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**INDEPENDENT LIMITED ASSURANCE REPORT**

on compliance and extent of compliance  
by MARKET OPERATOR JSC  
with DAM/IDM Regulations  
for the period from 01.01.2021 to 31.12.2021

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**Audit / Tax / Advisory**



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**INDEPENDENT LIMITED ASSURANCE REPORT****on compliance and extent of compliance by Market Operator JSC  
with DAM/IDM Regulations for the period from 01.01.2021 to 31.12.2021**

To the Management of Market Operator JSC and National Commission for State Regulation of Energy and Public Utilities

**Conclusion**

Based on the procedures we have performed and the evidence obtained, nothing has come to our attention that causes us to believe that Market Operator JSC (the *Market Operator*) has not observed in all material respects the requirements of *Day-Ahead and Intraday Market Regulations*, approved by National Commission for State Regulation of Energy and Public Utilities in Resolution No.308 dated 14.03.2018 (the *DAM/IDM Regulations*), throughout the period from 01.01.2021 to 31.12.2021.

This conclusion is to be read in the context of what we say in the remainder of our report.

**Selected Information**

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The scope of our work was limited to expressing assurance on the information provided in Annex 1 (the "Selected Information").

Our assurance does not extend to the information other than specified and information in respect of other periods.

**Professional standards applied and level of assurance**

We performed a limited assurance engagement in accordance with *International Standard on Assurance Engagements 3000 (Revised) 'Assurance Engagements other than Audits and Reviews of Historical Financial Information'*, issued by the International Auditing and Assurance Standards Board.

The level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement, as the procedures employed will differ by nature and timing.

**Our Independence and Quality Control**

We applied the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants including International Independence Standards (IESBA Code)*, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

We apply *International Standard on Quality Management (ISQM) 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* (the *ISQM 1*), and other documented policies and procedures regarding compliance with ethical requirements, professional standards, applicable legal and regulatory requirements, which are, at the least, not less strict than *ISQM 1*.

Our work was carried out by an independent and multi-disciplinary team with experience in assurance.

**Responsibilities of Market Operator**

Management of Market Operator are responsible for observance by the Market Operator of the *DAM/IDM Regulations* and for designing, implementing, and maintaining internal controls, which the Management determines as necessary to ensure compliance with the *DAM/IDM Regulations*.

**Our responsibilities**

We are responsible for:

- planning and performing the engagement to obtain limited assurance about compliance and extent of compliance by the Market Operator with *DAM/IDM Regulations* for the period from 01.01.2021 to 31.12.2021;
- forming an independent conclusion, based on the procedures we have performed and the evidence

we have obtained;

- reporting our conclusion to the Management of Market Operator JSC and to the National Commission for State Regulation of Energy and Public Utilities.

### **Understanding reporting and measurement methodologies**

Market Operator JSC (hereinafter – the Market Operator or MO) is responsible for organizing the sale and purchase of electrical energy at the DAM/IDM and helps to ensure the balance between the market demand and supply in the electrical energy market.

The subject matter of our engagement is expressing limited assurance with regard to compliance by the Market Operator with *DAM/IDM Regulations* for the period from 01.01.2021 to 31.12.2021, which included:

- Examination of submission by DAM/IDM participants of requests and other permanent and periodical data specified in *DAM/IDM Regulations*;
- Examination of processes applied by the *Market Operator* in relation to data provided by DAM/IDM participants in accordance with the *DAM/IDM Regulations*;
- Evaluation of whether the software by the *Market Operator* and processes applied by *Market Operator* to data provided by DAM/IDM participants allow for compliance with *DAM/IDM Regulations*.

We have evaluated the subject matter of the examination in accordance with the adopted criteria, i.e. determined their compliance with *DAM/IDM Regulations* with regard to the methods and form, timing, and sequence of actions. We believe that application of these criteria is reasonable for the purposes of fulfillment of our limited assurance engagement.

The scope of our procedures was limited to the examination of the qualitative and quantitative information disclosed in Annex 1.

### **Work done**

Considering the level of assurance and our assessment of the engagement risks, including fraud, our work included, but was not limited to the following:

- enquiries to relevant Management of Market Operator;
- enquiries to relevant key employees of Market Operator;
- evaluation of the design of the key structures, systems, processes and controls for managing the sale and purchase of electric energy on DAM/IDM basis;
- performance of limited substantive testing on sample basis to check that: (i) data had been appropriately measured, recorded, collated and reported; and (ii) activities are appropriately evidenced and reported;
- conducted tests of software.

This report, including our conclusions, has been prepared solely for the Management of Market Operator and for the National Commission for State Regulation of Energy and Public Utilities, in accordance with the agreement between us and Market Operator.

We permit this report to be disclosed in accordance with the requirements of *Chapter 1.11 of DAM/IDM Regulations*, except for the confidential information. Confidential information includes information as per the List of Data Constituting Confidential Information and/or Commercial Secret of Market Operator, approved in Ordinance No.60 of Market Operator dated 17.02.2021. This information also includes information on the volumes and sale and purchase prices for electric energy as stated by DAM/IDM participants, information on the condition of computer hardware and software, as well as information on the means and methods of information protection in automated systems, i.e. information contained in Annex 1 to the Independent Limited Assurance Report.

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Management of Market Operator for our work or this report except where terms are expressly agreed between us in writing.

**For and on behalf of AC CROWE UKRAINE LLC**

**Managing Partner**

(No.100612 in the Register  
of Auditors and Audit Entities)

**Engagement Partner**

(No.100561 in the Register  
of Auditors and Audit Entities)



Two handwritten signatures in blue ink. The top signature is more complex and appears to be "Helena POTOPALSKA". The bottom signature is simpler and appears to be "Serhii KOSTENKO".

**Helena POTOPALSKA**

**Serhii KOSTENKO**

**Kyiv, Ukraine**

**December 22, 2022**

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## About Us

AC Crowe Ukraine is a member of the Crowe Global ranked the ninth largest global accounting network, which consists of more than 250 independent accounting and advisory services firms, with operations in 150+ countries via 830+ offices worldwide.

In connection with the aggression of the Russian Federation on the territory of Ukraine, Crowe Global decided to exclude representatives of the Russian Federation and the Republic of Belarus from the network.

*Link to official source:*

<https://www.crowe.com/global/news/crowe-global-statement-on-conflict-in-ukraine>

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