

UKRAINIAN
ENERGY EXCHANGE



УКРАЇНСЬКА
ЕНЕРГЕТИЧНА БІРЖА

ENERGY TRADE IN UKRAINE

Prospects for Expanding Horizons

ECTSEE Conference
October 20-21, 2021
Prague

WE ARE CREATING A MARKET

WE REPRESENT THE MARKET



11 years of activity
11 market segments

FOR THE LAST 5 YEARS:

280+

billion UAH
of trading volume

50+

thousands
of concluded agreements

3000+

participating
companies

UEEX -

- The first and only NSSMC licensed commodity exchange in Ukraine
 - ✓ License for activities on the organization of trade in products on commodity exchanges
 - ✓ License for clearing activities to determine liabilities
- The only electricity operator in the segment of bilateral contracts
- The only operator of the trading platform of bilateral contracts
- Operates the electricity market in the segment of bilateral contracts
- Operator of the trading platform on the within-day gas market and the day-ahead market
- Trades in all types of energy resources
- Is the official and main source of market prices in Ukraine

Electricity
BCM
66,6%

Gas
20,5%
from the free market

LPG
35,0%
from production

Oil products
15,1%
from production

Oil and Gas
condensate
73,2%
from production

Untreated timber
and lumber
85,0%
from production since July 2021

Coal products

Fertilizers

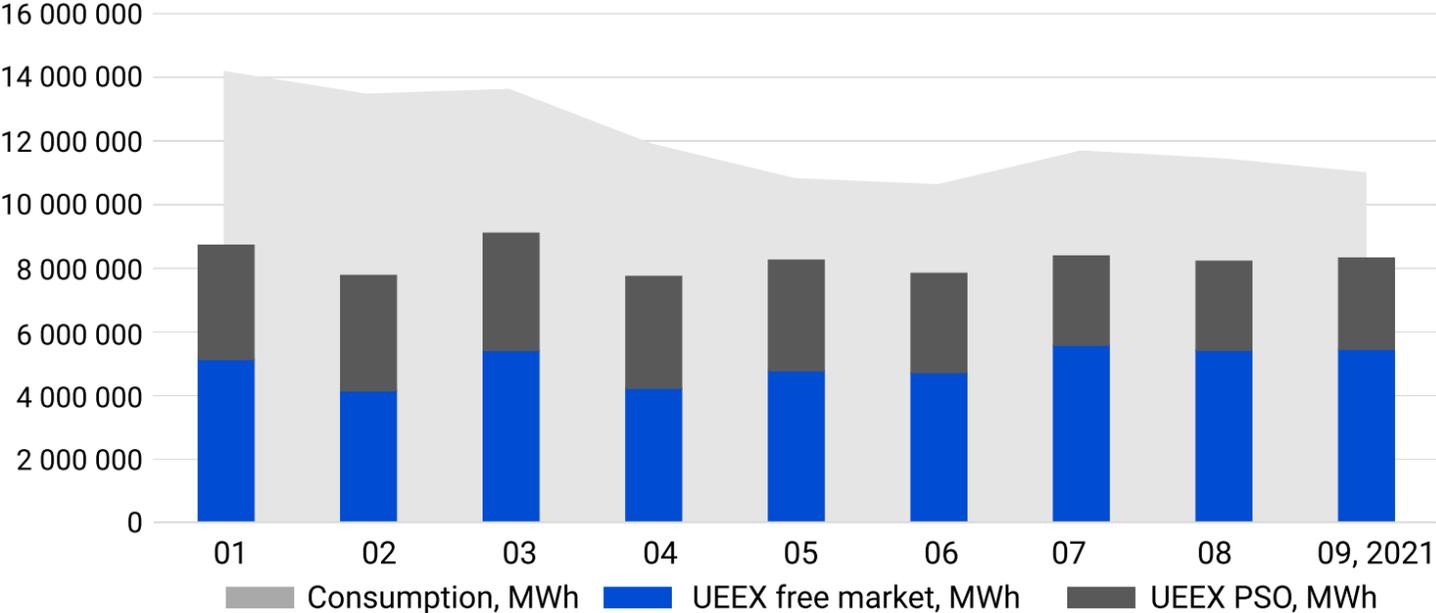
Raw materials and
other products

Tax lien

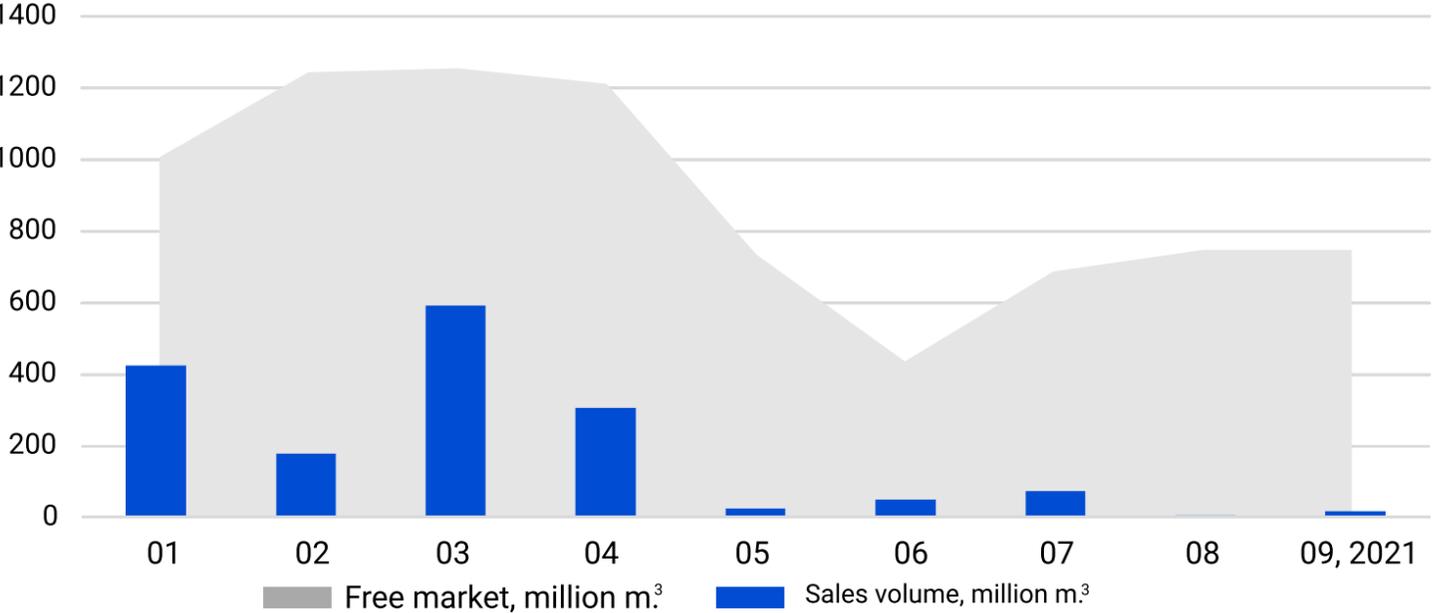
