

## **EEX Group and IncubEx extend cooperation to further develop global environmental markets**

EEX Group and IncubEx announced today a new cooperation agreement, extending their collaboration to grow and expand listed environmental markets on EEX and Nodal Exchange.

The long-term agreement extends the collaboration and builds on the significant progress made since the initial cooperation between EEX Group and IncubEx which increased the environmental product range and liquidity in European and North American markets.

In Europe, EEX and IncubEx bolstered EEX's listed European Union Allowance (EUA) derivatives market into the second leading exchange venue. Open Interest market share in the EUA futures contract has increased from 5% in 2017 to 22% today. Collectively, EEX and Nodal Exchange – the US arm of EEX Group – now offer the broadest global suite of listed environmental futures and options contracts, including carbon allowances and offsets, renewable energy certificates (RECs) and renewable fuel credits. The cooperation between Incubex and EEX Group successfully started in Europe and was later extended to North America.

“Sustainability is our future – as an exchange and as human beings”, said Peter Reitz, CEO of EEX. “We are committed to further developing global environmental markets together with IncubEx. That's why it wasn't difficult for us to extend the joint cooperation agreement.”

In North America, IncubEx worked with Nodal Exchange to launch its first environmental contracts in 2018. Since then, Nodal has listed more than 100 distinct environmental products, complementing Nodal's core power and natural gas futures contracts. Open Interest market share in North American environmental products on Nodal Exchange has increased from zero to over 17% today.

“Combining the environmental expertise of IncubEx with the exchange and clearing expertise of Nodal has resulted in an outstanding environmental futures and options offering to better meet the needs of market participants in North America,” said Paul Cusenza, Nodal CEO. “We are proud of our global cooperation with EEX, Nodal and IncubEx which allows us to play a role, with our market stakeholders, in contributing to a global effort to better meet the challenges we are all facing with climate change and preserving our planet for the future.”

Since 2017, over 5.1 million contracts in European and North American carbon products have transacted within the cooperation, representing 5.1 billion tons of CO<sub>2</sub>. Furthermore, more than 444,000 contracts in renewable energy certificate (REC) contracts (representing almost 130 million MWh) have traded on Nodal, reaching an open interest record in May 2022 of just under 180,000 contracts (representing 44 million MWh).

The cooperation was recently expanded with a wide range of products for the voluntary carbon markets (VCM). The EEX Group VCM contract suite covers four different products, aimed at striking a balance between standardisation, on the one hand, and catering for different customer preferences, on the other.

"When IncubEx was founded in 2016, we believed there was an urgent need for a dedicated team solely focused on developing environmental markets with the right exchange partners," said Michael MacGregor, IncubEx CEO. "By working with EEX and Nodal, we have established significant market share, which has cemented our partnership as innovators in environmental markets but more importantly delivered products and solutions to serve our global customer base and accelerating further growth within the environmental markets. Looking forward, there is tremendous momentum bolstered by unprecedented support for net zero goals and market-based solutions to address environmental issues."

IncubEx was founded by key executives from the Chicago Climate Exchange (i.e., Climate Exchange plc), which established the first voluntary, but legally binding carbon market in the world.

**EEX Group** builds secure, successful and sustainable commodity markets worldwide – together with its customers. The group offers trading in power, natural gas, environmental products, freight and agriculturals as well as subsequent clearing and registry services, connecting a network of more than 800 trading participants. EEX Group consists of European Energy Exchange (EEX), EPEX SPOT, EEX Asia, Power Exchange Central Europe (PXE) and Nodal Exchange as well as the registry provider Grexel Systems and software companies KB Tech and Lacima. Clearing is provided by EEX Group's

clearing houses European Commodity Clearing (ECC) and Nodal Clear. EEX Group is part of Deutsche Börse Group. More information: [www.eex-group.com](http://www.eex-group.com)

**About IncubEX:**

IncubEx is an incubator for products, services and technology solutions in environmental markets with partners and stakeholders to design and develop new financial markets, technologies and trading solutions in global environmental, climate risk, and related commodity markets. The company works in conjunction with its global exchange partner, European Energy Exchange (EEX) and its U.S. subsidiary, Nodal Exchange. The IncubEx team is led by former key executives from Climate Exchange, which pioneered exchange based environmental trading and CCX, the world's first and only voluntary, but legally binding greenhouse gas emission reduction and trading program. IncubEx, a privately held company founded in 2016 with offices in Chicago and London, is uniquely positioned to capture these opportunities globally with its partners. For more information, please visit <https://theincubex.com/>