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Stored financial statements (balance sheets) are available in the business register for information purposes.

Surname	Area	information	V. Date	relevance
Energy2market GmbH Leipzig	Accounting / Financial Reports	Annual financial statements for the financial year from 01.01.2016 to 31.12.2016	03/01/2018	100%

Energy2market GmbH

Leipzig

Annual financial statements for the financial year from 01.01.2016 to 31.12.2016

Management report

1. Corporate structure

1.1 business model of e2m

Energy2market GmbH (e2m) focuses in its core businesses on the direct and flexible marketing of electricity as well as on the provision of energy trading and portfolio management services. The core capabilities of e2m include the telecontrol connection of decentralized technical units (TE) to the central IT infrastructure of aggregation power plants and their permanent alignment with relevant trading markets. In addition, e2m has the ability Monitor the connected systems 24 hours a day, 365 days a year, and continuously determine their current position. In addition, e2m is also able to determine suitable options in permanent 24/7 operations on the relevant energy markets and to market them in alignment with the physical positions of the assets or portfolios. E2m uses the same capabilities for active portfolio or location optimization. A special form of flexibility marketing is the provision of so-called system services (control energy) to maintain the stability of the power grids provided by e2m. In addition, e2m provides infrastructure services related to the development and operation of virtual power plants, providing its partners with access to the above mentioned core technical capabilities for managing their own portfolios or facilities.

In the direct marketing segment, e2m's portfolio consists of all common technologies. All EEG plants directly marketed are integrated into the Virtual Power Plant (VKW) of e2m via locally installed remote control equipment and bundled into measurable and controllable power plant pools. E2m's integrated production facilities are marketed on the supraregional energy trading markets and in the OTC business at the best possible conditions.

In the marketing of control energy segment, the portfolio includes not only EEG plants (mainly biogas and biomass power plants) but also conventional power plants and consumers. All of these production and consumption systems are integrated into the Virtual Power Plant (VKW) of e2m via locally installed remote control equipment and bundled here within the respective control areas of the transmission system operators to form measurable and controllable power plant pools. E2m's integrated production and consumption facilities will be installed in the control reserve markets for minute reserve, Secondary control and primary control power (MRL, SRL, PRL) marketed to optimum conditions. Since 2016, e2m has been marketing control energy in Austria through its Austrian subsidiary.

In the portfolio management & energy trading segment, e2m provides all services in the area of active optimization of own or third party portfolios. This includes services in the areas of balancing group, timetable and bill of exchange management as well as trading and procurement. E2m also provides these services to affiliated companies, such as joint ventures or wholly owned subsidiaries in other European countries.

In the infrastructure and other services segment, e2m mainly performs infrastructure services in connection with the remote connection of decentralized technical units via proprietary hardware (eg rented control boxes) and services in connection with the establishment and operation of virtual power plant structures for market partners (VKW as a Service).

1.2 Organizational development

The integrated management system and information security management system (IMS or ISMS) implemented in the company was successfully confirmed by TÜV Rheinland in 2016 as part of the surveillance audit for DIN EN ISO 9001: 2008 and ISO / IEC 27001: 2013. The scope of both certifications covers the trading of energy, the construction and operation of virtual power plants as well as the consulting and services for this.

E2m is actively involved in the joint implementation plan KRITIS of the Federal Office for Civil Protection and Disaster Assistance (BBK) and the Federal Office for Information Security (BSI). The core objectives of the quality, risk and safety standards anchored at e2m are the highly available, fail-safe and automated 24/7 energy trading and the uninterrupted and highly secure VKW operation (operation of aggregation power plants).

The extension of e2m's technical operations was driven by the control room and plant integration. In the 2016 financial year, the world of work in the area of software development was fundamentally further developed.

In 2016, the former portfolio management division was split into two autonomous divisions "Trading / Portfolio Management" and "Commercial Operation". In the new area of commercial operation, all commercial tasks from contract and data management to balancing group, schedule and change process management up to billing have been integrated and will work in a newly implemented central energy management system in the future.

In 2016, a third management division for international business was created and successfully filled.

1.3 Information and system technology development

In the 2016 financial year, e2m continued to push ahead with the fundamental modernization of the VKW system components begun in 2015. In 2016, the company developed and launched a new control box together with a development partner. This is a telecontrol interface with in-house developed embedded local software, for the development of which 280 man-days as well as 38 T € were spent on external services. This system component enables e2m to carry out much more extensive and flexible different product components. Furthermore, it was started to transform the VKW control core into a new architecture. In 2016, four developers have already realized a total of 120 man-days. Overall, the capitalization rate was approximately 41%.

