

Statement of Financial Position
as at 31 December 20 24

Company Public Joint stock company «Rosseti Centre»
Id. tax payer number
Type of

Form under ARCMD
Date (day, month, year)
under ARCBO
TIN
under

economic activity electric power transmission and grid connection ADCEA 2
Business legal structure/Form of ownership Public Joint Stock Companies/

mixed Russian ownership with shares of federal property under ARCFI\ARCFO
Measurement unit: thousand RUB under ARCM

Location (Address) 119017, Moscow, Malaya Ordynka St., 15

Financial statements are subject to mandatory audit ☒ YES ☐ NO

Name of the auditing firm/surname, name, patronymic (if any)

of the individual auditor Limited Liability Company

TSATR - Audit Services LLC

Taxpayer identification number of the auditing firm/individual auditor

Primary state registration number of the auditing firm/
individual auditor

TIN
PSRN/
OGRNIP

Codes		
0710001		
31	12	2024
75720657		
6901067107		
35.12		
12247	41	
384		

7709383532
1027739707203

Notes	Indicator	Code	As at 31 December 20 24	As at 31 December 20 23	As at 31 December 20 22
ASSETS					
I. NON-CURRENT ASSETS					
N.1.1-1.2	Intangible assets	1110	1 992 173	487 957	140 114
	R&D results	1120	-	84 494	70 393
	Intangible exploratory assets	1130	-	-	-
	Tangible exploratory assets	1140	-	-	-
N. 2-5	Property, plant and equipment	1150	123 931 973	112 032 045	103 556 071
	Profitable investments in tangible assets	1160	-	-	-
N. 8	Financial investments	1170	1 000 687	1 977 571	1 427 290
N. 16.2	Deferred tax assets	1180	6 686 586	4 808 583	4 477 016
N. 6	Other non-current assets	1190	819 572	2 717 037	2 406 062
	TOTAL for section I	1100	134 430 991	122 107 687	112 076 946
II. CURRENT ASSETS					
N. 7	Inventories	1210	4 424 465	4 000 943	3 928 926
	Value added tax according to purchased valuables	1220	8 412	2 641	21 020
N. 10	Accounts receivable	1230	12 595 871	13 793 435	16 565 530
N. 8	Financial investments (excluding cash equivalents)	1240	840 204	-	748 789
N. 9	Cash and cash equivalents	1250	3 926 880	7 056 328	6 174 793
N. 6	Other currents assets	1260	1 991 656	1 671 390	1 332 043
	TOTAL for section II	1200	23 787 488	26 524 737	28 771 101
	BALANCE	1600	158 218 479	148 632 424	140 848 047

Notes	Indicator	Code	As at <u>31 December</u> <u>20 24</u>	As at <u>31 December</u> <u>20 23</u>	As at <u>31 December</u> <u>20 22</u>
	LIABILITIES				
	III. EQUITY AND RESERVES				
N. 11.1	Share capital (joint-stock capital, authorised capital, limited partner contributions)	1310	4 221 794	4 221 794	4 221 794
	Own shares repurchased from shareholders	1320	-	-	-
	Revaluation of non-current assets	1340	-	-	-
N. 11.3	Additional capital (without revaluation)	1350	-	-	-
N. 11.2	Reserve capital	1360	211 090	211 090	211 090
	Retained earnings (uncovered losses)	1370	60 546 629	56 393 826	50 752 324
	TOTAL for section III	1300	64 979 513	60 826 710	55 185 208
	IV. LONG-TERM LIABILITIES				
N. 12	Borrowed funds	1410	30 844 371	27 785 374	21 467 242
N. 16.2	Deferred tax liabilities	1420	13 529 082	10 142 856	9 245 945
	Provisions	1430	-	-	-
N. 13	Other liabilities	1450	9 264 413	10 321 167	7 684 269
	TOTAL for section IV	1400	53 637 866	48 249 397	38 397 456
	V. SHORT-TERM LIABILITIES				
N. 12	Borrowed funds	1510	4 444 224	10 523 664	17 776 587
N. 13	Accounts payable	1520	30 299 913	23 194 413	24 179 014
	Deferred income	1530	58 961	37 036	69 749
N. 14	Provisions	1540	4 798 002	5 801 204	5 240 033
	Other liabilities	1550	-	-	-
	TOTAL for section V	1500	39 601 100	39 556 317	47 265 383
	BALANCE	1700	158 218 479	148 632 424	140 848 047

CEO

(signature)

B.B. Ebzeev

(print full name)

Chief

Accountant

(signature)

L.A. Sklyarova

(print full name)

" 17 "

March

20 25

Statement of Financial Results
for January - December 20 24

Company Public Joint stock company «Rosseti Centre»
Id. tax payer number
Type of

economic activity electric power transmission and grid connection ADCEA 2
Business legal structure/Form of ownership Public Joint Stock Companies/

mixed Russian ownership with shares of federal property under ARCFI/ARCFO
Measurement unit: thousand RUB under ARCM

Form under ARCMD
Date (day, month, year)
under ARCBO
TIN
under

Codes		
0710002		
31	12	2024
75720657		
6901067107		
35.12		
12247	41	
384		

Notes	Indicator	Code	For January - December	For January - December
			20 24	20 23
N. 17.1	Revenue	2110	132 294 213	123 264 876
N. 17.2	Cost of sales	2120	(112 464 157)	(105 693 296)
	Gross profit (loss)	2100	19 830 056	17 571 580
N. 17.2	Commercial expenses	2210	(-)	(12 833)
N. 17.2	Management expenses	2220	(2 211 317)	(2 032 718)
	Profit (loss) from sales	2200	17 618 739	15 526 029
	Profit from participation in other organisations	2310	155	8
N. 17.3	Interest receivable	2320	1 827 393	745 699
N. 17.4	Interest payable	2330	(6 396 806)	(4 155 209)
N.17.5	Other income	2340	10 534 351	13 577 356
N.17.5	Other expenses	2350	(11 191 637)	(16 711 762)
	Profit (loss) before taxation	2300	12 392 195	8 982 121
N.16	Income tax	2410	(4 349 890)	(2 419 747)
	including current income tax	2411	(3 070 235)	(2 559 124)
	deferred income tax	2412	(1 279 655)	139 377
	Other	2460	(242 513)	(447 609)
	Net profit (loss)	2400	7 799 792	6 114 765

Notes	Indicator	Code	For January - December	For January - December
			20 24	20 23
	Result from revaluation of non-current assets not included in the net profit (loss) for the period	2510	-	-
	Result from other transactions not included in the net profit (loss) for the period	2520	-	-
	Income tax on transactions, the result of which is not included in the net profit (loss) for the period		-	-
	Aggregate financial result of the period	2500	7 799 792	6 114 765
N.11.5	Reference			
	Basic earnings (loss) per share	2900	0,0001848	0,0001448
	Diluted earnings (loss) per share	2910	-	-

CEO (signature) B.B. Ebzeev (print full name)

Chief Accountant (signature) L.A. Sklyarova (print full name)

" 17 " March 20 25

Statement of Changes in Equity
for 20 24

Company

Public Joint stock company «Rosseti Centre»

Id. tax payer number

Type of economic activity

electric power transmission and grid connection

Business legal structure/Form of ownership

Public Joint Stock Companies/

mixed Russian ownership with shares of federal property

Measurement unit: thousand RUB

Form under ARCMD

Date (day, month, year)

under ARCBO

TIN

under ADCEA 2

under ARCFIARCFO

under ARCM

Codes		
0710004		
31	12	2024
75720657		
6901067107		
35.12		
12247	41	
384		

1. Changes in equity

Indicator	Code	Share capital	Own stocks repurchased from shareholders	Additional capital	Reserve capital	Retained earnings (uncovered loss)	Total
Balance as at 31 December 2022	3100	4 221 794	(-)	-	211 090	50 752 324	55 185 208
For 2023		-	-	-	-	6 114 765	6 114 765
Capital increase - total:	3210						
including:							
net profit	3211	x	x	x	x	6 114 765	6 114 765
property revaluation	3212	x	x	-	x	-	-
income related directly to capital increase	3213	x	x	-	x	-	-
additional share issue	3214	-	-	-	x	x	-
increase in face-value of stocks	3215	-	-	-	x	-	x
reorganisation of the legal entity	3216	-	-	-	-	-	-

Indicator	Code	Share capital	Own stocks repurchased from shareholders	Additional capital	Reserve capital	Retained earnings (uncovered loss)	Total
Capital decrease - total:	3220	(-)	-	(-)	(-)	(473 263)	(473 263)
including:							
loss	3221	x	x	x	x	(-)	(-)
property revaluation	3222	x	x	(-)	x	(-)	(-)
expenses related directly to capital decrease	3223	x	x	(-)	x	(-)	(-)
reduction of face-value of stocks	3224	(-)	-	-	x	-	(-)
reduction of quantity of stocks	3225	(-)	-	-	x	-	(-)
reorganisation of the legal entity	3226	-	-	-	-	-	(-)
dividends	3227	x	x	x	x	(473 263)	(473 263)
Additional capital change	3230	x	x	-	-	-	x
Reserve capital change	3240	x	x	x	-	-	x
Balance as at 31 December 2023	3200	4 221 794	(-)	-	211 090	56 393 826	60 826 710
For 20 24							
The effect of a one-time adjustment to the inter-reporting period upon transition to FASB 14/2022 "Intangible assets"	3300	x	x	x	x	(865 344)	(865 344)
The amount of equity as at 1 January 2024, taking into account the one-time adjustment of the inter-reporting period upon transition to FASB 14/2022 "Intangible Assets"	3301	x	x	x	x	55 528 482	59 961 366
Capital increase - total:	3310	-	-	-	-	7 813 397	7 813 397
including:							
net profit	3311	x	x	x	x	7 799 792	7 799 792
property revaluation	3312	x	x	-	x	-	-
income related directly to capital increase	3313	x	x	-	x	13 605	13 605
additional share issue	3314	-	-	-	x	x	-
increase in face-value of stocks	3315	-	-	-	x	-	x
reorganisation of the legal entity	3316	-	-	-	-	-	-
Capital decrease - total:	3320	(-)	-	(-)	(-)	(2 795 250)	(2 795 250)
including:							
loss	3321	x	x	x	x	(-)	(-)
property revaluation	3322	x	x	(-)	x	(-)	(-)
expenses related directly to capital decrease	3323	x	x	(-)	x	(-)	(-)
reduction of face-value of stocks	3324	(-)	-	-	x	-	(-)
reduction of quantity of stocks	3325	(-)	-	-	x	-	(-)
reorganisation of the legal entity	3326	-	-	-	-	-	(-)
dividends	3327	x	x	x	x	(2 795 250)	(2 795 250)
Additional capital change	3330	x	x	-	-	-	x
Reserve capital change	3340	x	x	x	-	-	x
Balance as at 31 December 2024	3300	4 221 794	(-)	-	211 090	60 546 629	64 979 513

2. Adjustments in connection with change of accounting policy and correction of errors

Indicator	Code	As at 31 December 20 <u>22</u>	Equity change for 20 <u>23</u>		As at 31 December 20 <u>23</u>
			at the expense of net profit (loss)	at the expense of other factors	
Equity - total					
before adjustments	3400	55 185 208	5 641 502	-	60 826 710
adjustment in connection with:					
accounting policy change	3410	-	-	-	-
correction of errors	3420	-	-	-	-
after adjustments	3500	55 185 208	5 641 502	-	60 826 710
including:					
retained earnings (uncovered loss):					
before adjustments	3401	50 752 324	5 641 502	-	56 393 826
adjustment in connection with:					
accounting policy change	3411	-	-	-	-
correction of errors	3421	-	-	-	-
after adjustments	3501	50 752 324	5 641 502	-	56 393 826
other articles of the equity, on which					
(under articles)					
before adjustments	3402	4 432 884	-	-	4 432 884
adjustment in connection with:					
accounting policy change	3412	-	-	-	-
correction of errors	3422	-	-	-	-
after adjustments	3502	4 432 884	-	-	4 432 884

3. Net assets

Indicator	Code	As at 31 December 20 <u>24</u>	As at 31 December 20 <u>23</u>	As at 31 December 20 <u>22</u>
Net assets	3600	65 038 474	60 863 746	55 254 957

CEO

(signature)

B.B. Ebzeev

(print full name)

Chief Accountant

(signature)

L.A. Sklyarova

(print full name)

" 17 " March 20 25

Cash Flow Statement
for January - December 20 24

Company Public Joint stock company «Rosseti Centre» under ARCBO
 Id. tax payer number _____ TIN _____
 Type of economic activity electric power transmission and grid connection under ADCEA 2
 Business legal structure/Form of ownership Public Joint Stock Companies/
mixed Russian ownership with shares of federal property under ARCFI\ARCFO
 Measurement unit: thousand RUB under ARCM

Codes		
0710005		
31	12	2024
75720657		
6901067107		
35.12		
12247	41	
384		

Indicator	Code	For January-December	For January-December
		20 24	20 23
Cash flows from current transactions			
Receipts - total	4110	125 450 622	115 691 264
including:			
from sale of products, goods, works and services	4111	122 654 623	112 821 481
rent payments, licence fees, royalty, commission fee and other similar payments	4112	266 497	130 910
from resale of financial investments	4113	-	-
other receipts	4119	2 529 502	2 738 873
Payments - total	4120	(104 443 471)	(97 543 154)
including:			
to suppliers (contractors) for raw, materials, works, services	4121	(61 025 743)	(60 370 045)
in connection with payment of employees' wages	4122	(30 958 508)	(26 173 642)
debenture interest	4123	(6 395 225)	(4 127 867)
profit tax of organisations	4124	(2 079 936)	(3 049 677)
other payments	4129	(3 984 059)	(3 821 923)
Balance of cash flows from current transactions	4100	21 007 151	18 148 110
Cash flows from investment transactions			
Receipts - total	4210	5 629 433	857 819
including:			
from sale of non-current assets (except financial investments)	4211	10 315	29 169
from sale of stocks of other organisations (participation shares)	4212	-	-
from return of the given loans, from sale of debt securities (the rights of the requirement of money funds to other persons)	4213	365 149	246 024
dividends, percent on debt financial investments and similar receipts from individual share in other organisations	4214	331 390	227 473
other receipts	4219	4 922 579	355 153
Payments - total	4220	(23 063 959)	(14 728 495)
including:			
in connection with acquisition, creation, modernisation, reconstruction and preparation for use of non-current assets	4221	(22 313 101)	(14 458 273)
in connection with share acquisition of other organisations (participation shares)	4222	(242 000)	(-)
in connection with acquisition of debt securities (the rights of the requirement of money funds to other persons), granting of loans to other persons	4223	(-)	(-)
debenture interest, included in cost of an investment asset	4224	(508 858)	(270 222)
other payments	4229	(-)	(-)
Balance of cash flows from investment transactions	4200	(17 434 526)	(13 870 676)

Indicator	Code	For January-December	For January-December
		20 <u>24</u>	20 <u>23</u>
Cash flows from financial transactions			
Receipts - total	4310	8 067 942	20 379 783
including:			
receipt of credits and loans	4311	6 000 000	17 448 350
money deposits of proprietors (participants)	4312	-	-
from a share issue, increase in shares of participation	4313	-	-
from bond issue, bills and other debt securities, etc.	4314	2 067 942	2 931 433
other receipts	4319	-	-
Payments - total	4320	(14 770 015)	(23 775 682)
including:			
to proprietors (participants) in connection with the repurchase of stocks from them (participation share) of the organisation or their secession as participants	4321	(-)	(-)
on payment of dividends and other payments on profit distribution for benefit of proprietors (participants)	4322	(2 751 025)	(1 860 742)
in connection with repayment (redemption) of bills and other debt securities, return of credits and loans	4323	(11 053 220)	(21 333 609)
other payments	4329	(965 770)	(581 331)
Balance of cash flows from financial transactions	4300	(6 702 073)	(3 395 899)
Balance of cash flows for the accounting period	4400	(3 129 448)	881 535
Remainder of cash and cash equivalents on the accounting period beginning	4450	7 056 328	6 174 793
Remainder of cash and cash equivalents on the accounting period end	4500	3 926 880	7 056 328
Size of influence of rate changes of foreign exchange to ruble	4490	-	-

CEO

(signature)

B.B. Ebzeev

(print full name)

Chief
Accountant

L.A. Sklyarova

(signature)

(print full name)

" 17 " March 20 25

**NOTES TO THE STATEMENT OF FINANCIAL POSITION
AND STATEMENT OF FINANCIAL RESULTS
OF PUBLIC JOINT STOCK COMPANY «ROSSETI CENTRE»
FOR 2024**

**Notes to the Statement of Financial Position and Statement of Financial Results
of Public Joint stock company «Rosseti Centre»
for 2024**

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Notes to the Statement of Financial Position and Statement of Financial Results of Public Joint stock company «Rosseti Centre» for 2024

These Notes to the Statement of Financial Position and Statement of Financial Results (hereinafter referred to as the Notes) are an integral part of the financial statements of Public Joint stock company «Rosseti Centre» (Rosseti Centre, PJSC) (hereinafter referred to as the Company) for 2024, prepared in accordance with the rules for preparing financial statements established in the Russian Federation.

The reporting date of these financial statements, as of which they were prepared, is 31 December 2024.

The Notes to the Statement of Financial Position and Statement of Financial Results are disclosed both in text format and in tabular form.

Data is presented in thousands of rubles, negative values (expenses) are shown in brackets.

I. General information

1. Information about the Company

The main activity of the Public Joint Stock Company Rosseti Centre (hereinafter referred to as the "Company") is the provision of services for the transmission and distribution of electricity and technological connection to electrical networks in 14 regions of the Russian Federation.

Address (location) of the Company: Malaya Ordynka st., 15, Moscow, 119017, Russia.

The main shareholder of the Company as of 31 December 2024, 31 December 2023 and 31 December 2022 is Public Joint Stock Company Federal Grid Company - Rosseti (hereinafter referred to as PJSC Rosseti or the parent company).

As of 31 December 2024, the share of PJSC Rosseti in the authorized capital of the Company amounted to 50.7% (as of 31 December 2023 - 50.7%, as of 31 December 2022 - 50.2%).

As of 31 December 2024, the Company has 11 branches. The branches at their location perform part of the Company's functions, determined by their production capacity, within the limits established by the legislation of the Russian Federation and the internal regulatory documents of the Company.

As of 31 December 2024, the Company directly owns shares (interests) in the authorized capitals of companies with participation interests:

Abbreviated company name	Primary activity	Share of Rosseti Centre, PJSC in the authorized capital as of 31 December 2024
1	2	3
JSC "Sanatorium "Energetik"	Activities of health resort organizations	100%
JSC "YarESK"	Transmission of electric power and technological connection to distribution networks	100%
JSC "VGES"	Transmission of electric power and technological connection to distribution networks	99.99997%
JSC "TGES"	Transmission of electric power and technological connection to distribution networks	99.9998%
BryanskElectro LLC	Transmission of electric power and technological connection to distribution networks	99.999%
JSC "Ivgorelectroset"	Renting and leasing of other types of transport, equipment and material resources not included in other groups	100%
JSC "Kineshma city power grid"	Renting and managing own or leased real estate	100%
JSC "EIS"	Renting and managing own or leased real estate	100%
JSC "SCHGES"	Transmission of electric power and technological connection to distribution networks	100%
JSC Vyksaenergo	Renting and leasing of other types of transport, equipment and material resources not included in other groups	100%
JSC Kursk Electric Grids	Electricity distribution	100%
JSC "Gorsvet"	Repair of electrical equipment	66%

The number of employees of the Company as of 31 December 2024 was 26,358 people (as of 31 December 2023 - 27,305 people, as of 31 December 2022 - 27,429 people).

The Board of Directors of Rosseti Centre, PJSC was elected by the decision of the annual General Meeting of Shareholders of the Company (Minutes No. 01/24 dated 20 June 2024) of 11 members.

The composition of the Audit Commission of Rosseti Centre, PJSC was elected by the decision of the annual General Meeting of Shareholders of the Company (Minutes No. 01/24 dated 20 June 2024) of 5 members.

By the decision of the Board of Directors of Rosseti Centre, PJSC (Minutes No. 58/24 dated 26 December 2024), the number of members of the Company's Management Board was determined to be 7 people.

The sole executive body of the Company in accordance with the Articles of Association is the General Director.

2. The economic environment in which the Company operates

The Company operates in the Russian Federation and is therefore exposed to risks associated with the state of the economy and financial markets of the Russian Federation.

The economy of the Russian Federation exhibits some characteristics typical of emerging markets.

The legal, tax and regulatory systems continue to evolve and are subject to frequent changes and varying interpretations.

Ongoing geopolitical tensions, as well as sanctions imposed by a number of countries on certain sectors of the Russian economy, Russian organizations and individuals, have led to increased economic uncertainty, including reduced liquidity and greater volatility in capital markets, volatility of the Russian ruble and key rate, and a significant reduction in the availability of debt financing sources. It is difficult to assess the consequences of the imposed and possible additional sanctions in the long term; the sanctions may have a significant negative impact on the Russian economy.

The Company takes all necessary measures to ensure the sustainability of its operations. The presented financial statements reflect the management's viewpoint on the impact of business conditions in the Russian Federation on the Company's operations and financial position. The actual impact of future business conditions may differ from management's assessments.

II. Information on accounting policies

1. Basis of preparation

The financial statements are generated based on the accounting and reporting rules in force in the Russian Federation, established by the Federal Law *"On Accounting"*, as well as the Regulation on the maintenance of accounting records and financial statements in the Russian Federation and other regulatory legal acts on accounting, approved by the Ministry of Finance of the Russian Federation.

2. Assets and liabilities in foreign currencies

When accounting for business transactions expressed in foreign currency, the official exchange rate of the foreign currency to the ruble in effect on the date of the transaction in foreign currency is applied.

There were no foreign currency transactions during 2024.

3. Current and non-current assets and liabilities

In the balance sheet, financial investments, accounts receivable depending on the maturity date (except for advances issued for the acquisition of non-current assets), accounts payable, borrowed funds, lease liabilities, provisions are classified as short-term if their circulation (repayment) period does not exceed 12 months after the reporting date. The remaining assets and liabilities are presented as long-term.

