

UKRAINIAN
ENERGY EXCHANGE



УКРАЇНСЬКА
ЕНЕРГЕТИЧНА БІРЖА

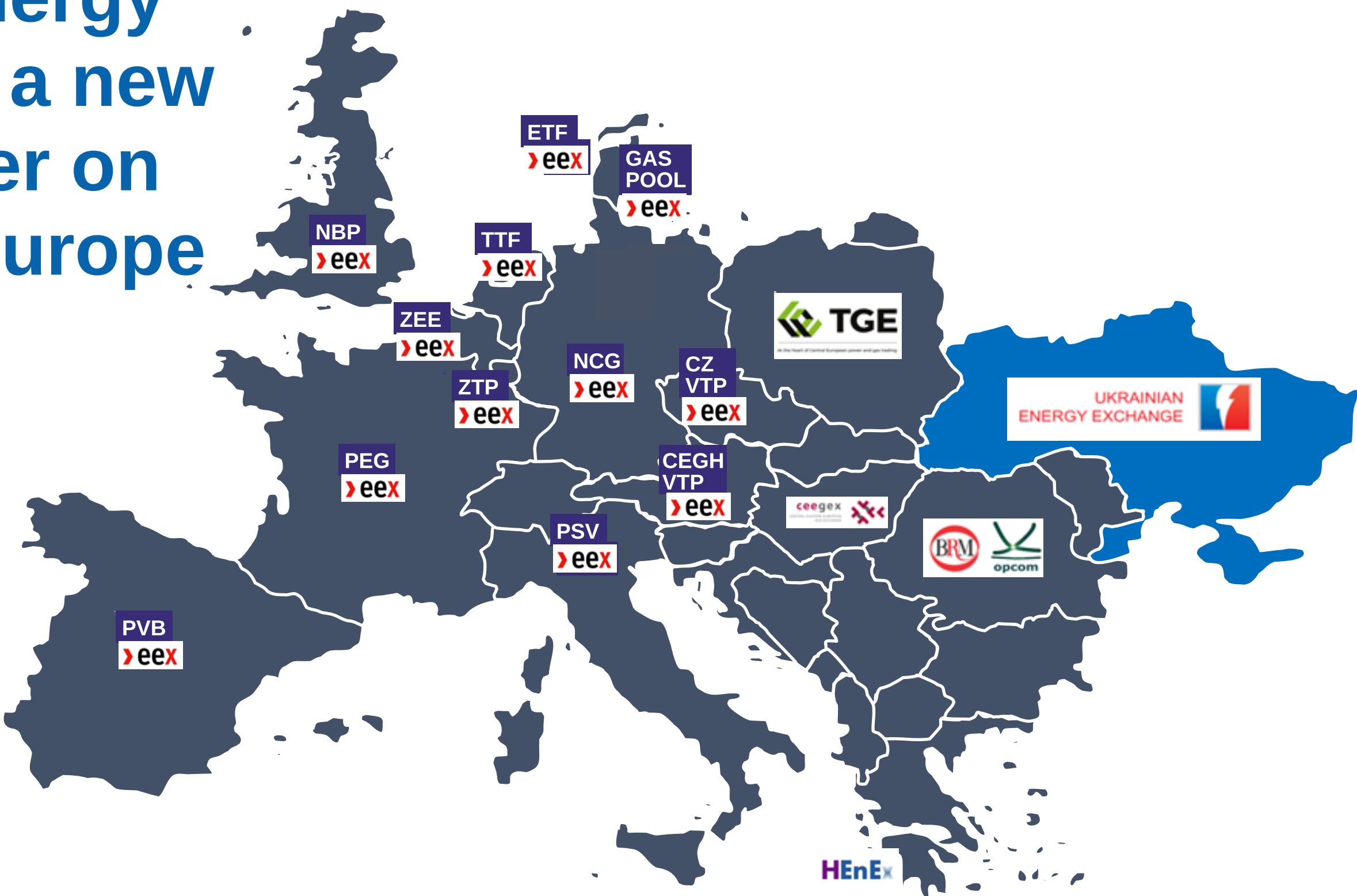
Ukrainian Energy Exchange

South-East European Gas platform meeting
(SEEGAS)

December 15, 2020

ueex.com.ua

Ukrainian Energy Exchange is a new trading center on the map of Europe



CREATION OF GAS EXCHANGE OF EUROPEAN STANDARD

MEMORANDUM
On support the development of exchange

Ministry of Energy of Ukraine
EBRD
Energy Community Secretariat
Ukrainian Energy Exchange

Advisory Board of UEEEX

Objectives

- Implementation of legislation of EU for creation of competitive liquid exchange gas market
- Providing full compliance with BAL NC standards
- Creation of full fledged exchange platform of European model for another energy commodities in the future

MEMORANDUM
On development short-term gas market

NEURC (Regulator)
Energy Community Secretariat
GTSO (TSO)
Ukrainian Energy Exchange

Objectives

- Solving the problems of the daily balancing market in Ukraine
- Transition to Balancing target model according BAL NC
- Creation of gas hub in Ukraine

Trust of our Partners and participants of Exchange trades is the main capital of UEEEX

Logos of partner organizations: UA TRANSMISSION SYSTEM OPERATOR, Міністерство енергетики України, NEURC, European Bank for Reconstruction and Development, and Energy Community.

