



Peter Reitz

has been the CEO of EEX since 1 August 2011.

After gaining a degree in mathematics, he started his career as a product manager at Deutsche Börse AG in Frankfurt.

From 2000 to 2001, he worked at Dow Jones Indices in New York before becoming a Management Board member of the Eurex derivatives exchange.

Foreword

*Dear readers,
Dear shareholders, employees and friends,*

2017 was a very exciting year. In spite of a difficult market environment, we were able to cope with regulatory challenges and to expand and improve our competitive position in many business fields, as well as the overall position of the EEX Group as a group of exchanges.

The Federal Network Agency's announcement regarding the introduction of congestion management on the German-Austrian border was the most important issue on the energy market. The related discussion on the process and effects of dividing the established German-Austrian power price zone led to considerable uncertainty. EEX was thus forced to record a significant decline in the volume of Phelix Futures. In view of the pending separation of the price zone in October 2018, we launched separate derivatives contracts for the German and Austrian markets to ensure that our clients can hedge future price risks. Within a very short time the new Phelix DE Future has evolved into the benchmark for European power trading.

In the wake of lower volatility and the changed market situation in Europe, the volumes of derivatives contracts in other important power markets, such as France, Spain and Italy, also declined. Nonetheless, we were able to increase our market share in these countries and strengthen our own position as a leading exchange platform. The Spanish and Italian markets in particular, recovered towards the end of the year. We expect trading activities to increase again in 2018.

In spite of the lower volumes on the power derivatives market overall, there have been a number of positive developments. The EPEX SPOT power spot markets grew slightly, maintaining their high level. With a growth rate of 15%, the intraday markets, in particular, contributed to the success in 2017. Furthermore, in the middle of 2017 we migrated a number of power contracts for Eastern and Central European countries from the Prague-based Power Exchange Central Europe (PXE) to the EEX platform. In the course of the migration, these products significantly gained in liquidity and almost tripled their volumes. The Netherlands, as a smaller market area, also developed very positively with volumes almost tripling in this market as well.

“The EEX Group is far more than simply a power trading platform.”

The acquisition of US-based Nodal Exchange Holdings LLC and its clearing company, Nodal Clear, represented a milestone in the short history of the EEX Group. As result, the EEX Group now has access to the biggest power market worldwide and, in terms of actual volume, we recorded the highest power trading volume in the world for the first time in 2017.

However, the EEX Group is far more than simply a power trading platform. The development of the parameters shows that the strategy of continuous diversification is now bearing fruit. Natural gas trading and trading in emission allowances have become stable pillars of our business and, in 2017, we also significantly increased our volumes in other commodity products.

In 2017, we generated significant growth in the gas market, especially in short-term trading. The spot markets achieved double-digit growth rates (+27%) compared with the previous year. The significant

increases in volume on the spot and derivatives market show that our strategy to establish PEGAS as an integrated European trading platform for natural gas is paying off.

In 2017, trading volumes in emission allowances continued to grow, both on the spot and derivatives market – with an increase of 45% overall. In this segment, the further expansion in our position on the secondary market is particularly positive. Last year, trading of emission allowances rose by as much as 71% in this market. At present, our ability to offer emissions trading is still restricted to Europe. In 2018, we also aim to support and help the development of emissions markets in other time zones.

We recorded a 17% increase in our agricultural markets. In respect of the dairy products segment, we again achieved a record volume and strengthened our position as the leading European derivatives market. We will pave the way for further growth by expanding our services with a liquid milk future in 2018 and examining auctions as potential new products.

Finally, we grew in further global trading products, such as freight and fuel oil, which are listed at our subsidiary in Singapore, Cleartrade Exchange (CLTX).

On the settlement side, the EEX Group now includes two clearing houses: European Commodity Clearing (ECC) and Nodal Clear. Moreover, as a result of official recognition by the Market Authority of Singapore, we will be able to reinforce the integration of the Asian market into our group network, since ECC now also directly clears transactions concluded at CLTX. Furthermore, we have set a course for connecting further partner exchanges to ECC.

As a result of all these developments in 2017, the EEX Group generated sales revenues of EUR 225 million (2016: EUR 234 million) and a consolidated net profit of EUR 54 million (2016: EUR 58 million). In view of the challenging situation in the past year, we are very pleased with this result.

Regulations and their implementation are issues on which we will continue to focus in 2018. There is no doubt that regulation, in the sense of supervised markets, is important. However, last year it became very clear that regulatory changes can have significant effects on the markets we operate in. With regard to the price zone issue, previously feared uncertainty indeed materialised – along with a significant decline in trading activities.

