



19 Oct 2023

# IDEM – Reverse split of MFE - MEDIAFOREUROPE ordinary shares

To the attention of:	<b>Members of Derivatives Sections</b>
Priority:	<b>Medium</b>
Topic:	<b>Reverse split of MFE B - ordinary shares: impact on Stock Option and Stock Futures Contracts (MFE B)</b>

## Foreword

On Monday 23 October 2023 a reverse split of MEDIAFOREUROPE (MFE B) ordinary shares will be executed with impact on Options contracts and Futures contracts.

In order to maintain the financial equivalence, Euronext Clearing will proceed with the derivatives position rectification at the end of the trading session on Friday 20 October 2023, as indicated in the Borsa Italiana's Notice n°39176 of 17 October 2023, n°39424 dated 18 October 2023 and section B.3.1.6 of the Euronext Clearing Rules.

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## 1. Adjustment of positions

At close of trading day of Friday 20 October 2023 and after the night batch, open positions will be adjusted as indicated below.

### 1.1 Options positions<sup>1</sup>

- a) The strike prices will be multiplied by the K<sup>2</sup> coefficient diffused by Borsa Italiana, and then rounded to the fourth decimal:

$$\text{Strike Price Ex} = \text{Strike Price Cum} \times K;$$

- b) the number of underlying shares will be divided by the same K coefficient rounded to the unit:

$$\text{Shares Number} = 1000 \times \frac{1}{K}$$

### 1.2 Futures Positions

- a) The daily settlement prices of series will be multiplied by the K coefficient diffused by Borsa Italiana and then will be rounded to the fourth decimal:

$$\text{Price Ex} = \text{Price Cum} \times K.$$

- b) The number of underlying shares will be divided by the same K coefficient and then will be rounded to the unit:

$$\text{Shares Number} = 1000 \times \frac{1}{K}$$

The operations connected with the adjustment that must be made to back-Office system of Members which replicate margins of Euronext Clearing are described in detail below.

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<sup>1</sup> Positions exercised and/or assigned up to Thursday 19 October 2023 will not be adjusted. Accordingly, the delivery obligation on these positions is still referred to a quantity of 1000 Ordinary Shares *Cum* for the Options MFE B.

<sup>2</sup> The coefficient K according to the following formula:  $K = \frac{\text{Old Shares Number}}{\text{New Shares Number}} = 5$

## 2) Classification of Positions with cash and physical delivery

Options and Futures positions will be identified in *Clearing reports* as indicated in the following table:

<i>Up to the last cum trading day</i>			<i>Starting from the first ex trading day</i>				
<i>Description</i>	<i>Number of Underlying Shares</i>	<i>Class Symbol</i>	<i>Description</i>	<i>Number of Underlying Shares</i>	<i>Class Symbol</i>	<i>Class Group</i>	<i>Product Group</i>
MFE B Ordinary Shares	1000	MFEB	MFE B Shares Adjusted	1000 / K	MFEB1	MFEB	MEB
MFE B Ordinary Shares	1000	MFEB E/A*	MFE B Shares Cum	1000 cum	MFEBA	MFEBA	MEB
MFE B Stock futures cash	1000	2MFEB	MFE B Stock futures cash Adjusted	1000 / K	2MFEB1	MFEB	MEB
*) Class dedicated only to options exercised or assigned up to 19 October 2023 and expiring Futures October 2023							
<b>Series that will be generated</b>			MFE B Ordinary Shares	200 EX	MFEB	MFEB	MEB
			MFE B Stock futures cash	200 EX	2MFEB	MFEB	MEB

Old ISIN code: **NL0015000N09**

New ISIN code: **NL0015001OJ9**

### **5) Deposit of shares to cover positions on “short” call Options and Futures**

Each new deposit must be accompanied by an indication of the relative Class symbol in Euronext Securities Milan transfer message.

Euronext Securities Milan will carry out the appropriate adjustment on the share concerned by the adjustment according to its own timescales and procedures.

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The early exercise is suspended on **Friday 20 October 2023**.