UEEX IS THE CENTER OF TRADE OF ENERGY RESOURCES IN UKRAINE

10 years of operation
of which 4 years — in the natural gas market

10 years in
Ukraine

9 market
segments in
operation

4 main
trading
platforms

For the last 4 years:



UAH 150 bln+
trades volume



35 thousand+
concluded deals



1200 companies+
Number of participants

UEEX IS A LEADING COMMODITY EXCHANGE IN UKRAINE WITH HIGH LIQUIDITY, WHERE ALL TYPES OF ENERGY RESOURCES ARE TRADED. UEEX IS A MEMBER OF **Europex** – ASSOCIATION OF EUROPEAN ENERGY EXCHANGES.

We are operating

Electricity – BCM

Natural Gas

Oil Products

LPG

Coal

Raw Materials And Other Products

Oil And Gas Condensate

Sale Of Property In ProZorro. Sale

Untreated Timber

Fertilizers

OUR MARKETS



We are developing

Short-Term Market

Term Market (Derivatives)

Greening Of The Energy

Sector Of Ukraine

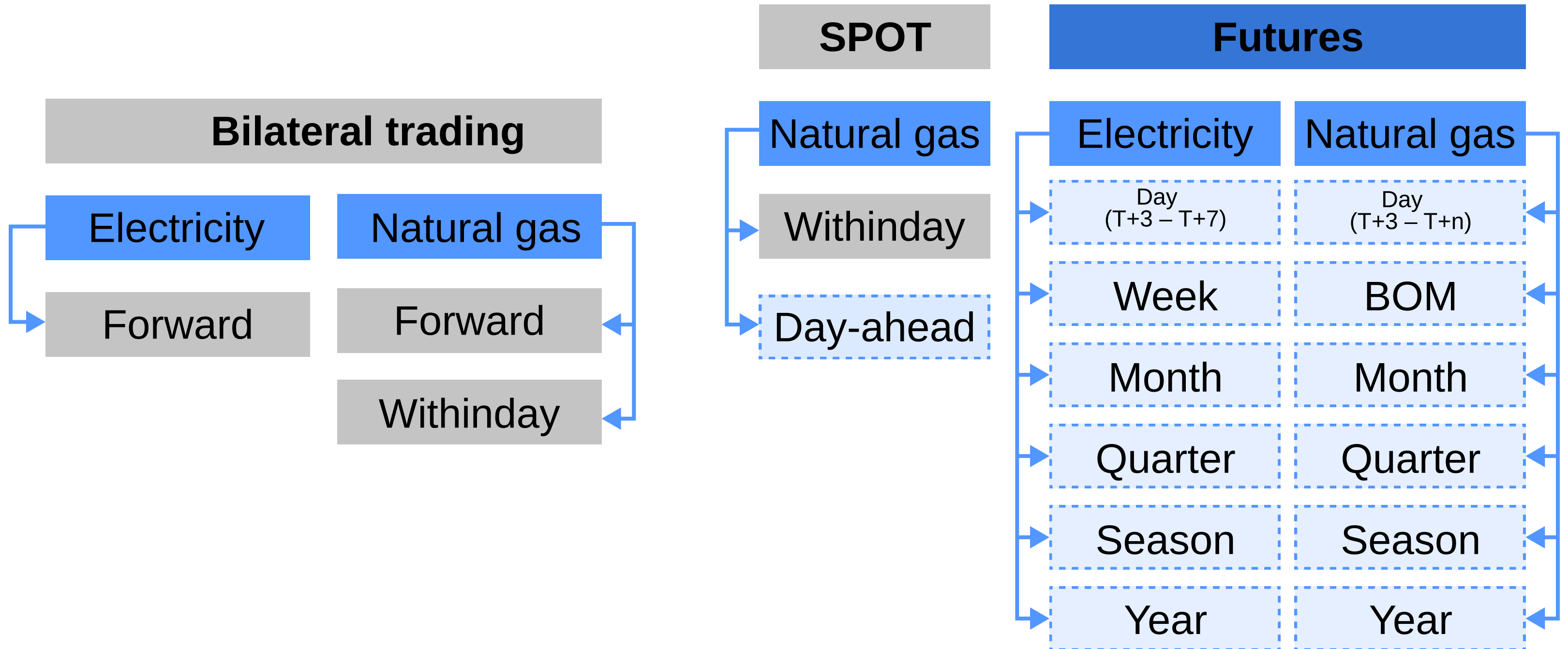
Biofuel



UEEX MARKETS AND PRODUCTS

AS IS

TO BE



KEY MARKETS



Electricity

- 300** UEEEX accredited participants in the electricity market
- 376** auctions (including 30 PSO auctions and 156 commercial sessions) were completed for 11 months 2020
- >190** bidders took part in electricity trading during the last year, including DTEK, Energoatom, Centrenergo, the Guaranteed Buyer and Ukrhydroenergo
- 63%** Share of the national trading electricity market (46.23 billion kWh) was sold on the bilateral agreements market on UEEEX in H1 2020



