

**Statement of Financial Position
as at 31 December 20 23**

Company **Public Joint stock company «Rosseti Centre»** under ARCB0
 Id. tax payer number _____ under ARCB0
 Type of _____ under
 economic activity electric power transmission ADCEA 2
 Business legal structure/Form of ownership Public Joint Stock Companies/
Mixed under ARCFI/ARCF0
 Measurement unit: thousand RUB under ARCM
 Location (Address) 119017, Moscow, Malaya Ordynka St., 15

Form under ARCMD
 Date (day, month, year) _____
 under ARCB0
 TIN _____
 under
 ADCEA 2
 under ARCFI/ARCF0
 under ARCM

Codes		
0710001		
31	12	2023
75720657		
6901067107		
35.12		
12247	41	
384		

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

TIN

7709383532

Primary state registration number of the auditing firm/
individual auditor

PSRN/
OGRNIP

1027739707203

Notes	Indicator	Code	As at 31 December	As at 31 December	As at 31 December
			20 23	20 22	20 21
	ASSETS				
	I. NON-CURRENT ASSETS				
1.1-1.2	Intangible assets	1110	487 957	140 114	145 019
1.2	R&D results	1120	84 494	70 393	43 778
	Intangible exploratory assets	1130	-	-	-
	Tangible exploratory assets	1140	-	-	-
2-5	Property, plant and equipment	1150	112 032 045	103 556 071	102 089 233
	Profitable investments in tangible assets	1160	-	-	-
8	Financial investments	1170	1 977 571	1 427 290	1 538 371
16.2	Deferred tax assets	1180	4 808 583	4 477 016	4 390 643
6	Other non-current assets	1190	2 717 037	2 406 062	2 414 161
	TOTAL for section I	1100	122 107 687	112 076 946	110 621 205
	II. CURRENT ASSETS				
7	Inventories	1210	4 000 943	3 928 926	3 037 176
	Value added tax according to purchased valuables	1220	2 641	21 020	20 057
10	Accounts receivable	1230	13 793 435	16 565 530	14 712 455
8	Financial investments (excluding cash equivalents)	1240	-	748 789	1 970 999
9	Cash and cash equivalents	1250	7 056 328	6 174 793	1 490 011
6	Other currents assets	1260	1 671 390	1 332 043	900 692
	TOTAL for section II	1200	26 524 737	28 771 101	22 131 390
	BALANCE	1600	148 632 424	140 848 047	132 752 595

Notes	Indicator	Code	As at 31 December	As at 31 December	As at 31 December
			20 23	20 22	20 21
	LIABILITIES				
	III. EQUITY AND RESERVES				
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	-	-	-
11.3	Additional capital (without revaluation)	1350	-	-	-
11.2	Reserve capital	1360	211 090	211 090	211 090
	Retained earnings (uncovered losses)	1370	56 393 826	50 752 324	49 062 902
	TOTAL for section III	1300	60 826 710	55 185 208	53 495 786
	IV. LONG-TERM LIABILITIES				
12	Borrowed funds	1410	27 785 374	21 467 242	33 778 143
16.2	Deferred tax liabilities	1420	10 142 856	9 245 945	8 975 197
	Provisions	1430	-	-	-
13	Other liabilities	1450	10 321 167	7 684 269	7 823 127
	TOTAL for section IV	1400	48 249 397	38 397 456	50 576 467
	V. SHORT-TERM LIABILITIES				
12	Borrowed funds	1510	10 523 664	17 776 587	8 509 419
13	Accounts payable	1520	23 194 413	24 179 014	16 605 303
	Deferred income	1530	37 036	69 749	24 164
14	Provisions	1540	5 801 204	5 240 033	3 541 456
	Other liabilities	1550	-	-	-
	TOTAL for section V	1500	39 556 317	47 265 383	28 680 342
	BALANCE	1700	148 632 424	140 848 047	132 752 595

CEO

(signature)I.V. Makovskiy
(print full name)

Chief Accountant

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

" 15 " March 20 24

Statement of Financial Results

for January - December 20 23

Company **Public Joint stock company «Rosseti Centre»**
 Id. tax payer number _____
 Type of economic activity electric power transmission
 Business legal structure/Form of ownership Public Joint Stock Companies/
Mixed under ARCFI/ARCFO
 Measurement unit: thousand RUB under ARCM

Form under ARCMD
 Date (day, month, year) _____
 ARCBO
 TIN
 under
 ADCEA 2
 under ARCFI/ARCFO
 under ARCM

Codes		
0710002		
31	12	2023
75720657		
6901067107		
35.12		
12247	41	
384		

Notes	Indicator	Code	For January - December	For January - December
			20 <u>23</u>	20 <u>22</u>
17	Revenue	2110	123 264 876	109 702 035
18	Cost of sales	2120	(105 693 296)	(94 157 029)
	Gross profit (loss)	2100	17 571 580	15 545 006
	Commercial expenses	2210	(12 833)	(17 877)
18	Management expenses	2220	(2 032 718)	(2 235 814)
	Profit (loss) from sales	2200	15 526 029	13 291 315
	Profit from participation in other organisations	2310	8	3 965
19	Interest receivable	2320	745 699	712 462
20	Interest payable	2330	(4 155 209)	(4 146 169)
21	Other income	2340	13 577 356	6 210 746
21	Other expenses	2350	(16 711 762)	(9 344 299)
	Profit (loss) before taxation	2300	8 982 121	6 728 020
16.1-16.3	Income tax	2410	(2 419 747)	(1 982 279)
	including current income tax	2411	(2 559 124)	(2 167 200)
	deferred income tax	2412	139 377	184 921
	Other	2460	(447 609)	(207 985)
	Net profit (loss)	2400	6 114 765	4 537 756

Notes	Indicator	Code	For January - December	For January - December
			20 <u>23</u>	20 <u>22</u>
	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	6 114 765	4 537 756
11.5	Reference			
	Basic earnings (loss) per share	2900	0,0001448	0,0001075
	Diluted earnings (loss) per share	2910	-	-

CEO _____ I.V. Makovskiy _____
 (signature) (print full name)

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

" 15 " _____ March _____ 20 24

**Statement of Changes in Equity
for 20 23**

Company Public Joint stock company «Rosseti Centre» under ARCBO
 Id. tax payer number _____ under ARCBO
 Type of economic activity electric power transmission under ADCEA 2
 Business legal structure/Form of ownership Public Joint Stock Companies/
Mixed under ARCFI/ARCFO
 Measurement unit: thousand RUB under ARCM

Form under ARCMD
 Date (day, month, year)

Codes		
0710004		
31	12	2023
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 losses)	Total
Balance as at 31 December 20 <u>21</u>	3100	4 221 794	(-)	-	211 090	49 062 902	53 495 786
<u>For 20 22</u>							
Capital increase - total:	3210	-	-	-	-	4 552 280	4 552 280
including:							
net profit	3211	x	x	x	x	4 537 756	-
property revaluation	3212	x	x	-	x	-	-
income related directly to capital increase	3213	x	x	-	x	14 524	-
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 losses)	Total
Capital decrease - total:	3220	(-)	-	(-)	(-)	(2 862 858)	(2 862 858)
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	(2 862 858)	(2 862 858)
Additional capital change	3230	x	x	-	-	-	x
Reserve capital change	3240	x	x	x	-	-	x
Balance as at 31 December 20 <u>22</u>	3200	4 221 794	(-)	-	211 090	50 752 324	55 185 208
<u>For 20 23</u>							
Capital increase - total:	3310	-	-	-	-	6 114 765	6 114 765
including:							
net profit	3311	x	x	x	x	6 114 765	6 114 765
property revaluation	3312	x	x	-	x	-	-
income related directly to capital increase	3313	x	x	-	x	-	-
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	(-)	-	(-)	(-)	(473 263)	(473 263)
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	(473 263)	(473 263)
Additional capital change	3330	x	x	-	-	-	x
Reserve capital change	3340	x	x	x	-	-	x
Balance as at 31 December 20 <u>23</u>	3300	4 221 794	(-)	-	211 090	56 393 826	60 826 710

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

Indicator	Code	As at 31 December 20 <u>21</u>	Equity change for 20 <u>22</u>		As at 31 December 20 <u>22</u>
			at the expense of net profit (loss)	at the expense of other factors	
Equity - total					
before adjustments	3400	53 495 786	1 689 422	-	55 185 208
adjustment in connection with:					
accounting policy change	3410	-	-	-	-
correction of errors	3420	-	-	-	-
after adjustments	3500	-	-	-	-
including:					
retained earnings (uncovered loss):					
before adjustments	3401	49 062 902	1 689 422	-	50 752 324
adjustment in connection with:					
accounting policy change	3411	-	-	-	-
correction of errors	3421	-	-	-	-
after adjustments	3501	-	-	-	-
other articles of the equity, on which adjustments are performed:					
(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	-	-	-	-

3. Net assets

Indicator	Code	As at31 December 20 <u>23</u>	As at31 December 20 <u>22</u>	As at31 December 20 <u>21</u>
Net assets	3600	60 863 746	55 254 957	53 519 950

CEO _____ I.V. Makovskiy
(signature) (print full name)

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

" 15 " _____ March _____ 20 24

Cash Flow Statement
for January - December 20 23

Company **Public Joint stock company «Rosseti Centre»** under ARCBO
 Id. tax payer number _____ TIN
 Type of economic activity electric power transmission under ADCEA 2
 Business legal structure/Form of ownership Public Joint Stock Companies/
 Mixed under ARCFIARCFO
 Measurement unit: thousand RUB under ARCM

Form under ARCMD

Date (day, month, year)

Codes		
0710005		
31	12	2023
75720657		
6901067107		
35.12		
12247	41	
384		

Indicator	Code	For January - December	For January - December
		20 23	20 22
Cash flows from current transactions			
Receipts - total	4110	115 691 264	101 219 700
including:			
from sale of products, goods, works and services	4111	112 821 481	99 486 151
rent payments, licence fees, royalty, commission fee and other similar payments	4112	130 910	105 285
from resale of financial investments	4113	-	-
other receipts	4119	2 738 873	1 628 264
Payments - total	4120	(97 543 154)	(81 769 857)
including:			
to suppliers (contractors) for raw, materials, works, services	4121	(60 370 045)	(50 781 281)
in connection with payment of employees' wages	4122	(26 173 642)	(21 278 406)
debenture interest	4123	(4 127 867)	(4 071 241)
profit tax of organisations	4124	(3 049 677)	(1 905 762)
other payments	4129	(3 821 923)	(3 733 167)
Balance of cash flows from current transactions	4100	18 148 110	19 449 843
Cash flows from investment transactions			
Receipts - total	4210	857 819	1 214 799
including:			
from sale of non-current assets (except financial investments)	4211	29 169	17 337
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	246 024	774 105
dividends, percent on debt financial investments and similar receipts from individual share in other organisations	4214	227 473	153 033
other receipts	4219	355 153	268 556
Payments - total	4220	(14 728 495)	(11 044 462)
including:			
in connection with acquisition, creation, modernisation, reconstruction and preparation for use of non-current assets	4221	(14 458 273)	(10 833 523)
in connection with share acquisition of other organisations (participation shares)	4222	(-)	(-)
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	(270 222)	(210 939)

Indicator	Code	For January - December	For January - December
		20 23	20 22
Cash flows from financial transactions			
Receipts - total	4310	20 379 783	6 602 589
including:			
receipt of credits and loans	4311	17 448 350	6 602 589
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	2 931 433	-
other receipts	4319	-	-
Payments - total	4320	(23 775 682)	(11 537 987)
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	(1 860 742)	(1 381 480)
in connection with repayment (redemption) of bills and other debt securities, return of credits and loans	4323	(21 333 609)	(9 602 589)
other payments	4329	(581 331)	(553 918)
Balance of cash flows from financial transactions	4300	(3 395 899)	(4 935 398)
Balance of cash flows for the accounting period	4400	881 535	4 684 782
Remainder of cash and cash equivalents on the accounting period beginning	4450	6 174 793	1 490 011
Remainder of cash and cash equivalents on the accounting period end	4500	7 056 328	6 174 793
Size of influence of rate changes of foreign exchange to ruble	4490	-	-

CEO

(signature)

I.V. Makovskiy

(print full name)

Chief Accountant

(signature)

L.A. Sklyarova

(print full name)

" 15 " March 20 24

**NOTES TO THE STATEMENT OF FINANCIAL POSITION
AND STATEMENT OF FINANCIAL RESULTS
OF PUBLIC JOINT STOCK COMPANY «ROSSETI CENTRE»
for 2023**

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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 the Company, for 2023, 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 2023.

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

Data are presented in thousands of rubles, negative values are shown in parentheses.

I. General information

The main activity of the Public Joint Stock Company Rosseti Centre, PJSC, hereinafter referred to as the Company) is provision of services for transmission and distribution of electricity through electric networks, provision of services for grid connection of consumers to networks.

By Order of the Ministry of Energy of Russia dated 19 November 2021 No. 1251, from 1 December 2021, the Company was assigned the status of a supplier of last resort in the Tver region for a period of 12 months. By Order of the Ministry of Energy of Russia dated 29 November 2022 No. 1262, from 1 December 2022, the Company was assigned the status of a supplier of last resort in the Tver region for a period of 12 months. By Order of the Ministry of Energy of Russia dated 24 August 2023 No. 687, from 1 September 2023, AtomEnergoSbyt JSC was assigned the status of a supplier of last resort in the Tver region in relation to the area of activity of Rosseti Centre, PJSC, which has lost its status of a supplier of last resort.

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

The main shareholder of the Company as of 31 December 2023, 31 December 2022 and 31 December 2021 is Public Joint Stock Company "Russian Grids" (hereinafter referred to as PJSC Rosseti or the "parent company").

As of 31 December 2023, the share of participation of PJSC Rosseti¹ in the authorized capital of the Company was 50,7% (as of 31 December 2022 – 50,2%², as of 31 December 2021 – 50,2%²)

¹ – On 09.01.2023 the reorganization of Public Joint Stock Company "Russian Grids" was completed by merging with Public Joint Stock Company "Federal Grid Company - Rosseti" (name until 10/12/2022 - PJSC FGC UES), as a result of which a controlling stake in Rosseti Centre moved from Public Joint Stock Company "Russian Grids" to "Federal Grid Company – Rosseti" (short name PJSC Rosseti).

² – as of 31.12.2021 and 31.12.2022 the share of participation of Public Joint Stock Company "Russian Grids" is shown.

As of 31 December 2023, 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.

The number of employees of the Company as of 31 December 2023 was 27 305 people (as of 31 December 2022 – 27 429 people, 31 December 2021 – 27 833 people).

The composition of the Board of Directors of Rosseti Centre, PJSC was elected by decision of the annual General Meeting of Shareholders of the Company (Minutes No. 01/23 dated 09.06.2023) in the number of 11 members.

The composition of the Audit Commission of Rosseti Centre, PJSC was elected by decision of the annual General Meeting of Shareholders of the Company (Minutes No. 01/23 dated 09.06.2023) in the number of 5 members.

By the decision of the Board of Directors of Rosseti Centre, PJSC (Minutes No. 43/23 dated 06.09.2023), the quantitative composition of the Company's Management Board was determined - 7 people.

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

Economic environment in which the Company operates

The Company operates in the Russian Federation and is 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 characteristic features inherent in developing markets. The country's economy is particularly sensitive to oil and gas prices. Legal, tax and regulatory systems continue to evolve and are subject to frequent changes and are subject to varying interpretations.

In 2023, external sanctions against Russian companies and individuals will continue. These circumstances led to fluctuations in the exchange rate of the Russian ruble, increased volatility in financial and commodity markets, and also significantly increased the level of uncertainty in the conditions of business activity in the Russian Federation. The scale and duration of these events remain uncertain and may affect the financial position and results of operations of the Company. The future economic situation in the Russian Federation depends on external factors and measures taken by the Government of the Russian Federation.

The Company takes all necessary measures to ensure the sustainability of its activities. The presented financial statements reflect management's point of view on the impact that business conditions in the Russian Federation have on the activities and financial position of the Company. The actual impact of future operating conditions may differ from management's estimates.

II. Information about accounting policies

1. Basis of preparation

The financial statements are formed on the basis of the accounting and reporting rules in force in the Russian Federation established by the Federal Law "On Accounting", as well as the Regulations on Accounting and Financial Reporting 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 that was in effect on the date of the transaction in foreign currency is applied.

During 2023, there were no conversion operations into rubles (including as of the reporting date) of foreign currency.

3. Short-term and long-term assets and liabilities

In the balance sheet, financial investments, receivables and payables, including the net value of rental investments, debt on loans and borrowings, lease liabilities, estimated liabilities are classified as short-term if their circulation (repayment) period does not exceed 12 months after the reporting date. The remaining assets and liabilities indicated are presented as non-current.

4. Intangible assets

Accounting for intangible assets (intangible assets) is carried out in accordance with PBU 14/2007, approved by order of the Ministry of Finance of Russia dated 27 December 2007 No. 153n (as amended and supplemented).

The composition of intangible assets (IA) includes:

- exclusive right: to an invention, industrial design, utility model;
- exclusive right: to computer programs, databases (software);
- other items that meet the criteria for classification as intangible assets.

The useful life of intangible assets is annually checked by the Company for the need to clarify it. In the event of a significant change in the duration of the period during which the Company expects to use an asset, its useful life is subject to clarification. When the useful life changes, the depreciation rate is determined based on the remaining useful life.

