

**FY2023 revenues of the Group totaled RUB 106,103 million (+RUB 16,909 million or 19.0%), incl.:**

- A RUB 13,705 million increase of revenues from electricity transmission is affected by grown transmission rates and 2023 net supply
- A RUB 1,027 million increase of revenues from connection is affected by various groups of applicants and structure of concluded contracts
- A RUB 3,563 million increase of revenues from electricity sales is affected by grown tariffs and electricity consumption
- A RUB 241 million increase of other revenues is affected by the progress in activities and conclusion of additional contracts

Net/EBITDA as of 31.12.2023 is lower than Net/EBITDA as of 31.12.2022 due to increased EBITDA. Current liquidity ratio as of 31.12.2023 is higher than Current liquidity ratio as of 31.12.2022 due to decreased ST liabilities as of 31.12.2023. Financial leverage as of 31.12.2023 is higher than Financial leverage as of 31.12.2022 due to grown equity. Share of LT loans as of 31.12.2023 is higher than share of LT loans as of 31.12.2022 due to the increased volume of LT loans and borrowings on the back of slightly increased debt. Net cash flow in 2023 is positive. Net cash flow in 2023 is higher than Net cash flow in 2022, affected by grown net cash flows from operating activities.

FY2023 operating expenses totaled RUB 93,202 million (+RUB 8,499 million YoY). The key growth factors are increased expenses on electricity transmission, on loss compensation, on purchased electricity for sale and on personnel. We recognized a RUB 166 million gain in expected credit loss provision in 2023 as a result of recovery of bad debt reserve due to debt repayment by the debtor.

Net other income in 2023 totaled RUB 1,419 million (+RUB 435 million YoY). Other operating revenues include gains from uncontracted consumption, from loss compensation due retirement/liquidation of grid assets, gains from fines, penalties and forfeits, writing-off of payables and insurance indemnity.

FY2023 net income of the Group totaled RUB 11,855 million (+RUB 7,579 million YoY), the increase affected by positive growth of operating profit stemming from increased revenues from electricity transmission and other income. FY2023 EBITDA includes volumes of discontinued operations and totaled RUB 24,703 million (+RUB 8,770 million YoY). Exceedance of revenues over operating expenses and additional other revenues contributed the most to the indicator's growth.

Metric	2021	2022	2023	2023/2022, %
Net Debt/EBITDA**	1.14	1.25	0.82	-34%
Current liquidity ratio**	0.49	0.48	0.77	60%
Financial leverage**	0.92	1.05	0.88	-16%
Share of LT loans**	0.60	0.58	0.94	62%
Net cash flow**, RUB million	2,116	1,661	2,390	44%

\* Calculations in the table above use consolidated financial statements prepared under IFRS. FY2022 and FY2023 include discontinued operations for comparative purposes, based on the IFRS statements.

## TARIFF POLICY

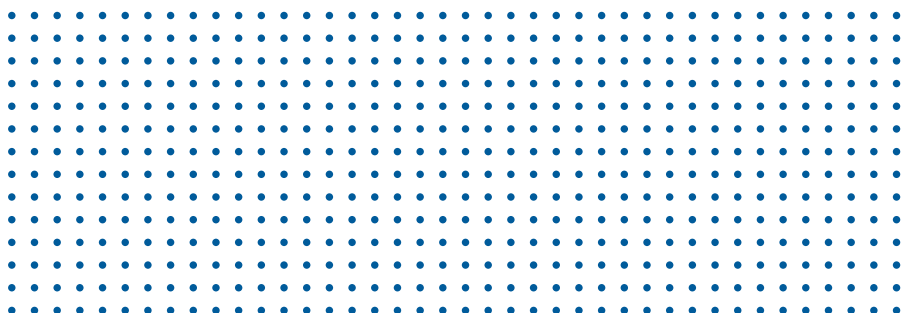
### Electricity transmission tariffs

Permenergo	Index	5 years (2023-2027)
Sverdlovenenergo	RAB	13 years (2011-2023)
Chelyabenergo	Index	5 years (2023-2027)

