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**INDEPENDENT LIMITED ASSURANCE REPORT**  
on compliance by MARKET OPERATOR,  
state company, with DAM/IDM Regulations  
for the period from 01.07.2019 to 31.12.2019

To the Management of MARKET OPERATOR  
and  
National Commission for State Regulation  
of Energy and Public Utilities

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**Audit / Tax / Advisory**



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## INDEPENDENT LIMITED ASSURANCE REPORT

on compliance by MARKET OPERATOR with DAM/IDM Regulations for the period from 01.07.2019 to 31.12.2019

To the Management of MARKET OPERATOR and National Commission for State Regulation of Energy and Public Utilities

### Our 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, state company (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 as of 14.03.2018 (the *DAM/IDM Regulations*), throughout the period from 01.07.2019 to 31.12.2019.

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

### Selected Information

The scope of our work was limited to assurance over 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 Control 1 'Quality Control for Firms that Perform Audits and Reviews of Financial Statements and Other Assurance and Related Services Engagements' (ISQC 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 *ISQC 1*.

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

### Understanding reporting and measurement methodologies

MARKET OPERATOR is responsible for organizing sale and purchase of electrical energy at the DAM/IDM and helps to ensure balance between the market demands and proposition in the electrical energy market.

The subject matter of our engagement is limited assurance with regard to compliance by the MARKET OPERATOR of *DAM/IDM Regulations* for the period from 01.07.2019 to 31.12.2019, which included:

- Examination of submission by participants of DAM/IDM 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 procedure 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 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, whether due to fraud, our work included, but was not restricted to:

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

### **MARKET OPERATOR's Responsibilities**

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 by MARKET OPERATOR with DAM/IDM Regulations for the period from 01.07.2019 to 31.12.2019;
- forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- reporting our conclusion to the Management of MARKET OPERATOR and to the National Commission for State Regulation of Energy and Public Utilities.

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 26 by MARKET OPERATOR, dated 15.07.2019. 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.

**Partner**

(no 100612 with the Register  
of Auditors and Audit Entities)

**Engagement Partner**

(no 100561 with the Register  
of Auditors and Audit Entities)

**Kyiv, Ukraine**

**09 November 2020**



**Olena Potopalska**

**Sergey Kostenko**



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