

PJSC «Rosseti Centre»

**Interim Condensed Consolidated Financial Statements
as at and for the three months ended 31 March 2024
(unaudited)**

Interim Condensed Consolidated Financial Statements (unaudited)

Interim condensed consolidated Statement of profit or loss and other comprehensive income		3
Interim condensed consolidated Statement of financial position		4
Interim condensed consolidated Statement of cash flows		5
Interim condensed consolidated Statement of changes in equity		6
Notes to the Interim condensed consolidated Financial Statements (unaudited)		7
1	Background.....	7
2	Basis of preparation of consolidated financial statements.....	8
3	Significant accounting policies.....	9
4	Measurement of fair value.....	9
5	Acquisition and disposal of subsidiaries, ownership interests.....	10
6	Information about segments.....	10
7	Revenue.....	15
8	Other income and other expenses.....	15
9	Operating expenses.....	16
10	Finance income and costs.....	17
11	Income tax.....	17
12	Property, plant and equipment.....	19
13	Intangible assets.....	22
14	Right-of-use assets.....	23
15	Other financial assets.....	24
16	Trade and other receivables.....	25
17	Advances given and other assets.....	25
18	Cash and cash equivalents.....	25
19	Equity.....	26
20	Earnings per share.....	26
21	Borrowed funds.....	27
22	Trade and other payables.....	28
23	Tax liabilities other than income tax.....	28
24	Advances from customers.....	28
25	Provisions.....	29
26	Financial risk and capital management.....	29
27	Capital commitments.....	30
28	Contingencies.....	30
29	Related party transactions.....	31
30	Events after the reporting date.....	33

PJSC «Rosseti Centre»
Interim Condensed Consolidated Statement of profit or loss and other comprehensive income
for the three months ended 31 March 2024
(in thousands of Russian rubles, unless otherwise stated)

	Notes	For the three months ended 31 March (unaudited)	
		2024	2023
Revenue	7	35,152,597	33,653,674
Operating expenses	9	(30,682,502)	(28,251,986)
Accrual of allowance for expected credit losses	26	(54,347)	(33,473)
Other income	8	485,053	477,444
Other expenses	8	(3,423)	(3,758)
Operating profit		4,897,378	5,841,901
Finance income	10	430,658	182,847
Finance costs	10	(1,786,800)	(986,410)
Total financial costs		(1,356,142)	(803,563)
Share in profit of associates	5	19,602	-
Profit before income tax		3,560,838	5,038,338
Income tax expense	11	(1,082,922)	(1,226,759)
Profit for the period		2,477,916	3,811,579
Other comprehensive income/(expense)			
<i>Items that will never be reclassified subsequently to profit or loss</i>			
Changes in the fair value of equity investments accounted for at fair value through other comprehensive income	15	5,299	40,966
Revaluation of defined benefit pension program liabilities		269,627	127,334
Income tax on other comprehensive income	11	(32,361)	(22,629)
Total items that will not be reclassified subsequently to profit or loss		242,565	145,671
Other comprehensive income for the period, net of income tax		242,565	145,671
Total comprehensive income for the period		2,720,481	3,957,250
Profit attributable to:			
Equity holders of the Company		2,471,335	3,801,519
Non-controlling interests		6,581	10,060
Total comprehensive income attributable to:			
Equity holders of the Company		2,713,900	3,947,190
Non-controlling interests		6,581	10,060
Earnings per share			
Basic and diluted earnings per ordinary share (in RUB)	20	0.059	0.090

These Interim Condensed Consolidated Financial Statements (unaudited) were approved by management on 22 May 2024 and were signed on its behalf by:

General Director

 I.V. Makovskiy

Chief Accountant

L.A. Sklyarova



The accompanying notes are an integral part of these Interim Condensed Consolidated Financial Statements

PJSC «Rosseti Centre»
Interim Condensed Consolidated Statement of Financial Position
as at 31 March 2024

(in thousands of Russian rubles, unless otherwise stated)

	Notes	31 March 2024 (unaudited)	31 December 2023 (audited)
ASSETS			
Non-current assets			
Property, plant and equipment	12	108,361,294	108,901,174
Intangible assets	13	2,180,435	3,253,483
Right-of-use assets	14	7,213,407	7,365,103
Investments in associates and joint ventures	5	680,238	660,636
Trade and other receivables	16	1,253,248	1,323,338
Assets related to employee benefits plans		597,236	554,236
Other non-current financial assets	15	151,546	146,247
Advances given and other non-current assets	17	4,148	4,784
Total non-current assets		120,441,552	122,209,001
Current assets			
Inventories		4,855,875	4,380,625
Prepayment of current income tax		74,879	492,163
Windfall income tax security payment		-	76,188
Trade and other receivables	16	11,200,980	11,222,210
Cash and cash equivalents	18	11,980,090	7,809,829
Advances given and other current assets	17	2,576,186	2,564,272
Total current assets		30,688,010	26,545,287
Total assets		151,129,562	148,754,288
EQUITY AND LIABILITIES			
Equity			
Share capital	19	4,221,794	4,221,794
Reserves		(116,339)	(358,904)
Retained earnings		58,779,623	56,308,288
Total equity attributable to equity holders of the Company		62,885,078	60,171,178
Non-controlling interests		479,883	473,302
Total equity		63,364,961	60,644,480
Non-current liabilities			
Long-term borrowed funds	21	39,524,173	33,660,449
Long-term trade and other payables	22	51,313	60,855
Long-term advances from customers	24	5,002,779	4,040,915
Employee benefits		2,660,617	2,857,422
Deferred tax liabilities		4,893,435	4,681,431
Total non-current liabilities		52,132,317	45,301,072
Current liabilities			
Short-term borrowed funds and current part of long-term borrowed funds	21	6,709,756	11,783,286
Trade and other payables	22	14,894,546	18,184,806
Tax debts other than income tax	23	4,481,375	3,610,460
Advances from customers	24	6,204,576	6,090,460
Provisions	25	2,882,247	3,020,430
Current income tax liabilities		459,784	43,106
Windfall income tax payable		-	76,188
Total current liabilities		35,632,284	42,808,736
Total liabilities		87,764,601	88,109,808
Total equity and liabilities		151,129,562	148,754,288

The accompanying notes are an integral part of these Interim Condensed Consolidated Financial Statements

PJSC «Rosseti Centre»
Interim Condensed Consolidated Statement of Cash Flows
for the three months ended 31 March 2024
(in thousands of Russian rubles, unless otherwise stated)

