

Global Reference Group

Kick-Off



EURONEXT SECURITIES

December 05, 2024

Agenda – Global Reference Group Kick-off

December 5, 2024

1. **Welcome**
2. **Euronext Securities Convergence Program**
 - a. Ambition and goals
 - b. Program organisation
 - c. Client engagement
 - d. Process and documentation
3. **Fundamentals and Guiding Principles**
 - a. Target Model
 - b. Harmonisation Framework
4. **Program Roadmap**
5. **Preliminary Agenda & Topics for alignments**
6. **Q&A**
7. **Next steps and AOB**



Welcome



EURONEXT SECURITIES



Global Reference Group – Euronext Securities

Euronext Securities	Representative
Program Executive	Marie Thomas
Head of Projects	Giovanni Pizzolla
Head of Harmonisation	David Durand
Head of Settlement & Client Connectivity	Kristoffer Kjelsø Sønderlev
Head of Product Innovation Issuance	Susan Hein Eiberg
Head of Custody	Davide Ren
Head of Issuer & Tax Services	Nicolas Schultz
Head of Data & Analytics	Christian Alexander Viken
Head of Sales Nordics	Henrik Ohlsen
Client Secretariat Associate	Rita Bastos
Head of Client Secretariat	Preben Rosenberg

Convergence program goals



IN A NUTSHELL:

Euronext Securities is launching a new strategic initiative aiming to build a unified IT infrastructure that will serve the 4 CSDs. The legacy systems of all Euronext Securities CSDs will be in fact dismissed and replaced by the new IT system that will host all the services offered (issuance, custody, settlement, tax, data & issuer services) by 2030.



OFFERING A SINGLE ACCESS

Convergence program facilitates multiple markets access thanks to a centralized platform that will bring efficiency for financial institutions and issuers.



REDUCING EUROPEAN FRAGMENTATION

By harmonizing our infrastructure, we eliminate market barriers, supporting Euronext's markets and leveraging our securities issuance across Europe.



IMPROVING CUSTOMER EXPERIENCE

Implementing unified interfaces and a consistent service model to ensure high-quality service for all customers, issuer and intermediaries, local and international.



Convergence key goals | details

To achieve the goals we will focus on...

- **All CSDs** currently operated by Euronext.
- **All services** provided by those CSDs, across all six business domains: issuance, custody, settlement & client connectivity, tax, data and issuer services.
- **All IT applications** which are supporting services of the six business domains either directly or indirectly.
- **The entire IT infrastructure** (network, mainframes and servers, client connectivity, etc.) supporting IT applications of the four CSDs.

and leverage on projects already launched.

- **CA4U**: our Corporate Actions platform
- **Phoenix**: a scalable general meeting & shareholder register solution for clients.
- **Common Message Hub**: a common platform for technical communication.
- **Billing**: a common CSD billing service based on harmonised data and logic.
- **T2S Recovery**: a process allowing CSDs to perform a full reconciliation with T2S in case of incidents.

