

# Capital Markets and ATHEX Group : Challenges and Opportunities

**FEMO**



May 10, 2021



**ATHEXGROUP**  
Athens Exchange Group

# Agenda

---

- **ATHEXGroup – A short introduction**
- **Capital Market Infrastructures – Infrastructures & EU Regulations - Main Services**
- **Greek Capital Market – Network Externalities, Access**
- **Is there track record evidence that the Greek Capital market can assist in companies' funding ?**
- **Financing through the Capital markets – EU and Greece**
- **ATHEX Group Ancillary Services – Examples of enhanced portfolio of services**

# ATHEX Group

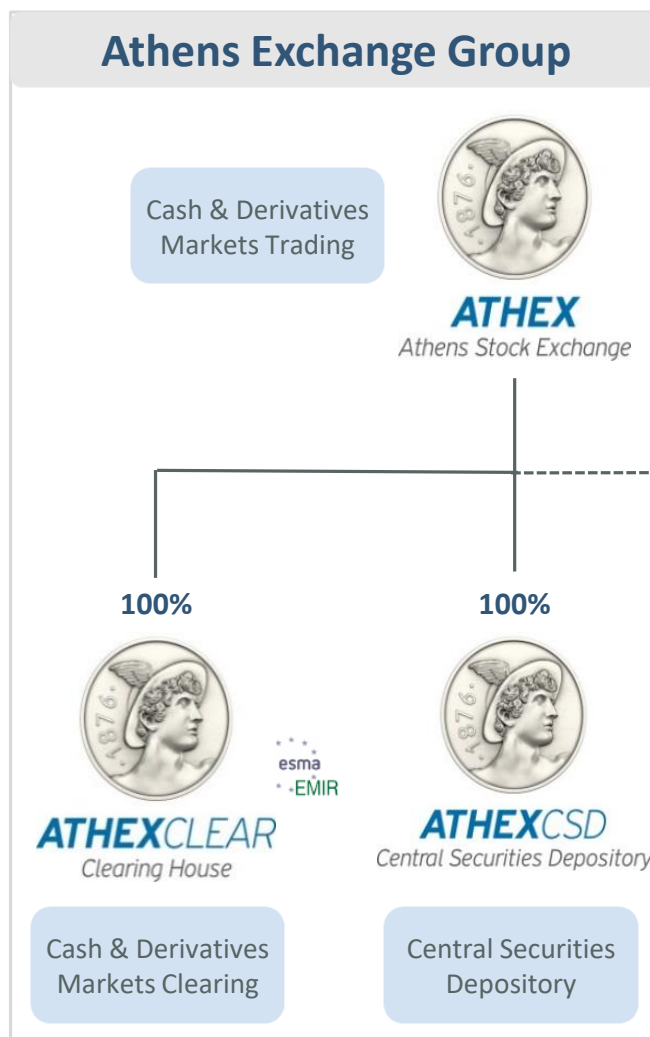
---

A short introduction

# Group Structure

## A Synopsis

- **Operator** of the Greek Spot, Derivatives & Bonds Markets
- **Vertical Integration.** Trading, Clearing, Settlement and Registry systems
- **Listed Company** on Athens Stock Exchange (August 2000)
- Fully **Privatized Group** (2003), free float ~ 100%
- **Solid Net Earnings**, €3.9mil (FY 2020), €6.1mil (FY 2019), €3.0mil (FY 2018)
- **High Cash Position**, €68.0mil (FY 2020) with zero debt
- **High Dividend Policy**, 3.5% (FY 2019), 4.3% (FY 2018), 3.8% (FY 2017) with high payout ratio











# ATHEX Group Overview

## Ownership

### By Investor Type

International	39.5%
Local Retail	31.4%
Local Institutional	20.3%
Local Banks	5.8%
ATHEX Members	1.0%
ATHEX (Treasury Stock)	---
Management Team	0.1%
Other Greek Investors	1.8%

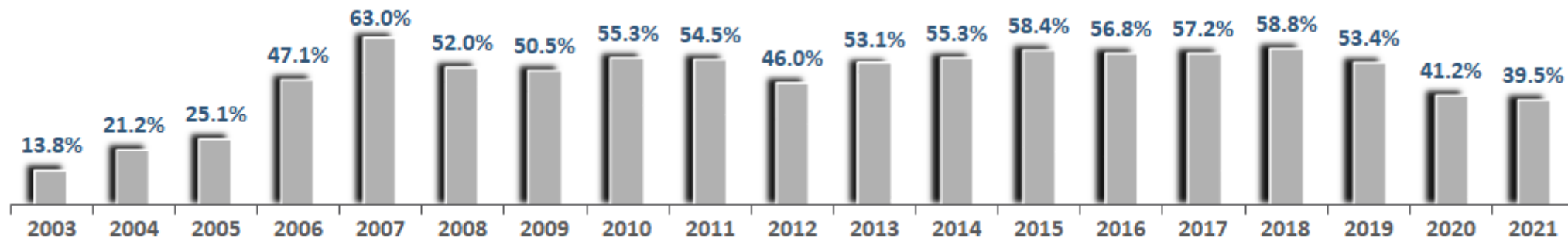
### By Country of Origin

	Greece	60.5%
	USA	11.7%
	Cayman Islands	7.9%
	Luxembourg	5.7%
	Ireland	3.8%
	British Virgin Islands	1.7%
	United Kingdom	1.6%
	France	1.2%

### Shareholders > 5%

London & Amsterdam Trust  
Goldman Sachs

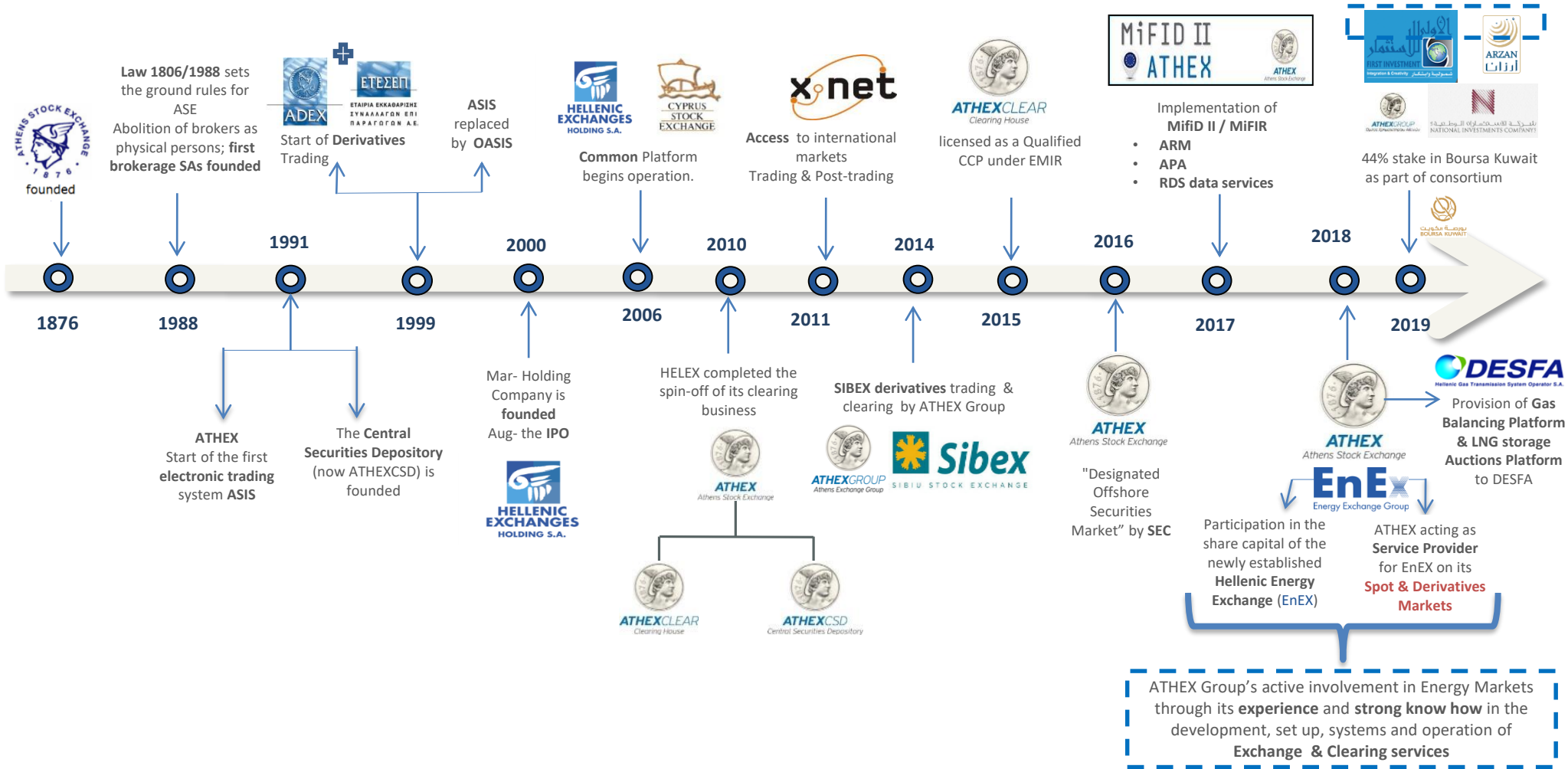
## International Investor Participation



Source: ATHEXGROUP, March 31<sup>st</sup> 2021

# ATHEX Group Overview

## Important Milestones



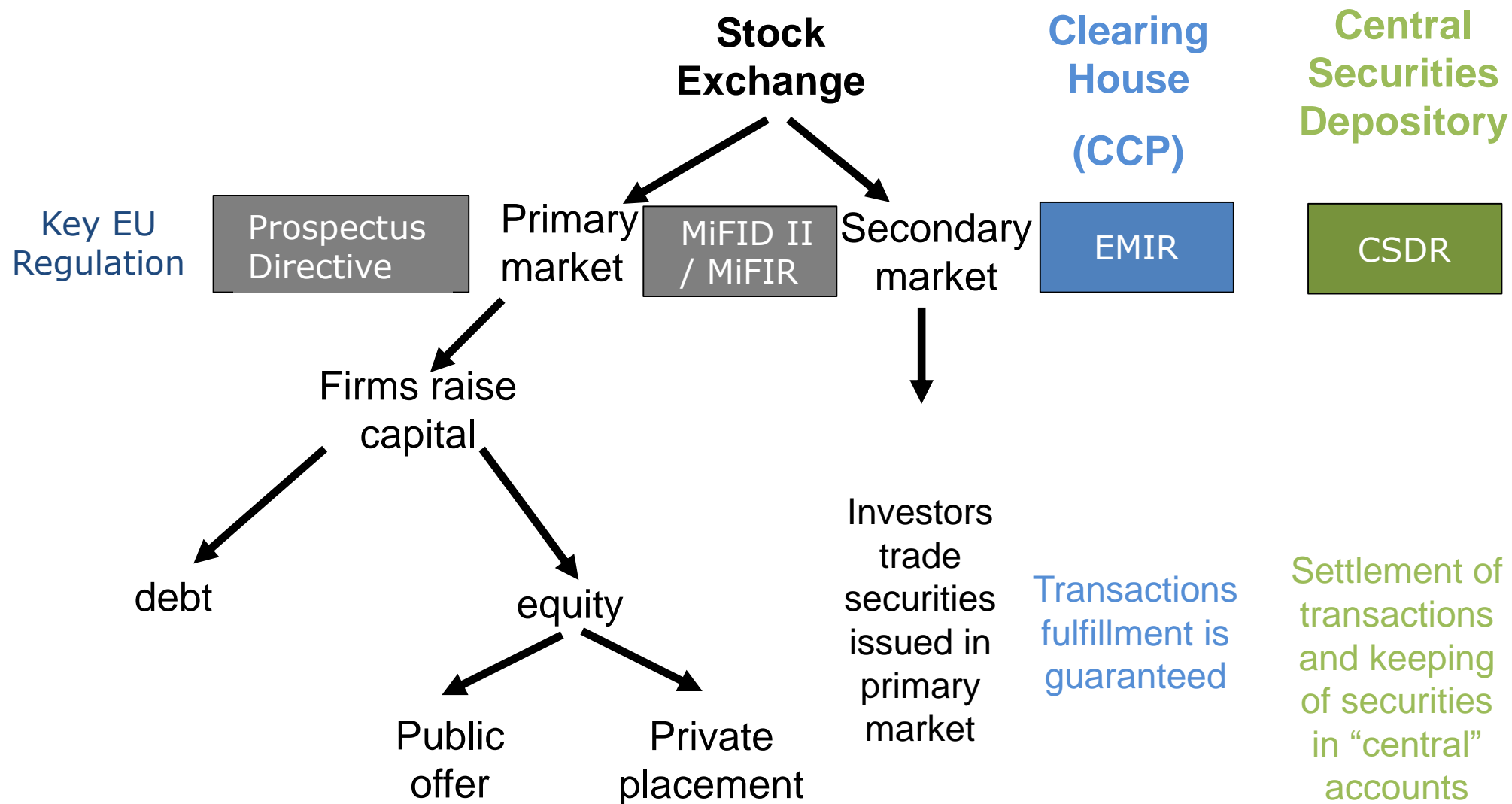
# Capital Market Infrastructures

---

Infrastructures and EU Regulations – Main Services

# The Capital Market

*The role of the key infrastructures (Stock Exchange, CCP, CSD) vs Key EU Regulation*





# The Regulated Market

## *Main benefits and function of a stock exchange vs other type of venues*

---

### ➤ Rules and Access

- **Establishes rules** for fair trading practices and **monitors** the trading activities of its members
- Access is provided via its Members- brokers, banks and investment firms (**Intermediation**)
- It is **regulated** by the relevant Regulatory Authority

### ➤ Neutrality

- The exchange does **not enter in trades** (on own account or on agency basis)

### ➤ Fairness

- It assures that **no investor will have an undue advantage** over other market participants

### ➤ Market Efficiency

- **Executed transactions are cleared and settled efficiently** via STP processes
- **Best execution** requirements from brokers

### ➤ Transparency

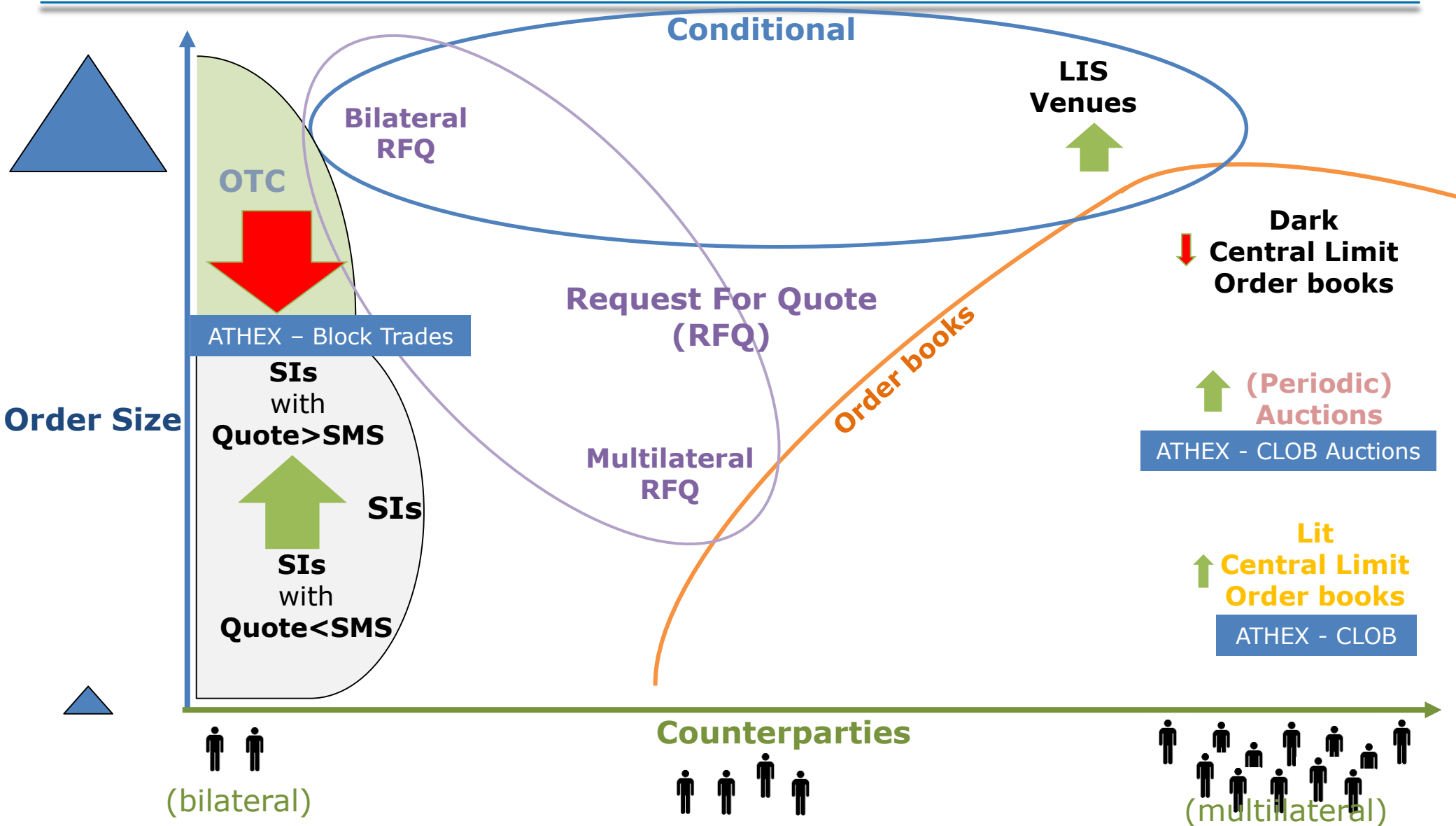
- Listed companies must **disclose information** in timely, complete and accurate manner to the Exchange and the public on a regular basis - **Closes asymmetry of information gap**
- **Required information** include stock price, corporate conditions and developments dividend, mergers and joint ventures, and management changes etc
- Investor make **informed and intelligent decision** about the particular stock based on information