Amortization of intangible assets is carried out using the straight-line method - based on the actual (initial) cost of intangible assets evenly over the useful life of this asset.

Adjustments that arise in connection with changes in the useful life and method of calculating depreciation are reflected in accounting and reporting as changes in estimated values.

Testing of intangible assets for impairment and accounting for changes in book value due to impairment is carried out in the manner prescribed by International Financial Reporting Standard (IAS) 36 "Impairment of Assets", put into effect on 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").

In the balance sheet, intangible assets are shown at historical cost less depreciation accumulated over the entire period of use.

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 lines and devices for them, machinery and equipment, production and household equipment, including other objects, land plots and natural resources, investment real estate with a useful life of more than 12 months.

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

Costs for the acquisition and creation of such assets are recognized as expenses of the period in which they are incurred. Special clothing (special equipment) intended for use for a long time, i.e. a period lasting more than 12 months or the normal operating cycle, if it exceeds 12 months, with a value in excess of the limit established by the Company is recognized as part of property, plant and equipment.

Independent inventory items (components of property, plant and equipment) also recognize significant costs for their restoration of property, plant and equipment (repairs, etc.), arising at certain long-time intervals (more than 12 months) during the life of the fixed asset item. Significant costs are costs that exceed 30% of the original cost of similar objects (group), which includes the repaired fixed asset item.

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. Costs are no longer recognized in the carrying amount of an item of property, plant and equipment when the item is brought into a condition that allows it to function in accordance with management's intentions.

When recognized in accounting, a fixed asset item is valued at its historical cost. The historical cost of an item of property, plant and equipment is considered to be the total amount of capital investments associated with this item made before the item of property, plant and equipment was recognized in accounting.

In the balance sheet, property, plant and equipment are shown at historical cost minus 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 through depreciation. Depreciation of property, plant and equipment is calculated using the straight-line method.

Elements of depreciation (useful life, salvage value and method of calculating depreciation) 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 of the depreciation elements. Based on the results of such an audit, if necessary, the Company makes a decision to change the relevant elements of depreciation. The adjustments that arise in connection with this are reflected in accounting as changes in estimated values.

Depreciation accrual 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 an item of property, plant and equipment becomes equal to or exceeds its book value. If subsequently the liquidation value of such an item of property, plant and equipment becomes less than its book value, depreciation on it is resumed.

Land plots are not depreciated.

Impairment of property, plant and equipment

Testing of property, plant and equipment for impairment and accounting for changes in book value due to impairment is carried out in the manner prescribed by International Financial Reporting Standard (IAS) 36 “Impairment of Assets”, put into effect on 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 income and expenses resulting from disposal) is reflected 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 that has not been completed and put into operation, equipment that requires installation, as well as other assets that are subject to future inclusion in property, plant and equipment and intangible assets, including tangible assets intended for use in the acquisition process, creation, improvement and (or) restoration of property, plant and equipment.

Capital investments in property, plant and equipment include the Company’s costs for their acquisition; creation; improvement and (or) restoration (addition, retrofitting, modernization, reconstruction, replacement of parts, significant repair costs, technical inspections, maintenance with a frequency of more than 12 months or more than the normal operating cycle of more than 12 months). Costs in the form of fees for grid connection to electrical and other infrastructure networks are included in the actual costs that form the historical 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 putting the fixed asset into operation.

Equipment that does not require installation, is located in a warehouse and is intended for facilities under construction, is reflected as part of unfinished capital investments.

When making capital investments in property, plant and equipment on the terms of deferred (installment) payment for a period exceeding 12 months, the capital investment includes the amount of funds that would have been paid by the Company in the absence of the specified deferment (installment plan).

When making capital investments under contracts that provide for the fulfillment of obligations (payment) in whole 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, services.

The amount of actual costs when 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 beginning of the use of facilities for the manufacture of products, performance of work, and provision of services. After entering the object, interest is reflected in the statement of financial results as part of other expenses.

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

The Company checks capital investments in property, plant and equipment for impairment and takes into account changes in their carrying 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 losses from depreciation. An impairment loss is recognized to the extent that the asset’s carrying amount exceeds its recoverable amount.

The financial result from the sale of objects of incomplete capital investments (the difference between income and expenses resulting from the sale) is reflected 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 reflected in lines 1110 “Intangible assets” or 1150 “Property, plant and equipment”, depending on what kind of assets these objects will be taken into account after the completion of the corresponding investments in non-current assets.

7. Right-of-use assets and lease liabilities

The right-of-use asset leased is reflected at historical cost, taking into account subsequent adjustments associated with changes in lease terms (changes in the lease term, amount of lease payments, volume (number) of leased objects), less accrued depreciation and impairment losses.

The historical cost of the right-of-use 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 item and bringing it into a condition suitable for use for the planned purposes; the amount of the estimated obligation to be fulfilled by the lessee, in particular, for dismantling, moving the leased item, restoring the environment, restoring the leased item to the condition required by the lease agreement, if the occurrence of such an obligation by the lessee is due to the receipt of the leased item.

The right-of-use assets after acceptance for accounting are assessed in accordance with the requirements for accounting for property, plant and equipment of similar nature in terms of depreciation and impairment. The right-of-use asset that arose upon receipt of a land plot is depreciated similarly to other right-of-use assets arising from a lease agreement.

The lease term is determined based on the terms and conditions established by the lease agreement (including periods that do not provide for lease payments). This takes into account the parties’ ability to change the specified terms and conditions, and the parties’ intentions regarding the implementation of such opportunities.

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

The lease liability, after recognition, increases by the amount of accrued interest and decreases by the amount of lease payments actually paid.

Changes in the amount of the lease liability due to changes in: the terms of the lease agreement; intentions to extend or shorten the lease term, which was previously taken into account when calculating the lease term; the amount of lease payments compared to how they were taken into account at the initial measurement of the lease liability is charged to the value of the right-of-use asset.

A decrease in the lease liability in excess of the carrying amount of the right-of-use asset is included in the current period income.

When a lease is terminated in whole or in part, the carrying amount of the right-of-use asset and the lease liability are written off to the appropriate extent. The resulting difference is recognized as income or expense in profit (loss).

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

The right-of-use assets are checked for impairment and accounting for changes in book value due to impairment is carried out in the manner prescribed by International Financial Reporting Standard (IAS) 36 “Impairment of Assets”, put into effect on 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. Impairment of property, plant and equipment, capital investments and right-of-use assets

At each reporting date, the Company determines whether there are 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 the International Financial Reporting Standard (IAS) 36 “Impairment of assets”.

If there are signs of possible impairment, the Company estimates the recoverable amount of assets. Most of the Company’s property, plant and equipment are specialized objects that are rarely subject to purchase and sale on the open market, except in cases where they are sold as part of existing 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 allow the market approach to be used 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 the property, plant and equipment will generate through operating activities and upon disposal, to determine the recoverable amount of the 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 a CGU 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 geographical location of the Company’s branches in which 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 allocates the following cash-generating units:

	Branch name
CGU 1	Branch of Rosseti Centre, PJSC - Belgorodenergo
CGU 2	Branch of Rosseti Centre, PJSC - Bryanskenergo
CGU 3	Branch of Rosseti Centre, PJSC - Voronezhenergo
CGU 4	Branch of Rosseti Centre, PJSC - Kostromaenergo
CGU 5	Branch of Rosseti Centre, PJSC - Kurskenergo

CGU 6	Branch of Rosseti Centre, PJSC - Lipetskenergo
CGU 7	Branch of Rosseti Centre, PJSC - Orelenergo
CGU 8	Branch of Rosseti Centre, PJSC - Tambovenergo
CGU 9	Branch of Rosseti Centre, PJSC - Smolenskenergo
CGU 10	Branch of Rosseti Centre, PJSC - Tverenergo
CGU 11	Branch of Rosseti Centre, PJSC - Yarenergo

To check for impairment, specialized assets in the form of right-of-use assets are treated as CGU assets in the same way as own non-current assets - based on the geographical location of the Company's structural divisions where tariff regulation is carried out.

An impairment loss is recognized as a reduction in the carrying amount of an asset unit in proportion to the carrying amount of each asset in the cash-generating unit. An impairment loss is recognized as part of other expenses.

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

Amounts written off as impairment losses are reversed if there is a change in the assessment factors used in calculating the related recoverable amount. An impairment loss is reversed only to the extent that the asset is restored to the carrying amount at which it would have been carried (less accumulated depreciation) if no impairment loss had been recognised. A reversal of an impairment loss is recognized in other income.

9. Financial investments

Accounting for 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 (as amended and supplemented).

Financial investments are accepted for accounting at their original cost. The historical cost of financial investments acquired for a fee is recognized as the amount of the Company's actual costs for their acquisition, with the exception of value added tax and other refundable taxes (except for cases provided for by the legislation of the Russian Federation on taxes and fees). For debt securities, the difference between the amount of actual acquisition costs 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 prescribed manner are reflected in the statements at the end of the reporting year at the current market value by adjusting their valuation as of the previous reporting date. The Company makes this adjustment quarterly.

The difference between the valuation of such financial investments as of the current reporting date and their previous valuation is charged to other expenses and income.

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

The Company checks for impairment of financial investments annually. For the amount of excess of the accounting (book) value of these investments over their estimated value, a reserve was created for the

depreciation of these financial investments, the total amount of which was charged to other expenses. At the same time, the cost of such investments is reflected in the balance sheet minus the amount of the created reserve for the depreciation of financial investments.

When disposing of financial investments in securities for which the current market value is not determined, they are valued at the average historical cost of this type of securities. At the same time, for investments in the authorized capital of limited liability companies, deposits, loans issued, investments in joint activities, their value upon disposal is determined based on the assessment determined by the method of the original cost of each unit.

When disposing of financial investments in securities for which the current market value is determined in accordance with the established procedure, their value is determined based on the latest assessment. Income and expenses on financial investments are reflected as part of other income and expenses.

10. Inventories

Accounting for inventories is carried out in accordance with FAS 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 organization's normal operating cycle, or used for a period of not more than 12 months.

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

When releasing inventories into production, shipping finished products and goods to the buyer, as well as 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 corresponding production cost accounts at the time of its transfer (issue) to the Company's employees.

Inventories intended to support work to prevent and eliminate accidents (emergency situations) at electrical grid facilities (emergency stock) are reflected in line 1210 "Inventories" of the balance sheet.

The Company's inventories are assessed as of the reporting date at the lower of the following values:

- actual cost of inventories
- net realizable value of inventories

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

The excess of the cost of inventories over their net realizable value is considered to be impaired. A reserve was created for the amount of depreciation of inventories, which was allocated to the increase in the Company's expenses.

Inventories in the financial statements are reflected minus the reserve for impairment of value created in relation to these inventories in line 1210 "Inventories".

11. Deferred expenses

Expenses incurred by the Company in the reporting year, but relating to the following reporting periods (one-time payments for licenses to use software, other types of expenses) are reflected as deferred expenses. These expenses are written off as intended during the periods to which they relate.

Deferred expenses relating to periods beginning after the end of the year following the reporting year are shown in the balance sheet as long-term assets in line 1190 "Other non-current assets", and those relating to the year following the reporting year - in line 1260 "Other current assets".

12. Accounts receivable

The debt of buyers (customers) is reflected in accounting simultaneously with the recognition of revenue (income) from the sale of goods, performance of work, provision of services (except for cases of recognition of revenue from performance of work, provision of services, sale of products with a long production cycle as the work is ready, services, products).

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

In the balance sheet, the indicator "Advances issued" is reflected in the group of items "Accounts receivable" (except for advances issued for the purchase of non-current assets), including VAT. Advances issued for the purchase of non-current assets are reflected in the corresponding lines of the section "Non-current assets" without VAT.

The unit of accounting for settlements with buyers and customers is accounts receivable (payable) for each buyer (customer) and each agreement.

Debt that is not repaid on time or with a high probability will not be repaid within the terms established by the agreements, and is not secured by appropriate guarantees and sureties, is doubtful and a reserve for doubtful debts is accrued for this debt. These reserves represent a conservative estimate by the Company's management of the portion of the debt that may not be repaid. Provisions for doubtful debts are included in the increase in other expenses.

Uncollectible debt was written off from the balance sheet as soon as it was recognized as such. The specified debt is taken into account on the balance sheet for five years from the date of write-off to monitor the possibility of its collection in the event of a change in the debtor's property status.

13. Cash Equivalents and Presentation of Cash Flows in the Statement of Cash Flows

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

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

Bank deposits with the right of early termination are recognized as cash equivalents, regardless of the placement period.

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

The following are presented in the cash flow statement as aggregated:

- payments and proceeds from operations related to the purchase and sale of financial investments (in cases where they are characterized by rapid turnover, large amounts and short return periods);
- receipts of borrowed funds in the form of a bank overdraft and their repayment (except for accrued interest);
- VAT amounts as part of receipts from buyers and customers, 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, benefits or losses from foreign exchange transactions and from the exchange of one cash equivalent for others are reflected in the lines “Other receipts” and “Other payments” as part of cash flows from current operations in the report on cash flows, respectively.

14. Non-current assets held for sale

Non-current assets held for sale are:

- items of property, plant and equipment or other non-current assets (except for financial investments), the use of which has been discontinued due to a decision to sell them and there is confirmation that the resumption of use of these items is not expected (a corresponding management decision has been made, actions have begun to prepare the asset for sale, a sale agreement concluded, other);
- tangible assets intended for sale remaining from 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.

Non-current assets held for sale are presented as part of line 1260 “Other current assets” in the balance sheet.

A non-current asset held for sale is measured at the carrying amount of the corresponding property, plant and equipment or other non-current asset at the time of its reclassification as a non-current asset held for sale.

The subsequent valuation of a non-current asset held for sale is carried out in the manner prescribed for the valuation of inventories.

15. Authorized capital, reserve capital, additional capital

The authorized capital is reflected in the amount of the par value of ordinary and preferred shares issued by the Company, including the par value of ordinary shares purchased by the Company from shareholders. The amount of the authorized capital corresponds to that established in the Company’s Articles of Association.

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

As of 31.12.2023, 31.12.2022, 31.12.2021, the authorized capital of the Company was registered in the prescribed manner 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 contributions to the Company's reserve fund is at least 5 (five) percent of the Company's net profit until the Reserve Fund reaches the established size.

Additional capital represents part of the Company's capital not associated with contributions from shareholders and capital gains from profits accumulated during the Company's activities.

16. Credits and loans received

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

For received loans and borrowings, the Company transfers long-term debt to short-term debt. Short-term debt is converted into long-term debt if an agreement is concluded to prolong 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 transfer of long-term debt on received loans and credits to short-term debt is carried out by the Company at the moment when, according to the terms of the loan and (or) credit agreement, less than 12 months remain before the repayment of the principal amount of the debt.

For placed bonds, the Company reflects the par value of issued and sold bonds as accounts payable. When calculating income on bonds in the form of interest, the Company indicates accounts payable on sold bonds, taking into account the interest due on them at the end of the reporting period.

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

Interest accrued in accordance with the established procedure is subject to reflection as part of other expenses, with the exception of interest on borrowed funds raised 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 as part of other expenses evenly (monthly) during the period of use of borrowed funds, regardless of the moment of actual payment of interest.

17. Accounts payable

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

Debt to suppliers and contractors is reflected in accounting simultaneously with the acceptance for accounting of assets, results of work performed, services provided, 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, contractors;
- advances and prepayments issued to suppliers and contractors.

The classification of debt for settlements with suppliers and contractors is changed 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 can occur:

- due to the expiration of the limitation period,
- in connection with the liquidation of the creditor,
- partially upon concluding a settlement agreement,
- in other cases provided for by the legislation of the Russian Federation and/or foreign states, stipulating the termination of the creditor's claims.

Amounts of accounts payable for which the statute of limitations has expired are written off for each obligation based on the inventory data, written justification and an order (instruction) of the head of the Company and are included in other income.

18. Provisions, contingent liabilities and contingent assets

Estimated liabilities

The Company reflects an estimated liability while simultaneously complying with the recognition conditions established in PBU 8/2010 "Estimated liabilities, contingent liabilities and contingent assets".

The Company creates the following estimated liabilities:

- court cases not completed as of the reporting date, in which the Company is a plaintiff or defendant, and decisions on which can only be made in subsequent reporting periods, leading to an outflow of economic benefits of the Company;
- vacation pay;
- payment of remunerations (bonuses) to employees based on the results of work for the year;
- reforestation;
- others.

The formation of an estimated liability for legal cases with an unfavourable outcome, taking into account the likelihood of an unfavourable outcome when resolving disagreements during legal proceedings, is carried out at the end of each reporting period (quarter).

The formation of an estimated obligation to pay for vacations is carried out monthly for each employee as of the last day of the reporting period (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 employee's average daily earnings as of the reporting date, taking into account insurance contributions.

The formation of an estimated liability for the payment of employee benefits is carried out 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 the Company's employees. The amount of liability is calculated taking into account the amount of insurance premiums.

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

Contingent liabilities and contingent assets

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

A contingent liability (contingent asset) arises as a result of past events in economic life, when the existence of a liability (asset) by the Company at 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 income statement unless the associated economic benefits are unlikely to decrease. A contingent asset is disclosed in the notes to the balance sheet and income statement when the associated proceeds are probable. In this case, an estimated value or range of estimated values is indicated, if they can be determined.