4. Intangible assets

The Company reflects the following in its intangible assets:

- results of intellectual activity (invention, industrial design, utility model, software - computer programs, databases);
- means of individualization, with the exception of those created by the Company itself;
- permits (licenses) for the implementation of certain types of activities;
- material carriers (things) in which the results of intellectual activity and equivalent means of individualization that are inseparable from the intangible asset are expressed;
- other items that meet the criteria for classification as intangible assets.

When recognizing intangible assets, a cost limit of 40 thousand rubles per unit is used, which is set by the Company taking into account the materiality of information about the items. The costs of acquiring and creating such assets are recognized as expenses of the period in which they are incurred.

When accepting intangible assets for accounting, the Company determines their useful life. The useful life of intangible assets is checked by the Company for compliance with the terms of use of intangible assets at the end of each reporting year and upon the occurrence of circumstances indicating a possible change. Based on the results of such a check, if necessary, the Company makes a decision to change the relevant depreciation elements. The resulting adjustments are recognized in accounting as changes in estimated values.

Amortization of intangible assets with a definite useful life is calculated using the straight-line method.

After recognition, intangible assets are measured at original cost.

The verification of intangible assets for impairment and the accounting of changes in the book value due to impairment is carried out in the manner prescribed by the International Financial Reporting Standard (IAS) 36 "*Impairment of Assets*", put into effect in the territory of the Russian Federation by order of the Ministry of Finance of the Russian Federation dated 28 December 2015 No. 217n (see paragraph 8 of the section "Information on Accounting Policies").

5. Property, plant and equipment

Composition and valuation of property, plant and equipment

Property, plant and equipment include buildings, structures, except for power lines, power transmission lines and devices for them, machinery and equipment, production and business inventory, including other items, land plots and natural resource management facilities, investment

real estate with a useful life of more than 12 months.

When recognizing property, plant and equipment, a value limit of over 40 thousand rubles per unit is used, which is established by the Company taking into account the materiality of information about the objects.

The costs of acquiring and creating such assets are recognized as expenses of the period in which they are incurred. Special clothing (special equipment) intended for use over a long period of time, i.e. a period exceeding 12 months or a normal operating cycle, if it exceeds 12 months, with a cost exceeding the limit established by the Company is recognized as part of property, plant and equipment.

Significant costs for the restoration of property, plant and equipment (repairs, etc.) that arise over certain long time intervals (more than 12 months) during the service life of a fixed asset are also recognized as independent inventory items (components of property, plant and equipment). Significant costs are costs that exceed 30% of the initial cost of similar objects (groups), which includes the fixed asset being repaired.

Acquired property, plant and equipment, the rights to which are subject to state registration, are accepted for accounting as property, plant and equipment on the date of readiness for operation, regardless of the fact of state registration of ownership or submission of documents for such registration. Recognition of expenses in the book value of a fixed asset ceases when the asset is brought to a condition that ensures its functioning in accordance with the intentions of management.

When recognizing in accounting, a fixed asset is valued at its original cost. The original cost of a fixed asset is considered to be the total amount of capital investments related to this asset made before the fixed asset is recognized in accounting.

In the balance sheet, property, plant and equipment are shown at their original cost minus the amounts of depreciation accumulated over the entire period of operation and impairment.

Depreciation of property, plant and equipment

The cost of property, plant and equipment is repaid by accruing depreciation. Accrual of depreciation of property, plant and equipment is performed using the linear method.

The depreciation elements (useful life, liquidation value and depreciation accrual method) of property, plant and equipment are determined upon recognition of this object in accounting and are subject to verification for compliance with the conditions of use of the fixed asset at the end of each reporting year, as well as upon the occurrence of circumstances indicating a possible change in the depreciation elements. Based on the results of such verification, if necessary, the Company makes a decision to change the relevant depreciation elements. The resulting adjustments are recognized in accounting as changes in estimated values.

The accrual of depreciation is not suspended (including in cases of downtime or temporary cessation of use of property, plant and equipment), except for the case when the liquidation value of a fixed asset becomes equal to or exceeds its book value. If the liquidation value of such a fixed asset subsequently becomes less than its book value, the accrual of depreciation on it is resumed.

Land plots are not depreciated.

The useful lives of property, plant and equipment by groups are given below.

Fixed asset group	Useful life (number of years)
Buildings	30-40
Structures other than power transmission lines	7-45
Power lines and devices for them	25-35
Machines and equipment	2-30
Production and business inventory, including other items	2-15

Impairment of property, plant and equipment

The verification of property, plant and equipment for impairment and the accounting of changes in the book value due to impairment is carried out in the manner prescribed by the International Financial Reporting Standard (IAS) 36 “*Impairment of Assets*”, put into effect in the territory of the Russian Federation by order of the Ministry of Finance of the Russian Federation dated 28 December 2015 No. 217n (see paragraph 8 of the section “Information on Accounting Policies”).

Disposal of property, plant and equipment

The financial result from the disposal of property, plant and equipment (the difference between the income and expenses arising from the disposal) is recognized in the statement of financial results as part of other income or other expenses.

6. Unfinished capital investments

Unfinished investments in non-current assets include real estate objects that have not been completed by construction and have not been accepted for operation, equipment requiring installation, as well as other assets subject to future inclusion in property, plant and equipment and intangible assets, including material assets intended for use in the process of acquiring, creating, improving and (or) restoring property, plant and equipment.

Capital investments in property, plant and equipment include the Company's costs for their: acquisition; creation; improvement and (or) restoration (completion, additional equipment, modernization, reconstruction, replacement of parts, significant costs for repairs, technical inspections, technical maintenance with a frequency of more than 12 months or more than the usual operating cycle exceeding 12 months). Costs in the form of payment for technological connection to electrical and other infrastructure networks are included in the actual costs that form the initial cost

of property, plant and equipment, if such costs are associated with new construction, reconstruction, modernization of property, plant and equipment and provided that these costs are incurred before the fixed asset is put into operation.

Equipment that does not require installation, is in storage and is intended for construction projects, and is recognized in the composition of unfinished capital investments.

When making capital investments in property, plant and equipment on the terms of a deferral (installment) of payment for a period exceeding 12 months, the capital investments shall include the amount of money that would have been paid by the Company in the absence of the said deferral (installment).

When making capital investments under contracts that provide for the fulfillment of obligations (payment) in full or in part by non-monetary means, the actual costs (in terms of payment by non-monetary means) are recognized as the fair value of the transferred property, property rights, works, and services.

The amount of actual costs in making capital investments includes interest on borrowed funds received for the acquisition, construction, production of property, plant and equipment classified as investment assets, or received for other purposes, but actually spent on the acquisition, construction, production of these objects, accrued before the start of using the objects for the manufacture of products, performance of work, provision of services. After the commissioning of the object, interest is recognized in the financial performance report as part of other expenses.

Interest on borrowed funds received for purposes not related to the acquisition, construction, or production of investment assets, but actually spent on the acquisition of investment assets, is included in the value of investment assets in proportion to the share of the said funds in the total amount of borrowed funds received for purposes not related to the acquisition, construction, or production of investment assets.

The Company tests capital investments in property, plant and equipment for impairment and takes into account changes in their book value due to impairment in the manner prescribed by IAS 36 *"Impairment of Assets"*, namely: capital investments are tested for impairment if there are any signs indicating the possibility of impairment losses. An impairment loss is recognized in the amount of the excess of the asset's book value over its recoverable amount.

The financial result from the sale of unfinished capital investments (the difference between the income and expenses arising from the sale) is recognized in the statement of financial results as part of other income or other expenses.

In the balance sheet, unfinished investments in non-current assets are recognized in lines 1110 "Intangible assets" or 1150 "Property, plant and equipment", depending on what assets these objects will be accepted for accounting after the completion of the corresponding investments in non-current assets.

7. Right-of-use assets and lease liabilities

The right to use an asset received under lease is recognized at its initial cost, taking into account subsequent adjustments related to changes in the terms of the lease (changes in the lease term, amount of lease payments, volume (quantity) of leased objects), less the amounts of accrued depreciation and impairment losses.

The initial cost of the right to use an asset on the date of receipt of the leased asset includes: the present value of future lease payments, the amount of lease payments paid as of the date of receipt of

the leased asset; additional costs of the lessee in connection with the receipt of the leased asset and bringing it to a condition suitable for use for the planned purposes; the amount of the estimated liability to be fulfilled by the lessee, in particular, for dismantling, moving the leased asset, restoring the environment, restoring the leased asset to the condition required by the lease agreement, if the emergence of such an obligation for the lessee is conditioned by the receipt of the leased asset.

The right-of-use assets after acceptance for accounting are assessed in accordance with the requirements for accounting for similar property, plant and equipment in terms of depreciation and impairment. The right to use an asset that arose when a land plot was leased is depreciated in the same way as other right-of-use assets that arose under a lease agreement.

The lease term is determined based on the terms and conditions established by the lease agreement (including periods not providing for lease payments). In this case, the parties' ability to change the specified terms and conditions and the parties' intentions regarding the implementation of such opportunities are taken into account.

The lease liability is measured at the present value of future lease payments over the lease term using a rate comparable to that at which the lessee borrows or could borrow.

The lease liability after recognition is increased by the amount of accrued interest and decreased by the amount of actual lease payments paid.

Changes in the amount of the lease liability due to changes in: the terms of the lease agreement; intentions to extend or reduce the lease term, which was previously taken into account when calculating the lease term; the amount of lease payments compared with how they were taken into account when initially measuring the lease liability, are attributed to the cost of right-of-use asset.

Any reduction in the lease liability in excess of the carrying amount of right-of-use asset is included in income for the current period.

When a lease is terminated in whole or in part, the carrying amount of right-of-use asset and the lease liability are written off in proportion. The resulting difference is recognized as other income and expenses.

In the balance sheet, the right-of-use assets are recognized in line 1150 "Property, plant and equipment", long-term and short-term lease liabilities are recognized in line 1450 "Other liabilities" and line 1520 "Accounts payable".

The verification of right-of-use assets for impairment and the accounting of changes in the book value due to impairment is carried out in the manner prescribed by the International Financial Reporting Standard (IAS) 36 *"Impairment of Assets"*, put into effect in the territory of the Russian Federation by order of the Ministry of Finance of the Russian Federation dated 28 December 2015 No. 217n (see paragraph 8 of the section "Information on Accounting Policies").

8. Testing non-current assets for impairment in accordance with IFRS (IAS) 36 *"Impairment of assets"*

At each reporting date, the Company determines the presence of signs of impairment of non-current assets (property, plant and equipment, capital investments, right-of-use assets, intangible assets) and performs an impairment test if there are signs of impairment in the manner prescribed by International Financial Reporting Standard (IAS) 36 *"Impairment of Assets"*.

When there are indications of possible impairment, the Company estimates the recoverable amount of assets. Most of the Company's property, plant and equipment are specialized items that are rarely sold or traded on the open market, except when they are sold as part of operating enterprises. The market for such property, plant and equipment is not active in the Russian Federation and does not provide a sufficient number of examples of purchases and sales to use the market approach to determine the fair value of these property, plant and equipment.

The recoverable amount of special purpose assets is determined as their value in use using the projected cash flow method. This method takes into account the future net cash flows that these property, plant and equipment will generate during operating activities and upon disposal, in order to determine the recoverable amount of these assets.

An impairment loss is recognized if the carrying amount of a cash-generating unit exceeds its estimated (recoverable) amount.

The main criterion for determining the cash-generating unit is the indivisibility of the tariff and the impossibility of further detailing of accounting and planning.

Cash-generating units are determined by the Company based on the geographic location of the Company's branches where tariff regulation is carried out and represent the smallest identifiable groups of assets that generate cash inflows regardless of other assets of the Company. The Company identifies the following cash-generating units:

	Branch name
cash-generating unit 1	Branch of Rosseti Centre, PJSC - Belgorodenergo
cash-generating unit 2	Branch of Rosseti Centre, PJSC - Bryanskenergo
cash-generating unit 3	Branch of Rosseti Centre, PJSC - Voronezhenergo
cash-generating unit 4	Branch of Rosseti Centre, PJSC - Kostromaenergo
cash-generating unit 5	Branch of Rosseti Centre, PJSC - Kurskenergo
cash-generating unit 6	Branch of Rosseti Centre, PJSC - Lipetskenergo
cash-generating unit 7	Branch of Rosseti Centre, PJSC - Orelenergo
cash-generating unit 8	Branch of Rosseti Centre, PJSC - Tambovenergo
cash-generating unit 9	Branch of Rosseti Centre, PJSC - Smolenskenergo
cash-generating	Branch of Rosseti Centre, PJSC - Tverenergo

unit 10	
cash-generating unit 11	Branch of Rosseti Centre, PJSC - Yarenergo

For the purpose of impairment testing, specialized assets in the form of right-of-use assets are treated as cash-generating unit assets in the same way as own non-current assets – based on the geographic location of the Company’s structural divisions where tariff regulation is carried out.

An impairment loss is allocated to reduce the carrying amount of an asset unit proportionately to the carrying amount of each asset in the cash-generating unit. An impairment loss is recognized as other expenses.

After an impairment loss is recognized, the depreciation charge for an asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on a regular basis over its remaining useful life.

Amounts written off as impairment losses are reversed if there is a change in the valuation factors used to calculate the related recoverable amount. An impairment loss is reversed only to the extent that it is sufficient to restore the asset to the carrying amount that it would have been, net of accumulated depreciation, if the impairment loss had not been recognized. Reversals of impairment losses are recognized in other income.

9. Financial investments

Accounting of financial investments is carried out in accordance with PBU 19/02, approved by order of the Ministry of Finance of Russia dated 10 December 2002 No. 126n (with amendments and additions).

Financial investments are accepted for accounting at their initial cost. The initial cost of financial investments acquired for a fee is the amount of the Company's actual costs for their acquisition, excluding value-added tax and other refundable taxes (except for cases stipulated by the legislation of the Russian Federation on taxes and fees). For debt securities, the difference between the amount of actual costs for acquisition and the nominal value of these securities is included in other income evenly over the period of their circulation.

Financial investments for which the current market value can be determined in the established manner are revalued quarterly at the current market value and recognized in the financial statements at the specified value. The difference between the valuation of such financial investments on the current reporting date and their previous valuation is attributed to other expenses and income.

Financial investments for which the current market value is not determined are recognized in the balance sheet as of the end of the reporting year at their book value, with the exception of investments for which, as of the specified date, there are conditions for a stable significant decrease in value.

The Company checks financial investments for depreciation annually. A reserve for depreciation of financial investments is created for the amount of the excess of the book value of these investments over their estimated value, the total amount of which is attributed to other expenses. In this case, the cost of such investments is recognized in the balance sheet minus the amount of the reserve created for depreciation of financial investments.

When financial investments in securities for which the current market value is not determined are disposed of, they are valued at the average initial value of the given type of securities. In this case,

for investments in the authorized capital of limited liability companies, deposits, issued loans, investments in joint activities, their value upon disposal is determined based on the valuation determined by the method based on the initial value of each unit.

When financial investments in securities, for which the current market value is determined in the established manner, are disposed of, their value is determined based on the latest valuation. Income and expenses on financial investments are recognized in other income and expenses.

10. Inventories

Accounting of inventories is carried out in accordance with FSBU 5/2019, approved by order of the Ministry of Finance of Russia dated 15 November 2019 No. 180.

Inventories are assets that are consumed or sold as part of the normal operating cycle of the entity or that are used for a period of no more than 12 months.

Inventories are accepted for accounting at actual cost, calculated based on the amount of actual acquisition/production costs, with the exception of value added tax and other refundable taxes (except in cases stipulated by the legislation of the Russian Federation).

When releasing inventories into production, shipping finished products and goods to the buyer, and also when writing off inventories, their cost is calculated using the “average cost” method.

The cost of special clothing, the service life of which, according to the issuance standards, does not exceed 12 months, is written off in full to the debit of the relevant accounts for recording production costs at the time of its transfer (release) to the Company's employees.

Inventories intended to ensure work to prevent and eliminate accidents (emergency situations) at power grid facilities (emergency stock) are recognized in line 1210 “Inventories” of the balance sheet.

The Company's reserves are valued at the reporting date at the lower of the following values:

- actual cost of inventory;
- net realizable value of inventory.

Inventories that have completely or partially lost their original qualities, have become obsolete, or whose market value has decreased, are recognized in the balance sheet at net realizable value.

Exceeding the actual cost of inventories over their net realizable value is considered depreciation. A reserve is created for the amount of depreciation of inventories, which is attributed to an increase in other expenses of the Company.

Inventories in the financial statements are recognized minus the reserve created in relation to these inventories for the reduction in value in line 1210 “Inventories”.

11. Accounts receivable

Accounts payable from buyers (customers) are recognized in the accounting simultaneously with the recognition of revenue (income) from the sale of goods, performance of work, provision of services (except in cases of recognition of revenue from the performance of work, provision of services, sale of products with a long production cycle as the work, service, or product is completed).

The amount of accounts receivable is determined based on the price and conditions established by the contract, including VAT.

In the balance sheet, the indicator "Advances issued" is recognized in the group of items "Accounts receivable" (except for advances issued for the acquisition of non-current assets), including VAT. Advances issued for the acquisition of non-current assets are recognized in the corresponding lines of the section "Non-current assets" excluding VAT.

The unit of accounting for settlements with customers and clients is the accounts receivable (accounts payable) for each buyer (customer) and each contract.

Debt that is not repaid within the established period or is highly likely not to be repaid within the periods established by contracts and is not secured by appropriate guarantees or sureties is doubtful and a reserve for doubtful debts is accrued for this debt. These reserves represent a conservative assessment by the Company's management of that portion of the debt that may not be repaid. Reserves for doubtful debts are attributed to an increase in other expenses.

Uncollectible debt was written off the balance sheet as it was recognized as such. The said debt is recorded off the balance sheet for five years from the date of writing off to monitor the possibility of its collection in the event of a change in the debtor's financial situation.

12. Cash equivalents and presentation of cash flows in the Statement of Cash Flows

Cash equivalents include highly liquid financial investments that can be easily converted into a known amount of cash and that are subject to an insignificant risk of change in value.

Cash equivalents include highly liquid bank bills or bonds, short-term government securities with a maturity of 3 months or less from the date of purchase (with a maturity of less than 92 days), as well as short-term bank deposits - deposits in deposits with a fixed return period of three months or less (with a fixed return period of less than 92 days).

Bank deposits with the right of early termination shall be recognized as part of cash equivalents regardless of the placement period.

In the statement of cash flows, the Company's cash flows that cannot be clearly classified as cash flows from current, investment or financial operations are classified as cash flows from current operations.

The cash flow statement presents the following items in a consolidated form:

- payments and receipts from transactions related to the purchase and sale of financial investments (in cases where they are characterized by rapid turnover, large amounts and short repayment periods);
- receipt of borrowed funds in the form of a bank overdraft and their repayment (except for accrued interest);
- VAT amounts as part of receipts from customers and clients, payments to suppliers and contractors, and payments to the budget system and VAT reimbursement from it.

Receipts and payments in connection with the accrual of interest on cash equivalents, gains or losses from foreign exchange transactions and from the exchange of one cash equivalent for another are recognized in the lines “Other receipts” and “Other payments” in the composition of cash flows from current operations in the statement of cash flows, respectively.

13. Long-term assets for sale

Long-term assets for sale include:

- property, plant and equipment or other non-current assets (except for financial investments), the use of which has been terminated due to a decision to sell them and there is confirmation that the resumption of use of these assets is not expected (a corresponding management decision has been made, actions have been initiated to prepare the asset for sale, a sale agreement has been concluded, etc.);
- tangible assets intended for sale, remaining from the disposal, including partial, of non-current assets or extracted in the process from current maintenance, repair, modernization, reconstruction, except for the case when such assets are classified as inventories.

Long-term assets available for sale are presented in line 1260 “Other current assets” in the balance sheet.

A long-term asset available for sale is measured at the carrying amount of the related fixed asset or other non-current asset at the time of its reclassification as a long-term asset available for sale.

The subsequent valuation of a long-term asset for sale is carried out in the manner prescribed for the valuation of inventories.

14. Authorized capital, reserve capital

The authorized capital is recognized in the sum of the par value of ordinary and preferred shares issued by the Company, including the par value of ordinary shares repurchased by the Company from shareholders. The amount of the authorized capital corresponds to that established in the Company's charter.

When increasing the authorized capital by placing additional shares, transactions to form the authorized capital are recognized in the accounting after registration of the relevant changes made to the constituent documents of the Company.

As of 31 December 2024, 31 December 2023, and 31 December 2022, the Company's authorized capital was registered in accordance with the established procedure and fully paid.

In accordance with the legislation, the Company creates a reserve fund in the amount of 5 (five) percent of the authorized capital of the Company. The amount of mandatory annual deductions to the

reserve fund of the Company is not less than 5 (five) percent of the net profit of the Company until the Reserve Fund reaches the established amount.

15. Borrowed funds received

Debt on loans and credits received is recognized in accounting and reporting in accordance with the terms of the concluded agreements.

The principal amount of debt on loans received is recognized at the time of receipt of borrowed funds in the amount of funds actually received. The amount of principal debt on loans attracted by issuing bonds is recognized in the amount of the par value of the bonds.

The debt on received loans and credits is recognized in the accounting accounts taking into account the interest due for payment at the end of the reporting period in accordance with the terms of the agreements, while the following information is separated:

- for long-term and short-term liabilities;
- on the principal amount of borrowed funds;
- on accrued but unpaid interest.

Interest and/or discount on a bond payable by the Company are recognized separately from the nominal value of the bond as accounts payable.

Interest accrued in the established manner is subject to reflection in the composition of other expenses, with the exception of interest on borrowed funds attracted for the acquisition (creation) of investment assets (capitalized interest).

Interest for the use of borrowed funds is included in the cost of the investment asset or in other expenses evenly (monthly) during the period of use of the borrowed funds, regardless of the time of actual payment of interest.

The Company transfers long-term debt to short-term debt for received loans and credits. Short-term debt is transferred to long-term debt if an agreement is concluded to extend the short-term loan agreement in such a way that the loan repayment period will be more than 12 months from the reporting date. The Company transfers long-term debt for received loans and credits to short-term debt at the moment when, according to the terms of the loan and (or) credit agreement, less than 12 months remain until the repayment of the principal amount of the debt.

