

Brand Report

## Strong brands forming one powerful Group

The EEX Group is a group of specialised companies providing market platforms for energy and commodity products across the globe.

The group offers market access and tailor-made solutions to trading participants as well as an integrated process handling with its own clearing houses.



# › eex group

› eex

› ecc

› epexspot

› powernext

› pegas

› pxe

› cltx

› nodal

› nodalclear

› gaspoint  
nordic

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# Local expertise

> 500

employees in

16

locations

We are a group of commodity specialists offering expert advice and support to our customers on a local level – in their own country and in their own language.

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# in global commodity markets

The EEX Group connects over

# 550

participants from

# 36

countries

As the commodity arm of Deutsche Börse, the EEX Group organises and facilitates trades that comprise a broad portfolio of commodities across three international times zones.

## Business segments

Our services range from exchange trading, clearing and settlement to special services, such as market and transparency data as well as data reporting services.



Power



Natural gas



Environmental  
products



Global  
commodities



Agricultural  
products



Registry  
services

The EEX Group's product portfolio comprises contracts for Energy, Environmentals, Freight, Metals and Agricultural.





At a glance

## Power for today. Power for tomorrow.

The European Power Exchange EPEX SPOT operates the short-term electricity markets for Germany, France, the United Kingdom, the Netherlands, Belgium, Austria, Switzerland and Luxembourg. EPEX SPOT offers coupled and uncoupled day-ahead and local intraday auctions as well as local and cross-border continuous trading.

The day-ahead market is operated via a daily auction. EPEX SPOT markets are part of the multi-regional coupling system which stretches across 19 markets.

The continuous intraday markets of EPEX SPOT are by far the most liquid intraday markets in Europe, with 71 TWh traded in 2017. Hourly products are complemented by 15-minute and 30-minute products.

# 463.7<sup>TWh</sup>

traded on the day-ahead market in 2017

# 285

trading members from over 20 countries

### An eye on the future

At EPEX SPOT we create value for our customers and stakeholders in an evolving 3D industry.

- EPEX SPOT makes markets fit for renewables and is a driver of the energy transition thanks to our large range of flexible products.
- Digitalisation is at the heart of our activity: Through participation in pilot projects and visionary partnerships, EPEX SPOT is part of the digital transformation of the energy sector.
- EPEX SPOT has extensive experience in market coupling projects, contributing to the accomplishment of the European Internal Energy Market.



**What was your highlight in 2017?**

2017 was a very dynamic year for me personally, as I moved to Leipzig to work from EPEX SPOT's German office after 7 years in the Paris headquarters. This allows me to be geographically closer to a large number of clients. In addition to this, I was able to catch up with our members during our local traders events all over Europe. This personal contact is really important in efficiently supporting members during system updates and test phases and in understanding their needs.

**In 2017, 534.7 TWh were traded on EPEX SPOT markets – a third of the domestic consumption in the eight countries covered.**



Questions to

**Katharina Niciejewska –  
Key Account Manager**

**What are your biggest ambitions for 2018?**

2018 will be a very pivotal year for market participants across Europe, as major European initiatives will be implemented, transforming the market landscape. In addition to this, EPEX SPOT will start offering trading in new market areas to cater to the needs of our customers. As a key account manager this means exciting times, as we support existing clients that want to expand their trading activities while welcoming new clients who want to benefit from our unique trading solutions and services.

**What makes EPEX SPOT a special place to work at?**

With a very diverse and international staff, EPEX SPOT has a truly international spirit that is practised in everyday life. The sector we work in is highly dynamic, and in my 8 years at EPEX there has never been a single day that resembled any other. Seeing how the company has grown, how innovative our solutions and technologies are, makes me proud to be a part of this success story.



At a glance

## Connecting energy and commodity markets

The European Energy Exchange (EEX) is the leading energy exchange in Europe which develops, operates and connects secure, liquid and transparent markets for energy and commodity products.

EEX offers contracts on power, emission allowances as well as freight and agricultural products.

# 289.1<sup>TWh</sup>

Trading volume Phelix-DE Future  
(April-December 2017)

# 1,380.5<sup>mt CO<sub>2</sub></sup>

Traded in Emission Allowances (2017)

**EEX pursues a strategy based on growth in three dimensions: Regional expansion, new business fields and growth in core markets.**

### Trends

The introduction of MiFID II and MiFIR has led to increased reporting requirements for trading participants, effecting all derivatives contracts. EEX has built a unique compliance service framework to meet these requirements.

