

PJSC “Rosseti Centre”

**Interim Condensed Consolidated Financial Statements for the three and
six months ended 30 June 2024
(unaudited)**

| Contents | Page |
|--|-------------|
| Report on Review of Interim Financial Information | 3 |
| Interim Condensed Consolidated Statement of profit or loss and other comprehensive income | 5 |
| Interim Condensed Consolidated Statement of financial position | 6 |
| Interim Condensed Consolidated Statement of cash flows | 7 |
| Interim Condensed Consolidated Statement of changes in equity | 8 |
| Notes to the Interim Condensed Consolidated Financial Statements (unaudited) | 9 |
| 1 Background | 9 |
| 2 Basis of preparation of consolidated financial statements | 10 |
| 3 Significant accounting policies..... | 11 |
| 4 Measurement of fair value..... | 11 |
| 5 Acquisition and disposal of subsidiaries, ownership interests, information on associated companies | 12 |
| 6 Information about segments | 12 |
| 7 Revenue | 19 |
| 8 Other income and other expenses | 19 |
| 9 Operating expenses | 20 |
| 10 Finance income and costs | 21 |
| 11 Income tax | 21 |
| 12 Property, plant and equipment..... | 23 |
| 13 Intangible assets | 26 |
| 14 Right-of-use assets | 27 |
| 15 Other financial assets..... | 28 |
| 16 Trade and other receivables..... | 29 |
| 17 Advances given and other assets | 29 |
| 18 Cash and cash equivalents | 30 |
| 19 Equity | 30 |
| 20 Earnings per share | 31 |
| 21 Borrowed funds | 31 |
| 22 Trade and other payables..... | 32 |
| 23 Tax liabilities other than income tax | 33 |
| 24 Advances from customers | 33 |
| 25 Provisions | 33 |
| 26 Financial risk and capital management | 34 |
| 27 Capital commitments..... | 35 |
| 28 Contingencies | 35 |
| 29 Related party transactions | 36 |
| 30 Events after the reporting date..... | 38 |

Report on Review of Interim Financial Information

To the Shareholders and Board of Directors of
Public Joint stock company “Rosseti Centre”

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Public Joint stock company “Rosseti Centre” and its subsidiaries, which comprise the interim condensed consolidated statement of profit or loss and other comprehensive income for the three and six months ended 30 June 2024, interim condensed consolidated statement of financial position as at 30 June 2024, interim condensed consolidated statement of cash flows and interim condensed consolidated statement of changes in equity for the six-month period then ended, and selected explanatory notes (“interim consolidated financial information”).

Management of Public Joint stock company “Rosseti Centre” is responsible for the preparation and presentation of this interim consolidated financial information in accordance with IAS 34, *Interim Financial Reporting*. Our responsibility is to express a conclusion on this interim consolidated financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim consolidated financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



**NEW CHALLENGES
NEW SOLUTIONS**

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial information is not prepared, in all material respects, in accordance with IAS 34, *Interim Financial Reporting*.

Okolotina Tatiana Leonidovna
Partner
TSATR – Audit Services Limited Liability Company

26 August 2024

Details of the auditor

Name: TSATR – Audit Services Limited Liability Company
Record made in the State Register of Legal Entities on 5 December 2002, State Registration Number 1027739707203.
Address: Russia 115035, Moscow, Sadovnicheskaya naberezhnaya, 75.
TSATR – Audit Services Limited Liability Company is a member of Self-regulatory organization of auditors Association "Sodruzhestvo". TSATR – Audit Services Limited Liability Company is included in the control copy of the register of auditors and audit organizations, main registration number 12006020327.

Details of the entity

Name: Public Joint stock company "Rosseti Centre"
Record made in the State Register of Legal Entities on 17 December 2004, State Registration Number 1046900099498.
Address: Russia 119017, Moscow, Malaya Ordynka street, 15.

PJSC «Rosseti Centre»
Interim Condensed Consolidated Statement of profit or loss and other comprehensive income
for the three and six months ended 30 June 2024
In thousands of Russian rubles, unless otherwise stated

| | Notes | For the three months ended | | For the six months ended | |
|--|-------|----------------------------|------------------|--------------------------|--------------------|
| | | 30 June (unaudited) | | 30 June (unaudited) | |
| | | 2024 | 2023 | 2024 | 2023 |
| Revenue | 7 | 29,998,572 | 29,241,504 | 65,151,169 | 62,895,178 |
| Operating expenses | 9 | (27,315,712) | (26,111,073) | (57,998,214) | (54,363,059) |
| Reversal of allowance for expected credit losses | 26 | 727,505 | 369,292 | 673,158 | 335,819 |
| Other income | 8 | 256,336 | 417,481 | 741,389 | 894,925 |
| Other expenses | 8 | (1,026) | (10,447) | (4,449) | (14,205) |
| Result from operating activities | | 3,665,675 | 3,906,757 | 8,563,053 | 9,748,658 |
| Finance income | 10 | 429,223 | 163,986 | 859,881 | 346,833 |
| Finance costs | 10 | (1,667,211) | (988,120) | (3,454,011) | (1,974,530) |
| Total financial costs | | (1,237,988) | (824,134) | (2,594,130) | (1,627,697) |
| Share in profit of associates | 5 | 42,752 | - | 62,354 | - |
| Profit before income tax | | 2,470,439 | 3,082,623 | 6,031,277 | 8,120,961 |
| Income tax expense | 11 | (927,894) | (1,102,506) | (2,010,816) | (2,329,265) |
| Profit for the period | | 1,542,545 | 1,980,117 | 4,020,461 | 5,791,696 |
| Other comprehensive income/(cost) | | | | | |
| <i>Items that will never be reclassified subsequently to profit or loss</i> | | | | | |
| Changes in the fair value of equity investments accounted for at fair value through other comprehensive income | 15 | (10,136) | (8,559) | (4,837) | 32,407 |
| Revaluation of defined benefit pension program liabilities | | 344,427 | 71,684 | 614,054 | 199,018 |
| Income tax on other comprehensive income | 11 | (38,010) | (6,419) | (70,371) | (29,048) |
| Total items that will not be reclassified subsequently to profit or loss | | 296,281 | 56,706 | 538,846 | 202,377 |
| Other comprehensive income for the period, net of income tax | | 296,281 | 56,706 | 538,846 | 202,377 |
| Total comprehensive income for the period | | 1,838,826 | 2,036,823 | 4,559,307 | 5,994,073 |
| Profit attributable to: | | | | | |
| Equity holders of the Company | | 1,536,641 | 1,971,392 | 4,007,976 | 5,772,911 |
| Non-controlling interests | | 5,904 | 8,725 | 12,485 | 18,785 |
| Total comprehensive income attributable to: | | | | | |
| Equity holders of the Company | | 1,832,922 | 2,028,098 | 4,546,822 | 5,975,288 |
| Non-controlling interest | | 5,904 | 8,725 | 12,485 | 18,785 |
| Earnings per share | | | | | |
| Basic and diluted earnings per ordinary share (in RUB) | 20 | 0.036 | 0.047 | 0.095 | 0.137 |

These interim condensed consolidated financial statements (unaudited) were approved by management on 26 August 2024 and were signed on this behalf by:

General Director

 I.V. Makovskiy

Chief Accountant

L.A. Sklyarova



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

PJSC "Rosseti Centre"
Interim Condensed Consolidated Statements of Financial Position
for the six months ended 30 June 2024
In thousands of Russian rubles, unless otherwise stated

| | Notes | 30 June 2024 (unaudited) | 31 December 2023 (audited) |
|--|-------|-----------------------------|-------------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 12 | 110,591,554 | 108,901,174 |
| Intangible assets | 13 | 2,389,315 | 3,253,483 |
| Right-of-use assets | 14 | 7,237,414 | 7,365,103 |
| Investments in associates and joint ventures | 5 | 644,481 | 660,636 |
| Trade and other receivables | 16 | 1,186,670 | 1,323,338 |
| Assets related to employee benefits plans | | 587,902 | 554,236 |
| Other non-current financial assets | 15 | 141,410 | 146,247 |
| Advances given and other non-current assets | 17 | 1,327 | 4,784 |
| Total non-current assets | | 122,780,073 | 122,209,001 |
| Current assets | | | |
| Inventories | | 5,020,998 | 4,380,625 |
| Prepayment of current income tax | | 365,360 | 492,163 |
| Windfall income tax security payment | | - | 76,188 |
| Trade and other receivables | 16 | 9,666,681 | 11,222,210 |
| Cash and cash equivalents | 18 | 10,316,854 | 7,809,829 |
| Advances given and other current assets | 17 | 2,712,565 | 2,564,272 |
| Total current assets | | 28,082,458 | 26,545,287 |
| Total assets | | 150,862,531 | 148,754,288 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Share capital | 19 | 4,221,794 | 4,221,794 |
| Reserves | | 179,942 | (358,904) |
| Retained earnings | | 57,534,619 | 56,308,288 |
| Total equity attributable to equity holders of the Company | | 61,936,355 | 60,171,178 |
| Non-controlling interest | | 484,317 | 473,302 |
| Total equity | | 62,420,672 | 60,644,480 |
| Non-current liabilities | | | |
| Long-term borrowed funds | 21 | 40,081,942 | 33,660,449 |
| Long-term trade and other payables | 22 | 41,835 | 60,855 |
| Long-term advances received | 24 | 4,691,568 | 4,040,915 |
| Employee benefits | | 2,359,681 | 2,857,422 |
| Deferred tax liabilities | | 5,209,563 | 4,681,431 |
| Total non-current liabilities | | 52,384,589 | 45,301,072 |
| Current liabilities | | | |
| Short-term borrowed funds and current part of long-term borrowed funds | 21 | 4,625,566 | 11,783,286 |
| Trade and other payables | 22 | 18,240,276 | 18,184,806 |
| Tax debts other than income tax | 23 | 3,327,282 | 3,610,460 |
| Advances received | 24 | 7,372,769 | 6,090,460 |
| Provisions | 25 | 2,445,523 | 3,020,430 |
| Current income tax liabilities | | 45,854 | 43,106 |
| Windfall income tax payable | | - | 76,188 |
| Total current liabilities | | 36,057,270 | 42,808,736 |
| Total liabilities | | 88,441,859 | 88,109,808 |
| Total equity and liabilities | | 150,862,531 | 148,754,288 |