Additional expenses incurred by the Company in connection with obtaining loans and credits, issuing and placing loan obligations, are included in other expenses in the reporting period in which they were incurred.

16. Accounts payable

The amount of accounts payable is determined based on the price and conditions established by the contract, where applicable - with VAT. The advance payment amount is fully credited towards the fulfillment of obligations under the contract, unless otherwise provided by the contract.

Accounts payable to suppliers and contractors are recognized in the accounting simultaneously with the acceptance for accounting of assets, results of work performed, services rendered, supplied (performed) by the supplier (contractor).

The unit of accounting for settlements with suppliers and contractors is accounts payable (receivable) for each supplier (contractor) and each contract.

Settlements with suppliers and contractors include:

- accounts payable to suppliers and contractors;
- advances and prepayments issued to suppliers and contractors.

The change in the classification of debt on settlements with suppliers and contractors is made according to the repayment period: debt previously classified as long-term is classified as short-term if the period from the reporting date to the date of repayment of the Company's obligations established by the relevant agreement (contract) is 12 months or less.

Write-off of accounts payable may occur:

- due to the expiration of the limitation period,
- in connection with the liquidation of the creditor,
- partly upon conclusion of a settlement agreement,
- in other cases stipulated by the legislation of the Russian Federation and/or foreign states, which stipulate the termination of the creditor's claims.

The amounts of accounts payable for which the limitation period has expired are written off for each obligation based on the data of the inventory, written justification and the order (instruction) of the head of the Company and are included in other income.

17. Provisions, contingent liabilities and contingent assets

Provisions

The Company reflects the estimated liability while simultaneously meeting the recognition conditions established in PBU 8/2010 *"Provisions, Contingent Liabilities and Contingent Assets"*.

The Company recognizes provisions when the recognition conditions are met for the following liabilities:

- pending legal cases on the reporting date in which the Company is the plaintiff or defendant and decisions on which can only be made in subsequent reporting periods, disagreements, claims leading to an outflow of economic benefits from the Company;
- vacation pay;
- payment of remuneration (bonuses) to employees based on the results of work for the year;
- reforestation;
- payment of severance pay;
- restructuring of the Company, sale or termination of any area of the Company's activities, closure of the Company's divisions or their relocation to another geographic region, etc.

The formation of an estimated liability for legal cases with an unfavorable outcome, disagreements and claims taking into account the probability of an unfavorable outcome when settling disagreements during legal proceedings or when settling disagreements voluntarily is carried out at the end of each reporting period (quarter).

The estimated liability for vacation pay is formed monthly for each employee as of the last day of the reporting month. The amount of the estimated liability at the end of the reporting period is determined based on the number of vacation days due but not used by the employee as of the reporting date and the average daily earnings of the employee as of the reporting date, taking into account insurance contributions.

The estimated liability for payment of remuneration (bonuses) to employees based on the results of work for the year is formed annually as of the last day of the reporting year. The amount of remuneration is determined individually for each employee in accordance with the provisions on remuneration and material incentives for employees of the Company. The amount of the liability is calculated taking into account the amount of insurance contributions.

The estimated liability for forest restoration is recognized by the Company in accounting as the Company carries out actual forest use, as a result of which it is obliged to carry out forest restoration work. In accordance with the requirements of rationality and prudence, the Company recognizes the estimated liability for forest restoration as of the date of commissioning of the construction project in relation to the entire volume of forest restoration work.

Contingent liabilities and contingent assets

Contingent liabilities and contingent assets are not recognized in the balance sheet but are disclosed in the notes to the balance sheet and the income statement.

A contingent liability (contingent asset) arises as a result of past events in economic life, when the existence of a Company's liability (asset) on the reporting date depends on the occurrence (non-occurrence) of one or more future uncertain events beyond the control of the Company.

A contingent liability is disclosed in the notes to the balance sheet and the income statement, except when a reduction in the economic benefits associated with it is unlikely. A contingent asset is disclosed in the notes to the balance sheet and the income statement when the receipts associated with it are probable. An estimated value or range of estimated values is indicated, if they can be determined.

18. Income tax calculations

The amounts of accrued, repaid and written off deferred tax assets and deferred tax liabilities in the statement of financial results are included:

- in line 2412 “Deferred income tax” – in the consolidated amount of the change in deferred tax assets and deferred tax liabilities related to the results of operations included in the accounting profit (loss) of the reporting period;
- in line 2530 “Tax on profit from operations, the result of which is not included in the net profit (loss) of the reporting period” - in the consolidated amount of the change in deferred tax assets and deferred tax liabilities not related to the results of operations included in the accounting profit (loss) of the reporting period.

The amounts of deferred tax assets and deferred tax liabilities are recognized in detail in the balance sheet.

19. Income

Income accounting is regulated by the Accounting Regulation “*Income of an Organization*” (PBU 9/99), according to which the Company’s income, depending on its nature, conditions of receipt and areas of activity, is divided into income from ordinary activities and other income.

Income from ordinary activities of the Company includes revenue from the sale of products and goods, receipts related to the performance of work, and the provision of services.

Revenue is accepted for accounting in an amount calculated in monetary terms equal to the amount of cash and other property received and (or) the amount of accounts receivable. Revenue from the sale of products (rendering of services) is recognized as products are shipped to customers (services are rendered) and payment documents are presented to them. It is recognized in the reporting minus value added tax.

The following are recognized as part of the Company’s other income:

- interest received for the provision of the Company's funds for use, interest for the bank's use of funds held in the Company's account in this bank, as well as interest on acquired interest-bearing bills of exchange of third parties - in accordance with the interest clause in the bill when it is presented for payment. The Company reflects this income in the Statement of Financial Results in line 2320 “Interest Receivable”;
- The Company recognizes income related to participation in the authorized capital of other organizations (dividends) as they are declared and reflects it in the Statement of Financial Results under line 2310 “Income from participation in other organizations”;
- fines, penalties, forfeits for violation of contractual relations - in the reporting period in which the court issued a decision on their collection or they were recognized by the debtor;
- profit from previous years, identified in the reporting period (taking into account the requirements of the Accounting Regulation “*Correction of Errors in Accounting and Reporting*” (PBU 22/2010));
- amounts of accounts payable (except for dividends) and depositor debt for which the limitation period has expired - in the reporting period in which the limitation period expired;
- other receipts (income) in accordance with the Accounting Regulation “*Income of an Organization*” (PBU 9/99), as they are generated (identified).

20. Expenses

Accounting of expenses is regulated by the Regulation on accounting “*Expenses of the organization*” (PBU 10/99), in accordance with which the Company’s expenses are divided into expenses for ordinary activities and other expenses.

Expenses for ordinary activities are expenses related to the production and sale of products, the purchase and sale of goods, expenses related to the production of works, the provision of services, the implementation of which is related to the ordinary activities of the Company.

Expenses (costs) are subject to recognition in accounting regardless of the intention to receive revenue, other or other income and the form of expenditure (monetary, in-kind and other). Expenses (costs) are recognized in the reporting period in which they occurred, regardless of the time of actual payment of funds and other form of implementation (assuming time certainty of economic activity facts).

Expenses (costs) for ordinary activities are accepted for accounting in an amount calculated in monetary terms, equal to the amount of payment in monetary or other form or the amount of accounts payable.

The actual cost of work performed and services rendered is recognized as expenses for ordinary activities of the reporting period; the cost of completed production, as well as the cost of work in progress, forms the value of assets (inventories).

Management expenses are recognized monthly as expenses for ordinary activities in full in line 2220 “Management expenses” of the Statement of Financial Results.

Commercial expenses (sales expenses) include costs associated with the implementation of commercial processes and administrative and management processes for managing commercial divisions (performing the functions of a guaranteed supplier). Commercial expenses are recognized in line 2210 "Commercial expenses" of the Statement of Financial Results.

Other expenses include expenses not related to the production and sale of products or provision of services. Other expenses include:

- interest paid by the Company for the provision of funds (loans, credits) for its use; the Company reflects these expenses in the Statement of Financial Results under line 2330 "Interest Payable";
- expenses related to payment for services provided by credit institutions;
- reserve for doubtful debts formed based on the results of the reporting period;
- reserve for impairment of financial investments;
- fines, penalties, forfeits for violation of contract terms, compensation for damages caused by the Company;
- losses from previous years identified in the reporting period (taking into account the requirements of the Accounting Regulation "*Correction of Errors in Accounting and Reporting*" (PBU 22/2010));
- charitable expenses;
- other expenses according to PBU 10/99.

21. Changes in accounting policy since 2024

Changes in accounting policy in 2024

The Company's accounting policy for 2024 has been amended due to the introduction of FSBU 14/2022 "*Intangible Assets*" from 1 January 2024. The main provisions of the accounting policy in terms of intangible assets are disclosed in paragraph 4 of this section.

Adjustments to the Company's financial statements as a result of changes in accounting policies in 2024

The Company recognized the consequences of the change in accounting policy in connection with the start of application of FSBU 14/2022 "*Intangible Assets*" in accordance with the transitional provisions provided for in paragraph 53 of the standard:

- without recalculation comparative indicators for the periods preceding the reporting period.

The table below shows the impact of changes in accounting policy in connection with the start of application of FSBU 14/2022 "*Intangible Assets*" on the balance sheet indicators at the beginning of the reporting period:

- in section adjustments;
- taking into account applicable changes in deferred tax liabilities.

The effect of the adjustments is also recognized in the Statement of Capital Movements in Section 1 "Capital Movements" by line:

- 3300 "The effect of a one-time adjustment to the inter-reporting period upon transition to FSBU 14/2022 "*Intangible assets*";
- 3301 "The size of equity as of 1 January 2024, taking into account the one-time adjustment of the inter-reporting period."

Title of the Balance Sheet item	Indicator code	As of 31 December 2023, before adjustments due to the start of application of FSBU 14/2022 “Intangible Assets”	The impact of changes in accounting policies in connection with the start of application of FSBU 14/2022 “Intangible assets” in terms of adjustments, taking into account applicable changes in deferred income tax						As of 1 January 2024, taking into account adjustments in connection with the start of application of FSBU 14/2022 “Intangible Assets”
			Reclassification of items that meet the criteria for recognizing intangible assets from the composition of deferred expenses		One-time write-off				
			In the composition of intangible assets	In the composition of capital investments in intangible assets	Carrying amount of capital investments related to the implementation of R&D related to the research stage	Carrying amount of items accepted for accounting as intangible assets before the start of applying FSBU 14/2022 “Intangible Assets”, but not considered as such according to the new rules, and taking into account the limit established by the Company	Items from the composition of expenses of future periods that do not meet the criteria for recognizing intangible assets	Total impact of changes in accounting policies in connection with the start of application of FSBU 14/2022 “Intangible assets”	
I. Non-current assets									
Intangible assets	1110	487 957	547 789	305 738	–	(529)	–	852 998	1 340 955
Research and development results	1120	84 494	(9 018)	(75 476)	–	–	–	(84 494)	–
Deferred tax assets	1180	4 808 583	–	–	–	–	–	212 759	5 021 342
Other non-current assets	1190	2 717 037	(538 771)	(230 262)	–	(700 103)	(301 358)	(1 770 494)	946 543
TOTAL for section I	1100	122 107 687	–	–	–	–	–	(789 231)	121 318 456
II. Current assets								–	–
Other current assets	1260	1 671 390	–	–	–	(76 178)	(35)	(76 213)	1 595 177
TOTAL for Section II	1200	26 524 737	–	–	–	–	–	(76 213)	26 448 524
BALANCE	1600	148 632 424	–	–	–	–	–	(865 444)	147 766 980
III. Equity and reserves								–	–
Retained earnings (uncovered loss)	1370	56 393 826	–	–	–	–	–	(865 344)	55 528 482
TOTAL for Section III	1300	60 826 710	–	–	–	–	–	(865 344)	59 961 366
IV. Long-term liabilities								–	–
Deferred tax liabilities	1420	10 142 856	–	–	–	–	–	(100)	10 142 756
Total for Section IV	1400	48 249 397	–	–	–	–	–	(100)	48 249 297
BALANCE	1700	148 632 424	–	–	–	–	–	(865 444)	147 766 980

Changes in accounting policy in 2025

The Company's accounting policy for 2025 has been amended due to the commencement of application of FSBU 4/2023 *"Financial Statements"* from 1 January 2025, in terms of:

- composition of financial statements;
- the composition and content of information disclosed in the financial statements;
- conditions for the reliability of financial statements;
- approach to the preparation of interim financial statements.

The interim financial statements are prepared by the Company on a cumulative basis:

- from 1 January to 31 March of the reporting year;
- from 1 January to 30 June of the reporting year;
- from 1 January to 30 September of the reporting year.

In the interim financial statements, the Company discloses information on significant facts of economic life that occurred during the interim reporting period, updating the information disclosed in the annual financial statements for the year preceding the interim reporting period.

The Company's accounting policy for 2025 has also been amended in connection with the commencement of application of FSBU 28/2023 *"Inventories"* from 1 April 2025, in terms of general requirements for conducting an inventory and cases of mandatory inventory.

The application of this standard will not have a direct impact on the indicators of financial statements.

III. Disclosure of material indicators

1. Intangible assets

1.1 Availability and movement of intangible assets

thousand rubles

Name of the indicator	Period	The effect of a one-time adjustment to the inter-reporting period upon transition to FSBU 14/2022		At the beginning of the year			Added	Changes for the period				At the end of the year		
								Disposed		Accrual (recovery) of impairment	Accrual of depreciation (including impairment depreciation)	Initial cost	Accumulate d depreciation and impairment	Carrying amount
		Initial cost	Accumulate d depreciation and impairment	Initial cost	Accumulated depreciation and impairment	Carrying amount		Initial cost	Accumulated depreciation and impairment					
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Intangible assets, total	2024	504 205	43 055	813 875	(56 246)	757 629	580 483	–	–	–	(119 174)	1 394 358	(175 420)	1 218 938
	2023	–	–	214 682	(78 606)	136 076	94 988	–	–	–	(20 695)	309 670	(99 301)	210 369
including:														
results of intellectual activity: invention, industrial design, utility model	2024	(27 596)	27 596	35 582	(12 127)	23 455	11 688	8 630	–	–	(2 917)	55 900	(15 044)	40 856
	2023	–	–	63 178	(35 915)	27 263	–	–	–	–	(3 808)	63 178	(39 723)	23 455
results of intellectual activity: software - computer programs, databases	2024	(13 656)	13 622	230 099	(43 984)	186 115	136 247	–	–	–	(27 064)	366 346	(71 048)	295 298
	2023	–	–	149 175	(41 684)	107 491	94 580	–	–	–	(15 922)	243 755	(57 606)	186 149
means of individualization: trade names, trademarks, service marks, name of place of origin of goods	2024	–	–	–	–	–	–	–	–	–	–	–	–	–
	2023	–	–	–	–	–	–	–	–	–	–	–	–	–
other items that meet the criteria for classification as intangible assets	2024	545 457	1 837	548 194	(135)	548 059	432 548	(8 630)	–	–	(89 193)	972 112	(89 328)	882 784
	2023	–	–	2 329	(1 007)	1 322	408	–	–	–	(965)	2 737	(1 972)	765

In the reporting year, the method of calculating the depreciation of intangible assets did not change compared to the previous reporting period. The useful life of intangible assets was revised based on the results of the annual inventory.

The Company has no non-amortizable intangible assets.

The Company does not have any intangible assets in respect of which there are restrictions on property rights.

1.2 Capital investments in intangible assets

thousand rubles

Name of the indicator	Period	The effect of a one-time adjustment to the inter-reporting period upon transition to FSBU 14/2022	At the beginning of the year (actual costs taking into account accumulated impairment)	Changes for the period				At the end of the period (actual costs taking into account accumulated impairment)
				Costs for the period	Written off (disposed of) expenses and accumulated impairment	Accepted for accounting as intangible assets, property, plant and equipment	Recognition (–) / reversal (+) of impairment	
1	2	3	4	5	6	7	8	9
Capital investments for the creation and improvement of intangible assets	2024	282 117	559 705	602 112	(13 668)	(436 759)	–	711 390
	2023	–	4 038	360 155	–	(86 605)	–	277 588
Capital investments for the acquisition of intangible assets	2024	23 621	23 621	184 221	(2 275)	(143 722)	–	61 845
	2023	–	–	–	–	–	–	–

Advances in connection with capital investments in intangible assets as of 31 December 2024 amounted to RUB 87 thousand (as of 31 December 2023 and 31 December 2022 - RUB 0 thousand).

2. Property, plant and equipment

Information on the availability and movement of property, plant and equipment other than investment property is provided in tabular Note 2.1. “Availability and movement of property, plant and equipment”.

2.1 Availability and movement of property, plant and equipment (excluding right-of-use asset)

thousand rubles

Name of the indicator	Period	At the beginning of the period			Changes for the period						At the end of the period		
		Initial cost	Accumulated depreciation and impairment	Carrying amount	Added		Disposed		Accrual of depreciation including depreciation of impairment	Recognition (-) Reversal (+) of impairment	Initial cost	Accumulated depreciation and impairment	Carrying amount
					Initial cost	Accumulated depreciation and impairment	Initial cost	Accumulated depreciation and impairment					
1	2	3	4	5	6	7	8	9	10	11	12	13	14
Property, plant and equipment	2024	246 650 624	(146 370 589)	100 280 035	18 997 483	(69 800)	(269 041)	211 581	(11 355 355)	(292 874)	265 379 066	(157 877 037)	107 502 029
	2023	228 158 125	(135 128 464)	93 029 661	18 834 845	(19 113)	(342 346)	309 572	(10 814 736)	(717 848)	246 650 624	(146 370 589)	100 280 035
including:													
Buildings	2024	12 533 469	(5 456 524)	7 076 945	186 460	(2 019)	(4 983)	2 898	(359 734)	(165 002)	12 714 946	(5 980 381)	6 734 565
	2023	12 297 057	(5 005 550)	7 291 507	249 052	–	(12 640)	6 953	(376 474)	(81 453)	12 533 469	(5 456 524)	7 076 945
Structures other than power transmission lines	2024	42 286 666	(21 993 037)	20 293 629	3 438 816	(33 488)	(914)	872	(1 772 395)	43 469	45 724 568	(23 754 579)	21 969 989
	2023	38 428 173	(19 347 531)	19 080 642	3 860 374	(945)	(1 881)	1 539	(1 632 833)	(1 013 267)	42 286 666	(21 993 037)	20 293 629
Power lines and devices for them	2024	95 713 369	(62 896 440)	32 816 929	5 170 604	(17 245)	(15 281)	12 475	(4 348 166)	180 044	100 868 692	(67 069 332)	33 799 360
	2023	90 188 013	(59 491 266)	30 696 747	5 551 827	(14 874)	(26 471)	21 337	(4 202 726)	791 089	95 713 369	(62 896 440)	32 816 929
Machines and equipment	2024	51 455 858	(30 051 629)	21 404 229	4 714 583	(12 723)	(62 920)	14 612	(2 312 488)	36 525	56 107 521	(32 325 703)	23 781 818
	2023	47 341 026	(27 616 631)	19 724 395	4 162 961	(1 088)	(48 129)	32 023	(2 257 233)	(208 700)	51 455 858	(30 051 629)	21 404 229
Production and business inventory, including other items	2024	44 342 124	(25 927 395)	18 414 729	5 451 752	(4 325)	(184 943)	180 724	(2 562 572)	(392 272)	49 608 933	(28 705 840)	20 903 093
	2023	39 590 720	(23 646 013)	15 944 707	5 004 489	(2 206)	(253 085)	247 720	(2 345 470)	(181 426)	44 342 124	(25 927 395)	18 414 729
Investment property	2024	–	–	–	–	–	–	–	–	–	–	–	–
	2023	–	–	–	–	–	–	–	–	–	–	–	–
Land plots and objects of natural resource management	2024	319 138	(45 564)	273 574	35 268	–	–	–	–	4 362	354 406	(41 202)	313 204
	2023	313 136	(21 473)	291 663	6 142	–	(140)	–	–	(24 091)	319 138	(45 564)	273 574

2.2 Depreciation of property, plant and equipment (excluding impairment)

thousand rubles

Name of the indicator	Period	At the beginning of the year (–)	Changes for the period			At the end of the period
			Added (–)	Disposed (+)	Accrued for the period (–)	
1	2	3	4	5	6	7
Depreciation	2024	(136 065 003)	–	210 406	(12 473 932)	(148 328 529)
	2023	(124 397 652)	–	307 730	(11 975 081)	(136 065 003)
including:						
Buildings	2024	(4 881 524)	–	2 825	(392 903)	(5 271 602)
	2023	(4 482 698)	–	6 595	(405 421)	(4 881 524)
Structures other than power transmission lines	2024	(19 319 041)	–	863	(2 013 795)	(21 331 973)
	2023	(17 519 640)	–	1 537	(1 800 938)	(19 319 041)
Power lines and devices for them	2024	(59 400 030)	–	12 046	(4 807 000)	(64 194 984)
	2023	(54 608 162)	–	21 008	(4 812 876)	(59 400 030)
Machines and equipment	2024	(27 782 979)	–	13 982	(2 575 073)	(30 344 070)
	2023	(25 316 709)	–	30 948	(2 497 218)	(27 782 979)
Production and business inventory, including other items	2024	(24 681 429)	–	180 690	(2 685 161)	(27 185 900)
	2023	(22 470 443)	–	247 642	(2 458 628)	(24 681 429)

2.3 Impairment of property, plant and equipment

thousand rubles

Name of the indicator	Period	At the beginning of the year (–)	Changes for the period					At the end of the period
			Impairment amortization (+)	Added (–)	Disposed (+)	Recognition of impairment losses (–)	Reversal of previously recognized impairment losses (+)	
1	2	3	4	5	6	7	8	9
Impairment	2024	(10 305 586)	1 118 577	(69 800)	1 175	(4 835 879)	4 543 005	(9 548 508)
	2023	(10 730 812)	1 160 345	(19 113)	1 842	(5 546 350)	4 828 502	(10 305 586)
including:								
Buildings	2024	(575 000)	33 169	(2 019)	73	(439 169)	274 167	(708 779)
	2023	(522 852)	28 947	–	358	(302 654)	221 201	(575 000)
Structures other than power transmission lines	2024	(2 673 996)	241 400	(33 488)	9	(808 416)	851 885	(2 422 606)
	2023	(1 827 891)	168 105	(945)	2	(1 767 760)	754 493	(2 673 996)
Power lines and devices for them	2024	(3 496 410)	458 834	(17 245)	429	(1 655 957)	1 836 001	(2 874 348)
	2023	(4 883 104)	610 150	(14 874)	329	(1 446 321)	2 237 410	(3 496 410)
Machines and equipment	2024	(2 268 650)	262 585	(12 723)	630	(922 659)	959 184	(1 981 633)
	2023	(2 299 922)	239 985	(1 088)	1 075	(1 327 430)	1 118 730	(2 268 650)
Production and business inventory, including other items	2024	(1 245 966)	122 589	(4 325)	34	(992 337)	600 065	(1 519 940)
	2023	(1 175 570)	113 158	(2 206)	78	(671 944)	490 518	(1 245 966)
Land plots and natural resource management facilities	2024	(45 564)	–	–	–	(17 341)	21 703	(41 202)
	2023	(21 473)	–	–	–	(30 241)	6 150	(45 564)

2.4 Information on changes in the value of property, plant and equipment as a result of completion, additional equipment, reconstruction and partial liquidation

thousand rubles

Name of the indicator	31 December 2024	31 December 2023	31 December 2022
1	2	2	3
Increase in the value of property, plant and equipment as a result of completion, additional equipment, reconstruction	6 858 101	6 278 874	4 026 258
Decrease in the value of property, plant and equipment as a result of partial liquidation	(11 511)	(21 148)	(12 984)

2.5 Information on other use of property, plant and equipment

thousand rubles

Name of the indicator	31 December 2024	31 December 2023	31 December 2022
1	2	2	3
Property, plant and equipment leased and listed on the balance sheet	460 844	362 209	291 472
Property, plant and equipment received on lease and listed on the balance sheet	8 436 473	7 325 936	6 155 647
Property, plant and equipment received on lease and listed off balance sheet	1 132 125	1 461 901	2 149 654
Real estate items accepted into operation and actually used, which are in the process of state registration	431	35 639	3 995
Property, plant and equipment transferred to conservation	78 714	58 724	68 959
Other use of property, plant and equipment (collateral, etc.)	—	—	15

3. Capital investments

Information on capital investments is disclosed in tabular Note 3.1. Availability and movement of capital investments and tabular Note 3.2. Advances issued for capital construction and acquisition of property, plant and equipment.