### Innovations

In 2017, EEX launched the Phelix-DE Future in response to the planned division of the German-Austrian price zone. Since then, the new product has established itself as the benchmark for European power.

### Ambitions

EEX continues to be on track to becoming a global commodity trading platform, offering its participants a portfolio of energy-related, globally traded commodities. The migration of the freight business from LCH to our clearing house aligns with this vision.

### What developments does EEX foresee for its power market?

While 2017 has been a year which was very much driven by regulatory changes, we are focusing our activities for 2018 on three dimensions. Firstly, we will increase our product range in markets that we are already active in. Secondly, we will expand our geographical reach by adding further market areas in various products. And finally, we will continue to work closely together with our clients to come up with completely new, innovative products and services.

### What's the most important thing you've learned in the past year?

We are living in times of rapid change – from a technological and regulatory perspective as well as in terms of the way in which people do business. For us as an exchange platform provider, it is of utmost importance to be flexible, innovative and close to the market in order to remain successful and be able to provide the right products and services that set us apart from competitors.

### What are likely to be the key issues in 2018?

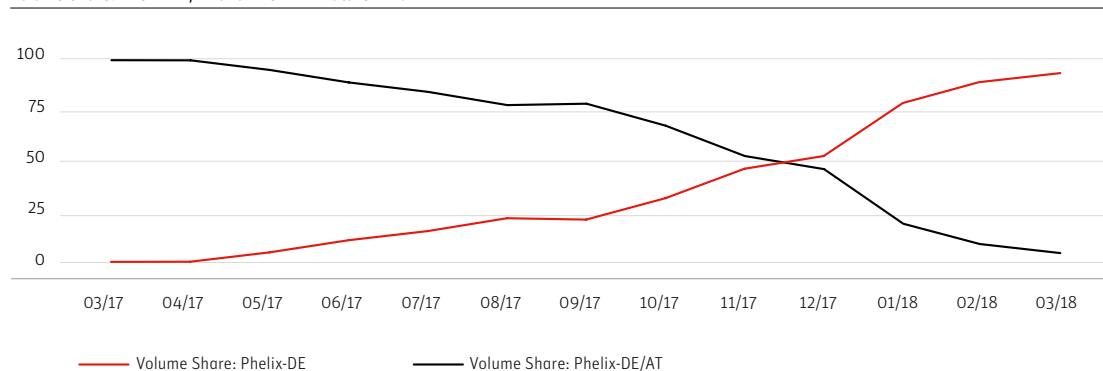
It's the "three D's" that will shape the discussion: Decentralisation: how do we integrate many small power producers into the market; Digitalisation: how to leverage new technologies for the energy market; and decarbonisation: how we are going to meet national, European and global climate targets.



Questions to

**Steffen Riediger –  
Head of European Power Derivatives**

Volume Share: Phelix-DE/AT and Phelix-DE Future in %







At a glance

## Pownertnext develops energy market solutions

Established in 2001, Pownertnext is a regulated market under French legislation. Pownertnext is headquartered in Paris and active across Europe. As a market facilitator, Pownertnext develops tailor-made solutions for energy markets.

Pownertnext operates the Pan-European gas platform PEGAS, as well as the registry for Guarantees of Origin and the registry for Capacity Certificates for RTE. Since January 2018 Pownertnext has been operating the White Certificates registry in France.

# 53

Employees with

# 7

Nationalities

### Innovations

The energy sector is undergoing significant changes and requires innovative solutions to respond to new upcoming challenges. Pownertnext's willingness to innovate goes beyond the further development of the gas trading platform PEGAS into new product areas. We believe that market-based instruments constitute the most efficient tool in tackling those challenges and in supporting a successful energy transition.

Pownertnext has established itself as an important partner for industry and has amassed significant experience in auction design, algorithmic trading solutions as well as registry solutions which we aim to continuously develop.

### **From a company perspective, what was your highlight of 2017?**

In 2017, the consumption of renewable electricity rose significantly. Many suppliers started to sell green energy. As Pownext operates the Guarantees of Origin (GO) registry in France, this was reflected in an important growth in GO activity. We are very proud to support this trend. As a next major step in 2017, Pownext has been commissioned by the French Ministry of Ecology, Sustainable Development and Energy to operate the Energy Savings Certificate system, starting in 2018. This constitutes another important tool in supporting the French energy transition and in allowing the market and consumers to actively participate in the transition.

