

An aerial photograph of London, featuring The Shard skyscraper on the left, the River Thames flowing through the center, and various city buildings and bridges in the background. The sky is clear and blue.

EPEXSPOT
ANNUAL REPORT 2015

8 countries
ONE
MISSION



HOW TO SPEAK POWER TRADING

AS IN ANY INDUSTRY, POWER TRADING HAS ITS VERY OWN TERMINOLOGY AND SOME TERMS MIGHT BE CRUCIAL TO APPRECIATE THE CONTENT OF THIS REPORT. BELOW WE EXPLAIN SOME IMPORTANT EXPRESSIONS AND ACRONYMS FROM THE POWER TRADING SECTOR.

CACM

CAPACITY ALLOCATION AND CONGESTION MANAGEMENT

European Regulation aiming at ensuring optimal use of the cross-border transmission infrastructure and promoting competition in the generation, trading and supply of electricity.

CWE

CENTRAL WESTERN EUROPE

Region comprising Germany, Austria, France, the Netherlands, Belgium and Luxembourg. Today covered entirely by EPEX SPOT.

FBMC

FLOW-BASED MARKET COUPLING

Improved method of calculating cross-border transmission capacities taking into account not only each interconnector on its own, but rather the entire grid configuration.

MC

MARKET COUPLING

Solution where separate electricity markets [often operated by different power exchanges] are connected. TSOs provide the transmission capacity between countries to power exchanges who then use this capacity to iron out price differences between the different markets.

MRC

MULTI-REGIONAL COUPLING

Pan-European market coupling stretching across 19 countries from Lisbon to Finnish Lapland.

NEMO

NOMINATED ELECTRICITY MARKET OPERATOR

The CACM Regulation requires a member state to designate at least one power exchange to perform in cooperation with TSOs day-ahead and intraday market coupling.

PCR

PRICE COUPLING OF REGIONS

Initiative by several European power exchanges that developed a unique method to calculate electricity prices across Europe.

PX

POWER EXCHANGE

Company that operates electricity markets. It offers systems and platforms on which other companies – producers, suppliers, or industrial consumers – can negotiate contracts for delivery of electricity.

TSO

TRANSMISSION SYSTEM OPERATOR

Company that operates high-voltage power grids. Key partner of the power exchanges, as transactions are delivered via the TSOs' grids.

XBID

CROSS-BORDER INTRADAY MARKET PROJECT

Project for the development of a pan-European intraday power trading platform, provided by Deutsche Börse and based on the M7 system used by EPEX SPOT.

2

EUROPE
OUR MISSION

S

4

SUPERVISORY
BOARD

6

ENLARGING
THE EUROPEAN SCOPE

7

KEY
FIGURES

8

GERMANY
THE FUTURE IS HERE

P

12

NETHERLANDS
NEW DIRECTION

O

14

FRANCE
A MARKET WITH MOMENTUM

18

BELGIUM
MARKET INTEGRATION
SECURES SUPPLY

20

ENGLAND
THE GROWING CHAMPION

T

24

SWITZERLAND
THE LONE STAR

26

AUSTRIA
THE LIQUID SIBLING

S

30

FINANCIAL
REPORT



P. 20



P. 18



P. 14





P. 12



P. 8



P. 24



P. 26



8 countries
ONE
MISSION



*“BEING EUROPEAN
HAS ALWAYS BEEN
OUR MAIN DRIVER.
THIS IS WHY WE ASPIRE
TO BECOME EUROPE’S
PREFERRED POWER EXCHANGE.”*

EUROPE OUR MISSION

THE EUROPEAN POWER EXCHANGE HAS JOINED FORCES WITH FORMER COMPETITOR APX. THE ENLARGED SCOPE OF THE NEW EPEX SPOT NOW STRETCHES ACROSS 8 COUNTRIES. THE COMPANY PREPARES FOR ONE MISSION: TO BECOME EUROPE'S PREFERRED POWER EXCHANGE – EXTENDING BEYOND ITS HOME MARKETS IN CENTRAL WESTERN EUROPE AND THE UK.

A preface by

Jean-François Conil-Lacoste

Chief Executive Officer and Chairman
of the Management Board of the European
Power Exchange EPEX SPOT

Eight years ago, we sat down to think about a new company. At the time, it was just an idea in the minds of a few people in Paris and Leipzig – a good one, a logical choice. In the light of the European Market Coupling, it made sense to join forces and leverage the project by reducing the sheer number of partners around the table. The name of the yet-to-be-formed company, at its core a merger of the French and the German power spot markets, was still to be created. We chose a bold one, something radiating far wider than the initial geographical scope: the European Power Exchange. Looking back, I am convinced: over the past eight years, it has also been this powerful name that has inspired us to think forward, think bigger and to act in a European way.

Today, the European Power Exchange EPEX SPOT shares only a few resemblances with the company we started eight years ago. We grew from a Franco-German group of 25 people

and two offices to a European team of 150 people, coming from 17 nations and based across seven countries.

We needed this growth and constant challenge and momentum, as the European power sector is constantly transforming. Conventional power plants are challenged by electricity from renewable energy sources. Grids need to cope with decentralised production, and markets need to offer flexible contracts and move closer to real-time.

We are entering a new era of producing, consuming and trading power. And at EPEX SPOT, we are in the centre of this transition.

WE ARE WELL SET

The merger with the Anglo-Dutch-Belgian power exchange APX helped to strengthen our position as the power exchange for Central Western Europe (CWE) and the UK. By the end of 2016, traders will see all CWE power markets on one single screen. We have also been designated as a Nominated Electricity Market Operator, or NEMO – a new function following European regulation – in all of our home countries. As a member of the EEX Group, leading the way in European energy trading platforms, we benefit from the strength of our partner exchanges.

WE EMBRACE COMPETITION AMONGST POWER EXCHANGES IN EUROPE

Historically, there are only a few cases where two or more power exchanges operated simultaneously in the same country. This is about to change. Competition will foster innovation. It will challenge us to listen to the markets needs more carefully than ever before: shorter contracts, Intraday auctions, trading closer to real-time... you name it.

WE WILL LAUNCH POWER SPOT MARKETS WHEREVER POSSIBLE

We have notified the Danish, Finnish, Norwegian, Polish and Swedish authorities of our intention to offer our services in their respective countries. We strive to offer Day-Ahead and Intraday markets in these countries by end of 2017. With top-notch trading systems, a fully-fledged clearing solution and dedicated staff in all of our offices, trading participants in these markets will instantly feel the benefit.

Being European has always been our main driver. This is why we aspire to become Europe's preferred power exchange.

MORE PILLARS FOR A STRONGER FOUNDATION

2015 WITNESSED THE BIGGEST MODIFICATION OF THE EPEX SPOT SUPERVISORY BOARD SINCE IT WAS ESTABLISHED IN 2012. THIS REFLECTS THE NEW SETUP OF THE EUROPEAN POWER EXCHANGE, WITH NOW 8 COUNTRIES COVERED – AND SOME MORE TO COME.

Just as a house needs a solid foundation, a company needs robust relations with its shareholders and the industry it operates in. This is why several new members joined the Supervisory Board of the European Power Exchange. The changes to the Supervisory Board reflect the significant growth in scope and changes to the shareholder structure of EPEX SPOT. We have reinforced our foundation.

The integration with APX brought two new shareholders: the Dutch and Belgian transmission system operators TenneT and Elia. A few months later they were joined by their Austrian counterparty APG, Swissgrid from Switzerland and Amprion from Germany, through their ownership of Holding des Gestionnaires des Réseaux de Transport (HGRT). HGRT is a holding of the transmission system operators and controls 49% of the shares of EPEX SPOT. The remaining 51% are held by EEX Group, part of Deutsche Börse, underlining EPEX SPOT's roots as an exchange.

The Supervisory Board reflects the new dimension of the European Power Exchange: EPEX SPOT is the power spot exchange for Central Western Europe, the UK and beyond.

EPEX SPOT extends its gratitude to the members of the Supervisory Board for their dedication and ambition for guiding the company towards being the most liquid spot power exchange in Europe, and welcome the new members of the Supervisory Board to continue the successful work of building a pan-European power exchange.



THE SHAREHOLDER STRUCTURE OF THE EUROPEAN POWER EXCHANGE

EEX GROUP
(EEX, POWERNEXT)

51%

HGRT
(AMPRION, APG, RTE,
SWISSGRID, ELIA, TENNET)

49%

▼
EPEX SPOT
▼

APX GROUP (INCLUDING BELPEX)

100%

EPEX SPOT SCHWEIZ AG

100%



**THE 12 MEMBERS
OF THE SUPERVISORY BOARD**

Dr. Hans-Jürgen Brick

Managing Director, Commercial at Amprion

Mr Ulf Heitmüller

Director Business Unit Trading of EnBW Energie Baden-Württemberg

Mag. Thomas Karall

Chief Financial Officer of Austrian Power Grid

Dr. Jürgen Kroneberg

Lawyer, Chairman

Mr Mel Kroon

President and CEO of TenneT Holding, Deputy Chairman

Dr. Egbert Laege

CEO of Powernext and Cleartrade

Mr Chris Peeters

Chief Executive Officer of Elia Group

Mr Peter Reitz

CEO of EEX and ECC, Deputy Chairman

Mr Hans E. Schweickardt

Member of the Supervisory Board of Polenergia Holding

Dr. Jörg Spicker

Head of Market Operations and Member of the Executive Board of Swissgrid

Mr Jonas Törnquist

Head of Economics and Regulation at EDF

And **Mr Jean Verseille**

Director of European Affairs at RTE

**THE 3 MEMBERS
OF THE MANAGEMENT BOARD**

Mr Jean-François Conil-Lacoste

Chief Executive Officer and
Chairman of the Management Board

Mr Thierry Morello

Chief Operative Officer

Mr Jeroen van den Heuvel

Chief Financial Officer



ENLARGING THE EUROPEAN SCOPE

APRIL 2015 WITNESSED WHAT THE EUROPEAN POWER TRADING COMMUNITY HAD ALREADY BEEN ANTICIPATING: THE INTEGRATION OF EPEX SPOT AND APX, TWO OF EUROPE'S LEADING SPOT POWER EXCHANGES.

