

PJSC «Rosseti Centre»

**Interim Condensed Consolidated Financial Statements
as at and for the three months ended 31 March 2025
(unaudited)**

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PJSC «Rosseti Centre»
Interim condensed consolidated statement of profit or loss and other comprehensive income
for the three months ended 31 March 2025
(in thousands of Russian rubles, unless otherwise stated)

For the three months ended 31 March			
(unaudited)			
	Notes	2025	2024
Revenue	6	37,567,676	35,152,597
Operating expenses	8	(31,244,885)	(30,682,502)
(Accrual)/recovery of allowance for expected credit losses	25	36,514	(54,347)
Other income	7	274,386	485,053
Other expenses	7	(46,598)	(3,423)
Operating profit		6,587,093	4,897,378
Finance income	9	309,033	430,658
Finance costs	9	(2,000,337)	(1,786,800)
Total financial costs		(1,691,304)	(1,356,142)
Share in profit of associates		-	19,602
Profit before income tax		4,895,789	3,560,838
Income tax expense	10	(1,626,563)	(1,082,922)
Profit for the period		3,269,226	2,477,916
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	14	(2,766)	5,299
Revaluation of defined benefit pension program liabilities		-	269,627
Income tax on other comprehensive income/(expense)	10	692	(32,361)
Total items that will not be reclassified subsequently to profit or loss		(2,074)	242,565
Other comprehensive income/(expense) for the period, net of income tax		(2,074)	242,565
Total comprehensive income for the period		3,267,152	2,720,481
Profit/(loss) attributable to:			
Equity holders of the Company		3,270,615	2,471,335
Non-controlling interests		(1,389)	6,581
Total comprehensive income/(loss) attributable to:			
Equity holders of the Company		3,268,541	2,713,900
Non-controlling interests		(1,389)	6,581
Earnings per share			
Basic and diluted earnings per share (in RUB)	19	0.077	0.059

These interim condensed consolidated financial statements (unaudited) were approved by management on 26 May 2025 and were signed on its behalf by:

General Director

B.B. Ebzeev

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 2025
(in thousands of Russian rubles, unless otherwise stated)

	Notes	31 March 2025 (unaudited)	31 December 2024 (audited)
ASSETS			
Non-current assets			
Property, plant and equipment	11	122,916,472	121,769,257
Intangible assets	12	2,639,509	2,623,924
Right-of-use assets	13	8,465,263	8,484,497
Trade and other receivables	15	938,296	1,025,523
Assets related to employee benefits plans		624,593	563,426
Other non-current financial assets	14	129,922	132,688
Advances given and other non-current assets	16	1,918	2,053
Total non-current assets		135,715,973	134,601,368
Current assets			
Inventories		5,461,567	4,934,329
Prepayment of current income tax		171,362	211,716
Trade and other receivables	15	9,570,800	11,001,141
Cash and cash equivalents	17	7,337,651	5,088,988
Advances given and other current assets	16	3,255,598	3,040,889
Total current assets		25,796,978	24,277,063
Total assets		161,512,951	158,878,431
EQUITY AND LIABILITIES			
Equity			
Share capital	18	4,221,794	4,221,794
Reserves		155,773	157,847
Retained earnings		63,709,691	60,439,076
Total equity attributable to equity holders of the Company		68,087,258	64,818,717
Non-controlling interests		(1,971)	(582)
Total equity		68,085,287	64,818,135
Non-current liabilities			
Long-term borrowed funds	20	37,309,413	38,191,541
Long-term trade and other payables	21	3,698	22,750
Long-term advances from customers	23	3,934,618	2,863,665
Employee benefits		2,539,369	2,471,395
Deferred tax liabilities		7,681,751	7,029,459
Total non-current liabilities		51,468,849	50,578,810
Current liabilities			
Short-term borrowed funds and current part of long-term borrowed funds	20	6,416,139	6,074,152
Trade and other payables	21	19,376,098	22,741,077
Tax debts other than income tax	22	4,058,720	2,385,999
Advances from customers	23	9,562,932	9,559,653
Provisions	24	2,290,204	2,319,926
Current income tax liabilities		254,722	400,679
Total current liabilities		41,958,815	43,481,486
Total liabilities		93,427,664	94,060,296
Total equity and liabilities		161,512,951	158,878,431

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 2025
(in thousands of Russian rubles, unless otherwise stated)

