



## **PRESS RELEASE**

### **Memorandum of Understanding (MoU) between the Operator of the Electricity Market S.A. (LAGIE) and Athens Stock Exchange Group (ATHEXGROUP)**

The "Operator of Electricity Market S.A." (LAGIE) and the "Hellenic Exchange Group - Athens Exchange Group" (ATHEXGROUP), proceeded today, February 15, 2017 to the signing of a Memorandum of Understanding (MoU), in the context of the powers delegated to LAGIE in accordance with the L. 4425/2016, with the purpose of drawing up an operational plan concerning the following:

- I. The joint establishment of a new company to assume the responsibility of Clearing, the Risk Management and Settlement of Purchases, in the capacity of Major Counter-party according to the L.4425 / 2016.
- II. The joint establishment of a new company to support LAGIE with information infrastructures and expertise for the management and operation by LAGIE of the markets, in accordance with L.4425/2016.
- III. The assurance of the preconditions for the efficiency, competitiveness and sustainability of the entire scheme to the benefit of the market stakeholders and final consumers.
- IV. The investigation of possible necessary legislative, or regulatory changes and interventions that could prove expedient in the short or medium term for the remedy of any malfunctions and restrictions in the operation of the markets.
- V. The attainment of synergies and partnerships both with the institutional players of the Hellenic Market and other participants, such as, indicatively, Producers, Suppliers/Traders, Dealers and Credit Institutions.
- VI. The assumptions of actions and initiatives concerning the linking of the Hellenic electricity market with the markets of the other EU countries, according to the requirements of the European legislation, as well as with neighboring non-EU member countries.
- VII. The preparation both for the provision of related services to other Operators and the integration of related Energy and Environmental Markets and Products.



## The Energy Market - Objectives

The current national legislative framework (L. 4001/2011, L. 4336/2015 and L.4425 / 2016) and the provisions of the European Regulations (EU) (713/2009, 714/2009, 715/2009, 1227/2011, 648/2012) and the (EU) Directives (2009/72 and 2009/73) concerning the adaptation of the domestic Electricity Market to the requirements of the "EU Target Model" formulate a stringent time schedule of actions for the integration of **the unified domestic electricity market**, while taking into account the requirement for the smooth and efficient adaptation of the domestic market to the Target Model requirements.

In the above context, the two companies deem that such an agreement shall constitute the basis of a successful and long term cooperation pursuing:

- 1) the direct and more effective fulfillment of the obligations of the Electricity Markets Operator, according to L.4425 / 2016, always in the context of service of the public interest and the necessary compliance of the Hellenic electricity Market with the aforementioned EU legislation,
- 2) the joint exploitation of existing infrastructure and expertise thus achieving the possibility for competitive service pricing,
- 3) the emergence of positive results from the operation of a new regulated market in accordance with European standards in the energy sector, for the national economy and for cooperations in the broader geographical area.

## The Companies

The "Electricity Market Operator S.A." (**LAGIE**) is a public company staffed by highly specialized executives that operates as:

- 1) Energy Market Operator (NEMO) having assumed, both under the national regulatory framework and the relevant European one, the obligation for the implementation, operation, support and development of the Hellenic Energy Market in the context of European Market integration, while in the context of implementation of the EU Regulation 1227 / 2011 (REMIT) it is certified by ACER as a "Registered Reporting Mechanism" (RRM).
- 2) Operator for the Issuing and Management of RES Electricity Guarantees and CHP Operator for the Interconnected System, participating in the European Association of Issuing Bodies / AIB) and acting simultaneously as the Fuel Mix Administrator for each Supplier.



- 3) Auctioneer representing the Greek State for the Greenhouse gas emission rights in the auctions held on the transitional common auction platform of the EEX (Commodity Exchange in Leipzig, Germany).

**ATHEX GROUP**, consisting of the publicly traded company "Hellenic Exchange-Athens Exchange (ATHEX)", the "Hellenic Central Securities Depository (ATHEXCSD)" and "Transactions Clearing Company (ATHEX Clear)" avails the expertise, infrastructure and necessary permits regarding the following:

- 1) the organization and operation of stock markets,
- 2) the clearing of transactions both in securities and derivatives, constituting thus one of the seventeen (17) licensed Central Counter parties in EU, in accordance with the EU Regulation 648/2012 (EMIR), already providing clearing services:
  - for all Athens Exchange (ATHEX) markets - the Securities Market, Derivatives Market and the "Alternative Market - EN.A.",
  - the Derivatives Market of the Romanian Stock Exchange SIBEX
- 3) the development and operation of an access network for the Hellenic financial system, including access points to the United Kingdom, Cyprus and Romania (Securities Trade Network)
- 4) the provision of services in the financial community (Investment firms, Banks) and market operators (Cyprus, Romania) and third parties, information and communication technologies (ICT), operating and continuously investing in high quality technological infrastructure and services (data centers, applications development, etc.).

Photos attached:

Highlights from the signing of the Memorandum of Understanding. From the left: President and CEO of LAGIE SA Mr. Michalis Filippou and the Chief Executive Officer of Athens Exchange Group, Mr. Sokratis Lazaridis