COVERING THE CENTRAL WESTERN EUROPE (CWE) AND UK POWER MARKETS, THE INTEGRATION CREATED THE MOST LIQUID EUROPEAN POWER EXCHANGE.

The changing dynamics of the energy landscape provided an opportunity to strengthen a decade of cooperation on market coupling and a long standing partnership. This provided solid ground to form a European power exchange, servicing trading members across Europe and operating from a new base camp that spans eight European countries. The creation of a dedicated power exchange for the CWE and the UK brings the goal of a single pan-European power market a step closer.

ONE EXCHANGE

The new integrated exchange provides a great number of benefits to its trading members across Europe. Firstly, it centralises and increases liquidity on the Day-Ahead and Intraday power markets across the CWE and the UK. The new exchange will have one single rulebook and one admission process for members for the entire region. This will result in reduced trading costs and lower entry barriers for new participants. While

the different trading systems are currently in use, the exchange migration is on the way and the trading members will have an integrated trading platform for all markets within the region and access to wider range of markets and products. EPEX SPOT is committed to ensuring that members benefit from the best practices and standards of both companies. Overall, the integration provides numerous benefits to the trading members and is a significant step towards a fully integrated European electricity market.

SEAMLESS COMPLETION

Since the announcement in April 2015, the new integrated exchange has experienced growth in the number of memberships and traded volumes, indicating solid support from the market. The new exchange continues to work with its members and stakeholders to ensure a seamless completion of the merger and a robust, liquid European power market.

TOTAL VOLUME

This is the total turnover of electricity traded on the markets of the European Power Exchange. It's a huge figure that could supply all inhabitants of France over more than a year! The Day-Ahead market is the backbone of the power system. Most of the electricity actually produced and consumed is traded here. If the Day-Ahead market is the cargo train for bigger delivery, the Intraday market is the express train shortly before the action happens.

VOLUME OF 15-MINUTE CONTRACTS (DE, AT & CH)

15-minute contracts are relatively new to the organised power market – until 2011, electricity was traded only in hourly timeframes. These shorter contracts have a delivery span of 15 minutes and are perfect for managing intra-hour variations, especially in the light of renewable energy sources.

VOLUME OF HALF-HOUR CONTRACTS (UK)

30-minute contracts join their siblings, the 15-minute contracts. Shorter timespan, Day-Ahead market only, dedicated to managing portfolios with variations within the hour.

*Market launched in February 2015

MEMBERS

These are the companies that traded on EPEX SPOT markets in the past year. It's a growing European and international community.

PRICE CONVERGENCE IN CENTRAL WESTERN EUROPE

When markets are coupled, their prices get closer and may become one. This figure illustrates the percentage of hours in which the prices of the wholesale markets in Germany, Austria, Luxembourg, France, the Netherlands and Belgium were the same in the past year.

2014

474 TWH



4,996,269 MWH



0*



224



19%



2015

566 TWH



■ DAY-AHEAD
■ INTRADAY

7,978,008 MWH



1,407,391 MWH



286





■ EPEX SPOT ■ APX

19%



DE

LEIPZIG OFFICE

MEMBERS	219	TRADED VOLUME ON THE DAY-AHEAD MARKET	264 TWH*
TRADED VOLUME ON THE INTRADAY MARKET	36,549 GWH	CONSUMPTION COVERED	53%*
	DEVELOPMENT OF TRADED VOLUMES FROM 2011 TO 2015		

* DE/AT forming one single market on the Day-Ahead



The Thomaskirche, Bach worked and found his final rest here.



THE FUTURE IS HERE

THE ELECTRICITY MARKET IN GERMANY IS TRANSFORMING AND SO ARE ITS PARTICIPANTS. MAJOR UTILITIES HAVE LONG SHAPED ITS ELECTRICITY LANDSCAPE, BUT RENEWABLES HAVE SHAKEN UP THE MARKET IN RECENT YEARS. NEW ENTRANTS WITH NEW NEEDS HAVE FUELED THE TRANSFORMATION TOWARDS A MARKET EAGER FOR FLEXIBILITY.

Transformation can have many faces. In the case of Germany's electricity market and its actors, the transformation, which has taken place under the flag of energy transition – the "Energiewende" – has been powerful and comparably quick. With full force, Germany is switching its electricity production to energy from

takes away old habits and enforces new ones. Just one result is the example of the big utilities – RWE and E.ON both announced that they would split into two entities to cope with the fundamental changes in production and trading.

MORE TURNAROUND THAN TRANSITION



renewable energy sources. Installed Intermittent capacity reached over 80 GW in 2015 – the equivalent of more than 80 average nuclear reactors. No wonder: "Wende" means more turnaround than transition.

This challenges conventional approaches of producing and trading power. It profoundly changes the structure of supply and demand in the electricity market. And with it, it

There are new challenges: the huge amount of solar and wind cannot be scheduled like a conventional power plant; in fact, their fluctuations in production have become so significant that they put a strain on security of supply. This was particularly visible during the solar eclipse on 20 March 2015. Within minutes 8000 MW of solar capacity was cut and then twice that volumes came back online – have a look at the graphic.

The market responded to these drastic changes. Trading in 15-minute contracts showed significant spikes in both the positive and the negative direction. Producers and consumers

were ready to react to these movements: thanks to the 15-minute auction launched in December 2014, traders could already benefit from a clear cut price curve on a 15-minute basis. Furthermore, they could trade on the continuous intraday market for 15-minute contracts – up to 45 minutes before delivery. Would such event occur today, trading would continue until 30 minutes before start of the contract.



MAJOR ISSUES – PROVEN MANAGEABLE

The solar eclipse was a major event for the European power grid, but especially for the German power system. It put on trial the flexibility, the robustness and, in the end, the energy transition itself. The power exchange, by virtue of its 15-minute products in particular, helped to cope with the challenges.

Even though some actors rightfully point at open issues and challenges: Germany has set the foundations – and the first floor – of how the its future electricity market.



ROBERT BUSCH

CEO OF THE BUNDESVERBAND
NEUE ENERGIEWIRTSCHAFT
(BNE - ASSOCIATION OF
ENERGY MARKET INNOVATORS)

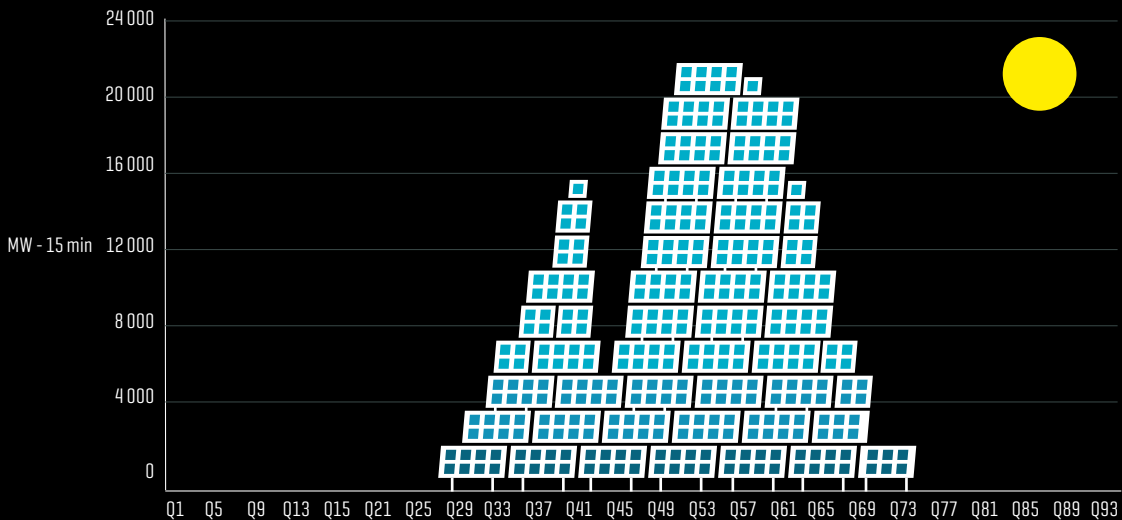
With the expansion of renewables depending on weather conditions it becomes more and more difficult to balance production and consumption. In earlier days, adjustable power plants provided for this balance - in the future this needs to be done by an intelligent orchestration of cross-linked producers, storages and consumers. This flexibilisation of production and consumption is crucial for the success of the energy transition, and it needs to be tackled through the market. Trading on the power exchange plays a central role in this, which it has already assumed, for example with the launch of 15-minute contracts as lately seen on the Intraday market. The development continues: the more central power plants will quit the market and the more renewable energy will enter the system, the more short-term power trading will grow in the future. As an effect, price spreads on the exchange will become more frequent, demand for further trading tools will in-



crease, for example for flexibility. Virtual pools will develop, in which new provider will bundle potential capacity from demand side management, storages and flexible production and offer them for trading.