Prozorro.Sale

Ukrainian`s market potential and UEEEX place on it

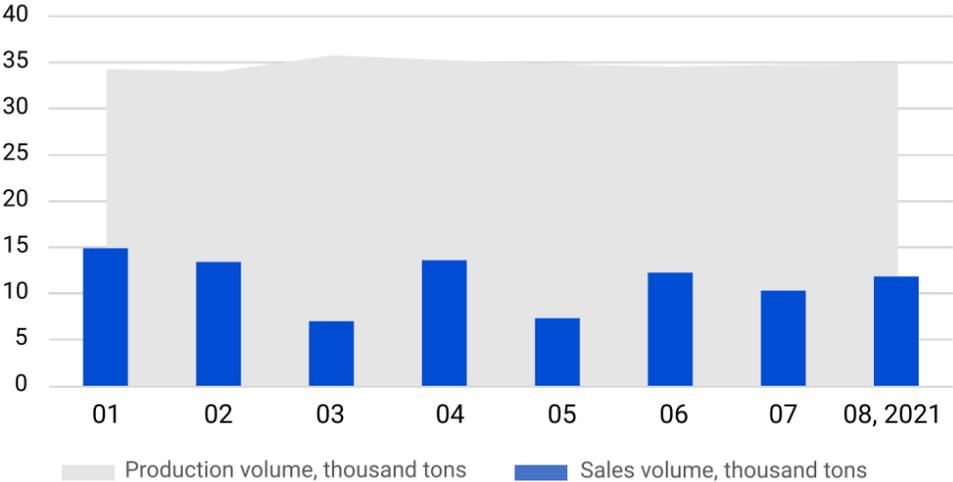
Electricity sales volumes



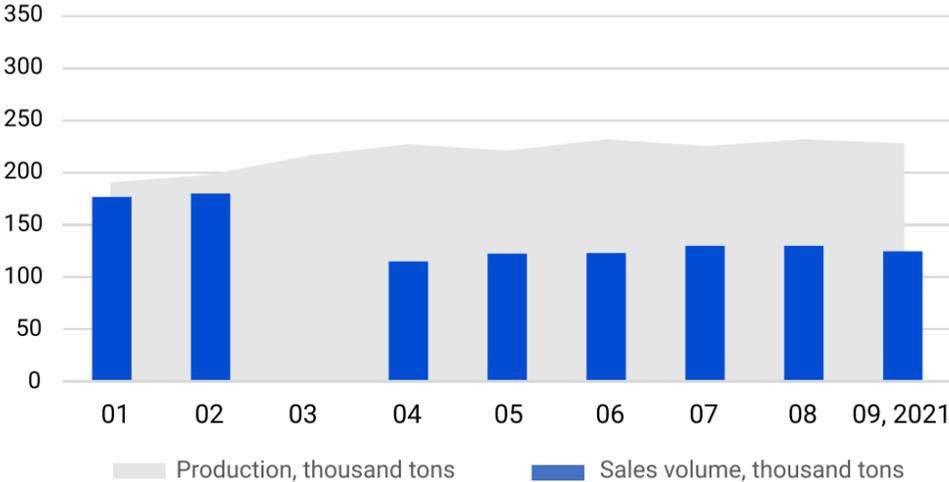
Natural gas sales volumes



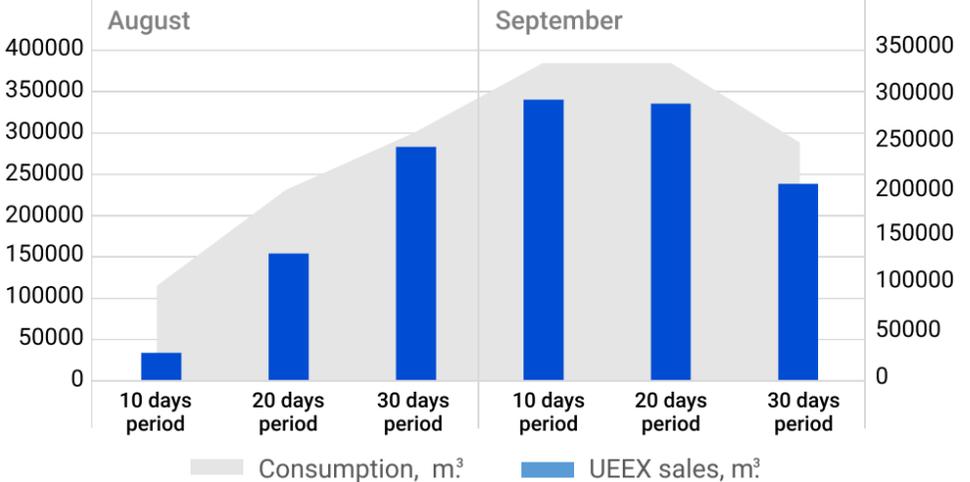
LPG sales volumes



Oil sales volumes



Unprocessed timber sales volumes

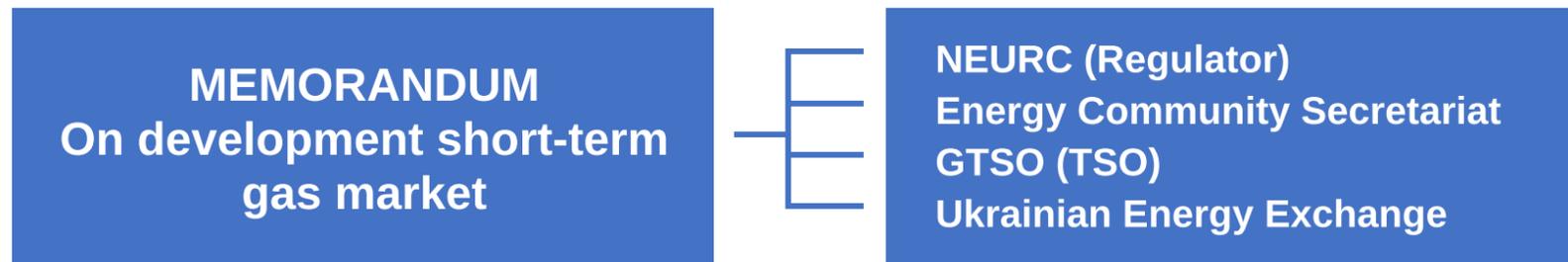


The way we develop the market 1/3



Objectives

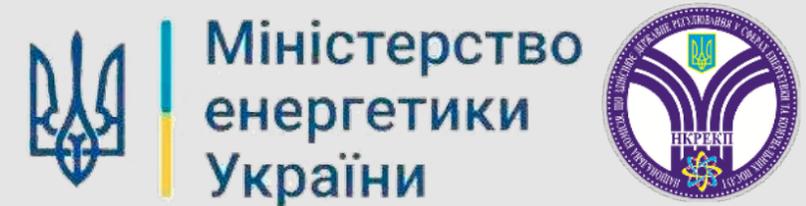
- Implementation of legislation of EU for creation of competitive liquid exchange gas market
- Providing full compliance with BAL NC standards
- Creation of full fledged exchange platform of European model for another energy commodities in the future