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

PJSC “Rosseti Centre”
Interim Condensed Consolidated Statements of Cash Flows
for the six months ended 30 June 2024
In thousands of Russian rubles, unless otherwise stated

| | Notes | For the six months ended | |
|---|----------|---------------------------------|--------------------|
| | | 30 June (unaudited) | |
| | | 2024 | 2023 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Profit before income tax | | 6,031,277 | 8,120,961 |
| <i>Adjustments for:</i> | | | |
| Depreciation and amortization of property, plant and equipment, intangible assets and right-of-use assets | 12,13,14 | 6,432,768 | 6,241,407 |
| Finance costs | 10 | 3,454,011 | 1,974,530 |
| Finance income | 10 | (859,881) | (346,833) |
| Profit on disposal of property, plant and equipment for sales operations | 8 | (10,913) | (11,075) |
| Loss on disposal of property, plant and equipment | 8 | 4,449 | 14,205 |
| Recovery of allowance for expected credit losses | 26 | (673,158) | (335,819) |
| Bad debt write-off | | 145,405 | 5,479 |
| Accrual/(reversal) of provisions | 9 | (75,862) | 178,243 |
| Share in profit of associates and joint ventures | 5 | (62,354) | - |
| Adjustment of the value of intangible assets | | 1,084,541 | - |
| Other non-cash transactions | | 51,884 | (62,392) |
| Total impact of adjustments | | 9,490,890 | 7,657,745 |
| Change in assets related to employee benefits plans | | (33,666) | (30,319) |
| Change in employee benefit liabilities | | (45,763) | (31,077) |
| Change in long-term trade and other receivables | | 136,668 | 51,133 |
| Change in long-term advances given and other non-current assets | | 3,457 | 238 |
| Change in long-term trade and other payables | | (19,020) | (175,981) |
| Change in long-term advances received | | 650,653 | 112,599 |
| Cash flows from operating activities before changes in working capital and provisions | | 16,214,496 | 15,705,299 |
| <i>Changes in working capital and provisions:</i> | | | |
| Change in trade and other receivables | | 2,302,611 | 1,453,779 |
| Change in advances given and other assets | | (145,394) | 246,903 |
| Change in inventories | | (606,494) | (435,523) |
| Change in trade and other payables | | (1,075,600) | (3,065,808) |
| Change in advances received | | 1,244,086 | 453,957 |
| Change in provisions | | (508,991) | (1,069,940) |
| Cash flows from operating activities before income taxes and interest paid | | 17,424,714 | 13,288,667 |
| Income tax paid | | (1,460,104) | (2,757,648) |
| Interest paid under lease agreement | | (326,332) | (278,660) |
| Interest paid | | (3,003,321) | (1,502,549) |
| Net cash flows received from operating activities | | 12,634,957 | 8,749,810 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Acquisition of property, plant and equipment and intangible assets | | (9,203,735) | (8,008,613) |
| Proceeds from the sale of property, plant and equipment and intangible assets | | 10,965 | 12,062 |
| Acquisition of subsidiaries, net of cash received | 5 | (699,548) | - |
| Interest received | | 788,606 | 213,496 |
| Dividends received | | 10,691 | 120 |
| Net cash flows used in investing activities | | (9,093,021) | (7,782,935) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Proceeds from borrowed funds | | 7,320,976 | 7,600,000 |
| Repayment of borrowed funds | | (7,904,429) | (8,353,000) |
| Dividends paid to equity holders of the Company | | (457) | (1,398,625) |
| Repayment of lease liabilities | | (451,001) | (293,784) |
| Net cash flows used in financing activities | | (1,034,911) | (2,445,409) |
| Net increase/(decrease) in cash and cash equivalents | | 2,507,025 | (1,478,534) |
| Cash and cash equivalents at the beginning of period | | 7,809,829 | 6,505,927 |
| Cash and cash equivalents at the end of period | 18 | 10,316,854 | 5,027,393 |

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

*PJSC “Rosseti Centre”
Interim Condensed Consolidated Statement of Changes in Equity
for the six months ended 30 June 2024
In thousands of Russian rubles, unless otherwise stated*

| | Attributable to equity holders of the Company | | | | Non-controlling interest | Total equity | |
|--|---|------------------|------------------|--------------------|--------------------------|----------------|--------------------|
| | Notes | Share capital | Reserves | Retained earnings | | | Total |
| Balance at 1 January 2024 (audited) | | 4,221,794 | (358,904) | 56,308,288 | 60,171,178 | 473,302 | 60,644,480 |
| Profit for the period | | - | - | 4,007,976 | 4,007,976 | 12,485 | 4,020,461 |
| Other comprehensive income | | - | 609,217 | - | 609,217 | - | 609,217 |
| Related income tax | 11 | - | (70,371) | - | (70,371) | - | (70,371) |
| Total comprehensive income for the period | | - | 538,846 | 4,007,976 | 4,546,822 | 12,485 | 4,559,307 |
| Contributions and payments | | | | | | | |
| Write-off of unclaimed debt on previously declared dividends | | - | - | 13,605 | 13,605 | - | 13,605 |
| Dividends | 19 | - | - | (2,795,250) | (2,795,250) | (1,470) | (2,796,720) |
| Total contributions and payments | | - | - | (2,781,645) | (2,781,645) | (1,470) | (2,783,115) |
| Balance at 30 June 2024 (unaudited) | | 4,221,794 | 179,942 | 57,534,619 | 61,936,355 | 484,317 | 62,420,672 |
| | | | | | | | |
| | Attributable to equity holders of the Company | | | | Non-controlling interest | Total equity | |
| | Notes | Share capital | Reserves | Retained earnings | | | Total |
| Balance at 1 January 2023 (audited) | | 4,221,794 | (715,308) | 48,899,818 | 52,406,304 | 440,265 | 52,846,569 |
| Profit for the period | | - | - | 5,772,911 | 5,772,911 | 18,785 | 5,791,696 |
| Other comprehensive income | | - | 231,425 | - | 231,425 | - | 231,425 |
| Related income tax | 11 | - | (29,048) | - | (29,048) | - | (29,048) |
| Total comprehensive income for the period | | - | 202,377 | 5,772,911 | 5,975,288 | 18,785 | 5,994,073 |
| Contributions and payments | | | | | | | |
| Dividends | 19 | - | - | (473,263) | (473,263) | (1,468) | (474,731) |
| Total contributions and payments | | - | - | (473,263) | (473,263) | (1,468) | (474,731) |
| Balance at 30 June 2023 (unaudited) | | 4,221,794 | (512,931) | 54,199,466 | 57,908,329 | 457,582 | 58,365,911 |

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

1 Background

(a) The Group and its operation

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

The parent company is Public Joint Stock Company “Federal Grid Company-Rosseti” (abbreviated as PJSC “Rosseti”).

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

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

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

(b) Relations with state. The head parent company

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

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

Following the results of the reorganization carried out in 2023, the parent company of the Group is the Public Joint Stock Company “Federal Grid Company – Rosseti”. The abbreviated corporate name of the Group's parent company is PJSC “Rosseti”.

Prior to the reorganization, the parent company of the Group was the Public Joint Stock Company “Russian Networks”. The Extraordinary General Meeting of shareholders of the Public Joint Stock Company “Russian Networks”, held on 16 September 2022, decided to reorganize the Public Joint Stock Company “Russian Networks” in the form of joining a subsidiary company – Public Joint Stock Company “Federal Grid Company – Rosseti” in the manner and on the terms provided for in the accession agreement. On 9 January 2023, information was entered into the Unified State Register of Legal Entities on the termination of the activities of the Public Joint Stock Company “Russian Networks” through reorganization in the form of joining the Public Joint Stock Company “Federal Grid Company – Rosseti”.

As a result of the reorganization, the share of the Russian Federation in the authorized capital of the parent company, Public Joint Stock Company “Federal Grid Company-Rosseti”, amounted to 75.000048%.

1 Background (continued)

(c) Russian business environment

The Group operates in the Russian Federation. The Group's activities are influenced by the state of the economy and financial markets of the Russian Federation. The economy of the Russian Federation exhibits some characteristic features inherent in emerging markets. The legal, tax and regulatory systems continue to evolve and are subject to change, as well as the possibility of different interpretations.

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

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

2 Basis of preparation of consolidated financial statements

(a) Statement of compliance

These interim condensed consolidated financial statements for the three and six months ended 30 June 2024 have been prepared in accordance with IAS 34 Interim Financial Reporting. Selected notes are included to explain events and transactions that are material to the understanding of changes in the Group's financial position and operations since the date of the last annual consolidated financial statements.

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

All values in the interim condensed consolidated financial statements are rounded to the nearest thousand (RUB thousand), unless otherwise stated. Negative values are shown in parentheses.

(b) Use of estimates and professional judgments

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

(c) Application of new and revised standards and interpretations

The Group has applied amendments and changes to standards that are mandatory and approved for application in the Russian Federation for annual periods beginning on or after 01 January 2024:

- Amendments to IFRS (IAS) 1 "Presentation of Financial Statements" - "Classification of liabilities into short-term and long-term" and "Long-term liabilities with covenants". The amendments clarify the requirements for classifying obligations as short-term or long-term, including long-term obligations with restrictive conditions (covenants). The amendments also clarify the requirements according to which an organization must disclose additional information about obligations arising from a loan agreement.

2 Basis of preparation of consolidated financial statements (continued)

– Amendments to IFRS (IAS) 7 “Statement of Cash Flows” and IFRS (IFRS) 7 “Financial Instruments: Disclosure of Information” - “Supplier Financing Agreements”. The amendment clarifies the characteristics of supplier financing agreements (reverse factoring operations) and the requirements for additional disclosure of information about such agreements.

– Amendments to IFRS 16 “Lease” - “Lease obligations under a sale-leaseback transaction”. The amendment clarifies the requirements for accounting for lease obligations arising from a sale-leaseback transaction.

– Amendments to IFRS (IAS) 12 “Income Tax” – “International Tax Reform - Model Rules of Component 2” (issued on 04 June 2024 and entered into force from the date of official publication on 05 July 2024). The amendments clarify the rules for disclosures and the application of exceptions.

The consequences of the adoption of amendments to the standards did not have a significant impact on these interim condensed consolidated financial statements.