### ➤ Liquidity and Efficiency

- Liquidity provision **via market makers or via order book and incentives** - Low transactions costs
- **Pre and Post-trade transparency** for increased market efficiency

# Europe under MiFID II / MiFIR - 2019

*What has happened with the trading venues in Europe*

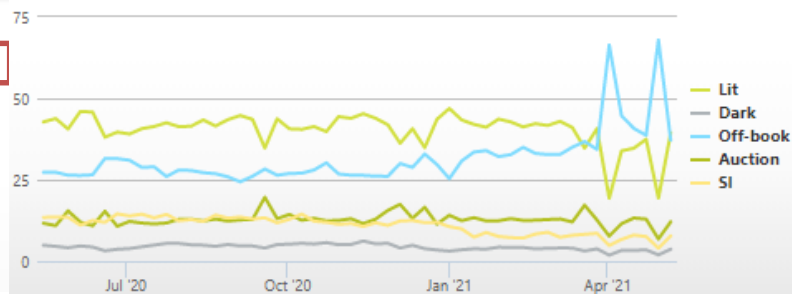


# 2021 – 3.5 years of MiFID II /MiFIR

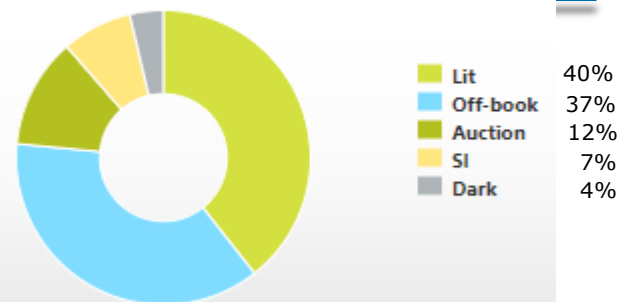
Fragmentation of EU's trading volume (Source: Fidessa)

#EUROZONE #EUROZONE Eurozone

Start date 3/5/2021  
End date 7/5/2021  
Listing filter Primary listing only  
Currency EUR  
Chart interval weekly



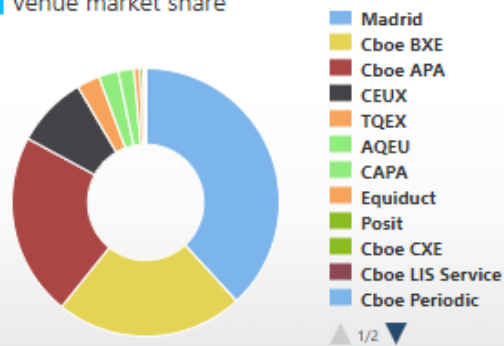
Trade category breakdown



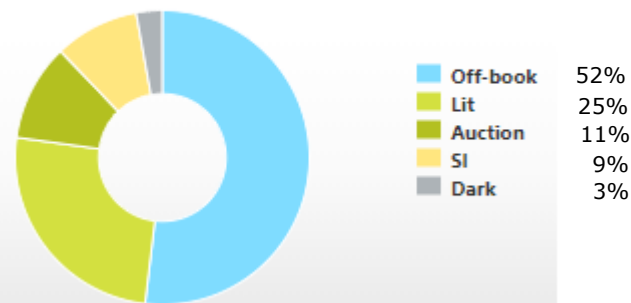
#SPAIN #SPAIN Spain

Start date 3/5/2021  
End date 7/5/2021  
Listing filter Primary listing only  
Currency EUR  
Chart interval weekly

Venue market share



Trade category breakdown



#GREECE #GREECE Greece

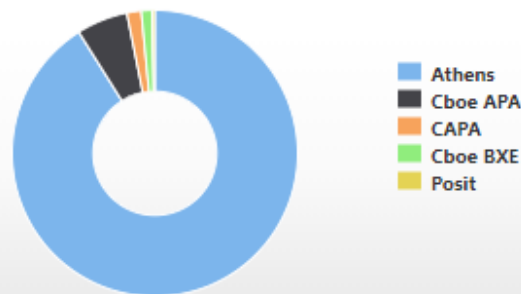
Start date 3/5/2021  
End date 7/5/2021  
Listing filter Primary listing only  
Currency EUR  
Chart interval weekly

Report type Group by venue

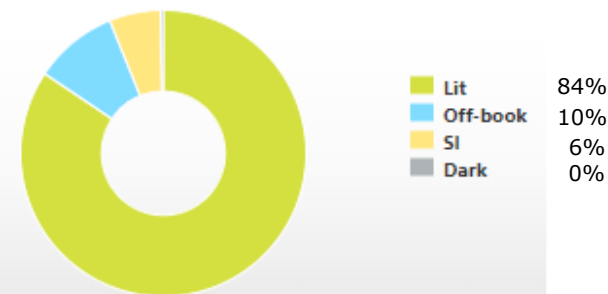
Categories Lit ☒ Dark ☒ Off-book ☒ SI ☒

Benchmark Consideration

Venue market share



Trade category breakdown



# ATHEX Group Systems, Infrastructure & Services

## Core Systems & Services: Clearing & Settlement Platform

ATHEX Clearing System complies with EU and Global market standards and operational best practices:

- **EMIR** Risk Management rules
- Waterfall Risk models – Stress Tests
- Real-time pre-order Margin Calculation for each Clearing Account following an algorithm based on general and specific risk for the unsettled trades
- Continuous Credit limit recalculation for every member during the trading day
- Clearing model which includes: Direct and General Clearing Members, Clearing Space per market with separate Clearing Member's funds, guarantees, Clearing Accounts for each Clearing Member connected to one or More Clearing Sub Accounts of Trading Members, Collateral management

Clearing & Risk Management for Spot & Derivatives Products

Position Management

Collaterals Management & Valuation

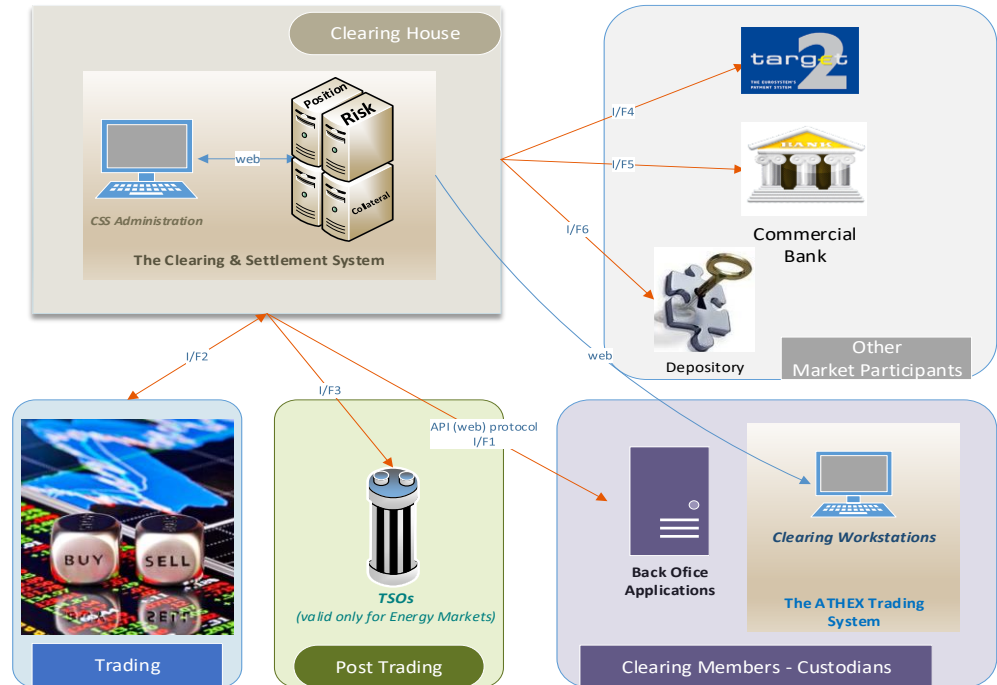
Real Time Risk Management and pre-order Credit Limit Validation (interface with Trading System is required)

Financial Settlement / Interface with TARGET 2 or other Commercial Bank System

STP procedures & Real Time communication with all Market participants

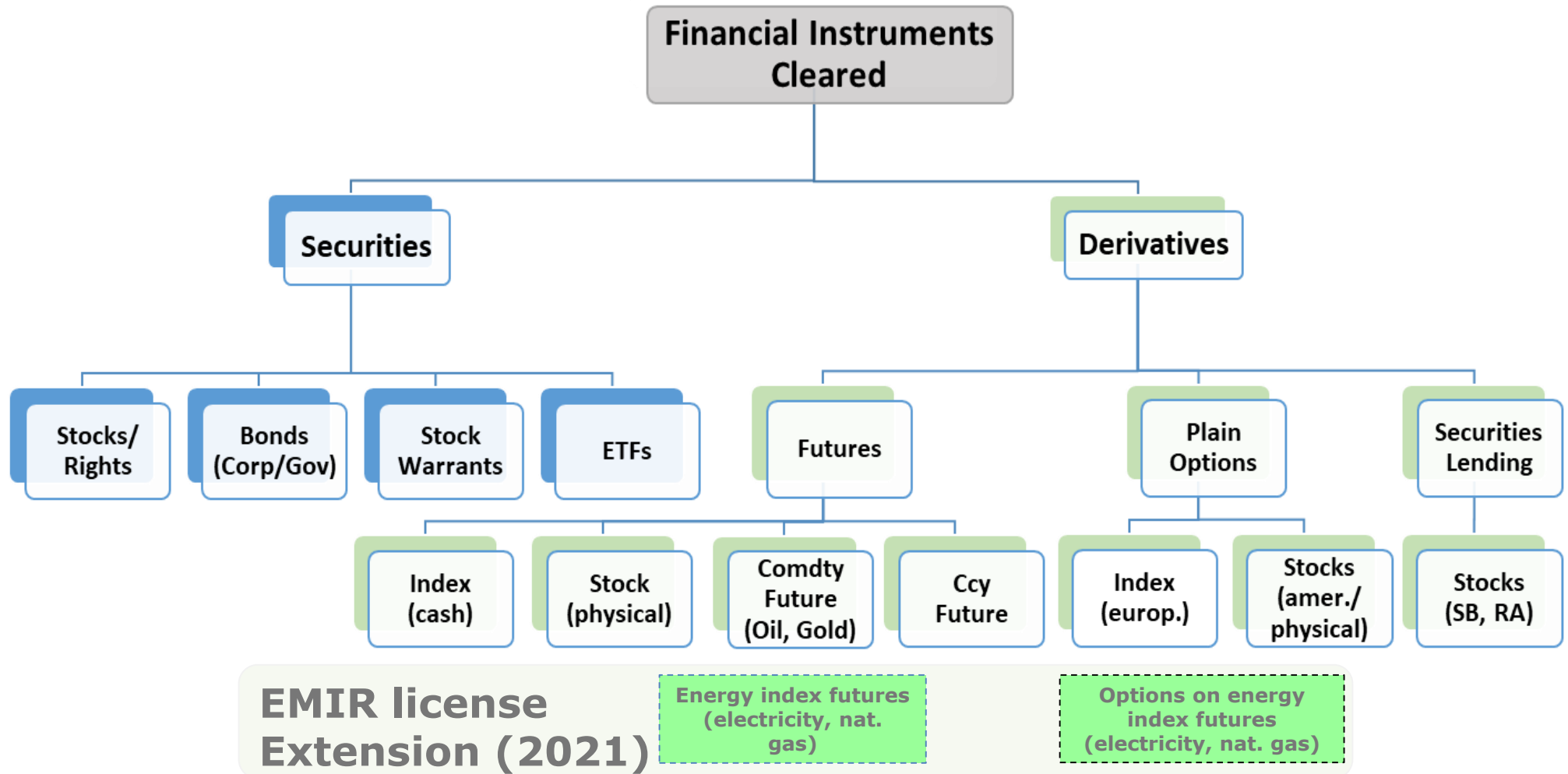
Reporting

... supplemented with ATHEX's Facilities management



# ATHEXClear

## Product licenses under EMIR



# CSDs - Services Classification under CSDR

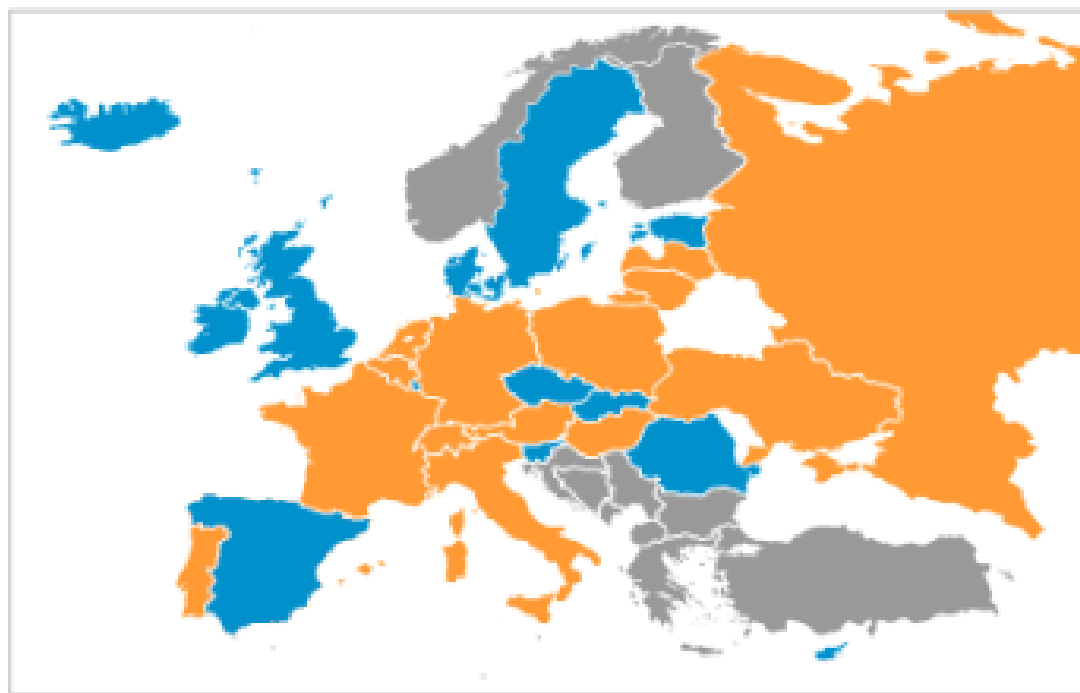
## *Core Services – ATHEXCSD provides all 3 services*

---

- Initial recording of securities in a book-entry system (**‘notary service’**)
  - ✓ Newly created securities by private companies or public institutions (“issuers”) are deposited into ATHEXCSD (“issuer CSD”) in dematerialized form.
  - ✓ The **“Issuer CSD”** is ensuring the **“integrity of the issue”**.
  
- Providing and maintaining securities accounts at the top tier level (**‘central maintenance service’**)
  - ✓ **Safekeeping (or “central maintenance”) of securities**, enabling the full segregation of securities between participants , and between participants and their clients offering both individual and omnibus client segregation
    - ☐ Individual segregated accounts
    - ☐ Omnibus segregated accounts
  - ✓ **“Top tier level”**: CSDs are at the top of the securities chain, i.e. all holdings in a given financial instrument, whether by an individual or a financial institution, are ultimately kept in a securities account at the CSD.
  
- Operating a securities settlement system (**‘settlement service’**)
  - ✓ Settlement of securities transactions either on or off-exchange (“delivery versus payment” - DvP, etc)

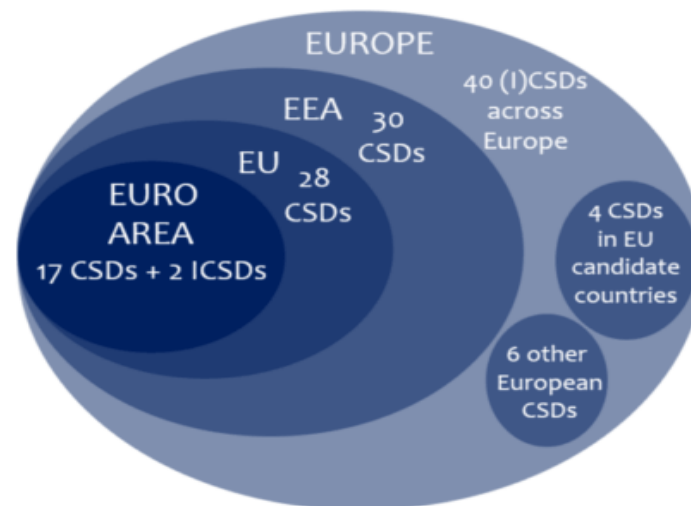
# CSDs – Account Structure competitiveness

*ECSDA Survey - Account segregation at CSDs in Europe before CSDR*



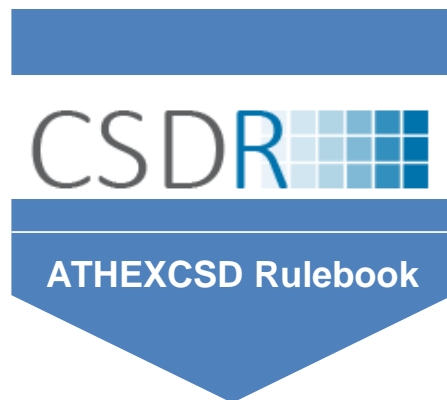
Due to Segragated Accounts structure:  
**ATHEXCSD provides to issuers**

- ✓ Daily registry ('extended **notary service**')
- ✓ This service is enhanced under CSDR



# CSDR and ATHEXCSD

*New account structure under CSDR -12/4/2021*



Investor share	Individual
×	<b>Fund</b>
Joint Investor Share Account	Joint Investor Share Account
Co-Owners Investor Share Account	Co-Owners Investor Share Account
×	<b>Trust Share Account</b>
<i>Compulsory Consignment Share Account</i>	Escrow & Compulsory Consignment Share Account
×	<b>Public Body</b>
Transitory Settlement Account	Intermediary Transitory Settlement Account
×	<b>Omnibus</b>
×	<b>Collateral</b>

**Segregated**      No of accounts > 2.5 m

**Omnibus**      53



# Greek Capital Market

---

Network Externalities – Access

# ATHEX Group Members and Systems Infrastructure

*A well established & wide network along with the Common Platform*

Today seven (7) network hubs are in operation in order to serve the participants needs and to achieve lower telecommunication costs.