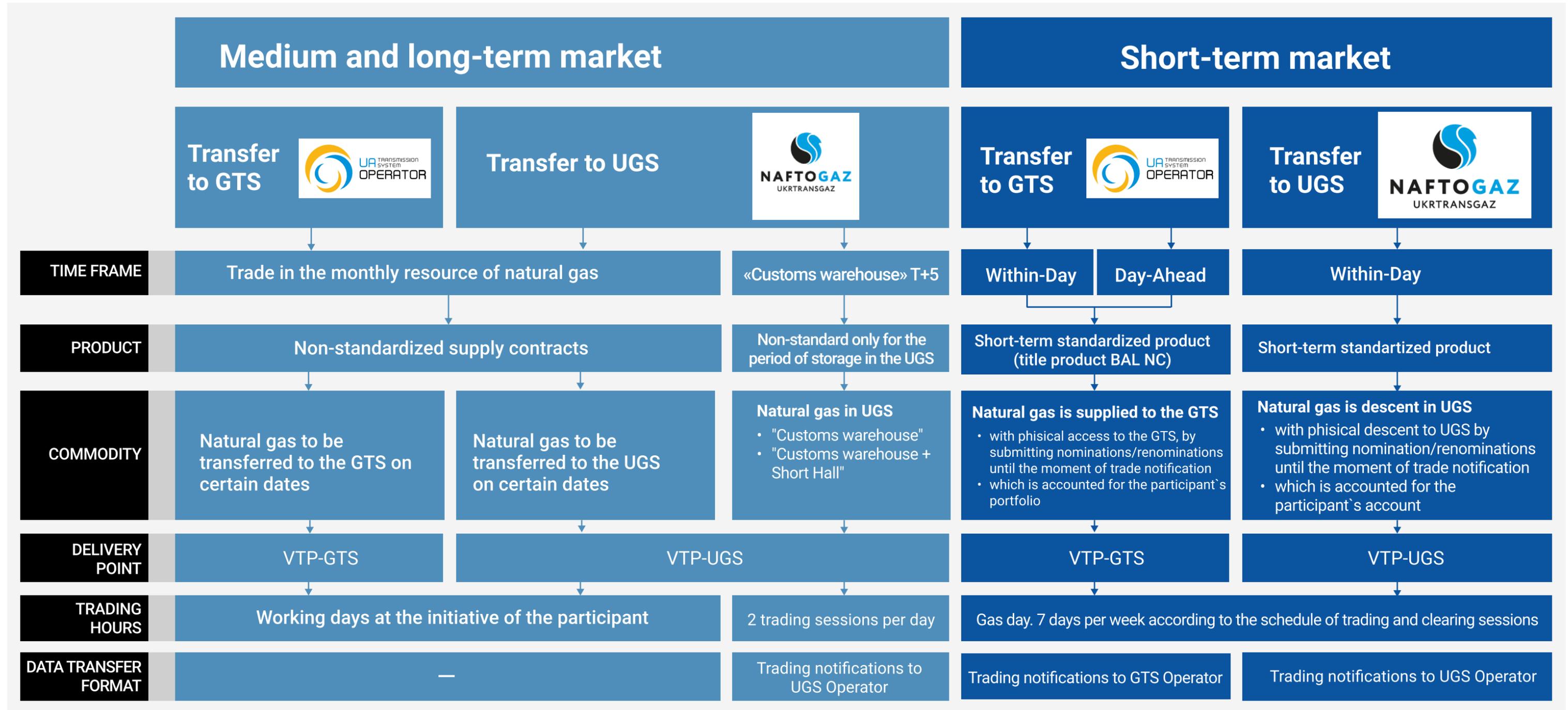
Objectives

- 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 UEEX



UEEX natural gas market 1/2



UEEX natural gas market 2/2

In 2021:
(9 months)