CONVERGENCE ROADMAP



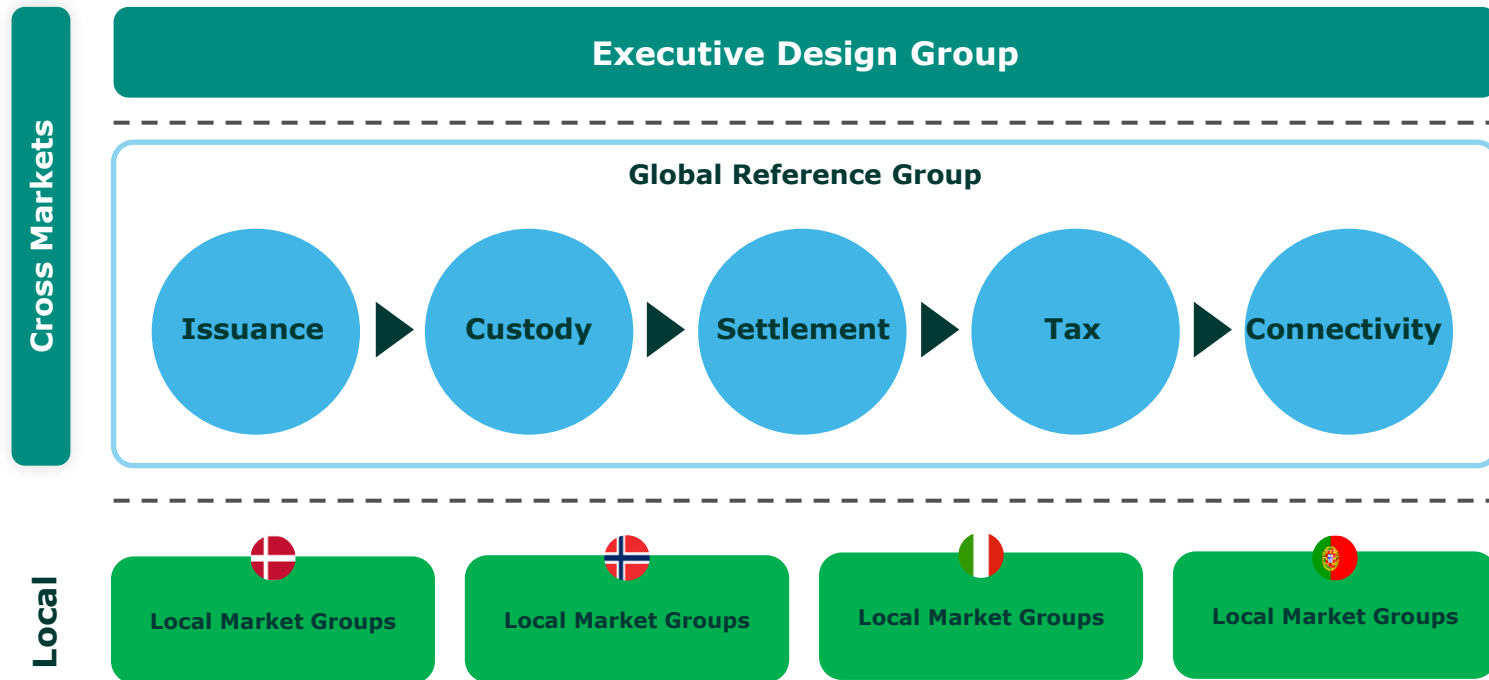
Convergence program governance

A lean but strong Program governance

- **Co-sponsored** by Pierre Davoust, Euronext Head of CSDs, and Manuel Bento, Euronext Chief Operating Officer, both members of the Euronext Executive Committee.
- **Managed by a Program Executive**, Marie Thomas accountable for the delivery of the Program, and working closely with the **Euronext Securities CTO**.
- A **Program Steering Committee** has been established and takes key strategic decisions for the Program
- A **Program Committee** takes place on a fortnightly basis and coordinates the work of **20 different workstreams**.

Client engagement framework

From local market dialogues to global steering with local execution



In line with CSDR guidelines reviewed services and key functionalities will be discussed at User Committees

Global Reference Group - Mandate

Composition:

Selected client representatives across all Euronext Securities markets, representing various client types. Additional SMEs may join for specific topics. Chaired and facilitated by Euronext Securities.

Scope:

- Cross-Domain Focus (Issuance, Settlement, Custody as well as connectivity and services incl. Tax): Discuss and align on requirements and documentation that span multiple markets and domains, enabling focus on both broad and specific areas as needed.
- Best Practice & Standards: Promote best practices and international standards while addressing market-specific needs to support harmonised service development.
- Local Analysis in Global Context: Facilitate analysis of market-specific requirements within a cross-market framework, ensuring a holistic approach to service alignment.

Responsibilities:

- Engagement in Documentation Reviews: Participate actively in documentation reviews, providing feedback and recommendations for improvements in service harmonisation.
- Cross-Market Harmonisation: Deliver input on harmonization of functionalities, processes, and services, while respecting unique market requirements.
- Documentation Framework: Provide acknowledgment and guidance on shared documentation and key materials related to services offered by Euronext Securities
- Escalate Issues to EDG: Identify topics requiring strategic intervention and escalate them to the EDG for further deliberation and resolution.

Meeting Cadence

Monthly, with pre-circulated agendas to ensure thorough preparation and effective dialogues. If relevant additional ad hoc meetings, webinars and Q&A's to support presentation of documentations will be arranged.

Documentation and feedback process

High-level Presentation

To be presented and discussed at the Global Reference Group. Presentation to be shared approx. 1 week prior to meeting

Service Description Document

To be shared and key-points to be presented to the Global Reference Group. To be followed up by Q&A-session and a written consultation

Technical Specification

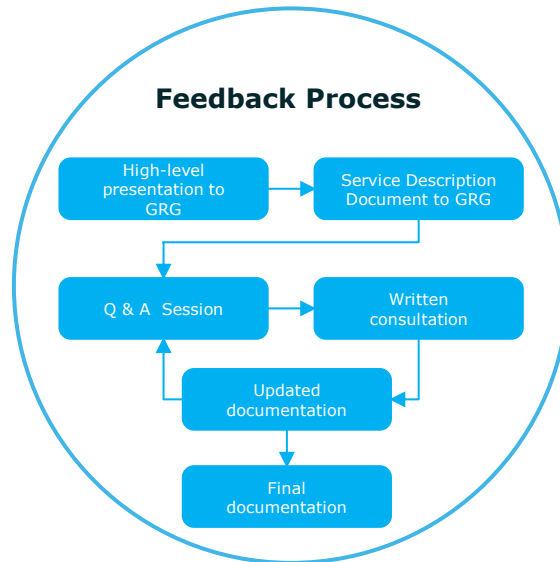
MyStandard (or other technical Specs) issued to customers. At the same time, whenever needed, a User Guide will be provided with description of how U2A should be used

Client Test Plan

To be shared and key-points to be presented to the Global Reference Group. To be followed up by Q&A-session and a consultation period