2017 has also been a quite notable year for Pownext as an entity itself. Now embedded in the EEX Group, Pownext changed its visual identity and launched a new website which illustrates our data in a more accessible way.

### **Looking at the industry in general, what would you consider to be the biggest trend that will affect Pownext and its customers?**

Decentralisation, Decarbonisation, Digitalisation – these are currently the most popular buzz words in the energy sector. With our range of GOs, energy savings certificates and capacity certificates, Pownext is already very active in the decarbonisation sphere. We are also focusing on the digitalisation process which has the potential to introduce quite disruptive changes in how energy markets will be organised in the future. Pownext is preparing for these new trends to be able to turn them into new opportunities. As an exchange, we need to lead this evolution proactively and integrate this transformation into our portfolio of services, so that we are able to continue shaping the market into the next decade.

**45.2 TWh of GOs were generated in 2017, representing more than half of the French renewable energy production.**



Questions to

**Aude Filippi –  
Head of Growth Initiatives**



At a glance

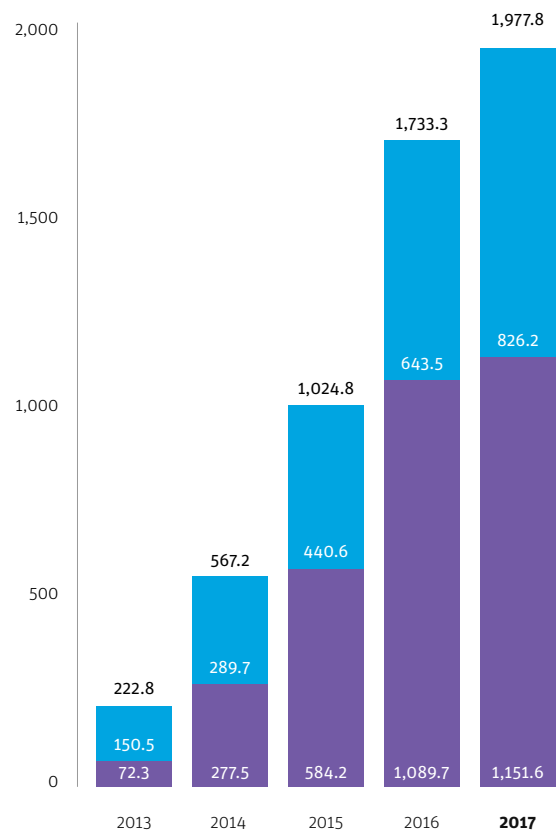
## One platform for one European Gas market

PEGAS is the EEX Group's central gas trading platform operated by Powernext.

PEGAS provides its members with access to all products on one single platform and allows them to trade natural gas contracts in the Austrian, Belgian, Danish, Dutch, French, German, Italian, Czech and UK markets. The product range of PEGAS covers spot and derivatives contracts for the major European gas hubs as well as trading in location and time spread products.

PEGAS Volumes (TWh)

■ Futures ■ Spot



# 237

Trading participants

### Our vision of the future

PEGAS aims to continue actively shaping the European internal energy market and seeks to become a global player in energy commodity markets.

### From the PEGAS perspective, what was the highlight of 2017?

Since its launch in 2013, PEGAS has achieved many highlights each year. However, I would say the biggest achievement is growing into a veritable Pan-European gas platform which now covers 12 hubs across Europe. This development has also played a central role in shaping the internal European gas market. After the integration of the Austrian Central European Gas Hub (CEGH) and the Danish Gaspoint Nordic into the PEGAS platform in 2016, the Czech PXE market also joined in December 2017.

# 88.9<sup>TWh</sup>

Trading volume (CEGH) 2017

**In December 2016, PEGAS launched a cooperation with the Austrian Central European Gas Hub (CEGH). In 2017, exchange traded volumes for the PEGAS CEGH market almost tripled.**

### What are your biggest ambitions for PEGAS for 2018?

PEGAS has established a strong position in the physical segment of the European gas markets and has become an important partner for TSOs to develop necessary technological solutions such as for balancing. As a next step, we would like to strengthen our role in derivatives trading and expand our customer portfolio. The migration of our derivatives market to the T7 platform is a first major step for facilitating trading in derivatives products. The introduction of options will be another milestone in the diversification of our product range.