As a result, stable long-term conditions are all the more important. Two examples are quite positive: the reforms strengthening the European Emissions Trading Scheme and the so-called “Clean Energy Package” which will guide future European power market design. The EU Commission supports a further strengthening of the market and the need for exchange price signals. Political proposals are expected to be tabled by the end of 2018.

Other important factors include the increasing decentralisation, digitalisation and decarbonisation of the energy world. With its companies, the EEX Group has its finger on the pulse of our industry and, together with its market partners, will develop innovative solutions to meet future challenges. As an example, we can cite the cooperation between EPEX SPOT and the US-based LO3 with the aim of developing solutions for short-term trading in local markets based on blockchain.

In summary, we can state that, in 2017, we have again come closer to our long-term aim of developing the EEX Group into a global commodity exchange. Today, we operate across three time zones in Europe, Asia and North America and will continue our strategy. The guest contribution to our annual report by Dr Fatih Birol, Executive Director of the International Energy Agency, precisely underlines the energy market trends that EEX Group is tapping into in its journey towards becoming a global commodity exchange. In 2018, our focus will again be on growth in core markets, increasing the geographic range of our activities and accessing new business fields – with Deutsche Börse as a strong partner.


“Today, we operate across three time zones in Europe, Asia and North America and will continue our growth strategy worldwide.”

With the addition of Nodal Exchange in Washington D.C., EEX Group now has more than 500 employees at 16 sites. This annual report, which is published under our new group branding for the first time, focuses on the different companies of our Group, which contributed to this success in 2017.

On behalf of the entire Management Board, I would like to thank our esteemed employees for their support and tireless dedication, which enabled us to successfully conclude the 2017 financial year.

Moreover, I would like to thank our customers and partners. Your trust motivates us to find the optimum solutions for the diverse challenges we face, and to move forward together on an even stronger basis.

Leipzig, April 2018
For the Management Board



Peter Reitz

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THE MANAGEMENT BOARD

f.l.t.r.

Steffen Köhler › Chief Operating Officer **Jean-François Conil-Lacoste** › Executive Director Power Spot Markets

Peter Reitz › Chief Executive Officer **Dr Dr Tobias Paulun** › Chief Strategy Officer

Dr Egbert Laege › Executive Director Gas Markets

Iris Weidinger › Chief Financial Officer **Dr Thomas Siegl** › Chief Risk Officer



Dr Jürgen Kroneberg

Dr Jürgen Kroneberg is a renowned expert in the energy industry. As a lawyer, he held leading positions in various municipal and district administrations from 1984 to 1997.

In 1997, he became an Executive Board member of RWE Energie AG with responsibility for Sales Germany/Benelux and Law. As a member of the Executive Board of RWE Net AG, he was responsible for Sales/Law from 2000 to 2003 and subsequently joined the Executive Board of RWE Energy AG.

After leaving RWE Energy AG in June 2009, he worked as a lawyer at Clifford Chance before joining White & Case (Düsseldorf) as a lawyer in April 2015. Dr Kroneberg has been Chairman of the Supervisory Board of EEX since 2000.

Report of the Supervisory Board

Dear Shareholder,

During the reporting year (2017), the Supervisory Board of EEX diligently carried out the tasks with which it was entrusted according to the applicable legislation, the statutes of the Company and its rules of procedure. It supported the Management Board in the running of the Company in an advisory capacity and continuously monitored the management of the business of the Company. The Supervisory Board was directly involved in all the decisions and measures which were of fundamental importance to the Company.

The Management Board of EEX regularly, promptly and comprehensively reported to the Supervisory Board regarding corporate planning, including financial, investment and human resources planning, business progress, the ongoing strategic development and the current situation of the Group. Those business transactions that were of significant importance to the Company were discussed in detail by the Supervisory Board on the basis of reports provided by the Management Board in writing and verbally. The Supervisory Board approved the draft resolutions of the Management Board following thorough examination and deliberation. In addition to the adoption of resolutions at meetings, two resolutions were adopted by circulation on account of their urgency during the year under consideration. In addition to the meetings of the Supervisory Board, the chairman of the Supervisory Board was in regular contact with the Management Board. In addition, the Management Board informed him of the latest developments in the business situation and of significant business-related incidents at the earliest opportunity.

Work of the Committees

In order to efficiently discharge its tasks, the Supervisory Board has established two committees, which prepare resolutions to be voted on by the Supervisory Board as well as matters to be discussed by the board. In addition, the Supervisory Board has transferred individual tasks and elements of its decision-making competences to these committees. The chairmen of the committees regularly and comprehensively report to the board on the content and the results of the committee meetings.