The Group intends to adopt new standards, amendments and clarifications that are mandatory for annual periods beginning on or after 01 January 2025, after their entry into force. No significant impact on the Group's consolidated financial statements is expected:

– Amendments to IAS 21 “Effect of Changes in Foreign Exchange Rates” – “Restrictions on Currency Convertibility” (issued on 15 August 2023 and effective for annual periods beginning on or after 01 January 2025).

3 Significant accounting policies

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

4 Measurement of fair value

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

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

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

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

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

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

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

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

5 Acquisition and disposal of subsidiaries, ownership interests, information on associated companies

Information on associated companies

| | |
|---|----------------|
| Investment in an associated company at the beginning of the reporting period | 660,636 |
| Total share in the profit of the associate | 62,354 |
| Dividends | (78,509) |
| Investment in an associated company at the end of the reporting period | 644,481 |

Consolidated financial information on the associated company for the six months ended 30 June 2024 and as at 30 June 2024:

| | thousand rubles |
|--|------------------|
| Non-current assets | 1,008,231 |
| Current assets | 937,409 |
| including cash and cash equivalents | 367,685 |
| Long-term obligations | (93,990) |
| Short-term liabilities | (562,687) |
| Total net assets | 1,288,963 |
| The Group's share of net assets is 49.99997% | 644,481 |
| Revenue | 805,758 |
| Depreciation for the period | (36,200) |
| Net financial income | 16,330 |
| Income tax expense | (30,786) |
| Profit for the period | 124,709 |
| Total comprehensive income for the period | 124,709 |
| Total comprehensive income for the period in favor of the Group is 49.99997% | 62,354 |

Acquisition of subsidiaries

On 03 April 2024, the Group concluded an agreement for the purchase and sale of 100% of ordinary registered non-documentary shares of the acquired company. In accordance with the terms of the agreement, shares are considered to be transferred to the ownership of the Group from the moment the corresponding entry is entered into the register of owners of shares of the acquired company. The purchase price is defined as RUB 750,000 thousand and paid in cash.

The Group recorded the acquisition of control over the acquired company using the purchase method in accordance with the requirements of IFRS 3 “Business Combination”. Since the initial accounting under IFRS 3 “Business Combination” has not been completed by the end of the reporting period in which the acquisition takes place, the Group reflects in the financial statements preliminary estimates for those items whose accounting has not been completed.

The results of operations, assets and liabilities of the acquired company are consolidated by the Group from 25 April 2024.

The main activities of the acquired company are the transmission of electricity and technological connection to the power grid in one of the regions of the Russian Federation.

5 Acquisition and disposal of subsidiaries, ownership interests, information on associated companies (continued)

The table below shows the fair value of the identifiable net assets of the acquired company received at the acquisition date:

| | Value, thousand rubles |
|--|------------------------|
| Non-current assets | |
| Property, plant and equipment | 532,236 |
| Deferred tax assets | 3,692 |
| Total non-current assets | 535,928 |
| Current assets | |
| Inventories | 33,529 |
| Accounts receivable | 122,036 |
| Cash and cash equivalents | 50,452 |
| Total current assets | 206,017 |
| Total assets | 741,945 |
| Non-current liabilities | |
| Deferred tax liabilities | 32,271 |
| Total non-current liabilities | 32,271 |
| Current liabilities | |
| Borrowed funds | 72 |
| Accounts payable | 111,326 |
| Provisions | 9,368 |
| Total current liabilities | 120,766 |
| Total liabilities | 153,037 |
| Total identifiable net assets at deemed value | 588,908 |
| | |
| Consideration transferred | 750,000 |
| Goodwill | 161,092 |

Since the value of the consideration transferred exceeds the value of the identifiable net assets of the acquired company, the Group recorded goodwill as part of other intangible assets in the amount of RUB 161,092 thousand in the interim condensed consolidated statement of financial position.

The cash inflow when acquiring a company is shown in the following table:

| | |
|--|------------------|
| Net cash received on the acquisition of a subsidiary | 50,452 |
| Consideration transferred | (750,000) |
| Net cash flow | (699,548) |

Since the date of acquisition, the revenue of the acquired company, consolidated in the Group's financial statements, amounted to RUB 89,491 thousand, and its profit before tax amounted to RUB 52,466 thousand. If the acquisition had taken place at the beginning of the year, the Group's revenue would have amounted to RUB 65,321,422 thousand, and the Group's profit before tax would have amounted to RUB 6,101,102 thousand.

6 Information about segments

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

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

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

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

EBITDA is used to reflect the results of each reporting segment: profit or loss before interest expense, taxation, depreciation, and net accrual/(recovery) of an impairment loss on property, plant and equipment and right-of-use assets (taking into account current accounting and reporting standards in the Russian Federation). Management believes that the EBITDA calculated in this way is the most indicative indicator for evaluating the performance of the Group's operating segments.

The following reportable segments were identified:

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

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

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

6 Information about segments (continued)

(a) Information about reportable segments

For the three months ended 30 June 2024:

| | Belgorod energo | Bryansk energo | Voronezh energo | Kostroma energo | Kursk energo | Lipetsk energo | Orel energo | Smolensk energo | Tambov energo | Tver energo | Yar energo | Other TSS | Others | Total |
|--|----------------------------|---------------------------|----------------------------|----------------------------|-------------------------|---------------------------|------------------------|----------------------------|--------------------------|------------------------|-----------------------|----------------------|----------------|-------------------|
| Revenue from external customers | 3,823,157 | 1,063,924 | 4,888,761 | 1,497,421 | 2,334,590 | 2,718,083 | 1,337,007 | 2,188,669 | 1,813,885 | 3,161,285 | 3,049,361 | 1,939,526 | 182,903 | 29,998,572 |
| Inter-segment revenue | - | 603,267 | 28,872 | - | - | - | - | - | - | - | 2,319 | 707,229 | 2,970 | 1,344,657 |
| Segment revenue | 3,823,157 | 1,667,191 | 4,917,633 | 1,497,421 | 2,334,590 | 2,718,083 | 1,337,007 | 2,188,669 | 1,813,885 | 3,161,285 | 3,051,680 | 2,646,755 | 185,873 | 31,343,229 |
| including | | | | | | | | | | | | | | |
| <i>Electricity transmission</i> | 3,431,747 | 1,591,250 | 4,511,522 | 1,442,521 | 2,239,434 | 2,462,027 | 1,301,294 | 2,108,865 | 1,700,785 | 2,974,487 | 2,907,034 | 2,394,434 | - | 29,065,400 |
| <i>Technological connection services</i> | 251,879 | 29,306 | 221,338 | 29,562 | 48,652 | 161,288 | 25,699 | 33,631 | 76,247 | 137,486 | 88,552 | 180,640 | - | 1,284,280 |
| <i>Other revenue</i> | 139,531 | 46,635 | 184,773 | 25,338 | 46,504 | 94,768 | 10,014 | 46,173 | 36,853 | 49,312 | 56,094 | 71,681 | 185,873 | 993,549 |
| The cost of technological connection to the networks | (13,584) | (4,329) | (8,466) | (6,735) | (5,358) | (15,428) | (4,883) | (8,120) | (3,491) | (25,626) | (22,592) | (13,186) | - | (131,798) |
| EBITDA | 995,601 | 265,260 | 1,358,057 | 323,546 | 499,314 | 729,099 | 144,300 | 377,988 | 289,224 | 447,614 | 757,201 | 1,131,027 | 847,363 | 8,165,594 |

For the six months ended 30 June 2024:

| | Belgorod energo | Bryansk energo | Voronezh energo | Kostroma energo | Kursk energo | Lipetsk energo | Orel energo | Smolensk energo | Tambov energo | Tver energo | Yar energo | Other TSS | Others | Total |
|--|----------------------------|---------------------------|----------------------------|----------------------------|-------------------------|---------------------------|------------------------|----------------------------|--------------------------|------------------------|-----------------------|----------------------|------------------|-------------------|
| Revenue from external customers | 8,048,063 | 2,365,319 | 10,569,989 | 3,317,451 | 5,144,193 | 6,029,248 | 2,957,461 | 4,810,055 | 3,880,258 | 6,951,666 | 6,752,114 | 3,973,427 | 351,925 | 65,151,169 |
| Inter-segment revenue | - | 1,358,667 | 57,743 | - | - | - | - | - | - | - | 4,382 | 1,473,658 | 5,623 | 2,900,073 |
| Segment revenue | 8,048,063 | 3,723,986 | 10,627,732 | 3,317,451 | 5,144,193 | 6,029,248 | 2,957,461 | 4,810,055 | 3,880,258 | 6,951,666 | 6,756,496 | 5,447,085 | 357,548 | 68,051,242 |
| including | | | | | | | | | | | | | | |
| <i>Electricity transmission</i> | 7,436,449 | 3,531,550 | 9,873,396 | 3,134,944 | 4,853,906 | 5,629,505 | 2,896,324 | 4,657,959 | 3,731,917 | 6,662,035 | 6,484,472 | 5,051,837 | - | 63,944,294 |
| <i>Technological connection services</i> | 328,673 | 100,269 | 457,621 | 123,208 | 226,824 | 189,815 | 42,832 | 62,199 | 89,303 | 206,872 | 147,848 | 265,310 | - | 2,240,774 |
| <i>Other revenue</i> | 282,941 | 92,167 | 296,715 | 59,299 | 63,463 | 209,928 | 18,305 | 89,897 | 59,038 | 82,759 | 124,176 | 129,938 | 357,548 | 1,866,174 |
| The cost of technological connection to the networks | (29,115) | (8,490) | (16,969) | (13,366) | (10,574) | (28,216) | (10,518) | (16,318) | (6,918) | (52,970) | (44,228) | (25,206) | - | (262,888) |
| EBITDA | 2,271,982 | 880,370 | 3,021,819 | 876,992 | 1,357,562 | 1,700,398 | 434,834 | 896,117 | 743,660 | 931,059 | 1,684,256 | 1,917,115 | 1,210,012 | 17,926,176 |