Natural gas

- 368** UEEEX accredited participants in the natural gas market
- 3430** natural gas agreements were concluded for 11 months 2020
- 2104** mcm of natural gas were traded on UEEEX for 11 months 2020
- 10%** of national natural gas volumes were sold on UEEEX in H1 2020



Oil & Oil product

- 663** UEEEX accredited participants in the Oil, NGL, Oil products (incl. LPG) market
- 2245** thousand tons of oil, NGL, oil products (incl. LPG) were sold on UEEEX for 11 months 2020
- 100%** Of participants in the crude oil and gas condensate market are local refineries and traders
- 40%** of the national volume of oil and gas condensate production were sold on UEEEX in H1 2020



Prozorro.Sales

- 561** were initiated on UEEEX for 11 months 2020
- 428** proposals for participation in auctions on Prozorro.Sales were submitted through UEEEX
- 660** UAH million - the total deal value traded on UEEEX in 2019, up from UAH579.4 million in 2018
- 4,5%** of the total trading volume of Prozorro.Sales was sold through UEEEX in H1 2020

Key UEEEX members



НАФТОГАЗ
ГРУПА

UKRNAFTA
УКРНАФТА

PPC



ГАРАНТОВАНИЙ
ПОКУПЕЦЬ
державне підприємство



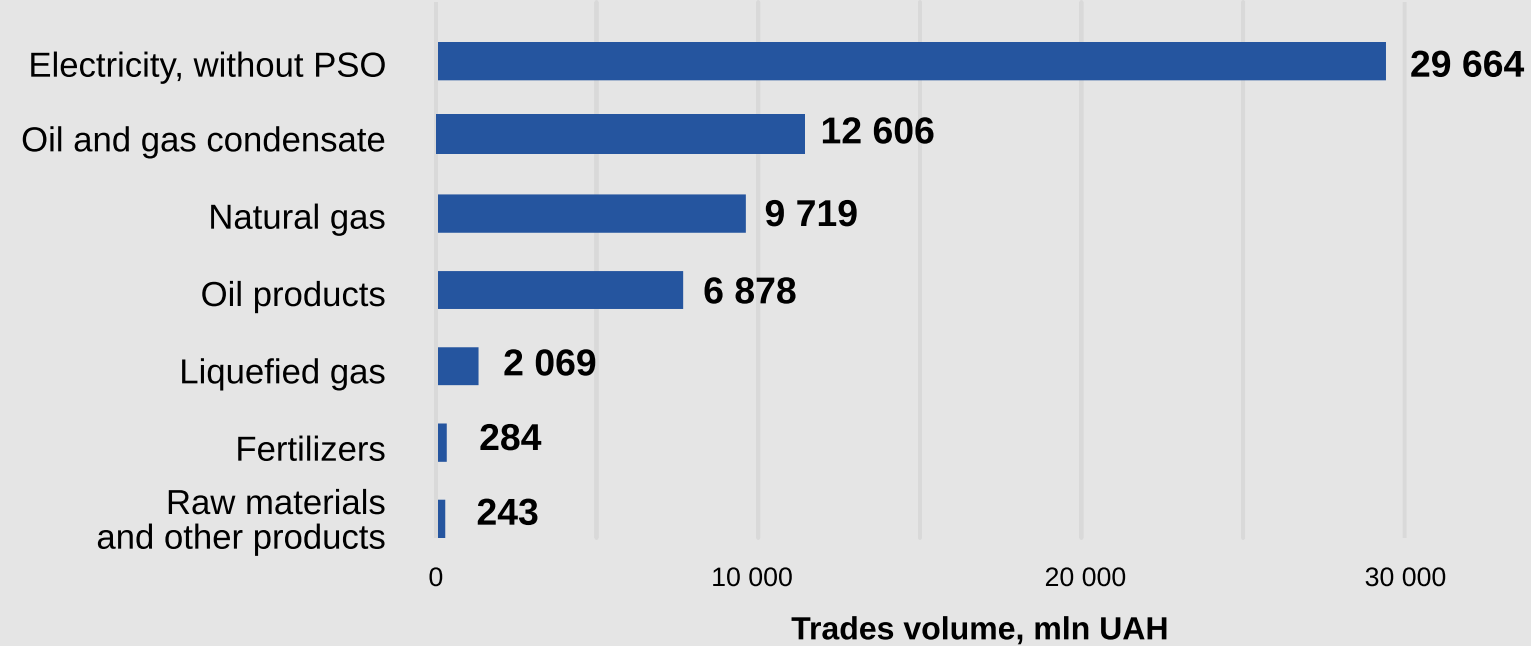
НАФТОГАЗ
УКРГАЗВИДОБУВАННЯ

УКРТАТ НАФТА

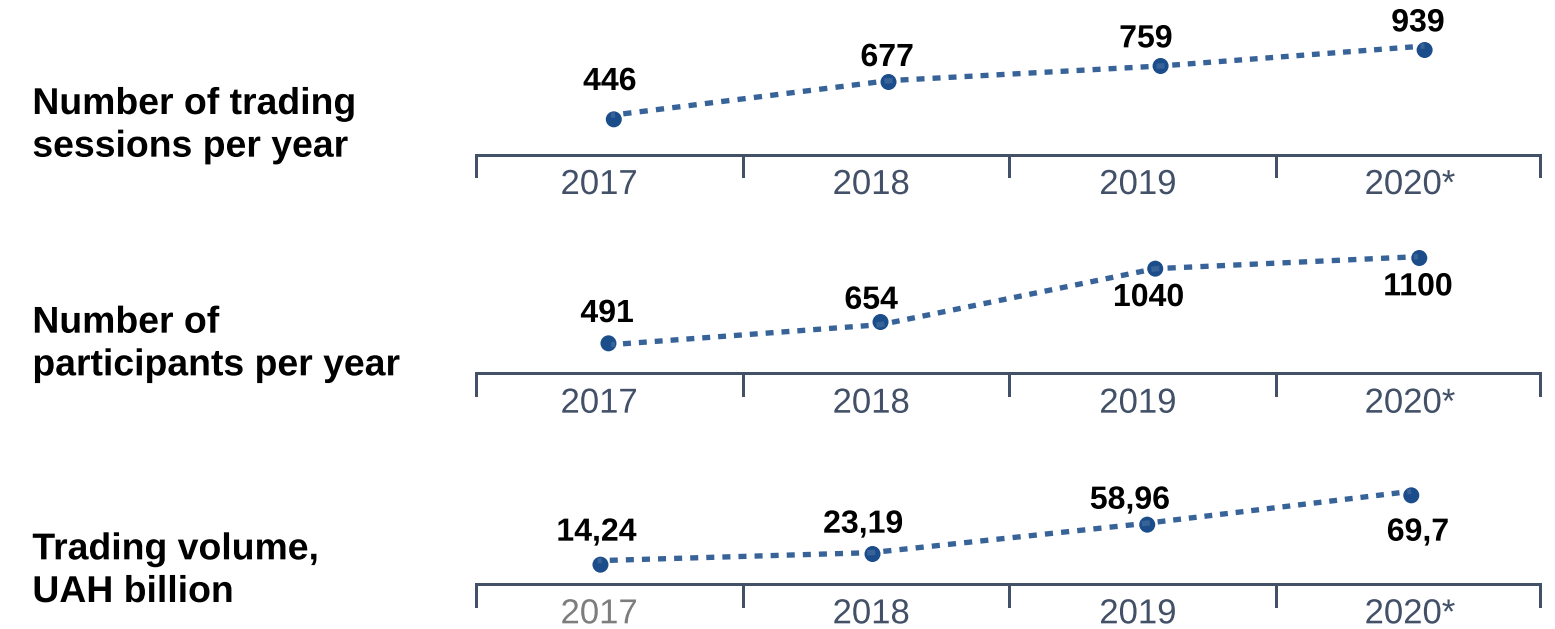
Regal Petroleum

UEEX IS THE CENTER OF TRADE OF ENERGY RESOURCES IN UKRAINE

Results by directions for 11 months 2020:

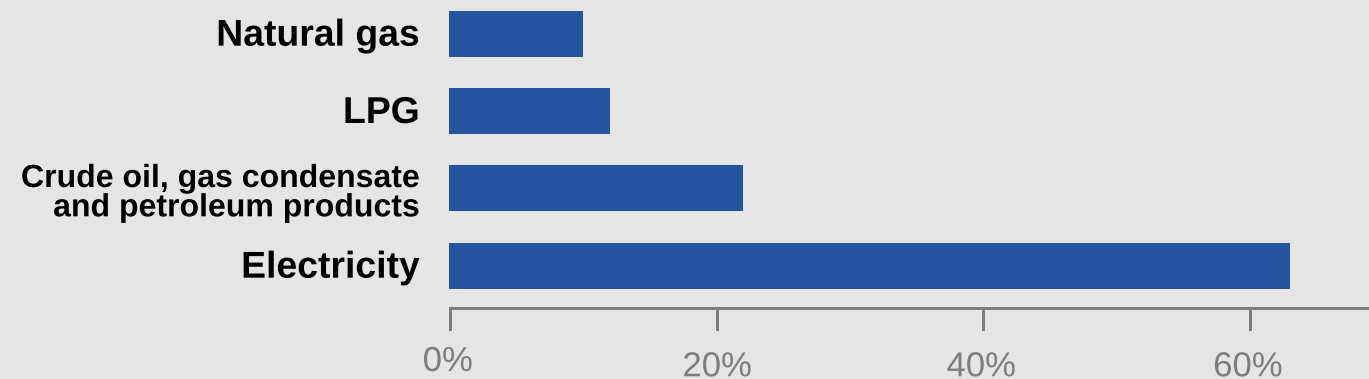


Key performance indicators



Note: *Annualized values based for 11 months 2020

UEEX's share at key national markets in H1 2020, %



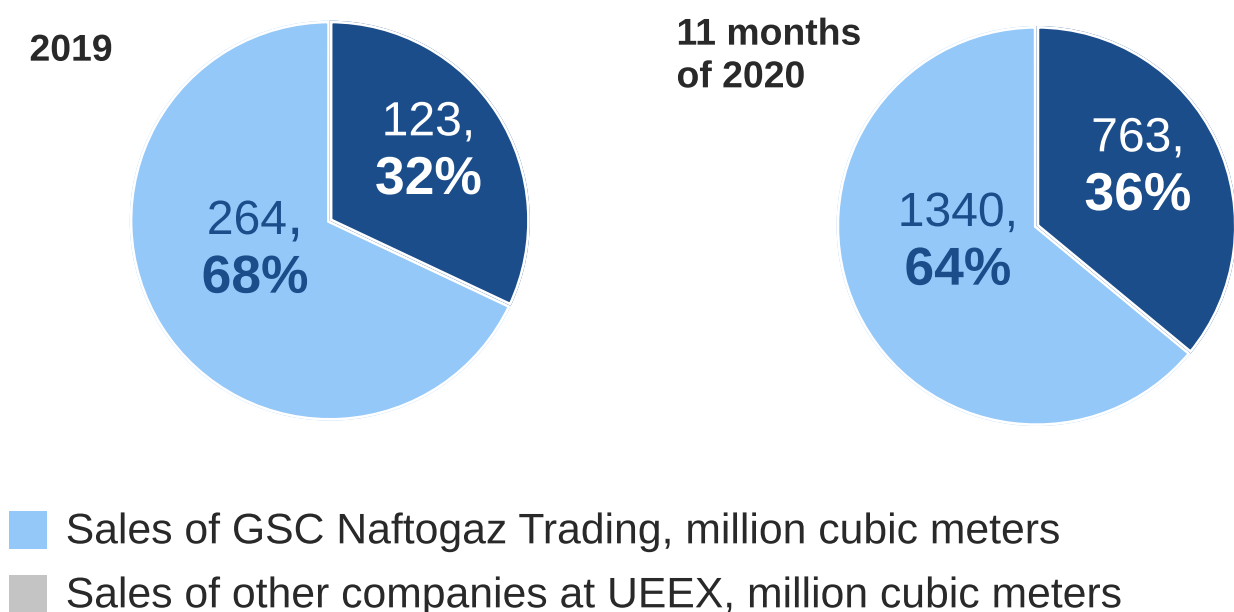
New products in UGS:

- Gas in UGS (clearance)
- Gas in UGS "Custom warehouse"
- Gas in UGS "Custom warehouse" + "short-haul"

DYNAMICS OF TRADE DEVELOPMENT IN THE NATURAL GAS MARKET AT UEEX IN 2020

- In the first **11 months of 2020**, the Ukrainian Energy Exchange sold **2.1 billion cubic meters** of natural gas.
- 238 trading sessions were held, at which 75 companies - initiators of bidding - offered natural gas for sale or purchase.