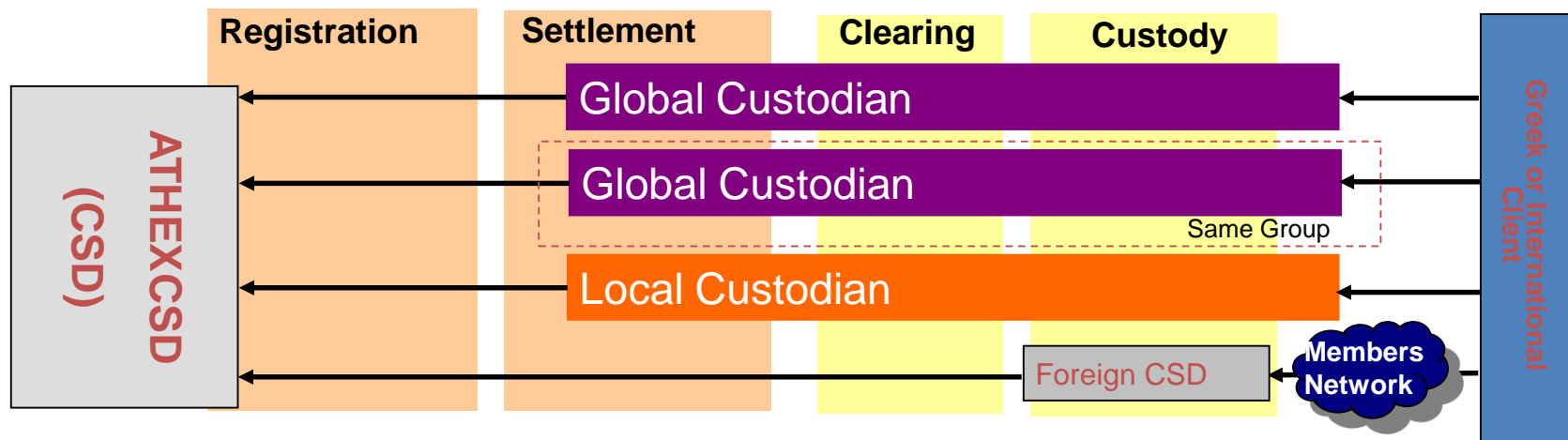
- ✓ 3 hubs in Athens (Greece)
- ✓ 1 hub in Thessaloniki (Greece)
- ✓ 2 hubs in London (UK)
- ✓ 1 hub in Nicosia (Cyprus)



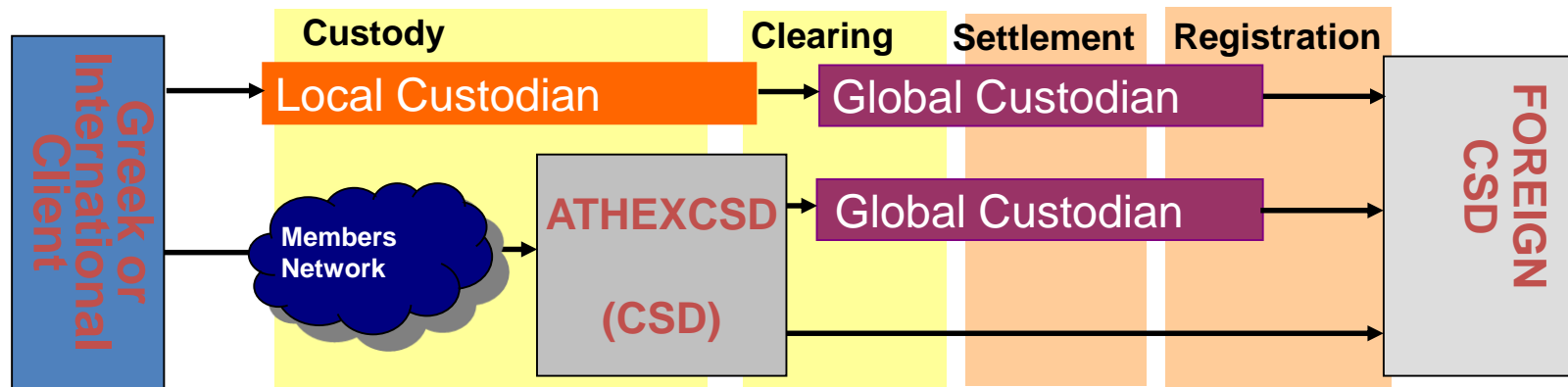
# ATHEXCSD as Issuer/Investor CSD

## *Provision of access to Local & International Investors*

### ✓ Inbound services (Greek/Foreign ISINs) – Issuer CSD Services



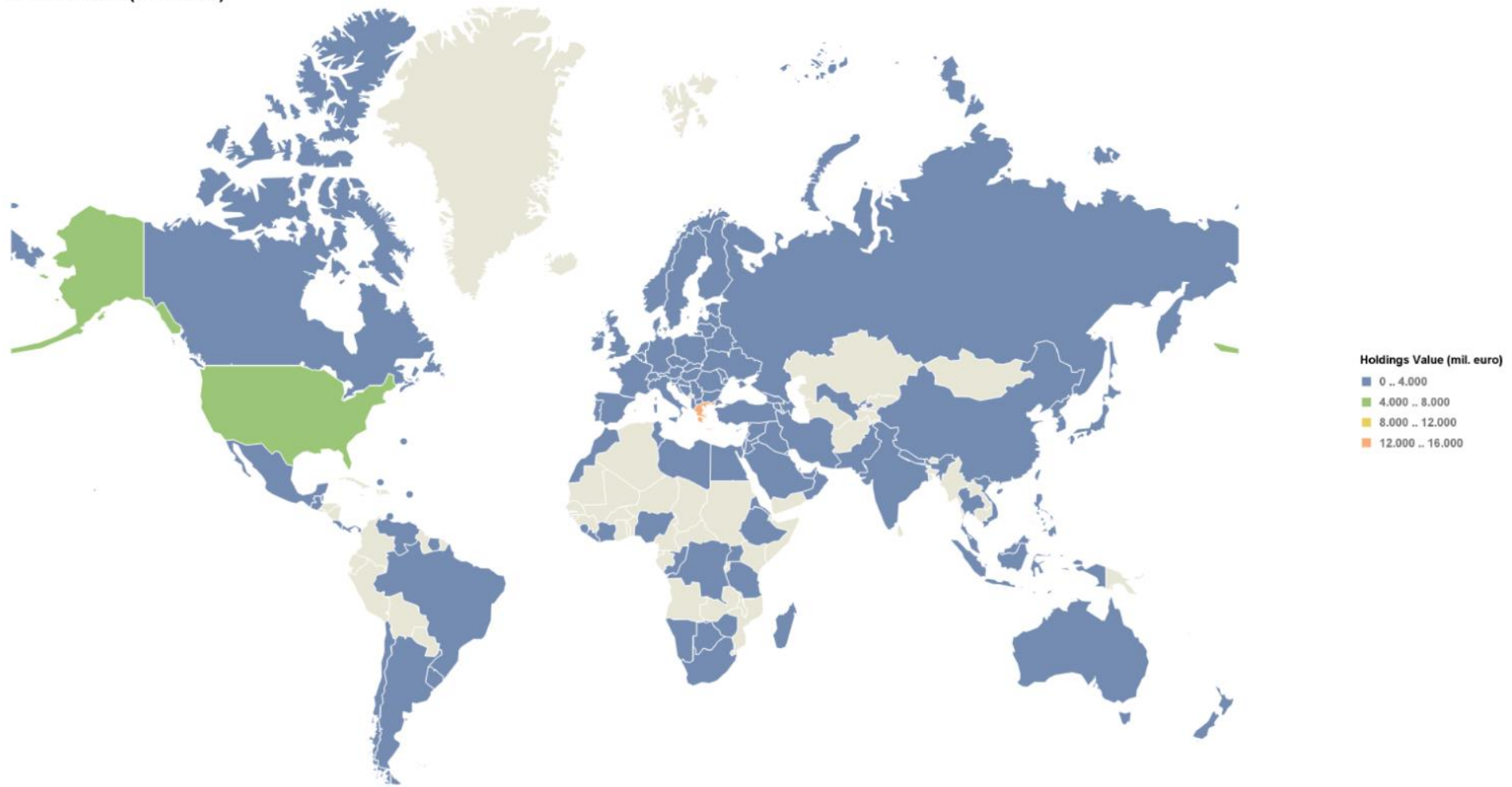
### ✓ Outbound Services (Foreign ISINs) – Investor CSD Services



# Distribution of ATHEX securities markets Investors

*Worldwide dispersion - Access via Members Network and Custodians Network*

Distribution of investors in ATHEX (Greek Stocks)



# ATHEX Markets

---

Is there track record evidence that the Greek Capital market can assist in companies' funding ?

# Public sector companies IPOs in ATHEX

## Positive historic track record

➤ During the last 25 years ATHEX has been used as a **transparent** platform

- for IPOs and
- share capital increases

for companies of the public sector

➤ For **17** companies

➤ Raising through the IPO process (in single or multiple tranches) ~ **€12bn**

➤ Raising through share capital increases an **additional ~ € 6bn**

➤ Athens Exchange is one of them

Company	ATHEX listing date	Number of Shares Issued	IPO amount (€)	S.C.I. amount (€)
Hellenic Telecom	19/4/1996	24.014.384		281.900.315
	9/6/1997	34.735.980	672.802.547	
	11/6/1997	18.703.990	351.300.179	
	18/6/1997	31.649.915		557.298.571
	26/10/1998	50.405.420	902.342.075	
	6/7/1999	67.170.070	1.281.307.278	
	13/6/2002	40.320.000	665.280.000	
	5/11/2008	14.865.886	431.110.694	
	5/8/2009	24.507.519	673.956.773	
	11/7/2011	49.015.038	391.630.154	
Hellenic Duty Free Shops	30/3/1998	7.625.000		71.606.750
Hellenic Petroleum	30/6/1998	27.841.702		149.609.710
	22/2/2000	30.000.000	356.566.398	
	17/4/2000	29.018.750		191.613.169
ATE Insurance	4/6/2003	43.500.000	326.000.000	
	25/2/1999	2.658.000		27.301.541
Olympic Catering	9/6/1999	1.207.500		6.716.068
	28/11/2002	4.035.350	16.141.400	
ETBA	12/1/2000	33.081.730		383.944.798
EYDAP- Water Company	20/3/2002	100.000.000	510.000.000	
Hellenic Exchanges	28/1/2000	6.500.000		229.126.926
	21/8/2000	2.500.000		38.229.090
Cosmote	16/7/2003	23.746.210	89.048.288	
	12/10/2000	17.500.000		163.615.253
Agricultural Bank	19/1/2001	13.676.500		431.652.048
	4/7/2005	624.444.444		1.248.888.888
OPAP	25/4/2001	319.000.000	93.604.266	
	10/7/2002	60.300.000	503.453.730	
	9/7/2003	78.000.000	722.740.942	
	13/7/2005	52.450.000	1.265.781.500	
	11/10/2013	105.270.000	652.000.000	
Thessaloniki Ports Auth.	27/8/2001	2.520.000	16.785.643	
EYATH- Water Company	21/9/2001	1.500.000		16.392.427
Public Power Company	12/12/2001	12.000.000	312.330.000	150.970.000
	3/12/2002	30.624.000	370.023.257	
Agricultural Life Ins.	22/10/2003	36.500.000	626.776.553	
	12/4/2002	4.167.500		58.705.796
Piraeus Ports Authority	8/8/2003	6.375.000	54.225.846	
Postbank	5/6/2006	49.080.000	611.586.739	
	15/6/2009	142.232.982		526.262.033
Agricultural Bank	7/7/2011	1.177.077.772		1.259.473.216
	10/1/2012	483.333.333		289.999.999
			<b>11.896.794.260</b>	<b>6.083.306.599</b>

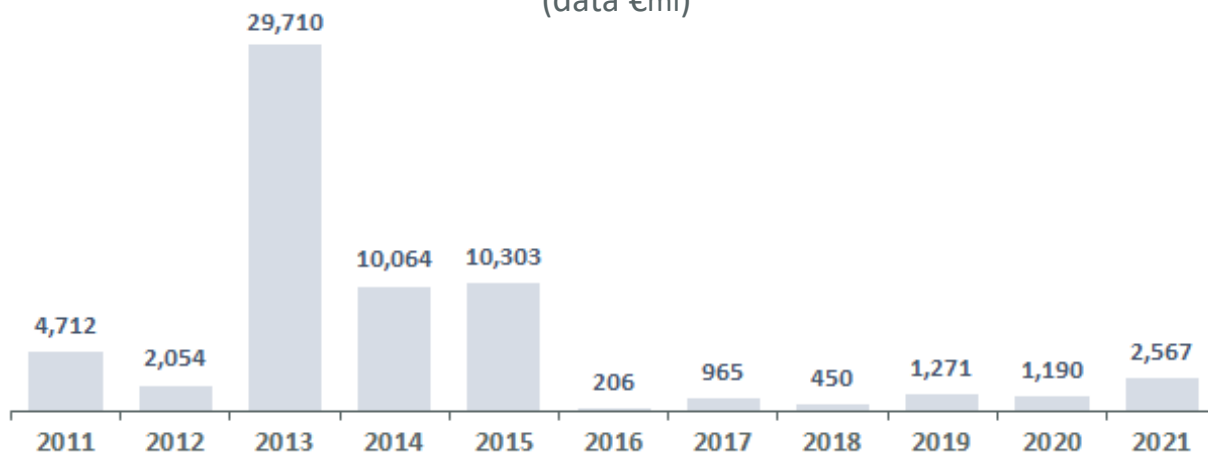
Source : ATHEX GROUP

# ATHEX recent capital raising ability

*Efficient international network for raising capital*

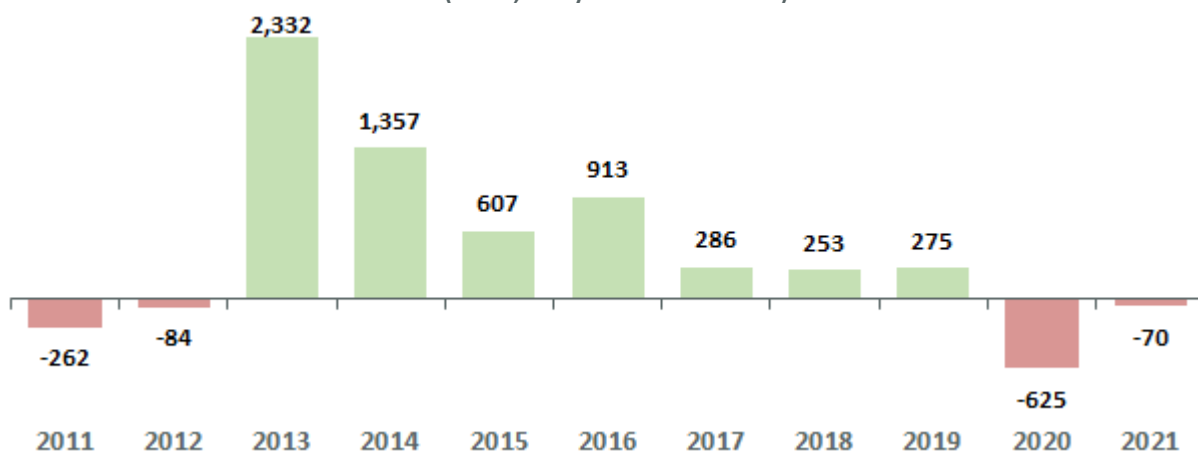
## Total Capital Raised on ATHEX

(data €mi)



## Capital Flows from International Investors

(€mil, Buys minus Sells)



- Greek listed companies have raised **€63.3**bil in 2011 – 2021
- In 2013 ATHEX ranked in the **3<sup>rd</sup> place** based on capital raised among FESE members
- **€10.2**bil the new capital from the private sector during 2015 Greek Banks recapitalization

- Total **Positive Flows** from International Investors of **€5.0**bil in 2011 – 2021
- **€16.7**bil the new capital from International Investors during 2014 – 2015 Greek Banks recapitalizations