6 Information about segments (continued)

For the three months ended 30 June 2023:

| | Belgorod energo | Bryansk energo | Voronezh energo | Kostroma energo | Kursk energo | Lipetsk energo | Orel energo | Smolensk energo | Tambov energo | Tver energo | Yar energo | Other TSS | Others | Total |
|--|----------------------------|---------------------------|----------------------------|----------------------------|-------------------------|---------------------------|------------------------|----------------------------|--------------------------|------------------------|-----------------------|----------------------|----------------|-------------------|
| Revenue from external customers | 3,502,449 | 1,058,110 | 4,567,673 | 1,496,167 | 2,415,589 | 2,684,609 | 1,306,990 | 2,197,368 | 1,675,163 | 3,088,137 | 2,903,665 | 1,748,592 | 167,442 | 28,811,954 |
| Inter-segment revenue | - | 513,156 | 28,872 | - | - | - | - | - | - | - | 2,144 | 668,286 | 2,184 | 1,214,642 |
| Segment revenue including | 3,502,449 | 1,571,266 | 4,596,545 | 1,496,167 | 2,415,589 | 2,684,609 | 1,306,990 | 2,197,368 | 1,675,163 | 3,088,137 | 2,905,809 | 2,416,878 | 169,626 | 30,026,596 |
| <i>Electricity transmission</i> | 3,284,412 | 1,476,534 | 4,270,741 | 1,419,098 | 2,183,884 | 2,573,445 | 1,269,794 | 2,097,644 | 1,639,203 | 2,807,860 | 2,717,543 | 2,224,121 | - | 27,964,279 |
| <i>Technological connection services</i> | 77,382 | 45,725 | 217,028 | 23,447 | 199,831 | 55,740 | 16,376 | 28,682 | 15,898 | 90,490 | 34,308 | 91,002 | - | 895,909 |
| <i>Sale of electricity and capacity</i> | - | - | - | - | - | - | - | - | - | 147,616 | - | - | - | 147,616 |
| <i>Other revenue</i> | 140,655 | 49,007 | 108,776 | 53,622 | 31,874 | 55,424 | 20,820 | 71,042 | 20,062 | 42,171 | 153,958 | 101,755 | 169,626 | 1,018,792 |
| The cost of technological connection to the networks | (15,178) | (3,734) | (7,089) | (5,576) | (5,598) | (12,442) | (6,844) | (8,781) | (3,242) | (28,130) | (18,860) | (11,150) | - | (126,624) |
| EBITDA | 863,916 | 273,225 | 1,178,107 | 503,355 | 577,680 | 916,248 | 61,682 | 457,860 | 152,334 | 425,922 | 846,958 | 933,180 | 335,902 | 7,526,369 |

For the six months ended 30 June 2023:

| | Belgorod energo | Bryansk energo | Voronezh energo | Kostroma energo | Kursk energo | Lipetsk energo | Orel energo | Smolensk energo | Tambov energo | Tver energo | Yar energo | Other TSS | Others | Total |
|--|----------------------------|---------------------------|----------------------------|----------------------------|-------------------------|---------------------------|------------------------|----------------------------|--------------------------|------------------------|-----------------------|----------------------|----------------|-------------------|
| Revenue from external customers | 7,592,726 | 2,361,350 | 9,854,247 | 3,246,964 | 5,051,322 | 6,089,152 | 2,857,611 | 4,736,143 | 3,654,418 | 6,729,045 | 6,313,375 | 3,658,145 | 321,130 | 62,465,628 |
| Inter-segment revenue | - | 1,133,825 | 57,743 | - | - | - | - | - | - | - | 4,336 | 1,381,029 | 3,864 | 2,580,797 |
| Segment revenue including | 7,592,726 | 3,495,175 | 9,911,990 | 3,246,964 | 5,051,322 | 6,089,152 | 2,857,611 | 4,736,143 | 3,654,418 | 6,729,045 | 6,317,711 | 5,039,174 | 324,994 | 65,046,425 |
| <i>Electricity transmission</i> | 7,124,334 | 3,274,926 | 9,327,811 | 3,069,497 | 4,691,254 | 5,658,431 | 2,788,084 | 4,599,321 | 3,567,418 | 6,197,133 | 6,017,850 | 4,733,667 | - | 61,049,726 |
| <i>Technological connection services</i> | 173,987 | 94,348 | 288,259 | 93,375 | 314,717 | 345,462 | 27,530 | 46,983 | 53,155 | 120,990 | 77,953 | 124,131 | - | 1,760,890 |
| <i>Sale of electricity and capacity</i> | - | - | - | - | - | - | - | - | - | 341,141 | - | - | - | 341,141 |
| <i>Other revenue</i> | 294,405 | 125,901 | 295,920 | 84,092 | 45,351 | 85,259 | 41,997 | 89,839 | 33,845 | 69,781 | 221,908 | 181,376 | 324,994 | 1,894,668 |
| The cost of technological connection to the networks | (30,679) | (7,288) | (13,990) | (11,909) | (11,591) | (25,295) | (12,355) | (17,155) | (6,520) | (46,660) | (39,257) | (22,581) | - | (245,280) |
| EBITDA | 2,206,787 | 828,581 | 2,627,151 | 1,071,130 | 1,308,276 | 1,808,921 | 372,646 | 1,086,328 | 633,768 | 1,014,626 | 1,738,601 | 1,634,459 | 357,072 | 16,688,346 |

6 Information about segments (continued)

As at 30 June 2024:

| | Belgorod energo | Bryansk energo | Voronezh energo | Kostroma energo | Kursk energo | Lipetsk energo | Orel energo | Smolensk energo | Tambov energo | Tver energo | Yar energo | Other TSS | Others | Total |
|---|--------------------|-------------------|--------------------|--------------------|-------------------|-------------------|------------------|--------------------|------------------|------------------|-------------------|-------------------|-------------------|--------------------|
| Segment assets | 24,651,217 | 6,725,177 | 22,424,222 | 9,142,204 | 10,199,057 | 18,749,238 | 4,924,029 | 8,990,735 | 7,240,074 | 8,838,457 | 15,371,469 | 18,684,820 | 16,752,781 | 172,693,480 |
| <i>Including property, plant and equipment and construction in progress</i> | 20,823,738 | 5,362,233 | 19,393,122 | 7,592,541 | 8,381,293 | 16,836,560 | 4,097,450 | 7,642,126 | 4,102,914 | 5,965,638 | 11,404,436 | 11,566,102 | 1,364,976 | 124,533,129 |

As at 31 December 2023:

| | | | | | | | | | | | | | | |
|---|-------------------|------------------|-------------------|------------------|-------------------|-------------------|------------------|------------------|------------------|------------------|-------------------|-------------------|-------------------|--------------------|
| Segment assets | 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 | 16,968,488 | 13,954,125 | 169,082,278 |
| <i>Including property, plant and equipment and construction in progress</i> | 20,221,876 | 5,423,279 | 19,114,490 | 7,431,229 | 8,331,681 | 16,904,453 | 4,098,632 | 7,778,609 | 3,783,591 | 6,017,715 | 11,574,003 | 11,053,918 | 1,403,642 | 123,137,118 |

6 Information about segments (continued)

(b) The reconciliation of segment items by revenue is presented below:

The reconciliation of segment revenue:

| | For the three months ended 30 June | | For the six months ended 30 June | |
|---|---------------------------------------|-------------------|-------------------------------------|-------------------|
| | 2024 | 2023 | 2024 | 2023 |
| Segment revenues | 31,343,229 | 30,026,596 | 68,051,242 | 65,046,425 |
| Intersegment revenue elimination | (1,344,657) | (1,214,642) | (2,900,073) | (2,580,797) |
| Revenue adjustment | - | 429,550 | - | 429,550 |
| Revenues per consolidated statement of profit or loss and other comprehensive income | 29,998,572 | 29,241,504 | 65,151,169 | 62,895,178 |

(c) The reconciliation of segment items by EBITDA is presented below:

Reconciliation of reportable segments by EBITDA:

| | For the three months ended 30 June | | For the six months ended 30 June | |
|---|---------------------------------------|------------------|-------------------------------------|-------------------|
| | 2024 | 2023 | 2024 | 2023 |
| EBITDA of reportable segments | 8,165,544 | 7,526,369 | 17,926,176 | 16,688,346 |
| Discounting receivables | - | 46,000 | 1,914 | 91,777 |
| Discounting of financial liabilities | (58,693) | (55,266) | (116,514) | (109,122) |
| Adjustment for lease | (22,302) | (4,585) | (33,694) | (7,785) |
| Recognition of pension and other long-term liabilities to employees | (43,491) | (58,497) | (116,313) | (115,385) |
| Adjustment on assets related to employee benefit liabilities | (9,334) | (1,805) | 33,666 | 30,319 |
| Re-measurement of financial assets at fair value through other comprehensive income (transfer of revaluation to equity) | 10,136 | 8,559 | 4,837 | (32,407) |
| Adjustment of the value of property, plant and equipment | 39 | (18,171) | 367 | (68,770) |
| Adjustment for write-off of other material expenses | (63,306) | (48,999) | (138,223) | (109,046) |
| Adjustment of the value of intangible assets | - | - | (1,084,541) | - |
| Acquisition of associated companies | 42,752 | - | 62,354 | - |
| Other adjustments | (818,393) | (343,538) | (906,713) | (297,372) |
| EBITDA | 7,202,952 | 7,050,067 | 15,633,316 | 16,070,555 |
| Depreciation and amortization | (3,203,031) | (3,111,505) | (6,432,768) | (6,241,407) |
| Interest expenses on financial liabilities | (1,359,051) | (717,666) | (2,836,037) | (1,429,527) |
| Interest expenses on lease liabilities | (170,431) | (138,127) | (333,234) | (278,660) |
| Income tax expense | (927,894) | (1,102,506) | (2,010,816) | (2,329,265) |
| Profit for the period per consolidated statement of profit or loss and other comprehensive income | 1,542,545 | 1,980,263 | 4,020,461 | 5,791,696 |

7 Revenue

| | For the three months ended 30 June | | For the six months ended 30 June | |
|--|---------------------------------------|-------------------|-------------------------------------|-------------------|
| | 2024 | 2023 | 2024 | 2023 |
| Electricity transmission | 27,800,317 | 26,823,433 | 61,202,258 | 58,615,767 |
| Technological connection services | 1,284,216 | 895,870 | 2,240,710 | 1,760,833 |
| Sale of electricity and capacity | - | 147,616 | - | 341,141 |
| Other revenue | 885,705 | 1,323,633 | 1,652,916 | 2,076,659 |
| Total revenue from contracts with customers | 29,970,238 | 29,190,552 | 65,095,884 | 62,794,400 |
| Lease revenue | 28,334 | 50,952 | 55,285 | 100,778 |
| | 29,998,572 | 29,241,504 | 65,151,169 | 62,895,178 |