19. Income tax calculations

The amounts of accrued, settled and written off deferred tax assets and deferred tax liabilities in the statement of financial results include:

- in line 2412 “Deferred income tax” - in the collapsed amount of changes in deferred tax assets and deferred tax liabilities related to the results of operations included in the accounting profit (loss) of the reporting period;

20. Income

Income accounting is regulated by the Accounting Regulations “Income of the 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 is recognized as revenue from the sale of products and goods, receipts associated with 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 receipts of cash and other property and (or) the amount of accounts receivable. Revenue from the sale of products (provision of services) is recognized as products are shipped to customers (services are provided) and payment documents are presented to them. It is reflected in the reporting minus value added tax.

The following are recognized as other income of the Company:

- 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 with this bank, as well as interest on purchased interest-bearing bills of third parties - in accordance with the interest clause in the bill upon presentation for payment. The Company reflects these incomes in the Statement of Financial Results in line 2320 “Interest receivable”;
- income related to participation in the authorized capitals of other organizations (dividends) is recognized by the Company as declared and reflected in the Statement of Financial Results in line 2310 “Income from participation in other organizations”;
- fines, penalties, penalties for violation of contractual relations - in the reporting period in which the court made a decision to collect them or they were recognized as a debtor ;
- profit of previous years identified in the reporting period (taking into account the requirements of the Accounting Regulations “Correcting Errors in Accounting and Reporting” (PBU 22/2010));
- the amount of accounts payable (except for dividends) and depositor debts for which the statute of limitations has expired - in the reporting period in which the statute of limitations expired;
- other receipts (income) in accordance with the Accounting Regulations “Income of the Organization” (PBU 9/99), as they are generated (identified).

21. Expenses

Accounting for expenses is regulated by the Accounting Regulations “Expenses of the Organization” (PBU 10/99), according to which the Company’s expenses are divided into expenses for ordinary activities and other expenses.

Expenses for ordinary activities are expenses associated with the manufacture and sale of products, the acquisition and sale of goods, expenses associated with the performance of work, 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 the temporary certainty of the facts of economic activity).

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

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

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

Commercial expenses (selling expenses) include costs associated with the implementation of commercial processes and administrative and management processes for managing commercial

divisions (performing the functions of a supplier of last resort). Selling expenses are reflected in line 2210 “Business expenses” of the Statement of Financial Results.

Other expenses include expenses not related to the manufacture and sale of products and the provision of services. The following are recognized as other expenses:

- interest paid by the Company for the provision of funds (credits, borrowings) to it for use; The Company reflects these expenses in the Statement of Financial Results in 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, penalties for violation of contract terms, compensation for losses caused by the Company;
- losses of previous years identified in the reporting period (taking into account the requirements of the Accounting Regulations “Correcting Errors in Accounting and Reporting” (PBU 22/2010));
- charitable expenses;

other expenses according to PBU 10/99.

22. Changes in accounting policies from 2023

Changes in accounting policies in 2023

No significant changes were made to the Company’s accounting policy in 2023 (for 2023).

Changes in accounting policies in 2024

From 1 January 2024, PBU 14/2007 “Accounting for intangible assets” ceases to be in force. Federal Accounting Standard (FSBU) 14/2022 “Intangible Assets” becomes mandatory for use, starting with the financial statements for 2024.

The Company does not apply FAS 14/2022 “Intangible assets” ahead of schedule and intends to reflect the consequences of changes in accounting policies in connection with the start of application of this standard in accordance with the transitional provisions provided for in paragraph 53 - without recalculating comparative indicators for periods preceding the reporting period.

The Company’s financial statements for 2024 will reflect the following main changes (the application of FAS 14/2020 “Intangible Assets” is not expected to have a significant impact on the financial reporting indicators):

- reclassification of items that meet the criteria for recognizing intangible assets from deferred expenses to intangible assets and capital investments in intangible assets;
- one-time write-off (assignment to retained earnings) of the book value of capital investments associated with the implementation of research and development work related to the research stage;
- one-time write-off (assignment to retained earnings) of the book value of objects accepted for accounting as intangible assets before the application of FAS 14/2022 “Intangible assets”, but which are not such according to the new rules, and taking into account the limit established by the Company;
- one-time write-off (assignment to retained earnings) of items from deferred expenses that do not meet the criteria for recognizing intangible assets.

III. Disclosure of material indicators

1. Intangible assets

1.1 Availability and movement of intangible assets

thousand RUB

Indicator name	Period	For the beginning of the year			Changes over the period				At the end of the year		
		Historical cost	Depreciation and impairment	Book value	Received	Disposed		Depreciation, including impairment amortization	Historical cost	Depreciation and impairment	Book value
						Historical/ current market value	Accumulated depreciation and impairment				
1	2	3	4	5	6	7	8	9	10	11	12
Intangible assets, total	2023	214 682	(78 606)	136 076	94 988	-	-	(20 695)	309 670	(99 301)	210 369
	2022	202 201	(57 182)	145 019	12 481	-	-	(21 424)	214 682	(78 606)	136 076
including:											
<i>exclusive right: to an invention, industrial design, utility model</i>	2023	63 178	(35 915)	27 263	-	-	-	(3 808)	63 178	(39 723)	23 455
	2022	53 032	(30 656)	22 376	10 146	-	-	(5 259)	63 178	(35 915)	27 263
<i>exclusive right: to computer programs, databases (software)</i>	2023	149 175	(41 684)	107 491	94 580	-	-	(15 922)	243 755	(57 606)	186 149
	2022	148 152	(25 967)	122 185	1 023	-	-	(15 717)	149 175	(41 684)	107 491
<i>exclusive right: to a trademark, appellation of origin of goods</i>	2023	-	-	-	-	-	-	-	-	-	-
	2022	-	-	-	-	-	-	-	-	-	-
<i>other items that meet the criteria for classification as intangible assets</i>	2023	2 329	(1 007)	1 322	408	-	-	(965)	2 737	(1 972)	765
	2022	1 017	(559)	458	1 312	-	-	(448)	2 329	(1 007)	1 322

In the reporting year, the useful lives and the method of calculating amortization of intangible assets did not change compared to the previous reporting period.

1.2 Information on unfinished and unregistered R&D and unfinished transactions for the acquisition of intangible assets

thousand RUB

Indicator name	Period	For the beginning of the year	Changes over the period			At the end of the period
			costs for the period	expenses were written off as not producing a positive result	accepted for accounting as intangible assets or R&D	
Costs of unfinished research and development	2023	59 449	65 123	-	(49 096)	75 476
	2022	28 794	60 592	-	(29 937)	59 449
Unfinished transactions for the acquisition of intangible assets	2023	4 038	360 155	-	(86 605)	277 588
	2022	-	5 361	(11)	(1 312)	4 038

Costs for unfinished and unregistered R&D and unfinished transactions for the acquisition of intangible assets are reflected in line 1100 “Intangible assets” of the balance sheet.

2. Property, plant and equipment

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

2.1

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

thousand RUB

Indicator name	Period	At the beginning of the period			Changes over the period						At the end of the period		
		Historical cost	Accumulated depreciation and impairment	Book value	Received		Disposed		Depreciation charge including impairment amortization	Recognition (-) Reversal of (+) impairment	Historical cost	Accumulated depreciation and impairment	Book value
					Historical cost	Accumulated depreciation and impairment	Historical cost	Accumulated depreciation and impairment					
1	2	3	4	5	6	7	8	9	10	11	12	13	14
Property, plant and equipment	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
	2022	215 930 002	(124 320 188)	91 609 814	12 581 633	(162 006)	(353 511)	351 522	(10 997 791)	-	228 158 124	(135 128 463)	93 029 661
		including:											
<i>buildings</i>	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
	2022	11 885 392	(4 642 074)	7 243 318	431 884	(9 277)	(20 219)	19 839	(374 038)	-	12 297 057	(5 005 550)	7 291 507
<i>structures other than power lines</i>	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
	2022	36 631 670	(17 742 744)	18 888 926	1 799 645	(19 495)	(3 143)	2 701	(1 587 993)	-	38 428 172	(19 347 531)	19 080 641
<i>power lines and devices for them</i>	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
	2022	86 663 728	(55 105 787)	31 557 941	3 543 721	(81 773)	(19 436)	13 129	(4 316 835)	-	90 188 013	(59 491 266)	30 696 747
<i>machines and equipment</i>	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
	2022	45 048 806	(25 332 895)	19 715 911	2 302 343	(15 161)	(10 123)	7 018	(2 275 593)	-	47 341 026	(27 616 631)	19 724 395
<i>industrial and household equipment, including other facilities</i>	2023	39 590 720	(23 646 013)	15 944 707	5 004 489	(2 206)	(253 085)	247 720	(2 345 470)	(181 409)	44 342 124	(25 927 378)	18 414 746
	2022	35 399 292	(21 475 215)	13 924 077	4 492 018	(36 300)	(300 590)	308 835	(2 443 332)	-	39 590 720	(23 646 012)	15 944 708
<i>investment property</i>	2023	-	-	-	-	-	-	-	-	-	-	-	-
	2022	-	-	-	-	-	-	-	-	-	-	-	-
<i>Land plots and environmental management facilities (Items with an unlimited useful life, not depreciable)</i>	2023	313 136	(21 473)	291 663	6 142	-	(140)	-	-	(24 108)	319 138	(45 581)	273 557
	2022	301 114	(21 473)	279 641	12 022	-	-	-	-	-	313 136	(21 473)	291 663

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

thousand RUB

Indicator name	Period	For the beginning of the year (-)	Change over period			At the end of the period
			Received (-)	Disposed (+)	Accrued for period (-)	
1	2	3	4	5	6	7
Depreciation	2023	(124 397 651)	-	307 730	(11 975 082)	(136 065 003)
	2022	(112 464 889)	-	335 996	(12 268 758)	(124 397 651)
including:						
<i>Buildings</i>	2023	(4 482 698)	-	6 595	(405 421)	(4 881 524)
	2022	(4 098 420)	-	19 821	(404 099)	(4 482 698)
<i>Structures other than power lines</i>	2023	(17 519 640)	-	1 537	(1 800 938)	(19 319 041)
	2022	(15 759 329)	-	2 621	(1 762 932)	(17 519 640)
<i>Power lines and devices for them</i>	2023	(54 608 162)	-	21 008	(4 812 876)	(59 400 030)
	2022	(49 632 872)	-	12 538	(4 987 828)	(54 608 162)
<i>Machines and equipment</i>	2023	(25 316 709)	-	30 948	(2 497 218)	(27 782 979)
	2022	(22 786 884)	-	6 498	(2 536 323)	(25 316 709)
<i>Industrial and household equipment, including other facilities</i>	2023	(22 470 442)	-	247 642	(2 458 629)	(24 681 429)
	2022	(20 187 384)	-	294 518	(2 577 576)	(22 470 442)
<i>Investment property</i>	2023	-	-	-	-	-
	2022	-	-	-	-	-
<i>Land plots and environmental management facilities</i>	2023	-	-	-	-	-
	2022	-	-	-	-	-

2.3 Impairment of property, plant and equipment

thousand RUB

Indicator name	Period	For the beginning of the year (-)	Change over period				Reversal of previously recognized impairment losses (+)	At the end of the period
			Impairment amortization (+)	Received (-)	Disposed (+)	Recognition of impairment losses (-)		
1	2	3	4	5	6	7	8	9
Impairment	2023	(10 730 812)	1 160 345	(19 113)	1 842	(5 546 350)	4 828 502	(10 305 586)
	2022	(11 855 299)	1 270 967	(162 006)	15 526	-	-	(10 730 812)
including:								
<i>Buildings</i>	2023	(522 852)	28 947	-	358	(302 654)	221 201	(575 000)
	2022	(543 654)	30 061	(9 277)	18	-	-	(522 852)
<i>Structures other than power lines</i>	2023	(1 827 891)	168 105	(945)	2	(1 767 760)	754 493	(2 673 996)
	2022	(1 983 415)	174 939	(19 495)	80	-	-	(1 827 891)
<i>Power lines and devices for them</i>	2023	(4 883 104)	610 150	(14 874)	329	(1 446 321)	2 237 410	(3 496 410)
	2022	(5 472 915)	670 993	(81 773)	591	-	-	(4 883 104)
<i>Machines and equipment</i>	2023	(2 299 922)	239 985	(1 088)	1 075	(1 327 430)	1 118 730	(2 268 650)
	2022	(2 546 011)	260 730	(15 161)	520	-	-	(2 299 922)
<i>Industrial and household equipment, including other facilities</i>	2023	(1 175 570)	113 158	(2 206)	78	(671 927)	490 518	(1 245 949)
	2022	(1 287 831)	134 244	(36 300)	14 317	-	-	(1 175 570)
<i>Investment property</i>	2023	-	-	-	-	-	-	-
	2022	-	-	-	-	-	-	-
<i>Land plots and environmental management facilities</i>	2023	(21 473)	-	-	-	(30 258)	6 150	(45 581)
	2022	(21 473)	-	-	-	-	-	(21 473)

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 RUB

Indicator name	31.12.2023	31.12.2022	31.12.2021
1	2	3	4
Increase in the value of property, plant and equipment as a result of completion, retrofitting, reconstruction	6 278 874	4 026 258	4 408 603
Decrease in the value of property, plant and equipment as a result of partial liquidation	(21 148)	(12 984)	(12 889)

2.5 Information on other uses of property, plant and equipment

thousand RUB

Indicator name	31.12.2023	31.12.2022	31.12.2021
1	2	3	4
<i>Leased property, plant and equipment recorded on the balance sheet</i>	362 209	291 472	146 933
<i>Leased property, plant and equipment recorded on the balance sheet</i>	7 325 936	6 155 647	6 367 291
<i>Leased property, plant and equipment recorded on the balance sheet</i>	1 461 901	2 149 654	940 417
<i>Real estate items accepted for operation and actually used, which are in the process of state registration</i>	35 639	3 995	1 025
<i>Property, plant and equipment transferred to conservation</i>	58 724	68 959	129 759
<i>Other use of property, plant and equipment (collateral, etc.)</i>	-	15	89

3. Capital investments

Costs for unfinished capital construction are reflected in the item "Property, plant and equipment".

3.1 Availability and movement of capital investments

thousand RUB

Indicator name	Period	For the beginning of the year	Changes over the period					Recognition (-) Reversal of (+) impairment	At the end of the period
			costs for the period	Written off		accepted for accounting as property, plant and equipment or the cost of capital investments is increased			
				historical cost	Impairment	Historical cost	Impairment		
1	2	3	4	5	6	7	8	9	10
Unfinished construction and incomplete transactions for acquisition, modernization and technical re-equipment of property, plant and equipment	2023	2 770 227	19 600 059	(88 438)	14 690	(19 656 523)	19 113	(75 109)	2 584 019
	2022	2 840 476	12 757 564	(41 355)	4 783	(12 953 248)	162 007	-	2 770 227
including:									
<i>Construction in progress</i>	2023	2 223 087	16 779 111	(86 412)	14 690	(16 854 324)	19 113	(75 109)	2 020 156
	2022	2 489 068	10 803 864	(41 336)	4 783	(11 195 299)	162 007	-	2 223 087
<i>acquisition of property, plant and equipment</i>	2023	134	1 453 473	(134)	-	(1 453 242)	-	-	231
	2022	23 945	1 194 374	-	-	(1 218 185)	-	-	134
<i>equipment for installation</i>	2023	458 824	1 130 831	(1 892)	-	(1 098 825)	-	-	488 938
	2022	327 463	514 933	(19)	-	(383 553)	-	-	458 824
<i>other</i>	2023	88 182	236 644	-	-	(250 132)	-	-	74 694
	2022	-	244 393	-	-	(156 211)	-	-	88 182

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

thousand RUB

Indicator name	Period	For 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	2023	154 182	-	154 182	144 588	-	144 588
	2022	115 058	-	115 058	154 182	-	154 182

4. Right-of-use assets and lease liabilities

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

4.1 Availability and movement of right-of-use assets

thousand RUB

Indicator name	Period	For the beginning of the year			Changes over the period							At the end of the period		
		Historical cost	accumulated depreciation and impairment	residual value	Historical cost			Accumulated depreciation and impairment				historical cost	accumulated depreciation and impairment	residual value
					received	disposed	changes to the terms of the contract	depreciation accrued (including depreciation)	accumulated depreciation was disposed of (taking into account depreciation amortization)	changes to 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	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
	2022	6 484 814	(117 523)	6 367 291	215 161	(25 649)	77 451	(488 372)	9 761	4	-	6 751 777	(596 130)	6 155 647
including:														
<i>Land and buildings</i>	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
	2022	2 801 578	(70 898)	2 730 680	18 225	(12 532)	70 311	(207 400)	3 958	-	-	2 877 582	(274 340)	2 603 242
<i>Power lines and devices for them</i>	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
	2022	1 846 344	(18 386)	1 827 958	71 346	(10 394)	2 757	(169 654)	5 783	2	-	1 910 053	(182 255)	1 727 798
<i>Machines and equipment</i>	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
	2022	719 569	(6 773)	712 796	14 947	(2 570)	1 516	(63 563)	20	2	-	733 462	(70 314)	663 148
<i>Investment property</i>	2023	-	-	-	-	-	-	-	-	-	-	-	-	-
	2022	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>other</i>	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
	2022	1 117 323	(21 466)	1 095 857	110 643	(153)	2 867	(47 755)	-	-	-	1 230 680	(69 221)	1 161 459

The main lease facilities of the Company are power grid facilities and land plots (expenditure contracts).