The modernization of the VKW system components will shape the entire year 2017 by the conversion of the VKW control core and the automation of the integration and management tools for individual plants and pools. A further focus is the integration of so-called sub-pools and smart grids, which was started in 2017 together with cooperation partners, for example in the e-mobility or smart home environment. By bundling new and, if necessary, small-scale technologies, Energy2market will tap into additional customer groups and make a significant contribution as an aggregator to achieving the goals of the energy transition.

Since 2016, the company has consciously and specifically differentiated between in-house software development with currently around eight employees and the integration of commercially available third-party systems. In particular, this will drive effective resource allocation for the development of core systems with the greatest unique selling points and most sustainable competitive advantages, as well as streamlining standard workflows. As the first milestone, the first major module of the so far developed Energy Data Management System (EDM) was successfully replaced by an external system at the end of 2016. Other key modules will be introduced in 2017, enabling e2m to provide more market, balancing and billable process management services to the marketplace.

2. Economic report

2.1 Macroeconomic and industry-specific conditions

In 2016, the legislator made important decisions for the energy industry. The amendment to the Renewable Energy Sources Act (EEG), the Electricity Market Act and the Digital Transformation of the Energiewende Act were passed. The promotion of renewable energy has been converted from a support system to competitive tenders. The "Law for the Further Development of the Electricity Market" is intended to ensure the security of supply of the electricity market through competitive market mechanisms.

Energy Year 2016 was once again characterized by a slight increase in power generation from renewable energies. In 2016, the same accounted for 29.0% of the electricity mix, and only 7.9% for energy from biomass. Likewise, weak wind and solar production showed weather dependency and thus the need for more flexible performance and work.

The increasing break-up of oil and gas prices and the price decline in both markets shaped 2016, as did the decline in electricity and futures markets. At the end of the year, an increase in electricity prices was observed in terms of rising raw material prices as well as shutting down capacities, especially in France. For the business model of the e2m less the price level but the volatility plays a big role. For example, the frequency of price increases on the power spot market has decreased, but the level of these has increased.

The economic environment with decreasing margins in the core segments has e2m's objective to diversify more and to further strengthen the capabilities and portfolios of its higher-yielding balancing products - especially PRL - throughout the 2016 financial year. The ongoing price wars of some players, with the aim of building up large portfolios in the short term, reinforces the effect of falling margins in the direct marketing environment in Germany.

In December 2016, the e2m had a maximum supply capacity for control energy of approximately 970 megawatts, which can be offered to transmission system operators (TSOs) as primary, secondary control reserve and minute reserve.

Market participants who are currently still in the VKW expansion phase in terms of volume, see the development and operating costs required increasingly offset by decreasing specific gross revenues from flexibility marketing. In the absence of sufficient volume and thus apparently lack of (development) cost recovery, the first providers have decided to withdraw from their own VKW operation, others have already announced it.

While some competitors in the direct marketing environment have left the market in 2016 or have actively withdrawn, e2m is seeing an increase in demand for services related to direct and flexibility marketing. In addition to the marketing of electricity from its own under contract investments and portfolios, e2m already successfully offers its capabilities as a service to other market participants for their portfolio management. In this product segment, e2m is currently experiencing increased market demand and willingness to cooperate with other utilities. In addition, e2m is constantly looking for new, high-margin products and markets to continually meet the diversification goal.

2.2 Business development

In financial year 2016, the planned operating profit was clearly missed. This is mainly due to the fact that the gross margins in the balancing energy segment have fallen much more sharply compared with the plan. Another effect for the reduction in earnings compared to the previous year is the decrease in direct marketing volume by approx. 1.7 million MWh to 8.0 MWh. This volume decline is due in particular to the portfolio loss in the area of fluctuating generation plants as a result of the partly ruinous price competitor on the market, which e2m deliberately did not follow.

E2m's vision of being one of the leading aggregators in the energy industry already focused on the key strategic core measures in the 2016 financial year. This is also the focus of the core measures of the current financial year 2017. e2m recorded successes in the 2016 financial year in terms of generation technology and customer / partner-specific diversification as well as the significant expansion of balancing energy pools. In the fourth quarter of 2016, in particular, the proportion of marketing contracts with PRL-capable systems has risen.

The main purpose of the diversification mentioned above is to reduce dependency on subsidized segments such as direct marketing. In addition, e2m strives for a balanced portfolio with regard to plant technology and operator groups. In the 2016 financial year, e2m was able to gain a large number of companies as new marketing partners within the Energy Suppliers & Industry target group. Despite the tense market situation, e2m also achieved a slight portfolio growth in the target group agriculture.

