

# Cboe Global Markets Completes Acquisition of ErisX, Entering Digital Asset Market

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- Ownership of ErisX provides Cboe with entry to digital asset spot and derivatives markets, including clearing and settlement
- Opportunity to build comprehensive digital asset market data offering, create indices and explore further derivative products
- Network of industry partners, intermediaries and market participants of all types expected to contribute to ongoing development of client-driven solutions to increase adoption of digital assets and further mature the market

CHICAGO, May 2, 2022 /PRNewswire/ -- Cboe Global Markets, Inc. (Cboe: CBOE), a leading provider of global market infrastructure and tradable products, today announced it has completed the acquisition of Eris Digital Holdings, LLC (ErisX), an operator of a U.S. based digital asset spot market, a regulated futures exchange and a regulated clearinghouse. Ownership of ErisX allows Cboe to enter the digital asset spot and derivatives marketplaces through a digital-first platform developed with industry partners to focus on robust regulatory compliance, data and transparency.

"Adding ErisX to the Cboe network is another exciting chapter in Cboe's growth story. We see enormous potential in the digital asset market and are excited to apply our blueprint of success to this burgeoning asset class," said Ed Tilly, Chairman, President and Chief Executive Officer of Cboe Global Markets. "Tom Chippas and the entire ErisX team have made significant progress bringing the regulatory framework and transparency of traditional markets to the digital asset space, and I look forward to working together, with our industry partners, to grow the digital asset market on a global scale."

Cboe plans to operate the ErisX business as a subsidiary with Thomas Chippas, Chief Executive Officer of ErisX, remaining as head of the digital asset business, reporting to Chris Isaacson, Executive Vice President and Chief Operating Officer of Cboe. In addition to operating the existing spot, derivative and clearing platforms, Cboe also intends to develop and distribute a range of digital asset data products<sup>1</sup>. Using robust market data based fundamentally on actionable bid and offer prices from the spot crypto market, Cboe Digital plans to develop a benchmark data stream to help market participants evaluate the appropriateness of crypto execution prices.

"I am incredibly proud of the ErisX team for their relentless pursuit of innovation in the digital asset space. From the beginning, our vision was to advance the digital asset spot, data, derivatives and clearing ecosystem by making regulatory compliance and operational integrity the foundation of the ErisX business," said Thomas Chippas, Chief Executive Officer of ErisX. "I couldn't be more excited for the future as we join forces with Cboe and our industry partners to leverage their collective market expertise and global resources to not only grow ErisX, but also to develop global regulatory and compliance standards that have a lasting impact on the entire digital asset space."

With Cboe, ErisX aims to be a digital asset market rooted in the exchange principles of transparency and regulatory compliance, supported by a network of intermediaries, providing client-driven solutions that help institutions fully embrace this emerging asset class. Digital assets are globally recognized and are expected to continue to benefit from a regulated derivatives market and central clearing to help mitigate counterparty risk—providing more efficient price formation, additional hedging tools, enhanced transparency, and deeper liquidity. Cboe believes meeting the demand for trading digital assets with the advantages of exchange trading is beneficial for all investors, and intermediaries have a key role to play in the ongoing development of Cboe Digital spot and derivatives markets.

"Increased retail participation has fueled record trading across equities, derivatives and digital assets, demonstrating how investors of all types want access to sustainable financial solutions," said Chris Isaacson, Executive Vice President and Chief Operating Officer of Cboe Global Markets. "Cboe is uniquely positioned to help the growing segment of retail investors access traditional and new financial markets through product innovation, education and collaboration with our industry partners and intermediaries—and now we can leverage the regulatory framework, transparency, infrastructure and data solutions of those trusted markets to further mature and expand digital asset trading and clearing for a broader user base."

Market participants, including a growing number of institutional firms, have continued to request exposure to digital assets. The ErisX platform was built with the traditional exchange principles of transparency, price discovery and regulatory controls, laying the foundation for institutional trading of digital assets. ErisX's intermediary-friendly model has brought resiliency and security to the digital asset space with physically delivered futures contracts traded at and cleared through a CFTC regulated Designated Contract Market (DCM) and Derivatives Clearing Organization (DCO). ErisX futures contracts trade alongside its spot market on an innovative and unified platform, bringing price transparency and collateral efficiency.

Terms of the deal were not disclosed, however the company noted that the purchase price is not material from a financial perspective. ErisX is positioned to be a long-term leader as regulation is expected to play an increasingly prominent role in digital assets, and Cboe plans to make the early investments necessary to help maximize revenue growth potential over the medium and long term. Cboe anticipates ErisX will reach EBITDA profitability within two to three years, benefiting from a diversified stream of revenue drivers.