GERMAN SOLAR GENERATION DAY-AHEAD FORECAST FOR DELIVERY FRIDAY 20 MARCH 2015

[SOURCE: EEX TRANSPARENCY PLATFORM]





LUXEMBOURG: A PART APART

Surrounded by the countries that pioneered market coupling, Luxembourg has often been in the background of the success of European market integration. However, through the so-called Penta-lateral Forum – a platform for regional cooperation between ministries, the European Commission, regulatory authorities, transmission system operators, power exchanges and the Market Parties Platform of Central Western Europe –, Luxembourg has played its part in deciding the directions from the beginning.

This is also due to the high degree of integration of Luxembourg's power system with its surrounding countries. In fact, Luxembourg is an integral part of the German bidding zone –

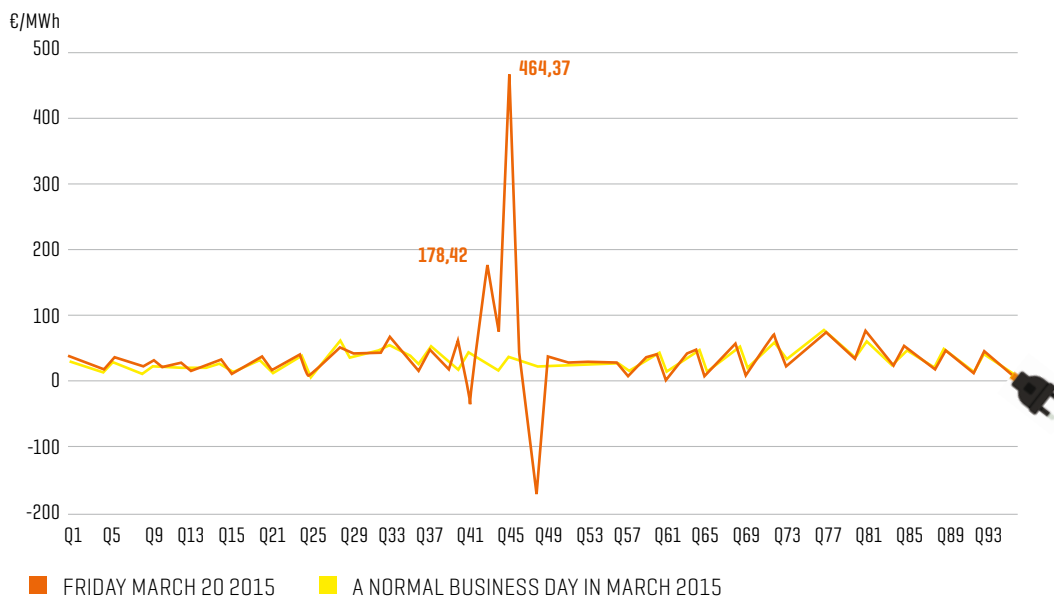
more precisely the Amprion zone – and has been coupled with its neighbours since November 2010, the launch of Market Coupling in Central Western Europe.

Luxembourg is also the smallest International Energy Agency (IEA) member country. Its energy security is strongly linked to the market dynamics in the Benelux and wider CWE region.

This leads to a special situation. Luxembourg relies on imports from neighbouring countries, mainly Germany, for 57% of its domestic consumption. The absence of congestion on interconnectors towards Germany means Market actors in Luxembourg can participate directly on the German power exchange.



GERMAN 15 MINUTES AUCTION PRICES FOR DELIVERY FRIDAY 20 MARCH 2015 VERSUS MARCH 2015 PREVIOUS BUSINESS DAYS

[SOURCE: EPEX SPOT]



NL

AMSTERDAM OFFICE

MEMBERS	68	TRADED VOLUME ON THE DAY-AHEAD MARKET	43 TWH
TRADED VOLUME ON THE INTRADAY MARKET	949 GWH	CONSUMPTION COVERED	39%
	DEVELOPMENT OF TRADED VOLUMES FROM 2011 TO 2015		



Narrow houses alongside city canals.



NEW DIRECTION

THE MATURE DUTCH POWER MARKET CONTINUED ITS STABLE PATTERN IN 2015 WITH SOLID TRADED VOLUMES. THE MARKET THAT PIONEERED MARKET COUPLING LEADS THE NEXT STAGE OF EUROPEAN INTEGRATION WITH THE LAUNCH OF THE FLOW-BASED METHODOLOGY IN CENTRAL WESTERN EUROPE (CWE).

Accounting for approximately 39% of total Dutch electricity consumption, a total of 43.6 TWh was traded on the EPEX SPOT's Dutch power market. The exchange members' support for the market has always been visible through a high number of members and significant trading activity. In 2015 memberships on the Power NL market increased to 68, up from 63 the year before.

TAKING MARKET COUPLING TO THE NEXT LEVEL

The Dutch power market was one of the first coupled with its neighboring markets in 2006 and further integration took place in 2010 when the CWE Day-Ahead market coupling was launched. Since then the coupling of Intraday markets with Belgium and the Nordics has followed. This year was marked by further integration of the Dutch market with the introduction of the CWE Flow-Based methodology.

A MORE SOPHISTICATED METHOD

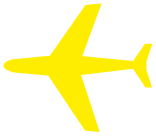
May 2015 marked a crucial milestone for European market integration, and paved the way towards the further completion of the internal European energy market. By using a more detailed grid description, Flow-Based is a more sophisticated method for transmission capacity calculation and therefore a significant step towards the most efficient form of market coupling. As one of the first movers to create a single European market, it was natural for the Dutch market to participate in taking market coupling to the next level.



BIRGITTA WESTGREN



DIRECTOR ENERGY MARKET & INNOVATION DIRECTORATE, DUTCH MINISTRY OF ECONOMIC AFFAIRS

In my view the most important milestone was the extension of the CWE Day-Ahead market coupling system to a much wider European region in 2014. Widening the geographical scope of the price coupling solution, that has today been implemented in 23 EU member states, marks the recognition of market coupling as a system that enables an efficient price setting, an optimal use of the available capacity, and thus an increased welfare in a wider European region. Moreover, I would like to highlight the importance of launching the Flow-Based market coupling system last year, that has greatly contributed to further regional market integration and the completion of the internal energy market. The CACM Regulation now ensures the deployment of the Flow-Based system on continental Europe. I consider the stepwise implementation of the CACM Regulation to be the most important challenge for the years ahead. This includes the establishment of liquid cross border intraday markets and the extension of Flow-Based market coupling to the wider EU-region. The CACM implementation process will involve great endeavours by European power exchanges (NEMOs) in their new competitive environment. The major challenge for power exchanges is to work together with TSOs to move from the voluntary [early implementation] phase into a legal implementation process and to ensure a timely and adequate implementation of the market coupling steps envisaged by CACM. Our government attaches great importance to this implementation, it is essential for strengthening European energy market integration and to achieving our objective of a fully functioning internal energy market and a true Energy Union.



FR

PARIS OFFICE

MEMBERS	114	TRADED VOLUME ON THE DAY-AHEAD MARKET	106 TWH
TRADED VOLUME ON THE INTRADAY MARKET	3,779 GWH	CONSUMPTION COVERED	23%
	DEVELOPMENT OF TRADED VOLUMES FROM 2011 TO 2015		



Sacré Coeur; it is the most visible monument from the EPEX SPOT headquarters.

A MARKET WITH **MOMENTUM**

FRANCE HAD FOR YEARS A RATHER STAGNANT ELECTRICITY MARKET. THIS CHANGED IN 2015: FOLLOWING LIBERALISATION EFFORTS AND INCREASED PRODUCTION OF RENEWABLES, VOLUMES TRADED ON THE FRENCH POWER MARKET HAVE NEARLY DOUBLED OVER THE PAST TWO YEARS.

The Grande Nation used to have a stable power market. While being one of the first and most liquid continental electricity markets, traded volumes have been between 50 and 65 TWh annually over the last seven years. In the meantime, neighboring countries such as Germany and Switzerland witnessed consistent growth in exchange volumes. The French market was one of the first electricity markets to implement market coupling. In today's European-wide coupling of Day-Ahead markets, electricity flows to where it is needed most, based on reference prices on the markets. In close cooperation with transmission system operators, all involved power exchanges take turns in operating the market coupling.