3.1 Availability and movement of capital investments

thousand rubles

Name of the indicator	Period	At the beginning of the year	Changes for the period					At the end of the period	
			Costs for the period	Written off		Accepted for accounting as property, plant and equipment or increased capital investment value			Recognition (–) Reversal (+) of impairment
				initial cost	impairment	initial cost	impairment		
1	2	3	4	5	6	7	8	9	10
Unfinished construction and unfinished transactions for the acquisition, modernization and technical re-equipment of property, plant and equipment	2024	2 584 019	22 849 559	(80 792)	4 226	(19 917 277)	69 800	(108 008)	5 401 527
	2023	2 770 227	19 600 059	(88 438)	14 690	(19 656 523)	19 113	(75 109)	2 584 019
	including:								
Unfinished construction	2024	1 285 197	17 310 012	(9 623)	308	(15 547 035)	55 009	(70 130)	3 023 738
	2023	1 468 727	16 373 485	(3 909)	180	(16 529 156)	14 129	(38 259)	1 285 197
Acquisition of property, plant and equipment	2024	231	2 751 343	–	–	(2 751 574)	–	–	–
	2023	134	1 453 473	(134)	–	(1 453 242)	–	–	231
Unfinished design and survey work	2024	809 653	752 558	(71 169)	3 918	(524 384)	14 791	(32 571)	952 796
	2023	842 542	642 270	(82 503)	14 510	(575 300)	4 984	(36 850)	809 653
Equipment for installation	2024	488 938	2 035 646	–	–	(1 094 284)	–	(5 307)	1 424 993
	2023	458 824	1 130 831	(1 892)	–	(1 098 825)	–	–	488 938

3.2 Advances issued for capital construction and acquisition of property, plant and equipment

thousand rubles

Name of the indicator	Period	At the beginning of the year			At the end of the period		
		taken into account under the terms of the contract	amount of reserve for doubtful debts	book value	taken into account under the terms of the contract	amount of reserve for doubtful debts	book value
1	2	3	4	5	6	7	8
Advances issued for capital construction and acquisition of property, plant and equipment	2024	144 588	–	144 588	543 439	(26 469)	516 970
	2023	154 182	–	154 182	144 588	–	144 588

4. Right-of-use assets and lease liabilities

Information on the availability and movement of right-of-use assets is disclosed in tabular Note 4.1. “Availability and movement of right-of-use assets”.

4.1 Availability and movement of right-of-use assets

thousand rubles

Name of the indicator	Period	At the beginning of the year			Changes for the period							At the end of the period		
		Initial cost	Accumulated depreciation and impairment	Residual value	Initial cost			Accumulated depreciation and impairment				Initial cost	Accumulated depreciation and impairment	Residual value
					Added	Disposed	Changes in the terms of the contract	Accrued depreciation (including impairment)	Accrued depreciation (including impairment depreciation)	Changes in the terms of the contract	Recognition (–), reversal (+) of impairment			
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Right-of-use asset	2024	8 431 168	(1 105 232)	7 325 936	1 972 199	(201 869)	(121 898)	(574 334)	76 985	–	(40 546)	10 079 600	(1 643 127)	8 436 473
	2023	6 751 777	(596 130)	6 155 647	1 719 044	(111 031)	71 378	(534 545)	25 443	–	–	8 431 168	(1 105 232)	7 325 936
including:														
Land and buildings	2024	3 009 762	(474 007)	2 535 755	192 457	(67 723)	(105 200)	(207 733)	22 636	–	(29 746)	3 029 296	(688 850)	2 340 446
	2023	2 877 582	(274 340)	2 603 242	161 179	(40 808)	11 809	(205 892)	6 225	–	–	3 009 762	(474 007)	2 535 755
Power lines and devices for them	2024	1 931 692	(331 733)	1 599 959	149 214	(65 308)	12 144	(184 327)	29 326	–	(4 110)	2 027 742	(490 844)	1 536 898
	2023	1 910 053	(182 255)	1 727 798	52 072	(59 937)	29 504	(165 270)	15 792	–	–	1 931 692	(331 733)	1 599 959
Machines and equipment	2024	2 190 746	(175 720)	2 015 026	5 818	(36 704)	(1 436 017)	(25 719)	15 771	–	(207)	723 843	(185 875)	537 968
	2023	733 462	(70 314)	663 148	1 439 771	(9 912)	27 425	(108 730)	3 324	–	–	2 190 746	(175 720)	2 015 026
Investment property	2024	–	–	–	–	–	–	–	–	–	–	–	–	–
	2023	–	–	–	–	–	–	–	–	–	–	–	–	–
Others	2024	1 298 968	(123 772)	1 175 196	1 624 710	(32 134)	1 407 175	(156 555)	9 252	–	(6 483)	4 298 719	(277 558)	4 021 161
	2023	1 230 680	(69 221)	1 161 459	66 022	(374)	2 640	(54 653)	102	–	–	1 298 968	(123 772)	1 175 196

The main items of lease of the Company are electric grid facilities and land plots (expense contracts).

4.2 Information on lease liabilities

thousand rubles

Name of the indicator	Indicator code	31 December 2024	31 December 2023	31 December 2022
1	2	3	3	4
Short-term lease liabilities	1520	1 481 587	896 048	640 888
Long-term lease liabilities	1450	6 401 984	6 226 512	5 362 097
Total lease liabilities		7 883 571	7 122 560	6 002 985

Interest on lease liabilities in the amount of RUB 725,575 thousand is included in the Interest Payable indicator in line 2330 of the Statement of Financial Results for the year ended 31 December 2024 (in the amount of RUB 640,696 thousand for the year ended 31 December 2023).

Expenses related to short-term leases are included in expenses from ordinary activities in the amount of RUB 68,165 thousand for the year ended 31 December 2024 (in the amount of RUB 91,756 thousand for the year ended 31 December 2023).

5. Testing non-current assets for impairment in accordance with IAS 36 "Impairment of Assets"

The Company considered the current economic conditions in the region of the Company's operations as an indicator (sign) of possible asset impairment.

The Company tested property, plant and equipment, construction in progress, right of use assets, and intangible assets for impairment as of 31 December 2024, in relation to all significant cash-generating units.

The Company considered the current economic conditions in the region of the Group's operations as an indicator (sign) of possible asset impairment.

Most of the Company's assets are specialized items that are rarely traded on the open market, except when sold as part of an operating business. The market for such assets is not active in the Russian Federation and does not provide a sufficient number of examples of purchases and sales to allow a market-based approach to determine the fair value of these assets. Accordingly, the recoverable amount of specialized items was determined as their value in use using the projected cash flow method. This method takes into account the future net cash flows that these assets will generate in the course of operating activities and upon disposal, in order to determine the recoverable amount of these assets.

Cash-generating units are determined by the Company based on the geographical location of its branches and represent the smallest identifiable groups of assets that generate cash inflows regardless of other assets of the Company.

When conducting the impairment test of assets of Rosseti Centre, PJSC, 11 cash generating units were identified: Belgorodenergo branch, Bryanskenergo branch, Voronezhenergo branch, Kostromaenergo branch, Kurskenergo branch, Lipetskenergo branch, Orelenergo branch, Smolenskenergo branch, Tambovenergo branch, Tverenergo branch, Yarenergo branch.

The following key assumptions were used in estimating the recoverable amount of the assets of the cash-generating units:

Key assumption	As of 31 December 2024	As of 31 December 2023
Forecasting period	Projected cash flows have been determined for the period 2025-2029 for all generating units based on management's best estimate of transmission volumes, operating and capital expenditures, and tariffs approved by regulatory authorities for 2025.	Projected cash flows have been determined for the period 2024-2028 for all generating units based on management's best estimate of transmission volumes, operating and capital expenditures, and tariffs approved by regulatory authorities for 2024.
Net cash flow growth rate in the post-forecast period	4.0%	4.0%
Electricity transmission tariff forecast	Based on the tariff calculation methodology adopted by the regulatory authorities	Based on the tariff calculation methodology adopted by the regulatory authorities
Sales volume forecast	In accordance with the approved business plan. Outside of business planning - fixed volume (at the level of the last year of business planning)	In accordance with the approved business plan. Outside of business planning - fixed volume (at the level of the last year of business planning)
Discount rate (nominal discount rate determined for the purposes of the test based on the weighted average cost of capital)	13.71%	11.97%

Based on the results of impairment testing, the recoverable amount of non-current assets of the tested cash-generating units as of 31 December 2024 was: Belgorodenergo branch - RUB 22,832,657 thousand, Bryanskenergo branch - RUB 11,761,623 thousand, Voronezhenergo branch - RUB 31,824,421 thousand, Kostromaenergo branch - RUB 11,680,993 thousand, Kurskenergo branch - RUB 4,981,892 thousand, Lipetskenergo branch - RUB 24,037,004 thousand, Orelenergo branch - RUB 9,775,538 thousand, branch Smolenskenergo - RUB 17,411,994 thousand, Tambovenergo branch - RUB 5,710,950 thousand, Tverenergo branch - RUB 28,622,240 thousand, Yarenergo branch - RUB 32,585,758 thousand.

Based on the testing results as of 31 December 2024, the following asset impairment was identified: Kurskenergo branch - RUB 4,586,154 thousand, Tambovenergo branch - RUB 418,869 thousand.

The recognition of the loss from impairment of property, plant and equipment of the Kurskenergo branch is mainly due to a decrease in the volume of electricity transmission services, and of the Tambovenergo branch - due to an increase in the discount rate of projected cash flows to their present value at the nominal weighted average cost of capital from 11.97% as of 31 December 2023 to 13.71% as of 31 December 2024.

The main factor in the recovery of the impairment of the Tverenergo and Yarenergo branches is the expected growth relative to the forecast as of 31 December 2023, of revenue from electricity transmission services due to the growth of electricity consumption in 2024 and in the forecast for the period 2025-2029 in accordance with the growth rate of the gross regional product in accordance with the Forecast of the socio-economic development of the Russian Federation for 2025 and for the planning period of 2026 and 2027 dated 30 September 2024, as well as taking into account the growth of approved tariffs for 2025, including in accordance with the agreement on the terms of the implementation of regulated activities for the provision of electricity transmission services with the Ministry of Tariff Regulation of the Yaroslavl Region.

The sensitivity of the recoverable amount of cash-generating unit assets to changes in the key assumptions in the calculation is presented below:

Table 1 Sensitivity of value in use of property, plant and equipment of the branch "Belgorodenergo"

	Increase, %	Decrease, %
Change in discount rate by 1%	-8.63	10.60
Change in net cash flow growth rate in the post-forecast period by 1%	7.05	-5.74

Table 2 Sensitivity of value in use of property, plant and equipment of the branch "Bryanskenergo"

	Increase, %	Decrease, %
Change in discount rate by 1%	-9.90	12.18
Change in net cash flow growth rate in the post-forecast period by 1%	8.17	-6.64

Table 3 Sensitivity of the value in use of property, plant and equipment of the branch "Voronezhenergo"

	Increase, %	Decrease, %
Change in discount rate by 1%	-9.64	11.91
Change in net cash flow growth rate in the post-forecast period by 1%	8.19	-6.66

Table 4 Sensitivity of value in use of property, plant and equipment of the branch "Kostromaenergo"

	Increase, %	Decrease, %
Change in discount rate by 1%	-8.69	10.65
Change in net cash flow growth rate in the post-forecast period by 1%	7.02	-5.71

Table 5 Sensitivity of value in use of property, plant and equipment of the branch "Kurskenergo"

	Increase, %	Decrease, %
Change in discount rate by 1%	-9.03	11.03
Change in net cash flow growth rate in the post-forecast period by 1%	7.10	-5.77

Table 6 Sensitivity of the value in use of property, plant and equipment of the branch "Lipetskenergo"

	Increase, %	Decrease, %
Change in discount rate by 1%	-8.40	10.33
Change in net cash flow growth rate in the post-forecast period by 1%	6.91	-5.62

Table 7 Sensitivity of value in use of property, plant and equipment of the branch "Orelenergo"

	Increase, %	Decrease, %
Change in discount rate by 1%	-9.32	11.45
Change in net cash flow growth rate in the post-forecast period by 1%	7.62	-6.20

Table 8 Sensitivity of value in use of property, plant and equipment of the branch "Smolenskenergo"

	Increase, %	Decrease, %
Change in discount rate by 1%	-9.06	11,12
Change in net cash flow growth rate in the post-forecast period by 1%	7.36	-5.99

Table 9 Sensitivity of value in use of property, plant and equipment of the branch "Tambovenergo"

	Increase, %	Decrease, %
Change in discount rate by 1%	-8.09	10.00
Change in net cash flow growth rate in the post-forecast period by 1%	6.89	-5.61

Table 10 Sensitivity of value in use of property, plant and equipment of the branch "Tverenergo"

	Increase, %	Decrease, %
Change in discount rate by 1%	-8.14	10.00
Change in net cash flow growth rate in the post-forecast period by 1%	6.67	-5.42

Table 11 Sensitivity of value in use of property, plant and equipment of the branch "Yarenergo"

	Increase, %	Decrease, %
Change in discount rate by 1%	-8.93	10.96
Change in net cash flow growth rate in the post-forecast period by 1%	7.28	-5.92

Based on the results of the impairment test as of 31 December 2024, impairment of property, plant and equipment, construction in progress, and the right-of-use assets for recognition was identified:

thousand rubles

Branch	Impairment balance 31 December 2023	Depreciation and disposal for the period 2024	Accrued/ (reversed) 2024 impairment	Impairment balance 31 December 2024
Belgorodenergo	4 111 101	(430 973)	–	3 680 128
Kurskenergo	–	–	4 586 154	4 586 154
Tambovenergo	1 230 281	(137 169)	418 869	1 511 981
Tverenergo	3 471 224	(371 659)	(3 099 565)	–
Yarenergo	1 648 207	(184 177)	(1 464 030)	–
	10 460 813	(1 123 978)	441 428	9 778 263

No signs of impairment of intangible assets (IA) were identified.

No intangible assets were found:

- reduction in the value of an asset under normal operating conditions;
- changes in external factors that are unfavorable for the Company when using intangible assets;
- market indicators that will lead to a decrease in the value of the asset;
- excess of the book value of the Company's assets over the market value;
- obsolescence or damage to intangible assets;
- events that will adversely affect the use of intangible assets.

Based on the results of the impairment test as of 31 December 2023, impairment of property, plant and equipment, construction in progress for recognition was revealed (thousand rubles):

Branch	Impairment balance 31 December 2022	Depreciation and disposal for the period 2023	Accrued/ (reversed) 2023 impairment	Impairment balance 31 December 2023
Belgorodenergo	–	–	4 111 101	4 111 101
Lipetskenergo	5 493 142	(606 056)	(4 887 086)	–
Tambovenergo	996 418	(114 982)	348 845	1 230 281
Tverenergo	3 346 209	(340 415)	465 430	3 471 224
Yarenergo	1 008 966	(115 397)	754 638	1 648 207
	10 844 735	(1 176 850)	792 928	10 460 813

6. Other current/non-current assets

Line 1190 “Other non-current assets” and line 1260 “Other current assets” of the balance sheet reflect:

thousand rubles

Types of assets	31 December 2024		31 December 2023		31 December 2022	
	Negotiable	Non-current assets	Negotiable	Non-current assets	Negotiable	Non-current assets
Settlements under the property management agreement	–	233	–	233	–	627
Shortages and losses from damage to valuables	9 782	–	452	–	1 017	–

Types of assets	31 December 2024		31 December 2023		31 December 2022	
	Negotiable	Non-current assets	Negotiable	Non-current assets	Negotiable	Non-current assets
VAT on advances issued for capital construction	103 375	–	28 817	–	30 029	–
Costs under energy service contracts	–	269 957	–	347 546	–	425 268
Deferred Expenses software products short-term	–	–	76 213	–	20 211	–
VAT on advances received	1 876 828	–	1 564 851	–	1 279 441	–
Facilities under the concession agreement	–	549 382	–	598 762	–	648 142
Long-term assets for sale	1 671	–	1 057	1	1 345	–
Deferred Expenses software products long-term	–	–	–	1 770 495	–	1 332 025
Total	1 991 656	819 572	1 671 390	2 717 037	1 332 043	2 406 062

7. Inventories

Inventories are recognized in the reporting less the reserve created in relation to these inventories for reduction in value in line 1210 “Inventories”.

No inventories were pledged in 2024, 2023 and 2022.

The amount of impairment of inventories as of 31 December was:

thousand rubles

2024	2023	2022
16 121	938	920

Information on the availability and movement of inventories by groups:

thousand rubles

Name of the indicator	Period	At the beginning of the year		Changes for the period					At the end of the period	
		Cost price	Amount of the allowance for impairment	Additions and expenses	Disposed		Impairment losses	Turnover of inventories between their groups (types)	Cost price	Amount of the allowance for impairment
					Cost price/other expenses	Allowance for impairment				
1	2	3	4	5	6	7	8	9	10	11
Inventories, total	2024	4 001 881	(938)	18 892 145	(18 453 440)	(15 183)	–	–	4 440 586	(16 121)
	2023	3 929 846	(920)	19 955 151	(19 883 116)	(18)	–	–	4 001 881	(938)
Raw materials and supplies	2024	3 917 513	(938)	18 812 766	(18 289 693)	(15 183)	–	–	4 440 586	(16 121)
	2023	3 678 699	(920)	19 386 030	(19 147 216)	(18)	–	–	3 917 513	(938)
Work in progress	2024	84 368	–	77 381	(161 749)	–	–	–	–	–
	2023	251 147	–	564 405	(731 184)	–	–	–	84 368	–
Other inventories and expenses	2024	-	-	1 998	(1 998)	-	-	-	-	-
	2023	-	-	4 716	(4 716)	-	-	-	-	-

8. Financial investments

8.1 Availability and movement of financial investments

Movement of long-term financial investments

thousand rubles

Name indicator	Period	At the beginning of the year		Changes for the period				At the end of the year	
		Initial cost	Revaluation, reserve	Added	Disposal of initial cost	Disposal of revaluation, reserve	Revaluation, reserve	Initial cost	Revaluation, reserve
1	2	3	4	5	6	7	8	9	10
Long-term financial investments, total	2024	2 068 781	(91 210)	242 000	(1 205 353)	–	(13 531)	1 105 428	(104 741)
	2023	1 566 016	(138 726)	748 789	(246 024)	–	47 516	2 068 781	(91 210)
including:									
Investments in subsidiaries	2024	15 355	–	242 000	–	–	–	257 355	–
	2023	15 355	–	–	–	–	–	15 355	–
Contributions to dependent companies	2024	–	–	–	–	–	–	–	–
	2023	–	–	–	–	–	–	–	–
Contributions to other organizations	2024	237 429	(91 210)	–	–	–	(13 531)	237 429	(104 741)
	2023	237 429	(138 726)	–	–	–	47 516	237 429	(91 210)
Deposit accounts	2024	–	–	–	–	–	–	–	–
	2023	–	–	–	–	–	–	–	–
Bond loans	2024	–	–	–	–	–	–	–	–
	2023	–	–	–	–	–	–	–	–
Loans issued	2024	1 815 997	–	–	(1 205 353)	–	–	610 644	–
	2023	1 313 232	–	748 789	(246 024)	–	–	1 815 997	–
Others	2024	–	–	–	–	–	–	–	–
	2023	–	–	–	–	–	–	–	–

The loans were repaid in cash.

Acquisition of ownership shares

In 2024, a purchase and sale agreement for a 49% stake in ordinary registered uncertified shares of JSC Yaroslavl Electric Grid Company was concluded with a third party.

In 2024, a purchase and sale agreement was concluded for a 51% stake in ordinary registered uncertified shares of JSC Yaroslavl Electric Grid Company with JSC “Sanatorium “Energetik” (a subsidiary of the Company).

The total purchase price was RUB 242,000 and was paid in cash.

The Company received full control over the activities of JSC YarEGC.