		For the three months ended 31 March (unaudited)	
	Notes	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before income tax		4,895,789	3,560,838
<i>Adjustments for:</i>			
Depreciation and amortization of property, plant and equipment, intangible assets and right-of-use assets	11,12,13	3,483,007	3,229,737
Finance costs	9	2,000,337	1,786,800
Finance income	9	(309,033)	(430,658)
Profit on disposal of property, plant and equipment for sales operations	7	(1,148)	(2,944)
Loss on disposal of property, plant and equipment	7	46,598	3,423
Accrual/(recovery) of allowance for expected credit losses	25	(36,516)	54,347
Accounts payable write-off		(2,804)	(4,183)
Recovery of provisions	24	(7,978)	(4,811)
Share in profit of associates and joint ventures		-	(19,602)
Other non-cash transactions		(96,545)	1,109,174
Total impact of adjustments		5,075,918	5,721,283
Change in assets related to employee benefits plans		(61,167)	(43,000)
Change in employee benefit liabilities		(25,244)	(10,218)
Change in long-term trade and other receivables		87,227	70,090
Change in long-term advances given and other non-current assets		135	636
Change in long-term trade and other payables		(19,052)	(9,542)
Change in long-term advances received		1,070,953	961,864
Cash flows from operating activities before changes in working capital and provisions		11,024,559	10,251,951
<i>Changes in working capital:</i>			
Change in trade and other receivables		1,413,298	(26,165)
Change in advances given and other assets		(214,757)	(11,914)
Change in inventories		(527,116)	(475,159)
Change in trade and other payables		(174,221)	(536,642)
Change in advances received		3,279	114,116
Change in provisions		(21,776)	(133,372)
Cash flows from operating activities before income taxes and interest paid		11,503,266	9,182,815
Income tax paid		(916,017)	(69,317)
Interest paid under lease agreement		(206,937)	(129,806)
Interest paid		(1,820,432)	(1,525,216)
Net cash flows from operating activities		8,559,880	7,458,476
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment and intangible assets		(5,849,962)	(4,368,045)
Proceeds from the sale of property, plant and equipment and intangible assets		2,851	2,739
Interest received		263,519	374,526
Dividends received		-	10,691
Net cash flows used in investing activities		(5,583,592)	(3,980,089)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowed funds		1,000,000	6,253,556
Repayment of borrowed funds		(1,248,397)	(5,387,424)
Dividends paid to equity holders of the Company		(351)	(286)
Payment of lease liabilities		(478,877)	(173,972)
Net cash flows received/(used) from financing activities		(727,625)	691,874
Net change in cash and cash equivalents		2,248,663	4,170,261
Cash and cash equivalents at the beginning of period		5,088,988	7,809,829
Cash and cash equivalents at the end of period	17	7,337,651	11,980,090

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 2025
(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		
Balance at 01 January 2025 (audited)		4,221,794	157,847	60,439,076	64,818,717	(582)	64,818,135
Profit/(loss) for the period		-	-	3,270,615	3,270,615	(1,389)	3,269,226
Other comprehensive expense		-	(2,766)	-	(2,766)	-	(2,766)
Related income tax	10	-	692	-	692	-	692
Total comprehensive income/(expense) for the period		-	(2,074)	3,270,615	3,268,541	(1,389)	3,267,152
Balance at 31 March 2025 (unaudited)		4,221,794	155,773	63,709,691	68,087,258	(1,971)	68,085,287

	Notes	Attributable to equity holders of the Company				Non-controlling interest	Total equity
		Share capital	Reserves	Retained earnings	Total		
Balance at 01 January 2024 (audited)		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	10	-	(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

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 parent company of the Group is Public Joint Stock Company Federal Grid Company – Rosseti (abbreviated corporate name of the parent company - PJSC Rosseti).

The Russian Federation, represented by the Federal Agency for State Property Management, is the ultimate controlling party of the parent company of the Group (hereinafter referred to as the main shareholder of the parent company).

The Government exerts influence on the Group's activities through representatives of the Russian Federation 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.

The economic, social and other policies of the Government of the Russian Federation may have a significant impact on the Group's operations.

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 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, have led to increased economic uncertainty, including reduced liquidity and greater volatility in capital markets, volatility in the exchange rate of the Russian ruble and the key interest rate, as well as a significant decrease in the availability of debt financing sources. It is difficult to assess the long-term consequences of the imposed and possible additional sanctions, as sanctions can have a significant negative impact on the Russian economy.

The Group takes all necessary measures to ensure the sustainability of its activities.

The presented 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 2025 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 2024, 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 2024 and as at that date.

(c) Application of new and revised standards and interpretations

The Group has applied amendments and amendments to the standards that are mandatory and approved for application in the Russian Federation for annual periods beginning on or after 1 January 2025:

- Lack of currency exchange capability. Amendments to IAS 21 "The Effect of Changes in Foreign Exchange Rates" (introduced in the Russian Federation by Order of the Ministry of Finance of the Russian Federation dated 06 April 2024 N 77n) and effective for annual periods beginning on or after 1 January 2025).

The impact of the amendments to the standards did not have a significant impact on these consolidated financial statements. New standards and interpretations have been published that are mandatory for annual periods beginning on or after 1 January 2026, and the Group intends to adopt the standards and amendments for use after their entry into force.