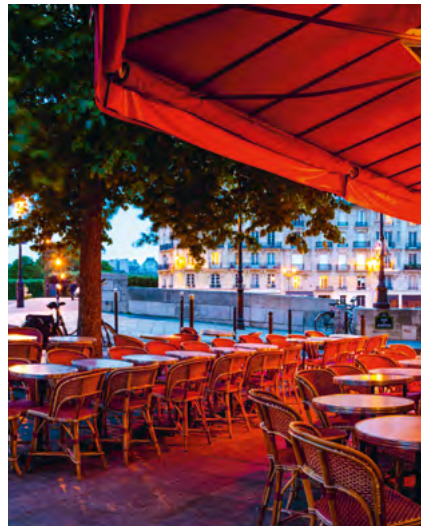
In the case of France, this has led to a significant optimisation of exports and imports, as the country has 48 interconnectors which add up to a

rather impressive cross-border transmission capacity. This is important, especially under extreme weather conditions such as cold spells, as French electricity demand is highly temperature-sensitive: prices tend to rise quickly when temperatures fall.

RENEWABLES INCREASING

Most of the nuclear power production fleet is operated by only few suppliers – a fact that has led to a mechanism where alternative suppliers can access these volumes at a regulated price. For several years, participants of the power market have used the ARENH (Accès régulé à l'électricité nucléaire historique) mechanism instead of going to the power exchange. ARENH provides alternative suppliers on the French power market with an access to the nuclear production of EDF: they can cover their needs at a fixed price at any given time.

This started to change at the end of 2014. Since then more and more market participants have joined the EPEX SPOT market, for different reasons: wholesale prices have been below the price of power in ARENH



mechanism; the increase in renewable generation has resulted in increasing volumes generated outside the regulated ARENH mechanism; and several new market players have recently entered the French market, not only from France but also from all over Europe.

CONSIDERABLE LEAP

Within one year, traded volumes in France jumped by 55%, from 71 to 110 TWh. The leap is considerable: just look at the overall yearly volumes since the launch of the French power market back in 2001 (see graphic on the next page).

The market development is not over yet. In November, the daily Day-Ahead Auction record was broken several times in a row. The electricity market of the Grande Nation is set to have an eventful future.



RÉMI PERRIN

HEAD OF TRADING AT COMPAGNIE NATIONALE DE RHÔNE AND MEMBER OF THE EPEX SPOT EXCHANGE COUNCIL

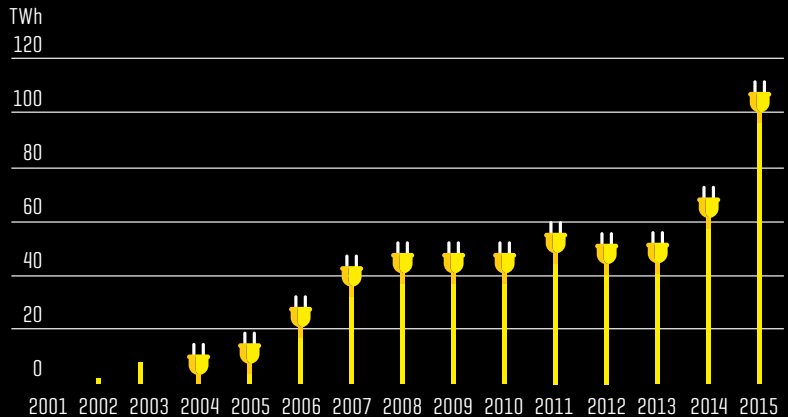
Lately, with the melting prices of combustibles, prices on the electricity wholesale market have strongly decreased. Indeed, public institutions have now stopped their usual fallback towards sophisticated compensation schemes for consumers (Tartam and then ARENH). Today, the market is cleaned and actors have found again their trust in the wholesale market. The increase of volumes traded on the exchange is a good indicator of this regained trust.

From this year on, the new support scheme for renewable energy – the “Complément de Rémunération” (CR) – will re-

quire producers to sell their energy on the market and to handle their fluctuations up to real time. This scheme will bring a new category of actors to the market, the aggregators of renewable energy sources. Their activity will lead to a further growth of volumes traded on the exchange, on the spot market just as on the intraday market. This movement could further amplify if, so we hope, the state authorises producers to switch their feed-in tariff contracts from the old model (“Obligation d’Achat”) to the new CR scheme.



YEARLY FRENCH DAY-AHEAD VOLUMES FROM THE START





FOUR REASONS TO TRADE ON EPEX SPOT

1 OPTIMISE

Austrian Power Grid AG (APG) is the Austrian transmission system **operator and has been optimising deviations between the Day-Ahead and the Intraday forecast of wind energy** production by means of intraday trading since 2015. Highly liquid and transparent short-term energy markets are essential and thus help APG manage its portfolio. The deviations' optimisation is a service based on public tenders issued by OeMAG, the Austrian Eco-Electricity Processing & Administration Company.

—
DR. CHRISTIAN TODEM,
HEAD OF MARKET MANAGEMENT AT APG

2 GENERATE

Neas Energy is one of the leading independent asset management companies in Europe with a portfolio of more than 8,000 MW of renewables and combined heat and power plants under management. It is our objective to maximize the value of clients' by connecting them to the energy market through proven software and trading solutions allowing around-the-clock real time asset optimization. For this purpose EPEX SPOT is a valued partner and platform. Especially the development of a transparent and liquid intraday market has been a corner stone in the renewable energy expansion across the EU and **provided flexible energy sources with a whole new market to generate income.**

—
JESPER SEVERIN JOHANSON,
HEAD OF SHORT TERM POWER TRADING AT NEAS ENERGY A/S

3 ACTIVATE

The Stadtwerke Düsseldorf are a typical German utility – and the markets of EPEX SPOT have been a logical choice for us. They have facilitated our **access to a pool of electricity that we can activate whenever we need it.** With our nearly 600,000 clients to supply, EPEX SPOT provides us with the tools we need to guarantee them electricity supply in just the right amount.

—
BERNHARD MÜLLER,
LEITER HANDEL UND WEITERVERTEILER
AT STADTWERKE DÜSSELDORF AG

4 VALORISE



Solvay Energy Services is a subsidiary of chemical company Solvay. Besides our fundamental expertise in energy and CO₂ markets, we provide our customers with energy-related services such as price risk management, asset optimization or energy efficiency programs, to improve their energy performance and reduce their CO₂ footprint. In France, we are a balancing provider and manage 500 MW in electricity and utilities assets. We have selected EPEX SPOT Day-Ahead and Intraday markets for the high degree of liquidity which enables us to obtain **the best value from our portfolios. Apart from this flexibility, EPEX SPOT provides a reliable, well-organized, open and competitive marketplace.**

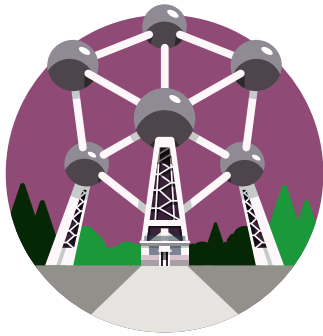
—
BASTIEN LE BOUHELLEC,
TARDER AND ANALYST MARKET AT SOLVAY S.A.



BE

BRUSSELS OFFICE

MEMBERS	54	TRADED VOLUME ON THE DAY-AHEAD MARKET	24 TWH
TRADED VOLUME ON THE INTRADAY MARKET	749 GWH	CONSUMPTION COVERED	29%
	DEVELOPMENT OF TRADED VOLUMES FROM 2011 TO 2015		



The Atomium.



MARKET INTEGRATION SECURES SUPPLY

AS THE BELGIAN WHOLESALE ELECTRICITY MARKET IS RELATIVELY SMALL AND STRONGLY INTERCONNECTED, PRICE FORMATION ON THE EXCHANGE IS HIGHLY DEPENDENT ON NEIGHBOURING COUNTRIES. IN 2015 INTERCONNECTION PROVED TO BE A RELIABLE TOOL TO HELP TO ADDRESS LOCAL SECURITY OF SUPPLY ISSUES.

2015 was marked by a continued unavailability of nuclear units (Doel 3 and Tihange 2), resulting once again in concerns over security of supply. However, the authorisation given by the competent authorities to restart these 2 units as of December 2015 and the political decision to extend by 10 years the lifetime of Doel 1 and 2 have significantly reduced those concerns in the short and medium term. In January 2016 it was decided not to extend the strategic reserve for the winter 2016-2017 beyond what had already been contracted.

Over the course of the last two years, Belgium has imported significant volumes of electricity through the Day-Ahead coupled market. In addition to the improved efficiency of electricity flows, market coupling contributes to security of supply and allows Belgian consumers to benefit from lower electricity prices on interconnected markets. In 2015, the unavailability of some nuclear reactors and the low profitability of gas-fired power plants resulted in even higher flows, with 24% of Belgian electricity consumption being imported.



A QUARTER OF CONSUMPTION IS IMPORTED

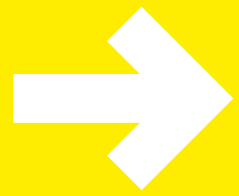
Uncertainty about the availability of generation plant during the last two years has led market participants to balance an increasing part of their portfolios on the exchange, leading to significant increase in traded volumes. In this context, EPEX SPOT has perfectly played its part, helping buyers and sellers to meet and exchange electricity on its trading systems to balance their positions on a fair and transparent basis. In 2015, the total traded volume on the Belgian market went up by 19%, reaching a total of 24.4 TWh, which represents about 29% of the Belgian electricity consumption. More market parties considered the exchange as the preferred way to trade and the number of memberships increased to 54.