Information on lease liabilities:

thousand RUB

Indicator name	Indicator code	31.12.2023	31.12.2022	31.12.2021
1	2	3	4	5
Short-term lease liabilities	1520	896 048	640 888	884 495
Long-term lease liabilities	1450	6 226 512	5 362 097	5 407 462
Total lease liabilities		7 122 560	6 002 985	6 291 957

Interest on lease liabilities in the amount of 640 696 thousand rubles is included in the “Interest payable” indicator, line 2330 of the Statement of Financial Results for the year ended 31 December 2023 (in the amount of 570 563 thousand rubles for the year ended 31 December 2022).

Expenses related to short-term rentals are included in expenses for ordinary activities in the amount of 91 756 thousand rubles for the year ended 31 December 2023 (in the amount of 65 932 thousand rubles for the year ended 31 December 2022).

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

The Company tested property, plant and equipment for impairment as of 31 December 2023 in relation to all significant cash-generating units.

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

Key Assumption	As of 31 December 2023
Forecasting period	Forecast cash flows were determined for the period 2024-2028 for all generating units based on management’s best estimate of transmission volumes, operating and capital costs, and tariffs approved by regulators for 2024
Forecast of electricity transmission tariffs	Based on tariff calculation methodology adopted by regulatory authorities
Sales volume forecast	In accordance with the approved business plan. Outside business planning - fixed volume (at the level of the last year of the business planning period)
Discount rate (Nominal discount rate determined for test purposes based on the weighted average cost of capital before income taxes)	11,97%

Based on the results of the impairment test as of 31 December 2023, impairments to be recognized were identified (thousand RUB):

Branch	Impairment balance 31 December 2022	Depreciation and disposal for the period 2023	Accrued/ (restored) impairment 2023	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	340 444	465 430	3 471 224
Yarenergo	1 008 966	115 397	754 638	1 648 207

10 844 735

1 176 878

794 928

10 460 813

Based on the results of the impairment test as of 31 December 2022, no impairment was identified for recognition (thousand rubles):

Branch	Impairment balance 31 December 2021	Depreciation and disposal for the period 2022	Accrued / (recovered) impairment 2022	Impairment balance 31 December 2022
Lipetskenergo	6 167 115	673 973	-	5 493 142
Tambovenergo	1 112 006	115 588	-	996 418
Tverenergo	3 718 133	371 924	-	3 346 209
Yarenergo	1 138 756	129 790	-	1 008 966
	12 136 010	1 291 275	-	10 844 735

6. Other current/non-current assets

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

thousand RUB

Types of assets	31 December 2023		31 December 2022		31 December 2021	
	Current	Non-current	Current	Non-current	Current	Non-current
Settlements under the contract of operational property management	-	233	-	627	-	627
Shortages and losses from damage to valuables	452	-	1 017	-	5 704	-
VAT on advances issued under capital construction	28 817	-	30 029	-	22 154	-
Costs under energy service contracts	-	347 546	-	425 268	-	488 793
Deferred expenses software products short-term	76 213	-	20 211	-	132 426	-
VAT on advances received	1 564 851	-	1 279 441	-	739 394	-
Facilities under concession agreement	-	598 762	-	648 142	-	697 521
Non-current assets held for sale	1 057	1	1 345	-	1 014	-
Deferred expenses software products long-term	-	1 770 495	-	1 332 025	-	1 227 220
Total	1 671 390	2 717 037	1 332 043	2 406 062	900 692	2 414 161

7. Inventories

Inventories in the statements are reflected minus the reserve created for these inventories for depreciation in value in line 1210 “Inventories”.

No inventory was pledged as collateral in 2023, 2022 or 2021.

The amount of inventory impairment as of 31 December was:

thousand RUB

2023	2022	2021
938	920	693

Information on the availability and movement of inventories by group:

thousand RUB

Indicator name	Period	For the beginning of the year		Changes over the period					At the end of the period	
		cost price	amount of provision for impairment	receipts and costs	disposed		losses from impairment	turnover of inventories between their groups (types)	cost price	amount of provision for impairment
					cost price	reserve under impairment				
1	2	3	4	5	6	7	8	9	10	11
Inventories, total	2023	3 929 846	(920)	19 955 151	(19 883 116)	(18)	-	x	4 001 881	(938)
	2022	3 037 869	(693)	19 694 531	(18 802 554)	(227)	-	x	3 929 846	(920)
Raw materials	2023	3 678 699	(920)	19 386 030	(19 147 216)	(18)	-	-	3 917 513	(938)
	2022	3 021 164	(693)	18 988 510	(18 330 975)	(227)	-	-	3 678 699	(920)
Unfinished production	2023	251 147	-	564 405	(731 184)	-	-	-	84 368	-
	2022	16 705	-	704 326	(469 884)	-	-	-	251 147	-
Other inventories and costs	2023	-	-	4 716	(4 716)	-	-	-	-	-
	2022	-	-	1 695	(1 695)	-	-	-	-	-

8. Financial investments

8.1 Availability and movement of financial investments

Movement of long-term financial investments

thousand RUB

Name indicator	Period	For the beginning of the year		Changes over the period				At the end of the year	
		Historical cost	Revaluation, reserve	Received	Disposed historical cost	Disposed revaluation, reserve	Revaluation, reserve	Historical cost	Revaluation, reserve
1	2	3	4	5	6	7	8	9	10
Long-term financial investments, total	2023	1 566 016	(138 726)	748 789	(246 024)	-	47 516	2 068 781	(91 210)
	2022	1 582 805	(44 434)	-	(16 789)	(475)	(93 817)	1 566 016	(138 726)
		including:							
<i>Deposits in other organizations (applying to the securities market)</i>	2023	237 391	(138 726)	-	-	-	47 516	237 391	(91 210)
	2022	238 415	(44 434)	-	(1 024)	(475)	(93 817)	237 391	(138 726)
<i>Deposits in other organizations (not listed on the securities market)</i>	2023	38	-	-	-	-	-	38	-
	2022	38	-	-	-	-	-	38	-
<i>Deposits</i>	2023	-	-	-	-	-	-	-	-
	2022	-	-	-	-	-	-	-	-
<i>Investments in subsidiaries</i>	2023	15 355	-	-	-	-	-	15 355	-
	2022	15 355	-	-	-	-	-	15 355	-
<i>Bond loans</i>	2023	-	-	-	-	-	-	-	-
	2022	-	-	-	-	-	-	-	-
<i>Loans provided</i>	2023	1 313 232	-	748 789	(246 024)	-	-	1 815 997	-
	2022	1 328 997	-	-	(15 765)	-	-	1 313 232	-
<i>Deposits in dependent companies</i>	2023	-	-	-	-	-	-	-	-
	2022	-	-	-	-	-	-	-	-

Movement of short-term financial investments

thousand RUB

Name indicator	Period	For the beginning of the year		Changes over the period				At the end of the year	
		Historical cost	Revaluation, reserve	Received	Disposed original cost	Disposed revaluation, reserve	Revaluation, reserve	Historical cost	Revaluation, reserve
1	2	3	4	5	6	7	8	9	10
Short-term financial investments, total	2023	748 789	-	-	(748 789)	-	-	-	-
	2022	1 970 999	-	-	(1 222 210)	-	-	748 789	-
including:									
<i>Deposits with a specified maturity of more than 3 months</i>	2023	-	-	-	-	-	-	-	-
	2022	-	-	-	-	-	-	-	-
<i>Bond loans</i>	2023	-	-	-	-	-	-	-	-
	2022	-	-	-	-	-	-	-	-
<i>Loans provided</i>	2023	748 789	-	-	(748 789)	-	-	-	-
	2022	1 970 999	-	-	(1 222 210)	-	-	748 789	-

8.2 Information on the historical cost and book value of financial investments

thousand RUB

Name of the group of financial investments		31.12.2023		31.12.2022		31.12.2021	
		Historical cost	Book value [*]	Historical cost	Book value [*]	Historical cost	Book value [*]
1	2	3	4	5	6	7	8
At current market value	Long-term financial investments	237 391	146 181	237 391	98 666	238 415	193 982
	Short-term financial investments	-	-	-	-	-	-
Current market value is not determined	Long-term financial investments	1 831 390	1 831 390	1 328 624	1 328 624	1 344 389	1 344 389
	Short-term financial investments	-	-	748 789	748 789	1970 999	1970 999

[*] – The cost at which financial investments are reflected in the balance sheet (taking into account adjustments to the current market value, reserves for depreciation, attribution to the increase in the value of debt securities of the difference between their original and par value, exchange rate differences).

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

thousand RUB

Name of the group of financial investments	31.12.2023			31.12.2022		
	Income	Expenses	Difference between income and expenses	Income	Expenses	Difference between income and expenses
1	2	3	4	5	6	7
<i>Investments in subsidiaries</i>	-	-	-	-	-	-
<i>Deposits in dependent companies</i>	-	-	-	-	-	-
<i>Deposits in other organizations</i>	80 554	(33 038)	47 516	20 221	(114 038)	(93 817)
<i>Bond loans</i>	-	-	-	-	-	-

8.4. Information on the book value of financial investments by type.

thousand RUB

Indicator name	31.12.2023	31.12.2022	31.12.2021
1	2	3	4
Long-term financial investments, total	1 977 571	1 427 290	1 538 371
Including:			
<i>Investments in subsidiaries</i>	15 355	15 355	15 355
<i>Deposits in dependent companies</i>	–	–	–
<i>Deposits in other organizations (applying to the securities market)</i>	146 219	98 703	194 019
<i>Deposits in other organizations (not listed on the securities market)</i>	–	–	–
<i>Deposits</i>	–	–	–
<i>Bond loans</i>	–	–	–
<i>Loans provided</i>	1 815 997	1 313 232	1 328 997
<i>Bills of exchange</i>	–	–	–
<i>Municipal securities</i>	–	–	–
Short-term financial investments, total	–	748 789	1 970 999
including:			
<i>Deposits with a specified maturity of more than 3 months</i>	–	–	–
<i>Bond loans</i>	–	–	–
<i>Loans provided</i>	–	748 789	1 970 999
<i>Bills of exchange</i>	–	–	–
<i>Municipal securities</i>	–	–	–

8.5 Information on reserve for impairment of financial investments

thousand RUB

Indicator name	31.12.2023	31.12.2022	31.12.2021
1	2	3	4
Provision for impairment of financial investments, total	108	108	108
including:	–	–	–
– on investments in the authorized capitals of subsidiaries	–	–	–
– for loans issued	–	–	–
– for other financial investments	108	108	108

9. Cash and cash equivalents

Composition of cash and cash equivalents

Cash as of 31 December:

thousand RUB

	2023	2022	2021
Current accounts	6 029 918	713 173	1 431 135
Other cash	1 026 410	5 461 620	58 876
Cash equivalents	–	–	–
Total	7 056 328	6 174 793	1 490 011

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

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 RUB

Indicator name	31.12.2023	31.12.2022
1	2	3
Other income from current activities	2 738 873	1 628 264
<i>Interest on the use of funds</i>	75 441	114 740
<i>Interest on deposits (cash equivalents)</i>	441 157	274 563
<i>Interest rate swap for inflation</i>	-	-
<i>Settlements of fines, penalties, liquidated damages for receipt</i>	495 487	172 209
<i>VAT</i>	384 802	436 001
<i>Non-contractual consumption</i>	43 649	37 058
<i>Sale of inventories and other assets</i>	47 255	43 021
<i>Settlements under the agreement on the assignment of rights of claim</i>	51 393	94 212
<i>Compensation for damage</i>	1 160 558	218 855
<i>Security payments</i>	-	164 192
<i>Incorrectly transferred funds</i>	1 454	19 582
<i>Other supply</i>	37 677	53 831
Other payments for current activities	3 821 923	3 733 167
<i>Tax payments (except for VAT, income tax)</i>	1 552 627	2 089 932
<i>VAT</i>	-	-
<i>Insurance payments</i>	249 336	241 593
<i>Accountable amounts</i>	449 558	457 357
<i>Charity</i>	175 000	66 000
<i>Transfers to the Primary Trade Union Organization</i>	169 582	126 310
<i>Payments to the trade union committee for cultural and sporting events</i>	76 694	63 545
<i>Payment to NPF</i>	164 320	161 655
<i>Compensation of expenses of PSP Leasing</i>	32 139	18 906
<i>Payments by court decision, organizations, settlements of fines, penalties, liquidated damages for payment</i>	872 558	453 355
<i>Other payments</i>	80 109	54 514

10. Accounts receivable

10.1 Availability of accounts receivable

thousand RUB

Indicator name	31.12.2023	31.12.2022	31.12.2021
1	2	3	4
Accounts receivable, total	13 793 435	16 565 530	14 712 455
Long-term accounts receivable	1 637 088	2 603 755	2 576 360
Buyers and customers:	1 032 141	2 429 272	2 273 505
<i>Electricity transmission settlements</i>	1 028 555	2 427 455	2 271 902
<i>Settlements for grid connection</i>	3 063	1 817	1 601
<i>Other buyers and customers</i>	523	-	2
Advances issued	4 766	3 196	4 077

Indicator name	31.12.2023	31.12.2022	31.12.2021
1	2	3	4
Other debtors, including:	600 181	171 287	298 778
<i>Settlements under agency agreements</i>	-	-	-
<i>Settlements for the assignment of claims</i>	171	31 356	62 712
<i>Settlements of interest due</i>	312 749	66 055	32 831
<i>Settlements on collateral issued</i>	15 115	18 992	199 113
<i>Penalties, fines, penalties under contracts</i>	55 160	539	3 701
<i>Net rental investment value (long-term)</i>	211 943	54 244	-
<i>Other debtors</i>	5 043	101	421
Short-term accounts receivable	12 156 347	13 961 775	12 136 095
Buyers and customers:	9 965 921	10 959 459	10 261 977
<i>Electricity transmission settlements</i>	9 005 088	10 023 063	9 374 556
<i>Settlements for grid connection</i>	97 088	137 854	65 570
<i>Settlements for electricity sales</i>	5 526	150 171	144 871
<i>Settlements for services of the core type of activity (additional service)</i>	438 530	250 273	435 479
<i>Settlements for services of the core type of activity (removal of networks)</i>	25 043	95 860	-
<i>Settlements under the agreement of the sole executive body</i>	132 144	78 000	78 724
<i>Settlements for the provision of property for rent</i>	9 276	31 974	4 731
<i>Other buyers and customers</i>	253 226	192 264	158 046
Advances issued:	629 911	1 008 592	574 469
<i>Advance payments for subcontracts</i>	35 693	96 204	399
<i>Advance payments for purchase of electricity for utilities</i>	77 641	63 672	68 567
<i>Advance payments for purchase of electricity for compensation of losses</i>	422 554	720 227	410 903
<i>Advance payments for the purchase of fuel oil (fuel)</i>	74 108	96 871	68 454
<i>Other advances issued</i>	19 915	31 618	26 146
Other debtors:	1 560 515	1 993 724	1 299 649
<i>Settlements under agency agreements</i>	91 522	112 661	80 107
<i>Settlements for the assignment of claims</i>	66 949	189 312	272 413
<i>Settlements with the budget for taxes, fees and insurance premiums</i>	644 539	111 262	30 151
<i>Short-term interest payments</i>	109 719	369 571	236 316
<i>Settlements on collateral issued</i>	75 418	67 212	48 402
<i>Penalties, fines, penalties under contracts</i>	188 161	284 290	284 772

Indicator name	31.12.2023	31.12.2022	31.12.2021
1	2	3	4
<i>Settlements for compensation for other losses caused</i>	4 470	194 442	108 317
<i>Settlements with debtors for non-contractual consumption</i>	125 529	255 344	159 541
<i>Settlements with debtors</i>	2 985	272 914	871
<i>Net rental investment value</i>	102 826	35 401	-
<i>Settlements for other income</i>	46 840	1 145	262
<i>Settlements for compensation of costs for grid connection</i>	12 178	8 983	15 718
<i>Settlements for compensation of reconstruction costs</i>	22 095	15 248	-
<i>Other debtors</i>	67 284	75 939	62 779

Accounts receivable that are not repaid or with a high degree of probability will not be repaid within the terms established by the contract, and that are not secured by appropriate guarantees, sureties or other means, are shown in the balance sheet minus reserves for doubtful debts.

10.2 Provision for doubtful debts

thousand RUB						
Indicator name	Period	For the beginning of the year	Accrued	Restored	Used	At the end of the year
1	2	3	4	5	6	7
Provision for doubtful accounts receivable	2023	5 842 184	1 955 965	(944 416)	(656 505)	6 197 228
	2022	10 692 164	1 051 280	(1 198 370)	(4 702 890)	5 842 184

The amount of debt written off from insolvent debtors as of 31 December 2023 is 9 609 thousand rubles (as of 31 December 2022 – 9 587 thousand rubles; as of 31 December 2021 – 5 960 thousand rubles).

11. Capital 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 reflected in the amount of the par value of ordinary shares.

As of 31 December 2023, 31 December 2022, 31 December 2021, the authorized capital of the Company is fully paid and consists of:

Name	Total quantity (pieces)	Nominal value (thousand rubles)
Ordinary shares	42 217 941 468	4 221 794
Preference shares	–	–

Total	42 217 941 468	4 221 794
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11.2 Reserve capital

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

The reserve capital is fully formed and amounts to 211 090 thousand rubles as of 31 December 2023, as of 31 December 2022, as of 31 December 2021

11.3 Additional capital

There is no additional capital in the Company.

