



CDP acquires an equity investment in Euronext. Green light to the acquisition of Borsa Italiana

- *CDP given the green light to take a stake in Euronext to acquire Borsa Italiana and create a leading player in the European capital markets*
- *Euronext's most significant market will be Italy and with CDP it will have a stable investor holding an investment share equal to that of its French counterpart Caisse des Dépôts et Consignations.*
- *The deal will make Borsa Italiana a more competitive capital market which will benefit the financing of enterprises, especially SMEs.*

Rome, 09 October 2020 - CDP's entry into the share capital of Euronext and the simultaneous acquisition of Borsa Italiana is set to begin, creating **a leading group in continental European capital markets**. As a result of the transaction, **Cassa Depositi e Prestiti**, together with **Euronext**, brings **Piazza Affari**, which has been part of the London Stock Exchange Group since 2007, **into a pan-European group with the stable oversight of Italian investors**.

At the proposal of the Chief Executive Officer Fabrizio Palermo, the **Board of Directors of Cassa Depositi e Prestiti (CDP)**, chaired by Giovanni Gorno Tempini, has given CDP Equity the **green light** to sign a binding agreement with Euronext that will lead, as part of **Euronext's acquisition of Borsa Italiana**, to **CDP Equity** (wholly owned by Cassa Depositi e Prestiti) joining the **existing group of Euronext shareholders through a capital increase reserved for CDP Equity**.

Once the conditions to which the transaction is conditioned have been met, **CDP Equity**, headed by Pierpaolo Di Stefano, will own a **7.3% interest in Euronext**, equalling the share of its French counterpart, the *Caisse des Dépôts et Consignations*. As a result, CDP Equity will become part of the company's current group of reference shareholders, which will operate - in addition to Borsa Italiana - 6 other regulated exchanges in Belgium, France, Ireland, the Netherlands, Norway and Portugal with **over 1,800 listed companies and a total market capitalisation of €4,300 billion**.

The transaction is **fully aligned with CDP's mission of supporting the country's strategic infrastructure** with a long-term perspective. **Borsa Italiana** is, in fact, an **essential financial infrastructure**, representing the **primary hub for Italian companies seeking to raise equity and**



bond capital. It has 370 listed companies whose total capitalisation exceeds 30% of the country's GDP and also boasts an extensive number of SMEs, to which the ELITE programme is also dedicated. Borsa Italiana is also deeply committed to **promoting listed companies** (with over 6,000 meetings with 2,000 investors organised in 2019) and contributes to the **dissemination of financial education**, even in partnership with intermediaries and other institutions. **Bringing Borsa Italian into a single, pan-European liquidity pool** will lead to increased liquidity in the Italian capital market and greater visibility for Italian issuers.

This project also **strengthens Italy's role in the European capital markets.** Italy will be the new Euronext's single most important market, accounting for about one-third **of the revenues and employees of the new group.** Italy will also **play a leading role both in terms of operations and governance.** The transaction envisages that:

- MTS will become the Euronext Group's centre of excellence for Fixed Income Trading to draw on its outstanding expertise and complementary and synergistic potential on a European level.
- Cassa di Compensazione e Garanzia will be further strengthened by becoming the clearing house for the entire Euronext group, and will play a key role in Euronext's future strategy in post-trade services.
- Monte Titoli will become the Euronext Group's largest CSD (Central Securities Depository) and will play a pivotal role in the strategy for this business segment.

Borsa Italiana will also rely on **SIA** as its main technological partner, which will provide MTS and Monte Titoli with trading and post-trading services.

Following the recent announcement of the **agreement between SIA and Nexi** to create a leading European digital payments company, the **Euronext transaction** further demonstrates CDP's mission of being a **strategic partner for groups that are leaders in their sectors**, with the aim of further strengthening their growth and competitive positioning by focusing on technological and digital innovation.

Governance

After the closing of the transaction and following a consultation process between Euronext and CDPE, two Italians will join the **Supervisory Board**, the (Independent) **Chairman**, and a director **representing CDP Equity.** Moreover, the **CEO of Borsa Italiana and the CEO of the MTS subsidiary** will respectively join the Managing Board and the Extended Managing Board of Euronext. All appointments will continue to be subject to the corporate and regulatory approvals required by law.

Finally, Consob will be invited to join the College of Regulators, the Euronext Group's supervisory



body, together with the other authorities of the markets in which Euronext operates.

The Chief Executive Officer of Cassa Depositi e Prestiti, Fabrizio Palermo, stated:

"We are very proud to be the key players in this transaction: CDP is doing its part to bring Piazza Affari into a pan-European group with the stable oversight of Italian investors. The acquisition of a 7.3% stake in Euronext will broaden CDP's commitment as a long-term investor supporting companies which will benefit from an Italian-led capital market with a broader European reach. Borsa Italiana and its subsidiaries will become central elements within the Euronext system in which Italy will be the most significant market, becoming a leading player in continental Europe. This transaction follows the recent announcement of the merger between SIA and Nexi to create a leading digital payments and trading platform company. The support of the shareholders and management of two prominent listed companies like Nexi and Euronext confirm CDP's role as a strategic and trusted partner for Italian companies and international investors".

The Chairman of Cassa Depositi e Prestiti, Giovanni Gorno Tempini, commented:

"The agreement reached today restores Italy's central role in a strategic infrastructure and kicks off, thanks to the agreement with Euronext, a strong partnership with other important European investors like Caisse des Dépôts and Intesa Sanpaolo, among others.

This is therefore a market transaction that will give rise to a Group that is a leader in Europe. At a time when the debate on a "Capital Markets Union" is starting again, the new Euronext could be the first step towards a truly European capital market, as it already serves as the infrastructure that unites seven national securities markets.

It will also put an Italian focus on the entire industry that revolves around the exchange, enhancing the role of companies such as MTS, Cassa di Compensazione e Garanzia, Elite, Monte Titoli within the Euronext Group.

All these new skills, along with the data centres, will be based in Italy: this is an opportunity to develop the entire Italian financial intermediation services industry".

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