

From: FTX Digital <[REDACTED]>
Subject: FTX Digital Markets Ltd. (In Provisional Liquidation): sent on behalf of the Joint Provisional Liquidators

FTX Digital Markets Ltd. (In Provisional Liquidation)

Building 27, Veridian Corporate Centre
Western Road
Nassau, N.P., The Bahamas

Dear Sir or Madam

Introduction

PricewaterhouseCoopers (“**PwC**”) is writing to you in its capacity as advisor to FTX Digital Markets Ltd. (In Provisional Liquidation) (“**FTX Digital**” or the “**Company**”) and its Joint Provisional Liquidators (“**JPLs**”). FTX Digital is a company incorporated in The Bahamas and, at the time that FTX Digital entered Provisional Liquidation, was the principal regulated operator of the FTX International (FTX.com) platform.

This circular supplements a previous circular sent on or around 6 January 2023 on behalf of the JPLs, which invited customers of FTX Digital and third party claim holders with potential claims against the Company to register their contact details via an online claims portal (<https://digitalmarketsclaim.pwc.com>). This claims portal is being administered by PwC on behalf of the JPLs and can be validated via PwC’s case website (<https://www.pwc.com/bs/fdm>).

We are aware that due to the international nature of the FTX.com exchange, many customers and creditors of FTX Digital prefer to communicate in languages other than English. For this reason, this message is being shared with you in accordance with your language preference recorded on the FTX.com platform.

First Interim Report of the Joint Provisional Liquidators

Since the previous communication sent on or around 6 January 2023, the JPLs have filed their first interim report to the Supreme Court of The Bahamas (“**Supreme Court**”). This interim report provides a detailed account of the work performed by the JPLs, and on their behalf, over the first three months since their appointment. This report is available to view on the case website (<https://www.pwc.com/bs/fdm>). Following submission of the report, the Supreme Court granted a six-month extension of the Provisional Liquidation to facilitate the JPLs’ efforts to explore the practicalities of restarting the FTX.com platform whilst investigating the affairs of FTX Digital, and identifying, protecting and gathering in the assets of the Company.

Interaction with the Chapter 11 proceedings

The Provisional Liquidation process for FTX Digital is running independently of, but in parallel with, the ongoing Chapter 11 proceedings in the US. Customers of FTX.com who

have submitted claims against entities covered by the US Chapter 11 proceedings are not prevented from registering their details via the FTX Digital claims portal and vice versa. Due to the manner in which FTX operated and the current lack of clear information, which the JPLs are in the process of obtaining, it will take some time to establish the full population of creditors, the status of claims and against which entity within the FTX Group you may have a claim.

Chapter 15 Recognition of the Provisional Liquidation in the United States

At a hearing on 15 February 2023 the JPLs were successful in their application to the Delaware Bankruptcy Court for recognition under Chapter 15 of the US Bankruptcy Code. Under the terms of the Recognition Order granted, the Provisional Liquidation in the Supreme Court is recognised as the foreign main proceeding for FTX Digital and the JPLs as Foreign Representatives for the purposes of the US Bankruptcy Court. A copy of the order has been posted on the case website.

Application for Directions on matters central to the Provisional Liquidation of FTX Digital

The JPLs are faced with a number of legal questions that are central to determining the appropriate approach to the Provisional Liquidation of FTX Digital. Accordingly, the JPLs consider it appropriate to seek directions from the Supreme Court on how these matters should be determined. In this regard, on 15 March 2023 the JPLs filed an application requesting the Supreme Court's permission for the JPLs to seek confirmation from the Delaware Bankruptcy Court that the proposed Directions Application that the JPLs wish to issue in the Supreme Court as soon as possible does not breach the automatic stay in the Chapter 11 proceedings, or to the extent that it does, to grant relief from the stay in order that there is no risk of the JPLs being accused of breaching US Bankruptcy law.

The proposed Directions Application seeks directions from the Supreme Court on the following issues:

1. The parameters of the FTX Digital Estate
2. The rights and obligations of the JPLs in relation to FTX Digital
3. Who are FTX Digital's customers
4. The nature of the rights and obligations of FTX Digital's customers
5. The relationship of customers of FTX Digital to each other, to other creditors and stakeholders of FTX Digital

Immediately after the Directions Application has been issued, the JPLs will seek preliminary directions from the Supreme Court on the procedure for determining the issues in the Directions Application, including making orders for representatives of stakeholders of FTX Digital (customers, creditors and others) to appear and make representations to the Supreme Court on the issues raised by the Directions Application. There will also be an opportunity for the representatives to file evidence, if so directed by the Supreme Court. We will write further to update you after the Directions Application has been issued.

Registration of details on the FTX Digital Claims Portal

Customers who believe that they have fiat or digital assets in their name on the FTX.com exchange are encouraged to register their details on the claims portal to allow for future contact by the JPLs and to be kept informed of developments. Registration is recommended for customers who wish to ensure that the JPLs have your current contact information, receive updates on the status of the Provisional Liquidation, obtain copies of our progress reports, attend meetings (as appropriate) and, when required, submit a claim for any fiat or cryptocurrency owed to them. Third party claimants (i.e. non-customer creditors including suppliers and vendors) against FTX Digital are also encouraged to utilise the registration facility on the portal.

At this stage the creditor portal has been deployed solely to capture creditor and customer contact details, which will be held securely and kept confidential by PwC on behalf of the JPLs and FTX Digital. In the coming weeks the portal will progress through the remaining stages of the claims process outlined on the portal homepage, with the next step allowing users to create log-in credentials to access their own personalised landing page which will be used to communicate updates from the JPLs as further information comes to hand and, when appropriate, submit claim details and supporting information.

Case website details

This mailbox is not monitored. If you have any queries in relation to this email or regarding the ongoing Provisional Liquidation of FTX Digital please visit the case website at <https://www.pwc.com/bs/fdm> which includes an FAQ section for customers and claimants and details of how to contact us.

This email is being sent to you on behalf of the Joint Provisional Liquidators of FTX Digital Markets Ltd. (In Provisional Liquidation). The JPLs are officers of The Supreme Court of The Bahamas and are tasked with the duty of safeguarding the business, property and affairs of FTX Digital. The JPLs act as agents of FTX Digital, without personal liability, and any request contained within this correspondence is being made solely as it pertains to FTX Digital and in enabling furtherance of the duties conferred on the JPLs by the Supreme Court.