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 reflects the portion of the profit of 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 in circulation during the reporting year.

On 17 June 2022, the General Meeting of Shareholders decided to allocate 1 427 448 thousand rubles for the payment of dividends based on the results of 2021 or 34,42% of net profit.

On 30 June 2022, accounts payable to participants (founders) for the payment of income due to the expiration of the statute of limitations regarding unclaimed dividends in the amount of 7 419 thousand rubles were restored as part of retained earnings.

On 23 December 2022, the General Meeting of Shareholders decided to pay dividends based on the results of 9 months of 2022 in the amount of RUB 0,0340 per one ordinary share of the Company, which is the total amount of dividends in the amount of 1 435 410 thousand rubles or 40,20% of the Company's net profit for 9 months until 30 September 2022.

On 31 December 2022, accounts payable to participants (founders) for the payment of income due to the expiration of the statute of limitations regarding unclaimed dividends in the amount of 14 524 thousand rubles were restored as part of retained earnings.

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 one ordinary share of the Company, which is the total amount of dividends in the amount of 473 263 thousand rubles or 10,43% of net profit.

11.5 Earnings per share

Basic earnings per share reflects the portion of the profit of 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 in circulation during the reporting year. The basic profit is equal to the net profit of the reporting year.

thousand RUB

Indicator name	2023	2022
1	2	3
Basic profit for the reporting year, thousand rubles	6 114 765	4 537 756
Weighted average number of ordinary shares in circulation during the reporting year, pcs.	42 217 941 468	42 217 941 468
Basic profit (loss) per share thousand rubles	0,0001448	0,0001075

12. Credits and loans

12.1 Information on the movement of borrowed funds

thousand RUB

Indicator name	Long-term		Short term	
	2023	2022	2023	2022
1	2	3	4	5
Balance of debt on loans at the beginning of the year	21 467 242	33 778 144	17 776 587	8 509 419
Received bank loans in the reporting year (including overdraft)	20 380 150	5 602 589	-	1 000 000
Transfer from long-term debt to short-term debt	(13 815 994)	(17 729 895)	13 815 994	17 729 895
Transferring short-term debt to long-term debt	-	691 875	-	(691 875)
Loan debt received/(dispensed) as a result of reorganization	-	-	-	-
Interest accrued (including overdraft)*	-	-	3 784 735	3 786 545
Repaid in part of the principal amount of the debt (including overdraft)	(246 024)	(875 470)	(21 087 586)	(8 727 119)
Repaid in part of accrued interest (including overdraft)*	-	-	(3 766 067)	(3 830 278)
Exchange difference	-	-	-	-
Balance of debt on loans at the end of the year	27 785 374	21 467 242	10 523 664	17 776 587

* The accrual and repayment of interest is included in the short-term part, similar to breakdowns of 5.6.7. "Credits and borrowings" for reporting for 2022.

12.2 Information on types of borrowed funds

Borrowings as of 31 December included:

thousand RUB

Name	2023		2022		2021	
	Long-term borrowed funds	Short-term borrowed funds	Long-term borrowed funds	Short-term borrowed funds	Long-term borrowed funds	Short-term borrowed funds
Bank loans	20 702 327	9 801 245	16 624 119	12 754 337	24 626 895	2 753 794
Bond loan	2 931 799	30 544	-	5 022 250	5 000 000	5 063 750
Interest-free loan	4 151 248	691 875	4 843 123	-	4 151 248	691 875
Total borrowed funds	27 785 374	10 523 664	21 467 242	17 776 587	33 778 143	8 509 419

12.3. Information on the repayment terms of borrowed funds

thousand RUB

Indicator name	Balance of debt on borrowed funds	Including maturity:					
		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 borrowings	-	-	-	-	-	-	-
Unsecured loans and borrowings	35 311 879	10 458 304	5 191 875	16 894 202	691 875	691 875	1 383 749
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	1 383 749
* including coupon on bonded loans	30 544	30 544	-	-	-	-	-

thousand
RUB

Indicator name	Balance of debt on borrowed funds	Including maturity:					
		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 borrowings	-	-	-	-	-	-	-
Unsecured loans and borrowings	34 197 137	12 729 895	13 815 994	4 191 875	691 875	691 875	2 075 624
Secured bond loans	-	-	-	-	-	-	-
Unsecured bond loans	5 000 000	5 000 000	-	-	-	-	-
Interest payable **	46 692	46 692	-	-	-	-	-
Total as of 31 December 2022	39 243 829	17 776 587	13 815 994	4 191 875	691 875	691 875	2 075 624
** including coupon on bonded loans	22 250	22 250	-	-	-	-	-

As of 31 December 2023, the amount of the free limit on open but unused credit lines of the Company amounted to 133 031 244 thousand rubles (as of 31 December 2022: 98 598 985 thousand rubles; as of 31 December 2021 amounted to 65 645 985 thousand rubles).

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

Information on the free credit limit as of 31 December 2023

thousand RUB

No.	Type of attraction (loan / revolving credit line / non-revolving credit line / overdraft)	Loan agreement number	Name of the bank that issued the loan	Date of the loan agreement	Expiration date of the loan agreement	Drawing period end date	Amount of the agreement	Free credit limit
1	revolving credit line	0119-044	GPB	30 August 2019	30 August 2024	30 August 2024	5 000 000	2 800 000

No.	Type of attraction (loan / revolving credit line / non-revolving credit line / overdraft)	Loan agreement number	Name of the bank that issued the loan	Date of the loan agreement	Expiration date of the loan agreement	Drawing period end date	Amount of the agreement	Free credit limit
2	revolving credit line	0119-045	GPB	30 August 2019	30 August 2024	30 August 2024	5 000 000	4 000 000
3	revolving credit line	7022	Sberbank	2 September 2019	1 September 2024	1 September 2024	5 000 000	5 000 000
4	revolving credit line	7023	Sberbank	2 September 2019	1 September 2024	1 September 2024	5 000 000	5 000 000
5	revolving credit line	KS-25350/0017/V-19	VTB	4 September 2019	4 September 2024	4 June 2024	5 000 000	3 130 571
6	revolving credit line	KS-25350/0018/V-19	VTB	4 September 2019	4 September 2024	4 June 2024	5 000 000	5 000 000
7	revolving credit line	KS-25350/0001/V-20	VTB	23 January 2020	23 January 2025	23 January 2025	3 000 000	3 000 000
8	revolving credit line	94-K-20	RRDB	8 October 2020	8 October 2025	8 October 2025	3 000 000	3 000 000
9	revolving credit line	0120-070	GPB	17 December 2020	16 December 2025	16 December 2025	5 000 000	5 000 000
10	revolving credit line	0120-071	GPB	17 December 2020	16 December 2025	16 December 2025	5 000 000	5 000 000
11	revolving credit line	0120-072	GPB	17 December 2020	16 December 2025	16 December 2025	5 000 000	4 303 000
12	revolving credit line	KS-25350/0034/V-20	VTB	10 December 2020	10 December 2025	10 December 2025	5 000 000	5 000 000
13	revolving credit line	KS-25350/0035/V-20	VTB	10 December 2020	10 December 2025	10 December 2025	5 000 000	5 000 000
14	revolving credit line	9243	Sberbank	30 December 2020	29 December 2025	29 December 2025	5 000 000	3 000 000
15	Overdraft	9693	Sberbank	20 May 2021	19 May 2024	19 May 2024	1 000 000	1 000 000
16	revolving credit line	38A0116	Sberbank	26 July 2021	26 July 2026	26 July 2026	3 000 000	3 000 000
17	revolving credit line	RK/007/21	Rosbank	26 July 2021	24 July 2026	23 July 2026	3 000 000	3 000 000
18	revolving credit line	7766	Sberbank	6 February 2020	5 February 2025	5 February 2025	3 000 000	3 000 000
19	revolving credit line	0122-087	GPB	30 June 2022	29 June 2027	28 June 2027	2 000 000	500 000
20	revolving credit line	0122-088	GPB	30 June 2022	29 June 2027	28 June 2027	2 800 000	2 800 000
21	revolving credit line	0122-089	GPB	30 June 2022	29 June 2027	28 June 2027	2 800 000	2 800 000
22	revolving credit line	0122-090	GPB	30 June 2022	29 June 2027	28 June 2027	3 300 000	3 300 000
23	revolving credit line	KS-25350/0028/V-22	VTB	20 December 2022	20 December 2027	20 December 2027	13 800 000	8 300 000
24	revolving credit line	380E00CJH	Sberbank	22 December 2022	21 December 2027	21 December 2027	13 800 000	4 247 673
25	revolving credit line	380E00CJG	Sberbank	11 April 2023	10 April 2028	10 April 2028	13 800 000	13 800 000

No.	Type of attraction (loan / revolving credit line / non-revolving credit line / overdraft)	Loan agreement number	Name of the bank that issued the loan	Date of the loan agreement	Expiration date of the loan agreement	Drawing period end date	Amount of the agreement	Free credit limit
26	revolving credit line	380E00CJI	Sberbank	11 April 2023	10 April 2028	10 April 2028	8 300 000	8 300 000
27	revolving credit line	0123-0007-GS	GPB	12 April 2023	11 April 2028	10 April 2028	2 000 000	850 000
28	revolving credit line	0123-0008-GS	GPB	12 April 2023	11 April 2028	10 April 2028	2 000 000	2 000 000
29	revolving credit line	0123-0009-GS	GPB	12 April 2023	11 April 2028	10 April 2028	4 500 000	4 500 000
30	revolving credit line	0123-0010-GS	GPB	12 April 2023	11 April 2028	10 April 2028	3 700 000	3 700 000
31	revolving credit line	0123-0011-GS	GPB	12 April 2023	11 April 2028	10 April 2028	4 100 000	100 000
32	revolving credit line	KS-25350/0005/V-23	VTB	17 May 2023	17 May 2028	17 May 2028	9 600 000	9 600 000
		Total						133 031 244

The Company does not have third party guarantees to obtain a loan as of 31 December 2023.

There are no outstanding loan amounts under concluded loan agreements as of 31 December 2023.

There are no letters of credit opened in favour of other organizations for transactions that were not completed as of 31 December 2023.

There are no funds in letters of credit opened in favour of the Company as of 31 December 2023.

Interest on borrowed funds

Indicator name	thousand RUB	
	2023	2022
1	2	3
Interest included in the cost of investment assets on borrowed funds associated with the acquisition, construction or production of investment assets	-	-
Interest included in the cost of investment assets on borrowed funds taken for purposes not related to the acquisition, construction or production of investment assets	270 222	210 939
Interest on borrowed funds included in other expenses	3 514 513	3 575 606
Total interest accrued on borrowed funds	3 784 735	3 786 545

13. Accounts payable

Indicator name	thousand RUB		
	2023	2022	2021
1	2	3	4
Accounts payable, total	33 515 580	31 863 283	24 428 430
Other liabilities (long-term accounts payable)	10 321 167	7 684 269	7 823 127
Suppliers and contractors	60 854	306 752	298 300
Advances received, including:	4 033 801	1 972 228	2 043 937
<i>for grid connection</i>	3 974 228	1 873 543	1 975 234
<i>for services in the primary type of activity (additional service)</i>	59 494	63 136	68 703
<i>for services related to the primary type of activity (removal of networks)</i>	34	35 549	-

Indicator name	2023	2022	2021
1	2	3	4
<i>other advances</i>	45	-	-
Settlements for collateral received	-	76	-
Settlements under executive documents with organizations and third parties	-	-	25 935
Advances received from different debtors	-	43 116	47 493
Settlement of lease liabilities	6 226 512	5 362 097	5 407 462
Short-term accounts payable	23 194 413	24 179 014	16 605 303
Suppliers and contractors	11 956 573	10 035 987	9 320 133
Payroll debt to staff	1 197 312	908 576	787 114
Settlements with the budget for taxes and insurance contributions:	3 210 870	4 923 486	2 894 215
<i>Property tax debt</i>	310 516	340 541	493 604
<i>Debt on insurance premiums</i>	1 064 114	1 868 214	487 506
<i>Value added tax debt</i>	1 658 114	2 113 692	1 421 899
<i>Income tax debt</i>	-	406 720	305 833
<i>Personal income tax debt</i>	157 811	172 275	165 637
<i>Debt on other taxes and fees</i>	20 315	22 044	19 736
Advances received:	5 278 566	5 645 808	2 362 355
<i>For grid connections</i>	4 309 678	3 415 446	1 699 395
<i>For electricity transmission services</i>	70 568	93 126	22 976
<i>For services related to the primary type of activity (additional service)</i>	192 594	1 302 680	621 588
<i>For services related to the primary type of activity (removal of networks)</i>	646 055	604 158	-
<i>Other advances</i>	59 671	230 398	18 396
Other creditors:	516 572	498 318	297 895
<i>Payment to compensate for reconstruction costs</i>	239 560	180 369	-
<i>Settlements for collateral received</i>	7 955	13 261	9 855
<i>Settlements under executive documents with employees</i>	27 283	44 624	20 359
<i>Settlements under executive documents with organizations and third parties</i>	73 234	115 908	113 990
<i>Settlements for lease liabilities</i>	22 444	8 326	61 992
<i>Penalties, fines, penalties under contracts</i>	8	52	34
<i>Other settlements with creditors</i>	49 786	93 884	60 681
<i>Settlements for health insurance</i>	9 788	11 639	9 619
<i>Deductions to a non-state pension fund</i>	1 440	1 604	843
<i>Incorrectly transferred funds</i>	7 203	23 784	6 179
<i>Settlements under agency agreements</i>	5 232	-	48
<i>Advances received from different debtors</i>	67 539	-	-
<i>Other creditors</i>	5 100	4 867	14 295
Debt to participants (founders) for payment of income	138 472	1 525 951	59 096
Settlement of lease liabilities	896 048	640 888	884 495

14. Estimated liabilities

The Company reflects an estimated liability while simultaneously complying with the recognition conditions established in PBU 8/2010 “Estimated liabilities, contingent liabilities and contingent assets”.

thousand RUB

Indicator name	Period	Balance at the beginning of the year	Accrued	Usage	Restored	Balance at the end of the period
1	2	3	4	5	6	7
Estimated liabilities, total	2023	5 240 033	7 500 102	(5 871 876)	(1 067 056)	5 801 203
	2022	3 541 455	6 618 558	(3 435 470)	(1 484 510)	5 240 033
including:						
<i>Estimated liabilities of court cases not completed as of the reporting date, in which the Company is a plaintiff or defendant, and decisions on which can be made only in subsequent reporting periods, leading to an outflow of economic benefits of the Company</i>	2023	2 925 198	2 719 919	(1 634 408)	(1 003 890)	3 006 819
	2022	2 298 984	3 153 903	(1 121 461)	(1 406 228)	2 925 198
<i>Estimated liabilities for vacation pay</i>	2023	673 052	2 060 965	(1 965 755)	(403)	767 859
	2022	589 004	1 828 388	(1 744 040)	(300)	673 052
<i>Estimated liability for payment of remuneration (bonuses) to employees based on the results of work for the year</i>	2023	462 092	1 314 611	(331 856)	(55 996)	1 388 851
	2022	497 009	457 505	(414 440)	(77 982)	462 092
<i>Estimated liabilities for reforestation</i>	2023	-	2 165	-	-	2 165
	2022	1 492	424	(1 916)	-	-
<i>Estimated liability for windfall profit tax</i>	2023	-	76 188	-	-	76 188
	2022	-	-	-	-	-
<i>Estimated liabilities for disagreements with counterparties, for which expenses can be accepted only in subsequent reporting periods, leading to an outflow of economic benefits of the Company</i>	2023	1 179 691	1 326 254	(1 939 857)	(6 767)	559 321
	2022	154 966	1 178 338	(153 613)	-	1 179 691

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 processes will not have a significant impact on the financial position of the Company.

The tax legislation of the Russian Federation, which was in force or entered into force at the end of the reporting period, allows for the possibility of different interpretations of certain facts of the Company's economic life. In this regard, management's position regarding taxes and documents substantiating this position may be challenged by the tax authorities.

Tax control in the Russian Federation is becoming more stringent, as a result of which the risk of tax authorities examining 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 the requirements of tax legislation increases. Tax audits may cover three calendar years preceding the year in which the decision to conduct the audit was made. Under certain circumstances, earlier periods may also be tested.

Management currently believes that its position with respect to taxes and the Company's interpretations of legislation can be confirmed, however, there is a risk that the Company will incur additional costs if management's position with respect to taxes and interpretations of legislation applied by the Company are challenged by tax authorities. The impact of such developments cannot be assessed with a sufficient degree of reliability, but may be significant from the point of view of the financial position and results of operations of the Company.

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

Litigation

The Company is a participant in a number of legal proceedings (both as a plaintiff and a defendant) arising in the normal course of business.

