EURONEXT TO ACQUIRE CONTROL OF NORD POOL, A LEADING PHYSICAL POWER MARKET IN EUROPE, REINFORCING OSLO AS EURONEXT’S HUB IN THE NORDICS

- Euronext to diversify commodities franchise to spot power trading with acquisition of 66% of Nord Pool’s share capital
- Nord Pool is the second largest power market in Europe, offering trading, clearing, settlement and associated services in both intraday and day-ahead physical markets across 14 European countries, notably in the Nordic and Baltic regions
- Further strengthening of Euronext in the Nordics with Oslo as main hub, following acquisition of Oslo Børs VPS earlier this year

Amsterdam, Brussels, Dublin, Lisbon, London, Oslo and Paris – 5 December 2019 – Euronext today announced it has entered into binding agreements to acquire 66% of the share capital and voting rights of the Nord Pool group1, which runs a leading physical power market in Europe, operating from its headquarters in Oslo and offices in Helsinki, Stockholm, Tallinn, Berlin and London. The enterprise value on a debt-free cash-free basis for 100% is NOK 850m (c.€84 million2). Euronext will enter into a partnership, governed by a shareholder agreement, with the Nordic and Baltic Transmission System Operators (TSOs) that currently own Nord Pool3, and who will retain a 34% stake through a joint holding company. Euronext is pleased to enter into the power market with such strong and experienced partners.

Nord Pool group was created in 1993 and offers power trading, clearing, settlement and associated services in both day-ahead and intraday energy markets. Nord Pool currently has a strong European foothold with more than 360 customers from 20 countries. The company operates both core intraday and day-ahead markets in the Nordics, Baltics, the UK, France, Germany, Belgium, the Netherlands, Austria and Luxembourg. In 2018, Nord Pool generated c.€40 million4 revenue and 524 TWh were traded on its markets.

The acquisition of Nord Pool is in line with Euronext’s strategy to diversify its revenue mix to new asset classes not correlated with financial market cycles, and will strengthen its commodity franchise by leveraging Nord Pool’s leadership position and know-how in physical power markets. This acquisition marks another major step in materialising Euronext’s objective to grow its presence in the Nordic region, following the acquisition of Oslo Børs VPS earlier this year.

Through its strong franchise, Nord Pool will be a pillar of Euronext’s Group centre of excellence for commodities in Oslo. In turn, Nord Pool will benefit from Euronext’s extended footprint and commercial efforts in continental Europe to expand the reach of its leading technology, and its employees will join a pan-European Group with international career opportunities.

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1 Including Nord Pool AS, Nord Pool Consulting AS and European Market Coupling Operator AS
2 EUR/NOK FX rate of 10.1723 as at 4 December 2019
3 Statnett (Norway), Svenska Kraftnät (Sweden), Energinet (Denmark), Fingrid (Finland), Elering (Estonia), Augstsprieguma tīkls (Latvia) and Litgrid (Lithuania)
4 Average EUR/NOK FX rate over 2018 of 9.5975
The transaction is subject to regulatory and competition approvals and the closing is expected in Q1 2020. Stéphane Boujnah, Chief Executive Officer and Chairman of the Managing Board of Euronext, said:

“Expanding to the power market is key to Euronext’s mission of financing the real economy. By joining forces with Euronext, Nord Pool will be even better positioned to support the shift to new ways of managing power supply in the face of climate change and the transition to sustainable growth. This acquisition is fully in line with Euronext’s ambition to build the leading pan-European market infrastructure, and further diversifies the Group revenue into a new asset class, spot power trading, relying on physical demand for electricity. With its 140 highly skilled employees, Nord Pool will strengthen Euronext’s objective to grow its presence in the Nordics and reinforce the center of excellence for commodities managed from Oslo since the acquisition of Oslo Børs VPS.”

Kari Ekelund Thørud, CEO of Nord Pool, said:

“I am excited to see Euronext – a strong technology-driven, European company – become the new majority owner of Nord Pool, joining the Nordic and Baltic TSOs as a shareholder. With a solid European footprint, ambitious Nordic expansion plans and deep exchange technology know-how, Euronext is an ideal partner for us, complementing the strengths of the Nord Pool organisation. At Nord Pool we continuously adapt to evolving market demands and strive to deliver simple, efficient and secure power trading to our customers. I am sure both customers and partners will see positive results from Nord Pool becoming a part of the Euronext family. The transaction will not change the fundamentals of the power markets where Nord Pool operates – we will continue to deliver transparency and integrity to the benefit of all market participants.”

Torger Lien, Chairman of the Board of Nord Pool, said:

“The current owners, the Nordic and Baltic TSOs, are pleased to conclude the ongoing strategic review by entering into a partnership with Euronext for the next phase of Nord Pool’s development. The transaction is a response to the new industry regulation allowing for competition among physical power exchanges, and Euronext, as the new majority owner, is perfectly positioned to drive the development of Nord Pool in a dynamic market environment in the Nordics, the Baltics and across Europe. The TSOs will retain a minority shareholding in Nord Pool, which will continue to be an important part of the Nordic and Baltic power market infrastructure, ensuring price transparency and security of supply.”

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