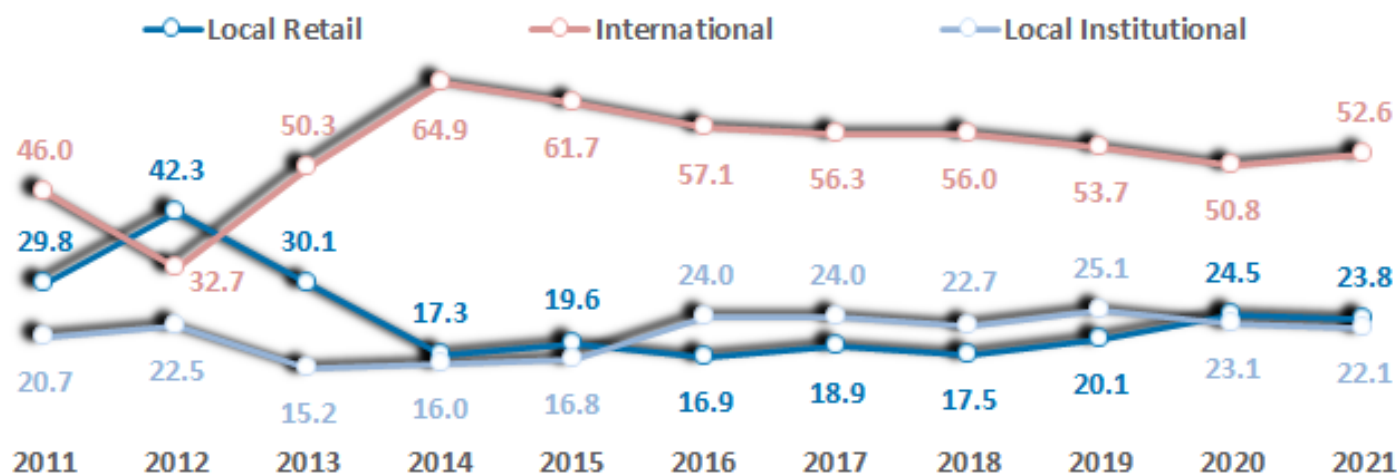
Source: ATHEXGROUP March 31<sup>st</sup> 2021, AxiaNumbers publication March 31<sup>st</sup> 2021

# International Investors

*Daily trading activity steadily above 50%*

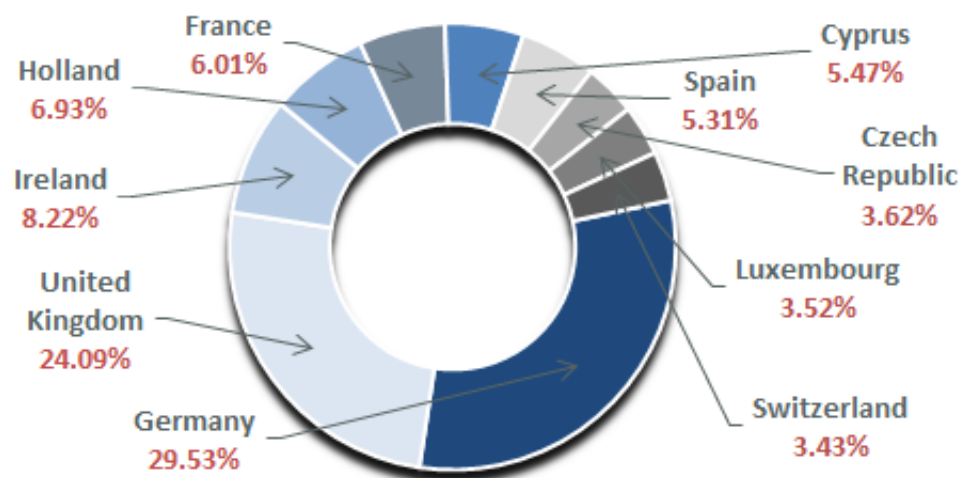
## Investor Participation in Cash Market

(as % of total trading activity)



**2021**  
Total Market Turnover  
**€4.5bil**  
International Inv.  
Turnover  
**€2.4bil**

**Top 10 of Trades** (% of total)  
by Country of Origin



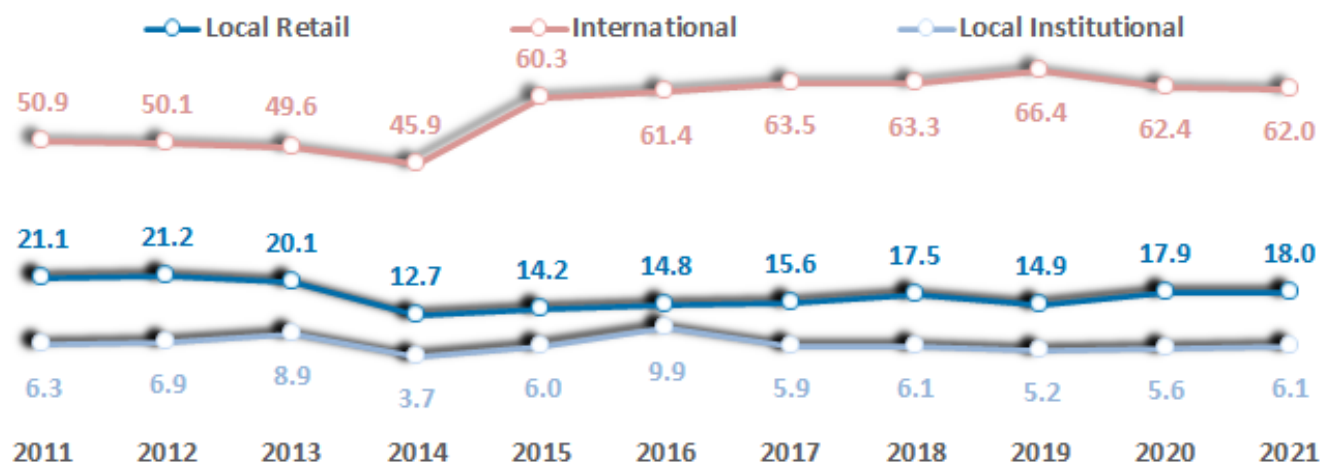


# International Investors

*Consistently high participation in the Market Capitalisation*

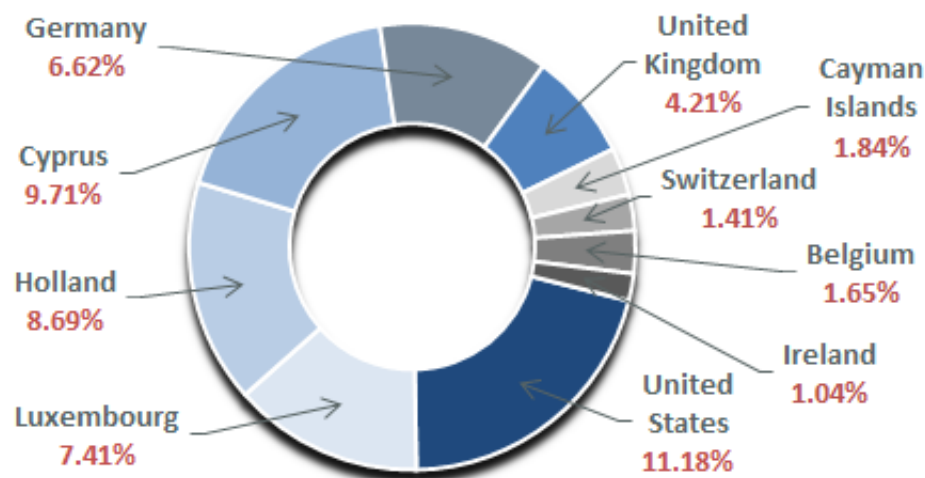
## Investor Participation in Cash Market

(as % of total market capitalization)



**2021**  
Market Capitalization  
**€44.6<sup>bil</sup>**  
International Inv.  
Holdings  
**€30.1<sup>bil</sup>**

### Top 10 Holdings by Country of Origin

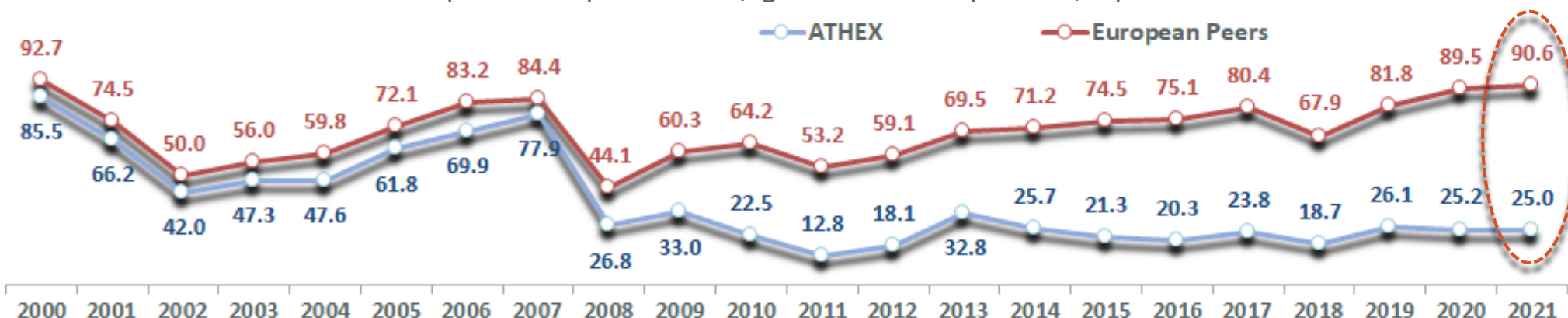


# Potential for Growth

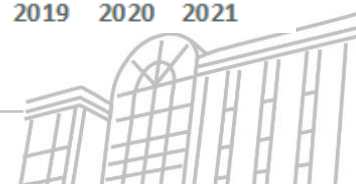
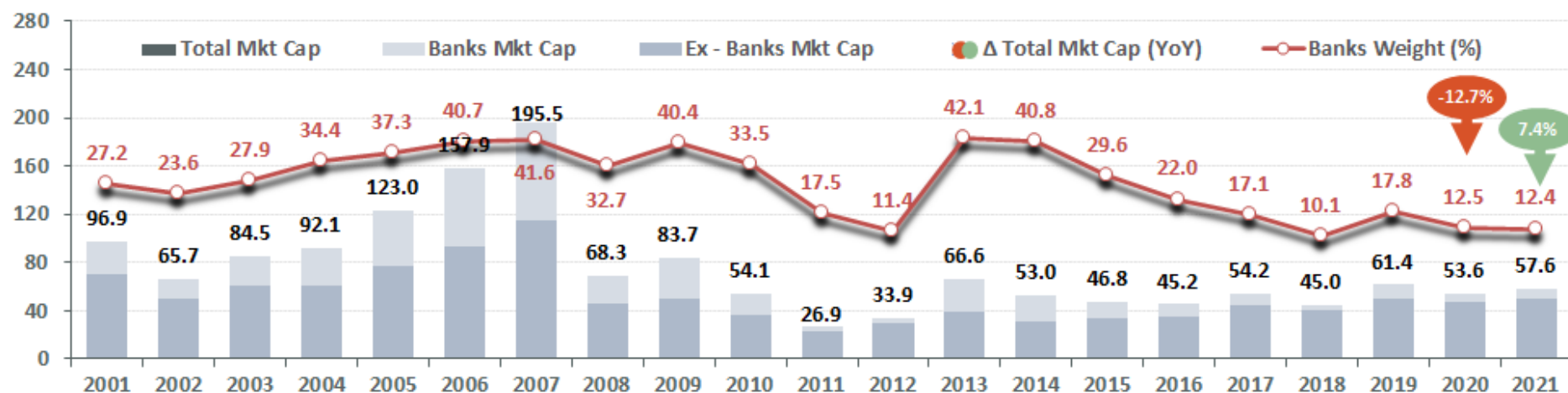
*Banks recovery and private sector growth are main underlying reasons*

## Historic Market Capitalization to GDP

(market capitalization / gross domestic product, %)



## Evolution of Market Capitalization Breakdown

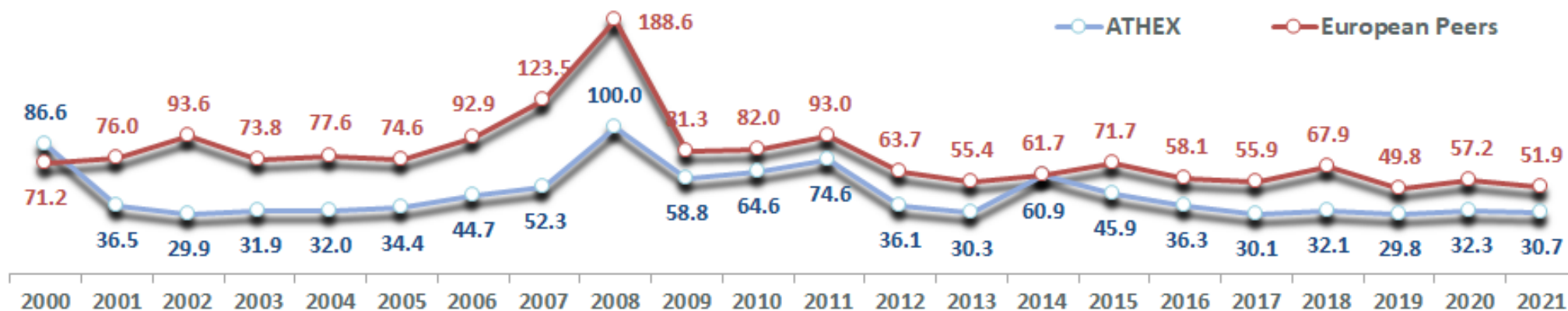


# Liquidity Levels

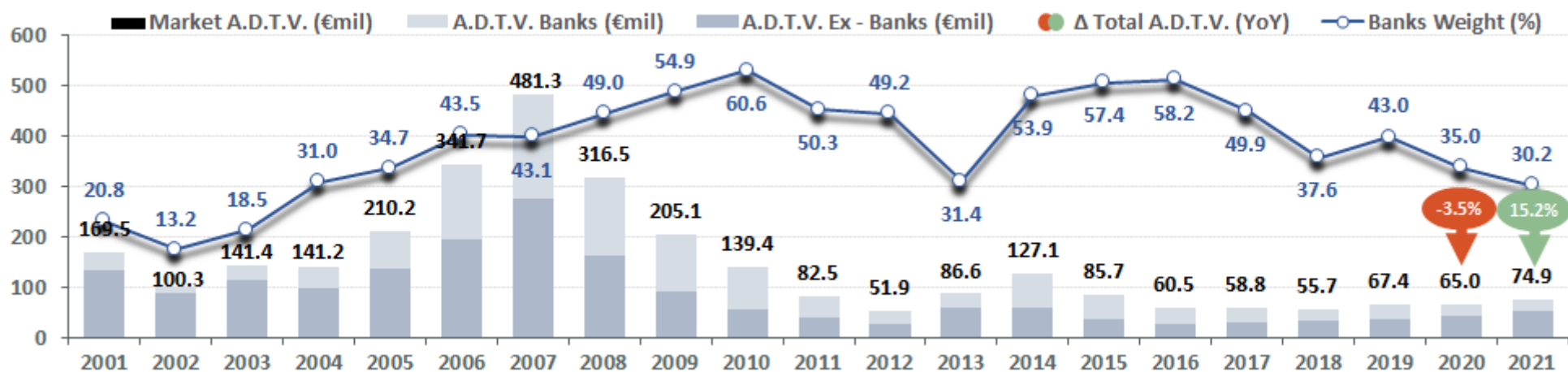
*Covid impact has been left behind*

## Historic Turnover Velocity

(total trade value / market capitalization, %)



## Evolution of Cash Market Trading Activity

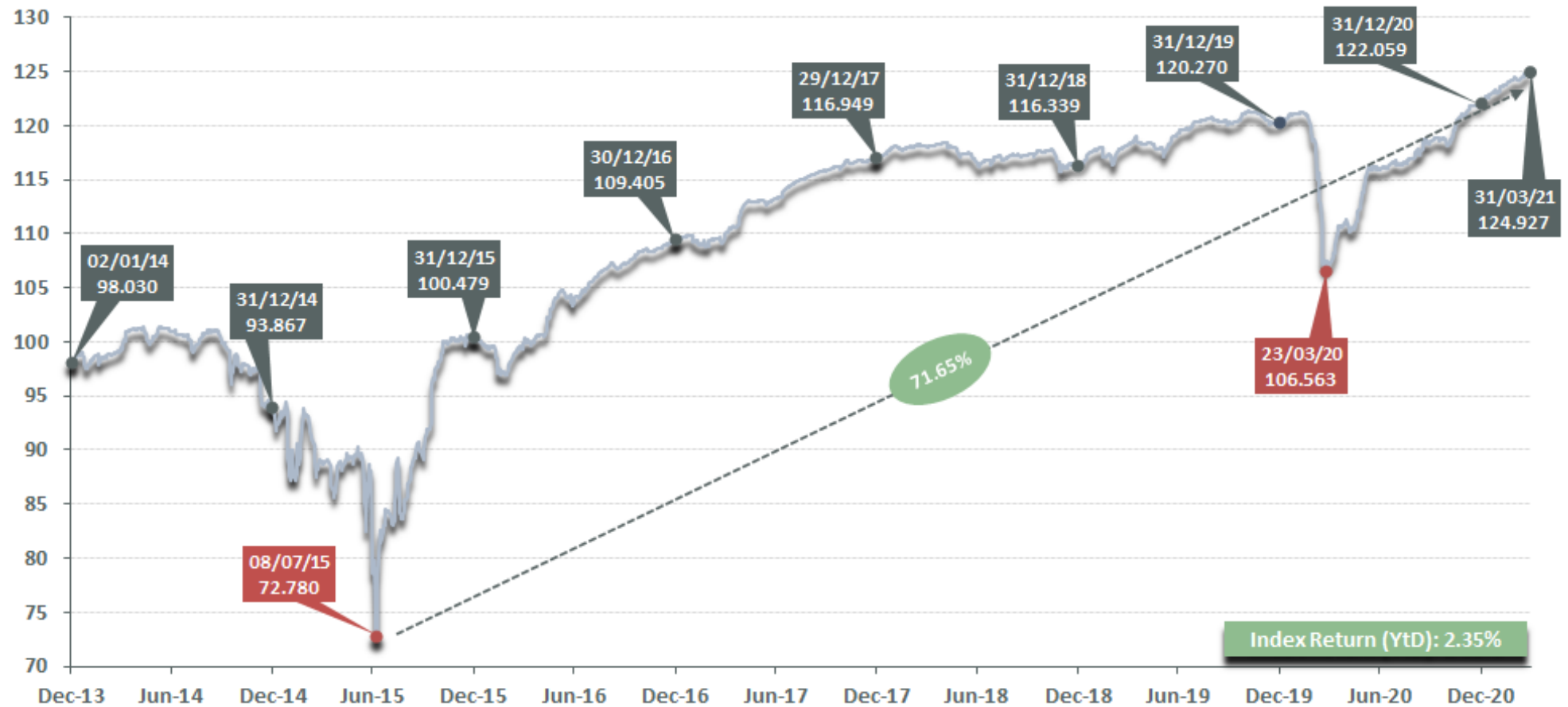


Source: ATHEXGROUP, March 31<sup>st</sup> 2021, FESE Members February 26<sup>th</sup> 2021



