

# BRIEF ON KEY BUSINESS ISSUES

6.09.2024  
Kyiv – London

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### **russia launches massive attacks against Ukrainian energy infrastructure**

russia launched more than 200 missiles and drones against Ukraine on the evening of August 25-26. Russia primarily targeted Ukrenergo's power transmission infrastructure and, to a lesser extent, natural gas infrastructure. DTEK's power plants have not been hit. The attack was one of the worst since full-scale invasion in February 2022 and caused power and water outages throughout the country. It is the ninth massive attack on Ukraine's energy system since March 2024 and comes less than 50 days before the scheduled start of the country's heating season.

### **Ukraine finalizes its commercial external debt restructuring**

Ukraine completed on August 28<sup>th</sup> a significant restructuring of its external debt, totaling around \$20.5 billion (around \$24 billion with capitalized interest). The process involved exchanging thirteen series of sovereign Eurobonds and one series of sovereign-guaranteed Eurobonds issued by Ukravtodor into eight new Eurobond series. This exchange resulted in a reduction of Ukraine's debt by approximately \$9 billion, reflecting a 37% nominal haircut and a more substantial 60% reduction in present value terms (at 14% discount rate). Other restructuring terms include a maturity extension of around four years on average (on top of the expired two-year standstill), and effective coupon cuts to 1.1-2.9% during the life of the IMF program followed by their gradual recovery to 7.75% in 2034. The terms are also aligned with March 2023 restructuring targets.

This restructuring dramatically reduces Ukraine's debt service obligations. Over the next three years, the country is expected to save around \$11.4 billion (debt payments are reduced by 93%). The agreement received overwhelming support from bondholders, with 97.38% voting in favor of the plan.

On September 6<sup>th</sup>, Fitch assigned CCC rating to newly issued sovereign Eurobonds of A and B series and affirmed long-term foreign currency rating at RD as the restructuring process is yet not completed.

### **New Voice Ukraine recognizes DTEK as Ukraine's largest private investor since russia's full-scale invasion**

This [acknowledgement](#) underscores DTEK's commitment to Ukraine's energy security and economic resilience. Since February 2022, DTEK has invested UAH 41.2 bln (EUR 910 mln) in Ukraine. Despite the ongoing war, DTEK remains steadfast in its commitment: to rebuild destroyed power plants, grids, and substations to ensure Ukrainians have light and heat. In parallel, DTEK is investing in a green and more resilient future energy mix for the country - the Tyligulska wind power plant is set to become one of the largest wind power plants in Europe with 500MW of installed capacity.

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## DTEK Renewables develops the design of a Solar Power Plant and invests in a renewable energy laboratory

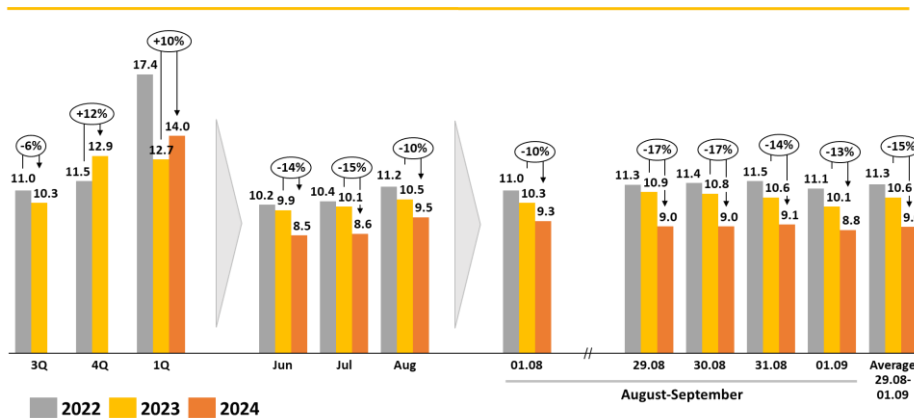
DTEK Renewables (DRBV) is developing the design documentation for building a 2 MW Solar Power Plant for the Hlobyne City Council (Poltava region). This assistance is a crucial support for the community, particularly considering the need to develop distributed generation. The City Council plans to construct the plant independently, utilizing grant funding.

DRBV also committed to invest in a renewable energy laboratory at Kyiv Polytechnic Institute. It will strengthen the university’s technical expertise and raise the training standards for future energy professionals. The investment will start this year with DRBV acquiring key equipment (e.g., batteries, solar panels, a tracking stand and a weather station) for the Solar and Wind Energy Training & Research Laboratory.