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

8 Other income and other expenses

| | For the three months ended 30 June | | For the six months ended 30 June | |
|---|---------------------------------------|----------------|-------------------------------------|----------------|
| | 2024 | 2023 | 2024 | 2023 |
| Income from identified non-contracted electricity consumption | 15,464 | 50,076 | 40,451 | 106,973 |
| Income in the form of fines and penalties on commercial contracts | 96,758 | 116,956 | 221,548 | 257,332 |
| Accounts payable write-off | 3,183 | 43,164 | 7,366 | 67,727 |
| Insurance indemnity | 52,380 | 61,610 | 239,451 | 182,016 |
| Income from disposal of fixed assets on sale (sale) operations | 7,969 | 135 | 10,913 | 11,075 |
| Income from cost compensation | 11,604 | 18,620 | 52,593 | 20,461 |
| Income in the form of targeted financing | 5,514 | - | 16,211 | 2,998 |
| Other income | 63,464 | 126,920 | 152,856 | 246,343 |
| | 256,336 | 417,481 | 741,389 | 894,925 |

Other expenses include loss on disposal of property, plant and equipment for the three and six months ended 30 June 2024 in the amount of RUB 1,026 thousand and RUB 4,449 thousand (for the three and six months ended 30 June 2023: RUB 10,447 thousand and RUB 14,205 thousand).

9 Operating expenses

| | For the three months ended 30 June | | For the six months ended 30 June | |
|---|---|-------------------|---|-------------------|
| | 2024 | 2023 | 2024 | 2023 |
| Personnel costs | 7,345,796 | 6,742,728 | 14,545,596 | 13,204,645 |
| Depreciation of property, plant and equipment | 3,016,043 | 2,889,704 | 6,059,978 | 5,809,499 |
| Amortization of intangible assets | 43,780 | 85,205 | 85,636 | 169,375 |
| Depreciation of right-of-use assets | 143,208 | 136,596 | 287,154 | 262,533 |
| <i>Material expenses, including:</i> | | | | |
| Electricity for compensation of losses | 3,757,230 | 3,738,615 | 10,612,479 | 10,496,767 |
| Electricity for sale | - | 127,325 | - | 285,784 |
| Purchased electricity and heat power for own needs | 59,719 | 62,907 | 298,851 | 301,488 |
| Other material costs | 1,217,384 | 1,203,001 | 1,968,137 | 1,812,221 |
| <i>Production work and services, including:</i> | | | | |
| Electricity transmission services | 8,515,235 | 8,111,183 | 17,596,821 | 16,480,226 |
| Repair and maintenance services | 257,527 | 277,199 | 396,639 | 392,945 |
| Other works and industrial services | 722,829 | 609,232 | 1,248,953 | 1,218,038 |
| Taxes and levies other than income tax | 525,818 | 514,265 | 1,049,308 | 1,013,164 |
| Short-term rent | 16,928 | 19,598 | 24,171 | 28,257 |
| Insurance | 41,297 | 31,978 | 82,749 | 63,156 |
| <i>Other third-party services, including:</i> | | | | |
| Communication services | 109,962 | 104,925 | 208,672 | 183,426 |
| Security services | 123,429 | 118,260 | 246,067 | 231,718 |
| Consulting, legal and audit services | 6,860 | 18,569 | 19,258 | 28,614 |
| Software costs and services | 118,797 | 83,427 | 218,446 | 167,472 |
| Transportation services | 10,687 | 13,685 | 16,542 | 17,609 |
| Other services | 167,869 | 212,837 | 335,457 | 368,756 |
| Provisions | (71,051) | (190,759) | (75,862) | 178,243 |
| Expenses recognized in connection with the settlement for electricity transmission, electricity for sale, purchased electricity to compensate for losses and non-contracted consumption | 747,868 | 724,842 | 747,868 | 724,842 |
| Other expenses | 438,497 | 475,751 | 2,025,294 | 924,281 |
| | 27,315,712 | 26,111,073 | 57,998,214 | 54,363,059 |

10 Finance income and costs

| | For the three months ended 30 June | | For the six months ended 30 June | |
|---|---|------------------|---|--------------------|
| | 2024 | 2023 | 2024 | 2023 |
| Finance income | | | | |
| Interest income on bank deposits and balances on bank accounts | 429,068 | 117,978 | 823,060 | 221,025 |
| Interest income on assets related to employee defined benefits plans | - | - | 34,752 | 34,023 |
| Dividends receivable | 155 | 8 | 155 | 8 |
| Other finance income | - | 46,000 | 1,914 | 91,777 |
| | 429,223 | 163,986 | 859,881 | 346,833 |
| Finance costs | | | | |
| Interest expenses on financial liabilities measured at amortized cost | (1,359,051) | (717,666) | (2,836,037) | (1,429,527) |
| Interest expenses on lease liabilities | (170,431) | (138,127) | (333,234) | (278,660) |
| Interest expenses on long-term employee benefit liabilities | (79,036) | (71,972) | (162,076) | (146,462) |
| Amortization of discount on financial liabilities | (58,693) | (55,266) | (116,514) | (109,122) |
| Other finance costs | - | (5,089) | (6,150) | (10,759) |
| | (1,667,211) | (988,120) | (3,454,011) | (1,974,530) |

11 Income tax

| | For the three months ended 30 June | | For the six months ended 30 June | |
|--|---|--------------------|---|--------------------|
| | 2024 | 2023 | 2024 | 2023 |
| Current income tax | | | | |
| Accrual of current tax | (748,940) | (681,080) | (1,670,503) | (1,847,240) |
| Adjustment of the tax for the previous periods | 70,585 | (41,715) | 88,869 | (15,348) |
| Total | (678,355) | (722,795) | (1,581,634) | (1,862,588) |
| Deferred income tax | (249,539) | (379,711) | (429,182) | (466,677) |
| Income tax expense | (927,894) | (1,102,506) | (2,010,816) | (2,329,265) |

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

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

In 2024 and 2023, the Group recalculated tax for previous periods and filed revised statements the income tax including the settlement of disputes with contractors in the judicial and pre-trial order for previous periods. As a result, the profit tax to decrease for previous periods was RUB 88,869 thousand in accordance with the updated tax returns submitted to the tax authorities in 2024 (in 2023, accrual: RUB 15,348 thousand).

11 Income tax (continued)

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

| | For the three months ended 30 June | | For the six months ended 30 June | |
|--|------------------------------------|--------------------|----------------------------------|--------------------|
| | 2024 | 2023 | 2024 | 2023 |
| Profit before income tax | 2,470,439 | 3,082,623 | 6,031,277 | 8,120,961 |
| Income tax calculated at the applicable tax rate | (494,087) | (616,524) | (1,206,255) | (1,624,192) |
| Tax effect of items not deductible/not taxable for taxation purposes | (504,392) | (444,267) | (893,430) | (689,725) |
| Adjustments for prior years | 70,585 | (41,715) | 88,869 | (15,348) |
| | (927,894) | (1,102,506) | (2,010,816) | (2,329,265) |

Income tax recognized in other comprehensive income:

| | For the three months ended 30 June 2024 | | | For the three months ended 30 June 2023 | | |
|---|--|-----------------|----------------|--|----------------|---------------|
| | Before tax | Tax | Net of tax | Before tax | Tax | Net of tax |
| Financial assets at fair value through other comprehensive income | (10,136) | 2,027 | (8,109) | (8,559) | 1,712 | (6,847) |
| Remeasurements of the defined benefit liability | 344,427 | (40,037) | 304,390 | 71,684 | (8,131) | 63,553 |
| | 334,291 | (38,010) | 296,281 | 63,125 | (6,419) | 56,706 |

| | For the six months ended 30 June 2024 | | | For the six months ended 30 June 2023 | | |
|---|--|-----------------|----------------|--|-----------------|----------------|
| | Before tax | Tax | Net of tax | Before tax | Tax | Net of tax |
| Financial assets at fair value through other comprehensive income | (4,837) | 967 | (3,870) | 32,407 | (6,481) | 25,926 |
| Remeasurements of the defined benefit liability | 614,054 | (71,338) | 542,716 | 199,018 | (22,567) | 176,451 |
| | 609,217 | (70,371) | 538,846 | 231,425 | (29,048) | 202,377 |

As at 30 June 2024 and 30 June 2023 deferred income tax assets and liabilities are calculated at a rate of 20 percent, which is expected to be applicable when the corresponding assets and liabilities are realized.

12 Property, plant and equipment

| | Land and buildings | Electricity transmission networks | Equipment for electricity transmission | Other | Construction in progress | Total |
|---|---------------------|-----------------------------------|--|---------------------|--------------------------|----------------------|
| <i>Cost/deemed cost</i> | | | | | | |
| At 1 January 2023 | 53,407,371 | 86,216,775 | 50,013,979 | 42,362,963 | 5,136,110 | 237,137,198 |
| Additions | 41,337 | 42,474 | 12,742 | 394 | 7,034,407 | 7,131,354 |
| Transfer | 1,042,474 | 1,733,646 | 1,001,431 | 1,545,368 | (5,322,919) | - |
| Disposals | (11,506) | (9,016) | (8,436) | (77,342) | (685) | (106,985) |
| At 30 June 2023 | 54,479,676 | 87,983,879 | 51,019,716 | 43,831,383 | 6,846,913 | 244,161,567 |
| <i>Accumulated depreciation</i> | | | | | | |
| At 1 January 2023 | (22,351,736) | (53,314,051) | (26,571,375) | (24,041,755) | - | (126,278,917) |
| Depreciation charge | (1,207,323) | (2,306,423) | (1,318,848) | (1,452,434) | - | (6,285,028) |
| Disposals | 3,949 | 6,190 | 5,851 | 67,330 | - | 83,320 |
| At 30 June 2023 | (23,555,110) | (55,614,284) | (27,884,372) | (25,426,859) | - | (132,480,625) |
| <i>Accumulated impairment</i> | | | | | | |
| At 1 January 2023 | (1,905,858) | (3,684,309) | (2,035,649) | (511,453) | (94,168) | (8,231,437) |
| Transfer to property, plant and equipment (transfer of impairment losses) | (588) | (834) | (916) | (243) | 2,581 | - |
| Depreciation charge | 80,344 | 241,914 | 113,248 | 33,056 | - | 468,562 |
| Disposals | 17 | 50 | 67 | 8 | 317 | 459 |
| At 30 June 2023 | (1,826,085) | (3,443,179) | (1,923,250) | (478,632) | (91,270) | (7,762,416) |
| Depreciation (including depreciation of impairment) | (1,126,979) | (2,064,509) | (1,205,600) | (1,419,378) | - | (5,816,466) |
| <i>Net book value</i> | | | | | | |
| At 1 January 2023 | 29,149,777 | 29,218,415 | 21,406,955 | 17,809,755 | 5,041,942 | 102,626,844 |
| At 30 June 2023 | 29,098,481 | 28,926,416 | 21,212,094 | 17,925,892 | 6,755,643 | 103,918,526 |