Overall, the foreign activities taken up by e2m in the previous year did not reach the planned growth in 2016 as a whole. In Austria, both direct and control energy marketing were expanded, although the break-even point was not reached in 2016. In Poland, the VKW built there for a large energy supplier was expanded and

	2015		2014	
	T €	%	T €	%
fixed assets	959.4	2.3	627.5	1.5
of which intangible assets	622.7	1.5	434.1	1.0
thereof shares in affiliated companies and participations	124.2	0.3	22.5	0.1
current assets	41,628.5	97.2	41,113.5	97.8
of which receivables and other assets	23,464.1	54.8	28,028.0	66.7
including cash on hand, bank balances	18,140.6	42.4	13,085.5	31.1
Active accruals	231.4	0.5	280.8	0.7
Total assets = balance sheet total	42,819.2	100.0	42,021.8	100.0
LIABILITIES				
equity	4,231.7	9.9	2,322.6	5.5
thereof retained earnings	2,022.6	4.7	611.2	1.5
thereof net income	1,909.1	4.5	1,411.4	3.4
accruals	5,730.9	13.4	6,418.9	15.3
liabilities	32,738.1	76.5	33,222.6	79.1
Of which trade payables excluding affiliated and associated companies	30,146.7	70.4	30,002.2	71.4
Deferred tax liabilities	118.4	0.3	57.8	0.1
Total liabilities = balance sheet total	42,819.2	100.0	42,021.8	100.0

The financial management of the company is aimed at always settling liabilities within the payment period and collecting receivables within the payment terms. Overdue receivables are overall of secondary importance due to the business model of e2m.

The decline in receivables and the increase in cash and cash equivalents result from the conversion of marketing via trading partners to direct stock market marketing with timely settlement.

The liquidity situation continued to improve in the past financial year. The operating cash flow resulting from the internal liquidity calculation of e2m has also risen steadily in the past financial years (2015: EUR 5.2 million 2016: EUR 9.6 million) and continues to allow the company independent room for maneuver.

In 2016, investments in own software as well as in own e2m interfaces (telecontrol) were made. Other parts of IT infrastructure 3.0 are leased.

For payment guarantees to producers, there are sufficient credit lines with credit insurance companies and commercial banks.

3. Forecast report

In 2017, e2m continues to anticipate predatory competition among direct marketers and VKW infrastructure providers in Germany, which is due in particular to the continued decline in prices and margins since 2015, while at the same time reducing conventional generation plants. The e2m assumes to be able to benefit from the current market consolidation in the medium to long term and to be able to provide additional portfolio management services and the provision of the VKW infrastructure to other market participants in addition to power marketing of its own asset portfolios. Based on the clear claim to be a leading aggregator in the energy industry, several objectives can be derived from the market development. So, e2m will continue to focus on achieving economies of scale, compensate for the expected decline in margins through volume growth and, in particular, speed up the marketing of new products in connection with the marketing of flexibility in the electricity market. At the same time, the products introduced in 2016, the Flex of Trade (intelligent system control and flexibility marketing outside the balancing energy markets) and PRL balancing energy combined with SRL flexibility, should lead to additional gross profits in the current financial year and ultimately contribute to the expansion of the core business areas of direct marketing, balancing energy and flexibility marketing as a mass business. In particular e2m believes that the multiplication of core capabilities in foreign energy markets continues to offer great growth potential. In this sense, e2m continuously deals with international markets and intends to take advantage of opportunities offered in attractive foreign markets for e2m. In addition, it is important to penetrate the markets in which e2m is already active in order to place e2m there sustainably. Some market trends like e-mobility, Storage solutions and digital services, together with the already accelerated energy turnaround, provide significant perspectives for an integrated solution provider such as e2m and are explained in more detail under 4.2 in the Opportunity Report. Building on this, e2m is aiming for a further development as a specialist and full-service provider for the marketing of flexibility in all trading and ancillary services markets as well as the short-term optimization of electricity portfolios.

Targeted planning of sales does not operate e2m, as this key figure is rather of secondary importance for the business model of e2m. E2m's revenue planning relies heavily on gross margin in each segment. Gross income of € 10.8 million is planned for the 2017 financial year. Both the management and the shareholders of e2m have expressly stated their intention to further implement the planned strategic development steps in 2017 and the following years, and adhere to the corporate vision or the strategic objectives for the development and development of core skills and market competences. In 2017, the basic decisions will be made so that the company expects rising gross profits and clearly positive operating results from 2018 onwards. A balanced result is expected for the 2017 financial year.

The high quality and safety requirements for operators of virtual power plants forecast by e2m in the previous year's 2015 report have been confirmed and will significantly affect e2m and its competitive environment in the coming 12 months. As described in 2.1, e2m sees itself well positioned in direct competition.

4. Opportunity and risk report

In addition to opportunities, entrepreneurial activity always involves risks. Opportunities and risks exist from different perspectives: legal and regulatory framework, prices and volumes, based on operational business and financial perspectives.

4.1 Risk Report

4.1.1 Risks from regulatory framework

Business risks of e2m in direct marketing in Germany can still arise from the energy policy or legal framework, which currently do not represent a particular threat to e2m.