# Hellenic Corporate Bond Index

Impressive return for the **Hellenic Corporate Bond** Index from the low prices of July 2015

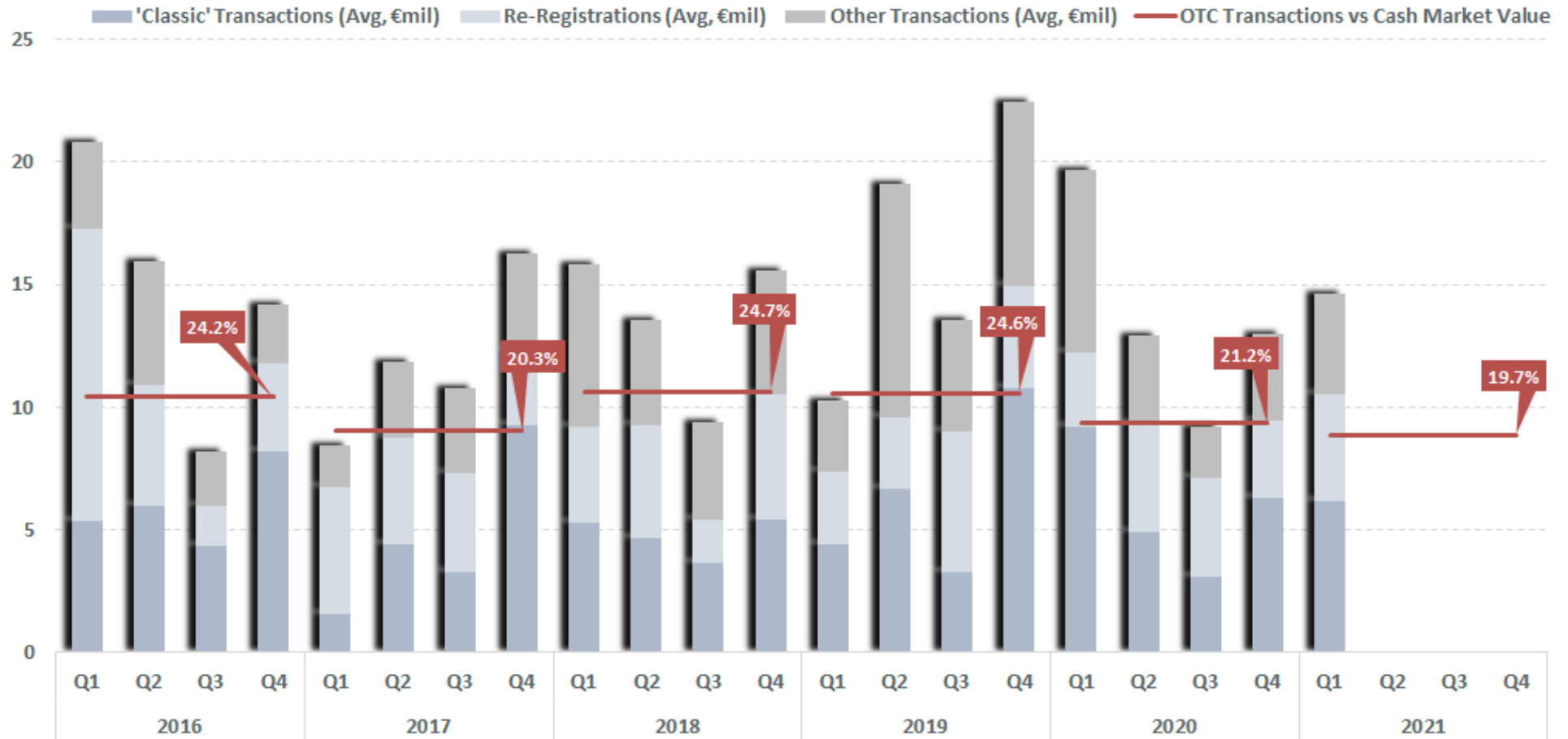


Source: ATHEXGROUP, March 31<sup>st</sup> 2021



# OTC Market

## Evolution of Trading Activity



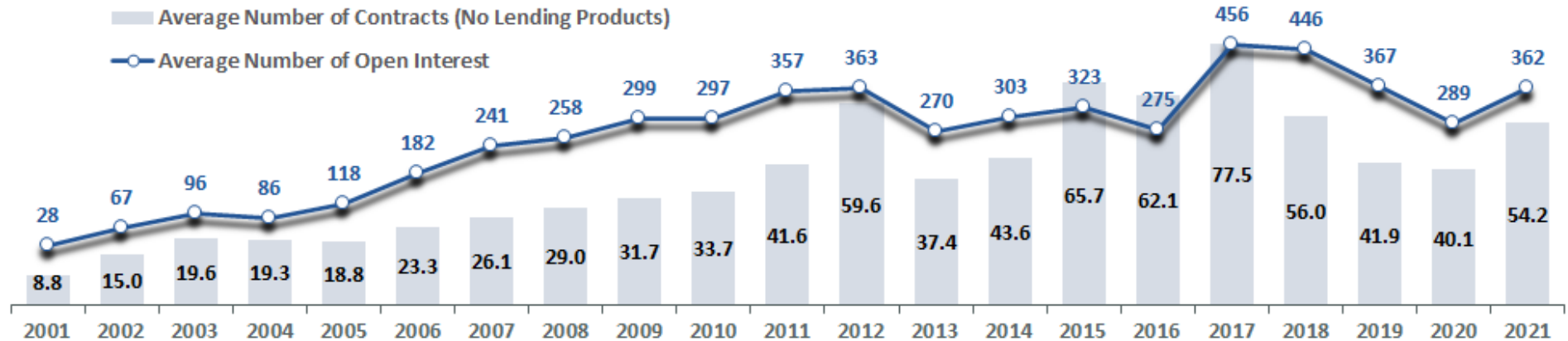
Source: ATHEXGROUP, March 31<sup>st</sup> 2021



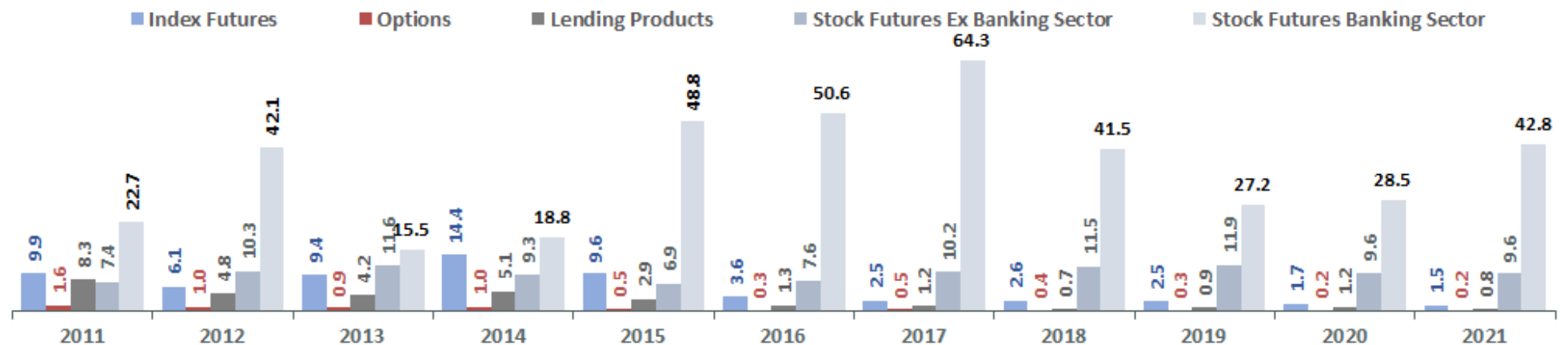
# Derivatives Market

*Increased activity in 2021*

## Historical Trading Activity (th.)



## Breakdown of Trading Activity per Product (th.)



Source: ATHEXGROUP, March 31<sup>st</sup> 2021



# Financing through the Capital Markets

---

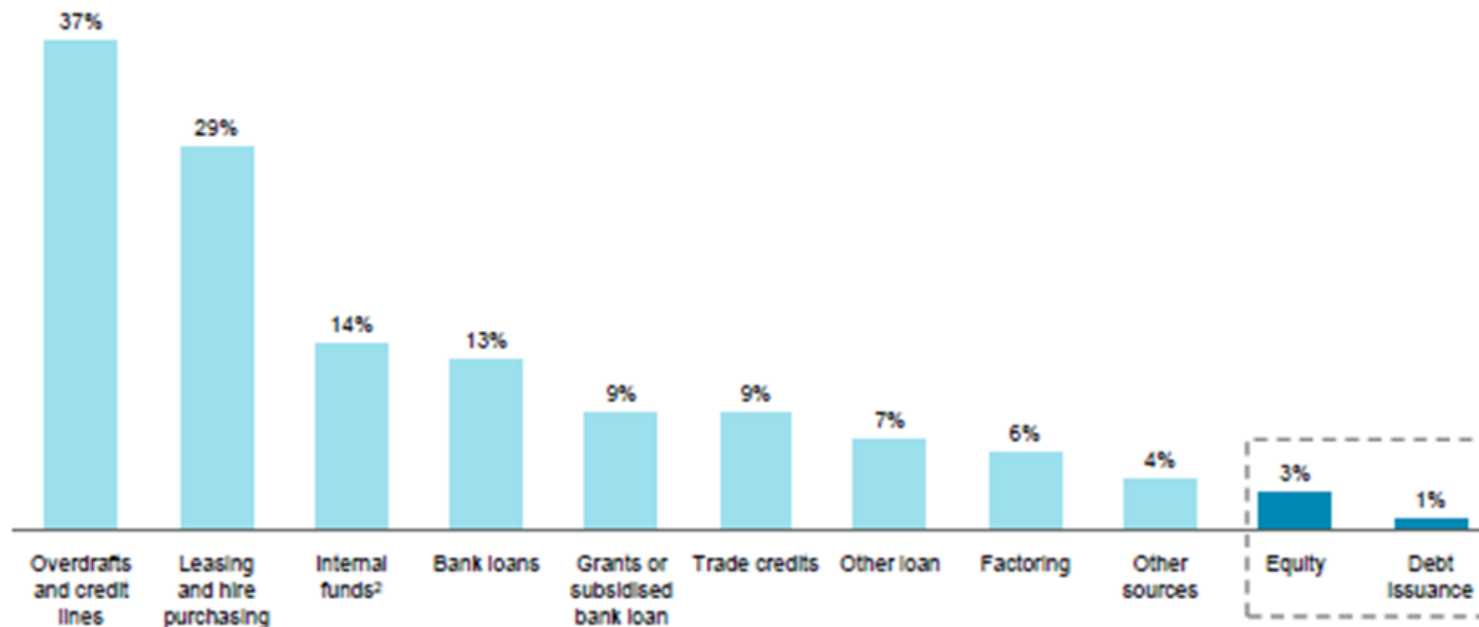
EU and Greece

# The past

## *Low use of capital markets by SMEs in the EU*

- Capital Markets in EU have **not been used effectively** for funding companies – especially SMEs

European<sup>1</sup> SME financing sources use between April and September 2014  
2014, % of SMEs



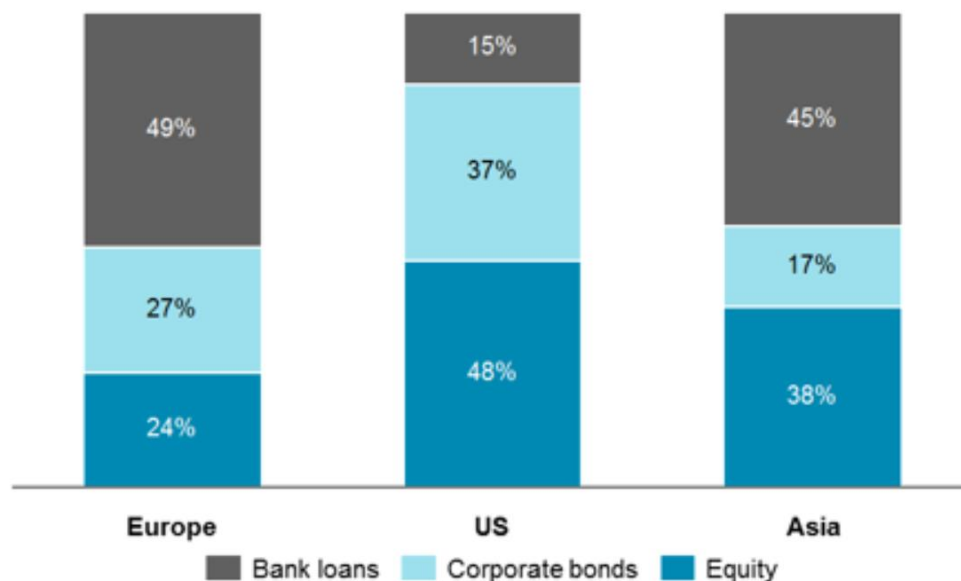
*EU-28 SMEs, Source: SAFE analytical report 2014*



# Paradigm shift

*Increased use of capital markets for SMEs is expected by the EU*

- Anglo-saxon model - tilted to Capital Markets



Source: WFE, Economic Intelligence Unit

- “It is commonly understood that an overreliance on bank based funding can be seen as an impediment to economic growth and a factor leading to higher systemic vulnerability of the economic system” (European Commission, 2015)
- Most recent research shows that bank and capital markets based financing can **complement** each other as they increase the number of options for borrowers.

# Policy and Regulatory trends in the EU

## *Main priorities*

---

1. **Financing for innovation**, start-ups and non-listed companies
2. Making it easier for companies to **enter and raise capital in public markets**
3. **Long term and sustainable** investment – ESG principles, Green principles
4. Fostering **retail and institutional investment**
5. **Leveraging banking capacity** to support the wider economy
6. Facilitating **cross-border** investing

# SMEs are extremely Important for the Greek Economy

*Better access to finance is needed*

- Small and Medium sized enterprises (SMEs) **dominate** the Greek economy, accounting for **86%** of employment and **72%** of added value – significantly higher than the relative EU average.
- The Greek SME sector is more heavily based on microcaps – significantly higher than the EU average

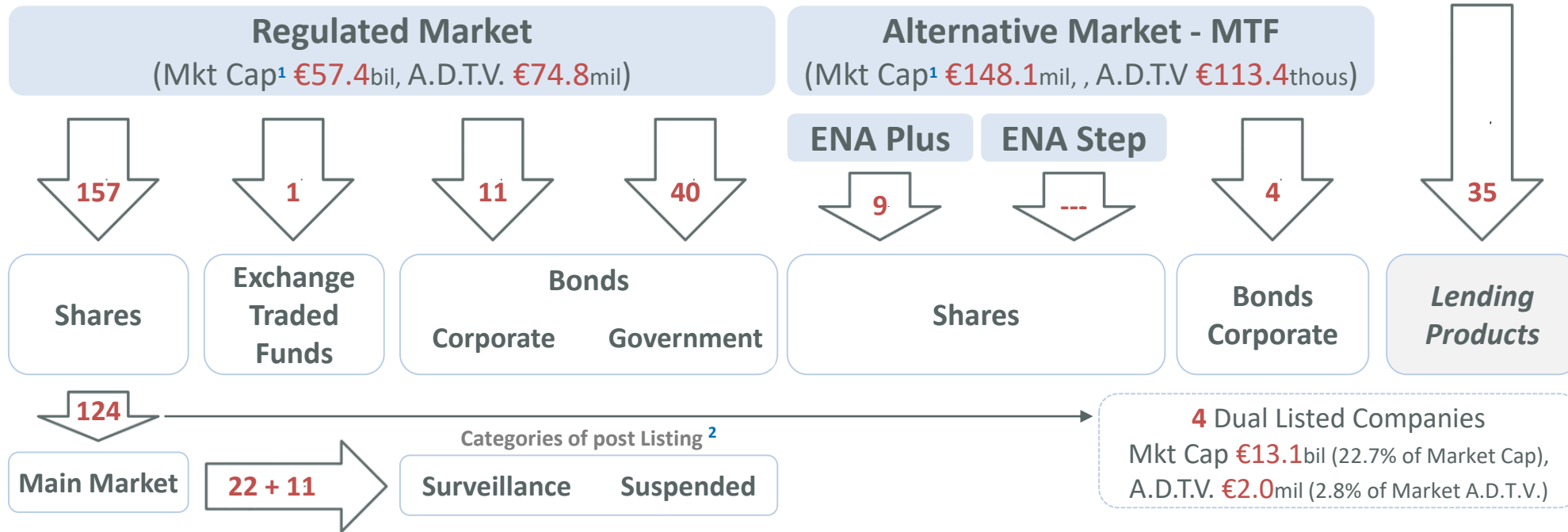
	Number of Enterprises			Number of Employees			Value Added		
	Greece		EU - 28	Greece		EU - 28	Greece	EU - 28	
	Number	Proportion	Proportion	Number	Proportion	Proportion	€ Billion	Proportion	Proportion
<b>Micro</b>	629,811	96.2%	92.4%	1,130,794	55.2%	29.1%	16	33.1%	21.6%
<b>Small</b>	21,669	3.3%	6.4%	398,503	19.5%	20.6%	11	22.5%	18.2%
<b>Medium</b>	2,464	0.4%	1.0%	227,832	11.1%	17.2%	8	16.5%	18.3%
<b>SMEs</b>	<b>653,944</b>	<b>99.9%</b>	<b>99.8%</b>	<b>1,757,129</b>	<b>85.8%</b>	<b>66.9%</b>	<b>34</b>	<b>72.1%</b>	<b>58.1%</b>
<b>Large</b>	423	0.1%	0.2%	290,547	14.2%	33.1%	13	27.9%	41.9%
<b>Total</b>	<b>654,367</b>	<b>100.0%</b>	<b>100.0%</b>	<b>2,047,676</b>	<b>100.0%</b>	<b>100.0%</b>	<b>47</b>	<b>100.0%</b>	<b>100.0%</b>