	Notes	2024	2023
For the three months ended 31 March (unaudited)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before income tax		3,560,838	5,038,338
<i>Adjustments for:</i>			
Depreciation and amortization of property, plant and equipment, intangible assets and right-of-use assets	12,13,14	3,229,737	3,129,902
Finance costs	10	1,786,800	986,410
Finance income	10	(430,658)	(182,847)
Profit on disposal of property, plant and equipment for sales operations	8	(2,944)	(10,940)
Loss on disposal of property, plant and equipment	8	3,423	3,758
Accrual of allowance for expected credit losses	26	54,347	33,473
Bad debt write-off		1,624	3,673
Accrual/(recovery) of provisions	25	(4,811)	369,002
Share in profit of associates and joint ventures	5	(19,602)	-
Other non-cash transactions		1,103,367	6,004
Total impact of adjustments		5,721,283	4,338,435
Change in assets related to employee benefits plans		(43,000)	(32,124)
Change in employee benefit liabilities		(10,218)	(17,602)
Change in long-term trade and other receivables		70,090	32,118
Change in long-term advances given and other non-current assets		636	(3)
Change in long-term trade and other payables		(9,542)	26,453
Change in long-term advances received		961,864	(176,883)
Cash flows from operating activities before changes in working capital and provisions		10,251,951	9,208,732
<i>Changes in working capital:</i>			
Change in trade and other receivables		(26,165)	(555,233)
Change in advances given and other assets		(11,914)	439,504
Change in inventories		(475,159)	(516,160)
Change in trade and other payables		(536,642)	(1,470,650)
Change in advances received		114,116	279,779
Change in provisions		(133,372)	(767)
Cash flows from operating activities before income taxes and interest paid		9,182,815	7,385,205
Income tax paid		(69,317)	(955,737)
Interest paid under lease agreement		(129,806)	(140,532)
Interest paid		(1,525,216)	(660,973)
Net cash flows from operating activities		7,458,476	5,627,963
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment and intangible assets		(4,368,045)	(4,095,942)
Proceeds from the sale of property, plant and equipment and intangible assets		2,739	11,620
Interest received		374,526	99,437
Dividends received		10,691	120
Net cash flows used in investing activities		(3,980,089)	(3,984,765)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowed funds		6,253,556	600,000
Repayment of borrowed funds		(5,387,424)	(600,000)
Dividends paid to equity holders of the Company		(286)	(1,413,627)
Payment of lease liabilities		(173,972)	(136,107)
Net cash flows received/(used) from financing activities		691,874	(1,549,734)
Net change in cash and cash equivalents		4,170,261	93,464
Cash and cash equivalents at the beginning of period		7,809,829	6,505,927
Cash and cash equivalents at the end of period	18	11,980,090	6,599,391

The accompanying notes are an integral part of these Interim Condensed Consolidated Financial Statements

PJSC «Rosseti Centre»
Interim Condensed Consolidated Statement of Changes in Equity
for the three months ended 31 March 2024
(in thousands of Russian rubles, unless otherwise stated)

Notes	Attributable to equity holders of the Company				Non-controlling interest	Total equity
	Share capital	Reserves	Retained earnings	Total		
	4,221,794	(358,904)	56,308,288	60,171,178	473,302	60,644,480
Profit for the period	-	-	2,471,335	2,471,335	6,581	2,477,916
Other comprehensive income	-	274,926	-	274,926	-	274,926
Related income tax	-	(32,361)	-	(32,361)	-	(32,361)
Total comprehensive income for the period	-	242,565	2,471,335	2,713,900	6,581	2,720,481
Balance at 31 March 2024 (unaudited)	4,221,794	(116,339)	58,779,623	62,885,078	479,883	63,364,961
Notes	Attributable to equity holders of the Company				Non-controlling interest	Total equity
Share capital	Reserves	Retained earnings	Total			
	4,221,794	(715,308)	48,899,818	52,406,304	440,265	52,846,569
Profit for the period	-	-	3,801,519	3,801,519	10,060	3,811,579
Other comprehensive income	-	168,300	-	168,300	-	168,300
Related income tax	-	(22,629)	-	(22,629)	-	(22,629)
Total comprehensive income for the period	-	145,671	3,801,519	3,947,190	10,060	3,957,250
Balance at 31 March 2023 (unaudited)	4,221,794	(569,637)	52,701,337	56,353,494	450,325	56,803,819

The accompanying notes are an integral part of these Interim Condensed Consolidated Financial Statements

1 Background

(a) The Group and its operation

The primary activities of Public Joint-Stock Company “Rosseti Centre” (hereinafter referred to as the PJSC “Rosseti Centre” or the “Company”) and its subsidiaries (hereinafter together referred to as the “Group”) are provision of services for transmission and distribution of electricity for power grids, as well as the provision of services for technological connection of consumers to the network, as well as the sale of electricity to the end consumer in a number of regions of the Russian Federation.

The parent company is PJSC “Rosseti”.

The Company was set up on 17 December 2004 based on Resolution no. 154p of 9 December 2004 and pursuant to the Board of Directors’ decision (board of directors’ meeting minutes no. 178 of 1 October 2004) and Management Board decision (Management Board meeting minute no. 1102 of 15 November 2004) of Open Joint-Stock Company RAO “United Energy Systems of Russia” (hereinafter - “RAO UES”). From 07 July 2015, OJSC “IDGC of Centre” is renamed as PJSC “IDGC of Centre” based on the Decision of the Annual General Meeting of Shareholders of OJSC “IDGC of Centre” dated 25 June 2015 (minutes No. 01/15 of 26 June 2015), in order to bring it in line with the legal requirements. From 03 August 2021 PJSC “IDGC of Centre” has been renamed PJSC “Rosseti Centre” based on the decision of the Annual General Meeting of Shareholders of PJSC “IDGC of Centre” held on 31 May 2021 (minutes No. 01/21 of 31 May 2021). The corresponding changes were made to the Company’s Charter.

The Company’s registered office is Malaya Ordynka St., 15, Moscow, 119017, Russia.

The Company’s de facto address is Malaya Ordynka St., 15, Moscow, 119017, Russia.

(b) Relations with state. The head parent company

The Russian Government, through the Federal Agency for the Management of State Property, is the ultimate controlling party of the Company. The policies of the Government of the Russian Federation in the economic, social and other areas may have a significant impact on the Group.

The State influences the Group’s activities through representation on the Board of Directors of the parent company, regulation of tariffs in the electric power industry, approval and control over the implementation of the investment program. The Group’s counterparties (consumers of services, suppliers and contractors) include a significant number of companies associated with the main shareholder of the parent company.

As at 31 March 2024, the share of the Russian Federation in the authorized capital of the parent company of PJSC “Rosseti” was 88.04%, including 88.89% of the voting ordinary shares and 7.01% of the preference shares.

The Extraordinary General Meeting of Shareholders of PJSC “Rosseti”, held on 16 September 2022, decided to reorganize PJSC “Rosseti” in the form of joining the Public Joint Stock Company “Federal Grid Company-Rosseti” in the manner and on the terms provided for in the accession agreement.

Public Joint Stock Company “Federal Grid Company of the Unified Energy System” has changed its name to Public Joint Stock Company “Federal Grid Company-Rosseti” (abbreviated as PJSC “Rosseti”). The corresponding changes were made to the Unified State Register of Legal Entities on 12 October 2022.

On 9 January 2023 information was entered into the Unified State Register of Legal Entities on the termination of the activities of PJSC “Rosseti” through reorganization in the form of joining the Public Joint Stock Company “Federal Grid Company-Rosseti”, which is the universal legal successor of PJSC “Rosseti”. As a result of the reorganization, the share of the participation of the Russian Federation in the authorized capital of the parent parent company of the Public Joint Stock Company “Federal Grid Company-Rosseti”, amounted to 75.000048%.

1 Background (continued)

(c) Russian business environment

The Group operates in the Russian Federation and is therefore exposed to risks related to the state of the economy and financial markets of the Russian Federation.

The economy of the Russian Federation exhibits some of the characteristics of emerging markets. The country's economy is particularly sensitive to oil and gas prices. The legal, tax and regulatory system continues to evolve and is subject to frequent changes, as well as the possibility of different interpretations. The ongoing geopolitical tensions, as well as sanctions imposed by a number of countries on certain sectors of the Russian economy, Russian organizations and citizens, continue to have a negative impact on the Russian economy.

In 2024, the effect of external sanctions against Russian companies and individuals continues. These circumstances led to fluctuations in the exchange rate of the Russian ruble, increased volatility of financial and commodity markets, and significantly increased the level of uncertainty in the conditions of economic activity in the Russian Federation. The scale and duration of these events remain uncertain and may affect the Group's financial position and results of operations. The future economic situation in the Russian Federation depends on external factors and measures taken by the Government of the Russian Federation. The Group takes all necessary measures to ensure the sustainability of its activities.