439
Number of participants

209
Number of trades on the long-term market

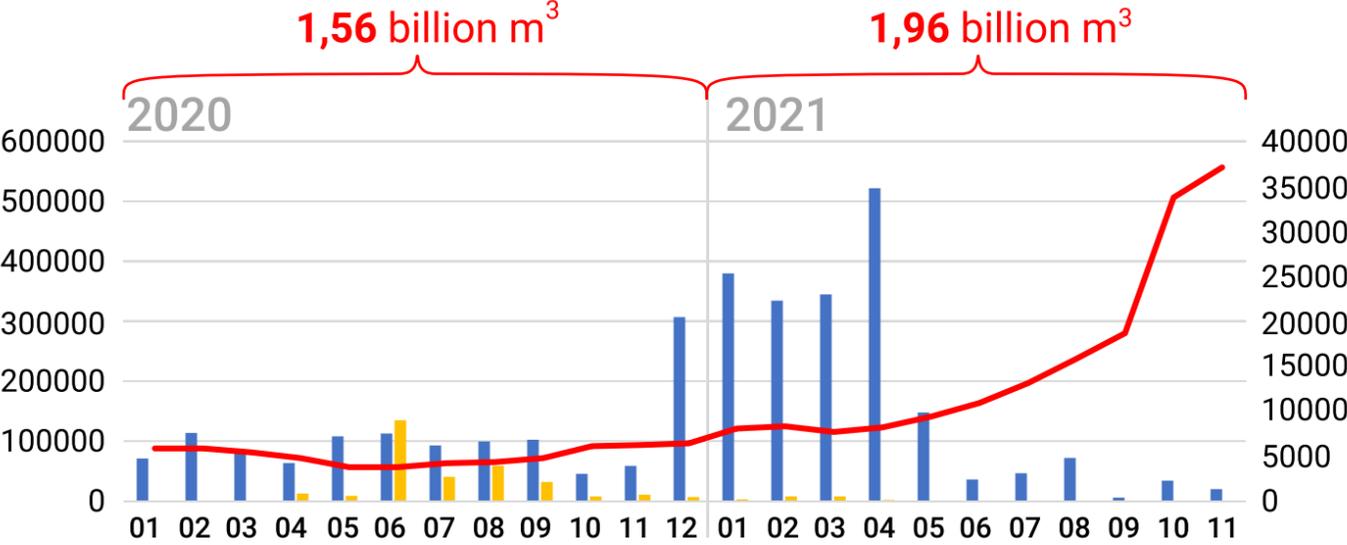
4
trading sessions on the short-term market every day

465
Number of exchange certificates on the long-term market

462
Number of agreements on the short-term market

Medium and long-term natural gas market

Except for trades using differentials

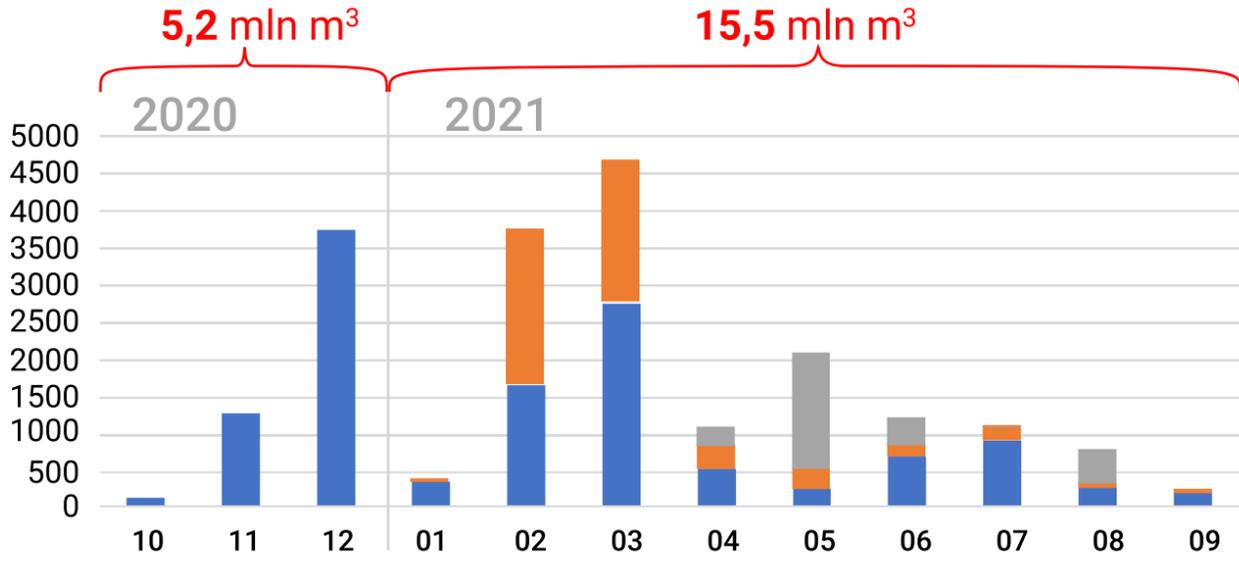


- Sold volume of GTS, thou m³
- Sold volume of UGS, thou m³
- Weighted average price of GTS, UAH per thousand m³ incl. VAT