2 Basis of preparation of consolidated financial statements (continued)

No significant impact on the Group's consolidated financial statements is expected:

- Amendments to IFRS 9 "Financial Instruments" and IFRS 7 "Financial Instruments: Disclosures" - Amendments to the Classification and Measurement of Financial Instruments" effective on or after 1 January 2026 (issued on 30 May 2024).
- IFRS 19 "Non-Public Subsidiaries: Disclosures", which will enter into force for annual periods beginning on or after January 1, 2027 (published on May 9, 2024).
- Annual Improvements to IFRS Financial Reporting Standards – Volume 11:
 - Amendments to IAS 7 – Cost Accounting;
 - Amendments to IFRS 9 – "Derecognition of Lease Obligations";
 - Amendments to IFRS 10 – Definition of a De Facto Agent;
 - Amendments to the Guidance on the Implementation of IFRS 7 – "Disclosure of information on the deferred difference between the fair value and the transaction price";
 - Amendments to IFRS 7 – "Gain or Loss on Derecognition";
 - Amendments to IFRS 1 – "Hedge Accounting by a First-time Adopter of IFRS";
 - Amendments to the Guidance on the Implementation of IFRS 7 – "Introduction";
 - Amendments to the Guidance on the Implementation of IFRS (IFRS) 7 – "Disclosure of information on credit risk";
 - Amendments to IFRS (IFRS) 9 – "Transaction Price".

The Group is in the process of assessing the impact of changes in the presentation and disclosure of information in the consolidated financial statements:

- IFRS 18 "Presentation and Disclosures in Financial Statements" (issued on 9 April 2024 and effective for annual periods beginning on or after 1 January 2027). IFRS 18 replaces IAS 1.

(d) Changes in representation. Reclassification of comparative data

Some amounts in the comparative information for the previous period have been reclassified in order to ensure their comparability with the presentation of data in the current reporting period. All the reclassifications performed are insignificant.

3 Essential information about 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 2024.

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.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in a normal transaction between market participants at the valuation date. A fair value measurement assumes that a transaction for the purpose of selling an asset or transferring a liability is carried out in the market that is the primary market for the asset or liability; or, in the absence of a primary market, in the market that is most advantageous for the asset or liability.

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).

4 Measurement of fair value (continued)

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 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.

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

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.

Notes to the Interim condensed consolidated financial statements for the three months ended 31 March 2025
(in thousands of Russian rubles, unless otherwise stated)

5 Information about segments (continued)

(a) Information about reportable segments

As at 31 March 2025 and for the three months ended 31 March 2025:

	Belgorod energo	Bryansk energo	Voronezh energo	Kostroma energo	Kursk energo	Lipetsk energo	Orel energo	Smolensk energo	Tambov energo	Tver energo	Yar energo	Other TSS	Others	Total
Revenue from external customers	4,715,591	2,856,573	6,102,439	1,890,625	2,703,580	3,324,015	1,710,602	2,840,997	2,436,986	4,147,648	3,964,891	668,375	205,354	37,567,676
Inter-segment revenue	-	36,240	18,871	-	-	-	-	10	-	-	3,352	2,105,343	1,039	2,164,855
Segment revenue	4,715,591	2,892,813	6,121,310	1,890,625	2,703,580	3,324,015	1,710,602	2,841,007	2,436,986	4,147,648	3,968,243	2,773,718	206,393	39,732,531
Including														
Electricity transmission	4,335,185	2,808,834	5,759,486	1,773,101	2,637,192	3,177,259	1,656,736	2,773,043	2,362,605	3,891,284	3,664,467	2,597,564	-	37,436,756
Technological connection services	222,462	26,851	277,508	78,382	47,277	111,237	18,088	42,570	33,057	225,117	202,719	87,415	113	1,372,796
Other revenue	157,944	57,128	84,316	39,142	19,111	35,519	35,778	25,394	41,324	31,247	101,057	88,739	206,280	922,979
The cost of technological connection to the networks	(15,584)	(5,132)	(9,779)	(10,481)	(6,119)	(12,128)	(5,906)	(8,631)	(5,527)	(23,045)	(17,625)	(19,211)	-	(139,168)
EBITDA	1,450,024	405,881	1,840,973	625,482	486,868	950,653	436,514	574,830	693,390	575,199	1,202,395	977,429	253,233	10,472,871
Segment assets	26,843,676	8,151,303	24,237,456	9,619,334	8,769,249	19,851,674	5,077,153	9,698,374	7,656,250	13,462,544	18,445,778	21,132,939	13,073,753	186,019,483
Including property, plant and equipment and construction in progress	22,509,253	6,120,302	21,262,524	7,856,706	5,074,480	17,774,148	4,165,642	8,027,445	5,323,386	9,944,600	15,210,717	14,659,282	1,912,087	139,840,572