The presented interim condensed consolidated financial statements reflect management's view of the impact of the business environment in the Russian Federation on the Group's operations and financial position. The future consequences of the current economic situation and the above measures are difficult to predict, and management's current expectations and estimates may differ from actual results.

2 Basis of preparation of consolidated financial statements

(a) Statement of compliance

These interim condensed consolidated financial statements for the three months ended 31 March 2024 have been prepared in accordance with IAS 34 Interim Financial Reporting. Selected notes are included to explain events and transactions that are material to the understanding of changes in the Group's financial position and operations since the date of the last annual consolidated financial statements.

These interim condensed consolidated financial statements should be read in conjunction with the consolidated financial statements for the year ended 31 December 2023, which have been prepared in accordance with International Financial Reporting Standards (IFRS).

(b) Use of estimates and professional judgments

The key judgments made by management in the preparation of these interim condensed consolidated financial statements regarding the Group's accounting policies and significant sources of estimation uncertainty are consistent with those made in the preparation of the consolidated financial statements for the year ended 31 December 2023 and as at that date.

(c) Application of new and revised standards and interpretations

The Group has applied all new amendments to the standards that came into force on 01 January 2024.

A number of new standards and interpretations have been published that are mandatory for annual periods beginning on or after 01 January 2024. The Group intends to adopt standards and amendments for use after entry into force, no significant impact on the consolidated financial statements of the Group is expected:

- Classification of Liabilities into Short-term and Long-term - Amendments to IFRS (IAS) 1 (issued on 23 January 2020 and effective for annual periods beginning on or after 01 January 2022, the effective date was subsequently postponed to 01 January 2024 by Amendments to IFRS (IAS) 1).
- Amendments to IFRS 10 and IAS 28 – “Sale or Contribution of Assets in Transactions between an Investor and its Associate or Joint Venture” (issued on 11 September 2014 and effective for annual periods beginning on or after a date to be determined by the IASB dates).

2 Basis of preparation of consolidated financial statements (continued)

- Lease Obligations on Sale and Leaseback – Amendments to IFRS 16 (issued on 22 September 2022 and effective for annual periods beginning on or after 01 January 2024).
- Long-term Obligations with Covenants – Amendments to IAS 1 (issued on 31 October 2022 and effective for annual periods beginning on or after 01 January 2024).
- Accounts Payable Factoring Operations – Amendments to IFRS (IAS) 7 and IFRS (IFRS) 7 (issued on 25 May 2023 and effective for annual periods beginning on or after 01 January 2024).
- Lack of Currency Convertibility – Amendments to IAS 21 “Effect of Changes in Foreign Exchange Rates” (issued on 15 August 2023 and effective for annual periods beginning on or after 01 January 2025).

3 Significant accounting policies

The key accounting policies and accounting methods used by the Group are consistent with those described in the audited consolidated financial statements for the year ended 31 December 2023.

4 Measurement of fair value

A number of the Group’s accounting policies and disclosures require the measurement of fair value for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or liability, the Group uses observable market data as much as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group discloses transfers between levels of the fair value hierarchy in the reporting period during which the change takes place.

The point in time at which transfers to and from certain levels are recognized is the date on which the event or change in circumstances that caused the transfer occurs.

5 Acquisition and disposal of subsidiaries, ownership interests

Investment in an associated company at the beginning of the reporting period	660,636
Total share in the profit of the associate	19,602
Investment in an associated company at the end of the reporting period	680,238

Consolidated financial information on the associated company for the reporting period and as at 31 March 2024:

	thousand rubles
Non-current assets	985,403
Current assets	842,378
including cash and cash equivalents	232,316
Long-term obligations	93,952
Short-term liabilities	373,353
Total identifiable net assets	1,360,476
The Group's share of identifiable net assets is 49.99997%	680,238
Revenue	413,039
Depreciation for the period	18,048
Financial expenses	7,155
Income tax expense	8,750
Profit for the period	39,204
Total comprehensive income for the period	39,204
Total comprehensive income for the period in favor of the Group is 49.99997%	19,602

6 Information about segments

The Management Board of PJSC “Rosseti Centre” is the supreme body that makes decisions on operating activities.

The primary activities of the Group are provision of services for transmission and distribution of electricity for power grids, as well as the provision of services for technological connection of consumers to the network, as well as the sale of electricity to the end consumer in a number of regions of the Russian Federation. From 2016 to the third quarter of 2023 the Tverenergo division performed the function of a guaranteeing electricity supplier in the Tver region.

The internal management system is based on segments (branches formed on a territorial basis) related to transmission and distribution of electricity, technological connection to electric grids and electricity sales to the end user in a number of regions of the Russian Federation.

The Management Board of PJSC “Rosseti Centre” evaluates the results of operations, assets and liabilities of operating segments on the basis of internal management reports prepared on the basis of data generated according to Russian accounting standards.

EBITDA is used to reflect the results of each reporting segment: profit or loss before interest expense, taxation, depreciation, and net accrual/(recovery) of an impairment loss on property, plant and equipment and right-of-use assets. This procedure for determining EBITDA may differ from the procedure used by other companies. This procedure for determining EBITDA may differ from the procedure used by other companies. Management believes that the EBITDA calculated in this way is the most indicative indicator for evaluating the performance of the Group's operating segments.

The following reportable segments were identified:

- branch Belgorodenergo, branch Bryanskenergo, branch Voronezhenergo, branch Kostromaenergo, branch Kurskenergo, branch Lipetskenergo, branch Orelenergo, branch Smolenskenergo, branch Tambovenergo, branch Tverenergo, branch Yarenergo
- Other TSS (specialized electric grid subsidiaries)
- Others

6 Information about segments (continued)

The “Others” category includes operations of the executive office and non-core subsidiaries. These operations do not meet the quantitative criteria for allocating them to reportable segments.

Segment indicators are based on management information, which is prepared on the basis of the Russian accounting standards financial statements and may differ those presented in the financial statements prepared in accordance with IFRS. The reconciliation of the indicators in the evaluation to the Management Board and similar indicators in these interim condensed consolidated financial statements includes those reclassifications and adjustments that are necessary for reporting in accordance with IFRS.

6 Information about segments (continued)

(a) Information about reportable segments

As at 31 March 2024 and for the three months ended 31 March 2024:

	Belgorod energo	Bryansk energo	Voronezh energo	Kostroma energo	Kursk energo	Lipetsk energo	Orel energo	Smolensk energo	Tambov energo	Tver energo	Yar energo	Other TSS	Total
Revenue from external customers	4,224,906	1,301,395	5,681,228	1,820,030	2,809,603	3,311,165	1,620,454	2,621,386	2,066,373	3,790,381	3,702,753	2,033,901	35,152,597
Inter-segment revenue	-	755,400	28,871	-	-	-	-	-	-	-	2,063	766,429	1,555,416
Segment revenue	4,224,906	2,056,795	5,710,099	1,820,030	2,809,603	3,311,165	1,620,454	2,621,386	2,066,373	3,790,381	3,704,816	2,800,330	36,708,013
Including:													
Electricity transmission	4,004,702	1,940,300	5,361,874	1,692,423	2,614,472	3,167,478	1,595,030	2,549,094	2,031,132	3,687,548	3,577,438	2,657,403	34,878,894
Technological connection services	76,794	70,963	236,283	93,646	178,172	28,527	17,133	28,568	13,056	69,386	59,296	84,670	956,494
Other revenue	143,410	45,532	111,942	33,961	16,959	115,160	8,291	43,724	22,185	33,447	68,082	58,257	872,625
The cost of technological connection to the networks	(15,531)	(4,161)	(8,503)	(6,631)	(5,216)	(12,788)	(5,635)	(8,198)	(3,427)	(27,344)	(21,636)	(12,020)	(131,090)
EBITDA	1,276,381	615,110	1,663,762	553,446	858,248	971,299	290,534	518,129	454,436	483,445	927,055	786,138	9,760,632
Segment assets	23,971,840	6,722,661	22,530,343	9,092,917	10,257,090	18,870,862	4,863,155	9,159,331	6,570,231	9,089,024	15,773,672	16,958,072	171,589,201
Including property, plant and equipment and construction in progress	20,153,674	5,324,706	19,034,035	7,493,110	8,308,550	16,679,479	4,045,144	7,653,576	3,772,208	5,988,402	11,443,624	10,978,943	1,380,954
													122,256,405

