

DTEK Energy B.V.

Annual report

31 December 2024

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Directors' report

For the year ended 31 December 2024

DIRECTORS' REPORT

Introduction

The Directors of DTEK Energy B.V. (the "Company") present their report in order to disclose the results of the activity of the Company and its subsidiaries for the year ended 31 December 2024 and likely future development of the Company and its subsidiaries.

Principal activities

DTEK Energy B.V. (former DTEK Holdings B.V.) is a private limited liability company incorporated in the Netherlands on 16 April 2009. The Company was formed through the contribution by System Capital Management Limited (SCM Ltd.) and InvestCom Services Limited of their 100% equity interest in DTEK Holding Limited, a Cyprus registered entity and the predecessor of the Company. On 19 September 2014 the Company changed its parent company to DTEK GROUP B.V. Starting 12 April 2021 DTEK Energy B.V. is directly owned by DTEK ENERGY HOLDINGS B.V., a private limited liability company incorporated on this date, domiciled in the Netherlands and owned by DTEK GROUP B.V. (former DTEK B.V., hereinafter referred to as DTEK GROUP B.V.). The structure regime is not applicable to DTEK Energy B.V. as it does not meet the criteria set in Book 2 of the Dutch Civil Code.

The Company and its subsidiaries (together referred to as "the Group" or "DTEK Energy") are beneficially owned by Mr. Rinat Akhmetov through various entities commonly referred to as System Capital Management ("SCM") with ultimate parent being SCM Holdings Limited, Cyprus. Mr. Akhmetov has a number of other business interests outside of the Group.

The Company and its subsidiaries is a vertically integrated coal mining and power generating group. Its principal activities are coal mining for further supply to its power generating facilities and power generation in Ukraine. In 2024 the Group's coal mines and power generation plants are located in the Donetsk, Dnipropetrovsk, Lviv, Ivano-Frankivsk and Vinnitsya regions of Ukraine.

DTEK Energy is focused on achieving high quality of the work and on adherence to corporate standards, meeting its obligations, efficient use of natural resources and on protecting the environment.

DTEK Energy has Supervisory Board, that is in charge for strategic management and overseeing the activities of management. Supervisory Board meetings with management are held on a regular basis to discuss and review reports on business performance, financial results and implementation of tasks and decisions.

The Group is a corporate member of EURACOAL, an association of coal and lignite sector of Europe, and a business associate member of the Union of the Electricity Industry - Eurelectric, a sector association which represents the interests of the electricity industry at pan-European level and has affiliates and associates on several other continents.

Business overview

As explained in Note 2 of the accompanying consolidated financial statements, the political situation in Ukraine remained tense during 2022 till beginning 2025 following the Russian invasion of Ukraine on 24 February 2022 resulting in a full-scale military conflict across the Ukrainian state.

Escalating political tensions had an adverse effect on the Ukrainian financial markets, resulting in a hampering of ability of Ukrainian companies and banks to obtain funding from the international capital and loan markets. This has contributed to a further devaluation of the Hryvnia against major currencies in 2023-2024.

Ukrainian business located outside the main war zones started to show signs of recovery from April 2022. However, the situation continues to be tense, it has an impact not only on the Ukrainian but also on the international economy, and its further impact and duration is difficult to predict and quantify.

In October 2023 DTEK Energy obtained the consent from the bond holders to amend some limitations in relation to restricted payments (including distributions to shareholders) and minimum annual redemption and repurchase, restrictions on permissible business activities and limits for affiliate transactions, amount for reconstruction and development indebtedness.

In May 2023 DTEK Trading SA liquidation was approved and in July 2023 its status was changed to "in liquidation". As a result its name was changed to "DTEK Trading SA, en liquidation". In March 2025 DTEK Trading SA applied for deregistration from the Trade Register.

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In February 2024 a bankruptcy procedure of DTEK Skhidenergo LLC has commenced. On 28 October 2024 DTEK Skhidenergo LLC was declared by the court as a bankrupt and a liquidation procedure commenced. The court assigned a liquidator who took control over the entity from the Group. As a result of deconsolidation UAH 1,112 million gain was recognised (Note 29 of the accompanying consolidated financial statements).

Revenues

DTEK Energy consolidated revenues for the year ended 31 December 2024 amounted to UAH 57,756 million (2023: UAH 67,139 million). The decrease in revenue is mainly explained by decrease in electricity sales volume by UAH 18,142 million or 33% mainly as a result of missile attacks. This change was partially offset by increase in electricity tariff by 24% driven by the revision of price caps resulting in increase of revenue by UAH 8,031 million and growth of coal sales by UAH 709 million mainly due to 22% increase in quantity of coal sold, which was partially offset by decrease of prices by 16% (Note 2).

We refer to Note 6 of the accompanying Consolidated Financial Statements for description of the main reportable segment. DTEK Energy reports its business in one main segment «Coal mining and power generation». This segment operating assets are represented from the coal mining side by eight operating mines of DTEK Pavlogradugol PJSC, Belozerskaya Mine ALC and a number of coal enrichment plants; and from the power generation side – by two operating thermal power plants of DTEK Dniproenergo JSC and three operating thermal power plants of DTEK Westenergy JSC. DTEK Energy's share in the coal mining production in Ukraine in 2024 and 2023 was more than 50% (only Group's entities registered in Ukraine). Power generation business comprises the production and sale of electricity to the electricity market in Ukraine and on export. The total installed capacity of operating power generation units comprised 7,665 MW as at 31 December 2024. During the year ended 31 December 2024, coal mining and power generation segment revenue was UAH 57,756 million, representing 100% of consolidated revenue for the period.