- According to the results of **11 months of 2020**, the volume of sales of underground gas storage resources amounted to **298 million m3** against **33 million m3** in 2019.
- Currently, **more than 350 companies** are represented on the UEEX in the Natural Gas area.
- In autumn 2020, the daily balancing platform was launched and successfully operated. Thus, **33 companies** have already been accredited in this area and more than **90 agreements** have been concluded.

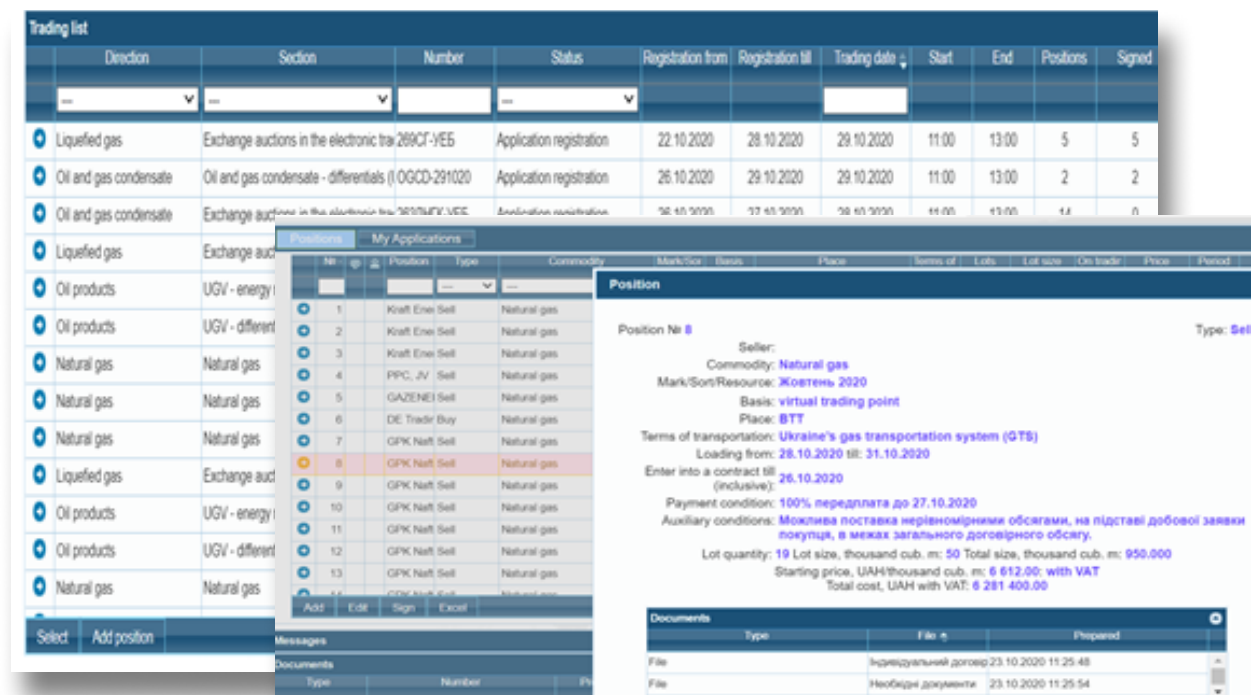
- Naftogaz Trading strengthened and consolidated its position at UEEX, in general, among the total sales volumes on UEEX, the share of the companies sales in 2020 was **36%** against **32%** in 2019.



