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**INDEPENDENT PRACTITIONER'S
LIMITED ASSURANCE REPORT**
on compliance and extent of compliance
by MARKET OPERATOR JSC
with DAM/IDM Regulations
for the period from 01.01.2022 to 31.12.2022

AC Crowe Ukraine
33 Obolonska Naberezhna,
04210, Kyiv, Ukraine
Tel.: +380 44 3913003
office@crowe-ac.com.ua

Audit / Tax / Advisory



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INDEPENDENT PRACTITIONER'S LIMITED ASSURANCE REPORT
on compliance and extent of compliance by Market Operator JSC with DAM/IDM
Regulations for the period from 01.01.2022 to 31.12.2022

To: Management of Market Operator JSC

National Commission for State Regulation of Energy and Public Utilities

Conclusion

From the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that JSC Market Operator did not comply, in all material respects, with the requirements of the *Day-Ahead and Intraday Market Regulations* approved by the National Commission for State Regulation of Energy and Public Utilities Resolution No. 308 dated 14.03.2018 (*hereinafter referred to as the DAM/IDM Regulations*), during the period from 01.01.2022 to 31.12.2022.

This conclusion is to be read in the context of what we have discussed in the remainder of this report.

Selected Information

The scope of our work was limited to expressing assurance on the information provided in Appendix 1 "Audited Information (Core Software)" and Appendix 2 "Audited Information (Alternative Software)".

Our assurance does not extend to other information or statements relating to other periods.

Applicable professional standards 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.

Independence and Quality Management

We comply with the independence and other ethical requirements of 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 1 'Quality Management for Firms that Perform Audits and Reviews of Financial Statements and Other Assurance and Related Services Engagements' (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 JSC

Management of Market Operator JSC 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*.

Independent practitioner's 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 01.01.2022 to 31.12.2022;
- 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 01.01.2022 to 31.12.2022, 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.

Scope of our procedures was limited to reviewing the qualitative and quantitative information disclosed in Appendix 1 and Appendix 2 of the Independent Practitioner's Limited Assurance Report.

Work performed

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 Market Operator Management;
- 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. That information includes details of the volumes and prices of electricity purchase and sale declared by the DAM/IDM participants, information on the state of computer and software, and information on the means and methods of protecting information in automated systems, i.e. the information contained in Appendix 1 and Appendix 2 to Independent Limited Assurance Report.

According to the current legislation, we do not assume any liability to other persons, except for the management of JSC "Market Operator", for the work performed and this report, unless the relevant conditions have been specifically agreed upon.

Independent practitioner of the engagement, which resulted in this limited assurance report, is Sergii Kostenko.

For and on behalf of AC CROWE UKRAINE LLC

General Director / Managing Partner
No. 100612 in the Register
of Auditors and Audit Entities

Independent practitioner
No. 100561 in the Register
of Auditors and Audit Entities



Halena POTOPALSKA

Serhii KOSTENKO

33 Obolonska Naberezhna, 04210, Kyiv, Ukraine

13 September, 2023



Contact Us

Kyiv Office

33 Obolonska Naberezhna,
Kyiv 04210, Ukraine
Tel.: +38 044 391 3003
office@crowe-ac.com.ua

Odessa Office

2a Velyka Arnautska St.,
Suite 319,
Odessa 65048, Ukraine
Tel.: +38 048 728 8225
odesa@crowe-ac.com.ua

Kharkiv Office

42 Tobolska Street,
Kharkiv 61072, Ukraine
Tel.: +38 057 720 5991
kharkiv@crowe-ac.com.ua

Crowe AVR

33 Obolonska Naberezhna,
Kyiv 04210, Ukraine
Tel.: +38 044 391 3003
avr@crowe-ac.com.ua

Crowe Accounting Ukraine

33 Obolonska Naberezhna,
Kyiv 04210, Ukraine
Tel.: +38 044 391 3003

account@crowe-ac.com.ua
www.crowe.com/ua/croweacu

About the Firm

AC Crowe Ukraine is proudly affiliated with Crowe Global, a distinguished international accounting network ranked as the eighth largest globally. Comprising independent firms, Crowe Global provides audit and consultancy services through 798 offices in 150 countries across the globe. Our firm is a member of this network, renowned for its sterling reputation, commitment to the highest quality standards, and unwavering dedication to client satisfaction.

In response to the Russian Federation's aggression in Ukrainian territory, Crowe Global made the strategic decision to disassociate from representatives of the Russian Federation and the Republic of Belarus within the network.

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