According to management's assessment, the likelihood of an unfavourable outcome for the Company and a corresponding outflow of financial resources is not high in relation to lawsuits/unsettled claims regarding disagreements regarding purchased electricity in order to compensate for losses in the amount of 187 869 thousand rubles (as of 31 December 2022 – 1 432 250 thousand rubles; as of 31 December 2021 – 1 960 490 thousand rubles)

In the opinion of management, there are currently no other unresolved claims or lawsuits that could have a significant 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

The tax base for 2023 was calculated based on tax accounting data. The tax base for the reporting period was 12 795 620 thousand rubles, current income tax, calculated at a rate of 20%, amounted to 2 559 124 thousand rubles.

thousand RUB

Indicator name	2023		2022	
	Difference	Tax effect	Difference	Tax effect
1	2		3	
Contingent income tax expense / (Contingent income tax income)	1 796 424		1 345 604	
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.)	8 235 462	1 647 093	2 827 903	565 581
For other reasons	2 818 408	563 681	2 085 393	417 079
<i>including:</i>				
<i>losses of previous years identified in the current year (provision of updated income tax returns for previous periods)</i>	2 818 408	563 681	2 085 393	417 079
Total PTE	11 053 870	2 210 774	4 913 296	982 660
Permanent tax revenues (PTR)				
For income not taken into account for tax purposes	5 309 934	1 061 987	838 389	167 678
For other reasons	2 627 321	525 464	891 536	178 307
<i>including:</i>				
<i>income from previous years identified in the current year (provision of updated declarations)</i>	2 627 321	525 464	891 536	178 307
Total PTR	7 937 255	1 587 451	1 729 925	345 985
Deferred tax assets (DTA)				
Accrual of DTA	16 523 732	3 304 747	9 132 621	1 826 522
For property, plant and equipment, incl. differences in the amounts of depreciation of property, plant and equipment in accounting and tax accounting	6 424 719	1 284 944	959 027	191 805
For estimated liabilities	3 994 808	798 962	3 896 239	779 248
On reserves for doubtful debts	1 909 253	381 851	1 074 061	214 812
For other reasons	4 194 952	838 990	3 203 294	640 657
<i>including:</i>				
<i>cost of production, including reserve for unused vacations and payment of remuneration</i>	3 422 643	684 528	2 600 973	520 193
<i>Deferred expenses</i>	84 393	16 879	91 780	18 356
<i>other income, including from the reconstruction of electrical network property under compensation agreements</i>	182 135	36 426	185 437	37 087
<i>other expenses</i>	133 949	26 790	628	126
<i>valuation reserve (inventory)</i>	373	75	419	84
<i>Held for sale assets (account 41)</i>	31 479	6 296	31 481	6 296
<i>Right-of-use asset (leasing)</i>	205 592	41 118	230 199	46 040
<i>Right-of-use asset (rent)</i>	134 388	26 878	62 377	12 475
Repayment of DTA	11 378 500	2 275 701	6 834 738	1 366 946
Differences in the amounts of depreciation of property, plant and equipment in accounting and tax accounting	5 461 901	1 092 380	1 963 266	392 653
For estimated liabilities	1 984 613	396 923	1 061 017	212 203
On reserves for doubtful debts	1 133 107	226 621	1 315 437	263 087
For other reasons	2 798 879	559 777	2 495 018	499 003
<i>including:</i>				

Indicator name	2023		2022	
	Difference	Tax effect	Difference	Tax effect
1	2		3	
<i>cost of production, including reserve for unused vacations and payment of remuneration</i>	2 340 990	468 199	2 208 045	441 609
<i>Deferred expenses</i>	75 958	15 192	81 419	16 284
<i>other income, including from the reconstruction of electrical network property under compensation agreements</i>	222 740	44 548	1 645	329
<i>other expenses</i>	77 916	15 583	162 305	32 461
<i>loss from the sale of property, plant and equipment</i>	42	8	45	9
<i>valuation reserve (inventory)</i>	355	71	192	38
<i>Held for sale assets (account 41)</i>	25 203	5 041	25 037	5 007
<i>Right-of-use asset (leasing)</i>	996	199	-	-
<i>Right-of-use asset (rent)</i>	54 679	10 936	16 330	3 266
Total change in IT for the purposes of calculating income tax	5 145 232	1 029 046	2 297 883	459 576
Deferred tax liabilities (DTL)				
Accrual of DTL	9 519 413	1 903 883	6 538 140	1 307 629
For property, plant and equipment, incl. differences in the amounts of depreciation of property, plant and equipment in accounting and tax accounting	8 991 078	1 798 216	6 092 859	1 218 572
For other reasons	528 335	105 667	445 281	89 057
<i>including:</i>				
<i>Intangible assets</i>	17 095	3 419	20 608	4 122
<i>Deferred expenses</i>	8 934	1 787	9 448	1 890
<i>Other income</i>	1 700	340	-	-
<i>other expenses, including interest on an investment loan</i>	270 222	54 044	211 155	42 231
<i>Right-of-use asset (leasing)</i>	228 158	45 632	198 922	39 784
<i>Right-of-use asset (rent)</i>	2 226	445	5 148	1 030
Repayment of DTL	5 071 066	1 014 214	5 164 866	1 032 974
For property, plant and equipment, incl. differences in the amounts of depreciation of property, plant and equipment in accounting and tax accounting	4 758 573	951 715	4 880 039	976 008
For other reasons	312 493	62 499	284 827	56 966
<i>including:</i>				
<i>production cost</i>	-	-	283	57
<i>Intangible assets</i>	14 524	2 905	11 670	2 334
<i>Deferred expenses</i>	6 848	1 370	8 849	1 770
<i>other expenses, including interest on an investment loan</i>	248 400	49 680	216 568	43 313
<i>Right-of-use asset (leasing)</i>	39 097	7 819	36 714	7 343
<i>Right-of-use asset (rent)</i>	3 624	725	10 743	2 149
Total change in IT for the purposes of calculating income tax	(4 448 347)	(889 669)	(1 373 274)	(274 655)
Taxable profit/(loss)	12 795 621		10 836 001	
Use of tax losses from previous years	-		-	
Taxable profit after using tax losses from previous years	12 795 621		10 836 001	
Current income tax	2 559 124		2 167 200	

16.2 Applicable income tax rates

The amounts of permanent and temporary differences that arose led to the reflection in accounting and reporting of permanent tax expenses, permanent tax income, as well as deferred tax assets and deferred tax liabilities based on the income tax rate applicable to the Company: 20% - in 2023, 20% - in 2022

Change in deferred taxes

	thousand RUB	
Indicator name	2023	2022
1	2	3
Deferred tax assets		
<i>At the beginning of the reporting year (line 1180 of the balance sheet)</i>	4 477 016	4 390 643
Accrued in the reporting year for transactions the result of which is included in the net profit (loss) of the period (line 2412)	3 304 746	1 826 524
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)	(2 275 700)	(1 366 948)
Written off in the reporting year [including due to a decrease in the likelihood that the Company will receive taxable profit in subsequent reporting periods] (line 2412)	(697 479)	(373 203)
The deferred tax asset, previously written off due to the lack of reimbursement to the profit and loss account, was restored (line 2412)	-	-
The amount of accrued/(written off) deferred tax assets as a result of an increase/decrease in the profit tax rate from the next reporting year (line 2412)	-	-
<i>At the end of the reporting year (line 1180 of the balance sheet)</i>	4 808 583	4 477 016
Deferred tax liabilities		
<i>At the beginning of the reporting year (line 1420 of the balance sheet)</i>	9 245 945	8 975 197
Accrued in the reporting year for transactions the result of which is included in the net profit (loss) of the period (line 2412)	1 903 882	1 307 628
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)	(1 014 213)	(1 032 973)
Written off in the reporting year (line 2412)	7 242	(3 907)
The amount of accrued/(written off) deferred tax liabilities as a result of an increase/decrease in the profit tax rate from the next reporting year (line 2412)	-	-
<i>At the end of the reporting year (line 1420 of the balance sheet)</i>	10 142 856	9 245 945

16.3 Windfall profit tax

On 4 August 2023, the President of the Russian Federation signed Federal Law No. 414-FZ “On Windfall Profit Tax” (published on 4 August 2023, hereinafter referred to as the “Law”). In accordance with the provisions of the Law, the Company is a taxpayer for windfall profit tax.

The amount of the estimated liability for windfall profit tax, calculated at a rate of 5% (taking into account the payment of the security deposit within the time limits established by the Law), was 76 188 thousand rubles and is included in line 2460 “Other” of the income statement. The security payment for the windfall profit tax as of 31 December 2023 was paid in the amount of 76 188 thousand rubles and is included in line 1230 “Accounts receivable” of the balance sheet.

16.4 Other taxes and fees

In 2023, accrual of other taxes and fees is reflected in expenses in the amount of 1882 831 thousand rubles (in 2022 1 862 662 thousand rubles).

Property tax - 1 786 283 thousand rubles (in 2022 - 1 745 263 thousand rubles);

Transport tax - 38 543 thousand rubles (in 2022 - 38 752 thousand rubles);

Land tax - 32 051 thousand rubles (in 2022 - 43 455 thousand rubles)

Water tax - 6 thousand rubles (in 2022 -7 thousand rubles)

Other taxes (state duties) - 25 948 thousand rubles (in 2022 - 35 185 thousand rubles)

The Company adheres to a transparent tax policy and discloses information on tax payments.

17. Revenue

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

Indicator name	2023	2022
1	2	3
Revenue (net) from the sale of goods, products, works, services (less value added tax):	123 264 876	109 702 035
<i>electricity transmission services</i>	112 578 025	101 662 768
<i>grid connection services</i>	4 548 270	2 511 259
<i>from resale of electricity and power</i>	416 789	595 619
<i>rental income</i>	76 856	61 872
<i>other activities</i>	5 644 936	4 870 517

18. Expenses for ordinary activities

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

Indicator name	2023	2022
1	2	3
Cost of goods, products, works, services sold:	(105 693 296)	(94 157 029)
<i>electricity transmission services</i>	(100 410 154)	(89 668 479)
<i>grid connection services</i>	(462 718)	(392 688)
<i>from resale of electricity and power</i>	(348 883)	(512 739)
<i>rental income</i>	(41 931)	(23 075)
<i>other activities</i>	(4 429 610)	(3 560 048)
Administrative expenses	(2 032 718)	(2 235 814)
Business expenses	(12 833)	(17 877)

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

thousand RUB

Indicator name	2023	2022
1	2	3
Production costs	105 693 296	94 157 029
Material costs	64 603 917	57 129 197
Labour costs	18 521 618	15 512 504
Mandatory insurance premiums, insurance from NS	5 691 055	4 779 208
Depreciation of property, plant and equipment	11 172 278	11 307 855
Depreciation of the right-of-use asset	487 192	438 609
Other costs	5 217 236	4 989 656
<i>- including:</i>		
<i>Payment of bills at the expense of the enterprise</i>	92 261	102 973
<i>Refund of interest on mortgage loans to employees</i>	22 399	20 810
<i>Land tax</i>	31 584	43 456
<i>Transport tax</i>	37 779	37 756
<i>Property tax</i>	1 785 886	1 745 015
<i>Software</i>	240 309	310 466
<i>Vehicle rental</i>	52 416	52 958
<i>Compulsory insurance of vehicles and property</i>	13 359	20 480
<i>Voluntary medical insurance for employees</i>	98 519	95 618
<i>Expenses for insurance of buildings, structures, equipment</i>	93 888	93 928
<i>Non-state pension provision</i>	143 659	142 098
<i>Travel expenses and accommodation</i>	195 273	114 445
<i>Travel expenses per diem</i>	86 666	131 441
<i>Other utilities</i>	150 875	136 233
<i>Training services</i>	91 421	86 960
<i>Communication services</i>	346 897	344 322
<i>Private security services</i>	412 243	371 855
<i>IT services (ACS support)</i>	343 609	273 583
<i>Medical checkup</i>	111 784	106 929
<i>Land surveying and other land management works</i>	84 292	73 346
<i>Other third party services</i>	452 152	447 616
<i>Others</i>	329 965	237 368
Total by elements	105 693 296	94 157 029
Business expenses	12 833	17 877
Material costs	117	860
Labour costs	6 431	9 203
Mandatory insurance premiums, insurance from NS	1 931	2 752
Other costs	4 354	5 062
Administrative expenses	2 032 718	2 235 814
Material costs	71 066	86 665
Labour costs	1 313 003	1 279 812
Mandatory insurance premiums, insurance from NS	338 219	317 287
Depreciation of property, plant and equipment	52 882	63 134
Depreciation of the right-of-use asset	46 669	47 128
Other costs	210 879	441 788

19. Interest receivable

thousand RUB

Indicator name	2023	2022
1	2	3
Interest on bank deposits	440 292	275 429
Interest on loans issued	209 358	313 932
Other interest receivable	96 049	123 101
Total for the line "Interest receivable" of the income statement	745 699	712 462

20. Interest payable

thousand RUB

Indicator name	2023	2022
1	2	3
Interest on loans received	(3 366 619)	(2 996 306)
Interest on loans received	(147 894)	(579 300)
Interest on lease liabilities	(640 696)	(570 563)
Total for the line "Interest payable" of the income statement	(4 155 209)	(4 146 169)

21. Other income and expenses

thousand RUB

Index	for 12 months 2023	for 12 months 2022
	(1)	(2)
Name		
1	2	3
Other income total	13 577 356	6 210 746
including:		
From the sale of property, plant and equipment, except apartments	31 315	10 370
From the sale of inventories	47 938	40 901
From the sale of securities	-	1 768
From the sale of other assets	-	1 279
Adjustments to revenue from previous years for electricity transmission when settling disputes	882 633	58 266
Other adjustments to revenue from previous years when settling disputes	539 555	274 049
Reflection of income from previous years for electricity losses when resolving disagreements	68 132	412 756
Adjustments regarding the recalculation of property taxes for previous years	1 044 611	-
other adjustments from previous years identified in the reporting period	92 390	146 467
Penalties, fines and liquidated damages recognized or for which a court (arbitration court) decision on their collection has been received	830 625	508 878
Accounts payable for which the statute of limitations	47 595	49 616
Property found to be in surplus according to res. inventory	3 615	16
Income from gratuitously received property, plant and equipment, determined in accordance with the established procedure	348	51
The cost of material assets remaining from the write-off of assets unsuitable for restoration and further use	97 601	58 758
Revaluation of financial investments according to the current market	80 554	20 221

Index	for 12 months 2023	for 12 months 2022
	(1)	(2)
Name		
1	2	3
Income from reducing (writing off) the provision for doubtful debts	944 416	1 198 370
Income from reducing (writing off) estimated liabilities	1 067 057	1 484 510
Income from reducing (writing off) the reserve for impairment of inventory value	355	192
Income from contracts for the assignment of claims	648 600	1 095 816
Income from identified non-contractual consumption electricity	65 142	119 060
Insurance payments receivable	1 139 501	191 205
Recovering previously written off accounts receivable	10 276	2 627
Income from the reversal of previously recognized impairment losses on property, plant and equipment, construction in progress and right-of-use assets	4 903 618	20 309
Income from termination of a lease agreement	86 056	15 088
Income from cost compensation acts	334 672	19 716
Others	610 751	480 457
Other expenses total	(16 711 762)	(9 344 299)
including:		
From the sale of property, plant and equipment, except apartments	(5 922)	(1 613)
From the sale of inventories	(12 778)	(4 594)
From the sale of securities	-	(1 500)
From the sale of other assets	(29)	(1 595)
Other taxes	(1 204)	(4 105)
Expenses for bank services	(7 219)	(5 224)
Expenses for servicing financial investments	(5 022)	(3 888)
Provision for doubtful debts	(1 955 965)	(1 051 280)
Reserve for reduction in the value of material assets	(373)	(419)
Provision for estimated liabilities	(2 720 462)	(3 154 427)
Disposal of assets without income	(108 820)	(56 641)
Adjustments to revenue from electricity transmission when settling disputes	(1 230 207)	(603 213)
Adjustments from previous years identified in the reporting period in relation to the purchase of electricity to compensate for losses in the settlement of disputes	(845 617)	(898 682)
Adjustments from previous years identified in the reporting period in relation to other revenue when resolving disputes	(399 458)	-
other adjustments from previous years identified in the reporting period	(343 126)	(583 499)
Penalties, fines and liquidated damages recognized or for which a court (arbitration court) decision on their collection has been received	(502 484)	(327 478)
Revaluation of financial investments at current market value	(33 038)	(114 038)
Expenses under contracts of assignment of claims	(648 600)	(1 095 816)
Non-refundable VAT	(381 279)	(166 744)
Contributions to associations and foundations	(5 772)	(5 152)
Accounts receivable for which the statute of limitations has expired (more than three years)	(3 183)	(5 442)
Legal costs	(24 144)	(11 008)
Thefts, shortages	-	(3 743)
Costs of enforcement proceedings	(4 532)	(10 300)
Other material (financial) assistance and other payments to employees	(538 734)	(508 286)
Financial assistance to pensioners (including one-time payments, compensation for utility bills)	(34 877)	(37 190)

Index	for 12 months 2023	for 12 months 2022
	(1)	(2)
Name		
1	2	3
Expenses for sporting events	(4 925)	(2 451)
Expenses for cultural and educational events	(20 170)	(17 670)
Charity expenses	(175 000)	(66 000)
Residual value of written-off property, plant and equipment	(28 363)	(15 557)
Expenses from recognition of losses from impairment of property, plant and equipment, construction in progress and right-of-use assets	(5 680 043)	-
Depreciation of the right-of-use asset	(943)	(989)
Expense from termination of the lease agreement	(81 414)	(15 942)
Extraordinary expenses, reimbursable expenses for emergency recovery work and damage	(235 333)	(160 008)
Others	(672 726)	(409 805)

The financial results statement of the Company reflects in aggregate the expenses and related income that arose as a result of the same or similar fact of economic life:

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.