Feedback Process

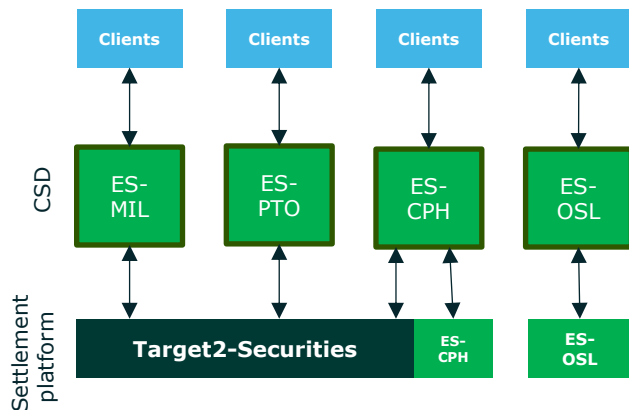


All documentation will be available on a focused Convergence Program webpage incl. FAQ section.
Dedicated mailbox for questions, comments and clarifications:
convergence@euronext.com

Target Model

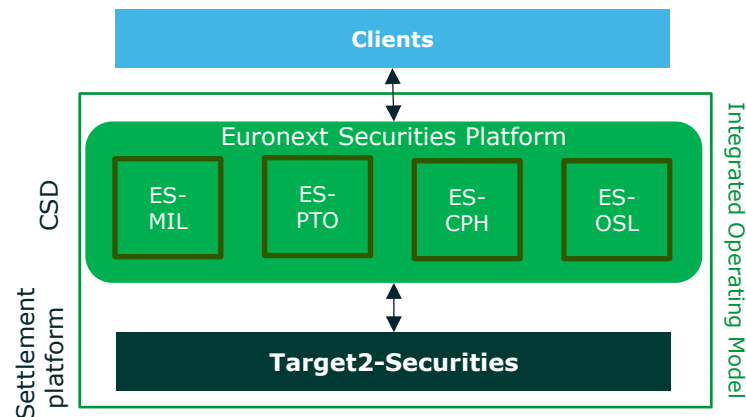
As is:

- 4 CSDs
- 4 Securities Settlement Systems
- 4 Platforms
- 4 Operating Model
- 4 Client connectivity and interaction
- 2 level of account segregation



To be:

- 4 CSDs
- 4 Securities Settlement Systems
- **1 Platform**
- **1 Operating Model**
- **1 Client connectivity and interaction**
- 2 level of account segregation



Harmonisation framework

Reduce costs of fragmentation and executing with precision

Harmonizing products and services on a unified IT platform streamlines operations, enhances consistency, and accelerates delivery, providing clients with a seamless, reliable experience while reducing complexity and inefficiencies.

Overall objectives for clients being to increase the experience and reduce the costs to operate our four CSDs.

Drivers for convergence

- Coverage of all existing **regulations** (e.g. CSDR)
- In line with all market **standards** (ISO15022 and 20022) and **directives** (SRD2...)
- External dependencies (T2S, Swift network...)
- Local law (e.g. Tax...)

Topics for alignment

- Non mandatory local practice
- Local interpretation of ISO messages

Convergence roadmap

Pre-Study phase completed (January to April 2024)

This phase of the Program assessed the required business services and IT guiding principles for the Convergence roadmap.