12 Property, plant and equipment (continued)

| | Land and buildings | Electricity transmission networks | Equipment for electricity transmission | Other | Construction in progress | Total |
|---|---------------------|---|--|---------------------|-----------------------------|----------------------|
| <i>Cost/deemed cost</i> | | | | | | |
| At 1 January 2024 | 57,242,987 | 91,616,026 | 54,090,114 | 47,464,458 | 5,302,996 | 255,716,581 |
| Additions | 22 | - | - | 15,888 | 7,209,856 | 7,225,766 |
| Acquisition of subsidiaries | 229,849 | 146,162 | 23,991 | 129,371 | 2,863 | 532,236 |
| Transfer | 1,232,846 | 1,957,084 | 1,335,647 | 1,241,499 | (5,767,076) | - |
| Disposals | (1,615) | (3,671) | (4,371) | (62,813) | (3,149) | (75,619) |
| At 30 June 2024 | 58,704,089 | 93,715,601 | 55,445,381 | 48,788,403 | 6,745,490 | 263,398,964 |
| <i>Accumulated depreciation</i> | | | | | | |
| At 1 January 2024 | (24,628,831) | (57,686,121) | (29,097,112) | (26,425,536) | - | (137,837,600) |
| Depreciation charge | (1,323,538) | (2,354,156) | (1,364,997) | (1,526,547) | - | (6,569,238) |
| Disposals | 1,542 | 3,188 | 3,184 | 62,368 | - | 70,282 |
| At 30 June 2024 | (25,950,827) | (60,037,089) | (30,458,925) | (27,889,715) | - | (144,336,556) |
| <i>Accumulated impairment</i> | | | | | | |
| At 1 January 2024 | (2,881,942) | (2,975,603) | (2,115,974) | (853,216) | (151,072) | (8,977,807) |
| Transfer to property, plant and equipment (transfer of impairment losses) | (17,800) | (15,361) | (11,735) | (3,647) | 48,543 | - |
| Depreciation charge | 120,144 | 210,920 | 129,059 | 46,564 | - | 506,687 |
| Disposals | 3 | 70 | 183 | 10 | - | 266 |
| At 30 June 2024 | (2,779,595) | (2,779,974) | (1,998,467) | (810,289) | (102,529) | (8,470,854) |
| Depreciation (including depreciation of impairment) | (1,203,394) | (2,143,236) | (1,235,938) | (1,479,983) | - | (6,062,551) |
| <i>Net book value</i> | | | | | | |
| At 1 January 2024 | 29,732,214 | 30,954,302 | 22,877,028 | 20,185,706 | 5,151,924 | 108,901,174 |
| At 30 June 2024 | 29,973,667 | 30,898,538 | 22,987,989 | 20,088,399 | 6,642,961 | 110,591,554 |

12 Property, plant and equipment (continued)

As at 30 June 2024 advance payments for property, plant and equipment include in construction in progress in the amount of RUB 460,852 thousand (as at 31 December 2023: RUB 144,660 thousand), also materials for the construction of property, plant and equipment in the amount RUB of 2,209,132 thousand (as at 31 December 2023: RUB 1,791,085 thousand).

For the six months ended 30 June 2024 capitalized interest amount to RUB 184,316 thousand (for the six months ended 30 June 2023: RUB 91,439 thousand), the capitalization rate used to determine the amount of borrowing costs to be capitalized was 16.56% - 17.76% during the year (for the six months ended 30 June 2023: 7.68% - 8.76%).

For the six months ended 30 June 2024 depreciation charges in the amount of RUB 3,887 thousand were capitalized in the cost of capital construction facilities (including depreciation charges of property, plant and equipment – RUB 2,573 thousand, of right-of-use assets – RUB 13 thousand, intangible assets – RUB 1,301 thousand). For the six months ended 30 June 2023 depreciation charges in the amount of RUB 8,411 thousand were capitalized in the cost of capital construction facilities (including depreciation charges of property, plant and equipment – RUB 6,967 thousand, of right-of-use assets – RUB 1,444 thousand).

As at 30 June 2024 the initial cost of fully amortized property plant and equipment was RUB 46,189,742 thousand (as at 31 December 2023: RUB 38,850,455 thousand).

13 Intangible assets

| | Software | R&D | Other intangible assets | Total |
|---------------------------------|--------------------|---------------|----------------------------|--------------------|
| <i>Initial costs</i> | | | | |
| At 1 January 2023 | 3,431,103 | 59,449 | 1,549,607 | 5,040,159 |
| Additions | 108,457 | 6,853 | 40,756 | 156,066 |
| At 30 June 2023 | 3,539,560 | 66,302 | 1,590,363 | 5,196,225 |
| <i>Accumulated amortization</i> | | | | |
| At 1 January 2023 | (2,054,457) | - | (534,026) | (2,588,483) |
| Amortization charge | (129,876) | - | (39,499) | (169,375) |
| At 30 June 2023 | (2,184,333) | - | (573,525) | (2,757,858) |
| <i>Net book value</i> | | | | |
| At 1 January 2023 | 1,376,646 | 59,449 | 1,015,581 | 2,451,676 |
| At 30 June 2023 | 1,355,227 | 66,302 | 1,016,838 | 2,438,367 |
| <i>Initial costs</i> | | | | |
| At 1 January 2024 | 4,328,555 | 75,476 | 1,918,481 | 6,322,512 |
| Reclassification between groups | 521,640 | (295) | (521,345) | - |
| Additions | 137,894 | - | 19,889 | 157,783 |
| Acquisition of subsidiaries | - | - | 161,092 | 161,092 |
| Disposals | (3,540,340) | (15,888) | (105,351) | (3,661,579) |
| At 30 June 2024 | 1,447,749 | 59,293 | 1,472,766 | 2,979,808 |
| <i>Accumulated amortization</i> | | | | |
| At 1 January 2024 | (2,457,107) | - | (611,922) | (3,069,029) |
| Reclassification between groups | (57,607) | - | 57,607 | - |
| Amortization charge | (57,600) | - | (29,337) | (86,937) |
| Disposals | 2,460,762 | - | 104,711 | 2,565,473 |
| At 30 June 2024 | (111,552) | - | (478,941) | (590,493) |
| <i>Net book value</i> | | | | |
| At 1 January 2024 | 1,871,448 | 75,476 | 1,306,559 | 3,253,483 |
| At 30 June 2024 | 1,336,197 | 59,293 | 993,825 | 2,389,315 |

Amortization of intangible assets included in operating expenses in consolidated statement of profit or loss and other comprehensive income is RUB 85,636 thousand (for the six months ended 30 June 2023: RUB 169,375 thousand).

Intangible assets are amortized on a straight-line basis.

The Group conducted an analysis of intangible assets and found that some of the objects (foreign software, and software equivalent to foreign software, not included in the register of domestic software approved by the Ministry of Digital Development, Communications and Mass Media of the Russian Federation, due to restrictions imposed by legislation on the use of foreign software on critical infrastructure facilities and the need for its replacement with domestic analogues is not controlled by the group in the short term, it has no useful potential in the future, and therefore is subject to disposal for IFRS purposes. The corresponding expense in the amount of RUB 613,053 thousand. It was recognized for the three and six months ended 30 June 2024. Other disposal of intangible assets occurred due to the revaluation of the use of facilities that are not able to bring economic benefits as a result of their use in production activities.

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

13 Intangible assets (continued)

Intangible assets in the subgroup “Other intangible assets”, the Group included the right to charge users of electricity transmission services under the “Concession agreement regarding the financing, creation and operation of electric energy transmission and distribution facilities in the Tambov Region”. This agreement provides for the construction by the Group of facilities for the transmission and distribution of electricity in the Tambov region and the provision of services for the transmission, distribution of electricity and technological connection using the facilities of the concession agreement. The ownership of the constructed facilities belongs to the Tambov region, and the Group receives the right possession and use of objects for use in the specified activity. The concession agreement was concluded in 2015 for 20 years. A concession agreement may be amended or terminated by agreement of the parties in the manner and in the cases provided for by law, upon the expiration of the validity period, as well as on the basis of a court decision. The objects of the concession agreement shall be included in the planning document for the privatization of property for a period corresponding to the expiration of the concession agreement. Moreover, the Group has a preemptive right to repurchase these objects.

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

The residual value of the intangible assets of the concession agreement as at 30 June 2024 in the amount of RUB 631,458 thousand (in the amount of RUB 658,889 thousand as at 31 December 2023). For the six months ended 30 June 2024 depreciation was accrued on the objects of the concession agreement in the amount of RUB 27,431 thousand (for the six months ended 30 June 2023: RUB 27,431 thousand).