Movement of short-term financial investments

thousand rubles

Name indicator	Period	At the beginning of the period		Changes for the period				At the end of the period	
		Initial cost	Revaluation, reserve	Added	Disposal of initial cost	Disposal of revaluation, reserve	Revaluation, reserve	Initial cost	Revaluation, reserve
1	2	3	4	5	6	7	8	9	10
Short-term financial investments, total	2024	—	—	1 104 677	(264 473)	—	—	840 204	—
	2023	748 789	—	—	(748 789)	—	—	—	—
including:									
Deposits with a maturity of over 3 months	2024	—	—	—	—	—	—	—	—
	2023	—	—	—	—	—	—	—	—
Bond loans	2024	—	—	—	—	—	—	—	—
	2023	—	—	—	—	—	—	—	—
Loans issued	2024	—	—	1 104 677	(264 473)	—	—	840 204	—
	2023	748 789	—	—	(748 789)	—	—	—	—

8.2 Information on the initial cost and carrying amount of financial investments

thousand rubles

Name of the group of financial investments		31 December 2024		31 December 2023		31 December 2022	
		Initial cost	Carrying amount	Initial cost	Carrying amount	Initial cost	Carrying amount
1	2	3	4	3	4	7	8
At current market value	Long-term financial investments	237 392	132 651	237 392	146 182	237 392	98 666
	Short-term financial investments	—	—	—	—	—	—
Current market value is not determined	Long-term financial investments	868 036	868 036	1 831 389	1 831 389	1 328 624	1 328 624
	Short-term financial investments	840 204	840 204	—	—	748 789	748 789

8.3 Information on the revaluation of financial investments, for which the current market value is determined

thousand rubles

Name of the group of financial investments	31 December 2024			31 December 2023		
	Income	Expenses	The difference between income and expenses	Income	Expenses	The difference between income and expenses
1	2	3	4	5	6	7
Investments in subsidiaries	—	—	—	—	—	—
Contributions to dependent companies	—	—	—	—	—	—
Contributions to other organizations	11 024	(24 555)	(13 531)	80 554	(33 038)	47 516
Bond loans	—	—	—	—	—	—

8.4 Information on the carrying amount of financial investments by type

thousand rubles

Name of the indicator	31 December 2024	31 December 2023	31 December 2022
1	2	2	3
Long-term financial investments, total	1 000 687	1 977 571	1 427 290
Including:			
Investments in subsidiaries	257 355	15 355	15 355
Contributions to dependent companies	—	—	—
Contributions to other organizations	132 688	146 219	98 703
Deposit accounts	—	—	—
Bond loans	—	—	—
Loans issued	610 644	1 815 997	1 313 232
Short-term financial investments, total	840 204	—	748 789
including:			
Deposits with a maturity of over 3 months	—	—	—
Bond loans	—	—	—
Loans issued	840 204	—	748 789

8.5 Information on the reserve for impairment of financial investments

thousand rubles

Name of the indicator	31 December 2024	31 December 2023	31 December 2022
1	2	2	3
Reserve for impairment of financial investments, total	108	108	108
including:	—	—	—
- on investments in the authorized capital of subsidiaries	—	—	—
- for loans issued	—	—	—
- for other financial investments	108	108	108
Initial cost of financial investments for which a provision for impairment has been created	108	108	108

The Company does not have any financial investments in respect of which there are restrictions on property rights.

9. Cash and cash equivalents

Composition of cash and cash equivalents

Cash as of 31 December:

thousand rubles

Name of the indicator	31 December 2024	31 December 2023	31 December 2022
1	2	3	4
Cash on hand	—	—	—
Funds in current accounts	2 641 419	6 029 918	713 173
Funds in foreign currency accounts	—	—	—
Funds in special accounts in banks	1 284 905	1 026 038	1 631 839
Cash in transit	556	372	781
Total cash	3 926 880	7 056 328	2 345 793
Short-term bank deposits (with a placement period of up to three months)	—	—	3 829 000
Total cash equivalents	—	—	3 829 000
Total cash and cash equivalents	3 926 880	7 056 328	6 174 793

Deposit accounts are placed in financial institutions that are considered reliable counterparties with a stable financial position in the financial market of the Russian Federation.

Targeted funds in the accounts of the Federal Treasury Department as of 31 December 2024 amounted to RUB 1,136,356 thousand (as of 31 December 2023: RUB 933,531 thousand, as of 31 December 2022: RUB 1,573,371 thousand).

There are no significant restrictions on the use of funds.

Explanation of the lines “Other receipts” and “Other payments” of the Cash Flow Statement

thousand rubles

Name of the indicator	31 December 2024	31 December 2023
1	2	3
Other income from current activities	2 529 502	2 738 873
Interest for the use of funds	1 048 871	75 441
Interest on deposits (cash equivalents)	426 914	441 157
Inflation interest rate swap	–	–
Settlements for fines, penalties, and forfeits to be received	384 000	495 487
VAT	–	384 802
Non-contractual consumption	63 321	43 649
Sale of inventories and other assets	90 007	47 255
Settlements under the agreement on assignment of rights of claim	42 355	51 393
Compensation for damages	374 556	1 160 558
Security payments	52 066	–
Mistakenly transferred funds	–	1 454
Other receipts	47 412	37 677
Other payments for current activities	3 984 059	3 821 923
Payments of taxes (except VAT, income tax)	1 230 545	1 552 627
VAT	543 046	–
Insurance payments	322 862	249 336
Accountable amounts	379 703	449 558
Charity	221 599	175 000
Transfers of the Primary Trade Union Organization	346 118	246 276
Payment of NPF	176 240	164 320
Compensation of expenses of PSP Leasing, etc.	60 507	32 139
Payments by court order, organizations, settlements on fines, penalties, forfeits for payment	641 333	872 558
Other payments	62 106	80 109
Other income from investment activities	4 922 579	355 153
Payment under the concession agreement	120 000	–
Payment under cost compensation and network refurbishment agreements	4 802 579	339 208
Other receipts	–	15 945

10. Accounts receivable

10.1 Availability of accounts receivable

thousand rubles

Name of the indicator	31 December 2024	31 December 2023	31 December 2022
1	2	3	4
Accounts receivable, total	12 595 871	13 793 435	16 565 530
Long-term accounts receivable	1 170 348	1 637 088	2 603 755
<i>Buyers and customers</i>	<i>771 922</i>	<i>1 032 141</i>	<i>2 429 272</i>
<i>Electricity transmission settlements</i>	<i>767 324</i>	<i>1 028 555</i>	<i>2 427 455</i>
<i>Settlements for grid connection</i>	<i>4 075</i>	<i>3 063</i>	<i>1 817</i>
<i>Other buyers and customers</i>	<i>523</i>	<i>523</i>	<i>–</i>
<i>Advances issued</i>	<i>2 053</i>	<i>4 766</i>	<i>3 196</i>
<i>Other debtors, including:</i>	<i>396 373</i>	<i>600 181</i>	<i>171 287</i>
<i>Settlements under agency agreements</i>	<i>–</i>	<i>–</i>	<i>–</i>
<i>Settlements for the assignment of claims</i>	<i>–</i>	<i>171</i>	<i>31 356</i>
<i>Settlements of interest due</i>	<i>143 084</i>	<i>312 749</i>	<i>66 055</i>
<i>Settlements on issued collateral</i>	<i>12 625</i>	<i>15 115</i>	<i>18 992</i>
<i>Penalties, fines, penalties under contracts</i>	<i>42 791</i>	<i>55 160</i>	<i>539</i>
<i>Net rental investment value (long term)</i>	<i>190 638</i>	<i>211 943</i>	<i>54 244</i>
<i>Other debtors</i>	<i>7 235</i>	<i>5 043</i>	<i>101</i>

Name of the indicator	31 December 2024	31 December 2023	31 December 2022
1	2	3	4
Current accounts receivable	11 425 523	12 156 347	13 961 775
Buyers and customers	10 035 461	9 965 921	10 959 459
<i>Electricity transmission settlements</i>	8 910 502	9 005 088	10 023 063
<i>Settlements for grid connection</i>	97 893	97 088	137 854
<i>Settlements for the sale of electricity</i>	377	5 526	150 171
<i>Payments for additional services</i>	343 843	438 530	250 273
<i>Settlements for network removal services</i>	41 365	25 043	95 860
<i>Settlements under the agreement of the sole executive body</i>	91 141	132 144	78 000
<i>Settlements for the provision of property for rent</i>	10 344	9 276	31 974
<i>Other buyers and customers</i>	539 996	253 226	192 264
Advances issued	446 276	629 911	1 008 592
<i>Advance payments for subcontracting</i>	30 881	35 693	96 204
<i>Advance payments for the purchase of electricity for technological consumption</i>	42 775	77 641	63 672
<i>Advance payments for the purchase of electricity to compensate for losses</i>	260 960	422 554	720 227
<i>Advance payments for the purchase of supplies (excl. fuel)</i>	77 221	74 108	96 871
<i>Other advances issued</i>	34 439	19 915	31 618
Other debtors	943 786	1 560 515	1 993 724
<i>Settlements under agency agreements</i>	131 565	91 522	112 661
<i>Settlements for the assignment of claims</i>	19 719	66 949	189 312
<i>Settlements with the budget for taxes, fees and insurance premiums</i>	263 534	644 539	111 262
<i>Settlements on interest due are short-term</i>	269 972	109 719	369 571
<i>Settlements on issued collateral</i>	57 410	75 418	67 212
<i>Penalties, fines, penalties under contracts</i>	52 499	188 161	284 290
<i>Settlements for compensation of other damage caused</i>	3 540	4 470	194 442
<i>Settlements with debtors for non-contractual consumption</i>	29 702	125 529	255 344
<i>Settlements with debtors</i>	190	2 985	272 914
<i>Net rental investment value</i>	22 998	102 826	35 401
<i>Settlements on other income</i>	28	46 840	1 145
<i>Settlements for compensation of costs for TP</i>	3 125	12 178	8 983
<i>Settlements for compensation of reconstruction costs</i>	32 834	22 095	15 248
<i>Other debtors</i>	56 670	67 284	75 939

Accounts receivable that have not been repaid or are highly likely not to be repaid within the timeframes established by the contract and are not secured by appropriate guarantees, sureties or other means are shown in the balance sheet minus reserves for doubtful debts.

In 2024, disagreements with the territorial grid organization JSC Tambov Grid Company in the amount of RUB 801,549 thousand were settled, as a result of which mutual claims were offset with the supplier of last resort JSC Tambov Regional Sales Company (accounts receivable for electricity transmission services were offset against the Company's obligations under agreements on the assignment of claims (accounts payable)).

As of 31.12.2024, there are no disagreements with JSC Tambov Grid Company and JSC Tambov Regional Sales Company regarding the volume of electricity transmitted.

10.2 Provision for doubtful debts

thousand rubles

Name of the indicator	Period	At the beginning of the year	Accrued	Restored	Used	At the end of the year
-----------------------	--------	------------------------------------	---------	----------	------	---------------------------

1	2	3	4	5	6	7
	2024	6 197 228	721 061	(1 414 952)	(852 422)	4 650 915
Provision for doubtful debts	2023	5 842 184	1 955 965	(944 416)	(656 505)	6 197 228

10.3 Write-off of accounts receivable

thousand rubles

Name of the indicator	31 December 2024	31 December 2023	31 December 2022
1	2	3	4
Total amount of insolvent debtors' debt written off the balance sheet	1 000 884	674 665	4 711 517
- including through the provision for doubtful debts	852 423	656 505	4 702 890

10.4 Overdue accounts receivable

Name of the indicator	31 December 2024			31 December 2023			31 December 2022		
	According to the terms of the agreement	Provision for doubtful debts	Carrying amount	According to the terms of the agreement	Provision for doubtful debts	Carrying amount	According to the terms of the agreement	Provision for doubtful debts	Carrying amount
1	2	3	4	5	6	7	8	9	10
Total overdue accounts receivable, including:	5 235 523	(4 635 875)	599 648	6 985 627	(5 513 478)	1 472 149	9 064 282	(5 609 833)	3 454 449
Buyers and customers	3 473 685	(3 071 568)	402 117	4 854 913	(3 896 693)	958 220	6 568 255	(4 221 891)	2 346 364
Advances issued	124 455	(15 202)	109 253	144 618	(25 155)	119 463	218 238	(34 684)	183 554
Other debtors	1 637 383	(1 549 105)	88 278	1 986 096	(1 591 630)	394 466	2 277 789	(1 353 258)	924 531

11. Equity and reserves

11.1 Authorized capital

The authorized capital of the Company is registered in accordance with the established procedure and fully paid. The authorized capital of the Company is recognized in the amount of the par value of ordinary shares.

As of 31 December 2024, 31 December 2023, 31 December 2022, the authorized capital of the Company is fully paid and consists of:

Name	Total quantity (pcs.)	Par value (thousand rubles)
Ordinary shares	42 217 941 468	4 221 794
Preference shares	-	-
Total	42 217 941 468	4 221 794

11.2 Reserve capital

In accordance with the Russian Federation legislation and the charter, the Company creates a reserve fund in the amount of 5% of the Company's authorized capital. The Company's reserve fund is intended to cover its losses, as well as to redeem the Company's bonds and buy back the Company's shares in the absence of other funds, and cannot be used for other purposes.

The reserve capital has been fully formed and amounts to RUB 211,090 thousand as of 31 December 2024, 31 December 2023, and 31 December 2022.

11.3 Additional capital

Additional capital was not created.

11.4 Dividends

The source of dividend payment is the net profit of Rosseti Centre, PJSC, determined in accordance with the requirements established by the current legislation of the Russian Federation.

Basic earnings per share reflect the portion of the profit for the reporting period that can potentially be distributed among shareholders who own ordinary shares. It is calculated as the ratio of basic profit for the reporting year to the weighted average number of ordinary shares outstanding during the reporting year.

On 9 June 2023, the General Meeting of Shareholders decided to pay dividends based on the results of 2022 in the amount of RUB 0.01121 per ordinary share of the Company, which amounts to a total dividend of RUB 473,263 thousand or 10.43% of the net profit.

On 20 June 2024, the General Meeting of Shareholders decided to pay dividends based on the results of 2023 in the amount of RUB 0.06621 per ordinary share of the Company, which amounts to a total dividend of RUB 2,795,250 thousand or 45.71% of the net profit.

On 30 June 2024, accounts payable to participants (founders) for income payments were restored as part of retained earnings due to the expiration of the debt collection period in terms of unclaimed dividends in the amount of RUB 13,605 thousand.

11.5 Earnings per share

Basic earnings per share reflect the portion of the profit for the reporting period that can potentially be distributed among shareholders who own ordinary shares. It is calculated as the ratio of basic earnings for the reporting year to the weighted average number of ordinary shares outstanding during the reporting year. Basic earnings are equal to the net profit for the reporting year.

thousand rubles

Name of the indicator	2024	2023
1	2	3
Basic earnings for the reporting year, RUB thousand	7 799 792	6 114 765
Weighted average number of ordinary shares outstanding during the reporting year, pcs.	42 217 941 468	42 217 941 468
Basic earnings (loss) per share, RUB thousand	0.0001848	0.0001448

12. Borrowed funds

12.1 Information on the movement of borrowed funds

thousand rubles

Name of the indicator	Long term		Short term	
	2024	2023	2024	2023
1	2	2	4	4
Remaining debt on loans at the beginning of the year	27 785 374	21 467 242	10 523 664	17 776 587
Bank loans received in the reporting year (including overdraft)	8 068 201	20 380 150	–	–
Transfer from long-term debt to short-term debt	(3 745 010)	(13 815 994)	3 745 010	13 815 994
Transfer of short-term debt to long-term debt	–	–	–	–
Added/(disposed of) debt on loans as a result of reorganization	–	–	–	–
Interest accrued (including overdraft)	–	–	6 180 089	3 784 735
Repaid in part of the principal amount of the debt (including overdraft)	(1 264 194)	(246 024)	(9 789 026)	(21 087 585)
Repaid in part of accrued interest (including overdraft)	–	–	(6 215 513)	(3 766 067)
Exchange rate difference	–	–	–	–
Remaining outstanding loans at the end of the year	30 844 371	27 785 374	4 444 224	10 523 664

12.2 Information on types of borrowed funds

Borrowed funds as of 31 December included:

thousand rubles

Name of the indicator	Long term		Short term	
	2024	2023	2024	2023
1	2	3	4	5
Secured loans and credits	–	–	–	–
Unsecured loans and credits	25 844 371	24 853 575	4 414 288	10 458 304
Secured bond loans	–	–	–	–
Unsecured bond loans	5 000 000	2 931 799	–	–
Interest payable	–	–	29 936	65 360

As of 31 December 2024, the amount of the free limit on open but unused credit lines of the Company amounted to RUB 155,984,464 thousand (as of 31 December 2023: RUB 133,031,244 thousand).

As of 31 December 2024, there are no funds available for the Company to receive under overdraft conditions (as of 31 December 2023: RUB 1,000,000 thousand).

The Company has the opportunity to attract additional financing within the relevant limits, including to ensure the fulfillment of its short-term liabilities.

12.3 Interest on borrowed funds

thousand rubles

Name of the indicator	2024	2023
1	2	3
Interest on borrowed funds related to the acquisition, construction or production of investment assets included in the cost of investment assets	—	—
Interest on borrowed funds taken for purposes not related to the acquisition, construction or production of investment assets included in the cost of investment assets	508 858	270 222
Interest on borrowed funds, attributed to other expenses	5 671 231	3 514 513
Total interest accrued on borrowed funds	6 180 089	3 784 735
<i>Income from the temporary use of borrowed funds as financial investments, including:</i>	—	—
<i>Income recognized when reducing borrowing costs associated with the acquisition, construction and/or production of an investment asset</i>	—	—

12.4 Information on loan repayment terms

thousand rubles

Name of the indicator	Remaining debt on borrowed funds	Including by maturity dates					
		Up to 1 year	From 1 to 2 years	From 2 to 3 years	From 3 to 4 years	From 4 to 5 years	Over 5 years
1	2	3	4	5	6	7	8
Secured loans and credits	—	—	—	—	—	—	—
Unsecured loans and credits	30 258 659	4 414 288	16 969 873	5 968 624	968 625	968 625	968 624
Secured bond loans	—	—	—	—	—	—	—
Unsecured bond loans	5 000 000	—	—	5 000 000	—	—	—
Interest payable	29 936	29 936	—	—	—	—	—
Total as of 31 December 2024	35 288 595	4 444 224	16 969 873	10 968 624	968 625	968 625	968 624
<i>including coupon on bond loans</i>	<i>6 000</i>	<i>6 000</i>	—	—	—	—	—

thousand rubles

Name of the indicator	Remaining debt on borrowed funds	Including by maturity dates					
		Up to 1 year	From 1 to 2 years	From 2 to 3 years	From 3 to 4 years	From 4 to 5 years	Over 5 years
1	2	3	4	5	6	7	8
Secured loans and credits	—	—	—	—	—	—	—
Unsecured loans and credits	35 311 879	10 458 304	5 191 875	16 894 202	691 875	691 875	1 383 748
Secured bond loans	—	—	—	—	—	—	—
Unsecured bond loans	2 931 799	—	—	—	2 931 799	—	—
Interest payable	65 360	65 360	—	—	—	—	—
Total as of 31 December 2023	38 309 038	10 523 664	5 191 875	16 894 202	3 623 674	691 875	1 383 748
<i>including coupon on bond loans</i>	<i>30 544</i>	<i>30 544</i>	—	—	—	—	—

13. Accounts payable

13.1 Availability of accounts payable

thousand rubles

Name of the indicator	31.12.2024	31.12.2023	31.12.2022
1	2	3	4
Accounts payable, total	39 564 326	33 515 580	31 863 283
Other liabilities (long-term accounts payable)	9 264 413	10 321 167	7 684 269
Suppliers and contractors	22 689	60 854	306 752
Advances received, including:	2 839 679	4 033 801	1 972 228
<i>for grid connection</i>	<i>2 783 225</i>	<i>3 974 228</i>	<i>1 873 543</i>
<i>for services related to the main type of activity (additional service)</i>	<i>56 411</i>	<i>59 494</i>	<i>63 136</i>
<i>for services related to the main type of activity (removal of networks)</i>	<i>–</i>	<i>34</i>	<i>35 549</i>
<i>other advances</i>	<i>43</i>	<i>45</i>	<i>–</i>
Settlements on received security	–	–	76
Settlements under enforcement documents with organizations and third parties	–	–	–
Advances received from various debtors	–	–	43 116
Settlements - other	61	–	–
Settlements on lease liabilities	6 401 984	6 226 512	5 362 097
Current accounts payable	30 299 913	23 194 413	24 179 014
Suppliers and contractors	12 925 017	11 956 573	10 035 987
Payroll arrears to staff	–	1 197 312	908 576
Settlements with the budget for taxes and insurance premiums	2 464 765	3 210 870	4 923 486
<i>Property tax arrears</i>	<i>264 267</i>	<i>310 516</i>	<i>340 541</i>
<i>Insurance premium arrears</i>	<i>782 299</i>	<i>1 064 114</i>	<i>1 868 214</i>
<i>Value Added Tax debt</i>	<i>1 026 306</i>	<i>1 658 114</i>	<i>2 113 692</i>
<i>Income tax arrears</i>	<i>373 058</i>	<i>–</i>	<i>406 720</i>
<i>Personal income tax arrears</i>	<i>–</i>	<i>157 811</i>	<i>172 275</i>
<i>Other taxes and fees payable</i>	<i>18 835</i>	<i>20 315</i>	<i>22 044</i>
Advances received	8 413 677	5 278 566	5 645 808
<i>From grid connection</i>	<i>7 898 484</i>	<i>4 309 678</i>	<i>3 415 446</i>
<i>For electricity transmission services</i>	<i>68 954</i>	<i>70 568</i>	<i>93 126</i>
<i>For services related to the main type of activity (additional service)</i>	<i>148 007</i>	<i>192 594</i>	<i>1 302 680</i>
<i>For services related to the main activity (removal of networks)</i>	<i>234 396</i>	<i>646 055</i>	<i>604 158</i>
<i>Other advances</i>	<i>63 836</i>	<i>59 671</i>	<i>230 398</i>
Other creditors	4 845 775	516 572	498 318
<i>Payment for compensation of reconstruction costs</i>	<i>4 543 608</i>	<i>239 560</i>	<i>180 369</i>
<i>Settlements on received security</i>	<i>40 207</i>	<i>7 955</i>	<i>13 261</i>
<i>Settlements with employees under enforcement documents</i>	<i>16</i>	<i>27 283</i>	<i>44 624</i>
<i>Settlements under enforcement documents with organizations and third parties</i>	<i>128 347</i>	<i>73 234</i>	<i>115 908</i>
<i>Settlements on lease liabilities</i>	<i>37 162</i>	<i>22 444</i>	<i>8 326</i>
<i>Penalties, fines, penalties under contracts</i>	<i>6</i>	<i>8</i>	<i>52</i>
<i>Other settlements with creditors</i>	<i>60</i>	<i>257</i>	<i>106</i>

Name of the indicator	31.12.2024	31.12.2023	31.12.2022
1	2	3	4
Health insurance settlements	22 437	9 788	11 639
Deductions to a non-state pension fund	872	1 440	1 604
Mistakenly transferred funds	5 544	7 203	23 784
Settlements under agency agreements	3 731	5 232	–
Advances received from various debtors	38 792	67 539	–
Settlements - other	3 914	26 591	73 572
Payments to the trade union	14 054	22 938	20 206
Other creditors	7 025	5 100	4 867
Debt to participants (founders) for income payments	169 092	138 472	1 525 951
Settlements on lease liabilities	1 481 587	896 048	6 408

Other creditors as of 31 December 2024 include payments received under agreements on compensation for reconstruction costs from VSM Dve Stolitsy LLC and OJSC Russian Railways for a total of RUB 4,163,949 thousand.

