Warsaw, 04 May 2020

TGE's Organized Trading Facility goes live

Press Release

- **May 4 is the first day of trading on the Organized Trading Facility (OTF) operated by TGE.**
- **The launch of the OTF does not affect the trading on the electricity and gas spot markets making part of the commodity exchange nor the trading on the regulated market, i.e. the Financial Instruments Market.**
- **The Organized Trading Facility complements the existing offer of TGE.**

As of May 2020 market participants may enter into transactions on the Organized Trading Facility (OTF) operated by TGE and comprising the following markets: Electricity Forwards Market (EFM), Gas Forwards Market (GFM) and Property Rights Forward Market (PRFM) where products have now become financial instruments. May 4 is the first day of trading.

The implementation of the OTF was associated with the need to adapt the operation of the Exchange to the MiFID2 requirements. In the years 2017-2018, TGE held consultations with market participants regarding the future model for the forwards markets under the European regulatory regime. As a result, decision was made to transform them into an OTF where it is possible to continue offering long-term contracting to market participants in order to secure prices and deliveries of electricity and gas in the future, as well as to fulfil the public trading obligation.

'The launch of the Organized Trading Facility in the year when TGE celebrates its 20th anniversary marks a milestone in the development of Exchange. TGE has reached maturity, which makes us feel even more obliged to market participants to offer them products that meet European standards, as exemplified by the OTF. I hope that the solution worked out together with the market will strengthen the position of TGE on the international arena and will have a positive impact on our clients' business strategies. At the same time, recognising the huge effort our entire organisation has put into the implementation of OTF, I would like to thank my colleagues from TGE and IRGiT for more than two years of their work' said Piotr Listwoń, TGE's Vice-President of the Management Board for Operations.

In Poland, MiFID2 was transposed to the national law on 21 April 2018 by the Act of 1 March 2018 amending the Act on trading in financial instruments and certain other acts. From the moment the act came into force, according to its transitory provisions, TGE had 12 months to submit an application to the Polish Financial Supervision Authority for a permit to operate an OTF. During the period of operational and formal preparations for the launch of the new platform, in December 2017, TGE enabled the "exercise of discretion". On 16 April 2020, the Polish Financial Supervision Authority issued a decision authorizing TGE to operate an Organized Trading Facility (OTF). The OTF Rules entered into force on 1 May 2020.

The OTF complements the existing offering of TGE. At the moment, trading on the markets organised by the Exchange takes place within the Commodity Market (electricity and gas spot market, property rights market), Financial Instruments Market (CO2 emission allowances) and the Organised Trading Facility (forward markets: electricity, gas and property rights).

The party responsible for the clearing of transactions entered into on the OTF is the Warsaw Commodity Clearing House (IRGiT) which will continue to provide clearing services for EFM and GFM transactions under its permit to operate a clearing house, and for PRFM transactions under the permit for the clearing and settlement house.

OTF (Organised Trading Facility) is a multilateral system, other than a regulated market or an alternative trading venue, which matches third-party bids and offers in a arbitrary manner. The trading on the OTF may cover various instruments (including structured financial products, emission allowances, derivatives) as well as wholesale energy products which must be subject to physical delivery.

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