### **About Cboe Global Markets, Inc.**

Cboe Global Markets (Cboe: CBOE), a leading provider of market infrastructure and tradable products, delivers cutting-edge trading, clearing and investment solutions to market participants around the world. The company is committed to operating a trusted, inclusive global marketplace, providing leading products, technology and data solutions that enable participants to define a sustainable financial future. Cboe provides trading solutions and products in multiple asset classes, including equities, derivatives and FX, across North America, Europe and Asia Pacific. To learn more, visit [www.cboe.com](http://www.cboe.com).

### **About ErisX**

ErisX Futures are offered through Eris Exchange, LLC, a Commodity Futures Trading Commission (CFTC) registered Designated Contract Market (DCM) and Eris Clearing, LLC, a registered Derivatives Clearing Organization (DCO). The CFTC does not have regulatory oversight authority over virtual currency products including spot market trading of virtual currencies. ErisX Spot Market is not licensed, approved or registered with the CFTC and transactions on the ErisX Spot Market are not subject to CFTC rules, regulations or regulatory oversight. ErisX Spot Market is offered through Eris Clearing, LLC, which is licensed to engage in virtual currency business activity by the New York State Department of Financial Services and holds licenses in other U.S. states and territories. <https://www.Erisx.com/disclaimer/>

ErisX offers individuals and institutions a single, innovative platform to access crypto spot and futures markets. By combining professional tools, advanced technology, sophisticated regulatory oversight, and a diverse product set, ErisX offers compliant, capital markets friendly workflows to digital market participants. Backed by some of the world's largest trading firms and financial institutions, ErisX brings transparency and reliability to the digital asset class. ErisX, Eris Exchange, and the ErisX and Eris Exchange logos are trademarks of the Eris Exchange group of companies.

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### **Cautionary Statements Regarding Forward-Looking Information**

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that involve a number of risks and uncertainties. You can identify these statements by forward-looking words such as "may," "might," "should," "expect," "plan," "anticipate," "believe," "estimate," "predict," "potential" or "continue," and the negative of these terms and other comparable terminology. All statements that reflect our expectations, assumptions or projections about the future other than statements of historical fact are forward-looking statements. These forward-looking statements, which are subject to known and unknown risks, uncertainties and assumptions about us, may include projections of our future financial performance based on our growth strategies and anticipated trends in our business. These statements are only predictions based on our current expectations and projections about future events. There are important factors that could cause our actual results, level of activity, performance or achievements to differ materially from those expressed or implied by the forward-looking statements.

We operate in a very competitive and rapidly changing environment. New risks and uncertainties emerge from time to time, and it is not possible to predict all risks and uncertainties, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

*Some factors that could cause actual results to differ include: the loss of our right to exclusively list and trade certain index options and futures products; economic, political and market conditions; compliance with legal and regulatory obligations; price competition and consolidation in our industry; decreases in trading or clearing volumes, market data fees or a shift in the mix of products traded on our exchanges; legislative or regulatory changes or changes in tax regimes; our ability to protect our systems and communication networks from security risks, cybersecurity risks, insider threats and unauthorized disclosure of confidential information; our ability to attract and retain skilled management and other personnel; increasing competition by foreign and domestic entities; our dependence on and exposure to risk from third parties; fluctuations to currency exchange rates; factors that impact the quality and integrity of our indices; the impact of the novel coronavirus ("COVID-19") pandemic; our ability to operate our business without violating the intellectual property rights of others and the costs associated with protecting our intellectual property rights; our ability to minimize the risks, including our credit and default risks, associated with operating a European clearinghouse; our ability to accommodate trading and clearing volume and transaction traffic, including significant increases, without failure or degradation of performance of our systems; misconduct by those who use our markets or our products or for whom we clear transactions; challenges to our use of open source software code; our ability to meet our compliance obligations, including managing potential conflicts between our regulatory responsibilities and our for-profit status; our ability to maintain BIDS Trading as an independently managed and operated trading venue, separate from and not integrated with our registered national securities exchanges; damage to our reputation; the ability of our compliance and risk management methods to effectively monitor and manage our risks; our ability to manage our growth and strategic acquisitions or alliances effectively; restrictions imposed by our debt obligations and our ability to make payments on or refinance our debt obligations; our ability to maintain an investment grade credit rating; impairment of our goodwill, long-lived assets, investments or intangible assets; the accuracy of our estimates and expectations; litigation risks and other liabilities; and operating a digital asset business. More detailed information about factors that may affect our actual results to differ may be found in our filings with the SEC, including in our Annual Report on Form 10-K for the year ended December 31, 2021 and other filings made from time to time with the SEC.*

We do not undertake, and we expressly disclaim, any duty to update any forward-looking statement whether as a result of new information, future events or otherwise, except as required by law. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof.

<sup>1</sup> Subject to regulatory approval

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