

# BRIEF ON KEY BUSINESS ISSUES

18.09.2024  
Kyiv – London

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## **Post Eurobond restructuring, Fitch downgrades DTEK Renewables to RD and upgrades it to CC**

The company's restructuring triggered Fitch to downgrade DTEK Renewables' long-term foreign and local currency issuer default ratings from C to RD and simultaneously upgraded them to CC.

Fitch noted DTEK's strained but improving cash flows, supported by power sales by the Tyligul wind power plant via the day-ahead market; the recently amended FX regulations that enable company to send cash abroad to service its coupon (but not principal) payments; and the sufficient level of cash, onshore and offshore, to pay five Eurobond coupons of EUR 14m each scheduled between November 2024 and November 2026. Fitch said it could upgrade DTEK Renewables in case of cessation of military hostilities in Ukraine and return to normal business operations.

## **NBU permits repatriation of dividends to compensate for previously paid Eurobond coupons**

On September 9<sup>th</sup> (effective on September 10<sup>th</sup>, 2024), the NBU approved a new package of F/X liberalization measures to facilitate Eurobond servicing and other selected cross-border transactions. It allows local companies to repatriate dividends to compensate for coupon payments on their outstanding Eurobonds that had been made using their offshore F/X liquidity between the start of the Russian invasion (Feb. 24, 2022) and Jul. 9, 2024. It is subject to the following eligibility criteria: (i) such transfers can be made only at the expense of the businesses' own foreign currency (not purchased or borrowed from a resident) and therefore they will not have a negative impact on international reserves; (ii) only companies that have no pending currency supervision over exports of goods during the 12 months preceding the date of the transaction will be able to carry out said transactions.

## **DTEK to invest EUR 140 mln in energy storage systems to strengthen Ukraine's energy security**

DTEK is to build a series of energy storage systems in Ukraine with a capacity of 200 MW to help develop a secure and green energy system. EUR 140 mln will be invested in the project, making the company the largest investor in energy storage in Ukraine.

The systems will be commissioned no later than September 2025 and will start providing ancillary services to Ukraine's Transmission System Operator Ukrenergo. The agreement involves several assets, distributed across Ukraine. DTEK won the right to provide ancillary services (namely automatic frequency restoration reserves) to Ukrenergo in a competitive auction on August 22<sup>nd</sup>, 2024 alongside other industry players.

The agreement accelerates the development of Ukraine's energy storage market and the development of more storage capacity. Energy storage systems are a strategic priority for DTEK Group.

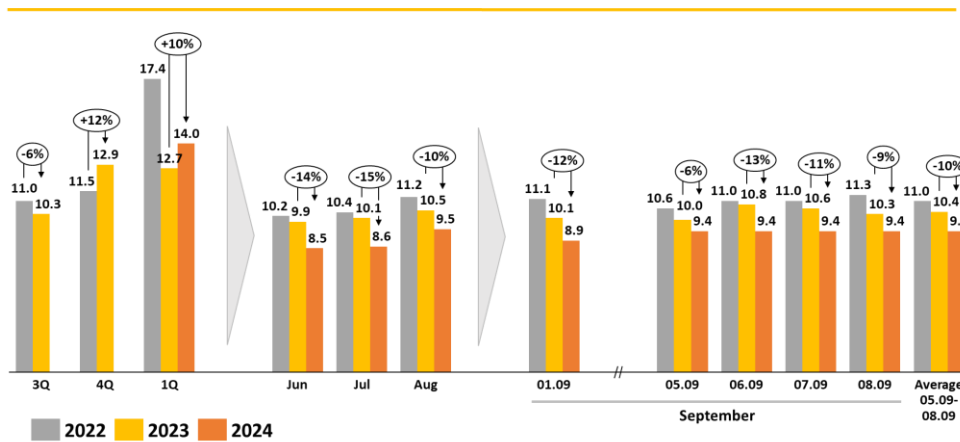
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## Energy market update

