

PRESS RELEASE
For immediate release

European Union's first NextGenerationEU bond listed on LuxSE

Luxembourg 22 June 2021: The Luxembourg Stock Exchange (LuxSE) today marked the listing of the first bond issued by the European Commission under the landmark NextGenerationEU recovery instrument.

Luxembourg Minister of Finance Pierre Gramegna attended the listing ceremony virtually and addressed the audience: "The first bond under NextGenerationEU is a historic milestone and a strong signal of European solidarity – for the first time since its creation, the European Union has issued joint debt. I welcome the excellent collaboration between the Commission's funding team in Luxembourg and the financial centre ecosystem in making this "Hamiltonian" moment possible. This first recovery bond issued by the EU under Luxembourg law and listed on the Luxembourg Stock Exchange will help finance a sustainable economic recovery across all member states."

Historic issuance

The EUR 20 billion bond has a 10-year maturity and is the largest institutional single tranche euro-denominated bond ever issued.

"It is a great honour to mark the listing of this historic bond issuance on our exchange. As part of the NextGenerationEU programme, the bond raises financing to support the recovery from the pandemic-induced crisis across Europe and will help ensure a collective and balanced recovery. At the same time, this issuance increases the attractiveness of Europe as a place of investment and strengthens capital market activity across the region. It is a privilege for our exchange to be part of this extraordinary bond issuance," stated Julie Becker, CEO of LuxSE.

Significant investor interest

The bond was met with significant interest from investors and was 7 times oversubscribed, with demands exceeding EUR 142 billion. 87% of the deal was distributed to European investors, with 10% reaching Asian investors and the remaining 3% going to investors from the Americas.

"The strong appetite from global investors shows that the NGEU issuances will establish the EU as a key player on the debt capital markets - issuing liquid, highly rated debt of interest to both domestic and international investors. Our issuances will also strengthen

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the international role of the euro. These good initial results are a vote of confidence in the EU as an issuer and in the EU's capacity to deliver for the sake of its citizens, even in an unprecedented crisis such as the current pandemic. NGEU is money not only to repair, but also to transform!" commented Johannes Hahn, European Commissioner for Budget and Administration.

A collective recovery

NextGenerationEU is a historic recovery plan established to support the European economy and help member states overcome the crisis. To finance NextGenerationEU, the European Commission will raise up to EUR 800 billion in current prices on capital markets over the next five years and relay these funds as grants and loans to member states. In 2021 alone, the European Commission expects to raise EUR 80 billion through long-term bonds under the recovery plan, to be topped up by tens of billions of euros of short-term EU-Bills to cover the remaining financing requirements. Issued under the EU Debt Issuance Programme, the NextGenerationEU bond issuances are governed by Luxembourg law.

The objective of the NextGenerationEU recovery instrument is to finance the collective recovery from the COVID-19 pandemic and its wide-ranging socio-economic fallout, and furthermore help build a greener, more digital and more resilient European economy and society. The funding strategy for NextGenerationEU includes a green bond issuance programme of up to EUR 250 billion to meet the 30% target defined for green investment as part of the recovery plan.

From SURE to NextGenerationEU

In October last year, the European Commission and LuxSE celebrated the listing of the first bond issuance under the EU SURE programme, which was the first social bond ever issued by the European Union. This programme raised financing to support jobs and workers across Europe, heavily impacted by the global pandemic. Since October 2020, the European Commission has issued EUR 89.6 billion worth of social bonds under the EU SURE programme, all listed on LuxSE and displayed on the Luxembourg Green Exchange — the world's leading, UN-awarded platform for sustainable securities.

The European Union listed its first bond on LuxSE in 1983 and has brought 107 bonds totalling EUR 206 billion to the exchange since then, with 48 of these bonds still active.

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About the Luxembourg Stock Exchange

The Luxembourg Stock Exchange (LuxSE) is the gateway to access international investors. With more than 37,000 listed securities, including 33,000 debt instruments, from 2,000 issuers in 100 countries, LuxSE is one of the world's leading exchanges for the listing of international debt securities and offers a unique and integrated service offering covering listing, trading and information services.

In 2016, LuxSE launched the Luxembourg Green Exchange (LGX) and became the first exchange in the world to operate a platform dedicated entirely to sustainable securities. LGX has become a meeting place for issuers of sustainable products and impact-conscious investors, and encompasses more than 1,000 green, social, sustainability and sustainability-linked bonds from 180+ issuers in 41 countries.

LuxSE also operates a specialist subsidiary, Fundsquare, which provides services to support and standardise cross-border distribution of investment funds.

For more information, visit www.bourse.lu

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