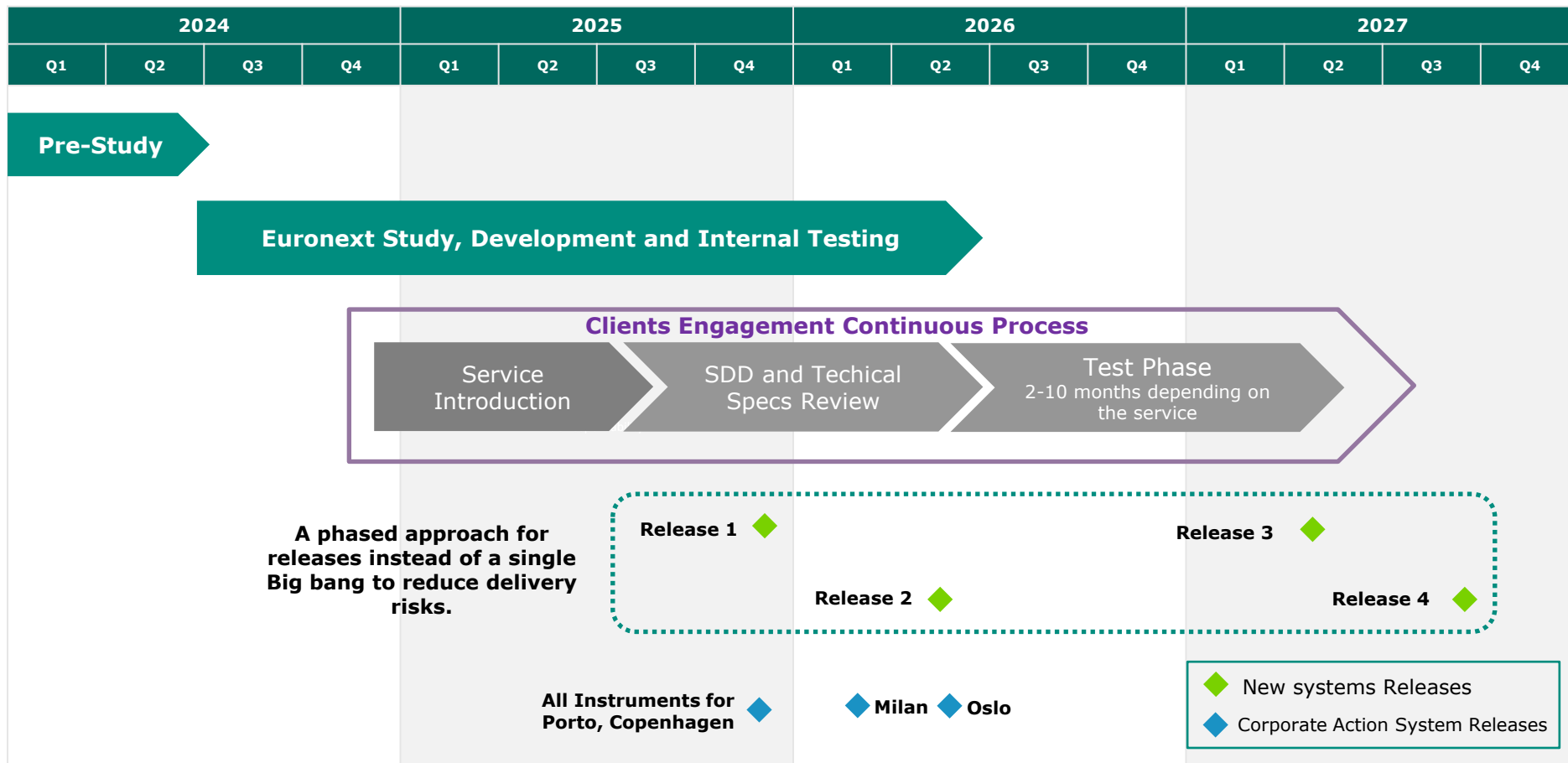
The implementation phase has started (May 2024 to 2030)

As per the Euronext Project Management Policy, the overall Convergence program implementation will be based on an approach where **each target business service** will benefit, **sequentially over time and by priority**, from a dedicated focus for:

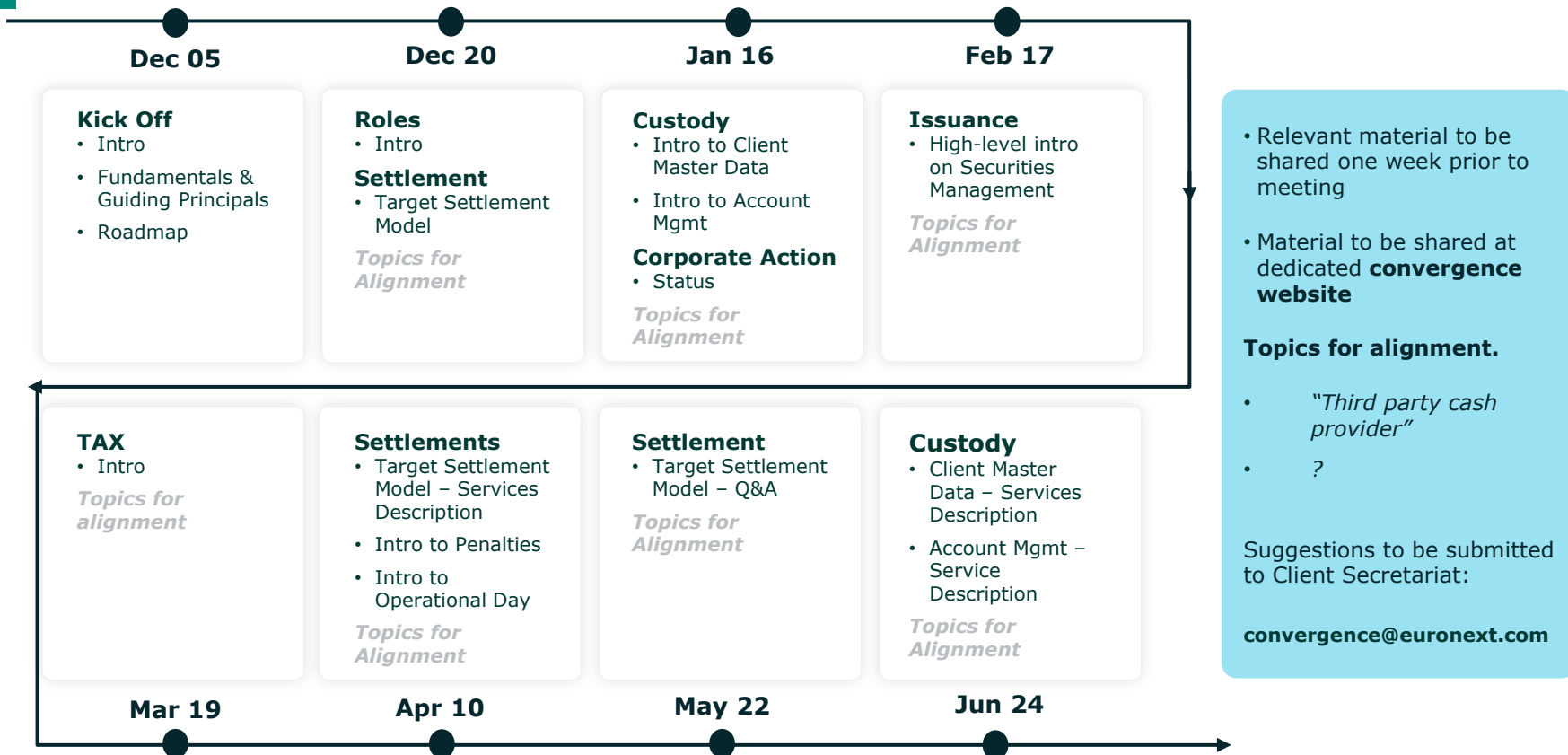
- **Study:** high-level business requirements, high-level solution document, high-level planning and related sign-off, then
- **Planning and Execution:** detailed business requirements, architecture design document, detailed planning and associated sign-off process to enter development and client testing before individual business service's go-live.

