



Press Release

Pentalateral cooperation to create a new Power Exchange for Central and South Eastern Europe

EMS, EPEX SPOT, HUPX, MAVIR and SEEPEx sign Memorandum of Understanding to establish strong regional power spot player

Belgrade / Budapest / Paris, 07 February 2018.

ELEKTROMREŽA SRBIJE (EMS), the European Power Exchange EPEX SPOT, the Hungarian Power Exchange HUPX, the Hungarian Independent Transmission Operator Company MAVIR and the South East European Power Exchange SEEPEx have signed a Memorandum of Understanding (MoU) which foresees the creation of a strong cross-regional power exchange in the Central and South Eastern European region.

The pentalateral agreement foresees a merger between the HUPX and SEEPEx spot power businesses, while maintaining a steady link to EPEX SPOT, in order to create a strong player in the Central and South Eastern European (CESE) region. EPEX SPOT, as well as the Transmission System Operators (TSOs) EMS and MAVIR, would act as founder shareholders of the newly established power exchange. The latter shall rely on EPEX SPOT services regarding the operation of a Day-ahead market and Day-ahead market coupling activities. This new power exchange will be based in Budapest and Belgrade, the timeline of the launch will be announced at a later stage. The completion of this merger will be subject to all applicable regulatory and legal requirements.

The five partners see this MoU as an important milestone in the further integration of the Central Western European (CWE) region with the Central Eastern European (CEE) region. Also, by enhancing cooperation between TSOs and Power Exchanges in the CWE, CEE and South Eastern European (SEE) region, this partnership will be a main driver in the envisaged development and integration of the SEE region with the Internal Electricity Market. The project remains open for additional partners

who would like to join this initiative to drive forward the integration of spot power markets in Central and South Eastern Europe.

The European Power Exchange EPEX SPOT SE and its affiliates operate physical short-term electricity markets in Central Western Europe and the United Kingdom. As part of EEX Group, a group of companies serving international commodity markets, EPEX SPOT is committed to the creation of a pan-European power market. In 2017, its 285 members traded 535 TWh – a third of the domestic consumption in the eight countries covered. 49% of its equity is held by HGRT, a holding of transmission system operators. For more information, please visit www.epexspot.com.

Joint Stock Company Elektromreža Srbije is a transmission system operator in the Republic of Serbia, whose duty is to ensure a secure and reliable transmission of electricity, to efficiently operate the transmission system and to secure its optimal and sustainable development. Within its competences, EMS also deals with the activities of electricity market organization and administration. Elektromreža Srbije is a modern, successful company which has branch offices and divisions across Serbia, and is in charge of more than a 10,000 kilometers of high-voltage power lines and more than 40 high-voltage facilities

Hungarian Power Exchange (HUPX) takes an appreciated, leading place in the Central-Eastern-European region by providing reference price for the Balkan region. As the operator of the innovative organized Hungarian electricity market it advances and accelerates the cash flow of electricity market, and escalates the volume, liquidity and efficiency of the energy market by its regulation, fair trading frames, publicity, traceable rates and the revival of investors' trust. For more information, please visit www.hupx.hu/en

MAVIR Hungarian Independent Transmission System Operator Ltd. provides for the reliable, efficient and secure operation of the Hungarian Electricity System including required reserve capacities of generation and transmission. The company controls and augments the assets of the transmission system, performs renewal, maintenance and development activities required for a proper and reliable supply and also ensures an undisturbed operation and further extension of the electricity market and access for system users on equal terms. MAVIR summarizes data received from participants of electricity supply, informs market participants in order that no infeasible

contracts shall be concluded, synchronizes the operation of the Hungarian Electricity System with neighbouring systems, coordinates international professional cooperation activities, and prepares the Network Development Strategy and puts forward proposals for the development of the generation pool.

SEEPEX a.d. Beograd (SEEPEX) is a licensed Market operator in Serbia established as a joint stock company in the form of strategic partnership between JP EMS and EPEX SPOT. As a first non-EU power exchange in the SEE region, SEEPEX operates an organized Serbian electricity market in line with the best European practice in this field, with the standardized electricity products and delivery within a day-ahead time frame, with the aim to offer these electricity products for trading in Serbia and in the SEE region, where appropriate. For more information, please visit www.seepeex-spot.com.

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