In addition to Naftogaz Trading, trading sessions for the purchase / sale of natural gas resources for 22 and 44 companies - initiators of starting positions were productive in 2019 and 2020 respectively.

BASIC TRADING TECHNOLOGIES

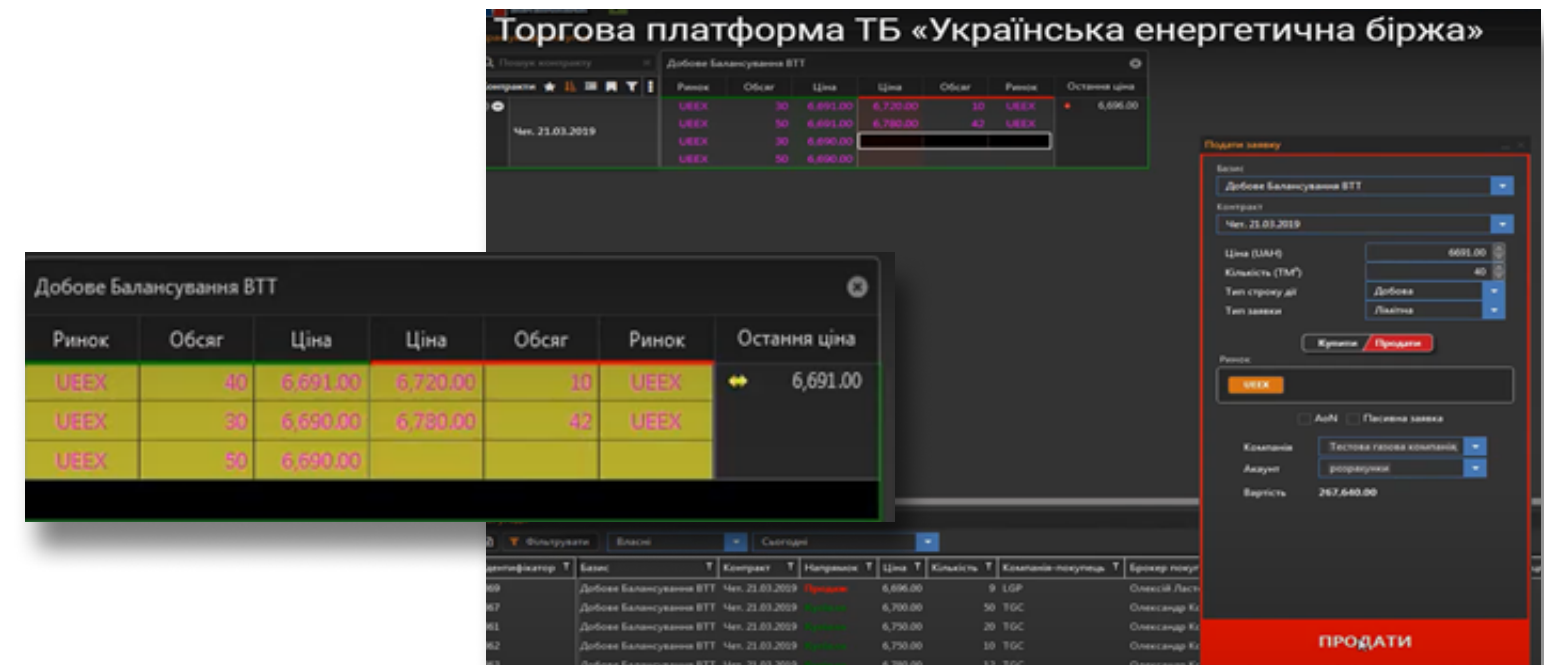
UEEX has two trading systems: its own and European developers. At the same time, anonymity and competitive mechanisms of trade are provided, possible manifestations of corruption and the like are leveled out. Access to such systems is also possible from mobile devices. The server part is located in the Uptime Institute Data Center Site Infrastructure Standard TIER III data center. Highest IT security standards are ensured.



Trading platform PP BETS

Was developed taking into account own and international experience, peculiarities of energy markets work and interests of market participants.