During the reporting period, the **Executive Committee** held six meetings. The Executive Committee consists of the chairman and the deputy chairmen of the Supervisory Board and has the task of preparing resolutions to be adopted by the Supervisory Board and other topics to be covered by the Supervisory Board and of issuing of recommendations with regard to these matters.

The **Personnel Committee** prepares decisions to be made by the Supervisory Board regarding the appointment and dismissal of Management Board members, as well as regarding the determination of their compensation. Furthermore, the Personnel Committee submits proposals regarding the conclusion or amendment of Management Board employment contracts including decisions relevant for the setting of compensation and regarding target agreements and attainment. Additionally, instead of the Supervisory Board and on the basis of the competences transferred to it, it adopts resolutions on matters specified in detail in the rules of procedure for the Supervisory Board, in particular, the approval of ancillary activities of members of the Management Board. The Personnel Committee consists of the chairman and the deputy chairmen of the Supervisory Board and met three times during the reporting period. At these meetings, it dealt with the re-appointment of three Management Board members and the regular review of the compensation of three further Management Board members. Furthermore, the Personnel Committee prepared proposals for target agreements and the degrees of target attainment by the Management Board mem-

bers and issued recommendations for the corresponding resolutions to be voted on by the Supervisory Board. At its meeting on 9 March 2017, it also dealt with the introduction of a new contract template for management board contracts, which is to be introduced gradually for all members of the Management Board in the context of re-appointments.

Supervisory Board meetings

In the reporting year 2017, four ordinary meetings of the Supervisory Board were held. At all of these, major topic was the report of the Management Board regarding the current situation of the Company, which the Supervisory Board then discussed with the Management Board in detail. One further Supervisory Board meeting, focusing on strategic matters, was held during the reporting year. In addition, two extraordinary Supervisory Board meetings took place.

The Supervisory Board meetings were characterised by a thorough and open exchange regarding the Company's situation, the development of the business and financial situation, as well as fundamental matters of corporate policy and strategy. The Supervisory Board members regularly prepared resolutions regarding matters requiring their approval on the basis of documents made available to them in advance by the Management Board. In addition to this, the Management Board regularly informed the Supervisory Board of the most important commercial parameters and developments in the form of written monthly reports.

At an extraordinary meeting on 3 March 2017, the Supervisory Board approved the acquisition of the US Nodal Exchange Holdings, LLC (Nodal) following thorough deliberations. This step represents the largest acquisition in the history of EEX to date. As a result of this, EEX has expanded its offering within the North American energy markets and extended its global presence and network of trading participants in line with its growth strategy.

At the meeting convened to approve the balance sheet on 5 April 2017, the Supervisory Board looked in detail at the 2016 annual and consolidated financial statement and at the corresponding management reports in the presence of the external auditor of the annual accounts. The annual financial statements prepared were approved and are therefore considered as adopted. Furthermore, the Supervisory Board approved the Management Board's proposal to the Annual General Meeting to use the balance sheet profit to pay a dividend of EUR 0.27 per share certificate entitled to dividends. As recommended by the Personnel Committee, the board also approved the proposed degrees of target achievement for the Management Board members for the financial year 2016, and the related management bonuses. Furthermore, the Supervisory Board renewed Jean-François Conil-Lacoste's and Dr Egbert Laege's appointment to the Management Board for a further two years and Dr Tobias Paulun's appointment to the Management Board for a further five years upon recommendation by the Personnel Committee. Following a regular review, the board also agreed an adjustment of the compensation for one further Management Board member.

The strategy meeting on 11 May 2017 focused on the discussion of the strategic framework for preparing the revenue planning from 2018 to 2023. The Supervisory Board also discussed EEX's strategic roadmap for international growth.

At EEX's 2017 Annual General Meeting on 8 June 2017, elections for the Supervisory Board were held following completion of the regular term of office. After that, the newly elected EEX Supervisory Board met for its constitutive meeting, at which three new members were welcomed to the Supervisory Board. In addition to electing the chairman and the deputy chairmen and also establishing and staffing committees, this meeting focused on the detailed presentation of the new group company Nodal by its CEO. As recommended by the Personnel Committee and following a regular review, the Supervisory Board also adopted an adjustment of the compensation for two Management Board members.