PJSC «Rosseti Centre»
Notes to the Interim condensed consolidated financial statements for the three months ended 31 March 2024
(in thousands of Russian rubles, unless otherwise stated)

6 Information about segments (continued)

As at 31 March 2023 and for the three months ended 31 March 2023:

	Belgorod	Bryansk	Voronezh	Kostroma	Kursk	Lipetsk	Orel	Smolensk	Tambov	Tver	Yaroslavl	Other TSS	Others	Total
Revenue from external customers	4,090,277	1,303,240	5,286,574	1,750,797	2,635,733	3,404,543	1,550,621	2,538,775	1,979,255	3,640,908	3,409,710	1,909,553	153,688	33,653,674
Inter-segment revenue	-	620,669	28,871	-	-	-	-	-	-	-	2,192	712,743	1,680	1,366,155
Segment revenue	4,090,277	1,923,909	5,315,445	1,750,797	2,635,733	3,404,543	1,550,621	2,538,775	1,979,255	3,640,908	3,411,902	2,622,296	155,368	35,019,829
Including	3,839,922	1,798,392	5,057,070	1,650,399	2,507,370	3,084,986	1,518,290	2,501,677	1,928,215	3,389,273	3,300,307	2,509,546	-	33,085,447
Electricity transmission services	96,605	48,623	71,231	69,928	114,886	289,722	11,154	18,301	37,257	30,500	43,645	33,129	-	864,981
Sale of electricity and capacity	-	-	-	-	-	-	-	-	-	193,525	-	-	-	193,525
Other revenue	153,750	76,894	187,144	30,470	13,477	29,835	21,177	18,797	13,783	27,610	67,950	79,621	155,368	875,876
The cost of technological connection to the networks	(15,501)	(3,554)	(6,901)	(6,333)	(5,993)	(12,853)	(5,511)	(8,374)	(3,278)	(18,530)	(20,397)	(11,431)	-	(118,656)
EBITDA	1,342,871	555,356	1,449,044	567,775	730,596	892,673	310,964	628,468	481,434	588,704	891,643	701,279	21,170	9,161,977
Segment assets	26,525,821	5,880,660	20,698,540	8,754,027	9,680,960	15,024,473	4,928,091	8,935,178	6,815,560	9,594,547	15,339,993	15,709,801	13,122,744	161,010,395

Including property, plant and equipment and construction in progress

23,760,414 4,844,985 17,405,312 7,054,801 7,563,547 10,475,466 3,924,411 7,266,847 6,420,674 10,020,659 11,601,314 1,391,894 115,510,076

6 Information about segments (continued)

(b) The reconciliation of reportable segment EBITDA:

The reconciliation of reportable segment EBITDA:

	For the three months ended 31 March	
	2024	2023
EBITDA of reportable segments	9,760,632	9,161,977
Discounting receivables	1,914	45,777
Discounting of financial liabilities	(57,821)	(53,856)
Adjustment for lease	(11,392)	(3,054)
Recognition of pension and other long-term liabilities to employees	(72,822)	(56,888)
Adjustment on assets related to employee benefit liability	43,000	32,124
Re-measurement of financial assets at fair value through other comprehensive income (transfer of revaluation to equity)	(5,299)	(40,966)
Adjustment of the value of property, plant and equipment	328	(50,599)
Acquisition of associated companies	19,602	-
Adjustment for write-off of other material expenses	(74,917)	(60,047)
Adjustment of the value of intangible assets	(1,084,541)	-
Other adjustments	(88,320)	46,166
EBITDA	8,430,364	9,020,634
Depreciation and amortization	(3,229,737)	(3,129,902)
Interest expenses on financial liabilities	(1,476,986)	(711,861)
Interest expenses of lease liabilities	(162,803)	(140,533)
Income tax expense and expenses on excess profit tax	(1,082,922)	(1,226,759)
Profit for the reporting period in the consolidated statement of profit or loss and other comprehensive income	2,477,916	3,811,579

Notes to the Interim condensed consolidated financial statements for the three months ended 31 March 2024
(in thousands of Russian rubles, unless otherwise stated)

7 Revenue

	For the three months ended 31 March	
	2024	2023
Electricity transmission	33,401,941	31,792,334
Technological connection services	956,494	864,963
Sales of electricity and capacity	-	193,525
Other revenue	767,211	753,026
Total revenue from contracts with customers	35,125,646	33,603,848
Lease revenue	26,951	49,826
	35,152,597	33,653,674

Other revenue includes mainly technical and maintenance services, installation of outdoor lighting networks, diagnostics and testing, construction services, consulting and organizational and technical services.

8 Other income and other expenses

	For the three months ended 31 March	
	2024	2023
Income from identified non-contracted electricity consumption	24,987	56,897
Income in the form of fines and penalties on commercial contracts	124,790	140,376
Accounts payable write-off	4,183	24,563
Insurance indemnity	187,071	120,406
Income from disposal value of property, plant and equipment on sale operations	2,944	10,940
Other income	141,078	124,262
	485,053	477,444

Other expenses include loss on disposal of property, plant and equipment for the three months ended 31 March 2024 in the amount of RUB 3,423 thousand (for the three months ended 31 March 2023: RUB 3,758 thousand).

9 Operating expenses

	For the three months ended 31 March	
	2024	2023
Personnel costs	7,199,800	6,461,917
Depreciation of property, plant and equipment	3,043,935	2,919,795
Amortization of intangible assets	41,856	84,170
Depreciation of right-of-use assets	143,946	125,937
<i>Material expenses, including:</i>		
Electricity for compensation of losses	6,855,249	6,758,152
Electricity for sale	-	158,459
Purchased electricity and heat power for own needs	239,132	238,581
Other material costs	750,753	609,220
<i>Production work and services, including:</i>		
Electricity transmission services	9,081,586	8,369,043
Repair and maintenance services	139,112	115,746
Other works and industrial services	526,124	608,806
Taxes and levies other income tax	523,490	498,899
Short-term rent	7,243	8,659
Insurance	41,452	31,178
<i>Other third-party services, including:</i>		
Communication services	98,710	78,501
Security services	122,638	113,458
Consulting, legal and audit services	12,398	10,045
Software costs and services	99,649	84,045
Transportation services	5,855	3,924
Other services	167,588	155,919
Provisions	(4,811)	369,002
Other expenses	1,586,797	448,530
	30,682,502	28,251,986

10 Finance income and costs

	For the three months ended 31 March	
	2024	2023
Finance income		
Interest income on bank deposits and balances on bank accounts	393,992	103,047
Interest income on assets related to employee defined benefits plans	34,752	34,023
Other finance income	1,914	45,777
	430,658	182,847
Finance costs		
Interest expenses on financial liabilities measured at amortized cost	(1,476,986)	(711,861)
Interest expenses on lease liabilities	(162,803)	(140,533)
Interest expense on long-term employee benefit liability	(83,040)	(74,490)
Amortization of discount on financial liabilities	(57,821)	(53,856)
Other finance costs	(6,150)	(5,670)
	(1,786,800)	(986,410)

11 Income tax

	For the three months ended 31 March	
	2024	2023
Current income tax		
Accrual of current tax	(921,563)	(1,166,160)
Adjustment of the tax for the previous periods	18,284	26,367
Total	(903,279)	(1,139,793)
Deferred income tax	(179,643)	(86,966)
Income tax expense	(1,082,922)	(1,226,759)

The income tax rate established by Russian legislation is 20%.