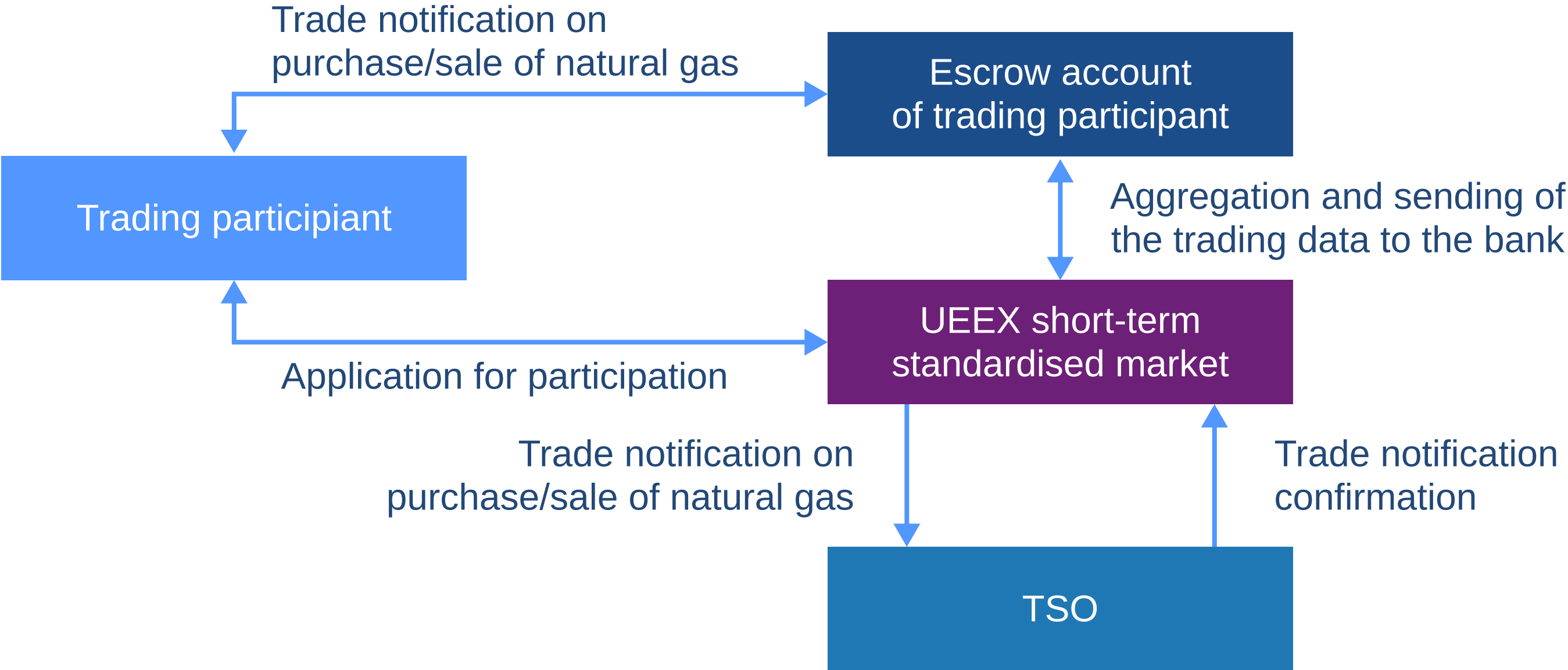
Ensured protection of economic competition and anonymity. Eliminates possible corrupt practices. This system is used for all trading on forward contracts. BETS has a separate configuration for trading electricity (BETS "Electric Power").



Energy Trading Platform

An electronic trading system for short-term standardized contracts trading with a time interval on the principle of bilateral continuous auction with the principle of anonymization of price bids (intraday, day-ahead market or any other standardized contracts (futures / forward). The system is also integrated with the GTS Operator's information system regarding receipt and confirmation of trading notifications in natural gas trades in the daily balancing mode and is integrated with the banking system regarding work on escrow accounts of bidders. That means, the system has a clearing module (light CCP).