- SMEs constitute a significant proportion of ATHEX listed companies, both in the Regulated Market (**43%**) and the Alternative Market (**92%**)
- From exporters and medium SMEs there is an estimated **€12-16 bn need** for funding Greek SMEs (Oliver Wyman study)

# Market Structure & Products

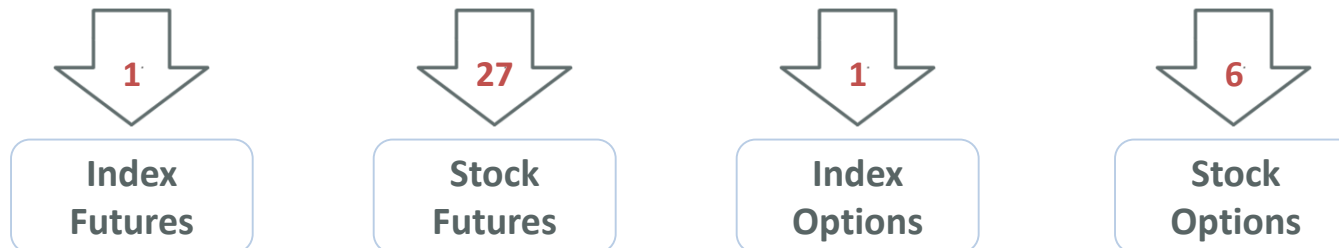
1

## Securities Market



2

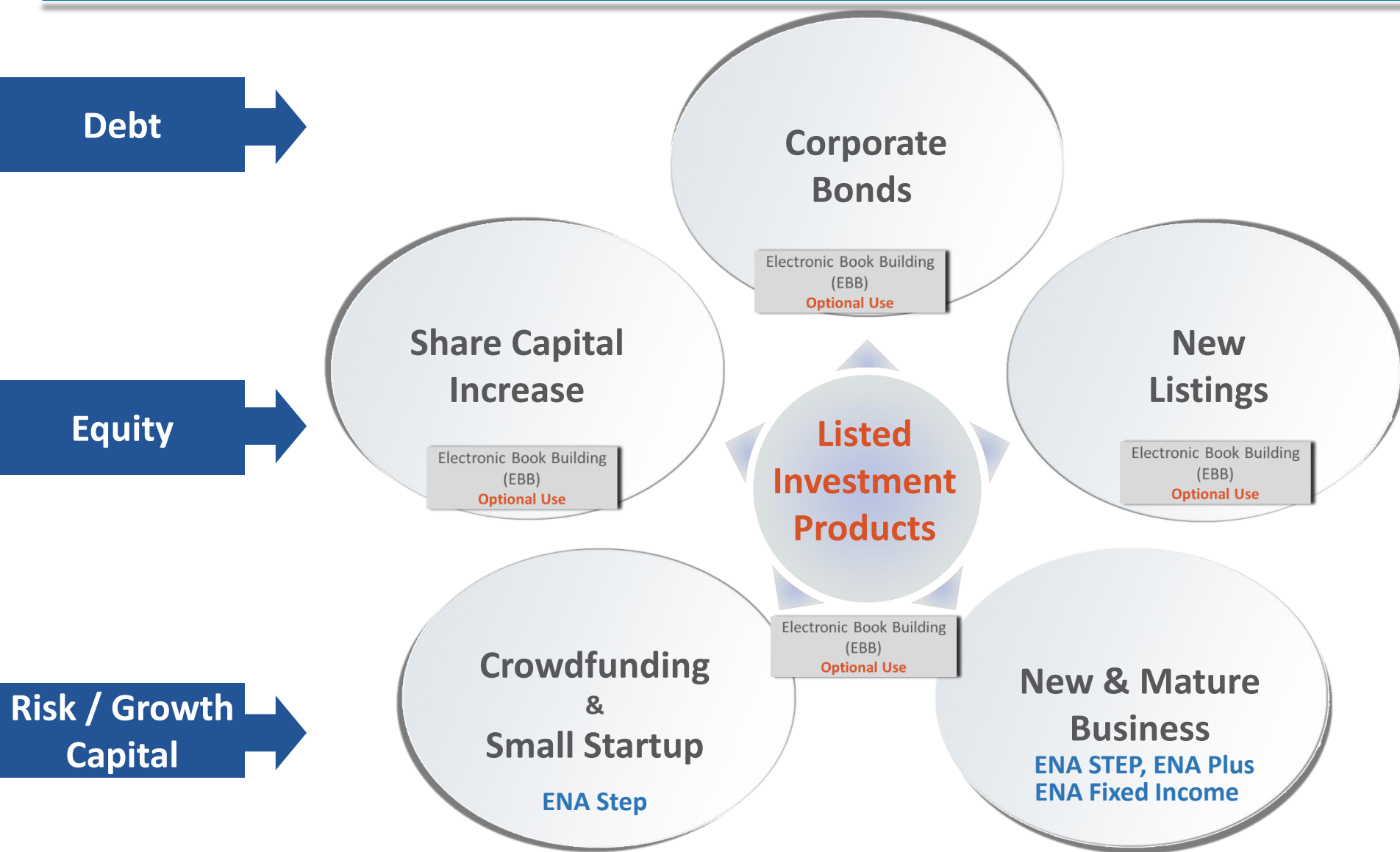
## Derivatives Market



<sup>1</sup>: Excluding Corporate Bonds  
<sup>2</sup>: Listed companies are reviewed every April & October and in case they do not fulfill certain criteria according to ATHEX Rule Book their trading is moved to **Surveillance Category** or is **Suspended**

# Financing the Greek Economy

*Variety of instruments and tools through the capital market*



# Market Initiatives

In the context of enhancing the Greek Capital Market and taking into consideration the EU trend for supporting SMEs, the **ATHEXGROUP** has undertaken **initiatives** in the following:

## Listing Enhancements

- **Alternative Market (ENA)**  
Rebuilding the Market
- **Corporate Bonds Market**
- **Listed Funds**  
Return to the advantageous tax regime

## Promotional Activities

- **International Roadshows**  
(NY / London)
- **Local Roadshows**  
(Mid & Small Cap)
- **Roots Program**  
Pre – IPO Support (9 companies)
- **EBRD SME Pre Listing Support Program**
- **Ecosystem Training**
- **ESG Guide for Listed Companies**  
(Launched January 2019)

## Market Enhancement

- **New Market Indices**  
More Representative & Investable
  - Apply Capping to the FTSE/ATHEX Large Cap Index
  - Introduce FTSE/ATHEX High Dividend Yield Index
  - Introduce two New Indices with a focus on Liquidity
- **Attractive Pricing Policy for**
  - IPO
  - Share Capital increases
  - Corporate bond listing



# New Listings

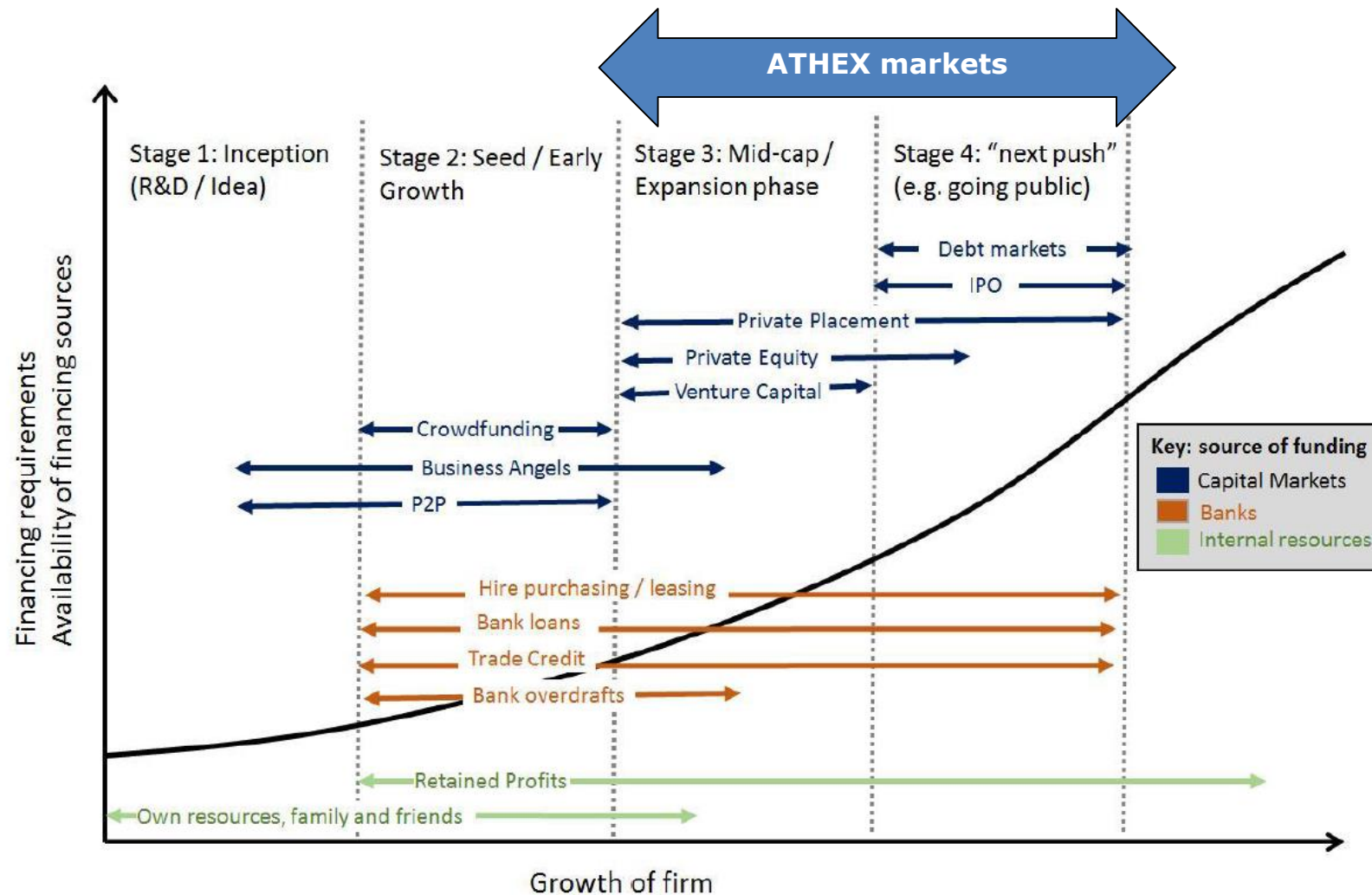
## Flexible listing alternatives

Listing Requirements		Main Market	ENA Plus	ENA Step
Minimum Equity upon Application		€3mil	No Restriction	No Restriction
Business Activity		3 Years	2 Years	No Restriction
Profitability		3 Years Aggregate EBT €2mil Or 3 Years Aggregate EBITDA €3mil	No Restriction	No Restriction
Free Float	Minimum (%)	25% (15% for very Large Caps)	15%	No Restriction
	Number of Persons Holding < 5%	300 (exemption in case of Private Placement)	At least 50	No Restriction
Appointment of Underwriter / Advisor		Underwriter required (at listing stage)	ENA Nominated Advisor (at listing stage and for 2 more years)	ENA Nominated Advisor (at listing stage and for as long as stock remains listed in this trading segment)
Listing Prospectus (Prospectus Directive)		Required	Required in case of Public Offering > €5mil Otherwise Publication of Information Memorandum	Required in case of Public Offering > €5mil Otherwise Publication of Information Memorandum
Corporate Governance		Mandatory compliance with Corporate Governance Code (Hellenic or equivalent)	Adoption of C.G. Best Practices	Adoption of C.G. Best Practices
Assessment of Company's Suitability by ATHEX		Yes	Yes	Yes



# ATHEX offers funding solutions

*In the more mature stages of the corporates*



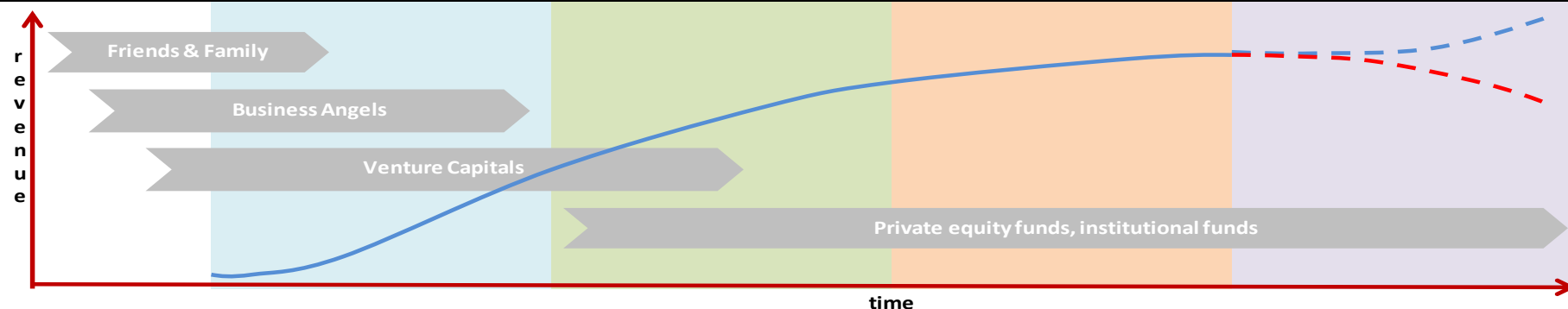
Πηγή: The European Commission (2015) Accompanying economic analysis of the Action Plan on Building a Capital Markets Union, [http://ec.europa.eu/finance/capital-markets-union/docs/building-cmu-economic-analysis\\_en.pdf](http://ec.europa.eu/finance/capital-markets-union/docs/building-cmu-economic-analysis_en.pdf)



# ATHEX provides Financing Tools

*During most stages of the business life cycle of a company*

Business life cycle	R&D / Prototype	Early stage / Commercial	Growth / Expansion	Establishment / Maturity	Further development or Decline
Typical ways of financing		Share Capital Increase	Share Capital Increase	Share Capital Increase	Share Capital Increase
			Bond Loan	Bond Loan	Bond Loan
					Refinancing / Debt to Equity conversion
Financing through ATHEX			Share Issuance (Public Offer and/or Private Placement)	Share Issuance (Public Offer and/or Private Placement)	Share Issuance (Public Offer and/or Private Placement)
			Corporate Bonds Issuance (common, convertibles, etc)	Corporate Bonds Issuance (common, convertibles, etc)	Corporate Bonds Issuance (common, convertibles, etc)
CEBB tool		mandatory	optional	optional	optional
Investment funds		CIF CIC (PIC)	CIF CIC PIC	(CIF) CIC PIC	(CIF) CIC PIC
ATHEX Markets		ENA STEP	ENA STEP		
			ENA PLUS	ENA PLUS	ENA PLUS
			ENA FIXED INCOME	ENA FIXED INCOME	ENA FIXED INCOME
			MAIN MARKET	MAIN MARKET	MAIN MARKET
			MAIN MKT FIXED INCOME	MAIN MKT FIXED INCOME	MAIN MKT FIXED INCOME

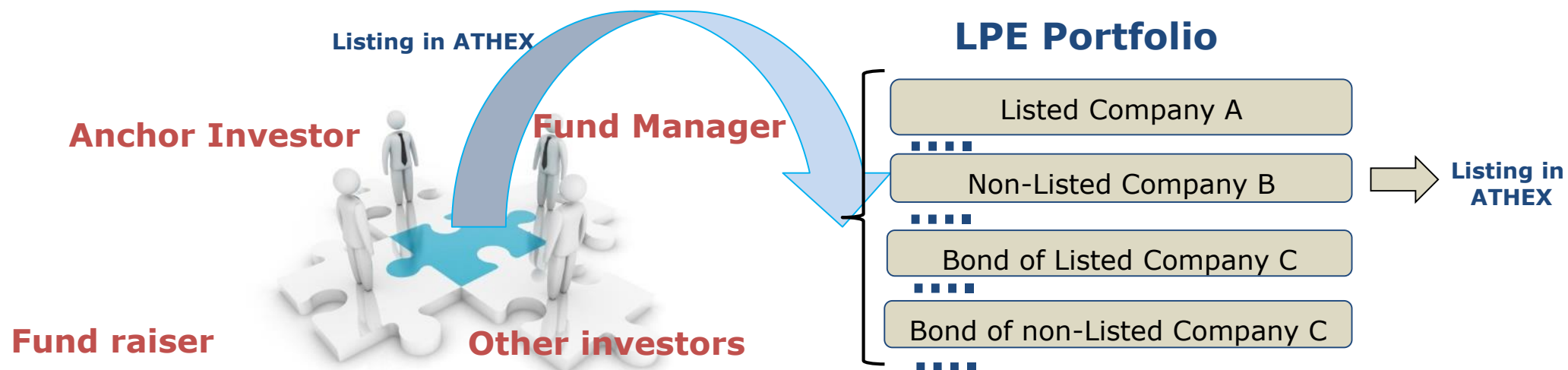


# Investing in SMEs

*Through Listed Private Equity - 3i model is a good example*

**Institutional investors / Strategic investors with increasing appetite** to invest in Greece :

- Interested in SMEs companies but have a large ticket size
- Although they might have interest, business-wise, it is not effective for them to invest directly in SMEs, especially in an environment they are not familiar with, because medium/smaller SMEs have:
  - disproportionately **high due diligence costs**, due to information asymmetry / small size
  - different **liquidity needs, investment horizon** and **risk-return profile**
  - **non-financial support need**, in order to grow and develop their business plan



# Listed Private Equity on ATHEX

*Possible vehicles to enter in EU and Greek companies*

Vehicle type	Description
<b>Real Estate Investment Companies (REICs)</b> <b>Listed Today</b>	<b>Companies</b> for the <b>acquisition and administration</b> of <b>real estate property</b> and financial instruments. Mandatory listing on the Main Market. <b>Operate under an advantageous tax regime</b> at the investor level (gross dividend). <b>Competitive versus its EU and international peers</b>
<b>Portfolio Investment Companies (PICs)</b> <b>Listed Today</b>	<b>Companies</b> for <b>investment primarily in listed shares, but also in non-listed</b> . Mandatory listing on the Main Market. <b>Operate under a very advantageous tax regime</b> both at the fund and investor level. Recent amendments to legislation <b>increased the Fund's ability to invest in non-listed companies</b>
<b>Closed-end Investment Companies (CICs)</b> <b>Listed Today</b>	<b>Companies</b> for <b>investment primarily in non-listed companies, but also in listed</b> . Mandatory listing on ATHEX with option to select Market (Main Market or ENA). <b>Operate under advantageous tax regime</b> both at the company and investor level. Recent amendments to legislation <b>increased the Fund's ability to invest in listed companies and obtain a broad range of investment tools</b> .
<b>Closed-end Mutual Funds (CMFs)</b>	<b>Unincorporated Funds</b> managed by professional fund managers, for <b>investment primarily in non-listed companies, but also in listed</b> . They are <b>tax transparent</b> and investors are taxed for income attributed to them on the basis of what applies at their <b>own</b> jurisdiction. Recent amendments to legislation <b>so that they may get listed on ATHEX</b> .

