

Cboe Global Markets Announces Planned Equity Partners for Cboe Digital Business

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- Equity partners expected to receive minority ownership stake, join roster of planned commercial partner firms committed to development of ErisX and Cboe Digital markets
- Firms expected to form Digital Advisory Committee tasked with collaborating with Cboe on client-driven solutions to help increase adoption of digital assets and further mature the market
- Partnerships expected to be finalized in the coming weeks

CHICAGO, Aug. 25, 2022 /PRNewswire/ -- Cboe Global Markets, Inc. (Cboe: CBOE), a leading provider of global market infrastructure and tradable products, announced the initial group of firms that intend to become equity investors in the Cboe Digital business.

Cboe's advanced discussions with potential equity partners involve a broad and diverse range of market participants, including leading retail and institutional intermediaries, liquidity providers and brokers. These firms include B2C2, DRW, GSR, Hidden Road, IMC, Interactive Brokers, Jane Street, Jump Crypto, Optiver, Robinhood, tastytrade and Virtu Financial. Through their equity ownership, each firm will directly benefit from the growth of ErisX and Cboe Digital and the close strategic and commercial alignment from day one.

The soon to be formalized group of equity partners join a roster of planned commercial partner firms supporting the ErisX business, which is expected to be renamed Cboe Digital, including Fidelity Digital AssetsSM, Galaxy Digital, NYDIG and Webull among others. Together, subject to the execution of definitive documents, these firms have committed to ongoing engagement with the business and building of Cboe Digital markets.

As part of its operation of ErisX and the Cboe Digital business, Cboe plans to form a Digital Advisory Committee comprised of a cross-section of equity and commercial partner firms. The committee will be tasked with advising Cboe on the ongoing development of the ErisX spot and derivatives markets, and more broadly, Cboe Digital and the digital asset space. Cboe plans to leverage the engagement and collaboration with these market participants to help accelerate growth of ErisX as a resilient, trusted and transparent digital asset venue.

"ErisX was founded with the mission of bringing transparent, well-regulated markets for digital assets and we are excited to further accelerate on this vision with growing support from our partner firms," said Ed Tilly, Chairman and Chief Executive Officer of Cboe Global Markets. "Building trusted markets has always been a part of Cboe's DNA, and we look forward to leveraging the combined expertise of our partner firms to help bring Cboe's regulatory framework, transparency, infrastructure and data solutions to further grow the digital asset market on a global scale."

"We are gratified to have the support of such a tremendous group of industry leaders, which we believe is further validation of our vision for the Cboe Digital business," said John Palmer, President of ErisX. "Our partner firms share our deep commitment to bringing Cboe's trusted, transparent, regulatory-first approach to the digital asset space and we are excited to work together as a collective force to shape and define this asset class now, and for the future, to benefit all market participants."

On May 2, 2022, Eris Digital Holdings, LLC (ErisX), an operator of a U.S. based digital asset spot market, a regulated futures exchange and a regulated clearinghouse, was acquired by Cboe. ErisX operates as a subsidiary of Cboe Global Markets and serves as the cornerstone of the new Cboe Digital business. As part of Cboe Digital, Cboe is operating the existing spot, derivative and clearing platforms of ErisX, and has plans to develop and distribute a range of digital asset data products, subject to regulatory approval. Using 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.

With Cboe, ErisX aims to provide 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.

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, FX, and digital assets, across North America, Europe and Asia Pacific. To learn more, visit 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 and clearinghouse, including the expected benefits of our ErisX acquisition, cybercrime, changes in digital asset regulation, losses due to digital asset custody, and fluctuations in digital asset prices. 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.

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