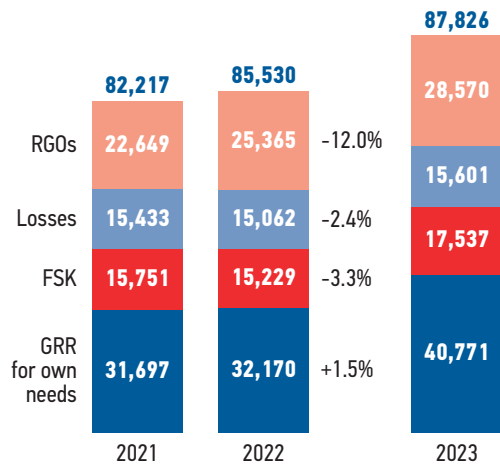
In 2023, the regulators applied the return on invested capital method (RAB) to Sverdlovenenergo and method of long-term indexation of the gross revenue requirement (INDEX) to Permenergo and Chelyabenergo.

Uniform ("pie") tariffs comprise expenses of all grid companies operating in the region to be annually prescribed for the next year during the long-term regulation period. Pursuant to existing tariff regulation laws, a gross revenue requirement is subject to annual fine-tuning, adjusted for changed real and target calculations, executed investment program and achieved reliability and quality of service indicators. Uniform ("pie") electricity transmission tariffs to be enforced in 2023 were approved by the tariff decisions of the relevant regional regulators<sup>13-15</sup>.

Uniform ("pie") electricity transmission tariffs for 2023 were set by the regulators with exceedance of FAS-approved threshold levels of tariffs.



### PAO Rosseti Ural's GRR composition and its YoY changes



Information hereof complies with the 2021-2023 tariff model, used by the regulators in setting of the 2021-2023 tariffs for electricity transmission



### Key factors that changed the “pie” gross revenue requirement in 2023, RUB million

Branch	2021	2022	2023	2023/2022, %	Explanations on 2023/2022 changes
<b>Permenergo</b>					
Electricity transmission GRR approved in the tariffs, incl:	22,738	23,351	27,225	116.59%	Growth of unified (pie) tariffs
· GRR for own needs	10,544	10,713	13,675	127.65%	
· UNES services	3,376	3,521	3,835	108.92%	Growth of UNES tariffs
· Loss compensation	5,164	5,224	4,476	85.68%	Growth of loss purchase price
· Payments to RGOs (in line with the contracts)	3,654	3,893	5,239	134.57%	Growth of individual tariffs for RGOs
<b>Sverdlovenargo</b>					
Electricity transmission GRR approved in the tariffs, incl:	39,332	40,027	48,050	120.04%	Growth of unified (pie) tariffs
· GRR for own needs	11,868	11,923	16,229	136.12%	
· UNES services	7,833	7,869	9,282	117.96%	Reduction of contracted capacity of UNES services
· Loss compensation	5,214	5,189	6,088	117.33%	Reduction of forecast supply
· Payments to RGOs (in line with the contracts)	14,417	15,046	16,451	109.34%	Growth of individual tariffs for RGOs
<b>Chelyabenergo</b>					
Electricity transmission GRR approved in the tariffs, incl:	23,460	24,448	27,204	111.27%	Growth of unified (pie) tariffs
· GRR for own needs	9,285	9,534	10,867	113.98%	
· UNES services	4,542	3,839	4,420	115.13%	Reduction of contracted capacity of UNES services
· Loss compensation	5,055	4,649	5,037	108.35%	
· Payments to RGOs (in line with the contracts)	4,578	6,426	6,880	107.07%	Creation of a new RGO in the Chelyabinsk region by AO EESK using OOO AES Invest's property (transferred from Chelyabenergo branch to retain the loss norms within the “pie” of the Chelyabinsk region)

### Analysis of revisions of the average electricity transmission tariff (adjusted for net supply on generator voltage level), RUB/ kWh\*

Branch	2021	2022	2023
Permenergo	1.482	1.522	1.774
Sverdlovenargo	1.402	1.449	1.772
Chelyabenergo	1.516	1.559	1.742
<b>Total</b>	<b>1.453</b>	<b>1.497</b>	<b>1.765</b>
Growth, %	3.6%	3.1%	17.9%

Information hereof complies with the 2021-2023 tariff model, used by the regulators in setting of the 2021-2023 tariffs for electricity transmission

## Technological connection fee

Pursuant to the Guidelines<sup>16</sup> the regulators of the Perm, Sverdlovsk and Chelyabinsk regions have set the 2023 standardized tariff rates, privileged connection rates per 1 kW capacity and connection fee formulas. 2023 connection rates are approved by the regional regulators<sup>17-21</sup>.