5 Information about segments (continued)

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	Others	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	1,991,495	211,428	35,152,597
Inter-segment revenue	-	755,400	28,871	-	-	-	-	-	-	-	2,063	762,958	6,124	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	2,754,453	217,552	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	2,627,204	30,199	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	84,042	628	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	43,207	186,725	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)	(11,808)	(212)	(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	765,030	383,757	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	15,173,519	19,514,556	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	10,545,597	1,814,300	122,256,405

5 Information about segments (continued)

(b) The reconciliation of reportable segment EBITDA:

The reconciliation of reportable segment EBITDA:

	For the three months ended 31 March	
	2025	2024
EBITDA of reportable segments	10,472,871	9,760,632
Discounting receivables	-	1,914
Discounting of financial liabilities	(56,984)	(57,821)
Adjustment for lease	(14,815)	(11,392)
Recognition of pension and other long-term liabilities to employees	(67,974)	(72,822)
Adjustment on assets related to employee benefit liability	61,167	43,000
Re-measurement of financial assets at fair value through other comprehensive income (transfer of revaluation to equity)	2,766	(5,299)
Adjustment of income from donated property, plant and equipment	(22,754)	-
Adjustment of the value of intangible assets	-	(1,084,541)
Acquisition of associated companies	-	19,602
Adjustment for write-off of other material expenses	(63,760)	(74,917)
Other adjustments	(81,586)	(87,992)
EBITDA	10,228,931	8,430,364
Depreciation and amortization	(3,483,007)	(3,229,737)
Interest expenses on financial liabilities	(1,627,690)	(1,476,986)
Interest expenses of lease liabilities	(222,445)	(162,803)
Income tax expense and expenses on excess profit tax	(1,626,563)	(1,082,922)
Profit for the period per interim condensed consolidated statement of profit or loss and other comprehensive income	3,269,226	2,477,916

6 Revenue

	For the three months ended 31 March	
	2025	2024
Electricity transmission	35,344,004	33,401,941
Technological connection services	1,372,796	956,494
Other revenue	822,199	767,211
Total revenue from contracts with customers	37,538,999	35,125,646
Lease revenue	28,677	26,951
	37,567,676	35,152,597

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

7 Other income and other expenses

	For the three months ended 31 March	
	2025	2024
Income from identified non-contracted electricity consumption	22,182	24,987
Income in the form of fines and penalties on commercial contracts	80,630	124,790
Accounts payable write-off	2,804	4,183
Insurance indemnity	40,038	187,071
Income from disposal of fixed assets on sale (sale) operations	1,148	2,944
Other income	127,584	141,078
	274,386	485,053

Other expenses include loss on disposal of property, plant and equipment for the three months ended 31 March 2025 in the amount of RUB 46,598 thousand (for the three months ended 31 March 2024: RUB 3,423 thousand).

8 Operating expenses

	For the three months ended 31 March	
	2025	2024
Personnel costs	8,511,585	7,199,800
Depreciation of property, plant and equipment	3,276,595	3,043,935
Amortization of intangible assets	45,972	41,856
Depreciation of right-of-use assets	160,440	143,946
<i>Material expenses, including:</i>		
Electricity for compensation of losses	7,434,678	6,855,249
Purchased electricity and heat power for own needs	246,948	239,132
Other material costs	768,121	750,753
<i>Production work and services, including:</i>		
Electricity transmission services	8,671,604	9,081,586
Repair and maintenance services	200,092	139,112
Other works and industrial services	546,607	526,124
Taxes and levies other income tax	224,686	523,490
Short-term rent	16,210	7,243
Insurance	41,476	41,452
<i>Other third-party services, including:</i>		
Communication services	108,730	98,710
Security services	166,285	122,638
Consulting, legal and audit services	12,369	12,398
Software costs and services	124,929	99,649
Transportation services	2,428	5,855
Other services	226,026	167,588
Provisions	(7,978)	(4,811)
Other expenses	467,082	1,586,797
	31,244,885	30,682,502

9 Finance income and costs

	For the three months ended 31 March	
	2025	2024
Finance income		
Interest income on bank deposits and balances on bank accounts	262,893	393,992
Interest income on assets related to employee defined benefits plans	46,140	34,752
Other finance income	-	1,914
	309,033	430,658
Finance costs		
Interest expenses on financial liabilities measured at amortized cost	(1,627,690)	(1,476,986)
Interest expenses on lease liabilities	(222,445)	(162,803)
Interest expense on long-term employee benefit liability	(93,218)	(83,040)
Amortization of discount on financial liabilities	(56,984)	(57,821)
Other finance costs	-	(6,150)
	(2,000,337)	(1,786,800)

10 Income tax

	For the three months ended 31 March	
	2025	2024
Current income tax		
Accrual of current tax	(842,927)	(921,563)
Adjustment of the tax for the previous periods	(130,653)	18,284
Total	(973,580)	(903,279)
Deferred income tax	(652,983)	(179,643)
Income tax expense	(1,626,563)	(1,082,922)

On 12 July 2024, Federal Law No. 176-FZ “On Amendments to Parts One and Two of the Tax Code of the Russian Federation, Certain Legislative Acts of the Russian Federation and Invalidation of Certain Provisions of Legislative Acts of the Russian Federation” was adopted, providing for an increase in the income tax rate from 20% to 25% from 1 January 2025.