13.2 Overdue accounts payable

thousand rubles

Name of the indicator	2024	2023	2022
1	2	3	4
Total overdue accounts payable, including:	5 791 370	4 831 648	3 432 691
Suppliers and contractors	4 452 216	3 734 389	2 819 326
Advances received	1 134 537	966 340	538 612
Other creditors	204 617	130 919	74 753

14. Provisions

The Company reflects the estimated liability while simultaneously meeting the recognition conditions established in PBU 8/2010 “Provisions, Contingent Liabilities and Contingent Assets”.

thousand rubles

Name of the indicator	Period	Balance at the beginning of the year	Accrued	Used	Restored	End of period balance
1	2	3	4	5	6	7
Provisions, total	2024	5 801 204	4 306 773	(4 730 534)	(579 441)	4 798 002
Provisions, total	2023	5 240 033	7 500 102	(5 871 875)	(1 067 056)	5 801 204
including:						
Provisions of pending legal cases on the reporting date in which the Company is a plaintiff or defendant and decisions on which can only be made in subsequent reporting periods, disagreements, claims and other events leading to the outflow of economic benefits of the Company	2024	3 566 141	1 072 832	(1 816 301)	(439 675)	2 382 997
	2023	4 104 889	4 046 173	(3 574 264)	(1 010 657)	3 566 141
Provisions for vacation pay	2024	767 859	2 303 720	(2 200 209)	(7 178)	864 192
	2023	673 052	2 060 965	(1 965 755)	(403)	767 859
Estimated liability for payment of remuneration (bonuses) to employees based on the results of work for the year	2024	1 388 851	927 386	(635 694)	(132 588)	1 547 955
	2023	462 092	1 314 611	(331 856)	(55 996)	1 388 851
Estimated reforestation obligations	2024	2 165	2 835	(2 142)	–	2 858
	2023	–	2 165	–	–	2 165
Estimated liability for windfall tax	2024	76 188	–	(76 188)	–	–
	2023	–	76 188	–	–	76 188

15. Contingent liabilities and contingent assets

Contingent tax liabilities

The Company is a defendant in a number of lawsuits. However, in the opinion of the Company's management, the results of these lawsuits will not have a significant impact on the Company's financial position.

The tax legislation of the Russian Federation, effective or effective at the end of the reporting period, allows for different interpretations of individual facts of the Company's business life. In this regard, the management's position on taxes and the documents substantiating this position may be challenged by the tax authorities.

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

Management currently believes that its tax position and the Company's interpretations of the legislation can be sustained; however, there is a risk that the Company will incur additional costs if management's tax position and the Company's interpretations of the legislation are challenged by the tax authorities.

Litigation

The Company is a party to a number of legal proceedings (both as plaintiff and defendant) arising in the course of ordinary business activities.

According to the management's assessment, the probability of an unfavorable outcome for the Company and the corresponding outflow of financial resources is not high in relation to lawsuits/unsettled claims regarding disagreements over purchased electricity for the purpose of compensating for losses in the amount of RUB 224,247 thousand (as of 31 December 2023 - RUB 187,869 thousand; as of 31 December 2022 - RUB 1,432,250 thousand).

In the opinion of the management, there are currently no other unresolved claims or lawsuits that could have a material impact on the results of operations or financial position of the Company and would not be recognized or disclosed in the financial statements.

16. Taxes

16.1 Corporate income tax

thousand rubles

Name of the indicator	2024		2023	
	Difference	Tax effect	Difference	Tax effect
1	2		3	
Notional income tax expense / (Notional income tax income)	2 478 439		1 796 424	
Permanent tax expenses (PTE)				
For expenses not taken into account for tax purposes (expenses in excess of the established limits for classification as accepted for tax purposes, etc.)	14 462 630	2 892 526	8 235 462	1 647 093
For other reasons	1 698 620	339 724	2 818 408	563 681
including:				
<i>losses from previous years revealed in the current year (submission of revised income tax returns for previous periods)</i>	<i>1 698 620</i>	<i>339 724</i>	<i>2 818 408</i>	<i>563 681</i>
Total PTE	16 161 250	3 232 250	11 053 870	2 210 774
Permanent tax revenues (PTR)				
For income not taken into account for tax purposes	5 180 863	1 036 173	5 309 934	1 061 987
For other reasons	1 623 132	324 626	2 627 321	525 464
including:				
<i>income from previous years revealed in the current year (submission of revised income tax returns for previous periods)</i>	<i>1 623 132</i>	<i>324 626</i>	<i>2 627 321</i>	<i>525 464</i>
Total PTR	6 803 995	1 360 799	7 937 255	1 587 451
Deferred tax assets (DTA)				
Accrual of DTA	22 733 882	4 546 776	16 523 732	3 304 747
On property, plant and equipment, including differences in the amounts of depreciation of property, plant and equipment in accounting and tax accounting	8 943 911	1 788 782	6 424 719	1 284 944
On provisions	1 663 741	332 748	3 994 808	798 962
On allowance for doubtful debts	1 539 687	307 937	1 909 253	381 851
For other reasons	10 586 543	2 117 309	4 194 952	838 990
including:				
<i>cost of production, including reserves for unused vacations and payment of remuneration</i>	<i>3 919 514</i>	<i>783 903</i>	<i>3 422 643</i>	<i>684 528</i>
<i>IA</i>	<i>2 261</i>	<i>452</i>	<i>—</i>	<i>—</i>
<i>Deferred Expenses</i>	<i>371 309</i>	<i>74 262</i>	<i>84 393</i>	<i>16 879</i>
<i>other income, including from the reconstruction of electrical grid facilities under compensation agreements</i>	<i>5 529 523</i>	<i>1 105 905</i>	<i>182 135</i>	<i>36 426</i>
<i>other expenses</i>	<i>175 949</i>	<i>35 190</i>	<i>133 949</i>	<i>26 790</i>
<i>loss from sale of property, plant and equipment</i>	<i>110</i>	<i>22</i>	<i>—</i>	<i>—</i>
<i>valuation reserve (INV)</i>	<i>19 628</i>	<i>3 925</i>	<i>373</i>	<i>75</i>
<i>Held for sale asset (41 accounts)</i>	<i>34 161</i>	<i>6 832</i>	<i>31 479</i>	<i>6 296</i>
<i>lease rights (leasing)</i>	<i>347 759</i>	<i>69 552</i>	<i>205 592</i>	<i>41 118</i>
<i>lease rights (rent)</i>	<i>186 329</i>	<i>37 266</i>	<i>134 388</i>	<i>26 878</i>
Repayment of DTA	12 054 916	2 410 983	11 378 500	2 275 701
Differences in the amounts of depreciation of property, plant and equipment in accounting and tax accounting	5 972 472	1 194 49 4	5 461 901	1 092 380
On provisions	955 128	191 026	1 984 613	396 923
On allowance for doubtful debts	1 511 019	302 203	1 133 107	226 621
For other reasons	3 616 297	723 259	2 798 879	559 777
including:				
<i>cost of production, including reserves for unused vacations and payment of remuneration</i>	<i>2 900 696</i>	<i>580 139</i>	<i>2 340 990</i>	<i>468 199</i>

Name of the indicator	2024		2023	
	Difference	Tax effect	Difference	Tax effect
1	2		3	
IA	414	83	—	—
Deferred Expenses	344 790	68 958	75 958	15 192
other income, including from the reconstruction of electrical network property under compensation agreements	149 401	29 880	222 740	44 548
other expenses	69 815	13 963	77 916	15 583
loss from sale of property, plant and equipment	42	8	42	8
valuation reserve (INV)	414	83	355	71
Held for sale asset (41 accounts)	23 624	4 725	25 203	5 041
lease rights (leasing)	8 660	1 732	996	199
lease rights (rent)	118 441	23 688	54 679	10 936
Total change in the DTA for the purposes of calculating income tax	10 678 966	2 135 793	5 145 232	1 029 046
Deferred tax liabilities (DTL)				
Accrual of DTL	22 949 164	4 589 832	9 519 413	1 903 883
On property, plant and equipment, including differences in the amounts of depreciation of property, plant and equipment in accounting and tax accounting	21 765 267	4 353 053	8 991 078	1 798 216
For expenses on interest payments on loans used for the acquisition (construction) of property, plant and equipment	—	—	—	—
The difference between the valuation of work in progress and the value of the balance of finished goods	—	—	—	—
For other reasons	1 183 897	236 779	528 335	105 667
including:				
cost price of production	—	—	—	—
IA	27 592	5 518	17 095	3 419
Deferred Expenses	521	104	8 934	1 787
other income	—	—	1 700	340
other expenses, including interest on investment loans	550 230	110 046	270 222	54 044
lease rights (leasing)	420 650	84 130	228 158	45 632
lease rights (rent)	184 904	36 981	2 226	445
Repayment of the debt	5 871 922	1 174 384	5 071 066	1 014 214
On property, plant and equipment, including differences in the amounts of depreciation of property, plant and equipment in accounting and tax accounting	5 411 185	1 082 237	4 758 573	951 715
For expenses on interest payments on loans used for the acquisition (construction) of property, plant and equipment	—	—	—	—
The difference between the valuation of work in progress and the value of the balance of finished goods	—	—	—	—
For other reasons	460 737	92 147	312 493	62 499
including:				
cost price of production	—	—	—	—
IA	17 279	3 456	14 524	2 905
Deferred Expenses	659	132	6 848	1 370
other income	—	—	—	—
other expenses, including interest on investment loans	393 092	78 618	248 400	49 680
lease rights (leasing)	48 448	9 689	39 097	7 819
lease rights (rent)	1 259	252	3 624	725
Total change in the DTL for the purposes of calculating income tax	(17 077 242)	(3 415 448)	(4 448 347)	(889 669)
Taxable profit/(loss)	15 351 174		4 589 832	
Using tax losses from previous years	—		—	
Taxable profit after using tax losses from previous years	15 351 174		12 795 621	
Current income tax	3 070 235		2 559 124	

16.2 Applicable rates of income tax

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 Recognizing Certain Provisions of Legislative Acts of the Russian Federation as Invalid” was adopted, providing for an increase in the income tax rate from 20% to 25% from 1 January 2025.

In connection with the adoption of the said law, the following is recognized in these financial statements:

- an increase in deferred tax assets by RUB 1,337,317 thousand and an increase in deferred tax liabilities by RUB 2,705,816 thousand;
- recognition of an additional deferred tax expense related to the recalculation of deferred tax assets and liabilities at new rates that will be effective in the periods of recovery of such assets and liabilities after 1 January 2025 in the amount of RUB 1,368,499 thousand (line 2412 “Deferred income tax” of the Statement of Financial Results).

This change in legislation did not affect the amounts of current income tax for 2024.

The income tax rates applicable to the Company were 20% in 2024 and 20% in 2023.

16.3 Change in deferred taxes

thousand rubles

Name of the indicator	2024	2023
1	2	3
Deferred tax assets		
<i>The effect of a one-time adjustment to the inter-reporting period upon transition to FSBU 14/2022</i>	212 759	—
<i>At the beginning of the reporting year (line 1180 of the balance sheet)</i>	5 021 342	4 477 016
Accrued in the reporting year for transactions, the result of which is included in the net profit (loss) of the period (line 2412)	3 209 460	3 304 746
Accrued in the reporting year for transactions, the result of which is not included in the net profit (loss) of the period (line 2530)	—	—
Repaid in the reporting year (line 2412)	(2 410 983)	(2 275 700)
Written off in the reporting year (line 2460)	(470 550)	(697 479)
A deferred tax asset previously written off due to the lack of a recoverable amount to the profit and loss account has been restored (line 2412)	—	—
The amount of accrued/(written off) deferred tax assets as a result of an increase/decrease in the income tax rate from the next reporting year (line 2412)	1 337 317	—
<i>At the end of the reporting year (line 1180 of the balance sheet)</i>	6 686 586	4 808 583
Deferred tax liabilities		
<i>The effect of a one-time adjustment to the inter-reporting period upon transition to FSBU 14/2022</i>	(100)	—
<i>At the beginning of the reporting year (line 1420 of the balance sheet)</i>	10 142 756	9 245 945
Accrued in the reporting year for transactions, the result of which is included in the net profit (loss) of the period (line 2412)	1 884 016	1 903 882
Accrued in the reporting year for transactions, the result of which is not included in the net profit (loss) of the period (line 2530)	—	—
Repaid in the reporting year (line 2412)	(1 174 384)	(1 014 213)
Written off in the reporting year (line 2460)	(29 122)	7 242
The amount of accrued/(written off) deferred tax liabilities as a result of an increase/decrease in the income tax rate from the next reporting year (line 2412)	2 705 816	—
<i>At the end of the reporting year (line 1420 of the balance sheet)</i>	13 529 082	10 142 856

16.4 Other taxes and fees

thousand rubles

Name of the indicator	2024	2023
1	2	3

Other taxes and fees	1 091 331	1 882 831
<i>Water tax</i>	6	6
<i>State duty</i>	28 752	25 948
<i>Property tax</i>	1,005,862	1 786 283
<i>Transport tax</i>	38 487	38 543
<i>Land tax</i>	18 224	32 051

17. Information on income and expenses

17.1 Revenue

The Company's revenue is generated in connection with the provision of services/works by type:

thousand rubles

Name of the indicator	2024	2023
1	2	3
Revenue (net) from the sale of goods, products, works, services (minus value added tax)	132 294 213	123 264 876
Electricity transmission services	121 446 501	112 578 025
Grid connection services	5 692 707	4 548 270
From the resale of electricity and power	–	416 789
Services from property rental	84 575	76 856
Other activities (additional service)	5 070 430	5 644 936

17.2 Expenses for ordinary activities

The cost of sales of the Company is formed in connection with the sale of goods, finished products, works, services by type:

thousand rubles

Name of the indicator	2024	2023
1	2	3
Cost of sold goods, products, works, services	(112 464 157)	(105 693 296)
Electricity transmission services	(108 896 576)	(100 410 154)
Grid connection services	(493 372)	(462 718)
From the resale of electricity and power	–	(348 883)
Services from property rental	(55 958)	(41 931)
Other activities	(3 018 251)	(4 429 610)
Management expenses	(2 211 317)	(2 032 718)
Commercial expenses	–	(12 833)

Distribution of the Company's expenses by cost elements recognized in the Statement of Financial Results

thousand rubles

Name of the indicator	2024	2023
1	2	3
Production costs:		
Material costs	68 223 481	64 603 917
Labor costs	20 269 501	18 521 618
Social security contributions	6 307 152	5 691 055
Depreciation	12 387 832	11 659 470
Other expenses	5 276 191	5 217 236
including:		
<i>Taxes and fees included in cost price</i>	<i>1 955 709</i>	<i>1 858 895</i>
<i>Payment for works and services of third-party organizations</i>	<i>2 469 679</i>	<i>2 481 784</i>
<i>Other services and expenses included in cost price</i>	<i>850 803</i>	<i>876 557</i>
Total by elements	112 464 157	105 693 296
Commercial expenses		
Material costs	—	117
Labor costs	—	6 431
Social security contributions	—	1 931
Depreciation	—	—
Other expenses	—	4 354
Total by elements	—	12 833
Management expenses		
Material costs	74 448	71 066
Labor costs	1 456 525	1 313 003
Social security contributions	375 663	338 219
Depreciation	101 725	99 551
Other expenses	202 956	210 879
Total by elements	2 211 317	2 032 718

17.3 Interest receivable

thousand rubles

Name of the indicator	2024	2023
1	2	3
Interest on bank deposits	426 914	440 292
Interest on loans issued	323 815	209 358
Other interest receivable, including	1 076 664	96 049
Interest accrued on the balance of funds in the bank	22 039	17 128
Interest for the use of funds (minimum balance)	1 024 840	64 008
Interest income from rent	29 785	14 913
Total for the line “Interest receivable” of the financial performance report	1 827 393	745 699

17.4 Interest payable

thousand rubles

Name of the indicator	2024	2023
1	2	3
Interest on loans received	(4 796 195)	(3 366 619)
Interest on bond loans	(875 036)	(147 894)
Interest on lease liabilities	(725 575)	(640 696)
Other interest payable	–	–
Total for the line “Interest payable” of the financial performance report	(6 396 806)	(4 155 209)

17.5 Other income and expenses

thousand rubles

Name of the indicator	2024		2023	
	Income	Expenses	Income	Expenses
1	2	3	4	5
From the sale of property, plant and equipment, except apartments	10 807	(2 140)	31 315	(5 922)
From the sale of inventories	111 386	(63 490)	47 938	(12 778)
From the sale of other assets	–	(15)	–	(29)
Profit (loss) identified in the reporting period	1 623 132	(1 698 620)	2 627 321	(2 818 408)
Penalties, fines and forfeits recognized or for which court (arbitration court) decisions have been received on their collection	505 053	(346 059)	830 625	(502 484)
Accounts payable (accounts receivable) for which the limitation period has expired	22 017	(5 768)	47 595	(3 183)
Property found to be in surplus according to the inventory results	545	–	3 615	–
Income from property, plant and equipment received free of charge, determined in accordance with the established procedure	462	–	348	–
The cost of material assets remaining after the write-off of assets unsuitable for restoration and further use	116 673	–	97 601	–
Revaluation of financial investments at current market value	11 024	(24 555)	80 554	(33 038)
Income/expense of reserve for doubtful debts	1 414 952	(752 724)	944 416	(1 955 965)
Income/expense of provisions	579 441	(291 111)	1 067 057	(2 720 462)
Income/expense of reserve for impairment of inventory value	414	(15 597)	355	(373)
Income/expenses under contracts of assignment of rights of claim	149 798	(149 798)	648 600	(648 600)
Income (expense) from identified non-contractual consumption of electricity	55 119	–	65 142	–
Insurance payments to be received	348 047	–	1 139 501	–
Recovery of previously written-off accounts receivable	9 834	–	10 276	–
Discount on bills of exchange	–	–	–	–
Income (expense) from termination of lease agreement	132 105	(124 885)	86 056	(81 414)
Other taxes	–	(3 016)	–	(1 204)
Expenses for payment of bank services	–	(6 102)	–	(7 219)
Expenses for servicing financial investments	–	(7 483)	–	(5 022)
Disposal of assets without income	–	(94 764)	–	(108 820)
Non-refundable VAT	–	(183 650)	–	(381 279)
Contributions to associations and funds	–	(6 908)	–	(5 772)
Legal costs	–	(13 986)	–	(24 144)
Thefts, shortages	–	(279)	–	–
Costs of enforcement proceedings	–	(7 611)	–	(4 532)

Name of the indicator	2024		2023	
	Income	Expenses	Income	Expenses
1	2	3	4	5
Other material (financial) assistance and other payments	–	(721 800)	–	(538 734)
Financial assistance to pensioners (including one-time payments, compensation for utility bills)	–	(33 330)	–	(34 877)
Expenses for holding sports events	–	(5 302)	–	(4 925)
Expenses for cultural and educational events	–	(15 403)	–	(20 170)
Charity expenses	–	(221 599)	–	(175 000)
Residual value of written-off property, plant and equipment	–	(55 330)	–	(28 363)
Amortization of the right to use an asset	–	(914)	–	(943)
Accrual/reversal of asset impairment	4 563 595	(5 005 023)	4 887 086	(5 680 014)
Others	879 947	(1 334 375)	961 955	(908 088)
Total other income/expenses	10 534 351	(11 191 637)	13 577 356	(16 711 762)

The Company's financial performance report reflects expenses and related income in a consolidated form that arose as a result of the same or similar economic event:

In particular, the following expenses are shown minus the corresponding income:

- expenses from the sale of property, plant and equipment;
- expenses from the sale of inventories;
- expenses from the sale of securities;
- expenses from the sale of other assets.

18. Related Parties

In the course of its ordinary activities, the Company carries out transactions with enterprises that are related parties in accordance with Russian legislation. Transactions with related parties are carried out at regulated rates or on normal commercial terms. The main form of settlements with related parties is cash.

For the purposes of disclosure, the Company's related parties include its subsidiaries and dependent companies, the parent company PJSC Rosseti, subsidiaries of PJSC Rosseti, key management personnel, as well as non-state pension funds acting in the interests of the Company's employees.

Information on remuneration paid to key management personnel is provided in Section 23 “Remuneration paid to members of the Management Board, Board of Directors, and audit commissions”.

Information on transactions with non-state pension funds operating in the interests of the Company's employees is provided in Section 25 “Relations with non-state pension funds”.

The amounts of transactions and balances of settlements with related parties are disclosed separately for the following groups of related parties: the parent company, subsidiaries and affiliates, and other related companies.