IIGHT CCP



NATURAL GAS MARKET UEEEX FUTURES



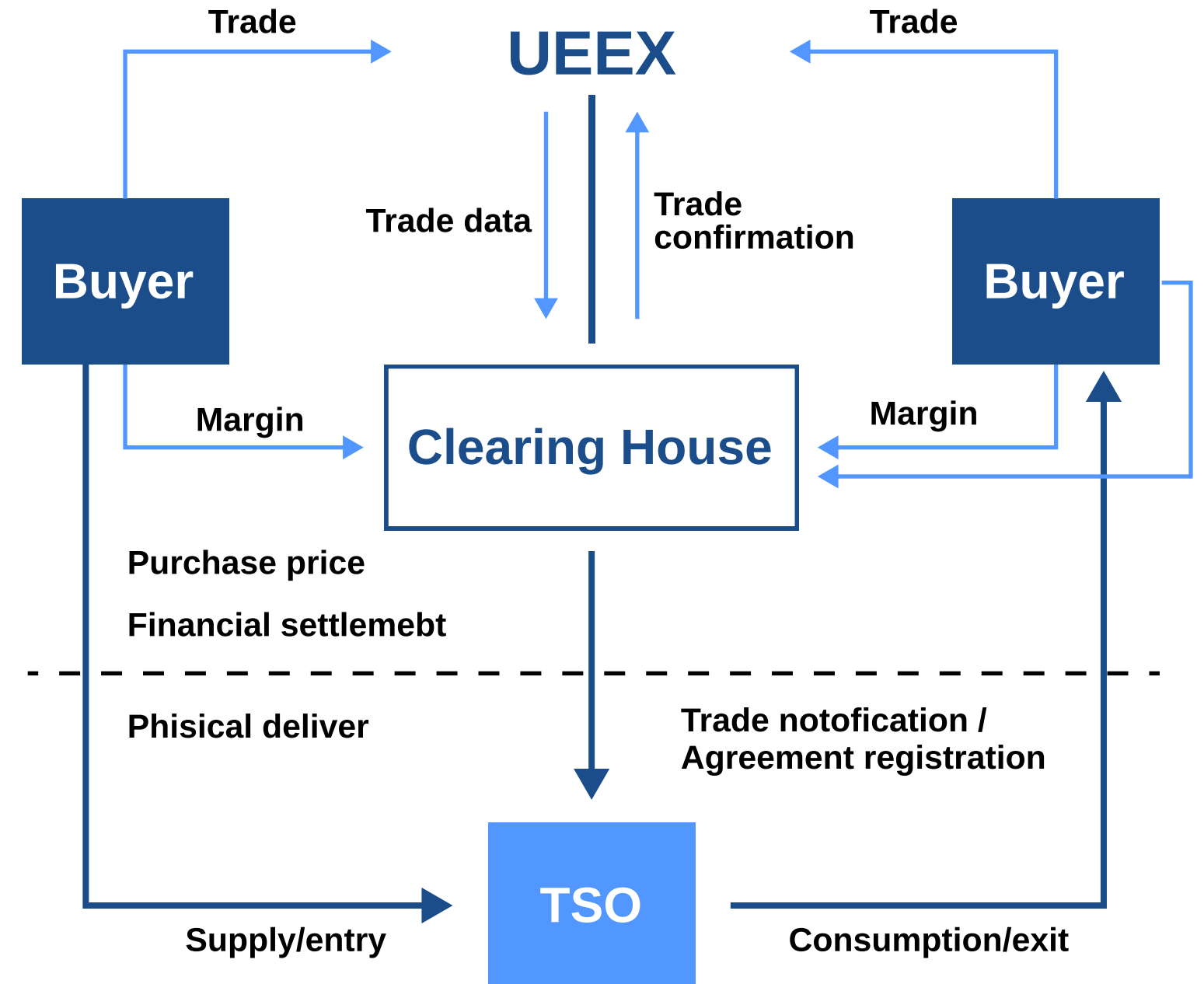
Planned Model

Delivery period

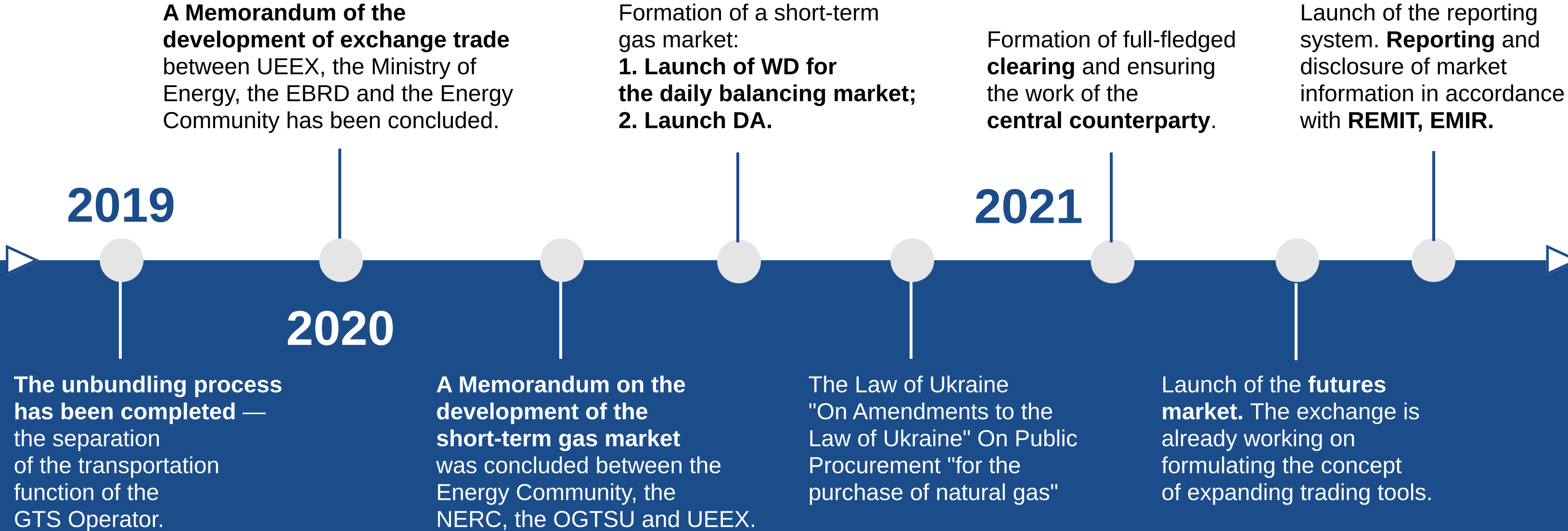
- Day (WD)
- Balance of the month
- Month
- Quarter
- Season
- Year

Implementation of trading obligation

- Weekend
- Current month
- 6 months
- 4 quarters
- 4 seasons
- 2 years



CREATION OF GAS EXCHANGE OF EUROPEAN STANDARD



THANK YOU
FOR YOUR
ATTENTION



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