Trading system PP BETS
Unilateral auction

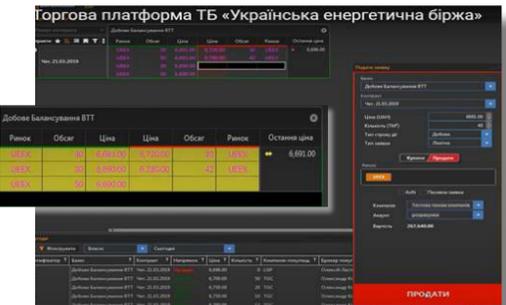


Short-term natural gas market, thou m³

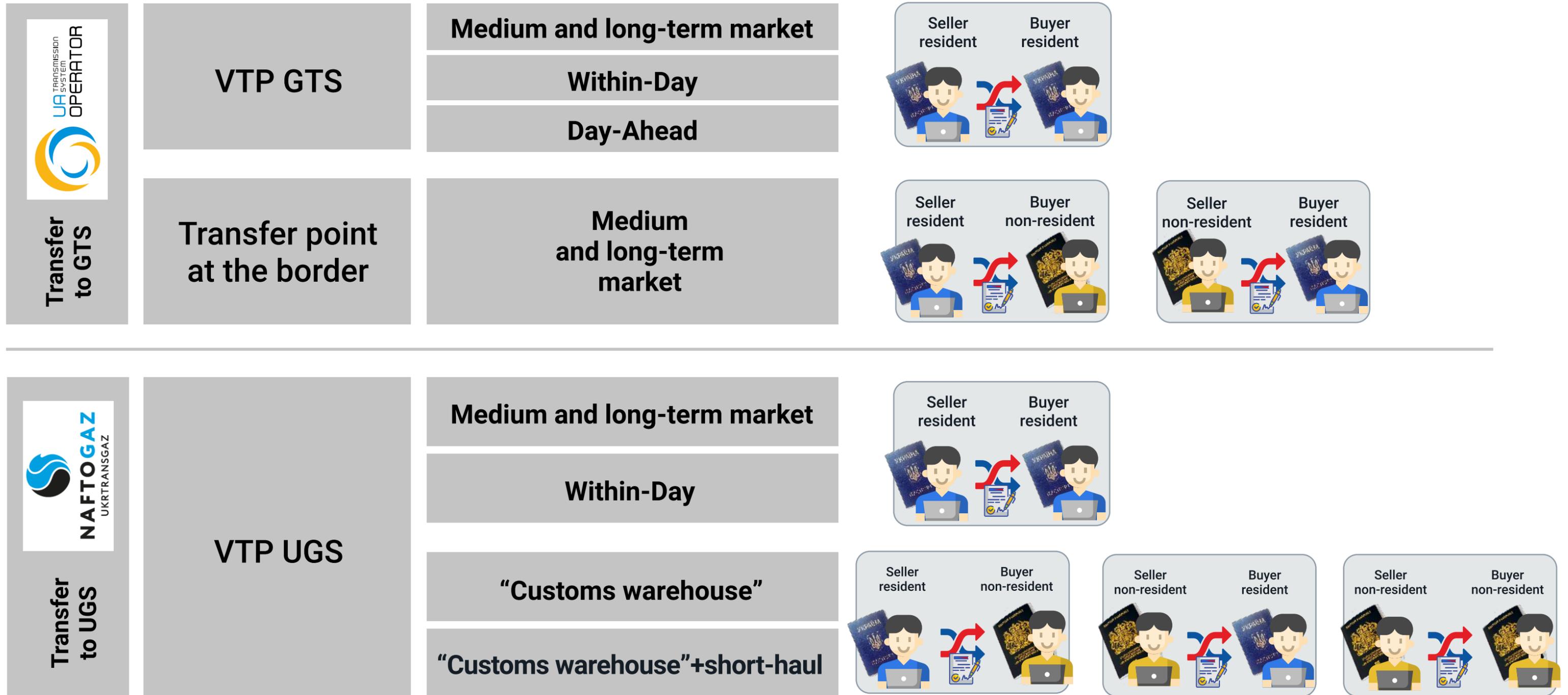


- WD
- DA
- WD UGS

ETP trading platform
Bilateral auction



Who are our participants on the gas market



Erasing the boundaries

Integrated South-Eastern and Eastern European gas (SEEGAS) market

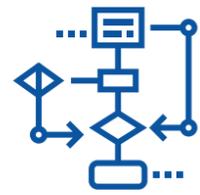


Synchronization of Ukrainian power systems with ENTSO-E



Goals, strategy and prospects

Next steps of the UEEEX



Further adaptation of all business processes in accordance with the NSSMC regulation, which is implemented



Increasing the liquidity of the short-term gas market, including due to the more active participation of OGTSU and as a buyer, not just a seller.