22. Related parties

In the normal course of business, the Company enters into transactions with entities that are related parties in accordance with the Russian legislation.

For the purposes of information 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 acting in the interests of the Company's employees is given in Section 25 "Relations with non-state pension funds".

In accordance with clause 16 of PBU 11/2008, information about related parties is disclosed to a limited extent. 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 dependent companies, other related companies.

22.1 Revenue/Income of the Company from sales of finished products and provision of services to related parties:

thousand RUB

Indicator name	2023	2022
1	2	3
Electricity transmission services:		
<i>including the parent company</i>	-	-
<i>including subsidiaries</i>	-	-
<i>including other related companies</i>	2 144 941	1 731 451
Total for electricity transmission services	2 144 941	1 731 451
Grid connection services:		
<i>including the parent company</i>	-	-
<i>including subsidiaries</i>	-	-
<i>including other related companies</i>	227	1 196
Total for grid connection services	227	1 196
Revenue from the sale of electricity		
<i>including the parent company</i>	76	-
<i>including subsidiaries</i>	-	-
<i>including other related companies</i>	31	187
Total for Revenue from electricity sales	107	187
Revenue from property rental		
<i>including the parent company</i>	4 168	-
<i>including subsidiaries</i>	1 122	1 052
<i>including other related companies</i>	45 459	38 658
Total revenue from property rental	50 749	39 710
Income from equity participation in other organizations		
<i>including the parent company</i>	-	-
<i>including subsidiaries</i>	-	3 734
<i>including other related companies</i>	8	231
Total Income from equity participation in other organizations	8	3 965
Other operating revenue		
<i>including the parent company</i>	6 348	-
<i>including subsidiaries</i>	199	-
<i>including other related companies</i>	1 429 630	1 145 764
Total Other operating revenue	1 436 177	1 145 764
Income from previous years		
<i>including the parent company</i>	1	-
<i>including subsidiaries</i>	-	-
<i>including other related companies</i>	309 245	277 056
Total by Income of previous years	309 246	277 056
Interest income on loans issued		
<i>including the parent company</i>	-	-
<i>including subsidiaries</i>	113 344	167 690
<i>including other related companies</i>	96 014	146 241
Total Interest income on loans issued	209 358	313 931
Other types of revenue:		
<i>including the parent company</i>	-	780
<i>including subsidiaries</i>	-	-
<i>including other related companies</i>	51 933	18 507
Total for other types of revenue	51 933	19 287

Indicator name	2023	2022
1	2	3
TOTAL revenue/other income from sales to related parties	4 202 746	3 532 547

22.2 Cost/Other expenses of purchased goods, products, works, services provided by related parties amounted to:

		thousand RUB	
Indicator name	2023	2022	
1	2	3	
Purchased electricity, including:			
<i>from the parent company</i>	-	-	
<i>from subsidiaries</i>	-	-	
<i>from other related companies</i>	297	390	
Total for purchased electricity	297	390	
Electric energy transmission services, including:			
<i>from the parent company</i>	20 674 462	-	
<i>from subsidiaries</i>	-	-	
<i>from other related companies</i>	2 717 201	19 994 565	
Total for Electricity Transmission Service	23 391 663	19 994 565	
Technical services maintenance and repair of equipment, including:			
<i>from the parent company</i>	-	-	
<i>from subsidiaries</i>	-	-	
<i>from other related companies</i>	61 887	27 930	
Total for the Service for technical purposes. equipment maintenance and repair	61 887	27 930	
Grid connection services:			
<i>including the parent company</i>	8 217	-	
<i>including subsidiaries</i>	-	-	
<i>including other related companies</i>	-	2 258	
Total for grid connection services	8 217	2 258	
Services for organizing the functioning and development of the UES			
<i>including the parent company</i>	-	207 458	
<i>including subsidiaries</i>	-	-	
<i>including other related companies</i>	-	-	
Total for Services for organizing the functioning and development of the UES	-	207 458	
Technical supervision services			
<i>including the parent company</i>	52 351	42 249	
<i>including subsidiaries</i>	-	-	
<i>including other related companies</i>	-	-	
Total Technical supervision services	52 351	42 249	
Property rental, including:			
<i>from the parent company</i>	16	-	
<i>from subsidiaries</i>	-	-	

Indicator name	2023	2022
1	2	3
<i>from other related companies</i>	1 697	1 115
Total property rental	1 713	1 115
Interest expense on lease		
<i>from the parent company</i>	-	-
<i>from subsidiaries</i>	-	-
<i>from other related companies</i>	103 358	-
Total Interest expense on lease	103 358	-
Expenses on other goods, products, works, services		
<i>from the parent company</i>	34 659	13 671
<i>from subsidiaries</i>	5 003	4 284
<i>from other related companies</i>	725 226	626 069
Total Expenses for other goods, products, works, services	764 888	644 024
Other services, including:		
<i>from the parent company</i>	151	-
<i>from subsidiaries</i>	1 892	300
<i>from other related companies</i>	37 436	9 183
Total other services	39 479	9 483
Previous losses		
<i>from the parent company</i>	21	-
<i>from subsidiaries</i>	-	-
<i>from other related companies</i>	280 545	47 234
Total for Loss of previous periods	280 566	47 234
Capitalized costs of works and services		
<i>from the parent company</i>	409	260
<i>from subsidiaries</i>	-	-
<i>from other related companies</i>	1 023 032	188 790
Total for Capitalized costs of works and services	1 023 441	189 050
Accrued dividends		
<i>parent company</i>	239 879	1 438 041
<i>from subsidiaries</i>	-	-
<i>from other related companies</i>	-	-
Total for Accrued dividends	239 879	1 438 041
TOTAL cost/other expenses of related parties	25 967 739	22 603 797

Procurement transactions from related parties were conducted on normal commercial terms. Payments for services provided to the Company are made upon the provision of services in cash.

22.3 Status of settlements with related parties, as well as information on debt financial investments

Receivables from related parties

thousand RUB

Indicator name	31.12.2023		31.12.2022		31.12.2021	
	debt	reserve	debt	Reserve	debt	reserve
1	2	3	4	5	6	7
Accounts receivable from buyers and customers, including:	796 039	213 976	602 499	283 953	618 962	328 751
<i>to the parent company</i>	453	-	-	-	-	-
<i>to subsidiaries</i>	115	-	111	-	84	-
<i>to other related parties</i>	795 471	213 976	602 388	283 953	618 878	328 751
Advances issued, including:	16 536	18	24 578	18	55 876	18
<i>to the parent company</i>	13 691	-	-	-	-	-
<i>to subsidiaries</i>	-	-	-	-	-	18
<i>to other related parties</i>	2 845	18	24 578	18	55 876	-
Other receivables, including:	141 434	3 686	399 649	558	86 030	2 179
<i>to the parent company</i>	-	-	-	-	-	-
<i>to subsidiaries</i>	-	-	-	-	-	-
<i>to other related parties</i>	-	-	17 852	-	-	-
TOTAL receivables from related parties:	141 434	3 686	381 797	558	86 030	2 179

Financial investments and interest on loans provided by related parties

thousand RUB

Indicator name	31.12.2023		31.12.2022		31.12.2021	
	amount	reserve	amount	reserve	amount	reserve
1	2	3	4	5	6	7
Debt on loans provided:	1 815 997	-	2 062 021		3 299 996	-
<i>to the parent company</i>	-	-	-	-	-	-
<i>to subsidiaries</i>	1 010 997	-	1 073 021	-	1 760 996	-
<i>to other related parties</i>	805 000	-	989 000	-	1 539 000	-
Debt on accrued interest, including:	415 336	-	433 322	-	268 579	-
<i>to the parent company</i>	-	-	-	-	-	-
<i>to subsidiaries</i>	402 579	-	423 765	-	256 075	-
<i>to other related parties</i>	12 757	-	9 557	-	12 504	-

Accounts payable to related parties

thousand RUB

Indicator name	31.12.2023	31.12.2022	31.12.2021
1	2	3	4
Settlements with suppliers and contractors, including:	-	4 262	9 402

Indicator name	31.12.2023	31.12.2022	31.12.2021
1	2	3	4
<i>with parent company</i>	-	-	-
<i>with subsidiaries</i>	-	-	-
<i>with other related parties</i>	-	4 262	9 402
Settlements on advances received, including:	1 817	26 135	1 962
<i>with parent company</i>	44	-	-
<i>with subsidiaries</i>	-	-	-
<i>with other related parties</i>	1 773	26 135	1 962
Other accounts payable, including:	1 263 544	-	-
<i>with parent company</i>	-	-	-
<i>with subsidiaries</i>	-	-	-
<i>with other related parties</i>	1 263 544	-	-
TOTAL long-term accounts payable to related parties	1 265 361	30 397	11 364
Settlements with suppliers and contractors, including:	1 804 600	2 594 747	2 009 143
<i>with parent company</i>	1 038 561	131 099	42 752
<i>with subsidiaries</i>	485	785	762
<i>with other related parties</i>	765 554	2 462 863	1 965 629
Settlements on advances received, including:	67 013	894 055	25 498
<i>with parent company</i>	29 773	-	-
<i>with subsidiaries</i>	-	-	-
<i>with other related parties</i>	37 240	894 055	25 498
Other accounts payable, including:	184 435	7 465	3 685
<i>with parent company</i>	2	-	-
<i>with subsidiaries</i>	-	-	-
<i>with other related parties</i>	184 433	7 465	3 685
TOTAL short-term accounts payable to related parties	2 056 048	3 496 267	2 038 326

Loans received from related parties

thousand RUB

Indicator name	31.12.2023	31.12.2022	31.12.2021
1	2	3	4
Debt on loans received:	4 843 123	4 843 123	4 843 123
<i>by parent company</i>	4 843 123	4 843 123	4 843 123
<i>by subsidiaries</i>	-	-	-
<i>with other related parties</i>	-	-	-

Cash flows from transactions with related parties

thousand RUB

Indicator name	For 2023	For 2022
1	2	3
Cash flows from operating activities:	(20 774 461)	(16 469 738)
Proceeds from the sale of products, including:	2 397 847	1 958 389
<i>Parent company</i>	45 109	-
<i>Subsidiaries</i>	199	-
<i>Other related parties</i>	2 352 539	1 958 389
Income from rental payments, including:	25 764	12 195
<i>Parent company</i>	4 206	-
<i>Subsidiaries</i>	1 119	1 030
<i>Other related parties</i>	20 439	11 165
Other income, including:	17 852	655
<i>Parent company</i>	-	-
<i>Subsidiaries</i>	-	-
<i>Other related parties</i>	17 852	655
Payments to suppliers for raw materials, materials, works, services, including:	(23 208 357)	(18 439 579)
<i>Parent company</i>	(21 586 804)	(189 235)
<i>Subsidiaries</i>	(5 411)	(4 354)
<i>Other related parties</i>	(1 616 142)	(18 245 990)
Interest payments on debt obligations, including:	(5 646)	(1 191)
<i>Parent company</i>	(130)	-
<i>Subsidiaries</i>	-	-
<i>Other related parties</i>	(5 516)	(1 191)
Other payments, transfers, including:	(1 921)	(207)
<i>Parent company</i>	(133)	-
<i>Subsidiaries</i>	(1 788)	(207)
<i>Other related parties</i>	-	-
Cash flows from investing activities:	473 260	927 027
Proceeds from the sale of non-current assets (except financial investments), including:	-	-
<i>Parent company</i>	-	-
<i>Subsidiaries</i>	-	-
<i>Other related parties</i>	-	-
Proceeds from the return of loans granted, from the sale of debt securities (rights to claim funds against other persons), including:	246 024	774 105
<i>Parent company</i>	-	-
<i>Subsidiaries</i>	62 024	224 105
<i>Other related parties</i>	184 000	550 000
Receipts of dividends, interest on debt financial investments and similar income from equity participation in other organizations, including:	227 345	152 922
<i>Parent company</i>	-	-

Indicator name	For 2023	For 2022
1	2	3
<i>Subsidiaries</i>	134 531	3 734
<i>Other related parties</i>	92 814	149 188
Payments in connection with the acquisition, creation, modernization, reconstruction and preparation for use of non-current assets, including:	(109)	-
<i>Parent company</i>	(109)	-
<i>Subsidiaries</i>	-	-
<i>Other related parties</i>	-	-
Payments in connection with the acquisition of debt securities (rights to claim funds against other persons), provision of loans to other persons, including:	-	-
<i>Parent company</i>	-	-
<i>Subsidiaries</i>	-	-
<i>Other related parties</i>	-	-
Cash flows from financing activities:	(988 594)	(728 922)
Receipts of credits and loans, including:	-	-
<i>Parent company</i>	-	-
<i>Subsidiaries</i>	-	-
<i>Other related parties</i>	-	-
For the payment of dividends and other payments for the distribution of profits in favour of owners (participants), including:	(966 584)	(717 021)
<i>Parent company</i>	(966 584)	(717 021)
<i>Subsidiaries</i>	-	-
<i>Other related parties</i>	-	-
Other payments	(22 010)	(11 901)
<i>Parent company</i>	(2 332)	-
<i>Subsidiaries</i>	-	-
<i>Other related parties</i>	(19 678)	(11 901)

23. Remuneration paid to members of the Management Board, Board of Directors, and audit commissions

In 2023, the Company accrued remuneration to members of the Board of Directors and the Management Board in the amount of 225 252 thousand rubles, in addition, insurance contributions for these payments were accrued in the amount of 39 462 thousand rubles (for 2022 – 449 670 thousand rubles, in addition to insurance contributions of 73 404 thousand rubles).

In 2023, the Company accrued remuneration to members of the audit commission in the amount of 792 thousand rubles, in 2022 – 794 thousand rubles.

24. Securing obligations and payments

Security for obligations and payments issued (received) by the Company are reflected in 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 RUB

The name of indicators	31.12.2023	31.12.2022	31.12.2021
1	2	3	4
Received, total	549 316	678 118	450 569
<i>Bank guarantees</i>	541 360	664 766	440 625
<i>Surety agreements</i>	-	-	-
<i>Property pledge agreement</i>	-	15	89
<i>Others</i>	7 956	13 337	9 855
Issued under own obligations, total	1 168 190	1 034 891	652 617
<i>Bank guarantees</i>	1 077 657	948 687	405 101
<i>Others</i>	90 533	86 204	247 516

25. Relations with the Non-State Pension Fund

Contributions to the Non-State Pension Fund for voluntary pension insurance of the Company's employees during 2023 amounted to 145 315 thousand rubles (for 2022 – 143 531 thousand rubles, for 2021 – 165 559 thousand rubles).

The balance of settlements with the Non-State Pension Fund as of 31 December 2023 is 1 440 thousand rubles, 31 December 2022 is 1 604 thousand rubles, and 31 December 2021 the joint account is 843 thousand rubles.

26. Segment information

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

In accordance with the requirements of PBU 12/2010 Information by segments, the Company identifies the following reporting 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

Indicators of the executive body of the Company, which is not an operating segment, are presented separately.

For the year ended 31 December 2023 and 31 December 2022, the Company had two counterparties, each of whom accounted for more than 10% of the Company's total revenue.

The total amount of revenue received from the Counterparty PJSC AtomEnergoSbyt for 2023 amounted to 25 527 988 thousand rubles, or 20,7% of the total revenue of the Company (in 2022 - 22 231 229 thousand rubles, or 20,3%) for the branches: Kurskenergo, Lipetskenergo, Orelenergo, Smolenskenergo, Tambovenergo, Tverenergo.

The total amount of revenue received from TNS energo Group of Companies for 2023 amounted to 21 153 372 thousand rubles, or 17,2% of the total revenue of the Company (in 2022 – 19 524 279 thousand rubles, or 17,8%) for the branches: Voronezhenergo, Yarenergo.