Natural gas is increasingly becoming a global commodity as the importance of the LNG market grows in Europe, Asia and the US. PEGAS will encourage this trend by introducing LNG products in 2018, thereby supporting the group in its global ambitions.

Questions to

**Richard Katz –  
Director of Sales**





#### At a glance

## The Home of Global Commodities

As the EEX Group's Global Commodities arm in Asia, CLTX is a regulated futures exchange specialising in freight, ferrous metals, oil and coal. Located in Singapore, CLTX is regulated by the Monetary Authority of Singapore (MAS) as an RMO, clearing its own contracts at the group's clearing house European Commodity Clearing (ECC).

# 80

Trading participants

### **Innovation**

In addition to offering its contracts for clearing at ECC, uniquely CLTX also offers its members access to other CCPs providing choice and a true best execution service. All exchange services of CLTX are accessible through an easy to use, secure, web delivered application – CLTX Portal.

### **CLTX Portal**

The CLTX Portal offers a single point of entry to all clients and stakeholders in CLTX's markets. The Portal is the trading front end for OTC trade registration and order book trading for futures and options. Fast, secure STP links connect CLTX to multiple clearing houses, offering clients a choice of clearing at execution and live clearing status of all trades.

Price discovery and trade analytics are displayed in various formats, covering everything from market price and volume data to CCP margin comparisons and delivered via web, mobile and through leading quote vendors. In addition to ease of execution, CLTX Portal controls risk with a risk management engine which clearing members can use to set limits for their clients.

CLTX creates efficiency for its clients through electronic integration to their back office systems. All trades through the exchange can be automatically populated in traders' systems, cutting out the need for manual entry, thereby reducing errors and maximising efficiency.



**What are your biggest ambitions for CLTX for 2018?**

We are working incredibly hard to develop the global commodities segment, given our strategic location at the centre of the world's most important trade routes. The ambition for 2018 is to translate our knowledge and passion about commodities into great products that help the market better manage their price risks.

**Looking at the industry in general, what would you consider to be the biggest trend that will effect CLTX and its customers?**

Commodity markets are constantly changing, and windows of opportunity open and close, sometimes within a short time span. Aside from the important regulatory changes that currently affect companies on a worldwide basis, the biggest trend is the increased relevance of Asia as the new focal point for commodity trading.

**CLTX is based in Singapore – what is the one thing you would recommend a colleague to do when visiting the City?**

Singapore has a lot to offer, and is often referred to as an “East-meets-West” melting pot. If I had a day to explore the city, I would go on a culinary journey through the ethnic quarters that surround the central business district; start the day with some Kaya Toast in Chinatown, have some Nasi lemak for lunch in Kampong Glam, a spicy Fish head Curry in Little India, and finish the day with an international cocktail of your choice at one of the bars in the Marina Bay area.

# 72,590

Number of Trades Processed in 2017



Questions to

**Erlend Engelstad –  
CLTX Senior Business Developer**



#### At a glance

## Competence for the CEE Markets

Power Exchange Central Europe (PXE) is the Prague-based centre of competence for the Central and Eastern European power markets. As part of the EEX Group, PXE is committed to further developing products and services for the Czech, Slovak, Polish, Hungarian and Romanian markets.

Besides trading in standardised power futures, PXE also enables end customers – in particular municipalities, firms and government organisations – to find the most suitable electricity and natural gas supplier via electronic auctions at the best price possible and under fully transparent conditions.

**Following the migration of the PXE power contracts to the EEX platform in June 2017, the trading volume increased by +188% to 49.0 TWh.**

#### **Integration**

In 2017, PXE undertook several steps enabling market participants from the Western part of Europe to become more active in the Eastern part of Europe and vice versa, thus helping to develop a strong pan-European commodity market.

On 15 June, EEX and PXE successfully migrated contracts previously listed on PXE onto the EEX T7 platform. This transition means that more than 250 EEX trading participants are now able to trade PXE products without any additional administrative or technical measures.

In December, PXE, Powernext and the Austrian Central European Gas Hub (CEGH) finalised the launch of the PEGAS CEGH Czech Gas Market. All former products of the PXE gas market are listed under the Powernext license and this cooperation enables current PXE market participants to become more active in Western Europe.