- Formation of marginal prices on the basis of trading platform indicators, as required by the target balancing model of BAL NC.
- Launch of gas trade with a transfer point at the border.
- GAS RELEASE PROGRAM support in Ukraine



- Further standardization and unification of products and practices.
- Launch of futures in the areas of "Electricity" and "Natural Gas".



- Establishing full-fledged clearing and risk management.
- Central Counterparty - as a mandatory element of the exchange energy market.

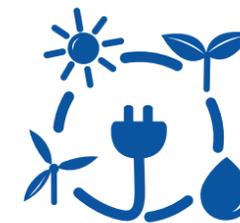


Promoting the establishment of standards of transparency and reporting of the energy market of Ukraine



Strengthening international integration, including on the natural gas market within the SEEGAS project. Providing opportunities for cross-border trade in natural gas through UEEEX.

Opportunities of new Markets



Renewable energy sources market (RES)

- Guarantees of origin for electricity generated
- Greenhouse gas emissions (CO2)
- Hydrogen power (H2)



Solid biofuels

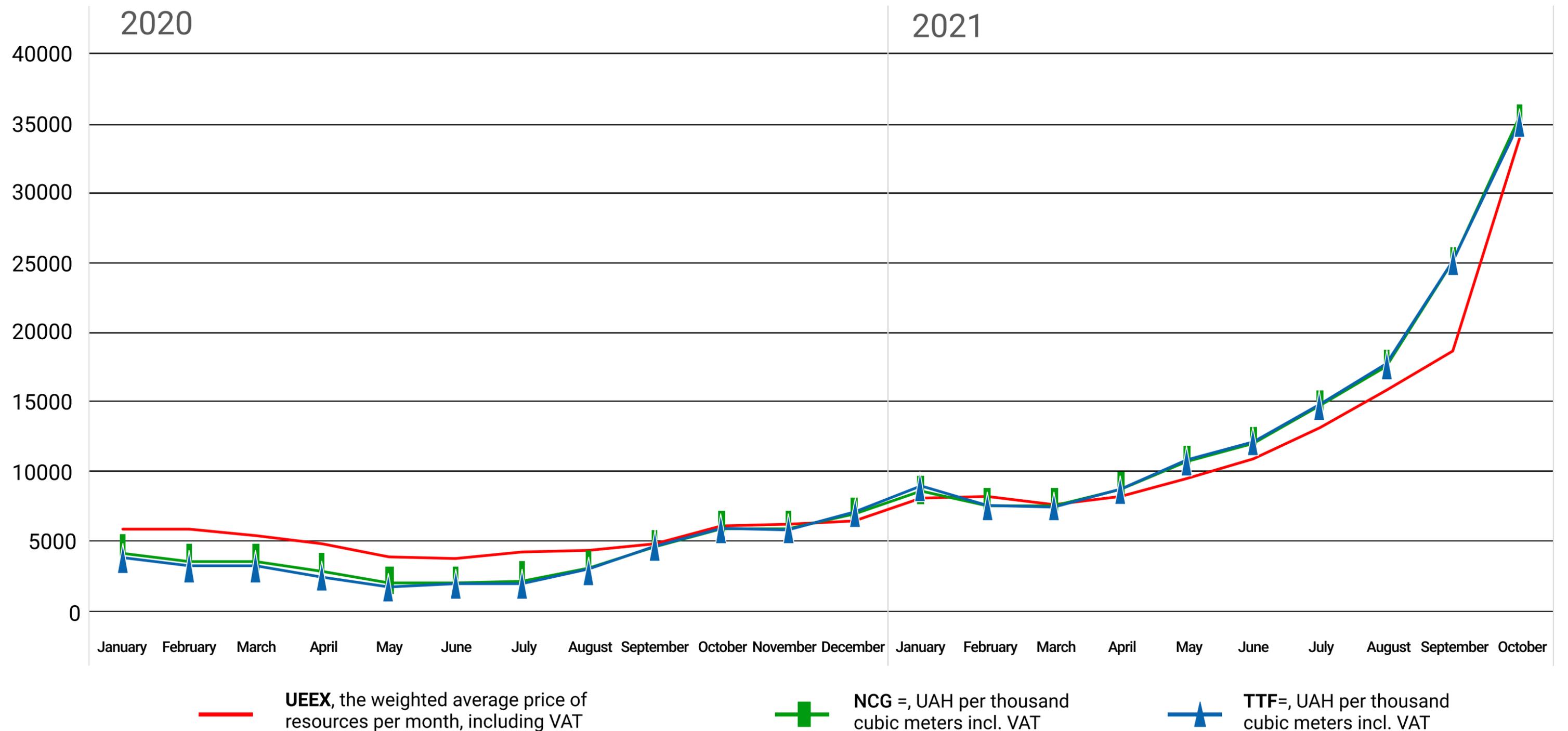
In Ukraine, 34 million tons of biofuel can be used annually in the energy sector. More than 2.4 GW of biomass capacity has already been commissioned. The potential for replacing natural gas from agricultural waste is 9.3 billion m3 annually.