# Advantages of listing

## *Investment Funds on ATHEX*

---

### Advantages for Investors

- Transparent and **harmonized listing & trading framework under EU regulation** – Replicable structures for investment
- They offer the advantage of **risk diversification** across a large variety of financial instruments, with a different risk-return potential
- They allow to gain **exposure** to both listed and non-listed companies through a **single traded security**
- Investment decisions and portfolio management are made by **experienced asset managers** with proven track record
- Possibility of exposure to **SMEs and MicroCaps** with growth and/or exporting profile irrespective of the minimum ticket size available by the investor
- Investment Vehicle shares are **liquid securities** with market valuation at any time providing an easy exit strategy
- **Tax efficient returns** through dividend payments and capital returns

# Advantages of listing

## *Investment Funds on ATHEX*

---

### Advantages for the listed Fund

- **Efficient** tax framework
- Possibility to use a **variety of financial instruments** by the asset manager to improve risk-returns
- Listing on ATHEX provides a **wider investor base**, that includes both retail and institutional investors – with foreign investors in ATHEX exceeding 60% of the holdings
- **Choice** to list on either the **Main Market** or admit to trade in the **Alternative Market - EN.A.**, depending on the vehicle
- The listed security can be **marketed to the general public (retail investors)**
- **Low** set up and maintenance **costs**
- **Efficient** listing process
- **Further capital** can be raised efficiently through the capital market

# The Future of the Greek capital market

## *The challenges*

---

- ✓ **Strengthen the Ecosystem**
  - Investment banking
  - Local institutional buy side
  - Analysts
  - Brokers – Advice
  - Provide research for mid caps and small caps
- ✓ **“Educate” the issuers**
  - Mentoring for the use of capital markets
  - Do not be afraid of the free float
  - Understanding the financial markets and their options
  - Better Corporate Governance
- ✓ **Attract new issuers from Greece and abroad**
- ✓ **Increase efficiency of services - Keep costs low – Smart adapt to regulatory requirements**
- ✓ **Provide value added services – Remain competitive**

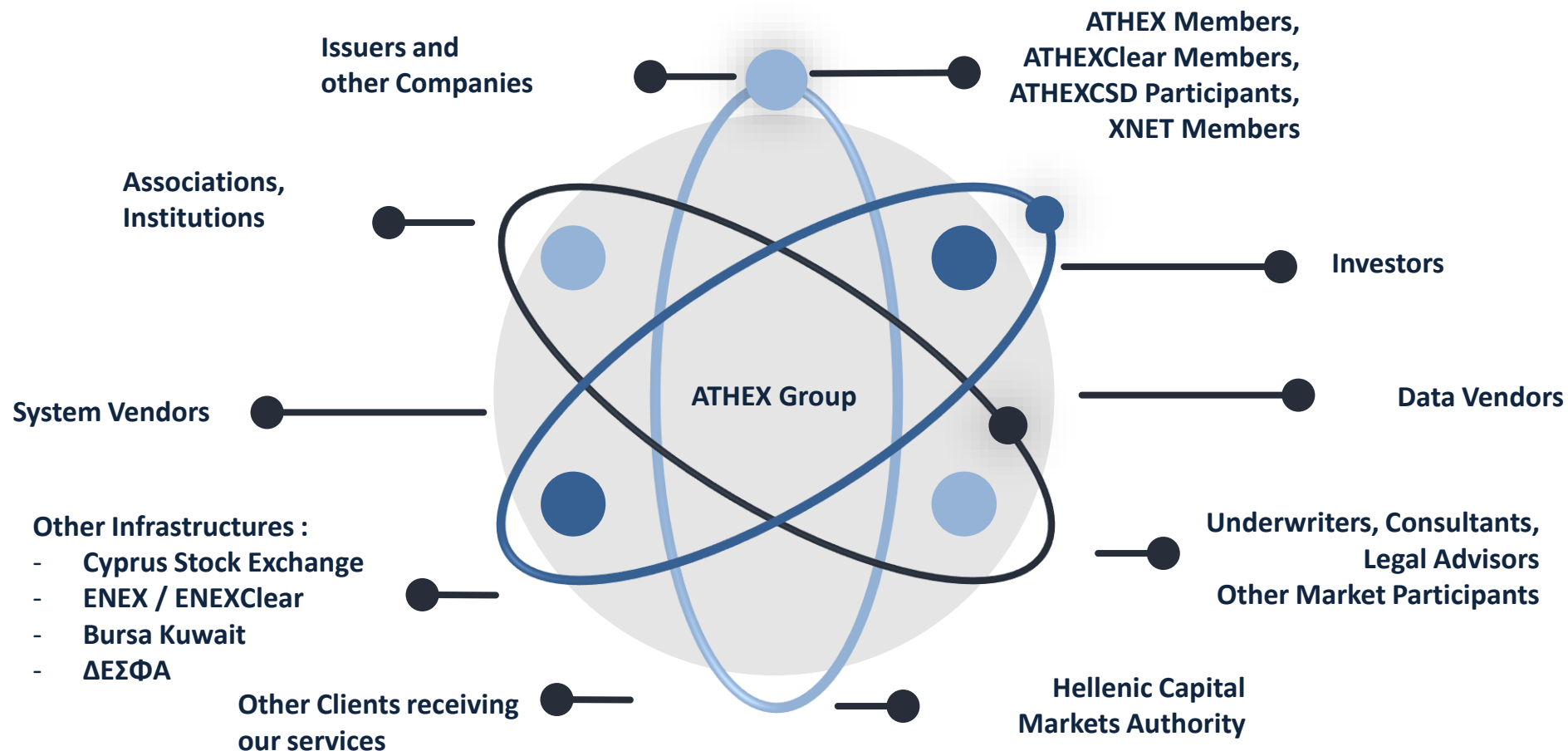
# ATHEX Group Ancillary Services

---

Examples of Services to the Ecosystem & 3<sup>rd</sup> parties

# Our “enhanced” Ecosystem

*Capital markets ecosystem and other clients*





# ATHEX Ancillary Services to Ecosystem & 3<sup>rd</sup> Parties

## *Main examples of Services*

### Pre-IPO and Listing Services

- ✓ Centralised Electronic Book Building (CEBB)
- ✓ ROOTs

### Ancillary Services

- ✓ Data Feed Services
  - *Local market*
  - *Foreign markets*
- ✓ XNET - Execution and post-trading services to 18 other markets
- ✓ Regulatory Reporting and Reference Data Services
- ✓ Axia e-Shareholders Meeting
- ✓ SRD II Premium Services

### Technology and Facilities Management Services

- ✓ Colocation and Proximity services (including Business Continuity Services)
- ✓ Qualified Trust Services (e-signature – PKI – Digital Certification)

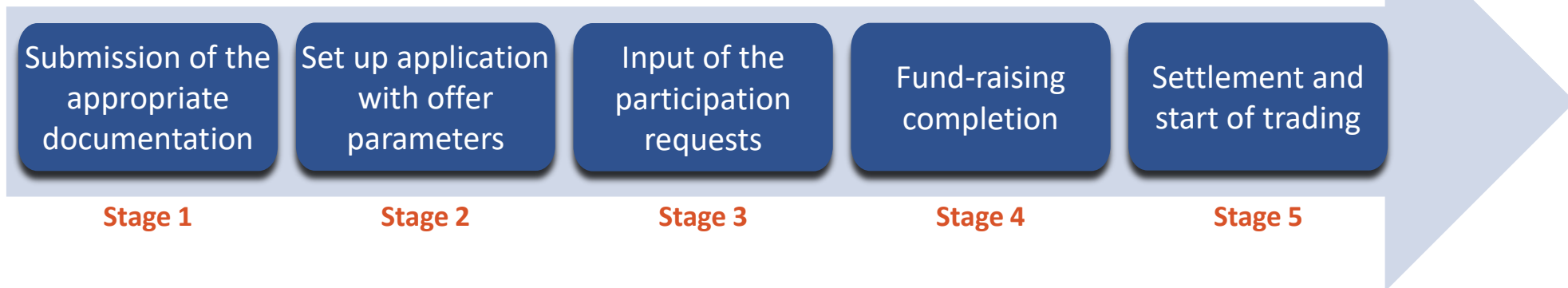
### Cultivating Partnerships and Leveraging Systems, Services & know-how to other Infrastructures

- ✓ Systems services
- ✓ Operational services
- ✓ Business services
- ✓ Consultancy services

# Pre-IPO Service for Fund Raising

## *Central Electronic Book Building*

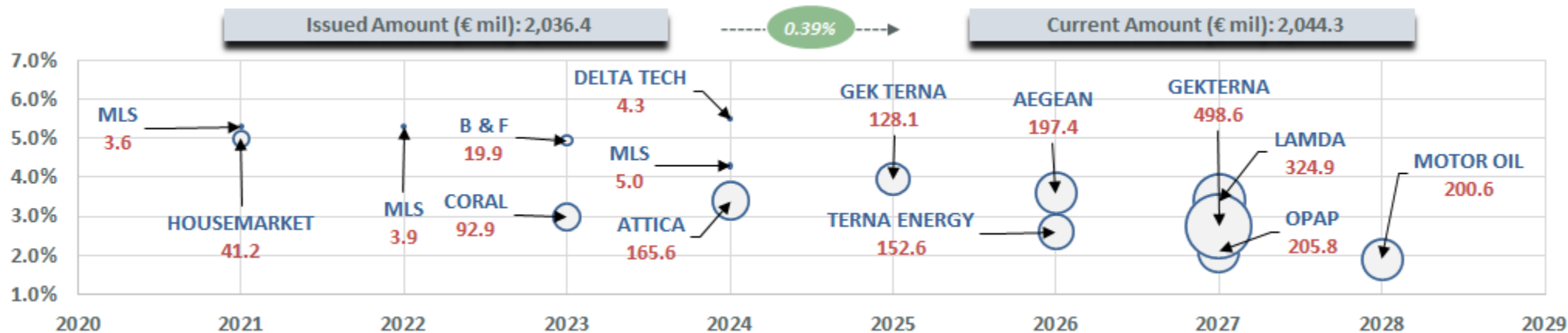
- For the **issuance of transferable securities** (shares, bonds) and the offer to investors, corporate issuers can make use of the **online application EBB** (Electronic Book Building) developed and offered by the ATHEX
- The CEBB is a **secure electronic application** for collecting statements from interested investors to buy securities that an issuing company offers, for automated controls parameterization, for discovering the optimal value within a price range and for automatically distributing these securities to the accounts of investors
- The Central Electronic Book Building **operates through the terminals of the ATHEX members** (Banking Institutions & Investment Services Firms)
- All ATHEX members have access in the EBB and through them to their clients
- Straight-through-processing to the CSD accounts



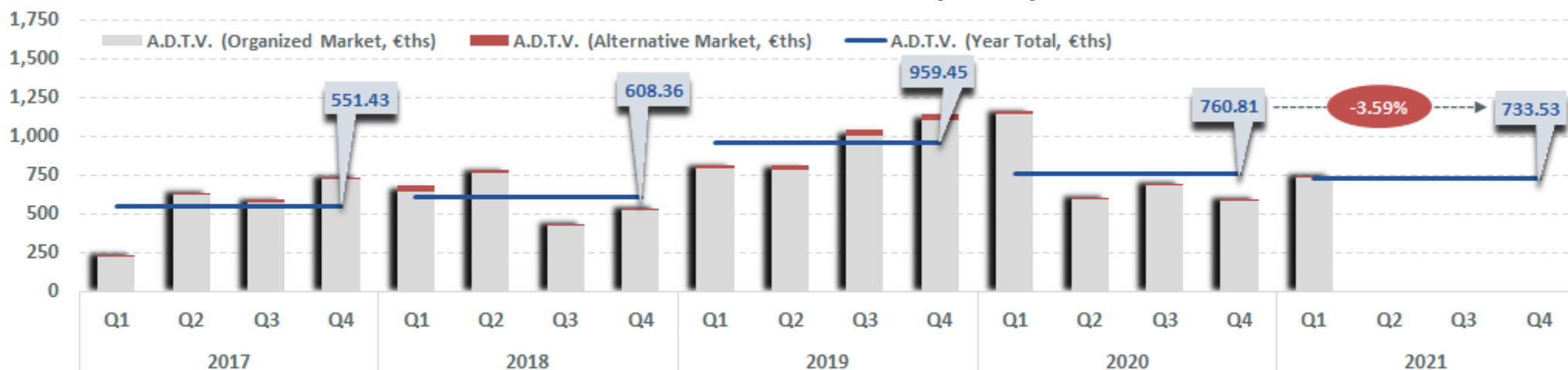
# Use of CEBB

## Creating a Corporate Bonds Market

### Bonds Listed on ATHEX Markets



### Evolution of Market Liquidity



Source: ATHEXGROUP, March 31<sup>st</sup> 2021

# Pre-IPOs and Listing Services

## *ROOTs - ATHEX SMEs Accelerator*



### What is the Roots program?

Roots is a program offered by the **Athens Stock Exchange** in cooperation with the **American-Hellenic Chamber of Commerce**, designed to help innovative SMEs **accelerate their growth** and **access financing opportunities through the Greek capital market**, by mobilizing key players within its ecosystem.

Roots facilitates knowledge transfer and the sharing of best practices. The program combines mentoring and training opportunities with access to an international network of experts to **enable SMEs to reach the point of investment-readiness**.



#### **Selection**

A high-level committee of international and local experts will select the companies and provide feedback to them throughout the program.



#### **Advisory**

Companies will be matched with a Mentor and an Investment Advisor that will support them as they complete program deliverables and help them fine tune their strategy based on the needs of their organization.



#### **Capacity Building & Training**

Companies will have access to training material, workshops and knowledge-based events modelled on global best-practices.