Information on the reporting segments

	Code	Period	Belgorodenergo	Bryanskenergo	Voronezhenergo	Kostromaenergo	Kurskenergo	Lipetskenergo	Orelenergo	Smolenskenergo	Tambovenergo	Tverenergo	Yarenergo	Executive Office	Total
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	17
Revenue from external customers	8310	2023	15 927 570	7 485 918	20 594 564	6 552 176	10 452 129	12 357 417	5 836 854	9 476 273	7 568 100	13 325 540	13 081 718	606 617	123 264 876
	8311	2022	15 163 043	6 811 953	17 956 172	5 850 303	8 994 246	10 473 275	5 422 724	8 412 133	6 803 229	11 868 614	11 423 841	522 502	109 702 035
Revenue from sales between segments	8320	2023													-
	8321	2022													-
Total segment revenue	8300	2023	15 927 570	7 485 918	20 594 564	6 552 176	10 452 129	12 357 417	5 836 853	9 476 273	7 568 100	13 325 540	13 081 718	606 618	123 264 876
	8400	2022	15 163 043	6 811 953	17 956 172	5 850 303	8 994 246	10 473 275	5 422 724	8 412 133	6 803 229	11 868 614	11 423 841	522 502	109 702 035
incl.															-
transfer proceeds	8301	2023	14 355 480	6 578 483	18 813 666	6 021 438	9 494 911	11 173 247	5 592 932	9 068 169	7 169 506	12 391 411	11 918 782	-	112 578 025
	8401	2022	13 436 103	5 944 998	16 863 611	5 616 908	8 243 720	10 121 975	5 156 959	8 212 891	6 383 449	10 972 470	10 709 684	-	101 662 768
revenue from technical connection	8302	2023	776 502	167 241	736 185	262 303	768 840	809 453	73 834	131 455	196 757	289 454	336 247	-	4 548 270
	8402	2022	877 757	86 857	389 686	85 961	352 436	124 241	45 101	33 654	156 546	136 955	222 065	-	2 511 259
revenue from the sale of electricity	8302	2023										416 789			416 789
	8402	2022										595 619			595 619
other revenue	8303	2023	795 588	740 194	1 044 714	268 435	188 377	374 717	170 087	276 649	201 837	227 886	826 690	606 618	5 721 792
	8403	2022	849 183	780 098	702 875	147 434	398 090	227 059	220 664	165 588	263 234	163 570	492 092	522 502	4 932 389
Interest receivable	8303	2023	47 407	175 648	128 667	47 392	62 148	47 395	47 399	47 391	47 390	47 391	47 472	-	745 699
	8403	2022	35 546	215 011	170 012	35 554	43 038	35 540	35 541	35 538	35 556	35 539	35 587	-	712 462
Interest payable	8304	2023	300 192	233 420	384 463	99 597	111 707	477 808	177 175	479 453	364 195	825 945	701 254	-	4 155 209
	8404	2022	364 280	314 874	395 401	91 564	139 201	436 708	171 680	440 385	352 640	814 757	624 679	-	4 146 169
Income tax expenses	8305	2023	361 197	142 474	361 908	131 035	207 460	447 190	99 677	189 177	119 666	163 864	201 845	(5 746)	2 419 747
	8405	2022	348 482	113 577	308 978	136 783	160 487	235 938	84 876	150 204	110 527	155 559	166 173	10 695	1 982 279
Segment profit/(loss)	8306	2023	(2 546 694)	748 922	2 551 881	(392 492)	1 420 896	5 767 038	94 083	238 883	(215 847)	(1 291 408)	(252 123)	(8 374)	6 114 765
	8406	2022	1 028 221	430 428	2 118 247	551 343	780 749	482 766	158 896	13 396	179 326	(735 691)	(520 823)	50 898	4 537 756
Segment assets	8307	2023	24 177 797	6 932 233	22 115 576	9 074 410	10 350 395	19 326 554	5 034 258	9 430 234	6 515 627	9 068 512	16 134 069	10 472 759	148 632 424
	8407	2022	26 512 419	6 527 177	20 112 454	8 600 024	9 516 957	15 072 220	5 010 002	8 614 713	6 569 292	9 670 926	15 580 965	9 060 898	140 848 047
incl. property, plant and equipment	8308	2023	21 679 812	5 657 365	19 683 166	8 079 937	8 588 299	17 577 677	4 293 945	8 112 899	4 939 577	7 390 625	12 538 019	3 566 366	122 107 687
	8408	2022	24 195 698	5 090 483	17 601 235	7 446 436	7 823 792	11 920 020	4 119 238	7 302 514	4 854 829	7 700 060	11 072 397	2 950 244	112 076 946
Segment liabilities	8309	2023	9 063 629	3 688 123	10 283 100	3 931 933	4 339 994	9 572 465	2 576 898	6 566 909	5 900 652	15 972 557	10 561 512	5 347 942	87 805 714
	8409	2022	8 575 492	3 776 582	9 133 658	3 255 823	3 921 924	9 303 609	2 635 890	6 062 912	5 292 410	15 128 748	9 478 758	9 097 033	85 662 839
Depreciation of property, plant and equipment, intangible assets and physical assets	8390	2023	2 835 719	695 317	1 613 899	705 596	857 229	1 164 351	444 117	881 626	494 815	756 536	1 309 815	-	11 759 021
	8490	2022	3 018 545	699 819	1 545 049	729 653	843 586	1 069 140	435 596	918 720	495 558	789 271	1 260 657	51 132	11 856 726
Amount of impairment losses (reversals of impairment losses)	8395	2023	(4 111 101)	-	-	-	-	4 891 394	-	-	(338 411)	(465 088)	(753 219)	-	(776 425)
	8495	2022	-	-	-	-	-	16 562	-	-	207	3 078	462	-	20 309

27. Information about the risks of economic activity

In the course of business activities, the Company is exposed to various risks that can significantly affect the financial position and financial results of the Company.

Uninterrupted supply of electrical energy to industrial consumers and the population is a national task. Federal Law No. 35-FZ “On the Electric Power Industry” establishes that the electric power industry is the basis for the functioning of the economy and life support, therefore coordination of the activities of stakeholders should be carried out taking into account achieving the necessary balance of interests between investors and the state.

Based on the strategic purpose of the industry, the Company constantly works to identify and assess risks, develop and implement risk response measures in order to maintain its efficiency and manage business continuity.

1. Country and regional risks

Starting from 2022, the operating conditions of the Russian economy have changed significantly (see section “Economic environment in which the Company operates”).

Due to the specific nature of the Company’s activities and its resistance to the external environment, the impact of changes in business conditions directly on the Company is limited. The Company will continue to carry out continuous activities to ensure reliable, high-quality and affordable power supply and grid connection of consumers on the territory of the Russian Federation.

The Company is taking actions to optimize operating and investment expenses and implement a balanced policy in the field of liquidity management.

The Company concentrates on strengthening measures in the field of ensuring information security and protection of electrical grid infrastructure facilities, protecting the health and social well-being of employees.

Taking into account the current operational situation, the Company is taking measures to improve the state of anti-terrorist and anti-sabotage security of facilities and to strengthen the security of facilities. The Company’s anti-terrorist policy is carried out in strict accordance with the requirements of Federal Law No. 256-FZ dated 21 July 2011 “On the safety of fuel and energy complex facilities”, the requirements of the Decree of the Government of the Russian Federation dated 19 September 2015 No. 993 “On approval of security requirements safety of linear facilities of the fuel and energy complex”.

2. Industry risks. Risks associated with the Company’s activities.

Risks of reducing electricity consumption

Considering the macroeconomic situation that has developed as a result of the growing sanctions pressure on the Russian Federation, the risks of a worsening situation in the industry are associated, first of all, with a decrease in the volume of electricity consumption by industrial companies. In order to reduce the possible consequences of this risk, the Company plans activities taking into account possible fluctuations in the volume of services provided, implements a set of measures to reduce technological losses of electricity and optimize the investment program.

Risks of tariff regulation

The main types of activities of the Company (sale of services for transmission of electrical energy and implementation of grid connection to electric grids) are regulated by the state by establishing tariffs for the services provided. The main risk factors of government regulation include, in particular, the discrepancy between the rate of growth of the electricity transmission tariff and the actual level of inflation, the establishment of fees for grid connection, which do not fully compensate the Company’s costs. The Company is implementing measures aimed at increasing the efficiency of operating and investment activities, consistent implementation of the approved parameters of tariff regulation and the preparation of balanced and economically sound proposals for their adjustment and establishment.

Operational and technological risks

Operational and technological risks are associated with physical and moral deterioration of power grid assets, violation of operating conditions and operational modes of power grid equipment, equipment damage, improper operation of automatic relay protection and emergency automatics, and failure to complete the repair program to

the required extent. In order to minimize operational and technological risks, the Company operates in accordance with the Regulation on the Unified Technical Policy in the Electric Grid Complex.

The Company pays great attention to ensuring transparency and reliability of procedures for monitoring the expenditure of funds as part of the implementation of the Company's investment program.

Risk associated with non-payments for services provided for transmission of electrical energy by consumers of services

In order to minimize the risk of non-payment, the Company has approved the Regulations for working with receivables for services rendered for transmission of electrical energy and the Regulations for working with receivables for supplied electricity, and has ensured control over the implementation of measures provided for by the Regulations - quarterly at meetings of the Board of Directors of the Company, action plans for reduction of overdue debts, reports on their implementation are reviewed.

The Company follows the methodological recommendations of the parent company PJSC Rosseti on the preparation of materials in relation to counterparties who are maliciously evading repayment of debt, for organizing a pre-investigation check on the grounds of a crime provided for in Article 177 of the Criminal Code of the Russian Federation, methodological recommendations on the procedure for sending appeals, statements and petitions to the Federal Bailiff Service and its territorial bodies, methodological recommendations on the procedure for interaction with the Interregional Departments of Rosfinmonitoring to conduct financial investigations.

In order to reduce the risks of non-payments caused by disagreements, the Company is implementing measures to develop and improve electricity metering systems.

3. Financial risks

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

Credit risk

Credit risk is the risk of the Company incurring a financial loss caused by the failure of the buyer or counterparty to fulfill its contractual obligations in full and on time. Credit risk is associated primarily with the Company's accounts receivable, bank deposits, cash and cash equivalents.

Taking into account the structure of the Company's counterparties, the Company's exposure to credit risk mainly depends on the individual characteristics of each counterparty.

Deposits with an original maturity of more than three months, cash and cash equivalents are placed with financial institutions that have minimal risk of default and are considered reliable counterparties with a stable financial position in the financial market of the Russian Federation.

The carrying amount of accounts receivable, less the allowance for expected credit losses, represents the maximum amount exposed to credit risk. Although the collection of accounts receivable may be affected by economic and other factors, there is no significant risk of losses in excess of the reserve established.

In order to effectively organize work with receivables, the Company monitors changes in the volume of receivables and its structure, distinguishing current and overdue debts. In order to minimize credit risk, the Company implements measures aimed at timely fulfillment by counterparties of contractual obligations, reducing and preventing the formation of overdue debt. Such measures, in particular, include: holding negotiations with consumers of services, increasing the efficiency of the process of forming the volume of electricity transmission services, ensuring the implementation of schedules for control readings and technical verification of electricity metering equipment agreed with suppliers of last resort, limiting the mode of electricity consumption (implemented in accordance with norms of the legislation of the Russian Federation), claims work, presentation of demands for the provision of financial security in the form of independent (bank) guarantees, sureties and other forms of security for the fulfillment of obligations.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they fall due. Liquidity risk management involves maintaining sufficient cash and availability of financial resources through credit lines.

The Company adheres to a balanced model of working capital financing through the use of both short-term and long-term sources. Temporarily available funds are placed in the form of short-term financial instruments, mainly bank deposits. The Company's approach to liquidity management is to ensure that the

Company always has liquid funds sufficient to pay its obligations on time, without allowing unacceptable losses to occur and without putting the Company's reputation at risk.

Information on the amounts of the free limit on the Company's open but unused credit lines as of the reporting date is given in the "Credits and Borrowings" section. The Company has the opportunity to attract additional financing within the appropriate limits, including to ensure the fulfillment of its short-term obligations.

The Company manages its debt position by implementing a credit policy aimed at increasing financial stability, optimizing the debt portfolio and building long-term relationships with debt capital market participants. To manage the debt position, the Company applies limits, including for the categories of financial leverage, debt coverage, and debt service coverage.

Market risk

Market risk is the risk of changes in market prices, such as foreign currency exchange rates, interest rates, commodity prices and the cost of capital, which will affect the financial performance of the Company. The goal of market risk management is to control exposure to market risk and keep it within acceptable limits while optimizing investment returns.

Currency risk

[Most of the income and expenses, as well as monetary assets and liabilities] The income and expenses, as well as monetary assets and liabilities of the Company are expressed in Russian rubles.

As of the end of the reporting period, the Company does not observe trends or events that could have a significant negative impact on the Company's activities as a result of changes in the exchange rate

Interest rate risk

The purpose of interest rate risk management is to prevent losses due to adverse changes in the level of market interest rates.

The Company raises borrowed funds for the purpose of debt refinancing, financing investment and operating activities. The Company does not adhere to any established rules when determining the ratio between loans and borrowings at fixed and floating rates and analyzes exposure to interest rate risks over time.

The Company's debt portfolio is composed of instruments with both fixed and floating interest rates for the purpose of diversifying risks in the event of market fluctuations. At the time of attracting new loans and borrowings, based on judgment, a decision is made on which rate - fixed or floating - will be most beneficial for the Company for the entire settlement period until the debt is repaid.

The principles of state regulation in the electric power industry require taking into account economically justified costs when setting tariffs, which in the long term makes it possible to take into account the market level of interest rates when setting tariffs. Due to the above factors, as well as taking into account the moderate debt load of the Company, the impact of changes in the level of market interest rates on the financial condition of the Company is limited.

4. Legal risks

To minimize various types of legal risks, the Company mandatory carries out a preliminary legal analysis of planned legislative initiatives, corporate procedures, concluded transactions, and other aspects of financial and economic activities provided for by current legislation and/or the Company's Articles of Association.

Risks associated with changes in legislation on taxes and fees

The Company belongs to the category of the largest taxpayers. The Company's activities are based on the principles of good faith and openness to the tax authorities. The Company constantly monitors changes in legislation and takes measures to obtain information about possible changes at the stage of their preliminary discussion. The Company does not foresee any significant risks arising in its financial and economic activities in the short term associated with fundamental changes in tax legislation.

Risks associated with changes in currency legislation

Given the introduction of restrictive measures against the Russian Federation, there is a possibility of blocking funds in foreign currency in the accounts of organizations, as well as introducing restrictions on transfers of funds in foreign currencies of unfriendly countries to non-resident counterparties. Considering that the volume of the Company's obligations denominated in foreign currency is insignificant, and the Company's payments are made primarily in the currency of the Russian Federation, the impact of this type of risk on the Company is not significant.

Risks associated with changes in licensing requirements for the Company's primary activities

There are no legal risks for the Company associated with changes in licensing requirements for the primary activities, since the primary activities of the Company are not licensed.

Risks associated with antimonopoly regulation

The Company has adopted a number of organizational and administrative documents regulating activities to prevent and combat corruption, which were developed and approved taking into account the current requirements of anti-corruption legislation. The Company is working on the prevention of corruption, legal education and the formation of the foundations of law-abiding behavior of employees and many other anti-corruption procedures.

The new version of the anti-corruption policy of PJSC Rosseti and subsidiaries of PJSC Rosseti was approved by the decision of the Board of Directors of PJSC Rosseti (extract from minutes of 27 July 2023 No. 620/2). The document defines a unified approach to the implementation of the requirements of Article 13.3 of the Federal Law of 25 December 2008 No. 273-FZ "On Combating Corruption", concerning the responsibility of PJSC Rosseti and its subsidiaries to develop and take measures to prevent and combat corruption: identifying and subsequent elimination of the causes of corruption (prevention of corruption); identification, prevention and suppression of corruption and other offenses; minimizing and (or) eliminating the consequences of corruption and other offenses, including those provided for in Article 19.28 of the Code of Administrative Offenses of the Russian Federation "liability for illegal remuneration on behalf of a legal entity".

The Code of Corporate Ethics and Official Conduct of Employees was approved, developed taking into account best practices in the field of corporate governance and aimed at improving the level of corporate culture of employees. The Code of Corporate Ethics defines the basic norms and rules of individual and collective behavior of employees, members of the Company's management and control bodies.

In order to comply with the anti-corruption legislation of the Russian Federation and improve anti-corruption activities in the Company, the Anti-Corruption Clause was approved, which is included in all concluded agreements. By signing it, the counterparty confirms that he has read the Anti-Corruption Articles of Association of Russian Business, the Anti-Corruption Policy of PJSC Rosseti/Subsidiary of PJSC Rosseti, certifying that he fully accepts its provisions and undertakes to ensure compliance with the requirements of the Anti-Corruption Policy.

The Company has introduced an interactive channel for interaction with applicants through the corporate website and a hotline for reporting cases of corruption.

5. Information security risk

Information security risk is associated with the implementation of information threats, including those caused by the shortcomings (vulnerabilities) of the information technologies used.

The Company's information security system is created taking into account critical infrastructure facilities operated in the Company's structural divisions, and includes a set of measures necessary to ensure the continuity of their functioning.

6. Risks associated with geographical and climatic features. Environmental risk.

Climatic, seismic and other natural conditions of the regions where the production assets of the Company's structural divisions carrying out electricity transmission activities are located are risk factors for the Company's activities. In particular, natural phenomena caused by temperature changes, such as hurricanes, floods, heavy snowfall and freezing rain, can cause damage to the Company's production assets, primarily power transmission lines.

The possibility of exposure to natural phenomena on electrical grid facilities, as well as factors of remoteness and (or) inaccessibility, are taken into account at the planning and design stages and when determining the composition of protective equipment. When constructing power grid facilities, design solutions are used that provide for the protection of facilities from the negative impact of natural factors; the placement of repair bases and emergency reserves is carried out taking into account the remoteness of power grid facilities.

Environmental protection legislation in the Russian Federation continues to develop, and the responsibilities of authorized state bodies to supervise its compliance are being reviewed. The likelihood of damage (compensation for harm) associated with the negative impact of the Company's production and economic activities on the environment is assessed as insignificant, since the Company does not operate production facilities

that have a significant negative impact on the environment. With the existing control system and current legislation, there are no probable liabilities that could have a significant negative impact on the Company due to environmental risks.

7. Other risks

For the purpose of risk management, the Company pays great attention to other risks. The Company constantly implements a set of measures designed to monitor risks and reduce the likelihood of occurrence and severity of possible adverse consequences, including distribution of responsibility, control, diversification and insurance.

General Director

I.V. Makovskiy

Chief Accountant

L.A. Sklyarova

"15" March 2024