At an extraordinary meeting on 17 July 2017, the Supervisory Board dealt with matters on which a decision had to be taken before the next regular meeting. First, following in-depth consultation, the acquisition of the remaining shares in the EEX subsidiary Powernext S.A. was approved together with an associated change in the legal form and new staffing arrangements of the Board of Directors of that company. Restructuring measures designed to simplify the group structure were also approved for the Nodal subsidiary. Finally, the board approved the conclusion of a contract with the LCH clearing house regarding the takeover of the LCH open interest in freight contracts by EEX Group's clearing house, European Commodity Clearing AG (ECC).

The meeting on 16 October 2017 focused on the approval of the 2018 budget and consideration of the medium-term planning from 2019 to 2023 as well as the approval of a cooperative marketing arrangement with a strategic partner aimed at (further) developing EEX's emissions markets. The Management Board's regular reporting focused on the situation in the power derivatives market. During the reporting year, this was affected by a significant decline in revenue and, in particular, by the effects of the announced splitting of the German-Austrian price zone. In addition, the Management Board reported on the provisional results of a comprehensive special audit of the group company ECC carried out by the Bundesbank and the Federal Financial Supervisory Authority.

In addition to its regular reporting on developments affecting markets, finance, strategy, IT and risk, the main focus of the meeting on 13 December 2017 was the discussion of a preliminary dividend proposal for the 2017 financial year. This was approved by the Supervisory Board. In addition, the Supervisory Board approved the establishment of a joint venture for operating a B2B platform for the conclusion of power supply contracts. As recommended by the Executive Committee, the Supervisory Board also adopted amendments of the Rules of Procedure for the Supervisory Board and for the Management Board, predominantly involving increases in the

thresholds for matters requiring approval. Furthermore, the board adopted the target agreements for the Management Board members for 2018 as proposed by the Personnel Committee.

Audit of the annual accounts

The Management Board prepared the annual financial statement and the management report as well as the consolidated financial statement and the consolidated management report of EEX. It submitted these to the Supervisory Board at the due time.

KPMG AG Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, appointed as the auditor of the annual accounts and group auditor for the 2017 financial year by the Annual General Meeting, audited the annual financial statement as of 31 December 2017 prepared according to the rules of the German Commercial Code (HGB) and the management report, as well as the consolidated financial statement as of 31 December 2017 (prepared in accordance with IFRS rules in the form in which these have to be applied within the EU) and the consolidated management report and certified each of these without qualification.

The auditor of the annual accounts submitted to the Supervisory Board its reports on the type and extent as well as the result of the audits. The documents regarding the financial statements referred to, as well as the audit reports provided by the auditors of the annual accounts, were submitted at the due time to all Supervisory Board members. The auditor of the annual accounts took part in the Supervisory Board meeting on 10 April 2018 and reported in detail on the key findings of his audit.

The Supervisory Board examined the annual financial statement and the management report, as well as the consolidated financial statement and the consolidated management report. There were no objections and the result of the audit carried out by the auditor of the annual accounts was approved. The Supervisory Board approved the annual financial statement prepared by the Management Board as well as the consolidated financial statement for the

2017 financial year. The annual financial statement of EEX is therefore adopted. The Supervisory Board approved the Management Board's proposal regarding the appropriation of the balance sheet profit.

Management Board personnel matters

There were no changes in the staffing of the EEX Management Board in 2017.

Supervisory Board personnel matters

On 8 June 2017, the following members left the EEX Supervisory Board on completion of their regular term of office:

- Dr Hans-Joachim Arnold,
Head Legal/Compliance, innogy SE, Essen
- Ulf Heitmüller,
Chairman of the Executive Board, VNG –
Verbundnetz Gas Aktiengesellschaft, Leipzig
- Klaus Rohatsch,
Member of the Management Team,
EDF SA, Cattenom/France

The following members of the Supervisory Board were elected as new members at the Annual General Meeting on 8 June 2017 or delegated as new members of the Supervisory Board by EEX shareholders with effect from 8 June 2017:

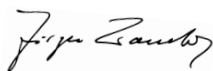
- Peter Heydecker,
Executive Director Trading, EnBW Energie
Baden-Württemberg AG, Karlsruhe
- Xavier Lafontaine,
Head of Strategic Partnerships,
Electricité de France SA, Paris/France
- Vincent van Lith,
Executive Director, ABN AMRO Bank N.V.,
Frankfurt

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The Supervisory Board would like to thank the members of the Management Board and all of European Energy Exchange AG's employees for their hard work and their contribution to a financial year that, despite challenging circumstances, proved to be successful.

Leipzig, April 2018

On behalf of the Supervisory Board



Dr Jürgen Kroneberg,
Chairman of the Supervisory Board