Income tax expenses are reflected on the basis of the management's best estimate at the reporting date of the weighted average expected income tax rate for the full fiscal year.

In 2024 and 2023, the Group recalculated tax for previous periods and filed revised statements the income tax including the settlement of disputes with contractors in the judicial and pre-trial order for previous periods. As a result, the profit tax to decrease for previous periods was RUB 18,284 thousand in accordance with the updated tax returns submitted to the tax authorities (2023: RUB 26,367 thousand tax to decrease).

11 Income tax (continued)

Income tax recognized in other comprehensive income:

	For the three months ended 31 March 2024			For the three months ended 31 March 2023		
	Before tax	Tax	Net of tax	Before tax	Tax	Net of tax
Financial assets at fair value through other comprehensive income	5,299	(1,060)	4,239	40,966	(8,193)	32,773
Remeasurements of the defined benefit liability	269,627	(31,301)	238,326	127,334	(14,436)	112,898
	274,926	(32,361)	242,565	168,300	(22,629)	145,671

As at 31 March 2024 and 31 March 2023 the Group applied the standard rate of corporate profit tax of 20%. This rate has been used in the calculation of deferred tax assets and liabilities.

The profit before taxation is correlated to income tax expenses as follows:

	For the three months ended 31 March 2024	For the three months ended 31 March 2023
Profit before income tax	3,560,838	5,038,338
Income tax calculated at the applicable tax rate	(712,168)	(1,007,668)
Tax effect of items not deductible/not taxable for taxation purposes	(389,038)	(245,458)
Adjustments for previous periods	18,284	26,367
	(1,082,922)	(1,226,759)

12 Property, plant and equipment

	Land and buildings	Electricity transmission networks	Equipment for electricity transmission	Other	Construction progress	Total
<i>Cost/deemed cost</i>						
At 01 January 2023	53,407,371	86,216,775	50,013,979	42,362,963	5,136,110	237,137,198
Additions	19,103	16,395	12,163	-	3,148,604	3,196,265
Transfer	434,106	831,265	512,000	693,437	(2,470,808)	-
Disposals	(3,360)	(5,341)	(5,223)	(37,098)	-	(51,022)
At 31 March 2023	53,857,220	87,059,094	50,532,919	43,019,302	5,813,906	240,282,441
<i>Accumulated depreciation</i>						
At 01 January 2023	(22,351,736)	(53,314,051)	(26,571,375)	(24,041,755)	-	(126,278,917)
Depreciation charge	(611,690)	(1,156,856)	(664,801)	(725,959)	-	(3,159,306)
Disposals	2,330	4,220	3,462	36,298	-	46,310
At 31 March 2023	(22,961,096)	(54,466,687)	(27,232,714)	(24,731,416)	-	(129,391,913)
<i>Accumulated impairment</i>						
At 01 January 2023	(1,905,858)	(3,684,309)	(2,035,649)	(511,453)	(94,168)	(8,231,437)
Transfer to property, plant and equipment (transfer of impairment losses)	(297)	(523)	(888)	(229)	1,937	-
Depreciation charge	40,242	121,886	57,098	16,834	-	236,060
Disposals	17	29	66	8	317	437
At 31 March 2023	(1,865,896)	(3,562,917)	(1,979,373)	(494,840)	(91,914)	(7,994,940)
Depreciation (including depreciation of impairment)	(571,448)	(1,034,970)	(607,703)	(709,125)	-	(2,923,246)
<i>Net book value</i>						
At 01 January 2023	29,149,777	29,218,415	21,406,955	17,809,755	5,041,942	102,626,844
At 31 March 2023	29,030,228	29,029,490	21,320,832	17,793,046	5,721,992	102,895,588

12 Property, plant and equipment (continued)

	Land and buildings	Electricity transmission networks	Equipment for electricity transmission	Other	Construction progress	Total
<i>Cost/deemed cost</i>						
At 01 January 2024	57,242,987	91,616,026	54,090,114	47,464,458	5,302,996	255,716,581
Additions	-	-	-	-	2,508,758	2,508,758
Transfer	389,046	803,906	492,215	493,097	(2,178,264)	-
Disposals	(1,346)	(1,733)	(2,795)	(44,359)	(2,243)	(52,476)
At 31 March 2024	57,630,687	92,418,199	54,579,534	47,913,196	5,631,247	258,172,863
<i>Accumulated depreciation</i>						
At 01 January 2024	(24,628,831)	(57,686,121)	(29,097,112)	(26,425,536)	-	(137,837,600)
Depreciation charge	(651,974)	(1,201,660)	(679,060)	(769,410)	-	(3,302,104)
Disposals	1,346	1,467	2,063	44,256	-	49,132
At 31 March 2024	(25,279,459)	(58,886,314)	(29,774,109)	(27,150,690)	-	(141,090,572)
<i>Accumulated impairment</i>						
At 01 January 2024	(2,881,942)	(2,975,603)	(2,115,974)	(853,216)	(151,072)	(8,977,807)
Transfer to property, plant and equipment (transfer of impairment losses)	(1,944)	(5,263)	(3,143)	(2,638)	12,988	-
Depreciation charge	60,232	107,663	65,126	23,584	-	256,605
Disposals	12	33	160	-	-	205
At 31 March 2024	(2,823,642)	(2,873,170)	(2,053,831)	(832,270)	(138,084)	(8,720,997)
Depreciation (including depreciation of impairment)	(591,742)	(1,093,997)	(613,934)	(745,826)	-	(3,045,499)
<i>Net book value</i>						
At 01 January 2024	29,732,214	30,954,302	22,877,028	20,185,706	5,151,924	108,901,174
At 31 March 2024	29,527,586	30,658,715	22,751,594	19,930,236	5,493,163	108,361,294

12 Property, plant and equipment (continued)

As at 31 March 2024 advance payments for property, plant and equipment include in construction in progress in the amount of RUB 137,384 thousand (as at 31 December 2023: RUB 144,660 thousand), also materials for the construction of property, plant and equipment in the amount RUB of 1,714,393 thousand (as at 31 December 2023: RUB 1,791,085 thousand).

For the three months ended 31 March 2024 capitalized interest amount is RUB 65,404 thousand (for the three months ended 31 March 2023: RUB 41,977 thousand), the capitalization rate used to determine the amount of borrowing costs to be capitalized was 16.56-17.76% during the year (for the three months ended 31 March 2023 – 7.68-8.52%).

For the three months ended 31 March 2024 depreciation charges in the amount of RUB 1,962 thousand were capitalized in the cost of capital construction facilities (including depreciation charges of property, plant and equipment – RUB 1,564 thousand, of right-of-use assets – RUB 4 thousand, intangible assets – RUB 394 thousand).

For the three months ended 31 March 2023 depreciation charges in the amount of RUB 4,887 thousand were capitalized in the cost of capital construction facilities (including depreciation charges of property, plant and equipment – RUB 3,451 thousand, of right-of-use assets – RUB 1,436 thousand).

As at 31 March 2024 the initial cost of fully amortized property plant and equipment was RUB 43,085,373 thousand (as at 31 December 2023: RUB 38,850,455 thousand).