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 2025 and 2024, 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, income tax accrual for previous periods, according to revised tax returns submitted to the tax authorities in 2025, amounted to RUB 130,653 thousand (income tax to decrease for 2024: RUB 18,284 thousand).

10 Income tax (continued)

Income tax recognized in other comprehensive income:

	For the three months ended 31 March 2025			For the three months ended 31 March 2024		
	Before tax	Tax	Net of tax	Before tax	Tax	Net of tax
Financial assets at fair value through other comprehensive income	(2,766)	692	(2,074)	5,299	(1,060)	4,239
Remeasurements of the defined benefit liability	-	-	-	269,627	(31,301)	238,326
	(2,766)	692	(2,074)	274,926	(32,361)	242,565

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

	For the three months ended 31 March 2025	For the three months ended 31 March 2024
Profit before income tax	4,895,789	3,560,838
Income tax calculated at the applicable tax rate 25%-20%	(1,223,947)	(712,168)
Tax effect of items not deductible/not taxable for taxation purposes	(271,963)	(389,038)
Adjustments for previous periods	(130,653)	18,284
	(1,626,563)	(1,082,922)

11 Property, plant and equipment

Cost/deemed cost

	Land and buildings	Electricity transmission networks	Equipment for electricity transmission	Other	Construction in progress	Total
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
Accumulated depreciation						
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)
Accumulated impairment						
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)
Net book value						
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

11 Property, plant and equipment (continued)

	Land and buildings	Electricity transmission networks	Equipment for electricity transmission	Other	Construction in progress	Total
<i>Cost/deemed cost</i>						
At 1 January 2025	62,345,996	97,024,766	59,065,749	53,430,398	8,758,911	280,625,820
Additions	-	-	-	-	4,493,052	4,493,052
Acquisition of subsidiaries	597,653	771,039	922,615	1,037,546	(3,328,853)	-
Disposals	(14,453)	(12,328)	(56,879)	(23,613)	(21,885)	(129,158)
At 31 March 2025	62,929,196	97,783,477	59,931,485	54,444,331	9,901,225	284,989,714
<i>Accumulated depreciation</i>						
At 1 January 2025	(27,205,765)	(62,117,353)	(31,702,578)	(29,180,741)	-	(150,206,437)
Depreciation charge	(706,488)	(1,218,051)	(730,387)	(844,975)	-	(3,499,901)
Disposals	3,715	7,016	10,673	39,588	-	60,992
At 31 March 2025	(27,908,538)	(63,328,388)	(32,422,292)	(29,986,128)	-	(153,645,346)
<i>Accumulated impairment</i>						
At 1 January 2025	(2,744,546)	(2,428,526)	(1,870,337)	(1,435,401)	(171,316)	(8,650,126)
Transfer to property, plant and equipment (transfer of impairment losses)	(307)	(7,675)	(691)	(3,045)	11,718	-
Depreciation charge	56,032	74,152	55,287	36,709	-	222,180
Disposals	-	7	5	38	-	50
At 31 March 2025	(2,688,821)	(2,362,042)	(1,815,736)	(1,401,699)	(159,598)	(8,427,896)
Depreciation (including depreciation of impairment)	(650,456)	(1,143,899)	(675,100)	(808,266)	-	(3,277,721)
<i>Net book value</i>						
At 1 January 2025	32,395,685	32,478,887	25,492,834	22,814,256	8,587,595	121,769,257
At 31 March 2025	32,331,837	32,093,047	25,693,457	23,056,504	9,741,627	122,916,472

11 Property, plant and equipment (continued)

As at 31 March 2025 advance payments for property, plant and equipment include in construction in progress in the amount of RUB 762,787 thousand (as at 31 December 2024: RUB 410,225 thousand), also materials for the construction of property, plant and equipment in the amount of RUB 2,059,217 thousand (as at 31 December 2024: RUB 2,169,000 thousand).

For the three months ended 31 March 2025 capitalized interest amount is RUB 170,891 thousand (for the three months ended 31 March 2024: RUB 65,404 thousand), the capitalization rate used to determine the amount of borrowing costs to be capitalized was 20.76 - 22.92% during the year (for the three months ended 31 March 2024 – 16.56 - 17.76%).

For the three months ended 31 March 2025 depreciation charges in the amount of RUB 2,892 thousand were capitalized in the cost of capital construction facilities (including depreciation charges of property, plant and equipment – RUB 2,009 thousand, of right-of-use assets – RUB 1 thousand, intangible assets – RUB 882 thousand).

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).