### Who is it for?

The Program is designed to support **innovative SMEs and startups** with:


- An **existing product or service**
- Backed by a **feasible business proposal**, with proof of concept
- With **scaling and growth potential**
- And an **attractive investment proposition**

# Ancillary Services





























## Data Feed



- Data feed connectivity
- MiFID II transparency regime
- Access to a wide international network of vendors and sub-vendors



### Indicative Data Vendors

Vendors	SubVendors
 ACTIV FINANCIAL	 ALPHA FINANCE AXENEY
 BLOOMBERG LP	 DEGIRO
 EUROBANK	 FMR LLC (FIDELITY)
 FACTSET RESEARCH SYSTEMS INC.	 INSTINET HOLDINGS INCORPORATED (INSTINET)
 FIDESSA PLC	 INVESTMENT TECHNOLOGY GROUP LIMITED (ITG)
 INTERACTIVE DATA	 LIQUIDNET EUROPE LIMITED
 INFOREX	 MARKET DATA LIMITED
 METRICTRADE	 NATIONAL BANK OF GREECE
 MORNINGSTAR	 SAXOBANK A/S
 VELA TRADING SYSTEMS	 UBS AG
 PROFILE AE - GLOBALSOFT	 IRESS
 QUANTHOUSE SAS	
 SIX FINANCIAL INFORMATION LTD	
 SUNGARD FINANCIAL SYSTEMS	
 THOMSON REUTERS	
 VWD GROUP	
 HELLENIC CENTRAL SECURITIES DEPOSITORY	

### KEY CONSIDERATIONS

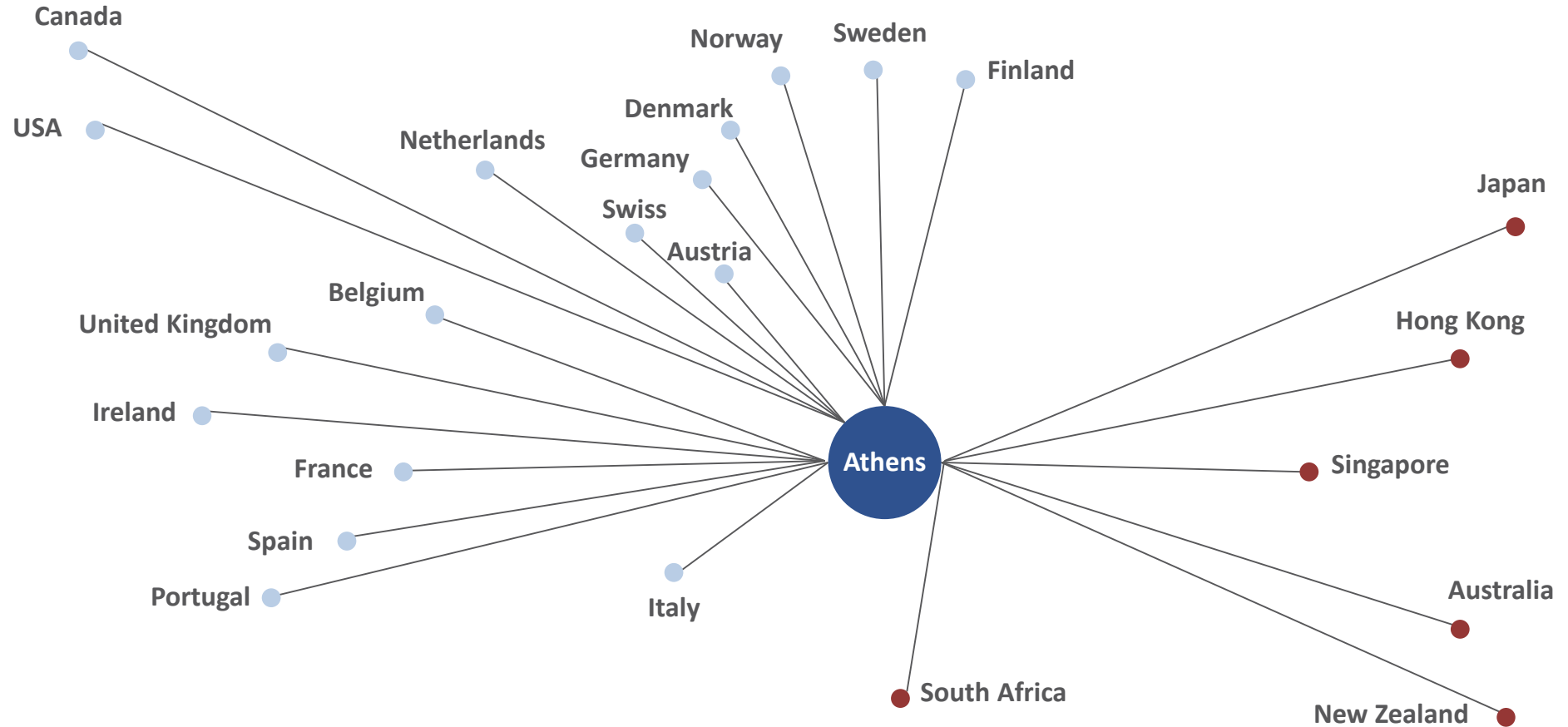
- ✓ Increase number of vendors / sub-vendors
- ✓ Differentiate product for particular clients
- ✓ New product offering under MiFID II / MiFIR requirements



# Ancillary Services

## XNET - International markets reach

XNET is a combination of **infrastructure** and **services** which can effectively provide an efficient way for venues and products to be **visible** in the **ATHEX Group investment community**



● For order routing, settlement and custody on stocks & ETF's. Bonds in particular markets are available only for settlement and custody

● Currently only for settlement and custody on stocks, ETF's and bonds

# Ancillary Services

*XNET – A full portfolio of Services*

## Xorder

Order routing to international markets

## Xsettle

Clearing & Risk management services

## Investor CSD

Full post-trading services

## Xinfo

International data feed services

### The service providers to the Participant

#### ATHEX provides

- ✓ Use of the **same trading infrastructure and processes** as for ATHEX / Common platform markets
- ✓ **Order routing / trading solutions** (web or API) -
- ✓ The **on-boarding procedure**
- ✓ **Full support** to participants
- ✓ **End-of-Day (EoD) files**

#### ATHEX provides

- ✓ **Pre-order validation**
- ✓ **Risk management** services
- ✓ **Efficient and cost-effective settlement** policy
- ✓ Use of the **same settlement process and systems** as for ATHEX / Common platform markets

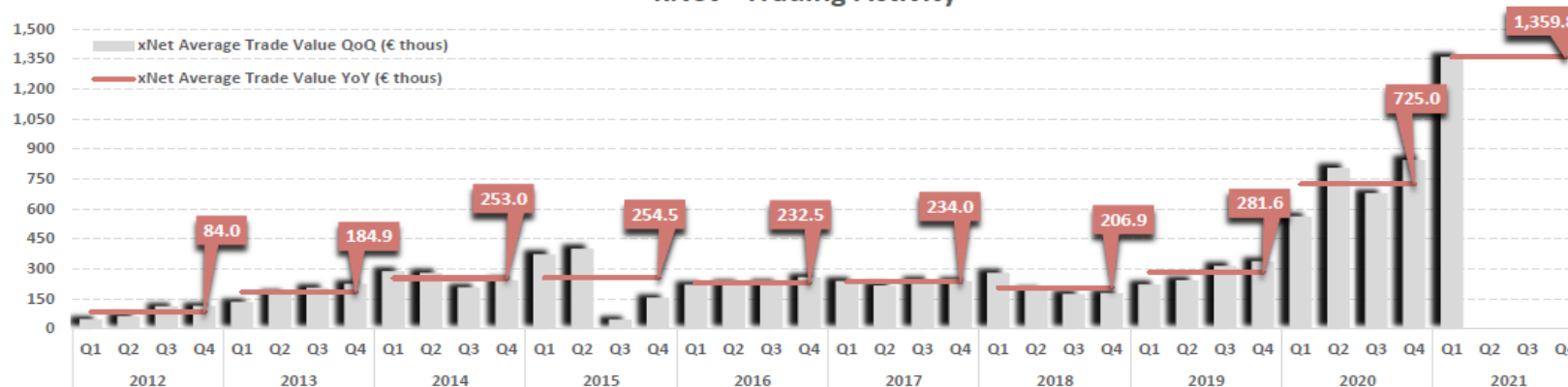
#### ATHEXCSD provides

- ✓ **Cross-border settlement** via links to CSDs or Custodians
- ✓ **Account opening and maintenance** in ATHEXCSD for the Participant clients
- ✓ **Settlement at end-beneficiary level** in ATHEXCSD accounts
- ✓ **Asset servicing**
- ✓ **Safekeeping** services

#### ATHEXCSD provides

- ✓ **Data Feed** – Real time or delayed for 18 European and all US markets
- ✓ Choice of **web services or API**

xNet - Trading Activity



# Ancillary Services

## Regulatory & Reference Data Services

### Regulatory Services



#### APA

##### ATHEX Trade Publication Service

has the status of Approved Publication Arrangement (APA) under MiFID II. The service is available for firms and Systematic Internalizers (SI) who are required to make their OTC trades public to the market. All trades are published on the ATHEX market data infrastructure.



#### ARM

##### ATHEX Transaction Reporting Service

has the status of Approved Reporting Mechanism (ARM) under MiFID II. The service allows transaction details to be reported effectively and efficiently to the relevant authorities.



#### ORK

##### ATHEX Order Record Keeping Service

is an obligatory service to the ATHEX Members by which they can meet the reporting requirements of the MiFID II.



#### EMIR TR

##### ATHEX Trade Repository Service

for derivatives is provided by ATHEXClear for the submission of Transaction Reports under EMIR via 3<sup>rd</sup> party.

#### SFTR

##### ATHEX Trade Repository Service

for securities Financing transactions reporting under SFTR via 3<sup>rd</sup> party.

### Reference Data Services

#### ISIN

ISIN and Ref data related Services

#### LEI

Legal Entity Identifier Services



# Ancillary Services

## *Axia e-shareholders meeting and SRD II services*

---

### Axia e-Shareholders Meetings

- ✓ Collection of votes;
- ✓ Assignment of proxies;
- ✓ Reconciliation of shareholders' identification data as received from the intermediaries;
- ✓ Running of e-GMs; and
- ✓ Informing the participants of their votes' being counted and recorded

### Services to issuers

- ✓ **Daily registry services** offered by ATHEXCSD,
  - Identify beneficial owners directly from the segregated accounts and
  - Identify the omnibus account holders from the flagged omnibus accounts held at CSD level.
- ✓ Upon their request, for the **disclosure of shareholder's identification** in accordance to SRD II (using ISO 20022 messages)
- ✓ Transmission of **Corporate Actions** announcements via the use ISO 15022 messages
- ✓ Transmission of **General Meeting** announcements via the use of ISO 20022 messages



# IT & Facilities Management Services

## Colocation/Proximity Services

- ✓ **Proximity Services** to Market Participants – Members
- ✓ **Colocation services** to Members and 3<sup>rd</sup> parties
- ✓ More than 25 Clients
- ✓ Clients will remain the Administrators of their **collocated** systems
- ✓ ATHEX Data Center is **ISO 27001 certified** for operation resilience
- ✓ **Suitable infrastructure** (racks for hardware at a highly available Data Center, networking equipment)
- ✓ **Secured facilities** (from extensive power backup systems to complete fire detection and suppression plans)
- ✓ **Highly redundant ATHEX Data Centers (DC1-DC2 & DRS)** in an active to active & Cold standby topology located at Athinon Ave, Disaster Recovery site (DRS) in a different seismic zone.

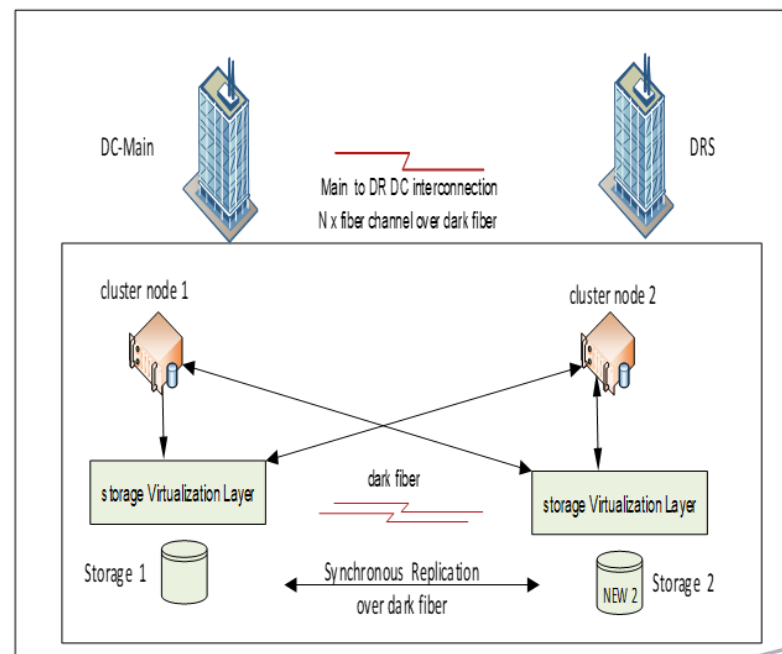
### Important Customers:

- ✓ Banks, Investment Firms
- ✓ Market Data & Information Agents
- ✓ Other Infrastructures
- ✓ Telecom Providers
- ✓ Government Agents

#### Certified ATHEX's Data Center

##### Network sizing:

- Data Center dimension **1.500 m<sup>2</sup>**
- Power motor generators that provides **3,3 MVA**
- **7.000**, UTP jacks
- **60km**, Fiber Optics
- **500km**, structure cabling
- system based in UTP



# IT & Facilities Management Services

## Trust Services (Digital Signatures)

- ATHEX is a Qualified Certification Authority from 2002 according to Presidential Decree (PD) 150/2001 - now eIDAS compliant according to 910/2014 Regulation
- neXus s/w suite integrated with HSM & CoSign appliances from DocuSign
- Operates as a **Qualified Trusted Service Provider (QTSP)** according to 910/2014 Regulation offering:

- ✓ Qualified Certificates
- ✓ Timestamp Certificates



Digital Signatures for physical persons

- USB Token**
- Remote Signatures** via [ATHEX Sign Portal](#)

- ✓ Web SSL Certificates
- ✓ E-Seal Certificates
- ✓ Qualified Certificates for PSD2



Web Sites Verification



Digital Signatures for Companies



Banks Open Finance



- **ATHEX Qualified Trusted Service Provider** is certified according to the following standards:
  - **ISO 9001** – Quality Management System
  - **ISO 27001** – Information Security Management System
  - **ISO 22301** – Business Continuity Management System

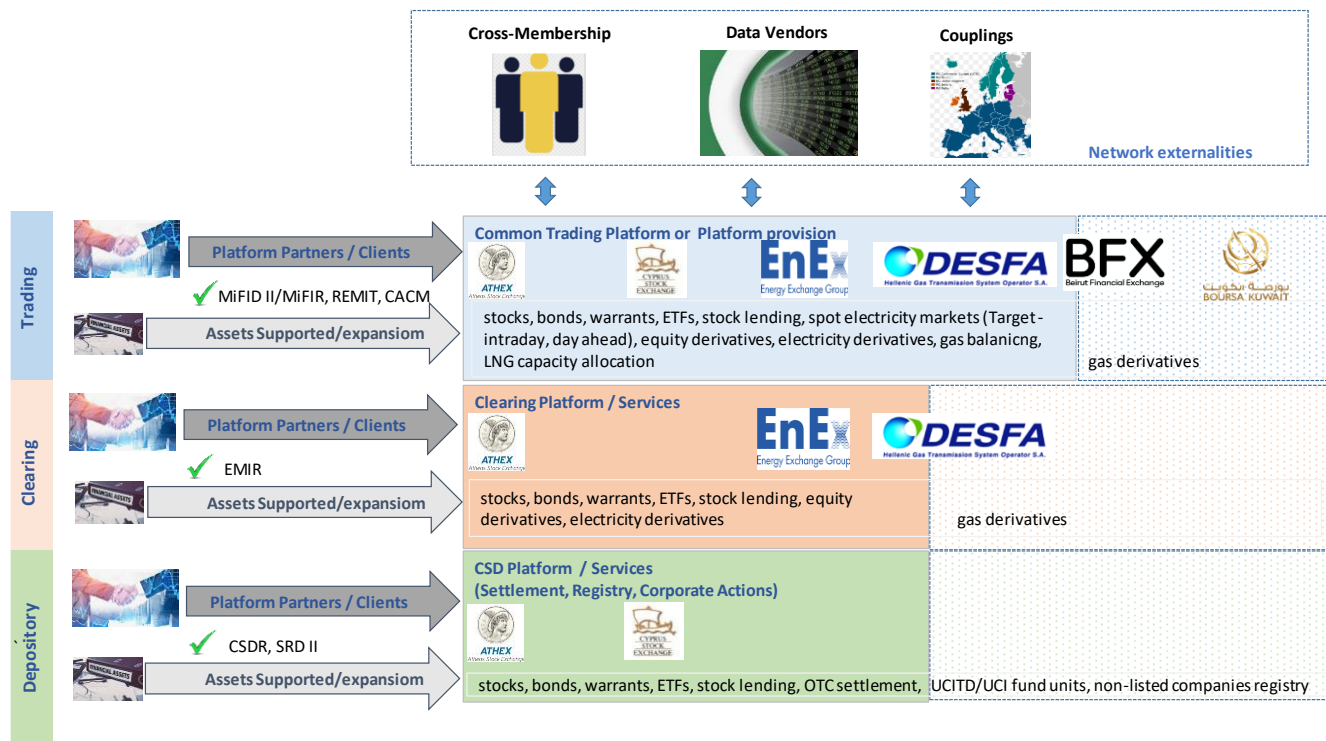


# Cultivating Partnerships

## Provision of Platforms & Services

- ✓ Cooperation with **other Market Operators & Financial Infrastructures** with the goal of
  - forging long-term strategic partnerships
  - creating synergies
  - strengthening the overall pool of liquidity
  - facilitating access to the markets operated by the respective partners.

- ✓ The Group is **leveraging its technical & know-how and experience, its operational excellence, its efficient infrastructure and its cash-rich position** to strengthen its international presence, focusing on the MENA & Eastern Europe region.



# Cultivating Partnerships

## *The benefits*

---

### **BENEFITS for participating partners**

- ✓ **Network Externalities** for all markets included in the “Common Platform”
  - For the **Ecosystem of the Partners** : Additional markets for Members, Data Vendors, end-clients – New sources of revenue
  - For the **Partners** : Increased liquidity from cross-trading
- ✓ **Reduced IT** infrastructure development and maintenance **cost / Colocation in ATHEX Data centre**
- ✓ **Reduced Operational cost/ Business Continuity services**
- ✓ **Shared cost for new development and change requests**
- ✓ **Use of ATHEX expertise** - consultancy services, market operation experience, turnkey solutions

### **BENEFITS for ATHEXGroup**

- ✓ **Shared Cost for Main Infrastructures (Trading, Clearing, CSD)**
- ✓ **Possibility of Packaging and Re-selling of other services**
  - Centralised Book Building, Data Feed, ARM/APA services , XNET services
- ✓ **Development of new assets/products/services following change request** - to be re-used in other markets / from other clients
- ✓ **New sources of clients – new opportunities**
- ✓ Increasing source of **revenue of contractual nature** (more **steady and re-curring** vs daily volumes)

# Thank you!

---

**Nikos Porfyrakis**

**Chief Post-Trading and International Business Development Officer**

e-mail: [N.Porfyrakis@athexgroup.gr](mailto:N.Porfyrakis@athexgroup.gr)

[www.athexgroup.gr](http://www.athexgroup.gr)