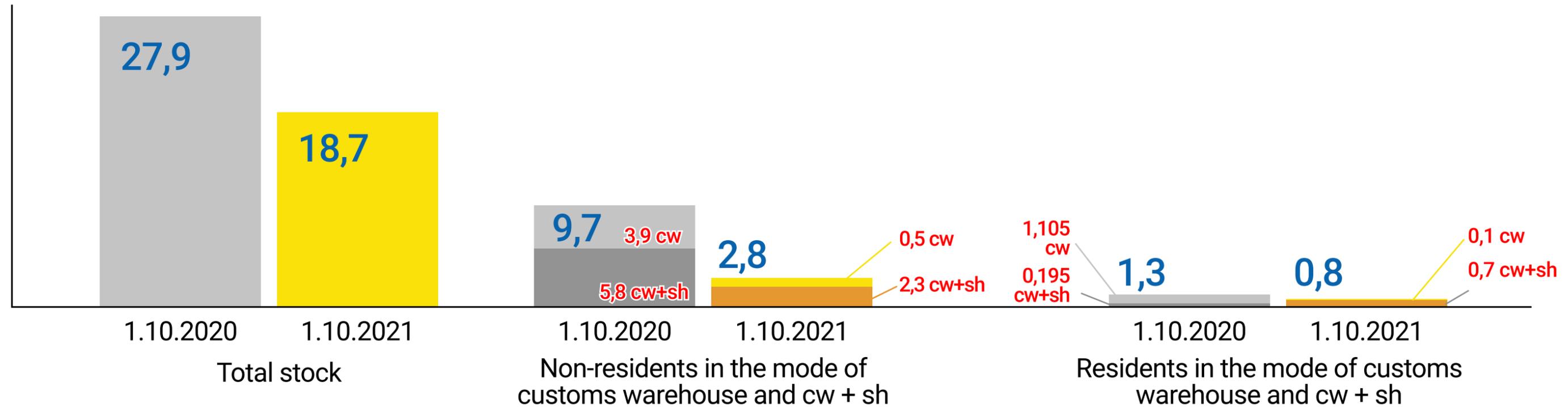
Agricultural products

Ukraine exported 56.7 million tones of cereals and legumes in 2020 (or about 40% of exports) and ranked second in the world in terms of total grain exports according to the Ministry of Agrarian Policy and Food of Ukraine.

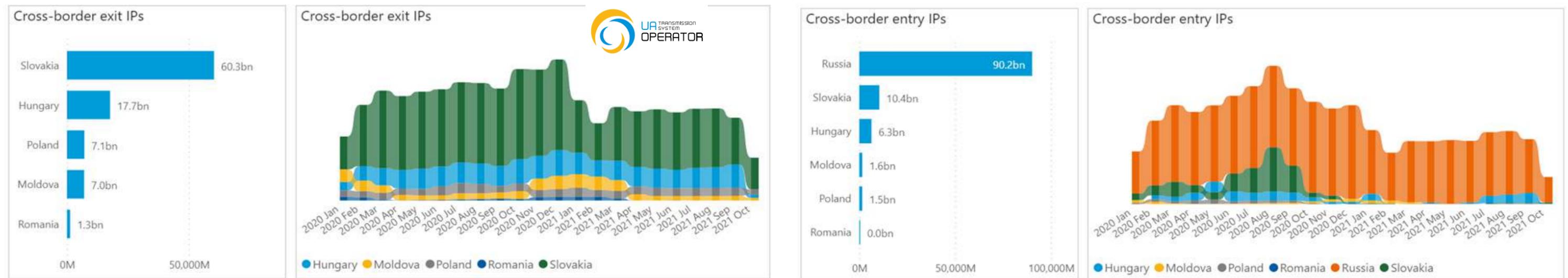
Natural gas pricing in Ukraine



The reaction of the Ukrainian market to price changes in the EU



Total active storage capacity 30 billion m3 (28.8% of total capacity in Europe)



The total transit capacity is 146 billion m3 per year

THANK YOU FOR
YOUR ATTENTION



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