Risks that arise in connection with country-specific conditions in the adjacent energy markets can increase the market entry barriers for e2m in these countries and thus represent primarily growth risks. In this context, the overall risk situation for e2m has not changed significantly compared to the previous year.

Additional risks exist in connection with increased requirements (safety and labor standards) for the operation of virtual power plants for participation in certain markets. In response, e2m adopts structural and organizational measures and actively shapes requirements in various committees.

4.1.2 Risks from market developments

In energy trading, e2m generates market price risks in connection with binding futures trading for customers of e2m. Such risks are taken into account by sufficiently calculated and appropriate collateral in the individual transactions.

In addition, the company counteracts the volume and price risks by means of active portfolio management every 15 minutes 365 days a year (24/7 shift operation).

E2m currently sees the biggest market-related risks in connection with a rapid decline in margins in the direct marketing and control energy markets that are relevant for e2m in Germany. Especially in the balancing energy markets, the continuous price decline in 2016 was observed. E2m counteracts these risks in the area of direct marketing of fluctuating assets with, for example, system- / parking-efficient performance evaluations in the preparation of quotations and correspondingly agreed price calculations. In the field of control energy marketing, e2m is pushing ahead with the creation of an optimized pool structure in or between the different control areas and product types. In addition, the higher-margin product PRL will be disproportionately accelerated. In addition, it is important to better cover the cost structure of e2m through additional related foreign transactions.

Furthermore, there is still the risk that changing market conditions (eg production costs) will lead to plant operator outages and thus reduce the marketing volume of e2m.

4.1.3 Risks from portfolio development

In the area of marketing electricity from controllable plants, such as in the direct marketing of biomass plants, risks can arise in connection with inadequate plant availability or timetable loyalty.

E2m counteracts these risks with continuous monitoring of the pool and plant by the 24/7 control room and an active communication policy with the individual plant operators via the e2m customer center. In addition, such risks can be reduced by special products (for example, Handelsflex), in which targeted fluctuations can be compensated for by means of a proactive regulation via the virtual power plant.

Risks typically arising from the marketing of wind and solar power generated by the deviation of the generation forecast from actual generation and reflected in balancing energy costs have been contractually secured by e2m for the full 2016 financial year. These contractual hedges will continue in 2017.

4.1.4 Risks from other developments

Investing in new business areas and markets involves the risk that they will not amortize on schedule. E2m counters this with an adapted organizational and resource structure in the area of business development and investment management.

The increasing complexity and the increased performance requirements in the process and system landscape of e2m increase error risks. As a countermeasure e2m operates an active internal process and system development and continuously improves the quality and security management. In addition, e2m undergoes regular external audits, for example in the context of ISO certification (9001, 27001).

Special risks exist for a VKW operator such as e2m in connection with potential weaknesses in the area of access, data and information security. E2m focuses on reducing these risks and, as part of the Integrated Information Security Management System (ISMS) according to ISO 27001 certification, undertakes comprehensive protection, control and training throughout the company and at important interfaces with external suppliers.

4.1.5 Financing risks

Classic financing risks do not currently exist in e2m's business model. Possible effects could be a non-time and quantity compliant provision of extended or additional credit lines for unscheduled growth business.

As part of its business operations, e2m trades futures contracts for the physical supply of electricity (electricity). In order to hedge market price risks, counterparty transactions are concluded at maturity (back-to-back).

4.2 Opportunity Report

4.2.1 Opportunities from regulatory framework

The opportunities in the German market premium model in direct marketing are still good from the point of view of e2m. Particularly in the segment of controllable EEG plants, the incentives set for the creation of additional plant flexibility are promising opportunities for e2m and its operators.

Further opportunities e2m sees in accordance with the 2.1. explained the Electricity Market Act in the area of the active management of flexible generation and / or consumption facilities by means of virtual power plant structures as well as decentralized technical measurement and control solutions. In addition, e2m sees opportunities in the short-term markets associated with its own core capabilities (direct market access, 24/7 visual flight, 24/7 remote controllability, data transmission in seconds).

At the moment, e2m clearly sees opportunities resulting from the significantly increased demands placed on operators of large virtual power plants, and for some providers this means very high market hurdles (investments, realization periods, know-how). Here, e2m sees itself as promising in the direct competitive environment and visibly advanced.

A new field of application for e2m results from the E-Mobility environment, which has significant promotional incentives, and which is also considered to be promising at e2m.

4.2.2 Opportunities from market developments

E2m currently considers the opportunities to grow in European electricity markets with the company's existing core capabilities to be more differentiated between the individual markets than in previous periods and will be implementing a modified approach and implementation planning in 2017 here.

In the past years, as expected, the increasing decentralization and ever-decreasing trade and reaction times and thus the demand for virtual power plant structures and infrastructure services has risen. The activities and demands for solutions to integrate sub-pools in the form of intelligent micro-networks, intelligent prosumers (producers and consumers in one person), from which there are promising opportunities for e2m, are noticeably increasing.