18.1 The Company's revenue from sales of finished products, provision of services and income to related parties

thousand rubles

Name of the indicator	2024	2023
1	2	3
Electricity transmission services		
<i>including the parent company</i>	–	–
<i>including subsidiaries</i>	2 557 947	2 144 941
<i>including other related companies</i>	–	–
Total for electricity transmission services	2 557 947	2 144 941
Grid connection services		
<i>including the parent company</i>	–	–
<i>including subsidiaries</i>	116	227
<i>including other related companies</i>	–	–
Total for grid connection services	116	227
Revenue from electricity sales		
<i>including the parent company</i>	–	76
<i>including subsidiaries</i>	–	–
<i>including other related companies</i>	–	31
Total for revenue from sale of electricity	–	107
Income from renting out property		
<i>including the parent company</i>	4 197	4 168
<i>including subsidiaries</i>	27 951	21 958
<i>including other related companies</i>	28 518	24 623
Total revenue from property rental	60 666	50 749
Income from equity participation in other organizations		
<i>including the parent company</i>	–	–
<i>including subsidiaries</i>	–	–
<i>including other related companies</i>	155	8
Total income from equity participation in other organizations	155	8
Other revenue from operating activities		
<i>including the parent company</i>	10 633	6 348
<i>including subsidiaries</i>	302 157	238 491
<i>including other related companies</i>	1 000 859	1 191 338
Total other revenue from operating activities	1 313 649	1 436 177
Other income of previous years		
<i>including the parent company</i>	1	1
<i>including subsidiaries</i>	455	901
<i>including other related companies</i>	330 832	308 344
Total income for previous years	331 288	309 246
Interest income on loans issued		
<i>including the parent company</i>	–	–
<i>including subsidiaries</i>	323 815	209 358
<i>including other related companies</i>	–	–
Total interest income on loans issued	323 815	209 358
Other types of revenue		
<i>including the parent company</i>	159 143	–
<i>including subsidiaries</i>	–	–
<i>including other related companies</i>	37	51 933
Total for other types of revenue	159 180	51 933
Total revenue from sales to related parties	4 746 816	4 202 746

18.2 The cost of purchased goods, products, works, services rendered by related parties amounted to:

thousand rubles

Name of the indicator	2024	2023
1	2	3
Purchased electricity, including:		
<i>from the parent company</i>	–	–
<i>from subsidiaries</i>	–	–
<i>from other related companies</i>	–	297
Total for purchased electricity	–	297
Electricity transmission services, including:		
<i>from the parent company</i>	22 339 376	20 674 462
<i>from subsidiaries</i>	3 584 094	2 717 201

Name of the indicator	2024	2023
1	2	3
<i>from other related companies</i>	–	–
Total for the service of electric power transmission	25 923 470	23 391 663
Services for technical maintenance and repair of equipment, including:		
<i>from the parent company</i>	–	–
<i>from subsidiaries</i>	4 337	2 106
<i>from other related companies</i>	132 271	59 781
Total for equipment maintenance and repair services	136 608	61 887
Grid connection services		
<i>including the parent company</i>	2 841	8 217
<i>including subsidiaries</i>	38	–
<i>including other related companies</i>	37	–
Total for grid connection services	2 916	8 217
Technical supervision services		
<i>including the parent company</i>	52 351	52 351
<i>including subsidiaries</i>	–	–
<i>including other related companies</i>	–	–
Total technical supervision services	52 351	52 351
Rental of property, including:		
<i>from the parent company</i>	9	16
<i>from subsidiaries</i>	1 536	1 587
<i>from other related companies</i>	541	380
Total property rent	2 086	1 983
Interest expense on rent		
<i>from the parent company</i>	–	–
<i>from subsidiaries</i>	–	–
<i>from other related companies</i>	156 534	103 358
Total interest expense on rent	156 534	103 358
Expenses on other goods, products, works, services		
<i>from the parent company</i>	43 018	34 659
<i>from subsidiaries</i>	45 613	12 409
<i>from other related companies</i>	762 550	717 820
Total expenses for other goods, products, works, services	851 181	764 888
Other services, including:		
<i>from the parent company</i>	–	151
<i>from subsidiaries</i>	1 937	1 892
<i>from other related companies</i>	22 249	37 436
Total other services	24 186	39 479
Other services of previous periods		
<i>from the parent company</i>	–	21
<i>from subsidiaries</i>	–	–
<i>from other related companies</i>	17 564	280 545
Total for other services of previous periods	17 564	280 566
Capitalized costs of works and services		
<i>from the parent company</i>	57 135	409
<i>from subsidiaries</i>	–	–
<i>from other related companies</i>	871 790	1 023 032
Total capitalized costs of works and services	928 925	1 023 441
Total for related parties	28 095 821	25 728 130

18.3 Status of settlements with related parties

Accounts receivable and debt investments of related parties

thousand rubles

Name of the indicator	31 December 2024		31 December 2023		31 December 2022	
	Debt	Reserve	Debt	Reserve	Debt	Reserve
1	2	3	4	5	6	7
Accounts receivable from buyers and customers, including:	815 879	(150 250)	796 039	(213 976)	602 499	(283 953)
<i>to the parent company</i>	507	–	453	–	–	–
<i>to subsidiaries</i>	319 693	(467)	181 053	–	151 420	–
<i>to other related parties</i>	495 679	(149 783)	614 533	(213 976)	451 079	(283 953)
Advances issued, including:	137 748	(18)	16 536	(18)	24 578	(18)
<i>to the parent company</i>	19 622	–	13 691	–	–	–
<i>to subsidiaries</i>	953	(18)	53	(18)	43	(18)
<i>to other related parties</i>	117 173	–	2 792	–	24 535	–
Other accounts receivable, including:	119 733	(3 688)	141 434	(3 686)	399 649	(558)
<i>to the parent company</i>	–	–	–	–	–	–
<i>to subsidiaries</i>	2	(2)	–	–	17 852	–
<i>to other related parties</i>	119 731	(3 686)	141 434	(3 686)	381 797	(558)
Total accounts receivable from related parties	1 073 360	(153 956)	954 009	(217 680)	1 026 726	(284 529)
Long-term loans issued, including:	610 644	–	1 815 997	–	1 313 232	–
<i>parent company</i>	–	–	–	–	–	–
<i>subsidiaries</i>	610 644	–	1 815 997	–	1 313 232	–
<i>other related parties</i>	–	–	–	–	–	–
Short-term loans issued, including:	840 204	–	–	–	748 789	–
<i>parent company</i>	–	–	–	–	–	–
<i>subsidiaries</i>	840 204	–	–	–	748 789	–
<i>other related parties</i>	–	–	–	–	–	–
Total debt investments to related parties	1 450 848	–	1 815 997	–	2 062 021	–

18.4 Accounts payable to related parties and loans received from related parties

thousand rubles

Name of the indicator	31 December 2024	31 December 2023	31 December 2022
1	2	3	4
Settlements with suppliers and contractors, including:	–	–	4 262
<i>with the parent company</i>	–	–	–
<i>with subsidiaries</i>	–	–	–
<i>with other related parties</i>	–	–	4 262

Name of the indicator	31 December 2024	31 December 2023	31 December 2022
1	2	3	4
Settlements for advances received, including:	4 689	1 817	26 135
<i>with the parent company</i>	43	44	–
<i>with subsidiaries</i>	3 010	–	–
<i>with other related parties</i>	1 636	1 773	26 135
Other accounts payable, including:	2 028 525	1 263 544	–
<i>with the parent company</i>	–	–	–
<i>with subsidiaries</i>	–	–	–
<i>with other related parties</i>	2 028 525	1 263 544	–
Total long-term accounts payable to related parties	2 033 214	1 265 361	30 397
Settlements with suppliers and contractors, including:	2 421 006	1 804 600	2 594 747
<i>with the parent company</i>	1 172 146	1 038 561	131 099
<i>with subsidiaries</i>	774 248	378 387	158 236
<i>with other related parties</i>	474 612	387 652	2 305 412
Settlements for advances received, including:	18 672	67 013	894 055
<i>with the parent company</i>	18 177	29 773	–
<i>with subsidiaries</i>	358	232	417
<i>with other related parties</i>	137	37 008	893 638
Other accounts payable, including:	793 214	184 435	7 465
<i>with the parent company</i>	5 133	2	–
<i>with subsidiaries</i>	43 267	262	241
<i>with other related parties</i>	744 814	184 171	7 224
Total current accounts payable to related parties	3 232 892	2 056 048	3 496 267
Long-term loans received, including:	4 843 123	4 151 248	4 843 123
<i>from the parent company</i>	4 843 123	4 151 248	4 843 123
<i>from subsidiaries</i>	–	–	–
<i>from other related parties</i>	–	–	–
Short-term loans received, including:	–	691 875	–
<i>from the parent company</i>	–	691 875	–
<i>from subsidiaries</i>	–	–	–
<i>from other related parties</i>	–	–	–
Total borrowings from related parties	4 843 123	4 843 123	4 843 123

18.5 Cash flows from related party transactions

thousand rubles

Name of the indicator	For 2024	For 2023
1	2	3
Cash flows from current operations	(21 531 891)	(21 196 755)
Income from the sale of products, works, services, including:	4 343 480	3 357 033
<i>Parent company</i>	190	45 109
<i>Subsidiaries</i>	2 665 251	2 352 738
<i>Other related parties</i>	1 678 039	959 186
Income from rental payments, including:	85 652	41 517
<i>Parent company</i>	4 152	4 206
<i>Subsidiaries</i>	27 165	21 557
<i>Other related parties</i>	54 335	15 754
Other receipts, including:	39 901	17 937
<i>Parent company</i>	–	–
<i>Subsidiaries</i>	–	17 852
<i>Other related parties</i>	39 901	85

Name of the indicator	For 2024	For 2023
1	2	3
Payments to suppliers for raw materials, materials, works, services, including:	(25 859 669)	(24 502 076)
<i>Parent company</i>	<i>(22 348 452)</i>	<i>(21 586 804)</i>
<i>Subsidiaries</i>	<i>(2 615 126)</i>	<i>(1 621 553)</i>
<i>Other related parties</i>	<i>(896 091)</i>	<i>(1 293 719)</i>
Payments of interest on debt obligations, including:	(134 322)	(105 048)
<i>Parent company</i>	<i>(447)</i>	<i>(130)</i>
<i>Subsidiaries</i>	<i>(4 115)</i>	<i>(5 516)</i>
<i>Other related parties</i>	<i>(129 760)</i>	<i>(99 402)</i>
Other payments, transfers, including:	(6 933)	(6 118)
<i>Parent company</i>	<i>–</i>	<i>(133)</i>
<i>Subsidiaries</i>	<i>(1 831)</i>	<i>(1 788)</i>
<i>Other related parties</i>	<i>(5 102)</i>	<i>(4 197)</i>
Cash flows from investment operations	(104 532)	(22 201)
Proceeds from the repayment of loans provided, from the sale of debt securities (rights to claim funds from other persons), including:	365 149	246 024
<i>Parent company</i>	<i>–</i>	<i>–</i>
<i>Subsidiaries</i>	<i>365 149</i>	<i>246 024</i>
<i>Other related parties</i>	<i>–</i>	<i>–</i>
Receipts from dividends, interest on debt financial investments and similar receipts from equity participation in other organizations, including:	331 390	227 473
<i>Parent company</i>	<i>–</i>	<i>–</i>
<i>Subsidiaries</i>	<i>331 235</i>	<i>227 345</i>
<i>Other related parties</i>	<i>155</i>	<i>128</i>
Other receipts, including:	164 276	–
<i>Parent company</i>	<i>164 276</i>	<i>–</i>
<i>Subsidiaries</i>	<i>–</i>	<i>–</i>
<i>Other related parties</i>	<i>–</i>	<i>–</i>
Payments in connection with the acquisition, creation, modernization, reconstruction and preparation for use of non-current assets, including:	(842 347)	(495 698)
<i>Parent company</i>	<i>(39 433)</i>	<i>(109)</i>
<i>Subsidiaries</i>	<i>(135 242)</i>	<i>–</i>
<i>Other related parties</i>	<i>(667 672)</i>	<i>(495 589)</i>
Payments in connection with the acquisition of shares of other organizations (participatory interests), including:	(123 000)	–
<i>Parent company</i>	<i>–</i>	<i>–</i>
<i>Subsidiaries</i>	<i>(123 000)</i>	<i>–</i>
<i>Other related parties</i>	<i>–</i>	<i>–</i>
Cash flows from financial transactions:	(1 697 308)	(1 007 986)
For the payment of dividends and other payments for the distribution of profits in favor of owners (participants), including:	(1 416 805)	(966 584)
<i>Parent company</i>	<i>(1 416 805)</i>	<i>(966 584)</i>
<i>Subsidiaries</i>	<i>–</i>	<i>–</i>
<i>Other related parties</i>	<i>–</i>	<i>–</i>
Other payments	(280 503)	(41 402)
<i>Parent company</i>	<i>(520)</i>	<i>(2 332)</i>
<i>Subsidiaries</i>	<i>(13 915)</i>	<i>(19 678)</i>
<i>Other related parties</i>	<i>(266 068)</i>	<i>(19 392)</i>

19. Remuneration paid to members of the Management Board, Board of Directors, and Audit Commission

In 2024, the Company accrued remuneration to members of the Board of Directors and the Management Board in the amount of RUB 327,698 thousand, in addition, insurance premiums were accrued for these payments in the amount of RUB 55,795 thousand (for 2022 - RUB 225,252 thousand, in addition, insurance premiums of RUB 39,462 thousand).

In 2024, the Company accrued remuneration to members of the audit commission in the amount of RUB 794 thousand (in addition, insurance premiums of RUB 241 thousand), in 2023 - RUB 792 thousand (in addition, insurance premiums of RUB 241 thousand).

20. Security of liabilities and payments

Security for liabilities and payments issued (received) by the Company are recognized in the accounting on off-balance sheet accounts on the date of their issue (receipt) in accordance with the terms of the agreement.

Availability and movement of security for obligations

thousand rubles

Name of indicators	31 December 2024	31 December 2023	31 December 2022
1	2	3	4
Received, total	1 888 035	549 316	678 118
Bank guarantees	1 847 828	541 360	664 766
Surety agreements	—	—	—
Property pledge agreement	—	—	15
Others	40 207	7 956	13 337
Issued under own obligations, total	797 683	1 168 190	1 034 891
Bank guarantees	727 649	1 077 657	948 687
Others	70 034	90 533	86 204
Surety	—	—	—

21. Relations with the Non-State Pension Fund

Expenses on the Company's contributions to non-state pension funds are recognized in expenses for ordinary activities. The total amount of deductions to the funds amounted to RUB 156,333 thousand for 2024 and RUB 145,946 thousand for 2023.

The balance of settlements with the Non-State Pension Fund as of 31 December 2024 is RUB 872 thousand, 31 December 2023 is RUB 1,440 thousand, 31 December 2022 on the joint account is RUB 1,604 thousand.

22. Information on budget funds received

thousand rubles

Name of indicators	2024	2023
1	2	3
Budget funds received - total	136 704	10 452
Including:		
To finance capital expenditures	120 000	—
To finance current expenses	16 704	10 452

23. Information by segments

The Company's internal management reporting system is based on segments (branches formed on a territorial basis) related to the transmission and distribution of electric power, technological connection to electric networks and the sale of electric power to the end consumer in the regions of the Russian Federation.

In accordance with the requirements of PBU 12/2010 *“Information on Segments”*, the Company identifies the following reportable segments:

	Branch name
Segment 1	Branch of Rosseti Centre, PJSC - Belgorodenergo
Segment 2	Branch of Rosseti Centre, PJSC - Bryanskenergo
Segment 3	Branch of Rosseti Centre, PJSC - Voronezhenergo
Segment 4	Branch of Rosseti Centre, PJSC - Kostromaenergo
Segment 5	Branch of Rosseti Centre, PJSC - Kurskenergo
Segment 6	Branch of Rosseti Centre, PJSC - Lipetskenergo
Segment 7	Branch of Rosseti Centre, PJSC - Orelenergo
Segment 8	Branch of Rosseti Centre, PJSC - Tambovenergo
Segment 9	Branch of Rosseti Centre, PJSC - Smolenskenergo
Segment 10	Branch of Rosseti Centre, PJSC - Tverenergo
Segment 11	Branch of Rosseti Centre, PJSC - Yarenergo

The performance indicators of the Company's executive office, which is not an operating segment, are presented separately.

The total amount of revenue received from the counterparty of PJSC AtomEnergoSbyt for 2024 amounted to RUB 27,111,832 thousand, or 20.5% of the total revenue of the Company (in 2023 - RUB 25,527,988 thousand, or 20.7%) for the branches: Kurskenergo, Lipetskenergo, Smolenskenergo, Tverenergo.

The total revenue received from TNS energo Group of Companies in 2024 amounted to RUB 22,989,567 thousand, or 17.4% of the Company's total revenue (in 2023 - RUB 21,153,372 thousand, or 17.2%) for the branches: Voronezhenergo, Yarenergo.

Name of the indicator	Period					
1	2					
Revenue from external customers	2024					
	2023					
Intersegment sales revenue	2024					
	2023					
Total segment revenue	2024					
	2023					
incl.						
<i>revenue from transmission</i>	<i>2024</i>					
	<i>2023</i>					
<i>revenue from grid connection</i>	<i>2024</i>					
	<i>2023</i>					
<i>revenue from electricity sales</i>	<i>2024</i>					
	<i>2023</i>					
<i>other revenue</i>	<i>2024</i>					

24. Information on risks of business activities

24.1 Information on risks associated with the Company's activities

Information on risks, the implementation of which may have a significant impact on the financial and economic activities and financial position of the Company.

24.2 Industry risks

According to the Company's assessment, the current deterioration of the situation in the industry may be due to:

1. Operational (production) risks associated with insufficient funding of the repair and maintenance program and the investment program, physical wear and tear, violation of operating conditions and critical changes in the operating parameters of electrical grid equipment, which may lead to failure (accidents) of electrical equipment and destruction of structures. The unsatisfactory condition of equipment due to physical wear and tear and obsolescence is one of the main causes of production risks, the main ones being:

- poor performance of electricity transmission services;
- equipment failures with partial or complete undersupply of electricity with corresponding adverse social, environmental and economic consequences.

The probability of failure of electrical grid equipment (caused by its damage) is currently at an average level; if risk events occur, the consequences for the Company's activities may vary from insignificant to average. In order to minimize the consequences of production risks, all of the Company's main production facilities are insured. In addition, a whole range of measures is being implemented to ensure the reliability of equipment and structures at the proper level:

1. An automated production asset management system has been implemented and is being used, designed to optimize the processes of operation, maintenance, and repair of power grid assets and to increase the efficiency of investment activities.
2. In order to reduce the level of wear and tear, renovation and modernization of electric power capacities is carried out based on the introduction of innovative power equipment.
3. To ensure system reliability, measures are developed and implemented to increase its reliability, based on the results of a system analysis of the damageability of elements of the electric grid complex.
4. A tender selection of service and supply organizations is carried out in order to improve the quality of services and materials provided, the responsibility of contractors and reduce specific costs.

Risk management in the area of compliance with industrial safety requirements of the Company is ensured by compliance with federal legislation in the area of industrial safety, as well as a system of industrial control over compliance with industrial safety requirements.

2. Risks associated with government regulation of tariffs for services rendered

The transmission of electricity through distribution networks, as well as technological connection to electrical networks, are activities regulated by the state.

The state implements a policy of restraining the growth of tariffs for the products and services of natural monopolies. The growth of tariffs for electricity transmission services is limited by the rate

established by the forecast of the socio-economic development of the Russian Federation for the relevant year (hereinafter referred to as the "Forecast") or by certain scenario conditions for the functioning of the economy of the Russian Federation approved by the Government of the Russian Federation. At the same time, the growth of federal components of the tariff (costs for payment for the services of PJSC Rosseti (named until 12 October 2022 PJSC FGC UES), costs for the purchase of electricity to compensate for losses in regional networks) usually outpaces the limitation of the network tariff set by the Forecast.

In November 2024, regional regulatory authorities adopted tariff decisions on establishing uniform (boiler) tariffs in the territories of the constituent entities of the Russian Federation in the area of operations of Rosseti Centre, PJSC for 2025.

The increase in tariff rates for other consumers from 1 July 2025 amounted to +11.6%, with the exception of two regions where tariffs for other consumers were set taking into account the concluded Regulatory Agreements and the indexation of single-rate tariffs differentiated by voltage levels is:

Smolensk region (order of the FAS Russia dated 30 September 2024 No. 671/24): from +14.2% to +14.6%;

Yaroslavl region (order of the FAS Russia dated 30 September 2024 No. 672/24): from +9.3% to +16.0%.

Tariff rates for other consumers and the population are set by regulatory authorities of the constituent entities of the Russian Federation for 2025 in accordance with the maximum and maximum tariff levels for electricity transmission services of the FAS Russia, approved by orders dated 24 October 2024 No. 766/24 and No. 767/24.

At the same time, the increase in the rate for the maintenance of electric grid facilities included in the unified national (all-Russian) electric grid from 1 July 2025 amounted to +14.0%.

The following measures are taken to minimize risks:

1. Work is carried out on an ongoing basis to economically justify the costs included in tariffs, including the inclusion in tariffs of economically justified expenses incurred in excess of those included in tariffs and lost income from previous periods due to reasons beyond the Company's control.
2. Systematic work is being carried out to reduce costs and optimize expenses within the framework of the implementation of the investment program.
3. Together with PJSC Rosseti, initiatives are being developed to amend the current legislation of the Russian Federation in the area of pricing for services of natural monopolies in order to take into account the interests of distribution grid companies when setting tariffs on the retail market.

3. Risks of lost income associated with the payment discipline of energy supply companies

Energy sales companies supplying electric energy to end consumers are the main consumers of electricity transmission services. The growth of energy sales companies' debt to the Company may be associated with the violation of payment discipline by end consumers of electric energy to sales companies, "non-targeted" use of funds received from end consumers, lengthy settlement of disputes in court regarding the volume of services rendered, as well as with the introduction of sanctions against the Russian Federation and the Special Military Operation factor.

The probability of the risk of lost income due to non-payments by energy supply companies is assessed as high.