As at 31 March 2025 the initial cost of fully amortized property plant and equipment was RUB 44,962,805 thousand (as at 31 December 2024: RUB 38,193,137 thousand).

12 Intangible assets

	Software	Capital investments	Other	Total
<i>Initial cost</i>				
At 1 January 2024	4,328,555	75,476	1,918,481	6,322,512
Reclassification between groups	33,918	467,538	(501,456)	-
Additions	-	49,420	-	49,420
Disposals	(3,540,340)	-	(105,351)	(3,645,691)
At 31 March 2024	822,133	592,434	1,311,674	2,726,241
<i>Accumulated amortization</i>				
At 1 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 1 January 2024	1,871,448	75,476	1,306,559	3,253,483
At 31 March 2024	740,356	592,434	847,645	2,180,435
<i>Initial cost</i>				
At 1 January 2025	2,016,782	118,170	1,173,814	3,308,766
Reclassification between groups	(579,291)	579,291	-	-
Additions	-	62,499	-	62,499
Disposals	-	-	(60)	(60)
At 31 March 2025	1,437,491	759,960	1,173,754	3,371,205
<i>Accumulated amortization</i>				
At 1 January 2025	(175,549)	-	(509,293)	(684,842)
Amortization charge	(31,236)	-	(15,618)	(46,854)
At 31 March 2025	(206,785)	-	(524,911)	(731,696)
<i>Net book value</i>				
At 1 January 2025	1,841,233	118,170	664,521	2,623,924
At 31 March 2025	1,230,706	759,960	648,843	2,639,509

12 Intangible assets (continued)

Amortization of intangible assets included in operating expenses in consolidated statement of profit or loss and other comprehensive income is RUB 45,972 thousand (for the three months ended 31 March 2024: RUB 41,856 thousand).

Intangible assets are amortized on a straight-line basis.

Interest for the three months ended 31 March 2025 and for the three months ended 31 March 2024 was not capitalized as intangible assets.

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

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 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. More over 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 2025 in the amount of RUB 590,310 thousand is reflected in the line “Intangible assets” of the consolidated statement of financial position (in the amount of RUB 604,026 thousand as at 31 December 2024). For the three months ended 31 March 2025 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 2024: RUB 13,716 thousand).

13 Right-of-use assets

	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

13 Right-of-use assets (continued)

	Land and buildings	Electricity transmission networks	Equipment for electricity transmission	Other	Total
<i>Initial cost</i>					
At 1 January 2025	4,366,506	811,488	776,564	4,233,105	10,187,663
Additions	18,219	3,275	22,021	13,923	57,438
Change in lease terms	83,216	6,403	(5,486)	3	84,136
Disposal or termination of lease agreements	(6,384)	(148)	(823)	(18)	(7,373)
At 31 March 2025	4,461,557	821,018	792,276	4,247,013	10,321,864
<i>Accumulated depreciation</i>					
At 1 January 2025	(933,813)	(235,242)	(221,984)	(271,581)	(1,662,620)
Depreciation charge	(76,541)	(22,040)	(23,683)	(39,229)	(161,493)
Change in lease terms	(247)	85	162	-	-
Disposal or termination of lease agreements	6,009	148	823	18	6,998
At 31 March 2025	(1,004,592)	(257,049)	(244,682)	(310,792)	(1,817,115)
<i>Accumulated impairment</i>					
At 1 January 2025	(29,769)	(4,087)	(207)	(6,483)	(40,546)
Depreciation charge	603	369	20	60	1,052
Disposal or termination of lease agreements	8	-	-	-	8
At 31 March 2025	(29,158)	(3,718)	(187)	(6,423)	(39,486)
Depreciation (including depreciation of impairment)	(75,938)	(21,671)	(23,663)	(39,169)	(160,441)
<i>Net book value</i>					
At 1 January 2025	3,402,924	572,159	554,373	3,955,041	8,484,497
At 31 March 2025	3,427,807	560,251	547,407	3,929,798	8,465,263

14 Other financial assets

	31 March 2025	31 December 2024
Non-current		
Financial assets at fair value through other comprehensive income	129,922	132,688
	129,922	132,688

Non-current financial assets include shares of Russian companies with a fair value calculated on the basis of published market quotations equal to RUB 129,922 thousand as at 31 March 2025 (as at 31 December 2024: RUB 132,688 thousand).

15 Trade and other receivables

	31 March 2025	31 December 2024
Non-current trade and other account receivable		
Trade receivables	697,199	771,922
Other receivables	241,097	253,616
Allowance for expected credit losses on other receivables	-	(15)
	938,296	1,025,523
Current trade and other account receivable		
Trade receivables	12,046,055	13,531,932
Allowance for expected credit losses on trade receivables	(3,042,877)	(3,110,169)
Other receivables	2,223,388	2,251,131
Allowance for expected credit losses on other receivables	(1,655,766)	(1,671,753)
	9,570,800	11,001,141

Balance with related parties is disclosed in Note 28.