4.2.3 Opportunities from other developments

The market consolidation in German direct marketing that began in recent months has also spread to providers and operators of virtual power plants. From the point of view of e2m, this development will continue in 2017 and may be associated with additional growth opportunities, both inorganic and organic as a result of reorientation of plant operators.

4.3. overall statement

Overall, e2m expects controllable business risks and different business opportunities for 2017 as well, although the combination of the current market price level and the portfolio's current level of expansion as well as the planned investment and development measures of e2m for 2017 are only expected to result in a balanced operating result. In light of the context of the current market environment, the company faces greater efforts in terms of the necessary development and transformation speed of the entire company and the required budgeted investments.

Leipzig, 20.07.2017

balance sheet

assets

	31.12.2016 EUR	31.12.2015 EUR
A. Fixed assets	1,464,298.81	959,333.66
I. Intangible assets	728,118.27	622,660.12
1. Self-created industrial property rights and similar rights and assets	524,217.77	370,719.62
2. Licenses acquired for a consideration, industrial protection rights and similar rights and assets as well as licenses to such rights and assets	203,900.50	251,940.50
II. Property, plant and equipment	612,010.37	212,503.37
1. technical equipment and machinery	16757.00	22747.00
2. other equipment, factory and office equipment	287,524.37	189,756.37
3. Advance payments and facilities under construction	307,729.00	0.00
III. investments	124,170.17	124,170.17
1. Shares in affiliated companies	108,420.17	98420.17
2. Participations	15750.00	25750.00
B. current assets	37,626,505.37	41,628,511.60
I. Supplies	0.00	23835.00
1. finished products and goods	0.00	23835.00
II. Receivables and other assets	9,947,532.66	23,464,080.27
1. Trade receivables	4,648,624.36	18,965,862.77
2. Claims against affiliated companies	458,455.66	32739.52
3. Claims against companies with which an equity interest exists	6,250.00	124,813.39
4. Receivables and other assets	4,834,202.64	4,340,664.59
thereof with a remaining term of more than one year	10420.05	10420.05
III. Cash on hand, Bundesbank balances, bank balances and checks	27,678,972.71	18,140,596.33
C. Prepaid expenses	115,535.44	231,357.07
Total assets, total assets	39,206,339.62	42,819,202.33

liabilities

	31.12.2016 EUR	31.12.2015 EUR
A. Equity	4,385,296.95	4,231,741.93
I. Drawn capital	300,000.00	300,000.00
II. Retained earnings	3,931,741.93	2,022,602.25
1. other revenue reserves	3,931,741.93	2,022,602.25
III. Net retained profits (previous year: net income)	153,555.02	1,909,139.68
B. Provisions	4,764,722.23	5,730,916.16
1. Tax provisions	0.00	233,474.88
2. other provisions	4,764,722.23	5,497,441.28
C. Liabilities	29,888,968.16	32,738,194.24
1. Liabilities to banks	504.29	43.65
thereof with a remaining term of up to one year	504.29	43.65
2. Trade payables	29,706,711.01	30,146,747.44
thereof with a remaining term of up to one year	29,706,711.01	30,146,747.44
3. Liabilities to affiliated companies	105,479.58	8,227.44
thereof with a remaining term of up to one year	105,479.58	8,227.44
4. Liabilities to companies with which an equity interest exists	0.00	20551.29
thereof with remaining time of up to one year	0.00	20551.29

	31.12.2016 EUR	31.12.2015 EUR
5. other liabilities	76273.28	2,562,624.42
thereof taxes	54850.02	46135.62
thereof in the context of social security	575.99	1,217.40
thereof with a remaining term of up to one year	76273.28	2,562,624.42
D. Deferred tax liabilities	167,352.28	118,350.00
Balance sheet total, total liabilities	39,206,339.62	42,819,202.33

Income statement

	1.1.2016 - 31.12.2016 EUR	1.1.2015 - 31.12.2015 EUR
1. Sales	250,722,773.88	316,669,851.45
2. other own work capitalized	300,173.99	160,699.00
3. other operating income	1,453,591.19	1,452,523.78
4. Material costs	243,093,153.70	306,869,537.40
a) Expenses for purchased services	243,093,153.70	306,869,537.40
5. Personnel expenses	4,420,652.54	4,139,037.45
a) Wages and salaries	3,885,882.61	3,663,135.01
b) social security contributions and expenses for pensions and support of that for pensions	534,769.93 4,720.10	475,902.44 5,625.79
6. Depreciation	379,143.41	207,647.87
a) Depreciation on intangible fixed assets and property, plant and equipment	349,393.41	207,647.87
b) assets of current assets, insofar as these exceed the depreciations customary in the corporation	29750.00	0.00
7. other operating expenses	4,303,202.94	4,227,580.76
thereof expenses from currency translation	10.05	123.56
8. other interest and similar income	0.00	166.76
9. Depreciation on financial assets and securities held as current assets	20,000.00	0.00
10. Interest and similar expenses	1,690.02	19.11
11. Taxes on income	101,450.43	928,272.72
a) Expenses from changes in deferred taxes	49002.28	60530.00
12. Earnings after taxes	157,246.02	1,911,145.68
13. other taxes	3,691.00	2,006.00
14th annual surplus	153,555.02	1,909,139.68

