

Press Release

DESFA and the Athens Exchange take their collaboration into the next phase with the Balancing Platform

The signing of the Balancing Platform contract is a first step in the operation of the natural gas wholesale market

Athens, 29 March 2018. The Hellenic Gas Transmission System Operator (DESFA) and the Athens Exchange Group (ATHEX GROUP) took the next step in their collaboration, by signing a contract for the implementation of the Balancing Platform.

This constitutes the first of the steps outlined in the Memorandum of Understanding (MoU) signed between the two companies on the 14th of September 2017.

The Balancing Platform, which is being developed through the close cooperation and joining of the know-how and infrastructure of both DESFA and the Athens Stock Exchange, will allow DESFA to buy and sell through auctions the gas quantities required for the balancing of the Greek National Natural Gas System. Its operation is expected to increase liquidity in the gas market and help form a reference gas price on a daily basis, based on the prevailing demand and supply conditions.

The ultimate goal is to create a competitive gas market, which will result in optimised supply conditions, including prices, to the benefit of the end consumer. Development of the Balancing Platform is the first step in a series of actions that aim towards the development of the Greek natural gas wholesale market and its subsequent expansion to South-Eastern Europe towards creating a regional gas hub.

In implementation of the 4th revision of the Administration Code of the Greek National Natural Gas System approved by the Regulatory Authority for Energy (RAE) in early March 2018, the launch of the Balancing Platform, as well as the new provisions with regard to the transactions on the Greek National Natural Gas System, are scheduled for the **1st of July 2018**.

Sotirios Nikas, Chairman of the BoD and CEO of **DESFA**, signed the contract on the company's behalf and noted: *"The launch of the Balancing Platform is a development of critical importance for a more flexible, liquidated and competitive market, useful to both the participants and the end consumer. We are particularly pleased with the first tangible results of our close cooperation with the ATHEX Group, and greatly optimistic for its dynamic continuation"*.

The CEO of the **Athens Exchange Group**, **Mr. Sokratis Lazaridis**, at the signing of the contract underlined: *"Today's event signals the effective utilisation of the country's capital market infrastructures towards the automation of new price-setting mechanisms, which are gradually*

being introduced at a European-wide level in the energy sector. This is in a fact a trend gaining ground globally. For the Athens Exchange Group - which has made significant investments over the past twenty years in electronic capital market infrastructures and has accumulated competitive know-how - the trust of DESFA in the first steps of the electronic organisation of the Greek natural gas market is a great honour. Even though the original cooperation concerns the first and smallest of the planned markets (Balancing Platform), its value is quite high both towards deepening and expanding the relevant know-how and for solidifying the trust in the effective development of infrastructures for the energy markets of Greece”.

About the project and the collaboration

The development of an operational wholesale natural gas market is one of the pillars of the European gas Target Model, as it facilitates the entry of new players in the market and the development of competition, resulting in more options and competitive gas prices for both households and businesses.

DESFA, within the framework of its responsibilities under the national and EU regulatory framework and in line with the Gas Target Model logic, since 2015 has been making a systematic effort to establish an operational wholesale natural gas market.

The first stage for the operation of a wholesale market is to set up a balancing market and a Balancing Platform, in which the system operator will buy and sell the gas quantities required for balancing the network. This will increase market liquidity, with a reference price formed on a daily basis, based on the prevailing demand and supply conditions

To this end, around mid-year 2017, DESFA submitted a comprehensive proposal to RAE for the reform of the load balancing and transaction system in the Greek National Natural Gas System. After obtaining RAE’s approval for the 4th revision of the NNGS Administration Code in early March 2018, DESFA is proceeding with the technical implementation of the Code’s relevant provisions, with the implementation period ending on the 1st of July 2018.

Against this background, DESFA and the ATHEX Group are pooling their know-how and infrastructure, aiming to ensure the corresponding economies of scale from this collaboration, for a more efficient and faster achievement of their strategic objective: the development of the wholesale natural gas market in Greece and its expansion to South-Eastern Europe, in the context of the internal European Union Gas Market integration.

About the Hellenic Gas Transmission System Operator (DESFA) S.A.

DESFA is responsible for the management, operation, maintenance and development of the National Natural Gas System (NNGS). At the same time, with its long experience and highly skilled human resources, DESFA is the most suitable and reliable partner to participate in the international energy projects under way in South-Eastern Europe.

You can find more information about DESA on its website www.desfa.gr.

About the Athens Exchange Group

The **Athens Stock Exchange**, since its establishment in 1876, has been consistently participating in the financial and business developments in the country.

The Athens Exchange Group (ATHEX Group), supports the growth and organisation of the Greek Capital Market. It operates the organized equities and derivatives markets, the alternative market and performs clearing and settlement of transactions.

The Athens Stock Exchange, through its markets, offers solutions and financing tools to businesses, expands investor choice by providing a safe, stable and convenient environment in full alignment with international practices and the European regulatory framework. It holds the the **ISO 22301:2012** international standard for Business Continuity, for all its companies, including all its operations as well as the products & services it provides.

In a period when the role of stock markets in exploring alternative ways of financing business, at a European level, is significantly enhanced, the Athens Exchange Group has taken a series of initiatives to highlight the attractiveness of the Greek Capital Market and to promote Greek companies to the international investment community.

The Group's stocks are listed on the Main Market of the Athens Stock Exchange (Symbol: EXAE).

Summary information on the market and the Athens Exchange Group can be found at this [link](#) and the website of www.athexgroup.gr.