In order to reduce the likelihood of risks of income shortfalls due to non-payments by energy supply companies and to minimize their consequences, the management carries out work on conducting a balanced credit policy, a policy on managing accounts receivable aimed at optimizing its size and debt collection. The Company also carries out claims and lawsuits to collect overdue accounts receivable.

4. The risk of uncertainty of the maximum volumes of services for the transmission of electrical energy

The risk of uncertainty in the maximum volumes of services provided at present, including under the influence of sanctions against the Russian Federation and the Special Military Operation factor, is expressed by the following circumstances:

- the absence in some constituent entities of the Russian Federation and municipalities of current economic development plans indicating the dynamics of growth in electricity consumption for a certain period;
- the likelihood of a reduction in electricity consumption by the Russian economy as a whole in connection with the introduction of its own electricity generation facilities and installations and the introduction of a social consumption norm;
- reduction of standards for consumption of public utilities by regional authorities;
- reduction in electricity consumption in the event of an economic recession/crisis;
- a factor in the occurrence of emergency situations, as well as threats of their occurrence;
- reduction in the volume of electricity transmission services in the event of existing consumers carrying out grid connections to the UNEG networks or generation facilities, or in the event of a change in the internal electricity supply scheme of the consumer in order to reduce the volume of electricity received from the networks of distribution grid organizations with an increase in the volume of electricity received from the UNEG networks of generation facilities;
- reduction in electricity consumption due to the decline in sales markets for the largest industrial consumers;
- reduction in the volume of new grid connections or untimely execution of concluded contracts;
- reduction in the actual capacity of consumers due to changes in the consumption load schedule during the day (transfer of the load to night hours without reducing consumption volumes).

The above circumstances complicate the optimal planning of investment volumes in activities aimed at satisfying the demand for electric energy in the medium and long term and may lead to a decline in the Company's budget revenue in the long term. This risk mainly affects the fulfillment of obligations to provide electricity transmission services.

The probability of this risk is assessed as average, with average consequences for the Company's activities. This risk is minimized by the following measures:

- work with government bodies of the constituent entities of the Russian Federation and

local government bodies to formulate plans for the economic development of the region in the medium and long term;

- diversification through the portfolio of additional services provided by the Company.

5. Risks associated with a shortage of qualified specialists in the industry

Currently, the influx of qualified production personnel into the industry is decreasing. If the current rate of reduction in the influx of personnel continues, the Company may face a shortage of qualified production personnel in the regions of presence. This risk is assessed as average in the long term, with consequences for the Company's activities from minor to average.

In order to minimize the likelihood of this risk, the Company carries out the following activities:

- support for industry-specific secondary and higher vocational industry educational institutions in the regions of presence, creation and financial support of programs for training specialists in the field of electric power engineering with subsequent guaranteed employment of trained specialists;
- implementation of programs to increase motivation and reduce staff turnover, introduction of non-material motivation methods.

The above risks are typical for the domestic market. The Company does not operate and does not plan to operate on the foreign market; components and equipment are purchased abroad in small quantities.

6. Risks associated with possible changes in prices for components and services used by the Company in its activities (separately on the domestic and foreign markets) and their impact on the Company's activities and the fulfillment of obligations under securities

In the course of activities, risks of price increases for components, equipment and other material and technical resources arise. These risks are mainly due to inflationary processes and can be minimized by the following measures:

- increasing operational efficiency through the implementation of programs to reduce production costs (creating a competitive environment in the procurement of works and services, optimizing costs for repair and maintenance needs and capital construction, etc.);
- centralization of procurement activities (obtaining “scale effects” when organizing procurement procedures);
- increasing the share of Russian-made equipment and components in purchases (reducing dependence on exchange rate fluctuations). At the current rate of inflation, the impact of these risks on the Company's activities is average with an average risk probability;
- formation of calculations of initial (maximum) prices of a lot/purchase with the selection of the lowest cost for conducting procurement procedures.

The Company does not operate on the foreign market.

7. Risks associated with possible changes in prices for the Company's products and (or) services (separately on the domestic and foreign markets), and their impact on the Company's activities and the fulfillment of its obligations under securities

For the Company, this risk is associated with a reduction in the tariff for electricity transmission services below an economically justified level.

The existing pricing system makes it possible for the executive authorities of the constituent entity of the Russian Federation in the area of state regulation of tariffs to restrain the growth of tariffs for services on the transmission of electric energy. This may result in the Company receiving non-compensated expenses from the growth of the cost of raw materials, materials, services purchased by the Company, and the impossibility of adjusting tariffs for its products.

The increase in the price of the Company's services carries the risk of late payment by consumers for electricity transmission services.

In the opinion of the Company, the impact of this risk on the Company's activities and the fulfillment of obligations under securities is of medium significance.

The Company does not operate on the foreign market.

24.3 Country and regional risks

Country risks. Currently, the Government of the Russian Federation is implementing a policy of containing the growth of tariffs for products and services of natural monopolies, which may lead to underfunding of the Company's investment program.

In order to minimize the above-mentioned risks, the Company is working to reduce internal costs and optimize expenses within the framework of the implementation of the investment program, and is pursuing a balanced policy in the field of attracting borrowed funds.

Political risks are beyond the control of the Company due to their scale, but within the framework of their minimization.

Regional risks in the Company's activities are mainly reduced to the following:

- failure by the state authorities authorized to set tariffs to accept part of the economically justified expenses declared by the Group for inclusion in the tariff;
- reduction of electricity consumption by large industrial enterprises in the regions.

These circumstances may have a significant impact on the implementation of the Company's investment program, and the probability of their occurrence remains high. In order to reduce the impact of regional risks on the implementation of the Company's investment program, the Company interacts with government agencies and other stakeholders to control and manage the choice of stakeholders with respect to their actions in connection with the Company's investment projects. The Company also carries out measures to optimize the financing of the investment program by reducing internal costs.

At present, the probability of these risks is assessed as minimal, with consequences for the Company's activities ranging from minor to moderate.

Risks associated with possible military conflicts, the introduction of a state of emergency and strikes in the country and regions where the Company is registered as a taxpayer and/or carries out its main activities. In the event of military conflicts, the Company bears the risks of the destruction of property, plant and equipment. In order to minimize the consequences of the risk, the Company has planned measures to transfer to work during a "special period".

Risks associated with the geographical features of the country and region in which the Company is registered as a taxpayer and/or carries out its main activities, including an increased risk of natural disasters, possible termination of transport communications due to remoteness and/or inaccessibility, etc. The geographical features of the region in which the Company carries out its activities suggest the risk of impact of abnormal natural phenomena on the Company's electric grid facilities during the heating season. These risks are assessed as high. The Company has implemented a set of measures to prepare the grid complex for the heating season in accordance with the developed and approved programs, each branch received a passport of readiness for the heating season based on the assessment of the Ministry of Energy of Russia. Work is constantly underway to reduce the time for eliminating technological disruptions (creation of mobile crews, purchase of backup power supply sources, training with regional authorities, etc.), which is necessary for the prompt elimination of the consequences of natural disasters during the heating season.

24.4 Financial risks

In the course of its activities, the Company encounters factors that may lead to a shortage of funds for financing investment and operational activities. However, there are a number of risk factors that also potentially affect the results of financial and economic activities.

Inflation risks

The negative impact of inflation on the financial and economic activities of the Company may be associated with losses in the real value of accounts receivable, an increase in interest payable on borrowed capital, an increase in the cost of construction of investment program facilities, the cost of materials, and services of third-party organizations necessary for operating activities, which may have a negative impact on dividend payments on the Company's shares.

The annual consumer price index envisaged by the Company's business plan is 107.20%. In fact, in 2024, the consumer price index was 108.45%.

In order to reduce inflation risk, the Company implements a policy aimed at optimizing operating costs in accordance with the Program for Improving Operational Efficiency and Reducing Costs, as well as concluding long-term agreements with suppliers and contractors.

Currency risks

An unfavorable change in the exchange rate of foreign currency to the ruble may affect the Company's operating and investment performance indicators. Currency risks do not have a significant impact on the Company due to the fact that settlements with counterparties are carried out exclusively in the currency of the Russian Federation. In addition, the Company pursues a policy aimed at import substitution and concluding long-term agreements with counterparties that do not provide for an increase in the price of purchased products.

Interest rate risks

In the process of carrying out financial and economic activities, the Company attracts borrowed funds, and therefore is exposed to the risk associated with the possibility of changing interest rates on loans and credits.

An indicator of the macroeconomic situation in the country that influences the cost of attracting credit resources is the key rate of the Central Bank of the Russian Federation (Bank of Russia). The Company's loan portfolio consists of debt, interest on which is accrued at a floating rate depending on the key rate of the Bank of Russia (the key rate of the Central Bank of the Russian Federation plus the bank's margin). Throughout 2024, the value of the key rate has repeatedly changed upwards. Its value as of 1 January 2024 was 16% per annum, as of 31 December 2024 - 21% per annum.

An increase in interest rates on credit resources may lead to an unplanned increase in debt servicing expenses, which affects the Company's financial results, as well as the possibility of making new borrowings.

In order to reduce interest rate risk, the Company pursues a balanced credit policy aimed at optimizing the structure of the credit portfolio and minimizing debt servicing costs. Measures are taken to ensure the diversification of available sources of debt financing. The selection of financial institutions for the provision of services is carried out through open competitive procedures, which allows for attracting borrowed funds on the most favorable terms for the Company.

Liquidity risks

The Company's activities are subject to the influence of risk factors that may lead to a decrease in the liquidity and financial stability of the Company. The most significant factor is low payment discipline in the retail electricity market.

Low payment discipline of the Company's counterparties leads to the formation of a large volume of accounts receivable, including overdue ones.

In order to minimize this risk factor, the Company monitors the capital structure and determines optimal borrowing parameters, and also takes measures to optimize the working capital structure.

Work with accounts receivable for the transmission of electricity is carried out in the following main areas:

- claims and litigation work with the aim of reducing accounts receivable;
- introduction of a complete and (or) partial restriction of energy supply to consumers-debtors;
- imposing penalties on consumers who are debtors for violating payment obligations.

The impact of financial risks on financial statement indicators

Changes in interest rates may lead to a decrease in profit due to an increase in interest expenses on loans. In the event of inflation risk and the risk of interest rate growth, an increase in accounts receivable may occur due to the economic inability of counterparties to pay for the Company's services, an increase in expenses for core activities due to an increase in the cost of transporting electricity while maintaining established tariffs, an increase in operating expenses due to an increase in interest payments for using loans from commercial banks and, accordingly, a decrease in revenue and net profit of the company.

24.5 Legal risks

Legal risk management is based on optimizing the process of legal execution of documents and support of the Company's activities. To minimize legal risks, any business processes of the Company that are subject to risks undergo mandatory legal examination, and constant monitoring of changes in current legislation and judicial practice is carried out.

For the Company (as well as for all joint-stock companies operating on the territory of the Russian Federation) there is a risk of changes in legislation (federal laws and by-laws) regulating business relations.

Legal risks, in particular those related to ambiguous interpretations of tax legislation, can lead to incorrect calculation and payment of taxes, which may result in penalties from tax authorities. In order to reduce these risks, work is systematically underway to legitimately improve the methodology for calculating the tax base for various taxes and monitoring their compliance with current legislation.

In addition, there are risks associated with changes in legislation, as well as incorrect legal execution of documents and support of the Company's activities.

In order to minimize the above risks, the operations carried out by the Company undergo mandatory preliminary legal examination.

The Company is exposed to the risks of appeals against major transactions and transactions in which there is an interest (if such transactions are concluded without proper prior approval by the Board of Directors or the General Meeting of Shareholders, as well as approved in violation of the established procedure). The Company assesses these risks as insignificant. In order to minimize these risks, when performing contractual work, a preliminary legal analysis of the concluded transactions is mandatory for the presence of grounds for conducting corporate procedures stipulated by the

current legislation and/or the Articles of Association of the Company. If necessary, the relevant transactions are submitted for consideration to the competent management bodies of the Company.

In order to minimize risks in the area of corporate governance (in particular, the risks of "Decrease in the level of corporate governance", "Decrease in the level of the quotation list, delisting", "Conclusion of a transaction without the necessary approval/coordination of the transaction by the authorized management body" and "Risk of conflict of interests of shareholders"), the Company implements a continuous set of measures aimed at information interaction with shareholders, investors and all stakeholders, and fully complies with the legal rights and interests of the latter. The key activities are:

- continuous monitoring of the legislation of the Russian Federation, the requirements of the Bank of Russia and the Moscow Exchange for corporate governance;
- comprehensive disclosure of information provided for by the legislation of the Russian Federation, as well as additional information voluntarily disclosed by the Company;
- analysis of transactions concluded by the Company, identification of the need for their approval/coordination by management bodies, creation of a methodology;
- comprehensive settlement of conflicts of interest between members of the Board of Directors and executive bodies;
- analysis of compliance with the recommendations of the Corporate Governance Code of the Bank of Russia (CGC);
- monitoring the level of corporate governance by independent experts (as part of assigning/confirming the corporate governance rating);
- ensuring access of shareholders and other stakeholders to information about the Company.

Risks associated with changes in tax legislation

The formation of rules and mechanisms for the preparation and submission of tax reporting are within the competence of tax authorities, which have the right to make additional accruals of taxes and fees, charge penalties, impose significant fines, as a result of which tax risks increase significantly. The Company fully complies with tax legislation relating to its activities. In connection with the above, this risk is assessed as insignificant. In the event of changes to the current taxation procedure and conditions, the Company intends to plan its financial and economic activities taking into account these changes.

Risks associated with changes in customs control and duties

Changes in customs control and duty rules do not pose any risks to the Company's activities, since the Company does not carry out and does not plan to export services outside the Russian Federation.

Risks associated with changes in requirements for licensing the Company's core business or licensing the rights to use objects whose circulation is limited (including natural resources)

A possible change in the requirements for licensing activities may lead to an increase in the time required to prepare documents required to obtain or extend the validity of a license, as well as the need to comply with the established requirements. However, this risk should be considered insignificant, except in cases, where obtaining or extending a license, or carrying out activities subject to licensing, will be subject to requirements that the Company will not be able to comply with, or compliance with which will be associated with excessive costs.

In the event of changes in licensing requirements, the Company will take the necessary measures to obtain the relevant licenses and permits.

Risks associated with changes in judicial practice on issues related to the Company's activities (including licensing issues), which may negatively affect the results of its activities, as well as the results of current legal proceedings in which the Company participates

The possibility of changes in judicial practice related to the Company's activities (including licensing issues) is considered insignificant and will not have a significant impact on its activities. In the event of changes in judicial practice on issues related to the main activities, the Company intends to plan its financial and economic activities taking these changes into account.

24.6 Risk of loss of business reputation (reputational risk)

The Company defines reputational risk as the probability of damage to the business reputation of the Company due to the impact of various external and internal factors that can lead to a decrease in the level of positive perception of the Company's activities by target groups and in general public opinion.

The presence of information about the Company's activities in the mass media (MSM), the level of positive perception of its activities by professional expert communities influence the adoption by investors and shareholders of decisions that directly affect the Company and its positions in specialized markets.

Since reputational risk is a consequence of the occurrence of other types of risks (financial, operational, legal, etc.), the minimization of the likelihood of its occurrence is facilitated by the Company's compliance with legislative and internal norms and rules, ethical principles and standards of social responsibility.

Following the principles of information openness and prompt dissemination of reliable information, the priority tasks of the Company are the construction of integrated communications with target audiences and the implementation of a unified internal and external information policy.

The unified standard of information disclosure adopted by the Company allows for timely and high-quality compliance with the requirements of the legislation of the Russian Federation in the area of mandatory disclosure of information.

In addition to complying with mandatory disclosure requirements, the Company maintains an ongoing dialogue with shareholders and representatives of the business community, promptly providing them with up-to-date information on the company's activities.

The Company pays special attention to interaction with the media in order to timely, objectively and comprehensively inform target audiences, the public, and other stakeholders about the results of the Company's financial and economic activities, its social activity and long-term development plans. The corporate website and social media accounts are regularly updated.

In accordance with the established procedure and in compliance with corporate norms and rules, representatives of the Company provide comments and explanations for the media on information and facts of interest. Briefings, press conferences, conference calls for journalists, analysts, investors, experts are held. Regular media monitoring is conducted, recording the volume of the Company's presence in the information space.

Representatives of the Company take part in public events. Information interaction with state, regional and municipal authorities and administration is carried out.

24.7 Strategic risk

The strategic development of the Company is determined by the goals and objectives of the Development Strategy of PJSC Rosseti and its subsidiaries and affiliates (Rosseti Group of Companies) for the period up to 2030. The Development Strategy of the Rosseti Group of Companies was approved by the Board of Directors of PJSC Rosseti in December 2019 and is focused on the implementation of industry strategic planning documents, including the Energy Strategy of the Russian Federation (Order of the Government of the Russian Federation dated 9 June 2020 No. 1523-r) and the Strategy for the Development of the Electric Grid Complex of the Russian Federation (EGC Strategy) (Order of the Government of the Russian Federation dated 3 April 2013 No. 511-r).

The emergence of a strategic risk associated with failure to achieve the Company's target guidelines and mission is mitigated by implementing a set of organizational measures for:

- increasing the reliability and quality of energy supply to a level that meets consumer demand;
- increasing the security of energy supply, including reducing the overall number of accidents;
- reduction of zones of free flow of electrical energy;
- increasing the efficiency of the electric grid complex, including:
 - increasing capacity utilization;
 - reduction of operating costs;
 - reducing the amount of energy losses.

This risk is assessed by the Company as insignificant.

24.8 Risks associated with the Company's activities

Risks associated with current legal proceedings in which the Company is involved

These are risks associated with receiving negative court decisions on current legal proceedings in which the Company is involved.

The probability of this risk is assessed as average, with average consequences for the Company's activities, as well as for the results of current legal proceedings in which the Company participates. In carrying out its main activities, the Company is guided by the norms of the current legislation in the field of electric power industry and established judicial practice.

In the event of changes being made to the current legislation in the field of electric power industry and (or) judicial practice on issues related to the main activities, the Company intends to plan its financial and economic activities taking these changes into account.

Risks associated with the inability to renew the Company's license to conduct a certain type of activity or to use objects whose circulation is limited (including natural resources)

The Company assesses the risk of non-renewal of the Company's license to conduct a certain type of activity or to use objects whose circulation is limited (including natural resources) as low.

During the reporting period, the Company maintained its membership in the relevant self-regulatory organizations (SRO) in the field of engineering surveys, architectural and construction design, construction, reconstruction, major repairs, and demolition of capital construction projects. The risk associated with the Company's withdrawal from the SRO is assessed as low.

Risks associated with the possibility of losing customers, the turnover with whom accounts for at least 10 percent of the total revenue from the sale of products (works, services) of the Company

Despite the fact that the Company is a subject of a natural monopoly in the sphere of implementation of electricity transmission services, there are risks of transfer by consumers of electricity, the turnover with which accounts for at least 10 percent of the total revenue from the sale of products (works, services), the load on the UNEG networks and/or its own generation facilities, as well as a decrease in electricity consumption due to a reduction in production volumes.

The probability of this risk is assessed as average, with average consequences for the Company's activities.

24.9 Information security risk

In conditions of a critical level of danger of targeted computer attacks on the information infrastructure and electric power facilities of the Company, there is a significant probability of the implementation of threats to information security. The following are considered as the main threats to information security: disruption and (or) termination of the functioning of information infrastructure facilities and telecommunication systems, illegal impact on electric grid facilities and their information and telecommunication systems (terrorist, sabotage, criminal and other), including with the use of information technologies, illegal access to confidential information, as well as distortion, theft of "sensitive" information in the process of its receipt, processing, storage, transmission.

Possible consequences if such risks are realized include:

- causing damage to the business reputation of the Company;
- bringing to justice, in accordance with the current legislation of the Russian Federation, the management and employees of the Company;
- unplanned financial and material costs;
- reduction in the efficiency of the Company's operations and financial stability.

In order to ensure the uninterrupted operation of energy facilities and counteract illegal actions of intruders and hacker groups, a connection to the corporate monitoring center of PJSC Rosseti has been ensured. This measure is designed to increase the level of response to computer attacks and implement the requirements of the legislation on interaction with the National Coordination Centre for Computer Incidents of the FSB of Russia.

In pursuance of the Decree of the President of the Russian Federation dated 1 May 2022 No. 250, by order of the General Director of the Company dated 23 June 2022 No. 221-CA, the powers to ensure information security, including detection, prevention, elimination of the consequences of computer attacks and response to computer incidents, are assigned to the Deputy General Director for Security.

In order to minimize information security risks, the Company has developed the Information Security program, within the framework of which the second stage of the creation of a comprehensive information security system is being implemented.

In order to provide up-to-date technical support, timely conclusion of contracts with domestic developer companies and distributors for the transfer of rights to use software and update the information security subsystems in operation has been organized.

24.10 Environmental risks

In order to prevent possible negative impacts on the environment, the Company monitors emissions from stationary sources and controls the toxicity of exhaust gases from motor vehicles. These risks are minimal, with minor consequences for the Company's operations if they are realized.

The Environmental Policy approved by the Board of Directors (Minutes No. 16/24 dated 28 March 2024) serves as a tool for reducing environmental risks. The goal of implementing the Company's environmental policy is to preserve a favorable environment for current and future generations. As part of the implementation of the environmental policy, great importance is attached to the work on handling waste of various hazard classes, which significantly reduces the risk of negative impact of toxic substances on the soil and, as a result, on human health.

24.11 Natural and climatic risk

Climate change has a significant impact on the Company's operations. Additional factors include the geographical features of the region in which the Company carries out its production activities.

Measures to reduce climate risks include:

- reduction in consumption of natural gas and motor fuel as a result of the implementation of measures and the introduction of consumption limits (direct impact);
- reduction of electricity and heat consumption for economic needs and technological costs for electricity transmission (indirect impact);
- preferential use of vacuum switching equipment to reduce the risk of SF6 leaks in 6-35 kV networks;
- revision of climate zoning maps for use in reconstruction and new construction, taking into account current data on climate change over the past 10 years;
- revision of technological documentation for new equipment for compliance with current climate data (operating temperatures, maximum temperatures, relative humidity) in accordance with GOST 15150.

General Director

B.B. Ebzeev

Chief Accountant

L.A. Sklyarova

«17» March 2025