- **By mid 2026**, all four CSDs will have been migrated to the new C4AU platform.
- **Onto 2027:**
 - The target platforms (fit for all CSDs) will have been designed, developed and tested.
 - One Pilot CSD (Euronext Securities Copenhagen) will have been fully migrated to the target platforms (including decommissioning of the local settlement platform / full migration to T2S).
- **In 2030**, the following will additionally be achieved:
 - The migration of the 3 other CSDs (Euronext Securities Milan, Oslo, Porto) to the target platforms.
 - The decommissioning of the local mainframe in Milan, Oslo, Porto.

Convergence roadmap



Global Reference Group – Preliminary Agenda



Any questions?



Next meeting

Next meeting:

- Dec 20 from 12 to 14

Agenda:

- Introduction to Roles and Target Settlement Model

Material to be shared one week ahead



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APPENDIX



EURONEXT SECURITIES



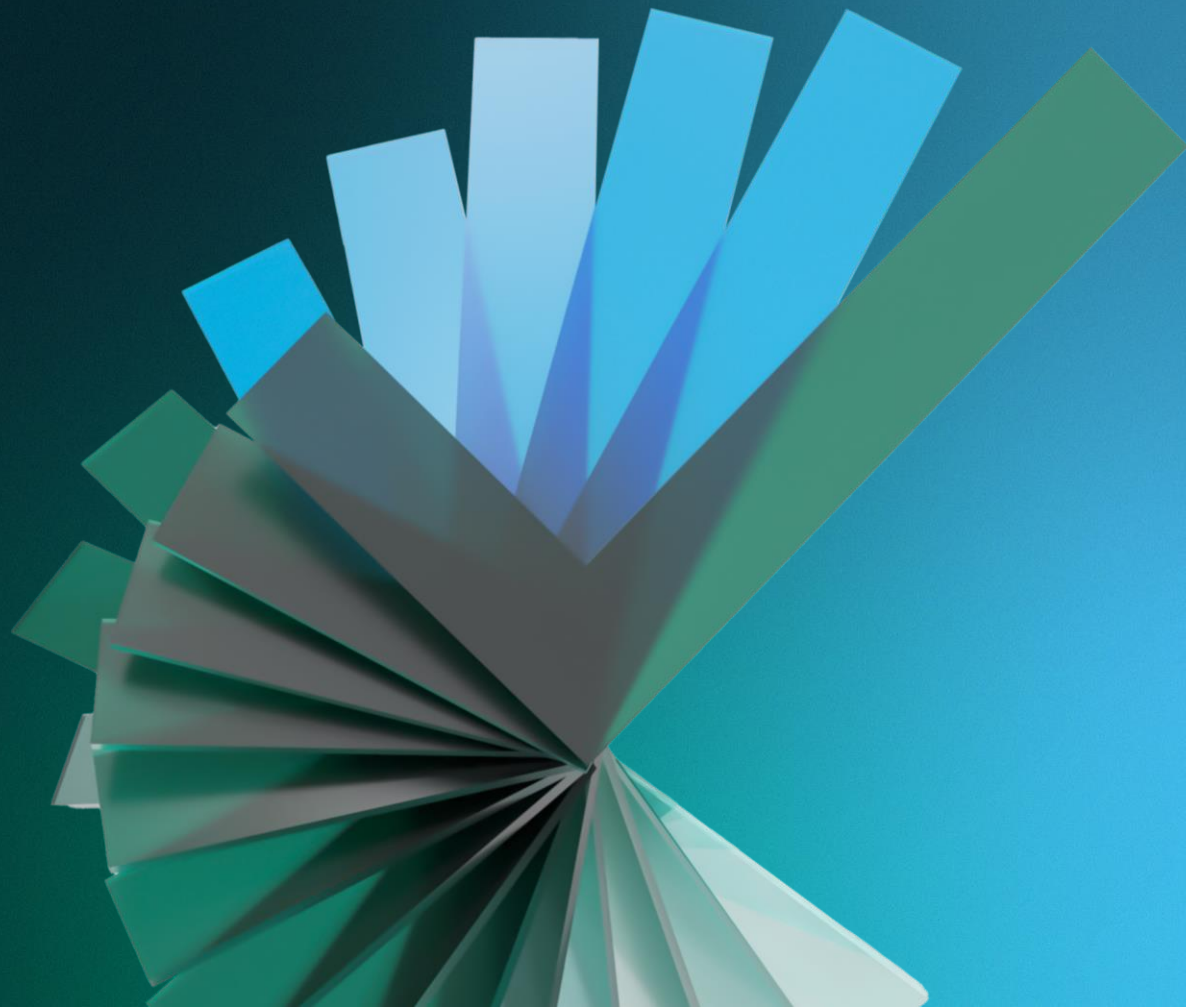


Innovate for Growth 2027

Strategic plan

Afternoon business deep dives

8 November 2024, Paris





CSD deep dive

Pierre Davoust



Agenda

1. What does a CSD do?

2. The CSD landscape is fragmented

3. Expand our European footprint

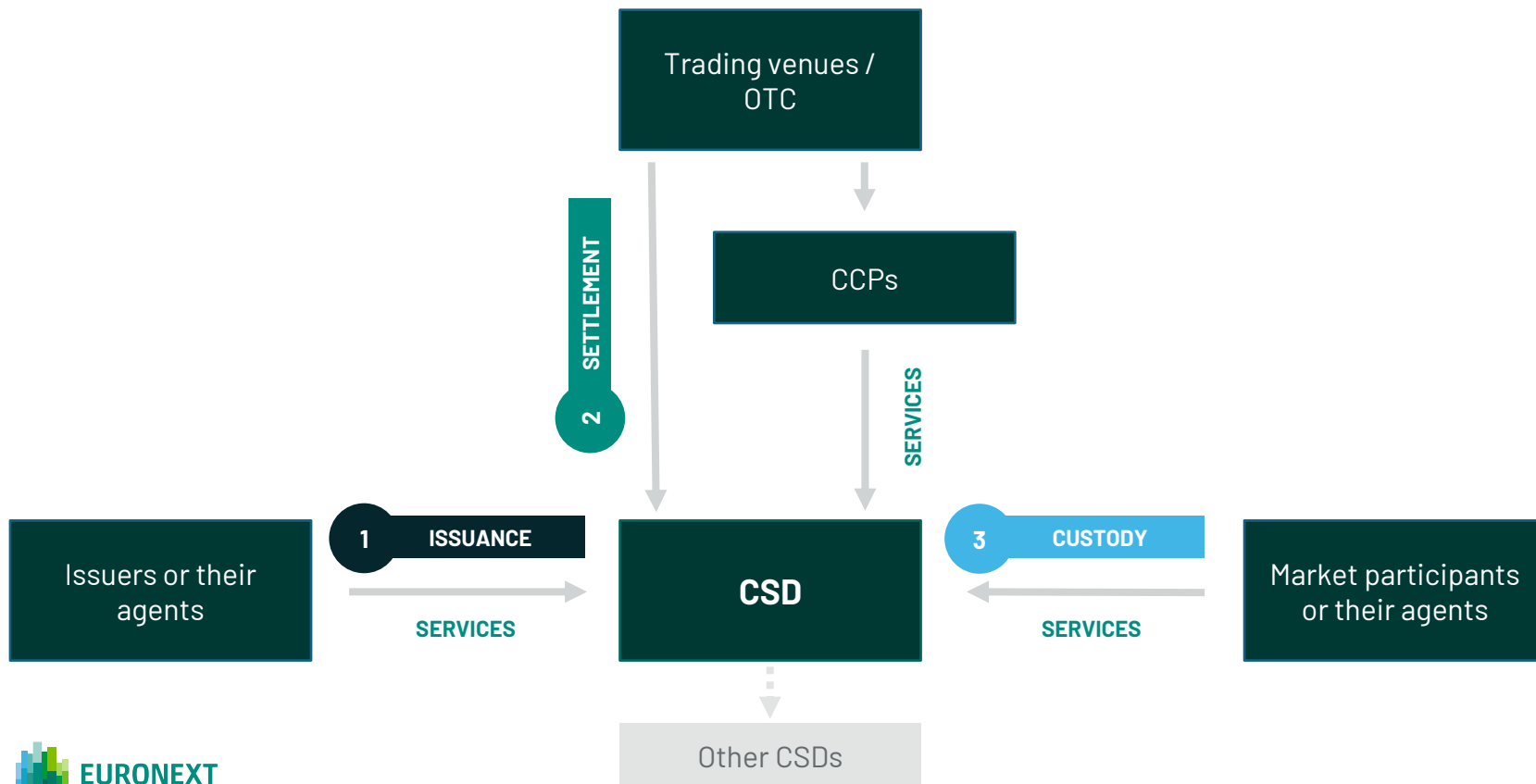
4. Extend our value-added services

5. Integrate our operating model

6. Q&A

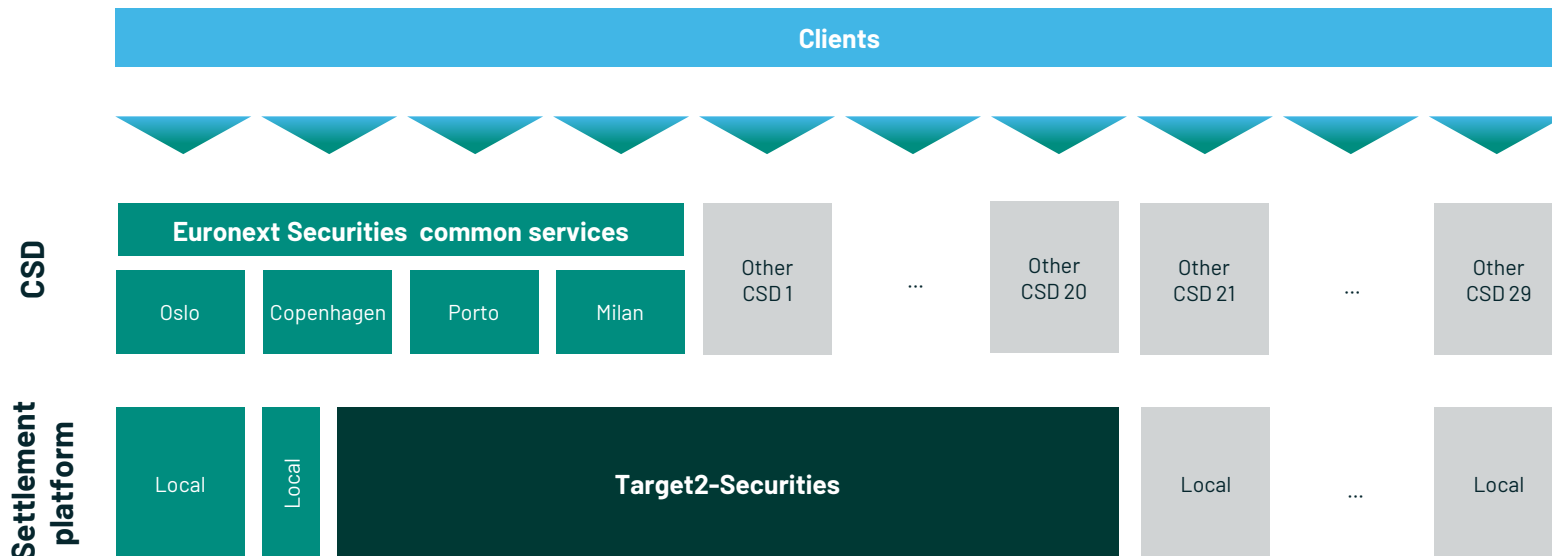
What does a Central Securities Depository (CSD) do?

