to Chicago Futures Exchange, LLC (“CFE”), a wholly owned subsidiary of CGM, pending regulatory review. On May 31, 2024, all trading on Cboe Digital Exchange spot market was halted and closed for all participant trading purposes.

Basis of Accounting

The Company prepares its financial statements using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“US GAAP”). These financial statements are presented in United States Dollars (“USD”).

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as well as disclosure of the amounts of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ significantly from those estimates.

Fair Value Disclosures

The fair value of financial instruments including cash, accounts payable and accrued expenses approximate the respective carrying values, principally because of the short maturity of those items.

CBOE CLEAR U.S., LLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

Cash and Cash, Restricted

The Company maintains its cash at various financial institutions that, at times, may be in excess of the Federal Deposit Insurance Corporation insurance limits. The Company's management regularly monitors the institutions, as discussed in NOTE B. As of December 31, 2024, the Company contributed \$25,000,000 to the clearing house guaranty fund which is recorded as restricted cash on the statement of financial condition.

Customer Cash, Restricted and Payables to Customers

Original margin and variation margin received by the Company from its customers is in the form of restricted cash. The Company holds cash (denominated in USD) on behalf of its customers in segregated and member property accounts at highly rated financial institutions. Segregated customer accounts can hold cash deposited by futures commission merchants clearing members for purposes of supporting transactions in futures contracts by the customers of the futures commission merchants. As of December 31, 2024, there was \$4,071,519 in customer cash in segregated accounts. Member property accounts hold the cash deposited by clearing members to support proprietary transactions in futures contracts. As of December 31, 2024, there were no customer cash in member property accounts. Customer cash may be invested in approved investments and any interest or gain received, or loss incurred on invested funds is recorded in the Statement of Operations. For the year ended December 31, 2024, interest on invested funds totaled \$651,102. The Company includes customer cash, restricted on the statement of financial condition with a corresponding payable to customers.

Digital Assets Held

There are no digital assets held by the Company as of December 31, 2024. Gains or losses on the disposal of digital assets and changes in the fair value of digital assets previously held by the Company are recognized in Direct Trading Costs in the Statement of Operations.

Revenue Recognition

Clearing revenue comprises the consideration received for the service rendered in the ordinary course of the Company's activities. Clearing revenue represents fees charged by the Company for meeting the point-in-time performance obligation for transactions cleared and settled by the Company. Clearing revenues are automatically debited from the customers' exchange account upon the execution of the service and revenue is recorded at that time. All clearing revenues are earned in USD.

Income Taxes

The Company is included in the consolidated federal income tax return filed by CGM. As the Company is a legal entity that is not subject to tax, there is no allocation of current and deferred tax expense in the Company's financial statements.

CBOE CLEAR U.S., LLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE B – OFF BALANCE SHEET RISKS

Credit risk represents the potential for loss due to the deterioration in credit quality or default of a counterparty. The Company's exposure to credit risk comes from its clearing and settlement operations and from cash held at financial institutions. At various times during the period, the Company's and customers' cash held at financial institutions exceeded the federally insured limits. As of December 31, 2024, the Company's and customers' uninsured cash balance totaled approximately \$59,714,618. In connection with the Company's regular monitoring of these institutions, management believes that the potential for future loss is remote.

The Company guarantees the settlement of all futures contracts it clears. This guarantee is effective when the trade is accepted for clearing and remains in place until the contract is offset by another accepted trade, the contract expires or is terminated. The Company limits its risk of loss by only allowing clearing access to companies that meet the financial and eligibility standards set forth in the rules of the clearing house. Further, the Company requires clearing members to maintain appropriate levels of margin deposits.

The Company also limits the risk of loss by holding margin deposits in cash accounts established at large, highly rated financial institutions.

NOTE C – RELATED PARTY TRANSACTIONS

The Company engages in transactions with affiliated companies under common ownership and all transactions are governed by service agreements. In the ordinary course of business, the Company or these affiliates, may make payments on behalf of each other or may allocate a portion of the expenses incurred to each other.

As a clearinghouse, the Company collects transaction fees earned from customers of Cboe Digital Exchange on behalf of Cboe Digital Exchange. These fees collected are earned by Cboe Digital Exchange and remitted to Cboe Digital Exchange. For the year ended December 31, 2024, the Company collected \$606,951 under this arrangement. Cboe Digital Exchange also engages the Company to provide clearing services which were not material for the year ended December 31, 2024. As of December 31, 2024, the Company owes Cboe Digital Exchange \$257,279 under this arrangement.

The Company is a party to a services agreement with Cboe Digital Exchange whereby the Company engages Cboe Digital Exchange to provide operating services that includes the use of office space, technology support, and back-office support including employees.

The Company is also party to a Master Intercompany Services & License Agreement and a related Services and Expense Sharing Agreement effective July 25, 2022 (the "Agreement") with CGM. Pursuant to this Agreement, certain affiliates of CGM provide shared services to the Company such as accounting and payroll. Costs for services provided and other expenses, such as technology costs, professional fees, and facility costs are allocated to the Company from the other CGM affiliates in accordance with the Agreement. CGM also assists in processing operating expenses incurred by the Company which are subsequently reimbursed by the Company. The Company settles all activity with the other CGM affiliates through CGM annually or as needed.

CBOE CLEAR U.S., LLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

The Company's allocation of expenses from affiliate for the year ended December 31, 2024 include \$3,364,456 of compensation and benefits expenses and \$192,889 of other expenses. As of December 31, 2024, the Company owes Cboe Global Markets \$125,141 under this arrangement.

Certain owners of Cboe Digital Intermediate Holdings, LLC are also customers of the Company in the normal course of business. There were no material transactions with these entities during the year outside the normal customer relationship.

NOTE D – REGULATORY CAPITAL

As a derivatives clearing organization regulated by the CFTC, Cboe Clear US is required to meet two capital adequacy tests: (i) its financial resources must be equal to at least twelve months of its projected operating costs and (ii) its unencumbered, liquid financial assets, which may include a line of credit, must be equal to at least six months of its projected operating costs. The minimum regulatory capital amount represents the greater of the two capital adequacy requirements. At December 31, 2024, Cboe Clear US financial resources was \$31,613,031 and the minimum regulatory capital requirement was \$10,462,644, which represents twelve months of the Company's projected operating costs.

NOTE E – CONTINGENCIES

The Company is a clearinghouse and central counterparty that provides clearing and settlement of digital asset futures trades. The Company performs a guarantee function whereby the Company helps to ensure that the obligations of the transactions it clears are fulfilled. The Company only assumes the guarantor role if it has an equal and offsetting claim. The Company attempts to mitigate this risk by performing internal compliance and due diligence procedures as well as implementing internal risk controls. Internal risk controls include the establishment and monitoring of clearing participant collateral requirements and creditworthiness. The Company's due diligence procedures include review of the personal and corporate information, financial position of the clearing member, and monitoring of the Company's risk exposure thresholds. As of December 31, 2024, Cboe Clear US does not expect a material loss concerning credit risk on any clearing member.

In the normal course of business, the Company enters into contracts and agreements that contain a variety of representations and warranties that provide general indemnifications. The Company's maximum exposure under these arrangements is unknown, as these involve future claims that may be made against the Company but that have not occurred. The Company expects the risk of any future obligations under these indemnifications to be remote.

The Company is subject to regulatory oversight and these risks could subject the Company to fines and enforcement actions. As of December 31, 2024, the Company does not expect a material loss concerning regulatory fines or enforcement actions.

NOTE F – SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 20, 2025, the date on which the financial statements were available to be issued.

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