ANNA TSIOKANOS
SENIOR EXPERT MARKET
DEVELOPMENT ELIA

Security of supply was a significant topic in the recent years for the Belgian electricity market. To tackle the long-lasting matter, a set of legislative measures was established aiming to improve the security of supply in Belgium. One of these measures was the modification of the Belgian electricity law in 2014 which assigns the task to Elia to develop a mechanism called “strategic reserve”. The mechanism was first introduced for the winter 2014-2015 and continued for the winter 2015-2016.



The strategic reserve is activated once a risk of an energy shortage on the Day Ahead electricity market (“economic trigger”) or of a risk of a shortage in the Elia control area (“technical trigger”) has been detected. In case of an “economic trigger”, Belpex plays an important role since strategic reserve capacity will be allocated via a dedicated market segment on Belpex, the so-called Strategic Reserves Market. This is a situation in which a total demand for electricity on the Belpex Day-Ahead market exceeds the total available offer, including what can be imported.

The Strategic Reserves Market is available during the winter period, from November 1st to March 31st. While all parties were prepared, the circumstances to activate the Strategic Reserves Market did not occur during 2015.



UK

LONDON OFFICE

MEMBERS	64	TRADED VOLUME ON THE DAY-AHEAD MARKET	47 TWH
TRADED VOLUME ON THE INTRADAY MARKET	14,557 GWH	CONSUMPTION COVERED	19%
	DEVELOPMENT OF TRADED VOLUMES FROM 2011 TO 2015		



The Gherkin, one of London's latest skyscrapers.

THE GROWING CHAMPION

THE STRONGEST INCREASE IN LIQUIDITY WAS EXPERIENCED ON THE EPEX SPOT POWER UK MARKET WITH EXPLOSIVE GROWTH IN TRADED VOLUMES THROUGHOUT THE YEAR. THE DRIVE FOR INNOVATION RESULTED IN A NEW MARKET SEGMENT, THE HALF HOUR 15:30 DAY-AHEAD AUCTION, WHICH WAS SUCCESSFULLY LAUNCHED WITH INDUSTRY WIDE SUPPORT IN FEBRUARY 2015.

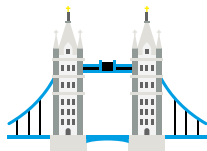


In 2015 the Power UK market saw a dramatic shift. The volumes traded on EPEX SPOT markets experienced significant growth, demonstrating continuous support from existing members, and also attracting new market players to join the UK's longest standing spot power exchange. These developments support improved liquidity and competition of the UK wholesale market.

SHIFT IN MARKET DYNAMICS

Growth in traded volumes was gained across all UK market segments as total traded volumes increased by 136% to 61.5 TWh. The significant growth was mainly due to a strong increase of Day-Ahead auction volumes, with 45.4 TWh traded. This exceeded last year's volume by 291%. These milestones represent record volumes and

memberships, as EPEX SPOT further strengthened its position as the UK's power exchange of choice (see box on the next page: One market, two exchanges).



INVESTING IN INNOVATION

To provide market parties with new and better ways to manage their physical exposure and to optimise their positions, EPEX SPOT developed a new market segment to support and complement the existing Power UK segments. The design of the new market was driven by the UK Market Development Advisory Board and its implementation had broad support across the exchange's wide membership base. As a result, the UK Half Hour Day-Ahead 15:30 Auction was successfully introduced on 3 February 2015.

THE HALF HOUR AUCTION

The Half Hour auction represents an innovative new market aimed at focussing liquidity of half hour contracts into an auction. The market is run at 15:30 UK time on the day before delivery, and therefore allows the market participants to fine-tune their portfolio positions after the existing Day-Ahead market closes. Moreover, it supports members in balancing their positions within the hour – similar to the 15-minute products provided by EPEX SPOT in Germany, Austria and Switzerland, these contracts increase flexibility in power trading.

The Half Hour auction has quickly developed into a credible new market segment which complements EPEX SPOT's existing UK markets and creates new liquidity in the UK market, with a total of 1.5 TWh traded in its first year [see graphic below].

SUPPORTING UK WHOLESALE MARKETS

EPEX SPOT's progress in promoting a competitive and liquid UK spot market was recognised and endorsed by policy makers and regulatory authorities. On 10 July 2015 the Competition and Markets Authority published its full provisional findings report, which concluded that near-term liquidity in Great Britain is good, that the Day-Ahead auction price was likely to be robust, and that mandating all electricity to be traded in the auction would not improve the quality of the price signal generated.

EPEX SPOT fully supports the Competition and Markets Authority provisional findings and will continue to work with our UK members and policy makers to develop and further improve transparency, liquidity and competition of near term markets in the UK.



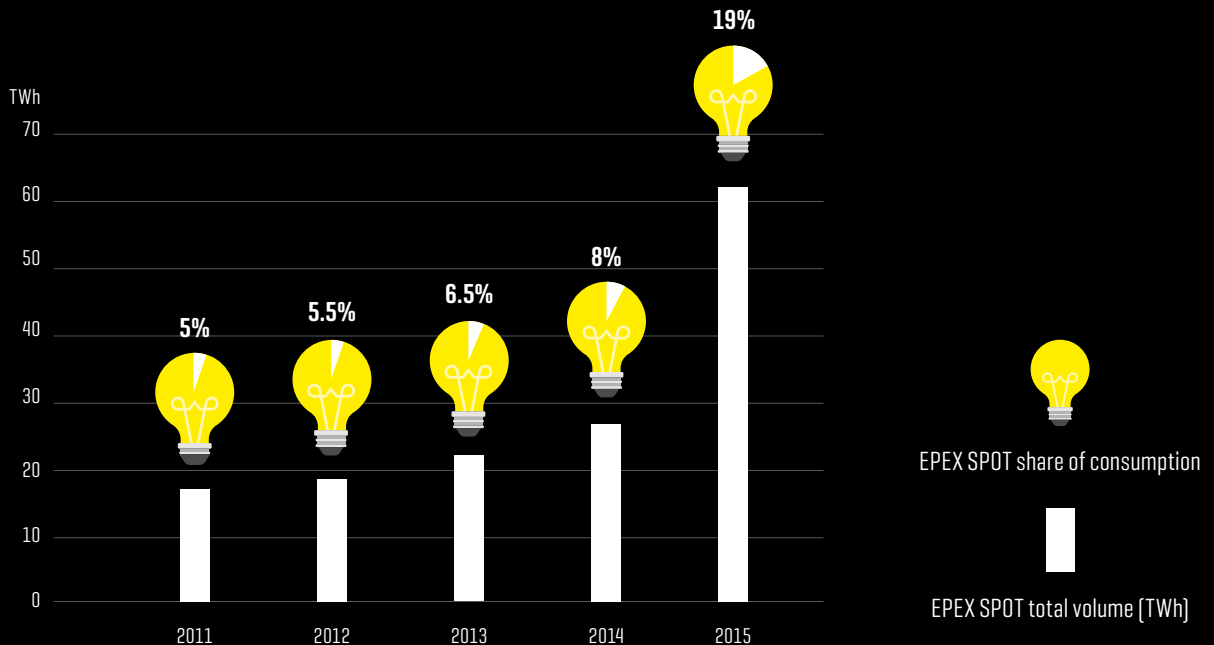
EWAN STOTT

HEAD OF NEW PRODUCTS AT
SCOTTISHPOWER/IBERDROLA
GLOBAL ENERGY MANAGEMENT

2015 has seen an astonishing lift in liquidity on the British EPEX SPOT market. For us, this is a clear sign that products and overall offering - the package - is just on the right track. The Half-Hour Day-Ahead auction is one of the reasons members have turned to this market. For us at ScottishPower, we now have a better tool for marketing wind energy with its intra-hour variations; and this will become more and more relevant in the future.

We look forward to the full integration of APX with EPEX SPOT. Tightening the links with the continental power markets will be beneficial for many members on the British market, for example in terms of clearing and settlement, system harmonization or memberships. Plus, continental member will be able to enter the UK more easily, which might further lift liquidity on the British market. The merger between APX and EPEX SPOT is a big step forward especially for the UK power market and its members.

EPEX SPOT SHARE OF TOTAL CONSUMPTION IN THE UK







ONE MARKET, TWO EXCHANGES

The UK stands out amongst European power markets. For the time being, it is the only country in which two Day-Ahead auctions are coupled together. Put simply, the two Day-Ahead auctions are connected with infinite transmission capacity which ensures that, while the volumes traded differ, the auctions always clear at the same price. The arrangement facilitates competition and leaves market participants free to choose the power exchange offering the best service, most market segments and most reliable systems.

In the course of 2015, a shift of gravity occurred with regards volumes traded in the two Day-Ahead auctions. The EPEX SPOT Day-Ahead auction volume grew significantly by 291%. Consequently, EPEX SPOT's share in total volumes traded on the Power UK market increased from 8% in 2014 to 19% in 2015 [see graphic]. In addition, EPEX SPOT's share of Power UK Intraday volume remained at close to 100%, and is one of the most liquid intraday markets in Europe. The launch of the Half Hour auction contributes to strengthening EPEX SPOT's position as the UK's power exchange of choice. The integration of the former APX UK market into one power exchange for Central Western Europe and UK will provide the members with access to multiple markets through one single EPEX SPOT membership. The UK market provides a glimpse into the future. With the EU regulation on Capacity Allocation and Congestion Management, competition amongst power exchanges will spread across Europe.