attachment

I. General information about the company

The Energy2market GmbH has its seat in 04229 Leipzig, Weißenfeller road 84 and is registered with the commercial register of the district court Leipzig under the HRB 25060.

II. General information on the annual financial statements

The present annual financial statements have been prepared in accordance with the applicable provisions of Sections 242 et seq. HGB and the supplementary provisions for corporations (Sections 264 et seq. HGB) and the GmbHG.

The profit and loss account was prepared according to the total cost method (§ 275 para. 2 HGB).

The business year corresponds to the calendar year.

As of the balance sheet date, the company has the size characteristics of a large corporation.

III. Accounting and valuation methods

The valuation took into account the continuation of the company.

The **intangible assets** are valued according to § 255 para. 2 HGB with applicable in their development cost. In addition to the directly attributable costs, these also include proportionate overheads. Depreciation is calculated on a straight-line pro rata temporis basis. A useful life of 3 to 5 years is used.

Intangible assets acquired for a consideration are valued at acquisition cost, which was reduced by scheduled depreciation.

The **tangible assets** are valued at acquisition cost, less scheduled depreciation. Depreciation is calculated on a straight-line pro rata temporis basis. Low-value assets with acquisition and production costs between € 150 and € 410 are written off in full in the year of acquisition.

The **financial assets**, are valued at cost or, if them a lower value to be given, attached to it.

Receivables and other assets, cash on hand and bank balances were carried at their nominal value. The risks contained in trade receivables are taken into account through the formation of adequately funded valuation allowances.

Payments before the balance sheet date are recognized as **deferred** income insofar as they represent expenses for a certain period after this date.

The **subscribed capital** is stated at nominal value.

The **tax provisions** and **other provisions** include all identifiable risks and contingent liabilities and are valued at the settlement amount that is necessary according to prudent business judgment.

Liabilities are recognized at their settlement amount.

The calculation of **deferred taxes** is based on temporary differences between balance sheet items from the perspective of commercial law and tax law in accordance with Art. § 274 HGB. The income tax rate used to calculate deferred taxes is 31.9%. The trade tax rate is 460%.

The company has **valuation** units acc. § 254 HGB, which refer to futures on the purchase and / or sale of electrical energy (electricity). The freezing method is used.

IV. Information on the balance sheet

fixed assets

The development of fixed assets can be seen from the annexed annex. This also results in the depreciation of the financial year.

The capitalization of internally generated intangible assets resulted in income i. H. v. T € 330 result.

investments

As at 31 December 2016, the company holds stakes in the following companies:

participation	founding	Proportion of e2m	Equity in the most recent annual financial statements	Result in the last annual report
ENERGY4PARTNERS GmbH, Leipzig	July 2012	100%	€ 108,560 as at 31.12.2015	€ 39,505 as at 31.12.2015
e2m Wind & Solar GmbH, Leipzig	January 2013	100%	€ 8,059 as at 31.12.2015	€ -11,900 as at 31.12.2015
e2m Trade Energia Sp. z oo, Poland	April 2015	100%	€ 27.754 PLN 122.591 as at 31.12.2015	€ 5.114 PLN 22.591 as at 31.12.2015
e2m Energy Trading GmbH, Austria	June 2015	100%	€ 36.103 as at 31.12.2015	€ 1,102 as at 31.12.2015
Alpenenergie Gesellschaft für Energievermarktung mbH, Austria	June 2015	45%	€ -10,247 as at 31.12.2015	€ -40,247 as at 31.12.2015
e2m - commercio di energia Srl, Italy	September 2015	100%	€ 10.043 as at 31.12.2015	€ 44 as of 31.12.2015
e2m - voimakauppa oy ce, Finland *	October 2015	100%	€ 2,500 registered capital	

* An annual financial statement is not available for this company.

Receivables and other assets

The other assets have i. H. v. T € 10.4 has a residual term of more than one year (previous year: T € 10.4).

The receivables from affiliated companies are trade receivables in their entirety.

The receivables from companies with which there is an equity interest are a loan receivable which i. H. v T € 30 was written off.

Bank balances

Of the bank balances, T € 22,569 are not freely available because they are pledged as collateral and other liabilities on pledged accounts and are intended, inter alia, for the payment of collateralised marketing proceeds to the electricity suppliers (plant operators).

