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EURONEXT AND CDP EQUITY CONFIRM EXCLUSIVE TALKS WITH LSEG TO ACQUIRE BORSA ITALIANA

Amsterdam, Brussels, Dublin, Lisbon, Oslo, Paris and Rome – 18 September 2020 – Euronext and CDP Equity (“CDPE”, 100% owned by Cassa Depositi e Prestiti), confirm they have entered into exclusive talks with London Stock Exchange Group plc (“LSEG”) to acquire Borsa Italiana group, together with Intesa Sanpaolo. There can be no certainty that this will lead to a transaction.

The proposed combination of Borsa Italiana and Euronext would create a leading player in continental European capital markets. This transformational project would position the newly formed group to deliver the ambition of further building the backbone of the Capital Markets Union in Europe, while at the same time supporting local economies.

Italy, through Borsa Italiana, would become the largest revenue contributor to the enlarged Euronext group. As a new major country in the Euronext federal model, Italy would be represented at group level of Euronext governance by Italian representatives, in the Reference Shareholders, the Supervisory Board, the Managing Board and the College of Regulators supervising Euronext group’s activities.

If the discussions lead to the successful completion of the transaction, and as part of the partnership entered on 11 September 2020¹, CDP Equity and Intesa Sanpaolo would join the existing group of Euronext long-term Reference Shareholders² through the subscription of a reserved capital increase, with CDPE acquiring a stake in line with those held by the largest reference shareholders of Euronext, and having a representative at the Supervisory Board of Euronext. A second Italian candidate would be proposed as an independent member of the Supervisory Board and would become the Chairman of the combined group. Consob would be invited to join Euronext’s College of Regulators, becoming part of the supervision of Euronext at group level *pari passu* with other European regulators with a rotating chair every semester. Direct regulatory oversight of Borsa Italiana would remain unchanged allowing Consob and Banca d’Italia to continue directly supervising Borsa Italiana’s activities.

Borsa Italiana would maintain its current functions, structure and relationships within the Italian ecosystem and preserve its Italian identity and strengths. The Italian CEO of Borsa Italiana would join the Managing Board of Euronext. The CEO of MTS would join the extended Managing Board, alongside the other key leaders of large business units and key central functions of Euronext, with group-wide responsibilities for fixed income trading. Borsa Italiana’s knowledge, expertise and understanding of the specific features of the Italian market would be a fundamental element of enrichment for Euronext, and would be valued and preserved. The combined group would strengthen Borsa Italiana as the go-to venue for listing and trading in Italy and continue to develop their programmes to facilitate the access to equity financing for companies, with a specific focus on SMEs.

Key businesses and central functions of the new group would be based in Milan and Rome. In particular, MTS, which operates interdealer, Dealer-to-Client and Repo markets, primarily for European Government Bonds, with a focus on Italian markets, would become the group’s European Center of Excellence for fixed income trading. Cassa di Compensazione e Garanzia S.p.A. (“CC&G”) would be the clearing house within the combined entity and would become a key pillar of the enlarged Euronext’s post-trade strategy. In addition, Monte Titoli S.p.A., the Italian Central Securities Depository (“CSD”), offering issuance, settlement and custody services would become the largest CSD within the Euronext group, becoming a key contributor to Euronext’s CSDs ambition. The leadership of group finance function would be located in Milan.

¹ Please refer to the press release published on 11 September 2020, available at: <https://www.euronext.com/fr/node/1667751>

² For more details about Euronext’s reference shareholders, please refer the 2019 Universal Registration Document available at <https://www.euronext.com/en/investor-relations/financial-information/financial-reports>

Euronext is committed to maintaining an investment grade credit rating and its robust financial structure. The potential transaction would be financed through a mix of (i) existing available cash, (ii) new debt and (iii) new equity in the form of a reserved capital increase to CDPE and Intesa Sanpaolo and a rights issue to Euronext's shareholders.

The terms of any transaction remain subject to the three partners' Managing Board and Supervisory Board approvals and there can be no certainty that a transaction will take place. Should the parties enter into binding agreements, any potential transaction will be dependent upon the outcome of the European Commission's review of the Refinitiv transaction and that transaction closing in accordance with its terms, and will be subject the approval of Euronext's shareholders, regulatory approvals, and other customary conditions.

A further announcement will be made as and when appropriate.

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About Euronext

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About CDP Equity

CDP Equity is a holding company of Cassa Depositi e Prestiti Group, with the objective of investing in Italian companies of significant national interest with economic, financial and asset balance, having suitable perspectives in terms of profitability and development, capable to create value for the investors. CDP Equity also owns majority and minority interests in asset management companies, focusing on different business areas..

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