CH

BERN OFFICE

MEMBERS	81	TRADED VOLUME ON THE DAY-AHEAD MARKET	23 TWH
TRADED VOLUME ON THE INTRADAY MARKET	1,477 GWH	CONSUMPTION COVERED	38%
	DEVELOPMENT OF TRADED VOLUMES FROM 2011 TO 2015		



The medieval tower of the Zytglogge in Bern.

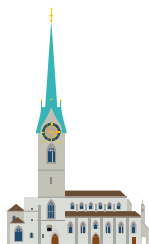
THE LONE STAR

SWITZERLAND – THE LAND OF CHEESE, CHOCOLATE AND BEAUTIFUL MOUNTAINS. ITS ELECTRICITY MARKET IS OUTSTANDING, TOO: WHILE BEING A TRANSIT COUNTRY IN THE MIDDLE OF THE CONTINENT, ITS DAY-AHEAD MARKET WAITS TO BE COUPLED WITH THE REST OF EUROPE.

The Swiss power market witnessed a further increase in traded volumes on the Day-Ahead and Intraday markets in 2015. Although not yet coupled with the neighbouring countries, Switzerland has become a market with satisfying liquidity. Volumes grew from 22.2 TWh in 2014 to 24.4 TWh. This corresponds to 38% of national electricity consumption! For the first time, there were 30 exchange members from Switzerland. Companies from outside the country were attracted by the Swiss electricity market: eleven new members joined, bringing the total number to 81 European members trading on the Swiss market by the end of 2015.

A TRANSIT COUNTRY

While not yet integrated into the pan-European Multi-Regional Coupling (MRC), 11% of total electricity traded between the ENTSO-E countries in continental Europe is transported over Swiss borders and 23% of all cross-border capacity is available on the Swiss borders. But Swiss energy consumption accounts only for 2% of overall European consumption.



ECONOMIC LOSSES

All neighbouring countries of Switzerland are now part of European market coupling so far. In February 2015 Italy was connected to the MRC together with Slovenia. Practically, Switzerland is a lone star in the well interconnected European electricity sky. If Switzerland is not able to participate in the European market coupling so far, producers and consumers on both sides of the borders will continue to suffer economic losses. This could change quickly once negotiations with the European Commission on a bilateral electricity agreement succeed. EPEX SPOT and Swissgrid have already fulfilled all technical requirements to include Switzerland in the MCR.



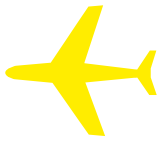
CORNELIA KAWANN

HEAD OF MARKET
SURVEILLANCE AT THE FEDERAL
ELECTRICITY COMMISSION ELCOM

Due to REMIT Swiss market participants trading in the EU must report REMIT data to ACER and to ElCom. They must report the same data, in the same format at the same time. ElCom tries to make this double reporting for the respective market participants as efficient and simple as possible by setting up a system compatible with the EU reporting system.



Due to the market surveillance implemented in Switzerland, ElCom is able to treat transparency issues as well as market integrity on electricity wholesale markets at the same level as European NRAs and ACER. This is for the benefit of market participants. Furthermore, REMIT data gives NRAs the means to better understand the market and its activities, which is essential for further market developments.





AT

VIENNA OFFICE

MEMBERS	63	TRADED VOLUME ON THE DAY-AHEAD MARKET	264 TWH*
TRADED VOLUME ON THE INTRADAY MARKET	941 GWH	CONSUMPTION COVERED	53%*
	DEVELOPMENT OF TRADED VOLUMES FROM 2011 TO 2015		

* DE/AT forming one single market on the Day-Ahead



Hundertwasser designed the district heating plant of Spittelau.

THE LIQUID SIBLING

AUSTRIA IS AMONGST THE MOST DEVELOPED AND BEST-CONNECTED ELECTRICITY MARKETS IN EUROPE. ITS KEY ASSET: THE FULL INTEGRATION WITH GERMANY. IN 2015, THE MARKET TOOK MAJOR STEPS FORWARD, WITH 15-MINUTE CONTRACTS AND A SIGNIFICANT REDUCTION OF THE INTRADAY LEAD-TIME.

What a leap for the Austrian Intraday market: one year ago, the lead-time was considerably longer than in other markets and no 15-minute products were available. This changed in the course of 2015.

SHORTER LEAD TIME

The Intraday markets in Austria, Germany, France and Switzerland benefited from a considerable reduction in lead times – the time between the end of trading and the start of delivery of electricity. For Austria, however, it turned out to be the biggest step of all. The local Intraday lead-time was reduced from 75 to 30 minutes. The impact on the Austrian market turned out to be massive. 40% of today's transactions now happen in the time-frame for trading created by the lead-time reduction.

SHORTER CONTRACTS

15-minute contracts were introduced on the Austrian continuous Intraday market after the very same product had already succeeded on the German and Swiss market. The new product was warmly welcomed by the trading

community. The first months have shown a steady increase in trading activity of 15 minute contracts, and its share of the Intraday market reached almost 10% of the volumes.

THE GERMAN-AUSTRIAN PRICE ZONE

For power wholesale trading, there has not been a German-Austrian border so far, although temporary interruptions on the intraday market have become a known routine restriction for cross-border trading. However, concerns have been raised whether the German and Austrian market needs to be generally split in light of the non-binding ACER opinion issued in September 2015. EPEX SPOT is fully aware that the preservation of the common price zone is a European achievement in itself and vital for German and Austrian market participants.



DR. MICHAEL FUCHS

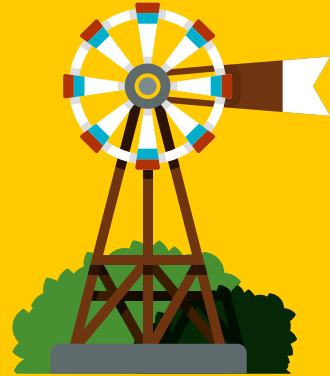
EXPERT FOR ENERGY POLICY AT
THE FEDERATION OF AUSTRIAN
INDUSTRIES

Power exchanges have already been a fundamental element of the comprehensive development towards a liberalised internal European market for electricity and can play an even bigger role in the future. There is undoubtedly high potential for price signals, even more so if they are generated irrespective of market disruptions by renewable energy subsidies. Such signals can be crucial for reliable and balanced enterprise resource planning flanked by futures and secured by intraday trading opportunities. Currently, they do not reflect all, mostly politically driven factors and can therefore only express parts of a holistic market situation. Hence, a desirable development must be in line with political commitment. This political commitment has to focus on the realisation of a true and physically integrated internal power market. Such a market development is an essential milestone on the path to fulfil the vision of a European energy union. Within such a concept, the best practice project of the German-Austrian power market and a reliable energy-only market enabled by an appropriate market design are essential. Only if Europe succeeds in designing an innovation-friendly – and thus exempt from feed-in-tariffs – sustainable energy generation system, while accelerating the infrastructural development, we will be able to proceed towards a bright “powerful” industrial future.

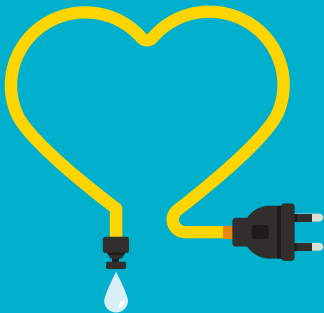
DID YOU KNOW?



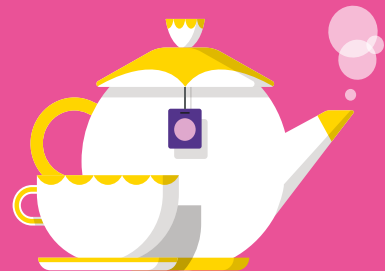
IN GERMANY, **ANGELA MERKEL'S GOVERNMENT ANNOUNCED IT WOULD CLOSE ALL NUCLEAR POWER PLANTS BY 2022**, FOLLOWING THE EVENTS OF FUKUSHIMA, AND DEVELOP RENEWABLE ENERGY INSTEAD. A DECADE FROM NOW, GERMAN KIDS WATCHING "THE SIMPSONS" WON'T RECOGNISE WHERE HOMER WORKS – AT A NUCLEAR POWER PLANT.