## Energy market update

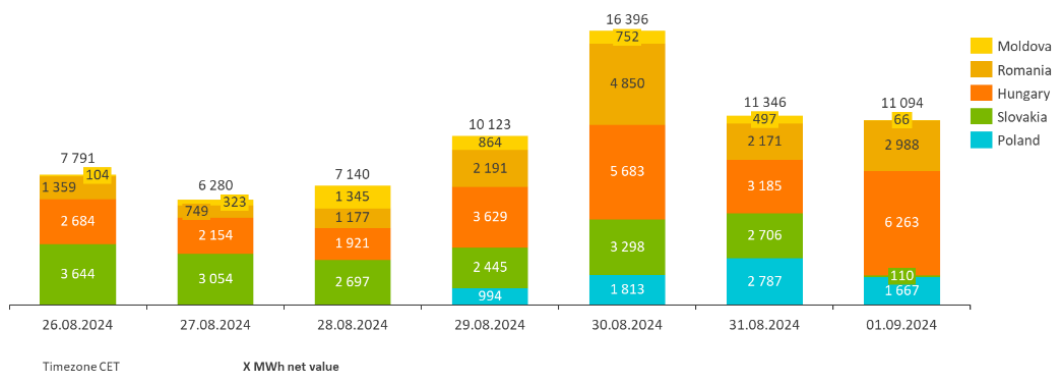
Despite the recent attack, the power system of Ukraine continues operating synchronously with ENTSO-E. On August 29<sup>th</sup> - September 1<sup>st</sup>, average daily electricity consumption amounted to 226 mln kWh, which is 11% lower than during August 2023, average daily load is 15% lower than during August 2023. The average hourly load per day amounted to 9.0 GW.

Average hourly load per period, GW



Last week, Ukraine was the net importer of electricity from the EU. Since the beginning of August, electricity imports to Ukraine decreased while an overall deficit declined until the latest attack on energy infrastructure.

Daily electricity import(+) / export(-) volumes in Ukraine, MWh



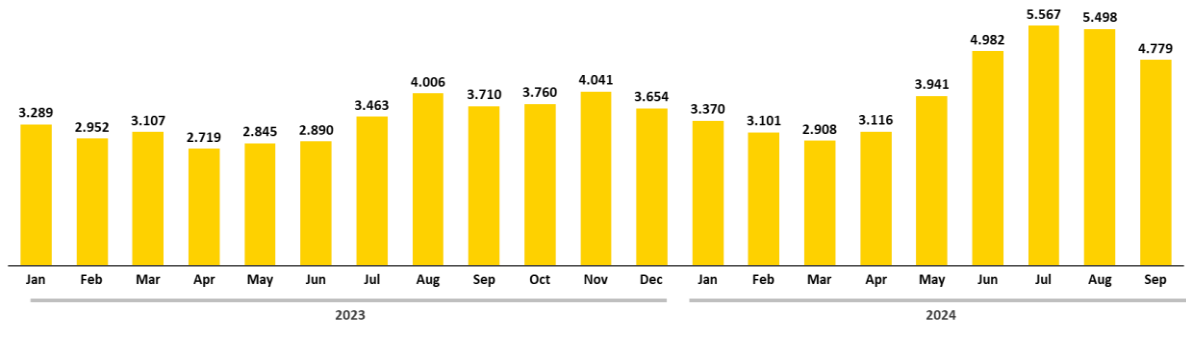
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## Day-ahead market (DAM)

In June, electricity prices increased to the level 4,982 UAH/MWh after electricity deficit occurred in the system due to a damage inflicted by missile strikes. In July, baseload DAM prices increased to 5,567 UAH/MWh. In August, DAM prices decreased slightly – to 5,498 UAH/MWh in average. September begins with decreased DAM prices at 4,779 UAH/MWh level.

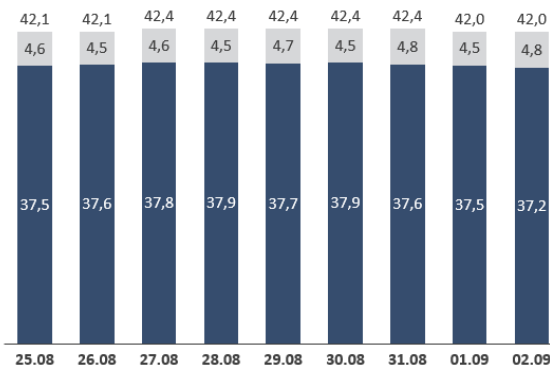
DAM Baseload price in Ukraine, UAH/MWh



## Oil & Gas

- Gas transit from russia remains traditionally lower after weekends – 42.0 mln m<sup>3</sup> on September 2<sup>nd</sup>. Daily nominations to Slovakia are 37.2 mln m<sup>3</sup>. Nominations to Moldova (Transnistria) – 4.8 mln m<sup>3</sup>.
- Sudzha gas metering station (russia) is under control of Ukrainian military due to Kursk incursion. Gazprom continues to transit gas via Sudzha. The second gas metering station (Sokhranivka, russia) does not operate for gas transit since 2022.

Gas transit via Ukraine, mln m<sup>3</sup>



Daily nominations: 02.09.2024