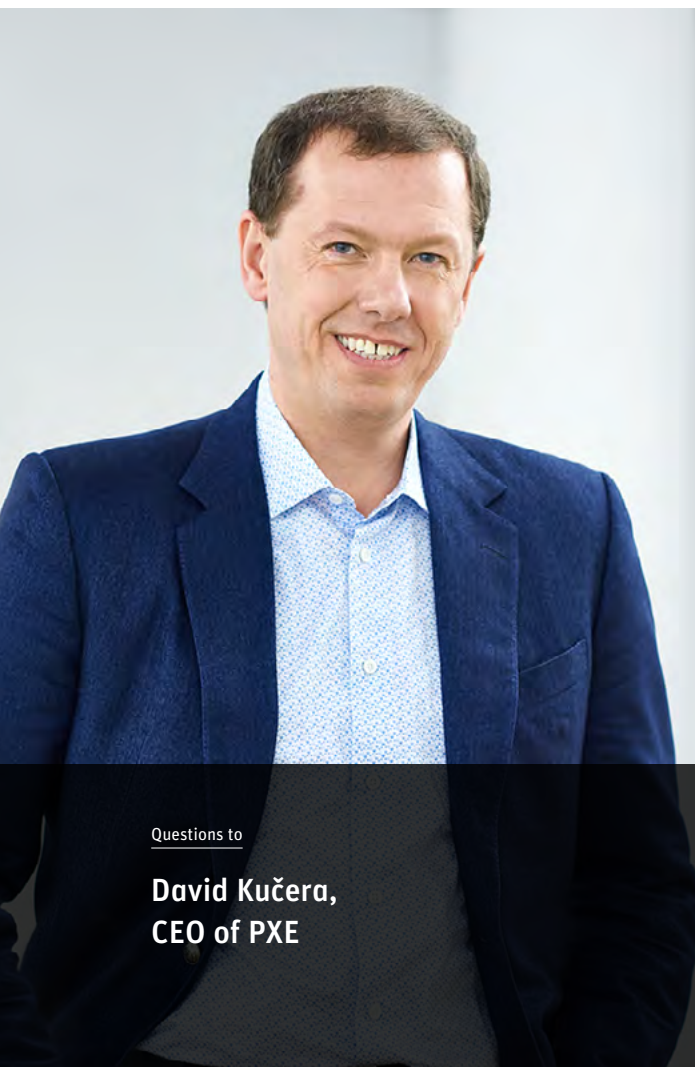
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# 49.0<sup>TWh</sup>

Power volume traded on the Czech, Slovak, Polish, Hungarian and Romanian power derivatives markets in 2017

# 4.3<sup>TWh</sup>

Natural gas volume traded on the PXE Czech gas market  
(in cooperation with Austrian CEGH)



Questions to

**David Kučera,**  
CEO of PXE

**From a company perspective,  
what was your highlight of 2017?**

Definitely the integration of the power and natural gas contracts onto the T7 trading platform. We expect this step to further strengthen the Central and Eastern European markets and increase liquidity.

**How was the past year in general?**

Our overall trading volumes on the power market rose by more than 50% in several products in comparison to previous years. So I am happy to say that 2017 was really a successful year for PXE and we achieved an all-time record in trading volumes.



#### At a glance

## Meeting the Needs of the North American Energy Markets

Nodal Exchange is a derivatives exchange located in the United States. Nodal Clear, its wholly owned subsidiary, is the central clearing house for all its contracts. Together, they provide price, credit and liquidity risk management solutions to participants in the North American energy markets. Nodal Exchange provides the world's largest set of electric power locational (nodal) futures contracts.

As part of the EEX Group, Nodal Exchange currently offers over 1,000 power contracts on hundreds of unique US locations and a Henry Hub natural gas contract. Nodal Exchange is a designated contract market regulated by the US Commodity Futures Trading Commission (CFTC), and Nodal Clear is a CFTC registered derivatives clearing organisation.

# 27%

Market Share of US Power Futures  
Open Interest

# 53

Employees

#### Trends

Participants increasingly trade more granular power locations in order to better hedge the many nodal pricing locations in the North American market. Nodal Exchange is designed to meet this evolving market need.