Tax provisions

Tax provisions were not required due to sufficient tax prepayments during the year.

accruals

The other provisions mainly include credits to be issued from surplus revenue to producers (€ 2,584 thousand), possible recalculations of balancing energy (€ 970 thousand), personnel obligations (€ 629 thousand) and outstanding invoices.

liabilities

The remaining terms of the liabilities are as follows:

Composition:	As at 31.12.2016 € thousand	Term up to one year T €	Term 1 year to 5 years T €	Term over 5 years T €
Liabilities versus banks	0.5	0.5	0.0	0.0
liabilities from goods and services	29,706.7	29,706.7	0.0	0.0
Liabilities to affiliated companies	105.5	105.5	0.0	0.0
other liabilities	76.3	76.3	0.0	0.0
	29,889.0	29,889.0	0.0	0.0

For trade payables, there are industry-standard securities in the form of payment guarantees.

Liabilities to affiliated companies are trade payables.

The liabilities include liabilities to shareholders i. H. v. T € 2 included.

Deferred taxes

There are differences between the commercial and tax valuations of assets and liabilities. These result from internally generated intangible assets under commercial law.

Deferred taxes develop as follows:

	01.01.2016 in €	Change in €	31.12.2016 in €
Passive tax latency	118,350.00	49002.28	167,352.28

V. Information on the profit and loss account

revenues

The revenues according to the activities of the company amount to:

direct marketing	229,321 T €
Balancing energy marketing	€ 7,636 thousand
Portfolio Management & Energy Trading	13,183 T €
Infrastructure and other revenues	583 T €

Activated in-house services

Benefits for the production of internally generated intangible assets i. H. v. T € 300.2 is capitalized under the so-called gross method (previous year net method). This includes capitalized third-party services of € 38 thousand.

Other company income

Other operating income comprises, among other things, the reversal of provisions (T € 1,121), non-period income (T € 99) and insurance compensation (T € 63). Income from the reversal of provisions relates in particular to the reversal of general provisions for excess sales to producers, outstanding invoices and possible re-calculations of balancing energy.

VI. Other mandatory disclosures

Protection of physical power supplies / valuation units

As part of the energy trading activity, forward contracts (forwards) are also concluded for the physical supply of electricity (electricity) to hedge market price risks.

The commercial law valuation takes into account the formation of valuation units.

In the area of electricity trading, micro valuation units (back to back) were formed.

Furthermore, on the basis of the contractually agreed estimated electricity procurement quantities (with a high probability expected electricity from decentralized power plants in Austria and a decentralized plant in Germany) at the balance sheet date, futures contracts with a total volume of 84,773 MWh were used as hedging instruments completed in portfolio valuation units. The company thus hedges risks from changes in market prices.

Underlying transaction / hedging instrument	Risk / type of valuation unit	nominal amount	Market value as at 31.12.2016	Amount of the hedged risk in MWh
Future sales / purchase of electricity	Price risk / micro-hedge	T € 580.4	T € 601.6	17520
Future purchase / sale of electricity	Price risk / portfolio hedge	T € 2,608.8	T € 2,927.6	84773

It is assumed that opposing changes in value will offset each other in the 2017 financial year.

Due to the valuation units formed, no threat of loss of risk has to be taken into account.

Other financial obligations

As of the balance sheet date, in addition to the aforementioned futures contracts, the following other financial obligations exist:

	Amount of obligation	of which until 1 year
Leases real estate	€ 580 thousand	€ 194 thousand
leases	T € 707	€ 247 thousand
Services	T € 43	T € 31

Contingencies

There are guarantee statements (security deposit) in favor of e2m Energiehandel GmbH, Salzburg (affiliated company) in the amount of T € 170. A claim is not expected.

Further liability conditions acc. Section 251 HGB does not exist at the balance sheet date.

distribution restriction

As of December 31, 2016, distribution-restricted amounts acc. Section 268 (8) HGB amounting to € 356.9k in total, which relates to the capitalization of development costs in full.

Information about the workforce

In the 2016 financial year, the average number of employees was:

	2016
employee	71
Apprentices / students	9
executive Director	

During the past fiscal year, the company's operations were conducted by:

Andreas Keil, businessman

Sandy Pfund, graduate industrial engineer

Sevastos Kavanozis, lawyer (since 01.02.2016)

The safeguard clause Section 286 IV HGB was used.

Total fee of the auditor

Auditors' fees charged to expenses during the reporting period, including reimbursement of expenses, amounted to € 44k.

Events of particular importance after the balance sheet date:

No events of special significance occurred after the balance sheet date.

Proposed appropriation of profit

The management proposes to allocate the result of the financial year to the revenue reserve.