LEAVING EUROPE FOR ONE REMARKABLE FUN FACT: THE FIRST WIND TURBINE WAS NOT BUILT IN EUROPE, BUT IN THE UNITED STATES. **CHARLES BRUSH INSTALLED A WIND TURBINE TO PRODUCE ELECTRICITY FOR HIS HOUSE BACK IN 1888!**



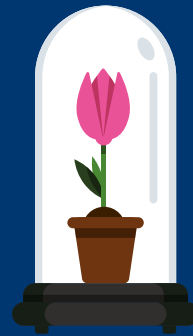
IN SWITZERLAND, MORE THAN 500 LARGE HYDROELECTRIC POWER PLANTS WITH 160 DAM RESERVOIRS AND ABOUT 1000 SMALL AND MEDIUM SIZE HYDROELECTRIC POWER PLANTS PRODUCE ON AVERAGE 34 TWH EACH YEAR. **THIS CORRESPONDS TO 59% OF THE TOTAL VOLUME OF ELECTRICITY PRODUCED.**



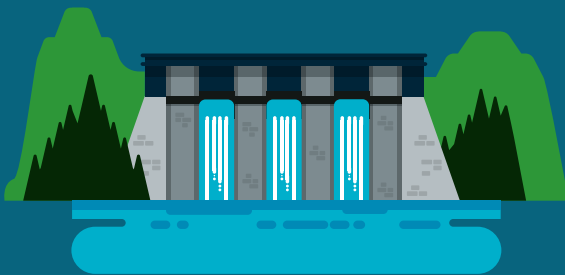
THE UK POPULATION DRINK 165 MILLION CUPS OF TEA EVERY DAY, **WHICH EQUALS AN ENERGY CONSUMPTION OF 6,875,000 KWH.** BLIMEY!



ELECTRICITY IS LITERALLY AT THE HEART OF OUR OWN BODY. IT CAUSES MUSCLE CELLS IN THE HEART TO CONTRACT. ELECTROCARDIOGRAM MACHINES, USED BY MEDICAL PROFESSIONALS, MEASURE THE ELECTRICITY GOING THROUGH THE CENTRAL ORGAN – **ELECTRICITY IS INDEED VITAL.**



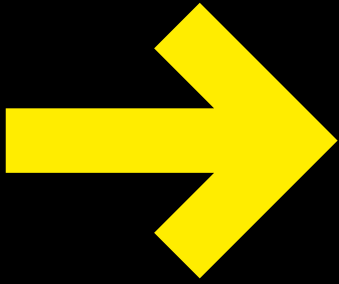
IN THE NETHERLANDS, **A REMARKABLE AMOUNT OF GREENHOUSES RELY ON COMBINED HEAT AND POWER.** THAT'S THE REAL SECRET BEHIND DUTCH TULIPS.



IN FRANCE, RENEWABLE ENERGY HAS A LONG AND STRONG HISTORY. YOU DON'T BELIEVE IT? LOOK AT THE FIGURES: **RENEWABLE ENERGY SOURCES COVERED 18.7% OF FRANCE'S CONSUMPTION IN 2015.** THIS IS MAINLY DUE TO MASSIVE HYDROELECTRIC POWER PLANTS BUILT IN THE SECOND HALF OF THE 20TH CENTURY.



IN AUSTRIA, THE MOST IMPORTANT POWER SOURCE IS WATER [66%]. THE POWER SOURCE AUSTRIANS WANT TO BECOME MORE IMPORTANT IS WATER [63%]. THE FIRST STREET LIGHTING OF AN AUSTRIAN CITY WAS SUPPLIED WITH WATER POWER [1884]. HOWEVER: WATER IS NOT THE PREFERRED AUSTRIAN BEVERAGE.



FINANCIAL REPORT

*PARIS • AMSTERDAM • LEIPZIG •
LONDON • BRUSSELS • VIENNA • BERN*

EPEX SPOT GROUP ACCOUNTS AS OF 31/12/2015

BASIS OF PREPARATION

On 4 May 2015, the company EPEX SPOT acquired 100% of APX Group. Given the size of APX Group, EPEX SPOT considered the presentation of a consolidated statement for the annual financial accounts as of 31 December 2015 as appropriate.

Since EPEX SPOT is fully consolidated in the financial accounts of EEX Group as of 31 December 2015, the company has no regulatory obligation to prepare any consolidated financial statements. Therefore, these statements have been prepared on a voluntary basis and for information purpose only. Moreover, they only refer to the year ending as of 31 December 2015. The prior year figures as of 31 December 2014 refer to the statutory annual accounts of EPEX SPOT SE, with the exception of the reclassification of the sharing profit in personal expenses and the extraordinary income and expenses in operating income and expenses.

By way of simplification, the International Reporting Financial Standards (IFRS) as adopted by the European Union, as well as the EEX Group standards, have been applied to a limited extent and have not been audited. Furthermore, the financial statements included, as of 31 December 2015, the revenue and expenses related to the clearing activities of APX Group. However, according to the transfer agreement concluded in the first semester 2015, the rights to deploy the clearing services have been acquired by the company European Commodity Clearing AG (ECC) on 4 May 2015.

The activity of clearing has a significant impact on the presentation of the consolidated accounts of EPEX SPOT SE, especially on the balance sheet: on the one hand, the receivables and liabilities are important due to the fact that the clearing activity takes over the risk of default resulting from the offset of purchases and sales of the exchange participants' positions of (cf. trade debtors and creditors mentioned below). On the other hand, in order to fulfill its clearing activities, the APX Group entities are provided by their members with financial collaterals, which are accounted for the same amount on the asset and liability side of the balance sheets (cf. financial collateral mentioned below).

PERIMETER OF CONSOLIDATION

The consolidated financial statements of EPEX SPOT SE as of 31 December 2015 have been prepared including the following statutory entities:

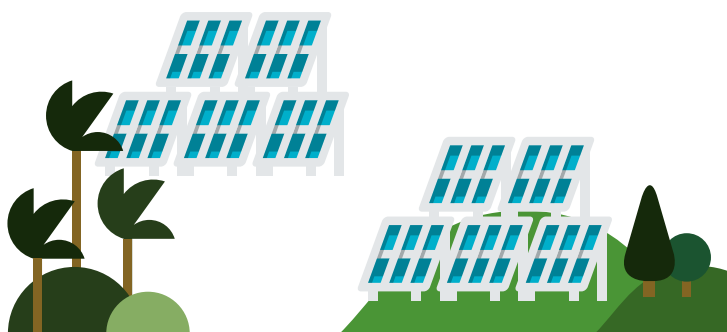
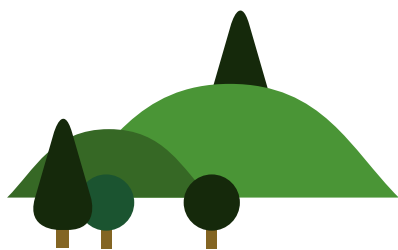
- EPEX SPOT CH AG 100% Fully consolidated
- APX Group: 100% Fully consolidated
 - APX Holding BV
 - BELPEX S.A.
 - APX Commodities Ltd.
 - APX Clearing B.V.
 - APX Shipping B.V.
 - APX Balancing B.V.
 - APX Staffing B.V.
 - APX Power B.V.
- JV EPEX-SOOPS B.V. 60% Fully consolidated
- SEEPEX 25% Equity

ACCOUNTING INFORMATION

In order to prepare the consolidated financial statements, EPEX SPOT SE relied on the statutory financial statements of the company as well as on its subsidiaries financial statements. They have been restated to ensure the consistency with the policies adopted by the group. This information has been reviewed by the auditor of each entity for the purpose of the EEX Group consolidation reporting.

The intercompany transactions, balances and unrealised gains/losses on transactions between group companies are eliminated.

As a result of the acquisition of the APX Group by the company EPEX SPOT SE, a Purchase Price Allocation (PPA) has been performed by the EEX Group for its consolidation as of 31 December 2015. EPEX SPOT SE included the result of this PPA, unchanged, for the preparation of its consolidated statements. However, it should be noted that the preparation of a PPA at EPEX SPOT level would have resulted in different adjusted figures.



BALANCE SHEET

	31/12/2015			31/12/2014
	EPEX GROUP ¹	OTHER CONTRIBUTIONS ²	EPEX SPOT SE	EPEX SPOT SE
ASSETS				
FIXED ASSETS				
GOODWILL	11,046	9,502	1,544	1,544
INTANGIBLE FIXED ASSETS	25,223	22,006	3,217	1,575
PROPERTY, PLANT AND EQUIPMENT	2,502	2,185	317	239
DEFERRED TAX ASSETS	1,575	1,095	480	0
FINANCIAL ASSETS	0	-34,279	34,279	296
TOTAL FIXED ASSETS	40,346	509	39,837	3,654
SHORT-TERM ASSETS				
TRADE DEBTORS AND RELATED ACCOUNTS	139,149	130,520	8,629	9,055
OTHER RECEIVABLES	28,143	26,752	1,391	1,720
CASH COLLATERALS	277,640	277,640	0	0
CASH AND CASH EQUIVALENTS	28,865	7,187	21,678	19,656
TOTAL SHORT-TERM ASSETS	473,797	442,099	31,698	30,431
TOTAL ASSETS	514,143	442,608	71,535	34,085
STOCKHOLDER'S EQUITY AND LIABILITIES				
CAPITAL AND RESERVES				
CAPITAL	6,168		6,168	4,973
PREMIUMS ON SHARES ISSUED, MERGERS, CONTRIBUTIONS	35,320		35,320	2,474
OTHER RESERVES	2,955	2,025	930	497
PROFIT FOR THE FINANCIAL YEAR	20,459	1,522	18,937	16,691
MINORITY INTEREST	71	71	0	0
TOTAL CAPITAL AND RESERVES	64,973	3,618	61,355	24,635
LONG-TERM LIABILITIES				
PROVISIONS	0	0	0	1,043
DEFERRED TAX LIABILITIES	5,362	5,359	3	0
TOTAL LONG-TERM LIABILITIES	5,362	5,359	3	1,043
SHORT-TERM LIABILITIES				
PROVISIONS	1,049	221	828	0
FINANCIAL LIABILITIES	25,601	25,601	0	0
TRADE CREDITORS AND RELATED ACCOUNTS	129,899	126,090	3,809	7,901
CASH COLLATERALS	277,641	277,641	0	0
OTHER LIABILITIES	9,618	4,077	5,541	506
TOTAL SHORT-TERM LIABILITIES	443,808	433,630	10,178	8,407
TOTAL LIABILITY AND EQUITY	514,143	442,607	71,536	34,085

1- The APX Group entities have been included for a period of 8 months only as they have been acquired on 4 May 2015.

