

KYIV, 11 OCTOBER 2023

Ukraine's DTEK prepares for more russian military strikes against energy system

- Ukraine's largest private energy producer braced for more drone, missile and artillery attacks.
- Sector is weakened, but determined and more experienced as it heads into heating season
- DTEK has spent past 7 months restoring infrastructure, boosting output and preparing defences
- DTEK joins calls for allies to boost air-defence systems to keep the lights on in Ukraine

One year after russia launched a massive assault on Ukraine's civilian energy system, DTEK announces today (Wednesday) that it is as prepared as possible for more attacks by russian occupiers this winter. Working with Ukraine's Ministry of Energy and the Armed Forces of Ukraine, DTEK has spent seven months working tirelessly to restore energy infrastructure and building defences. The company pledges to do everything possible to deliver warmth and light to Ukrainians through the difficult months ahead.

DTEK is also adding its voice to urgent calls for further air-defence systems for the country amid growing military intelligence assessments that russia is stockpiling missiles and drones to once again again hit power stations, sub-stations and grids.

Thanks to Ukrainians' unbreakable spirit and the dedication of engineers on the energy frontline, Ukraine survived relentless attacks starting on 10th October 2022 and lasting until early March 2023. Over that time, the country's generating capacity fell to half its pre-war level and attacks caused \$11 billion-worth of damage as millions of ordinary people were plunged into darkness and freezing conditions.

[Click here for file photos and video of damaged and destroyed infrastructure from winter 2022-23]

DTEK, which generates around a quarter of Ukraine's electricity and runs 40% of its grid network, has worked around the clock: first repairing energy infrastructure in the immediate aftermath of attacks, and since March, restoring systems and improving defences. **Our work includes**:

- Restoring power supply to 8.9 million households.
- Spending \$107 million to repair and restore thermal power plants (TPPs). Repairs on 16 power units (turbine + transformer) have already been completed and we have reconnected two mothballed power units to provide an extra 500 MW of capacity.
- Safeguarding winter fuel supplies by doubling coal investments to \$200 million and importing 210,000 tonnes.
- Installing additional defensive structures at every TPP to protect them from attack.
- Buying and pre-positioning \$36 million-worth of critical equipment at mines, power stations and across the grid network. Investments include the purchase of 224 back-up generators.
- Tripling the pace of drilling at our gas business, and investing \$151 million there.
- Developing hard-to-hit renewable energy capacity, including the 114 MW Tyligulska wind power plant on the Black Sea (100km from the frontline), which came online in May 2023.



"Last winter, determination carried us through. This winter we are stronger and our people are more experienced. We have invested record sums to prepare for the challenge ahead. We restored what could be restored, bought back-up equipment and installed defences around power plants. The occupier may repeat his energy terror this winter, but energy workers stand ready: whether at the controls of a power station being shelled, descending down a mine, drilling oil and gas wells or racing to repair the network. Together, we will keep Ukraine connected".

BACKGROUND

Winter 2022-23, at a glance

- russia launched 1,200 attacks on Ukraine's energy system between October '22 and April '23.
- Every thermal power and hydro-electric power plant in the country was hit and 50% of the energy system was damaged or destroyed.
- Attacks have inflicted \$11 billion-worth of damage according to the World Bank.
- The International Criminal Court has said russia's campaign against energy infrastructure may constitute a crime against humanity.

Ukraine's power system: At a glance

- 70% of Ukraine's power generation is low-carbon. Nuclear accounts for around half of the total.
- Energy consumption is down 30% due to population exodus & economic slowdown since Feb '22.
- In the weeks after russia's full-scale invasion, Ukraine synchronized its grid with the EU's, allowing for energy imports and the potential to export energy to Europe in the long term.
- Post war, Ukraine's strategic ambition is to prioritise green energy and low-carbon exports to EU.
- Over the past decade, Ukraine has increased gas production to guarantee energy independence.

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BACKGROUND ON DTEK

We honour the 214 DTEK employees killed since russia's full-scale invasion in February 2022, along with the 47 who are missing, eight imprisoned and 663 injured.

<u>DTEK</u> Group is the leader and the biggest private investor in Ukraine's energy sector. DTEK Group employs 55,000 people. Our companies are involved in coal and natural gas extraction; electricity generation from wind, solar, and thermal power plants; energy resources trading in local and international markets; distributing and supplying electricity to consumers; providing energy efficiency services to customers; and developing high-speed charging station networks.

Our Strategy 2030 commits DTEK Group to transforming into a more efficient, eco-friendly and technologically advanced business, guided by ESG principles. Our goal is to achieve carbon neutrality by 2040.

During the war, DTEK Group has restored power-supply to almost 9 million customers in the regions affected by russian hostilities.

The company is fully-owned by <u>SCM Limited</u>. The final beneficiary is Rinat Akhmetov.