#### Success Story

Nodal Exchange is continuing its growth into a leading exchange in North America. At the 2017 Energy Risk Awards, Nodal Exchange won the award for exchange of the year as well as global clearing house innovation of the year for the margining methodology of its subsidiary Nodal Clear. Nodal Clear is a registered derivatives clearing organisation with leading risk capabilities. Nodal uses innovative portfolio margining with an expected short-fall methodology that is very risk protective while also being capital efficient.

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&gt; 50,000

Expiries

394.9<sup>TWh</sup>

Electric power volume cleared by Nodal Clear  
from May to December 2017

**From a company perspective,  
what was your highlight of 2017?**

Becoming part of the EEX Group. Nodal is very happy to be part of the EEX family of companies and believe it will enable Nodal to better serve its markets and achieve even higher growth as a result.

**What are the benefits of being part of the EEX  
Group for Nodal Exchange?**

As a strong network of exchanges in Europe, the EEX Group is well positioned to contribute to our further development. We are able to share expertise and technology in how to best serve the energy markets in Europe and North America. Nodal plans to transition to the industry leading matching engine technology used by the EEX Group in 2018 and to expand its product portfolio in energy over the course of the year – for example, in natural gas, which is already a significant market for the EEX Group in Europe.

**What are Nodal's plans for expansion in 2018?**

Diversification will be a theme for 2018. Nodal is excited about our growth prospects in power and gas, but we are also optimistic about expansion opportunities beyond energy, including plans to launch the first trucking freight futures in late 2018.

Questions to

**Myshel Guillory,**  
**Chief Financial Officer & Treasurer**





At a glance

## One Clear Connection to Commodities

European Commodity Clearing (ECC) is the central clearing house for energy and commodity products in Europe and beyond. ECC assumes the counterparty risk and guarantees the physical and financial settlement of transactions.

As part of the EEX Group, ECC provides clearing services for CLTX, EEX, EPEX SPOT, Powernext and PXE as well as the partner exchanges HUPX, NOREXCO and SEEPEX, providing security and cross-margining benefits for its customers.

# 3,390.6<sup>TWh</sup>

Electric power (cleared volume)

# 1,981.5<sup>TWh</sup>

Natural Gas (Cleared Volume)

### Consolidation and expansion

In 2017, ECC saw a further consolidation of its partner network working hand in hand. One example is the migration of the power and gas derivatives markets formerly operated by PXE onto the EEX and PEGAS platforms.

In 2018, clearing services will be expanded to new partner exchanges:

ECC and the Allocated Bullion Exchange (ABX), based in Australia, are leading a joint project to establish clearing for a set of ABX's physical precious metal spot products denominated in USD. The entry into a new asset class underscores the vision of ECC as a specialist multi-commodity clearing house.

Furthermore, ECC will start clearing and settlement for the new power exchange SEMOpx which will operate the day-ahead and intraday markets in Ireland. ECC has also started clearing services for Hungarian power derivatives contracts, which have been offered by HUDEX since January 2018.

In March 2018, ECC was given Recognised Clearing House (RCH) status by the Monetary Authority of Singapore (MAS) which also allows the clearing house to operate in Asia and connect CLTX as a partner exchange.

ECC connects

> 450

Trading participants from

31

Countries



Questions to

**Anja Drosdziok,**  
**Director Clearing Initiatives**  
**& Cooperations**

#### **What were your successes in 2017?**

For us, meeting our client's needs and ensuring the benefits of our services have the highest priority. Therefore, I see the improvement of our nomination infrastructure as a key success of the past year. This makes us even more independent of maintenance work and ensures uninterrupted trading. Additionally in 2017, we were able to begin the process of connecting further partner exchanges to ECC. The one thing I am most proud of was to see how our teams pulled together and were able to achieve a large number of projects: Last year, ECC supported and launched 41 projects which included product launches at our partner exchanges and infrastructure measures.

#### **What are your biggest ambitions for 2018?**

In 2018, it will be important for us to remain focused on the development of smart business solutions and our client's needs despite the enormous regulatory challenges we and the whole industry are facing.

#### **ECC is based in Leipzig – what is the one thing you would recommend a colleague does when visiting the city?**

You should definitely explore Leipzig on its waterways. You can start in the city centre and go all the way to the huge lake district located in Leipzig's South. The former industrial areas which have been converted into loft apartments or are now home to art galleries, bars or restaurants have a very special charm. During Christmas time the Leipzig Christmas Market is definitely worth a visit, preferably together with your colleagues.