14 Right-of-use assets

| | Land and buildings | Electricity transmission networks | Equipment for electricity transmission | Other | Total |
|--|-------------------------------|--|---|------------------|------------------|
| <i>Initial cost</i> | | | | | |
| At 1 January 2023 | 4,097,776 | 708,939 | 818,580 | 1,240,608 | 6,865,903 |
| Additions | 145,092 | 9,536 | 11,572 | 27,832 | 194,032 |
| Changes in lease terms | 42,809 | 12,137 | 22,082 | 1 | 77,029 |
| Disposal or termination of lease agreements | (2,611) | (608) | (16,297) | (1) | (19,517) |
| At 30 June 2023 | 4,283,066 | 730,004 | 835,937 | 1,268,440 | 7,117,447 |
| <i>Accumulated depreciation</i> | | | | | |
| At 1 January 2023 | (373,868) | (87,073) | (95,584) | (71,947) | (628,472) |
| Depreciation charge | (149,487) | (42,900) | (45,843) | (25,747) | (263,977) |
| Changes in lease terms | 100 | 804 | 28 | - | 932 |
| Disposal or termination of lease agreements | 2,417 | 609 | 11,761 | 1 | 14,788 |
| At 30 June 2023 | (520,838) | (128,560) | (129,638) | (97,693) | (876,729) |
| <i>Net book value</i> | | | | | |
| At 1 January 2023 | 3,723,908 | 621,866 | 722,996 | 1,168,661 | 6,237,431 |
| At 30 June 2023 | 3,762,228 | 601,444 | 706,299 | 1,170,747 | 6,240,718 |

14 Right-of-use assets (continued)

| | Land and buildings | Electricity transmission networks | Equipment for electricity transmission | Other | Total |
|---|-------------------------------|--|---|------------------|--------------------|
| <i>Initial cost</i> | | | | | |
| At 1 January 2024 | 4,269,293 | 697,648 | 865,006 | 2,678,123 | 8,510,070 |
| Additions | 197,303 | 93,320 | 22,913 | 234 | 313,770 |
| Change in lease terms | (94,913) | (500) | (36,642) | 636 | (131,419) |
| Disposal or termination of lease agreements | (17,158) | (8,384) | (4,207) | - | (29,749) |
| At 30 June 2024 | 4,354,525 | 782,084 | 847,070 | 2,678,993 | 8,662,672 |
| <i>Accumulated depreciation</i> | | | | | |
| At 1 January 2024 | (660,989) | (150,228) | (171,167) | (162,583) | (1,144,967) |
| Depreciation charge | (148,679) | (43,617) | (44,491) | (50,380) | (287,167) |
| Disposal or termination of lease agreements | 2,719 | 3,642 | 515 | - | 6,876 |
| At 30 June 2024 | (806,949) | (190,203) | (215,143) | (212,963) | (1,425,258) |
| <i>Net book value</i> | | | | | |
| At 1 January 2024 | 3,608,304 | 547,420 | 693,839 | 2,515,540 | 7,365,103 |
| At 30 June 2024 | 3,547,576 | 591,881 | 631,927 | 2,466,030 | 7,237,414 |

15 Other financial assets

| | 30 June 2024 | 31 December 2023 |
|---|---------------------|-------------------------|
| Non-current | | |
| Financial assets at fair value through other comprehensive income | 141,410 | 146,247 |
| | 141,410 | 146,247 |

Non-current financial assets include shares of Russian companies with a fair value calculated on the basis of published market quotations equal to RUB 141,410 thousand as at 30 June 2024 (as at 31 December 2023: RUB 146,247 thousand).

16 Trade and other receivables

| | <u>30 June 2024</u> | <u>31 December 2023</u> |
|---|-------------------------|--------------------------|
| Non-current trade and other account receivables | | |
| Trade receivables | 955,417 | 1,089,939 |
| Allowance for expected credit losses on trade receivables | (36,579) | (57,798) |
| Other receivables | 267,832 | 291,557 |
| Allowance for expected credit losses on other receivables | - | (360) |
| Total financial assets | <u>1,186,670</u> | <u>1,323,338</u> |
| Current trade and other account receivables | | |
| Trade receivables | 12,333,003 | 14,915,869 |
| Allowance for expected credit losses on trade receivables | (3,442,443) | (4,552,110) |
| Other receivables | 2,262,180 | 2,558,785 |
| Allowance for expected credit losses on other receivables | (1,486,059) | (1,700,334) |
| Total financial assets | <u>9,666,681</u> | <u>11,222,210</u> |

Balances with related parties are disclosed in Note 29.

17 Advances given and other assets

| | <u>30 June 2024</u> | <u>31 December 2023</u> |
|---|-------------------------|-------------------------|
| Non-current | | |
| Advances given | 1,327 | 4,784 |
| | <u>1,327</u> | <u>4,784</u> |
| Current | | |
| Advances given | 414,680 | 684,021 |
| Advances given impairment allowance | (25,077) | (25,155) |
| VAT recoverable | 1,688 | 22,218 |
| VAT on advances received and VAT on advances given for the purchase of property plant and equipment | 2,077,969 | 1,703,963 |
| Prepaid taxes other than income tax | 243,305 | 179,225 |
| | <u>2,712,565</u> | <u>2,564,272</u> |

Balance with related parties is disclosed in Note 29.

18 Cash and cash equivalents

| | 30 June 2024 | 31 December 2023 |
|--|---------------------|-------------------------|
| Cash in bank accounts and cash on hand | 4,023,789 | 6,148,566 |
| Cash equivalents | 6,293,065 | 1,661,263 |
| | 10,316,854 | 7,809,829 |

All balance of cash and cash equivalents are denominated in rubles as at 30 June 2024 and 31 December 2023.

Cash equivalents as at 30 June 2024 and 31 December 2023 include short-term investments in bank deposits and promissory notes. They are placed at interest rates of 13.80% - 16.40% per annum as at 30 June 2024 (16.03 % - 16.25% per annum as at 31 December 2023).

19 Equity

(a) Equity

| | Ordinary shares | |
|--|------------------------|-------------------------|
| | 30 June 2024 | 31 December 2023 |
| Par value (in RUB) | 0.10 | 0.10 |
| On issue at the beginning of the period, units | 42,217,941,468 | 42,217,941,468 |
| On issue at the end of the period, fully paid, units | 42,217,941,468 | 42,217,941,468 |

(b) Dividends

The source of payment of dividends is the net profit of the Company, determined in accordance with the requirements established by the current legislation of the Russian Federation.

At the annual general meeting of shareholders held on 09 June 2023 dividends for 2022 were declared in the amount of RUB 473,263 thousand. The amount of dividends was RUB 0.01121 per one ordinary share of the Company in cash.

At the annual general meeting of shareholders held on 20 June 2024 dividends for 2023 were declared in the amount of RUB 2,795,250 thousand. The amount of dividends was RUB 0.06621 per one ordinary share of the Company in cash.

At the same time, for the six months ended 30 June 2024, the Company restored unclaimed dividends for 2020 in the amount of RUB 13,605 thousand (for the six months ended 30 June 2023: the company did not restore unclaimed dividends for 2019).

For the six months ended 30 June 2024 the dividends paid to the owners of the company amounted to RUB 457 thousand (for the six months ended 30 June 2023 – RUB 1,398,625 thousand).

20 Earnings per share

The calculation of earnings per share for the six months ended 30 June 2024 and for the six months ended 30 June 2023 is based on earnings attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding.

The Company has no dilutive financial instruments.

| | <u>For the three months ended 30 June</u> | | <u>For the six months ended 30 June</u> | |
|---|---|---------------|---|---------------|
| | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> |
| <i>In millions of shares</i> | | | | |
| Ordinary shares at 1 January | 42,218 | 42,218 | 42,218 | 42,218 |
| Weighted average number of shares for the reporting period | 42,218 | 42,218 | 42,218 | 42,218 |
| Weighted average number of ordinary shares outstanding, for the reporting period (millions of shares) | 42,218 | 42,218 | 42,218 | 42,218 |
| Earnings for the year attributable to holders of ordinary shares | 1,536,641 | 1,971,392 | 4,007,976 | 5,772,911 |
| Earnings per ordinary share (in RUB) – basic and diluted | 0.036 | 0.047 | 0.095 | 0.137 |

21 Borrowed funds

| | <u>30 June 2024</u> | <u>31 December 2023</u> |
|---|---------------------|-------------------------|
| Non-current liabilities | | |
| Unsecured loans and borrowings | 32,768,120 | 35,320,412 |
| Unsecured bonds | 5,064,800 | 2,962,343 |
| Lease liabilities | 6,874,588 | 7,160,980 |
| Less: current portion of long-term loans and borrowings | (3,559,594) | (10,845,305) |
| Less: current portion of long-term bonds | (64,800) | (30,544) |
| Less: current portion of long-term lease liabilities | (1,001,172) | (907,437) |
| | 40,081,942 | 33,660,449 |
| Current liabilities | | |
| Current portion of long-term loans and borrowings | 3,559,594 | 10,845,305 |
| Current portion of long-term bonds | 64,800 | 30,544 |
| Current portion of long-term lease liabilities | 1,001,172 | 907,437 |
| | 4,625,566 | 11,783,286 |
| Including: | | |
| Debts on interest payable on loans and borrowings | 17,810 | 34,962 |
| Debts on interest payable on bonds | 64,800 | 30,544 |
| | 82,610 | 65,506 |

All balances of loans and borrowings are denominated in rubles as at 30 June 2024 and 31 December 2023.

21 Borrowed funds (continued)

For the six months ended 30 June 2024 the Group attracted the following bank loans:

| | <u>Year of maturity</u> | <u>Nominal interest rate</u> | <u>Nominal value</u> |
|----------------------|-------------------------|------------------------------|----------------------|
| Unsecured bank loans | 2024 - 2027 | KR+2.30%-KR+2.65% | 5,252,775 |
| | | | <u>5,252,775</u> |

For the six months ended 30 June 2024, the Group has attracted the following significant bonds:

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

For the six months ended 30 June 2024 the Group repaid the following significant bank loans:

| | <u>Nominal value</u> |
|----------------------|----------------------|
| Unsecured bank loans | 7,904,429 |
| | <u>7,904,429</u> |

Information about operations and balances with related parties is disclosed in Note 29.