16 Advances given and other assets

	31 March 2025	31 December 2024
Non-current		
Advances given	1,918	2,053
	1,918	2,053
Current		
Advances given	558,808	637,684
Advances given impairment allowance	(15,007)	(15,202)
VAT recoverable	977	8,700
VAT on advances to customers and clients and advances given for the purchase of property plant and equipment	2,347,592	2,098,576
Prepaid taxes other than income tax	363,228	311,131
	3,255,598	3,040,889

Balance with related parties is disclosed in Note 28.

17 Cash and cash equivalents

	31 March 2025	31 December 2024
Cash in bank accounts and cash on hand	5,487,146	3,472,140
Cash equivalents	1,850,505	1,616,848
	7,337,651	5,088,988

All balance of cash and cash equivalents are denominated in rubles as at 31 March 2025 and 31 December 2024.

17 Cash and cash equivalents (continued)

Cash equivalents as at 31 March 2025 and 31 December 2024 include short-term investments in bank deposits. They are placed at interest rates 19.40% - 21.00% per annum as of 31 March 2025 (17.55% - 22.80% per annum as of 31 December 2024).

Designated funds in the accounts of the Federal Treasury Department as at 31 March 2025 amounted to RUB 1,149,991 thousand (as at 31 December 2024 RUB 1,136,356 thousand).

18 Equity

(a) Equity

	Ordinary shares	
	31 March 2025	31 December 2024
Par value (in RUB)	0.10	0.10
On issue at 1 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

19 Earnings per share

The calculation of earnings per share for the three months ended 31 March 2025 and 31 March 2024 is based on earnings attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding.

The Company has no dilutive financial instruments.

<i>In millions of shares</i>	For three months ended 31 March	
	2025	2024
Ordinary shares at 1 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	
	2025	2024
Weighted average number of ordinary shares outstanding for the three months ended 31 March (millions of shares)	42,218	42,218
Earnings for the year attributable to holders of ordinary shares	3,270,615	2,471,335
Earnings per ordinary share (in RUB) – basic and diluted	0.077	0.059

20 Borrowed funds

	<u>31 March 2025</u>	<u>31 December 2024</u>
Non-current liabilities		
Unsecured loans and borrowings	31,105,143	31,318,407
Unsecured bonds	5,006,000	5,006,000
Lease liabilities	7,614,409	7,941,286
Less: current portion of long-term loans and borrowings	(5,048,012)	(4,572,951)
Less: current portion of long-term bonds	(6,000)	(6,000)
Less: current portion of long-term lease liabilities	(1,362,127)	(1,495,201)
	<u>37,309,413</u>	<u>38,191,541</u>
Current liabilities		
Current portion of long-term loans and borrowings	5,048,012	4,572,951
Current portion of long-term bonds	6,000	6,000
Current portion of long-term lease liabilities	1,362,127	1,495,201
	<u>6,416,139</u>	<u>6,074,152</u>
Including:		
Debts on interest payable on loans and borrowings	3,724	25,575
Debts on interest payable on bonds	6,000	6,000
	<u>9,724</u>	<u>31,575</u>

All balance of loans and borrowings are denominated in rubles as at 31 March 2025 and 31 December 2024.

For the three months ended 31 March 2025, the Group has attracted the following bank loans:

	<u>Year of maturity</u>	<u>Nominal interest rate</u>	<u>Nominal value</u>
Unsecured bank loans	2026	KR+2.50%	1,000,000
			<u>1,000,000</u>

During the three months ended 31 March 2025, the Group repaid the following bank loans:

	<u>Nominal value</u>
Bank loans	1,248,397
	<u>1,248,397</u>

21 Trade and other payables

	31 March 2025	31 December 2024
Non-current accounts payable		
Trade payables	3,639	22,689
Other payables	59	61
	3,698	22,750
Current accounts payable		
Trade payables	9,662,691	13,893,697
Other payables and accrued expenses	6,088,020	6,103,265
Payables to employees	3,456,646	2,575,023
Dividends payable	168,741	169,092
	19,376,098	22,741,077

22 Tax liabilities other than income tax

	31 March 2025	31 December 2024
Value-added tax	3,020,779	1,189,426
Property tax	104,286	310,141
Social security contributions	673,182	847,534
Other taxes payable	260,473	38,898
	4,058,720	2,385,999

23 Advances from customers

Advances from customers (contractual obligations) as at 31 March 2025 and 31 December 2024 are reflected including VAT.

	31 March 2025	31 December 2024
Advances for services of technological connection to electric grids	3,878,935	2,807,211
Advances from customers	55,683	56,454
Total non-current advances from customers	3,934,618	2,863,665
Advances for services of technological connection to electric grids	8,658,368	8,726,795
Advances from customers	904,564	832,858
Total current advances from customers	9,562,932	9,559,653

Balance with related parties is disclosed in Note 28.