Leipzig, 31.03./20.07.2017

Fixed Assets

	Acquisition, production costs				31.12.2016 €
	01.01.2016 €	Additions €	Departures €	Transfers €	
fixed assets					
Intangible assets					
Self-created industrial property rights and similar rights and assets	510,394.01	300,173.99	0.00	0.00	810,568.00
acquired licenses, industrial property rights and similar rights and assets as well as licenses to such rights and assets	456,592.33	54404.92	0.00	0.00	510,997.25
Total intangible assets	966,986.34	354,578.91	0.00	0.00	1,321,565.25
Property, plant and equipment					
Technical equipment and machinery	47913.44	0.00	0.00	0.00	47913.44
Other equipment, factory and office equipment	369,822.19	192,758.55	9,030.93	0.00	553,549.81
Advance payments and facilities under construction	0.00	307,353.50	0.00	375.50	307,729.00
Total property, plant and equipment	417,735.63	500,112.05	9,030.93	375.50	909,192.25
investments					
Shares in affiliated companies	98420.17	20,000.00	0.00	10,000.00	128,420.17
investments	25750.00	0.00	0.00	-10,000.00	15750.00
Total financial assets	124,170.17	20,000.00	0.00	0.00	144,170.17
Total fixed assets	1,508,892.14	874,690.96	9,030.93	375.50	2,374,927.67
			depreciation		
	cumulated 01.01.2016 €	Fiscal year €	Departures €		accumulated 31.12.2016 €
fixed assets					
Intangible assets					
Self-created industrial property rights and similar rights and assets	139,674.39	146,675.84	0.00		286,350.23
acquired licenses, industrial property rights and similar rights and assets as well as licenses to such rights and assets	204,651.83	102,444.92	0.00		307,096.75
Total intangible assets	344,326.22	249,120.76	0.00		593,446.98
Property, plant and equipment					
Technical equipment and machinery	25166.44	5,990.00	0.00		31156.44
Other equipment, factory and office equipment	180,065.82	94282.65	8,323.03		266,025.44

	depreciation			accumulated 31.12.2016 €
	cumulated 01.01.2016 €	Fiscal year €	Departures €	
Advance payments and facilities under construction	0.00	0.00	0.00	0.00
Total property, plant and equipment investments	205,232.26	100,272.65	8,323.03	297,181.88
Shares in affiliated companies investments	0.00	20,000.00	0.00	20,000.00
Total financial assets	0.00	20,000.00	0.00	20,000.00
Total fixed assets	549,558.48	369,393.41	0.00	910,628.86
				book value 31.12.2016 €
fixed assets				
Intangible assets				
Self-created industrial property rights and similar rights and assets				524,217.77
acquired licenses, industrial property rights and similar rights and assets as well as licenses to such rights and assets				203,900.50
Total intangible assets				728,118.27
Property, plant and equipment				
Technical equipment and machinery				16757.00
Other equipment, factory and office equipment				287,524.37
Advance payments and facilities under construction				307,729.00
Total property, plant and equipment investments				612,010.37
Shares in affiliated companies investments				108,420.17
Total financial assets				124,170.17
Total fixed assets				1,464,298.81

other report components

Leipzig, July 20, 2017

Andreas Keil

Sandy pounds

Sevastos Kavanozis

Information to determine:

The annual financial statement was adopted on 19.09.2017.

Auditors' report

Allkura Treuhand GmbH - Wirtschaftsprüfungsgesellschaft has approved the complete financial statements 2016 and the management report 2016 of the

Energy2market GmbH, Leipzig, issued the following opinion on 20 July 2017:

We have audited the annual financial statements - comprising the balance sheet, income statement and notes - including the accounting and the management report of Energy2market GmbH, Leipzig, for the financial year from January 1 to December 31, 2016. The accounting and the preparation of the annual financial statements and the management report in accordance with German commercial law are the responsibility of the legal representatives of the company. Our job is

We conducted our audit of the annual financial statements in accordance with Section 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Accordingly, the audit must be planned and conducted in such a manner that any inaccuracies and violations which have a material effect on the presentation of the net worth, financial and earnings position as conveyed by the annual financial statements in compliance with generally accepted accounting principles and the management report are sufficiently certain be recognized. When determining the audit procedures, account will be taken of knowledge of the Company's business and economic and legal environment, as well as expectations of possible errors. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the books and records, the annual financial statements and the management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements and management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the annual financial statements comply with the legal requirements and give a true and fair view of the net assets, financial position and results of operations of the Company in compliance with generally accepted accounting principles. The management report is in line with the annual financial statements, complies with the legal requirements, gives an overall picture of the company's situation and accurately presents the opportunities and risks of future development.

Leimen / Dresden, July 20, 2017

**ALLKURA Treuhand GmbH
Wirtschaftsprüfungsgesellschaft**

Sperker, certified public accountant

ppa. Kaul, certified public accountant
