

Document title

# **OPTIQ - DIRECT DISTRIBUTION OF W&C INSTRUMENTS ON THE OCCASION OF AN INITIAL PUBLIC OFFER**

Document type or subject

HOW THE SERVICE WORKS

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EURONEXT

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## PREFACE

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### PURPOSE

This document provides Euronext customers with functional and technical details about the service of Direct Distribution on Warrants & Certificates (hereinafter the “**Direct Distribution Service**”) available on the Optiq<sup>®</sup> trading system (hereinafter simply “**Optiq**”), for SeDeX and EuroTLX Cert-X markets.

The purpose of the Direct Distribution Service is to provide Issuers, Brokers and third parties with an on-demand and complementary service that will support them in improving the access to the retail target market by:

- Leveraging on the client network connected to Optiq, to maximise the number of intermediaries and their in-target clients for the Public Offer;
- Benefiting from the Euronext trading and post-trading infrastructure, already used by member firms for trading activities, to handle the end-to-end retail subscription process;
- Efficiently manage the transition from the primary market subscription phase to the start of trading on the secondary market.

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### TARGET AUDIENCE

This document is relevant for issuers, trading desks, back & middle offices, technology and IT professionals within Euronext member firms, information vendors and other market participants interested in using Optiq to support a Direct Distribution of Warrants & Certificates (W&C).

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### WHAT’S NEW?

The following table lists the most recent modifications made to this version:

VERSION NO.	DATE	AUTHOR	CHANGE DESCRIPTION
1.0	20 SEP 2025	EURONEXT	FIRST VERSION

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### ASSOCIATED DOCUMENTS

The following lists the associated documents which either should be read in conjunction with this document or which provide other relevant information for the user:

- Euronext Cash and Derivatives Markets - Optiq OEG SBE Messages - Interface Specification - External
- Euronext Cash and Derivatives Markets - Optiq OEG FIX 5.0 Messages - Interface Specification - External
- Euronext Cash Markets - Optiq OEG MDG - Kinematics Specification - External
- Euronext Cash and Derivatives Markets - Optiq Drop Copy Service - Interface Specification - External

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## CONTACTS

For further information about this document or about the Direct Distribution Service, please contact:

- For Issuers and Assigned Brokers: Emanuele Grasso ([egrasso@euronext.com](mailto:egrasso@euronext.com)), Alessandro Patuzzo ([apatuzzo@euronext.com](mailto:apatuzzo@euronext.com)) – W&C Business Italy
- For Direct Distribution operations: SeDeX market ([sedex@euronext.com](mailto:sedex@euronext.com)), Cert-X market ([certx@euronext.com](mailto:certx@euronext.com)), W&C Listing team ([listingitasecder@euronext.com](mailto:listingitasecder@euronext.com))
- For any technical, functional and operational queries related to the service, the Technical Account Management team ([clientsupport@euronext.com](mailto:clientsupport@euronext.com)).

For testing, assistance or support, the Operational Client Support Desk by email at [clientsupport@euronext.com](mailto:clientsupport@euronext.com) and by phone at:

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- Italy +39 02 7242 6080
- Netherlands +31 20 721 9585
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- Portugal +351 2 1060 8585
- UK +44 207 660 8585

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## 1. OVERVIEW

Before the launch of a Distribution Service on the market, the Issuer and/or the appointed Law Firm shall notify Euronext of their intention to activate such service. In this preliminary phase, the Issuer, or the Law Firm acting on its behalf, shall provide Euronext with all relevant information concerning the Offer, in order to enable Euronext to assess the feasibility of managing it through Optiq.

The details of each Direct Distribution shall subsequently be communicated by Euronext to market participants through a Notice. For this purpose, the Issuer shall provide Euronext with the following information:

- The distribution period, the fixed offer price, the day on which the company will decide whether to proceed with the issue and the single date set for the settlement of the contracts concluded, which normally coincides with the issue date of the instruments. In addition, the Issuer shall inform Euronext regarding the possibility of an early closure, postponement, extension, or withdrawal. The estimated size of the offer that could be the maximum offer amount and/or the minimum offer amount;
- The name of the intermediary or intermediaries appointed (the "Assigned Broker" hereafter) to be configured by Euronext as the only authorised intermediary (or intermediaries) to submit sell orders for the Direct Distribution Service;
- The opening of the Direct Distribution Service to all the intermediaries that are market participants for the specific market or restricting it to a limited number of member firms (in this case, Euronext reserves the right to assess the feasibility on a case-by-case basis);

Before the start of the distribution period, Euronext will publish a Notice announcing the launch of the Direct Distribution Service. This Notice will include the main identifying characteristics of the offer, the Assigned Broker, and, if applicable under the terms of the Offer, the buy-side restriction to a limited number of member participants.