22 Trade and other payables

| | <u>30 June 2024</u> | <u>31 December 2023</u> |
|-------------------------------------|---------------------|-------------------------|
| Non-current accounts payable | | |
| Trade payables | 41,771 | 60,855 |
| Other payables | 64 | - |
| | <u>41,835</u> | <u>60,855</u> |
| Current accounts payable | | |
| Trade payables | 8,858,562 | 13,024,547 |
| Other payables and accrued expenses | 2,906,346 | 1,587,881 |
| Payables to employees | 3,554,238 | 3,433,906 |
| Dividends payable | 2,921,130 | 138,472 |
| | <u>18,240,276</u> | <u>18,184,806</u> |

23 Tax liabilities other than income tax

| | 30 June 2024 | 31 December 2023 |
|-------------------------------|---------------------|-------------------------|
| Value-added tax | 2,148,159 | 1,963,318 |
| Property tax | 340,218 | 356,195 |
| Social security contributions | 615,281 | 1,104,287 |
| Other taxes payable | 223,624 | 186,660 |
| | 3,327,282 | 3,610,460 |

24 Advances from customers

Advances from customers (contractual obligations) as at 30 June 2024 and 31 December 2023 are reflected, including VAT.

| | 30 June 2024 | 31 December 2023 |
|---|---------------------|-------------------------|
| Non-current | | |
| Advances for services of technological connection to electric grids | 4,628,052 | 3,981,315 |
| Advances from customers | 63,516 | 59,600 |
| | 4,691,568 | 4,040,915 |
| Current | | |
| Advances for services of technological connection to electric grids | 6,037,658 | 4,892,790 |
| Advances from customers | 1,335,111 | 1,197,670 |
| | 7,372,769 | 6,090,460 |

Balance with related parties is disclosed in Note 29.

25 Provisions

| | For the six months ended 30 June | |
|------------------------------------|---|------------------|
| | 2024 | 2023 |
| Balance on 1 January | 3,020,430 | 2,936,336 |
| Accrual (increase) for the period | 171,045 | 719,892 |
| Recovery (decrease) for the period | (246,319) | (540,485) |
| Use of provisions | (499,633) | (1,069,940) |
| Balance on 30 June | 2,445,523 | 2,045,803 |

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

26 Financial risk and capital management

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

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

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

The amount of free limit on open but unused credit lines of the Group was RUB 126,731,318 thousand as at 30 June 2024 (31 December 2023: RUB 135,219,665 thousand). The Group has opportunity to attract additional financing within the corresponding limits, including for the purpose of execution of the short-term obligations.

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

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

| | For the six months ended 30 June 2024 | For the six months ended 30 June 2023 |
|---|--|--|
| Balance at 1 January | 6,310,602 | 5,962,810 |
| Increase for the period | 183,982 | 125,778 |
| Amounts of trade and other receivables written off using the allowance for impairment accrued earlier | (672,363) | (301,267) |
| Reversal of allowance for impairment for the period | (857,140) | (461,597) |
| Balance at 30 June | 4,965,081 | 5,325,724 |

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

For the six months ended 30 June 2024 there were no transfers between levels of the fair value hierarchy.

26 Financial risk and capital management (continued)

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

| | Financial assets at fair value through other comprehensive income |
|---|--|
| At 1 January 2024 | 146,247 |
| Change in fair value recognized in other comprehensive income | (4,837) |
| At 30 June 2024 | 141,410 |

27 Capital commitments

As at 30 June 2024, the Group has outstanding commitments under contract for the purchase and construction of property, plant and equipment items for RUB 14,577,143 thousand inclusive of VAT (as at 31 December 2023: RUB 8,477,331 thousand inclusive of VAT).

Future lease payments under lease agreements for which the Group has contractual obligations and the lease term has not yet begun at the reporting date amount to RUB 25,181 thousand, inclusive of VAT, as at 30 June 2024 (as at 31 December 2023: RUB 25,181 thousand inclusive of VAT).

28 Contingencies

(a) Insurance

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

(b) Taxation contingencies

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

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

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

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

28 Contingencies (continued)

(c) Litigations

The Group is a party to a number of litigations (both as a plaintiff and as respondent) arising in the ordinary course of business. The probability of an unfavorable outcome in relation to lawsuits amounted to RUB 176 million as at 30 June 2024 (as at 31 December 2023 amounted to RUB 187 million), is not high. In the opinion of Management, there are currently no other outstanding claims or other claims that could have a material impact on the Group’s results of operations or financial position and would not be recognized or disclosed in the consolidated financial statements.

(d) Environmental matters

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

29 Related party transactions

(a) Control relationships

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

The related parties of the Group for the six months ended 30 June 2024 and 30 June 2023, as well as at 30 June 2024 and 31 December 2023, were the parent company, its subsidiaries, key management personnel, as well as companies related to the main shareholder of the parent company.

(b) Transactions with parent company, its subsidiaries and associates

| | Amount of the transaction | | | | Carrying amount | |
|--|------------------------------------|---------|----------------------------------|---------|-----------------|------------------|
| | For the three months ended 30 June | | For the six months ended 30 June | | 30 June 2024 | 31 December 2023 |
| | 2024 | 2023 | 2024 | 2023 | | |
| Revenue, net other income | | | | | | |
| Parent company | | | | | | |
| Other revenue | 1,286 | 1,294 | 2,570 | 2,636 | 455 | 453 |
| Entities under common control of the parent company | | | | | | |
| Electricity transmission revenue | 482,124 | 380,222 | 923,338 | 794,994 | 209,099 | 180,658 |
| Other revenue | 220,909 | 574,349 | 422,677 | 773,099 | 168,292* | 544,976* |
| Dividends receivable | 155 | 8 | 155 | 8 | 155 | - |
| Other | 15,940 | 343 | 16,894 | 38,432 | - | - |

29 Related party transactions (continued)

| | Amount of the transaction | | | | Carrying amount | |
|---|------------------------------------|-----------|----------------------------------|------------|-----------------|------------------|
| | For the three months ended 30 June | | For the six months ended 30 June | | 30 June 2024 | 31 December 2023 |
| | 2024 | 2023 | 2024 | 2023 | | |
| Operating expenses, finance costs | | | | | | |
| Parent company | | | | | | |
| Technical supervision services | 13,088 | 13,088 | 26,176 | 26,176 | - | - |
| Electricity transmission services | 5,350,699 | 5,121,298 | 10,847,955 | 10,145,693 | 1,064,854 | 1,050,869 |
| Other expenses | 11,676 | 8,974 | 21,946 | 12,880 | 109,359 | 543 |
| Dividends | 1,416,805 | 239,879 | 1,416,805 | 239,879 | 1,416,805 | - |
| Entities under common control of the parent company | | | | | | |
| Other expenses | 244,763 | 193,354 | 466,253 | 376,675 | 1,525,257 | 1,859,206 |
| Interest expenses on financial liabilities recorded at amortized cost | - | 24,512 | - | 48,755 | - | - |
| Other | - | - | - | - | 878,000 | 878,000 |

* Accounts receivable for other revenue includes an allowance for expected credit losses created for the debt of companies under the general control of the parent company as at 30 June 2024 in the amount of RUB 217,662 thousand (as at 31 December 2023: in the amount of RUB 217,662 thousand).

| | Carrying amount | |
|--|-----------------|------------------|
| | 30 June 2024 | 31 December 2023 |
| Parent company | | |
| Advances given | 17,787 | 13,763 |
| Advances received | 29,817 | 29,817 |
| Borrowed funds | 3,961,629 | 3,845,115 |
| Entities under common control of the parent company | | |
| Advances given | 1,451 | 3,131 |
| Advances received | 1,852 | 38,806 |

The debt to the parent company for the payment of dividends as at 30 June 2024 amounted to RUB 1,416,805 thousand (as at 31 December 2023: is absent).

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

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

29 Related party transactions (continued)

Revenue from companies related to the main shareholder of the parent company, including the municipal branch of government, amounted to 30% and 31% of the Group's total revenue for the three and six months ended 30 June 2024 (for the three and six months ended 30 June 2023: 31% and 32%), including 30% and 30% of the Group's electricity transmission revenue for the three and six months ended 30 June 2024 (for the three and six months ended 30 June 2023: 30% and 31%).

Electricity transmission costs and expenses for the purchase of electricity to compensate for technological losses, for companies related to the main shareholder of the parent company amounted to 80% and 80% of the total transmission costs and compensation for losses for the three and six months ended 30 June 2024 (for the three and six months ended 30 June 2023: 78% and 78%).

Interest accrued on loans and borrowings from banks related to the main shareholder of the parent company for the three and six months ended 30 June 2024 amounted to 90% and 84% of the total amount of accrued interest (for the three and six months ended 30 June 2023: 93% and 91%).

As at 30 June 2024 loans from banks related to the main shareholder of the parent company amounted to RUB 27,804,655 thousand (as at 31 December 2023: RUB 30,322,996 thousand).

As at 30 June 2024 the balance of cash and cash equivalents placed with banks associated with the main shareholder of the parent company amounted to RUB 8,608,381 thousand (as at 31 December 2023: RUB 7,478,809 thousand).

As at 30 June 2024 lease arrears for companies related to the main shareholder of the parent company amounted to RUB 6,394,838 thousand, including debt under leasing agreements (as at 31 December 2023 RUB 6,880,246 thousand, including debt under leasing agreements).

(d) Transaction with key management personnel

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

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

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

| | For the three months ended 30 June | | For the six months ended 30 June | |
|------------------------------|---|---------------|---|----------------|
| | 2024 | 2023 | 2024 | 2023 |
| Short-term employee benefits | 45,570 | 85,894 | 91,895 | 162,764 |
| Severance payment | - | 2,602 | - | 2,602 |
| | 45,570 | 88,496 | 91,895 | 165,366 |

As at 30 June 2024, the current value of the defined benefit obligation is shown in the interim condensed consolidated statement of financial position and includes liabilities for key management personnel in the amount RUB 1,853 thousand (as at 31 December 2023: RUB 2,071 thousand).

30 Events after the reporting date

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

30 Events after the reporting date (continued)

The application of this law will result in a change in deferred tax assets, deferred tax liabilities and income tax expenses in the consolidated financial statements for the reporting year: deferred tax assets and liabilities as at 31 December 2024 will be assessed using the new applicable tax rate.

On 26 July 2024, the Group acquired ownership of 50.00003% of the ordinary registered undocumented shares of the associated company by sending a mandatory offer to the company's shareholders provided for in Article 84.2 of the Federal Law “On Joint Stock Companies”. The purchase price of the acquired share of shares was determined as RUB 750,001 thousand and paid in cash. Thus, the effective ownership share of the Group in this company after the completion of the transaction was 100%.

On 05 July and 16 August 2024, the Group concluded loan agreements for a period of five years for a total amount of RUB 48,900,000 thousand at rates not exceeding the value calculated as the Key Rate of the Bank of Russia, increased by 6.455% per annum.