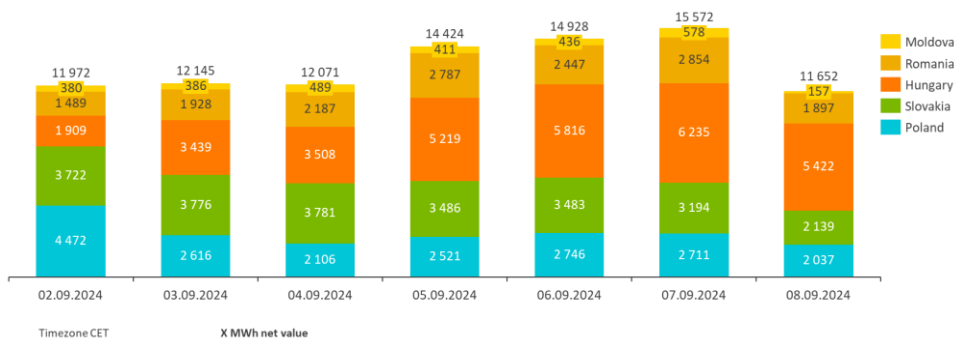
Despite the recent attack, the power system of Ukraine continues operating synchronously with ENTSO-E. On September 5<sup>th</sup>-8<sup>th</sup>, average daily electricity consumption amounted to 237 mln kWh, which is 3% lower than during September 2023, average daily load is 10% lower than during September 2023. The average hourly load per day amounted to 9.4 GW.

Average hourly load per period, GW



During last week Ukraine was the net importer of electricity from the EU countries. Since the beginning of September electricity imports to Ukraine decreased while an overall deficit declined.

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



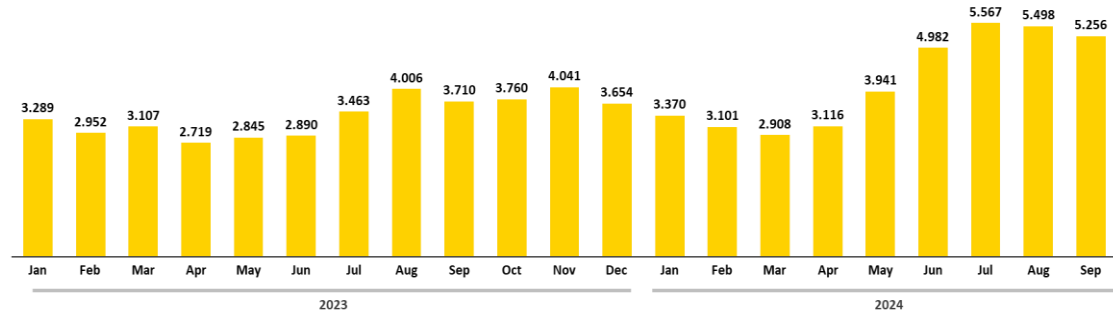
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## Day-ahead market (DAM)

During June, electricity prices have increased to the level of 4,982 UAH/MWh after electricity deficit occurred in the system after damage indicted by missile strikes on energy infrastructure. In July, baseload DAM prices increased to 5,567 UAH/MWh. In August DAM prices have decreased slightly – to 5,498 UAH/MWh on average. September begins with decreased DAM prices at 5,256 UAH/MWh level.

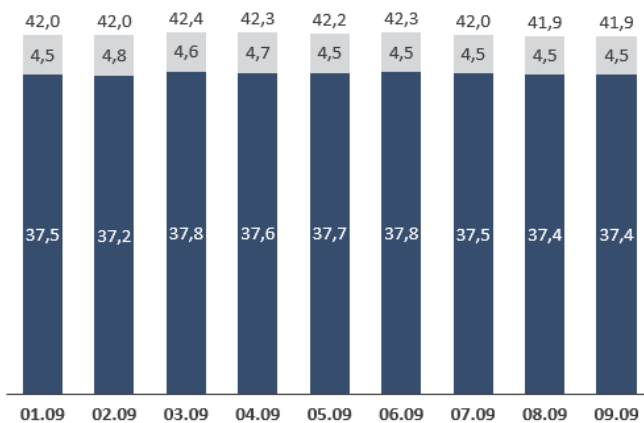
**DAM Baseload price in Ukraine, UAH/MWh**



## Oil & Gas

- Gas transit from russia remains traditionally lower after weekend – 41.9 mln m<sup>3</sup> on September 9<sup>th</sup>. Daily nominations to Slovakia are 37.4 mln m<sup>3</sup>. Nominations to Moldova (Transnistria) – 4.5 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: 09.09.2024**