13 Intangible assets

	Software	R&D	Other intangible assets	Total
<i>Initial cost</i>				
At 01 January 2023	3,431,103	59,449	1,549,607	5,040,159
Additions	51,572	1,830	-	53,402
At 31 March 2023	3,482,675	61,279	1,549,607	5,093,561
<i>Accumulated amortization</i>				
At 01 January 2023	(2,054,457)	-	(534,026)	(2,588,483)
Amortization charge	(64,207)	-	(19,963)	(84,170)
At 31 March 2023	(2,118,664)	-	(553,989)	(2,672,653)
<i>Net book value</i>				
At 01 January 2023	1,376,646	59,449	1,015,581	2,451,676
At 31 March 2023	1,364,011	61,279	995,618	2,420,908
<i>Initial cost</i>				
At 01 January 2024	4,328,555	75,476	1,918,481	6,322,512
Reclassification between groups	521,345	-	(521,345)	-
Additions	29,531	-	19,889	49,420
Disposals	(3,540,340)	-	(105,351)	(3,645,691)
At 31 March 2024	1,339,091	75,476	1,311,674	2,726,241
<i>Accumulated amortization</i>				
At 01 January 2024	(2,457,107)	-	(611,922)	(3,069,029)
Reclassification between groups	(57,607)	-	57,607	-
Amortization charge	(27,825)	-	(14,425)	(42,250)
Disposals	2,460,762	-	104,711	2,565,473
At 31 March 2024	(81,777)	-	(464,029)	(545,806)
<i>Net book value</i>				
At 01 January 2024	1,871,448	75,476	1,306,559	3,253,483
At 31 March 2024	1,257,314	75,476	847,645	2,180,435

Amortization of intangible assets included in operating expenses in consolidated statement of profit or loss and other comprehensive income is RUB 41,856 thousand (for the three months ended 31 March 2023: RUB 84,170 thousand).

Intangible assets are amortized on a straight-line basis.

Interest for the three months ended 31 March 2024 and for the three months ended 31 March 2023 was not capitalized as intangible assets.

Other intangible assets include intellectual property, R&D results, objects of the concession agreement, goodwill.

Intangible assets in the subgroup “Other intangible assets” the Group included the right to charge users of electricity transmission services under the “Concession agreement regarding the financing creation and operation of electric energy transmission and distribution facilities in the Tambov Region”. This agreement provides for the construction by the Group of facilities for the transmission and distribution of electricity in the Tambov region and the provision of services for the transmission distribution of electricity and technological connection using the facilities of the concession agreement. The ownership of the constructed

13 Intangible assets (continued)

facilities belongs to the Tambov region and the Group receives the right possession and use of objects for use in the specified activity. The concession agreement was concluded in 2015 for 20 years. A concession agreement may be amended or terminated by agreement of the parties in the manner and in the cases provided for by law upon the expiration of the validity period as well as on the basis of a court decision. The objects of the concession agreement shall be included in the planning document for the privatization of property for a period corresponding to the expiration of the concession agreement. Moreover the Group has a preemptive right to repurchase these objects.

During the period of the Concession Agreement the administration of the Tambov Region may provide the Group with subsidies both in terms of paying remuneration for construction and in compensating for lost revenue from electricity transmission.

The residual value of the intangible assets of the concession agreement as at 31 March 2024 in the amount of RUB 645,173 thousand is reflected in the line “Intangible assets” of the consolidated statement of financial position (in the amount of RUB 658,889 thousand as at 31 December 2023). For the three months ended 31 March 2024 depreciation was accrued on the objects of the concession agreement in the amount of RUB 13,716 thousand (for the three months ended 31 March 2023: RUB 13,716 thousand).

14 Right-of-use assets

	Land and buildings	Electricity transmission networks	Equipment for electricity transmission	Other	Total
<i>Initial cost</i>					
At 01 January 2023	4,097,776	708,939	818,580	1,240,608	6,865,903
Additions	139,972	8,064	3,673	17,476	169,185
Change in lease terms	8,268	72	8,312	-	16,652
Disposal or termination of lease agreements	(807)	(87)	(7,375)	-	(8,269)
At 31 March 2023	4,245,209	716,988	823,190	1,258,084	7,043,471
<i>Accumulated depreciation</i>					
At 01 January 2023	(373,868)	(87,073)	(95,584)	(71,947)	(628,472)
Depreciation charge	(72,633)	(20,668)	(21,227)	(12,845)	(127,373)
Disposal or termination of lease agreements	643	88	4,624	-	5,355
At 31 March 2023	(445,858)	(107,653)	(112,187)	(84,792)	(750,490)
<i>Net book value</i>					
At 01 January 2023	3,723,908	621,866	722,996	1,168,661	6,237,431
At 31 March 2023	3,799,351	609,335	711,003	1,173,292	6,292,981

14 Right-of-use assets (continued)

	Land and buildings	Electricity transmission networks	Equipment for electricity transmission	Other	Total
<i>Initial cost</i>					
At 01 January 2024	4,269,293	697,648	865,006	2,678,123	8,510,070
Additions	46,106	15,698	17,542	233	79,579
Change in lease terms	(54,043)	56,217	(88,211)	4,155	(81,882)
Disposal or termination of lease agreements	(6,562)	-	(1,340)	-	(7,902)
At 31 March 2024	4,254,794	769,563	792,997	2,682,511	8,499,865
<i>Accumulated depreciation</i>					
At 01 January 2024	(660,989)	(150,228)	(171,167)	(162,583)	(1,144,967)
Depreciation charge	(74,711)	(21,108)	(22,975)	(25,156)	(143,950)
Change in lease terms	4,617	(12,412)	8,546	(751)	-
Disposal or termination of lease agreements	2,039	-	420	-	2,459
At 31 March 2024	(729,044)	(183,748)	(185,176)	(188,490)	(1,286,458)
<i>Net book value</i>					
At 01 January 2024	3,608,304	547,420	693,839	2,515,540	7,365,103
At 31 March 2024	3,525,750	585,815	607,821	2,494,021	7,213,407

15 Other financial assets

	31 March 2024	31 December 2023
Non-current		
Financial assets at fair value through other comprehensive income	151,546	146,247
	151,546	146,247

Non-current financial assets include shares of Russian companies with a fair value calculated on the basis of published market quotations equal to RUB 151,546 thousand as at 31 March 2024 (as at 31 December 2023: RUB 146,247 thousand).

16 Trade and other receivables

	<u>31 March 2024</u>	<u>31 December 2023</u>
Non-current trade and other account receivable		
Trade receivables	1,026,722	1,089,939
Allowance for expected credit losses on trade receivables	(49,767)	(57,798)
Other receivables	276,653	291,557
Allowance for expected credit losses on other receivables	(360)	(360)
	<u>1,253,248</u>	<u>1,323,338</u>
Current trade and other account receivable		
Trade receivables	14,803,599	14,915,869
Allowance for expected credit losses on trade receivables	(4,218,626)	(4,552,110)
Other receivables	2,066,364	2,558,785
Allowance for expected credit losses on other receivables	(1,450,357)	(1,700,334)
	<u>11,200,980</u>	<u>11,222,210</u>

Balance with related parties is disclosed in Note 29.

17 Advances given and other assets

	<u>31 March 2024</u>	<u>31 December 2023</u>
Non-current		
Advances given	4,148	4,784
	<u>4,148</u>	<u>4,784</u>
Current		
Advances given	446,888	684,021
Advances given impairment allowance	(25,110)	(25,155)
VAT recoverable	18,887	22,218
VAT on advances to customers and clients and advances given for the purchase of property plant and equipment	1,880,927	1,703,963
Prepaid taxes other than income tax	254,594	179,225
	<u>2,576,186</u>	<u>2,564,272</u>

Balance with related parties is disclosed in Note 29.

