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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 01.01.2023 to 31.12.2023

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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.

Information to which this report pertains

The scope of our work was limited to expressing assurance on the information provided in Appendix 1 «Verified Information» for this report.

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 01.01.2023 to 31.12.2023;
- 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 (Regulator).

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 to this 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:

- The List of Data Constituting Confidential Information and/or Commercial Secrets of Market Operator State Enterprise, approved by the Order of Market Operator State Enterprise No. 60 dated 17.02.2021, which was effective by 16.06.2023;
- List of Data Constituting Confidential Information / Trade Secrets of JSC Market Operator, established by the Order of JSC Market Operator No. 262 dated 16.06.2023.

Such information includes information on electricity volumes and purchase and sale prices declared by the DAM/IDM participants, computer and software condition, and information regarding means and methods of data protection in automated systems, i.e. the information provided in Appendix 1 of this 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

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

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08 August 2024



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About Us

AC Crowe Ukraine is a member firm of Crowe Global ranked the ninth largest global accounting network that consists of independent accounting and advisory services firms with operations in more than 140 countries across 800 offices.

AC Crowe Ukraine specializes in audit, taxation and advisory as professional services in the market.

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 (*proper names are written from small letters intentionally).

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

www.crowe.com.ua/croweacu

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