The Direct Distribution Service shall be available exclusively in **Continuous Mode** and:

- During the continuous phase, Investors, acting through an authorized market participant, may submit BUY orders, while the Assigned Broker shall enter SELL orders;
- SELL orders must be entered using the FirmID configured for the Assigned Broker, while BUY orders may be submitted by all market participants authorized to participate in the distribution. It is also possible to configure a restricted number of participants on the buy side;
- SELL orders entered by the Assigned Broker shall be limit orders with the order price set equal to the Last Adjusted Closing Price (LACP) and with Good Till Cancelled (GTC) validity. The Assigned Broker is not permitted to submit any order other than limit orders with GTC validity, nor orders at a price different from the fixed Offer Price specified in the terms of the Direct Distribution;
- Investors, acting through the authorized market participant, may only submit BUY orders of type Market Order with GTC validity. No other order types or validity parameters shall be permitted. Investors are not authorized to submit SELL orders of any kind;
- A firm acting as Assigned Broker may also operate as a standard trading member and, in such capacity, submit BUY orders;
- BUY orders may reach the order book before the corresponding SELL orders; in such cases, BUY orders shall remain in the book pending execution;
- Orders shall be automatically matched by the trading engine on a time-priority basis. Once the total SELL quantity has been fully allocated, the distribution shall be suspended if a Maximum Amount has been specified;
- During the distribution, the order book shall be visible through market data;
- The Direct Distribution Service shall only be available through Optiq® Order Entry Gateways (OEG). It shall not be accessible via the Euronext Trade Confirmation System (TCS) or any other web-based interfaces of Optiq.

## 2. PATTERNS AND ORDER TYPES

The Direct Distribution Service under Continuous Mode shall consist of the following phases:

- Continuous Phase:** The Assigned Broker shall submit limit SELL orders with an order price equal to the Last Adjusted Closing Price (LACP) and with Good Till Cancelled (GTC) validity. All firms authorized to participate in the distribution may submit BUY market orders with GTC validity. Throughout the entire distribution period, the matching of BUY and SELL orders shall result in the immediate execution of trades.

The instruments subject to a Direct Distribution, during the Continuous Phase, will be allocated into the following Trading Groups (TGs) based on the relative Market and the corresponding Settlement System:

Market	Settlement System	Trading Group
SeDeX	TARGET 2 SECURITIES	UC
SeDeX	EUROCLEAR/CLEARSTREAM LUX	UD
EuroTLX – Cert-X	TARGET 2 SECURITIES	UE
EuroTLX – Cert-X	EUROCLEAR/CLEARSTREAM LUX	UF

- Closing Phase:** Starting from the first trading day following the Distribution End Date, the instrument shall be placed in a Closed Trading Group. During this phase, the instrument shall not be tradable on the market; neither SELL orders from the Assigned Broker nor BUY orders from market participants shall be permitted. The instrument shall remain in the Closing Phase until the start of trading on the secondary market, should the Issuer decide to proceed with the issuance. Alternatively, if the Offer is withdrawn, the instrument shall be cancelled and shall not be admitted to trading on the secondary market.

Table 1: Continuous and Closing phases



The timing of all the above phases may be anticipated or postponed by Euronext according to Issuer request, in coordination with the Assigned Broker. Any change related to the ongoing distribution — whether concerning changes of the product features, a postponement of the offer’s closing end date, or an early termination of the offer period — will be communicated by Euronext via Notice.

Order entry logic shall be as follows:

- Matching Algorithm:** Orders shall be matched and executed on a continuous basis against other orders already in the book. The matching algorithm applied shall be FIFO (First In, First Out), where order priority is determined on the basis of Price/Time.

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### **3. ACCESS FOR ASSIGNED BROKER**

To enable the injection of sell orders, the Assigned Broker designated by the Issuer shall contact Euronext Membership in advance in order to complete the configuration of the Account Type "Assigned Broker."

The Assigned Broker shall also be permitted to submit buy orders in its capacity as a non-Assigned Broker firm, using an account type other than "Assigned Broker," thereby acting as a standard market participant.

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## **4. EXECUTION OF TRADES**

During the Continuous Phase, BUY and SELL orders that match each other will result in immediate executed trades. The executed trades will be automatically parked by Euronext until the end of the distribution period. Only at the end of the distribution, if the issuer decides to proceed with the instrument issuance, the trades executed throughout the entire distribution period (from the Start Operation Date to the End Operation Date) will be sent to the settlement system for settlement at the fixed and unique Settlement Date. For each product, Euronext Securities Milan will process the trades.



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## **5. CANCELLATION OF THE DISTRIBUTION**

In the event of a withdrawal of the Direct Distribution, any pending orders in the Central Order Book shall be automatically cancelled, and an order cancellation notification shall be sent to the relevant market members.

Trades already executed and parked during the Direct Distribution period shall not generate a cancellation message to market members. Such trades shall be automatically cancelled upon confirmation by the Issuer to withdraw the entire Distribution and shall be communicated to the market through a Distribution Cancellation Notice published by Euronext. Cancelled trades shall not be transmitted to the settlement system for settlement.