18 Cash and cash equivalents

	<u>31 March 2024</u>	<u>31 December 2023</u>
Cash in bank accounts and cash on hand	6,801,192	6,148,566
Cash equivalents	5,178,898	1,661,263
	<u>11,980,090</u>	<u>7,809,829</u>

All balance of cash and cash equivalents are denominated in rubles as at 31 March 2024 and 31 December 2023.

Cash equivalents as at 31 March 2024 and 31 December 2023 include short-term investments in bank deposits. They are placed at interest rates 15.30 % - 16.35% per annum as of 31 March 2024 (16.03 % - 16.25% per annum as of 31 December 2023).

19 Equity

(a) Equity

	Ordinary shares	
	31 March 2024	31 December 2023
Par value (in RUB)	0.10	0.10
On issue at 01 January units	42,217,941,468	42,217,941,468
On issue at the end of the period fully paid units	42,217,941,468	42,217,941,468

20 Earnings per share

The calculation of earnings per share for the three months ended 31 March 2024 and 31 March 2023 is based on earnings attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding.

The Company has no dilutive financial instruments.

In millions of shares

	For three months ended 31 March	
	2024	2023
Ordinary shares at 01 January	42,218	42,218
Weighted average number of shares for the three months ended 31 March	42,218	42,218
	For three months ended 31 March	
	2024	2023
Weighted average number of ordinary shares outstanding for the three months ended 31 March (millions of shares)	42,218	42,218
Earnings for the three months attributable to holders of ordinary shares	2,471,335	3,801,519
Earnings per ordinary share (in RUB) – basic and diluted	0.059	0.090

21 Borrowed funds

	<u>31 March 2024</u>	<u>31 December 2023</u>
Non-current liabilities		
Unsecured loans and borrowings	34,161,382	35,320,412
Unsecured bonds	5,062,500	2,962,343
Lease liabilities	7,010,047	7,160,980
Less: current portion of long-term loans and borrowings	(5,556,003)	(10,845,305)
Less: current portion of long-term bonds	(62,500)	(30,544)
Less: current portion of long-term lease liabilities	(1,091,253)	(907,437)
	<u>39,524,173</u>	<u>33,660,449</u>
Current liabilities		
Current portion of long-term loans and borrowings	5,556,003	10,845,305
Current portion of long-term bonds	62,500	30,544
Current portion of long-term lease liabilities	1,091,253	907,437
	<u>6,709,756</u>	<u>11,783,286</u>
Including:		
Debts on interest payable on loans and borrowings	20,180	34,962
Debts on interest payable on bonds	62,500	30,544
	<u>82,680</u>	<u>65,506</u>

All balance of loans and borrowings are denominated in rubles as at 31 March 2024 and 31 December 2023.

For the three months ended 31 March 2024, the Group has attracted the following significant bank loans:

	<u>Year of maturity</u>	<u>Nominal interest rate</u>	<u>Nominal value</u>
Unsecured bank loans	2027	KR+2.30% - KR+2.65%	4,185,355
			<u>4,185,355</u>

For the three months ended 31 March 2024, the Group has attracted the following significant bonds:

	<u>Year of maturity</u>	<u>Nominal interest rate</u>	<u>Nominal value</u>
Unsecured bonds	2027	KR+0.90%	2,068,201
			<u>2,068,201</u>

During the three months ended 31 March 2024, the Group repaid the following significant Bank loans:

	<u>Nominal value</u>
Bank loans	5,387,423
	<u>5,387,423</u>

22 Trade and other payables

	31 March 2024	31 December 2023
Non-current accounts payable		
Trade payables	51,313	60,855
	51,313	60,855
Current accounts payable		
Trade payables	9,406,398	13,024,547
Other payables and accrued expenses	1,768,687	1,587,881
Payables to employees	3,581,275	3,433,906
Dividends payable	138,186	138,472
	14,894,546	18,184,806

23 Tax liabilities other than income tax

	31 March 2024	31 December 2023
Value-added tax	3,175,512	1,963,318
Property tax	366,396	356,195
Social security contributions	721,238	1,104,287
Other taxes payable	218,229	186,660
	4,481,375	3,610,460

24 Advances from customers

Advances from customers (contractual obligations) as at 31 March 2024 and 31 December 2023 are reflected including VAT.

	31 March 2024	31 December 2023
Advances for services of technological connection to electric grids	4,943,985	3,981,315
Advances from customers	58,794	59,600
Total non-current advances from customers	5,002,779	4,040,915
Advances for services of technological connection to electric grids	4,988,479	4,892,790
Advances from customers	1,216,097	1,197,670
Total current advances from customers	6,204,576	6,090,460

Balance with related parties is disclosed in Note 29.

25 Provisions

	For the three months ended 31 March	
	2024	2023
Balance on 01 January	3,096,618	2,936,336
Accrual (increase) for the period	21,972	381,431
Recovery (decrease) for the period	(26,783)	(12,429)
Use of provisions	(209,560)	(767)
Balance on 31 March	2,882,247	3,304,571

Provisions relate mainly to legal proceedings and claims against the Group on ordinary activities.

26 Financial risk and capital management

In the normal course of its business the Group is exposed to a variety of financial risks, including but not limited to: market risk (currency risk, interest rate risk and price risk), credit risk and liquidity risk.

The Group's financial risk and capital management objectives and policies, as well as the fair value determination process, are consistent with those disclosed in the consolidated financial statements for the year ended 31 December 2023.

The Group's management takes operational measures to ensure that the cash (liquidity) received from operating activities is sufficient to finance the investment program and to service the short-term and long-term borrowings available at the reporting date. The Group's management implements measures aimed at optimizing the structure of borrowed capital, ensuring the availability of available credit limits, a reserve of liquidity in the form of bank account balances and short-term financial investments, and monitoring the quality of accepted financial security (bank guarantees).

The carrying amount of accounts receivable, less the allowance for expected credit losses, represents the maximum amount exposed to credit risk. Although the collectability of receivables may be affected by economic and other factors, the Group believes that there is no significant risk of losses exceeding the provision created.

The movement in the allowance for expected credit losses was as follows:

	For the three months ended 31 March	
	2024	2023
Balance at 01 January	6,310,602	5,962,810
Increase for the period	78,845	55,154
Amounts of trade and other receivables written off using the allowance for impairment accrued earlier	(645,839)	(132,720)
Reversal of allowance for impairment for the period	(24,498)	(21,681)
Balance at 31 March	5,719,110	5,863,563

The Group's management believes that the fair value of other financial assets and financial liabilities approximates their carrying value.

For the three months ended 31 March 2024 there were no transfers between levels of the fair value hierarchy.

26 Financial risk and capital management (continued)

Reconciliation of the carrying amount of financial assets at fair value through other comprehensive income at the beginning and end of the reporting period is presented in the table below:

	Financial assets at fair value through other comprehensive income
On 01 January	146,247
Change in fair value recognized in other comprehensive income	5,299
On 31 March	151,546

27 Capital commitments

As at 31 March 2024, the Group has outstanding commitments under contract for the purchase and construction of property plant and equipment items for RUB 10,243,624 thousand inclusive of VAT (as at 31 December 2023: RUB 8,477,331 thousand inclusive of VAT).

Future lease payments under lease agreements for which the Group has contractual obligations and the lease term has not yet begun at the reporting date amount to RUB 25,181 thousand inclusive of VAT as at 31 March 2024 (as at 31 December 2023: RUB 25,181 thousand).