2- Mainly APX Group entities, eliminations and consolidation restatements.

COMMENTS TO THE BALANCE SHEET ITEMS

GOODWILL

The goodwill results from the two following mergers:

- 1,544 KEUR as a result of the merger of EPS (the German spot markets) into EPEX SPOT on January 1, 2009.
- 9,502 KEUR as a result of the combination of the APX Group entities into EPEX SPOT subgroup consolidation (figures derived from the PPA performed at EEX level).

INTANGIBLE FIXED ASSETS

They mainly consist of:

- Intangible Purchase Price Allocation (PPA): This has been derived from the following allocation of intangible resulting from the acquisition of APX Group:

APX TRADING FAIR VALUE ADJUSTMENTS	31/12/2015
TRADEMARK APX	470
TRADEMARK BELPEX	96
CUSTOMER RELATIONSHIP TRADING NL	12,975
CUSTOMER RELATIONSHIP TRADING UK	2,931
CUSTOMER RELATIONSHIP TRADING BE	5,039
Order_Backlog	208
Exchange License	114
APX_Software P235 Remit	119
APX_Software Twin DC	-1,681
APX_CR_UK_Smart Order	-49
APX TRADING TOTAL FAIR VALUE ADJUSTMENTS	20,222

- Other intangible assets: The net of those items amount to 3,022 KEUR (2014: 1,086 KEUR). They are amortized according to the straight-line method over duration of 36 up to 60 months. They mainly relate to software and system developed internally for the purpose of the day ahead market coupling operations.
- Assets under construction: this position amounts to 1,977 KEUR (2014: 445 KEUR) and mainly contains investments for market coupling projects on Intraday Crossborder.

TANGIBLE FIXED ASSETS

Their net amount increased as a result of the contribution of APX Group (2,185 KEUR) on the period. As of 31 December 2015, they mainly relate to hardware system for 5,372 KEUR in gross value (2,000 KEUR in net), facilities equipment for 1,563 KEUR in gross value (234 KEUR in net) and office materials and furniture for 637 KEUR in gross value (268 KEUR in net).

DEFERRED TAX ASSETS

They mainly resulted from temporary tax differences as well as differences on accounting standard between local GAAP and IFRS.

TRADE DEBTORS AND RELATED ACCOUNTS

This item amounting to 139,149 KEUR increased compared to the previous year (2014: 9,055 KEUR) as a result of the APX Group contribution for 130,520 KEUR among which the great majority still relate to Gas debtors³ (118,899 KEUR). The important level of debtors is related to the clearing activity (cf. trade payables).

OTHER ASSETS

This position (1,843 KEUR) represents mainly prepaid expenses for 829 KEUR and VAT receivables for an amount of 543 KEUR (2014: 1,286 KEUR).

COLLATERAL IN CASH

Collateral in cash is cash that is provided to APX in relation to the margining framework for energy transactions for EUR 278 million (2014: EUR 289 million). Collateral in cash is collateral provided to APX by members to cover trading margin requirements. This includes cash collateral held in 'in name of accounts' only. For the cash collateral balances held in the 'in name of accounts', APX has recognized an offsetting liability to the members. This collateral cannot be freely used by APX.

CASH AND CASH EQUIVALENT

The total cash position of EUR 28.9 million is freely available to the group.

3- The Gas clearing activity will be terminated in 2016 as a result of the carve out of this activity to ICE.

CAPITAL AND RESERVES

The share capital has been increased by 1,195 KEUR, to 6,168 KEUR (2014: 4,973 KEUR), as a compensation to the transfer of APX Holding shares from Elia System operator SA and TenneT holding BV to EPEX SPOT SE. As a result, 3,483,716 shares were issued to Elia and 8,463,930 shares to TenneT Holding BV⁴. The difference between the transfer value and the capital increase has constituted a share premium of 32,847,235.40 EUR. The legal reserve amounts to 497 KEUR and therefore will have to be increased by 120 KEUR to comply with the minimum mandatory requirement corresponding to 10% of the share capital (617 KEUR).

DEFERRED TAX LIABILITIES

This item refers to the temporary tax differences corresponding to the Purchase Price Allocation (PPA).

PROVISIONS

This item contains several provisions for risks for different purposes by which individual amounts are deemed to be not material.

TRADE CREDITORS AND RELATED ACCOUNTS

This item amounting to 129,899 KEUR increased compared to the previous year (2014: 7,901 KEUR) as a result of the APX Group contribution for 126,074 KEUR among which the great majority still relate to Gas creditors² (118,899 KEUR).

OTHER LIABILITIES

This item contains mainly tax and social debts.



INCOME STATEMENT

In thousand euros	31/12/2015			31/12/2014
	EPEX GROUP ¹	OTHER CONTRIBUTIONS ²	EPEX SPOT SE	EPEX SPOT SE
OPERATING INCOME				
SALES REVENUE	72,763	17,038	55,725	50,291
OTHER INCOME	380	-	380	1,083
OPERATING INCOME	73,143	17,038	56,105	51,374
OPERATING CHARGE				
OTHER OPERATING EXPENSES	-22,366	-7,485	-14,881	-16,505
EMPLOYEE BENEFITS COSTS	-17,375	-5,984	-11,391	-9,467
FIXED ASSETS: APPROPRIATIONS TO DEPRECIATION	-2,965	-2,139	-826	-1,439
OPERATING CHARGES	-42,706	-15,608	-27,098	-27,411
OPERATING PROFIT OR LOSS	30,437	1,430	29,007	23,963
FINANCIAL INCOME				
FINANCIAL INCOME	823	807	16	35
FINANCIAL EXPENSES	-303	-302	-1	0
FINANCIAL PROFIT OR LOSS	520	505	15	35
EXTRAORDINARY INCOMES	-	-	-	-
EXTRAORDINARY CHARGES	-	-	-	-
EXTRAORDINARY PROFIT OR LOSS	-	-	-	-
EQUITY RESULT	-124	-124	-	0
INCOME TAX	-10,374	-288	-10,086	-7,307
PROFIT OR LOSS	20,459	1,523	18,936	16,691

1- The APX Group entities have been included for a period of 8 months only as they have been acquired on 4 May 2015.

2- Mainly APX Group entities, eliminations and consolidation restatements.

3- The Gas clearing activity will be terminated in 2016 as a result of the carve out of this activity to ICE.

4- Pursuant to a meeting held on 16 April 2015, the board has approved the transfer of the shares received by Elia Operator SA and TenneT Holding BV to the firm la Holding des Gestionnaires de Réseau et de Transport d'Electricité SAS (HGRT SAS).

COMMENTS TO THE ITEMS OF THE INCOME STATEMENT

SALES REVENUES

IN KEUR	31/12/2015	31/12/2014	Variance	Variance in %
VARIABLE FEES	49,155	33,541	15,614	47%
SERVICE PROVIDING INCOME	6,761	7,750	-989	-13%
ANNUAL AND TECHNICAL MEMBERSHIP FEES	16,366	8,600	7,766	90%
ENTRANCE FEES	481	400	81	20%
SALES REVENUES	72,763	50,291	22,472	45%

EMPLOYEE BENEFITS COSTS

This item (17,375 KEUR) increased as a result of the APX Group contribution for 5,806 KEUR (2014: 9,467 KEUR) and a 20% growth on EPEX SPOT SE wages and related contribution costs.

OTHER OPERATING EXPENSES

This item contains mainly services of external providers and fees of external consultants. It increased from 16,505 KEUR in 2014 up to 22,366 KEUR in 2015 consequently to the additional contribution of APX Group in the costs structure of the EPEX Group (7,485 KEUR).

DEPRECIATION AND AMORTIZATION

Amortization increased to 2,965. They mainly relate to amortization of intangible assets for 1,567 KEUR and on tangible assets for 878 KEUR.

FINANCIAL INCOME

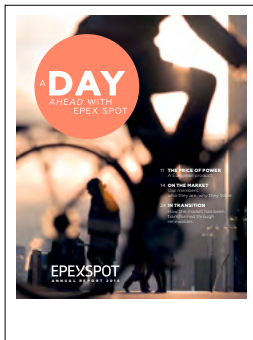
This item mainly represents interests earned on collateral accounts and bank deposit, less interest charges on bank facilities and overdraft.

INCOME TAX EXPENSES

This items amounts to 10,374 KEUR (2014: 7,306 KEUR) and contains the corporate income tax and the surtax applied to the profit of EPEX Group. Thereof the average income tax rate on the group profit amounts to 34%. The impact of the deferred taxable items is a charge of 648 KEUR.



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