24 Provisions

	For the three months ended 31 March	
	2025	2024
Balance on 1 January	2,319,926	3,096,618
Accrual (increase) for the period	15,667	21,972
Recovery (decrease) for the period	(23,613)	(26,783)
Use of provisions	(21,776)	(209,560)
Balance on 31 December	2,290,204	2,882,247

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

25 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 2024.

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	
	2025	2024
Balance at 1 January	4,781,937	6,310,602
Increase for the period	9,658	78,845
Amounts of trade and other receivables written off using the allowance for impairment accrued earlier	(46,778)	(645,839)
Reversal of allowance for impairment for the period	(46,174)	(24,498)
Balance at 31 March	4,698,643	5,719,110

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 2025 there were no transfers between levels of the fair value hierarchy.

25 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, 2025
On 1 January	132,688
Change in fair value recognized in other comprehensive income	(2,766)
On 31 March	129,922

26 Capital commitments

As at 31 March 2025, the Group has outstanding commitments under contract for the purchase and construction of property, plant and equipment items for RUB 10,850,901 thousand inclusive of VAT (as at 31 December 2024: RUB 13,073,457 thousand inclusive of VAT).

27 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.

27 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.

According to management, the probability of an unfavorable outcome for the Group and a corresponding outflow of financial resources is not high in relation to lawsuits/unresolved claims regarding disagreements over purchased electricity in order to compensate for losses in the amount of RUB 359,694 thousand (as at 31 December 2024 – RUB 224,247 thousand).

In the opinion of management, there are currently no other 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 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.

28 Related party transactions

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 2025 and 31 March 2024, as well as at 31 March 2025 and 31 December 2024, were the parent company its subsidiaries key management personnel as well as companies related to the main shareholder of the parent company.

(a) Transactions with the parent company its subsidiaries and associates

	Amount of the transaction for the three months ended 31 March		Carrying amount	
	2025	2024	2025	2024
Revenue net other income finance income				
Parent company				
Other revenue	1,297	1,284	756	507
Other income	4,018	-	-	-
Entities under common control of the parent company				
Electricity transmission revenue	504,812	441,214	198,872	255,853
Other revenue	224,237	201,768	186,262*	467,055*
Other	1,742	954	-	-

28 Related party transactions (continued)

	Amount of the transaction for the three months ended 31 March		Carrying amount	
	2025	2024	2025	2024
Operating expenses, finance costs				
Parent company				
Technical supervision services	13,088	13,088	-	-
Electricity transmission services	6,152,396	5,497,256	1,304,084	1,155,057
Other expenses	13,215	10,270	34,950	34,950
Entities under common control of the parent company				
Other expenses	488,119	221,490	3,999,865	4,147,453

* 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 2025 in the amount of RUB 134,421 thousand (as at 31 December 2024: in the amount of RUB 153,469 thousand).

	Carrying amount	
	31 March 2025	31 December 2024
Parent company		
Advances given	20,312	19,622
Advances received	18,211	18,220
Borrowed funds	3,888,866	3,831,882
Entities under common control of the parent company		
Advances given	121,015	140,499
Advances received	1,771	2,198

The debt to the parent company for the payment of dividends as at 31 March 2025 is absent (as at 31 December 2024: is absent).

(b) Transactions with key management personnel

In order to prepare these 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.

	For the three months ended 31 March	
	2025	2024
Short-term employee benefits	71,449	46,325
Severance payment	309	-
	71,758	46,325

28 Related party transactions (continued)

As at 31 March 2025 the current value of the defined benefit obligation is shown in the consolidated statement of financial position and includes liabilities for key management personnel is absent (as at 31 December 2024: is absent).

(c) 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 2025 constitute 46% (for the three months ended 31 March 2024: 31%) of total Group revenues, including 46% (for the three months ended 31 March 2024: 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 88% of the total costs of electricity transmission and compensation for technological losses for the three months ended 31 March 2025 (for the three months ended 31 March 2024: 79%).

Interest accrued on loans and borrowings from banks related to the main shareholder of the parent company amounted to 81% of the total amount of accrued interest for the three months ended 31 March 2025 (for the three months ended 31 March 2024: 85%).

As at 31 March 2025 loans from banks related to the main shareholder of the parent company amounted to RUB 26,066,276 thousand (as at 31 December 2024: RUB 26,333,547 thousand).

For the three months ended 31 March 2025 loans from banks related to the main shareholder of the parent company amounted to RUB 248,397 thousand were repaid.

As at 31 March 2025 the balance of cash and cash equivalents placed with banks associated with the main shareholder of the parent company amounted to RUB 2,151,133 thousand (as at 31 December 2024: RUB 2,870,658 thousand).

As at 31 March 2025 lease obligations for companies related to the main shareholder of the parent company amounted to RUB 7,219,528 thousand (as at 31 December 2024: RUB 7,529,843 thousand).