28 Contingencies

(a) Insurance

The Group has unified requirements in respect of the volume of insurance coverage, reliability of insurance companies and about procedures of insurance protection organization. The Group maintains insurance of assets, civil liability and other insurable risks. The main business assets of the Group have insurance coverage in case of damage or loss assets. However, there are risks of negative impact on the operations and the financial position of the Group in the case of damage caused to third parties and also as a result of damage or loss of assets insurance protection of which is non-existent or not fully implemented.

(b) Taxation contingencies

The tax legislation of the Russian Federation, in force or effective at the end of the reporting period, allows for the possibility of different interpretations of certain facts of the Group's business life. In this regard, the position of the Group's management regarding taxes and the documents justifying this position may be challenged by the tax authorities.

Tax control in the Russian Federation is being tightened, which increases the risk of tax authorities checking the impact on the tax base of transactions that do not have a clear financial and economic purpose or transactions with counterparties that do not comply with the requirements of tax legislation. Tax audits may cover three calendar years preceding the year in which the decision to conduct the audit was made. Under certain circumstances, earlier periods may also be checked.

The Group's management currently believes that its position on taxes and the interpretations of legislation applied by the Group can be confirmed, however, there is a risk that the Group will incur additional costs if the management's position on taxes and the interpretations of legislation applied by the Group are challenged by the tax authorities. The impact of such a development cannot be reliably estimated, but it may be significant from the point of view of the Group's financial position and results of operations.

As the practice of applying property tax rules develops further, the criteria for classifying property as movable or immovable things applied by the Group may be challenged by tax authorities and courts. The Group's management does not exclude the risk of an outflow of resources, while the risk of such a development is not assessed as probable.

28 Contingencies (continued)

(c) *Litigations*

The Group is a party to a number of litigations (both as a plaintiff and as respondent) arising in the ordinary course of business.

In the opinion of management, there are currently no outstanding claims or other claims that could have a material impact on the Group's results of operations or financial position and would not be recognized or disclosed in the interim condensed consolidated financial statements.

(d) *Environmental matters*

The Group has operated in the electric transmission industry in the Russian Federation for many years. The enforcement of environmental regulations in the Russian Federation continues to evolve responsibilities of authorized Government bodies to oversee are being reconsidered. Potential environmental liabilities arise from changes in interpretations of existing legislation lawsuits or changes in legislation can be assessed. In the opinion of management under the existing control system and under current legislation there are no probable liabilities that could have a material adverse effect on the financial position results of operations or cash flows of the Group.

29 Related party transactions

(a) *Control relationships*

Parties are usually considered related if they are under common control or one of the parties has the ability to control the other party or can have a significant influence on its decisions on financial and economic activities or exercise joint control over it. When considering the relationship with each of the possible related parties, the economic content of such relationships is taken into account and not only their legal form.

The related parties of the Group for the three months ended 31 March 2024 and 31 March 2023, as well as at 31 March 2024 and 31 December 2023, were the parent company its subsidiaries key management personnel as well as companies related to the main shareholder of the parent company.

(b) *Transactions with the parent company its subsidiaries and associates*

	Amount of the transaction for the three months ended 31 March		Carrying amount	
	2024	2023	31 March 2024	31 December 2023
Revenue net other income finance income				
Parent company				
Other income	1,284	1,342	454	453
Entities under common control of the parent company				
Electricity transmission revenue	441,214	414,772	182,597	180,658
Other revenue	201,768	198,750	410,612*	544,976*
Other	954	38,089	-	-

29 Related party transactions (continued)

	Amount of the transaction for the three months ended 31 March		Carrying amount	
	2024	2023	31 March 2024	31 December 2023
Operating expenses finance costs				
Parent company				
Technical supervision services	13,088	13,088	5,157	-
Electricity transmission services	5,497,256	5,024,395	1,127,467	1,050,869
Other expenses	10,270	3,906	5,675	543
Entities under common control of the parent company				
Other expenses	221,490	183,321	1,838,355	1,859,206
Interest expenses on financial liabilities recorded at amortized cost	-	24,243	-	-
Others	-	-	878,000	878,000

* Accounts receivable for other revenue includes an allowance for expected credit losses created for the debt of companies under the general control of the parent company as at 31 March 2024 in the amount of RUB 217,662 thousand (as at 31 December 2023: in the amount of RUB 217,662 thousand).

	Carrying amount	
	31 March 2024	31 December 2023
Parent company		
Advances given	18,627	13,763
Advances received	29,816	29,817
Borrowed funds	3,902,936	3,845,115
Entities under common control of the parent company		
Advances given	6,131	3,131
Advances received	1,879	38,806

The debt to the parent company for the payment of dividends as at 31 March 2024 is absent (as at 31 December 2023: is absent).

(c) Transactions with key management personnel

In order to prepare these interim condensed consolidated financial statements, the key management personnel are members of the Board of Directors, the management Board, General Directors of subsidiaries and other key management personnel.

Remuneration of key management personnel consists of the salary stipulated in the employment agreement, non-monetary benefits, as well as bonuses determined by the results for the period and other payments. Remuneration or compensation is not paid to members of the Board of Directors who are public servants.

The amounts of remuneration to key management personnel disclosed in the table represent the current period expenses for key management personnel reflected in employee benefits.

29 Related party transactions (continued)

	For the three months ended 31 March	
	2024	2023
Short-term employee benefits	46,325	76,870
	46,325	76,870

As at 31 March 2024 the current value of the defined benefit obligation is shown in the consolidated statement of financial position and includes liabilities for key management personnel in the amount RUB 2,021 thousand (as at 31 December 2023: RUB 2,071 thousand).

(d) Transactions with companies related to the main shareholder of the parent company

As part of its current activities, the Group carries out transactions with other companies related to the main shareholder of the parent company. These operations are carried out at regulated tariffs, or at market prices. Attraction and placement of funds in financial organizations associated with the main shareholder of the parent company is carried out at market interest rates. Taxes are calculated and paid in accordance with Russian tax legislation.

Revenue from companies related to the main shareholder of the parent company for the three months ended 31 March 2024 constitute 31% (for the three months ended 31 March 2023: 32%) of total Group revenues, including 31% (for the three months ended 31 March 2023: 31%) of electricity transmission revenues.

Electricity transmission costs and expenses for the purchase of electricity to compensate for technological losses, for companies associated with the main shareholder of the parent company, amounted to 79% of the total costs of electricity transmission and compensation for technological losses for the three months ended 31 March 2024 (for the three months ended 31 March 2023: 77%).

Interest accrued on loans and borrowings from banks related to the main shareholder of the parent company amounted to 85% of the total amount of accrued interest for the three months ended 31 March 2024 (for the three months ended 31 March 2023: 89%).

As at 31 March 2024 loans from banks related to the main shareholder of the parent company amounted to RUB 29,256,152 thousand (as at 31 December 2023: RUB 30,322,996 thousand).

As at 31 March 2024 the balance of cash and cash equivalents placed with banks associated with the main shareholder of the parent company amounted to RUB 7,709,220 thousand (as at 31 December 2023: RUB 7,478,809 thousand).

As at 31 March 2024 lease obligations for companies related to the main shareholder of the parent company amounted to RUB 6,630,787 thousand (as at 31 December 2023: RUB 6,880,246 thousand).

30 Events after the reporting date

On 04 April 2024 the Group concluded a purchase and sale agreement for 100% of ordinary registered shares of an electric grid company located in one of the regions of the Russian Federation. Ownership of the shares passed to the Group on 25 April 2024. The purchase price is defined as RUB 750,000 thousand and paid in cash. The main activities of the acquired company are the transmission of electricity and technological connection to the power grid in one of the regions of the Russian Federation.