The table on the right shows rates for individuals with maximum 0-15 kW capacity inclusive (incl. previously connected capacity at the point) to be connected to 0-0.4 kV grid facilities, provided that the distance between the boundaries of an applicant's land plot and nearest grid facilities of required voltage, owned by the gridco to which an applicant submitted its request, does not exceed 300 m in urban areas (cities and small towns) and 500 m in rural areas and microgeneration facilities

Region	Rate, incl. VAT
Perm region	Since 01.01.2023 RUB 3,192 per kW
Perm region	Since 01.06.2023 RUB 7,000 per kW
Sverdlovsk region	RUB 7,000 per kW
Chelyabinsk region	RUB 5,423.11 per kW

Besides, the connection fee for underprivileged citizenry (low-income citizens, veterans, disabled people, etc.), provided that the distance between the boundaries of an applicant's land plot and facilities of 0-0.4 kW voltage, owned by the gridco to which an applicant submitted its request, does not exceed 300 m in urban areas (cities and small towns) and 500 m in rural areas, was set at RUB 1,064 / kW (incl. VAT)

On the whole, increased 2023 average connection cost per maximum capacity unit, compared to 2022, was due to reduced connected capacity and increased physical volume of construction per capacity unit as well as indexation of standardized tariff rates for grid facilities construction. The primary factor of grown average rate S1 (arrangement and technical activities per one contract) is indexation of its components.

Besides, the regulators approved fees for connection to the Company's networks under individual project, the cost computed with the use of approved standardized tariff rates pursuant to the guidelines. All in all, there were 11 resolutions on setting individual rates worth RUB 908 million.

## Tariffs for electricity transmission and connection services

Indicator	2021	2022	2023	2023/2022, %
Electricity transmission GRR approved in the tariffs, RUB million, incl:	85,530	87,826	102,479	116.68%
GRR for own needs, RUB million	31,697	32,170	40,771	126.74%
Payments to PAO Rosseti, RUB million	15,751	15,229	17,537	115.16%
Loss compensation, RUB million	15,433	15,062	15,601	103.58%
Payments to RGOs (in line with the contracts), RUB million	22,649	25,365	28,570	112.64%
"Pie" net supply, Million kWh	58,868	58,660	58,072	99.00%
Average transmission tariff (breakdown by branches), RUB/kWh	1.453	1.497	1.765	117.87%
Average connection fee per capacity unit, RUB/kW	3,362	4,230	5,608	132.57%

## Standardized tariff rates to cover expenses related to connection of consumers' equipment, grid facilities owned by gridcos and other entities, in line with clauses 16a&b of the FAS Guidelines, RUB per one connection

Branch	2021	2022	2023	2023/2022, %
<b>Permenergo</b>				
For instances, stipulated by para. 6 of clause 24 of the FAS Guidelines	20,230.00	8,384.00	9,097.00	108.5%
For instances that are not covered by para. 6 of clause 24 of the FAS Guidelines		8,694.00	9,494.00	109.2%
<b>Sverdlovenergo</b>				
For instances, stipulated by para. 6 of clause 24 of the FAS Guidelines	15,434.00	11,519.00	13,255.00	115.1%
For instances that are not covered by para. 6 of clause 24 of the FAS Guidelines		17,843.00	20,715.00	116.1%
<b>Chelyabenergo</b>				
For instances, stipulated by para. 6 of clause 24 of the FAS Guidelines	13,164.35	13,895.86	14,729.61	106.0%
For instances that are not covered by para. 6 of clause 24 of the FAS Guidelines		13,730.42	14,554.24	106.0%