A fundamental infrastructure supporting capital markets activities



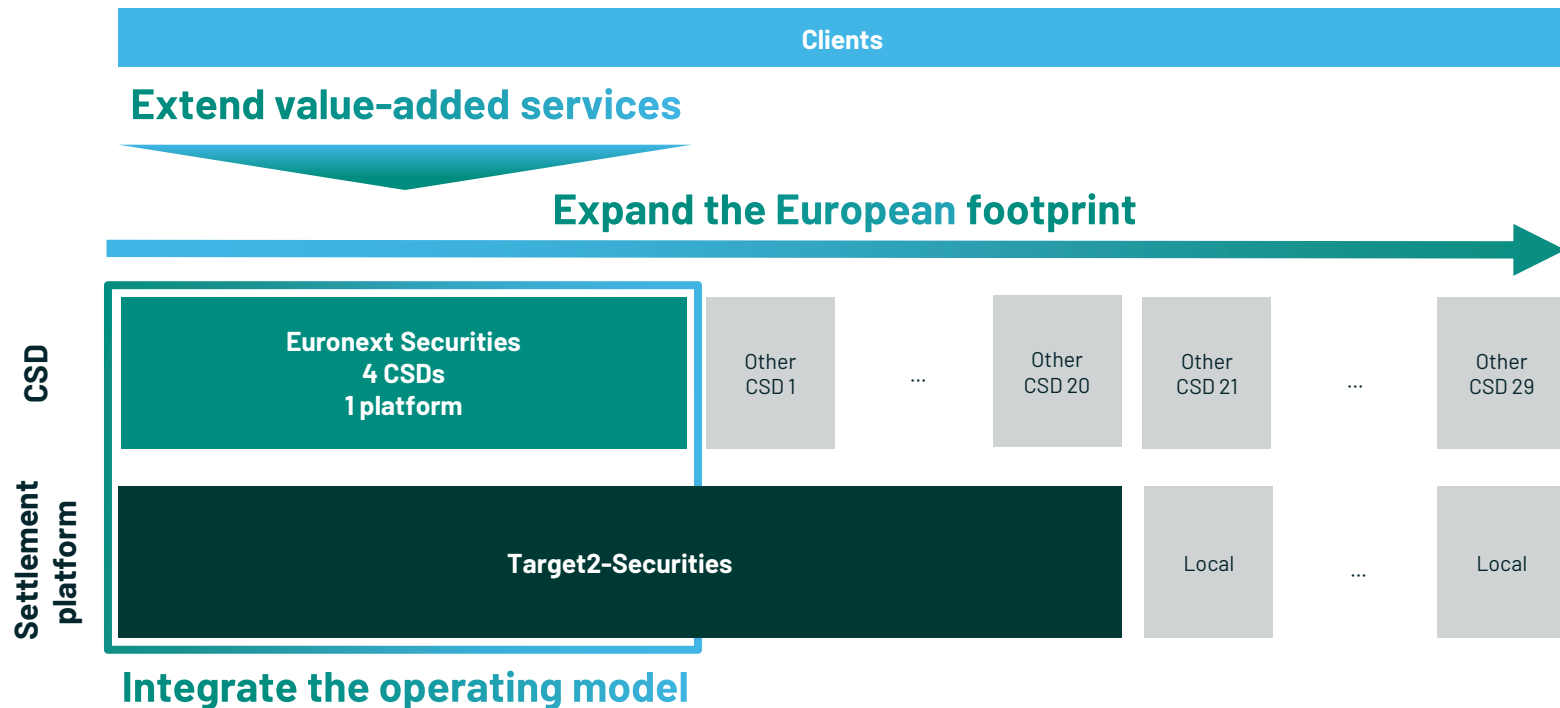
The European CSD landscape is fragmented

This fragmentation limits the growth of European capital markets



Position Euronext Securities as the CSD of choice in Europe

Meet demand for European solutions and deliver growth



Expand Euronext Securities' European footprint

Meet demand for European solutions

1

ISSUANCE

- Legacy practice of equity issuance in the CSD established in the country of the issuer's listing venue
 - CSDR Art. 49: Freedom to issue in a CSD authorized in the Union
 - **Euronext as a global champion in listing**
-

2

SETTLEMENT

- 24 European CSDs settle through **Target2-Securities**, a common settlement platform operated by the European Central Bank
 - Euronext Securities is now the largest hub in **Target2-Securities** with 73% of cross-CSD settlement volumes
 - **Euronext as the leading trading & clearing venue for cash equity in Europe**
 - Open architecture model, supporting trading & clearing outside Euronext
-

3

CUSTODY

- Euronext Securities' asset servicing capabilities cover +90% of AUC in Europe, UK and US
- **New & standardized corporate actions platform** and reinforced tax capabilities with Acupay

Extend Euronext Securities' value-added services

Support our clients along the value chain

TAX SERVICES

Help clients overcome tax complexity

- Acupay acquisition bolsters Euronext's tax capabilities.
- Accommodating client demand for streamlined tax management.
- Enabling cross-border retail trade growth with withholding tax solutions.

16m+

transactions reported in 2024

DATA SERVICES

Drive innovative solutions with high-quality data

- High demand for CSD-sourced data; referential, corporate actions, settlement, and more.
- Exploit cross-selling opportunities within Euronext to capture the full value of our comprehensive data sources.

30k+ securities

c.125m settlement instructions in 2023

115k+ corporate actions in 2023

ISSUER SERVICES

Support issuers' interactions with their shareholders

- Scaling opportunities within general meetings and shareholder register solutions across Denmark, Italy, and Norway.
- Expand strategic partnerships with banks to increase market accessibility to our solutions.
- Exploit cross-selling opportunities with Euronext Corporate Solutions for a unified market offering to issuers.

750+

general meetings processed in 2024

Further integrate Euronext Securities' operating model

Deliver best-in-class client experience

Four CSDs, One platform

4 regulated entities established in Copenhagen, Milan, Oslo and Porto
From 4 local legacy platforms to one European state-of-the-art platform
Corporate actions as a pilot (50% of client queries)
Migration of Euronext Securities Copenhagen by September 2027

European operating model

Euronext Securities Milan as a European hub
Full integration of local and cross-border activities in the same operating model

Harmonisation and innovation

Tackle post-trade fragmentation through the implementation of industry standards
Enable new datasets and services supporting clients' activities

Deliver best-in-class client experience:

- One harmonised service model
- Access to new products & markets
- Operational efficiencies

Enable Euronext Securities' growth & scalability

- More clients
- More services
- More geographies



Q&A



Pierre Davoust

Head of Euronext
Securities



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