Revenues concentration by customers, exceeding 10% of total revenues is as follows:

In millions of Ukrainian Hryvnia	Coal mining and power generation	
	2024	2023
Entities under common control of SCM and DTEK GROUP B.V. Group subsidiaries	44,562	53,244
Total	44,562	53,244

Operating Expenses

The table below sets forth DTEK Energy operating expenses by category, including as a percentage of total revenue:

In millions of Ukrainian Hryvnia, except percentages	2024		2023	
	Amount	Percentage of total revenue	Amount	Percentage of total revenue
Cost of sales	(38,230)	66.19%	(44,152)	65.76%
General and administrative expenses	(3,049)	5.28%	(2,524)	3.76%
Distribution costs	(122)	0.21%	(130)	0.19%
Other Operating Income / (Expenses), Net	(1,229)	2.13%	(1,189)	1.77%
Total operating expenses	(42,630)	73.60%	(47,995)	71.49%

Consolidated cost of sales amounted to UAH 38,230 million for the year ended 31 December 2024 (2023: UAH 44,152 million). The main part of consolidated cost of sales for 2024 comprises the transportation services and utilities (UAH 9,605 million (2023: UAH 11,564 million), or 25% of the total consolidated cost of sales) and Staff cost, including payroll taxes (UAH 9,652 million (2023: UAH 8,886 million), or 25 % of the total consolidated cost of sales). Other significant parts of cost of sales are Depreciation of property, plant and equipment and amortisation of intangible assets (UAH 6,425 million (2023: UAH 6,349 million), or 17 % of total consolidated cost of sales) and Production materials (UAH 4,198 million (2023: UAH 5,129 million), or 11 % of total consolidated cost of sales). The reasons for cost of sales change as compared to 2023 were decrease in electricity sales volume and in coal production output (Note 22 of the accompanying consolidated financial statements).

General and administrative expenses consist mainly of professional fees of UAH 1,520 million (2023: UAH 1,038 million), or 50 % of the total general and administrative expense and salaries paid to administration employees, comprising UAH 983 million (2023: UAH 958 million), or 32 % of the total consolidated general and administrative expense. The increase of professional fees is mainly explained by inflation, devaluation of hryvnia and the growth in the variety of new services provided.

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Net other operating income and expenses (excluding impairment of property, plant and equipment) for the year ended 31 December 2024 amounted to UAH 1,229 million expense (2023: UAH 1,189 million expense). Other operating income and expenses consist primarily of expenses on charitable donations and sponsorship, social payments, expenses related to social infrastructure maintenance and penalties in 2024.

The key categories of suppliers of DTEK Energy are railway transportation services, coal and fuel and materials suppliers. Majority of suppliers are Ukrainian entities operating on Ukrainian market.

Finance income and Finance costs

Finance income for the year ended 31 December 2024 is UAH 1,161 million (2023: UAH 4,742 million).

Finance income largely consists of (i) interest income on loans issued to related parties of UAH 1,007 million (2023: UAH 21 million) or 87% (2023: 0%) of the total consolidated finance income and (ii) interest income on bank deposits of UAH 133 million (2023: UAH 354 million) or 11% (2023: 7%) of the total consolidated finance income.

Finance costs for the year ended 31 December 2024 amounted to UAH 5,589 million (2023: UAH 5,821 million). Finance costs largely comprise interest expense on bank borrowings and Eurobonds issued amounted to UAH 3,968 million (2023: UAH 4,103 million), or 71% (2023: 70%) of the total consolidated finance costs. Other significant parts of the consolidated finance costs in 2024 are (i) unwinding of discounts on pension obligations amounted to UAH 1,100 million (2023: UAH 1,025 million), or 20% (2023: 18%) of total consolidated finance costs, (ii) unwinding of discounts on assets retirement provision amounted to UAH 312 million (2023: UAH 244 million), or 6% of total consolidated finance costs, (iii) unwinding of discounts on lease liabilities amounted to UAH 162 million (2023: UAH 94 million), or 3% (2023: 2%) of total consolidated finance costs.

Cash flows

During the year ended 31 December 2024 operating cash flow of DTEK Energy comprised UAH 14,017 million and decreased as compared to UAH 31,908 million in 2023. This was mainly driven by changing working capital balance as a result of decrease in electricity output as a result of continuous missile attacks, which resulted in increase of inventory (coal) stock.

Negative financial cash flows of DTEK Energy during the year ended 31 December 2024 comprised UAH 3,909 million and decreased as compared to UAH 16,211 million in 2023. Key factor of decrease is absence of payment made in 2023 under settlement agreement to DTEK GROUP B.V. in the amount of UAH 6,531 million. Other change is related to buybacks of Eurobonds performed during the year ended 31 December 2023.

Liquidity and cash flow management implies maintaining sufficient cash and the availability of funding to meet existing obligations as they fall due. Management prepares cash flow projections, analyses vs. actual results and implements mitigating actions if needed to ensure sufficient liquidity to continue serving the operating needs of the business, as well as to perform payments according to borrowings terms.

Financial result for the period

During the year ended 31 December 2024 profit of DTEK Energy comprised UAH 5,932 million (2023: profit of UAH 13,675 million). Change was mainly driven by decrease of electricity sales as a result of damages due to missile attacks, change in foreign exchange losses on financing and investing activities - as most of DTEK Energy borrowings are denominated in USD, faster devaluation of UAH against USD in 2024 as compared to 2023 had negative effect on financial results. Other major change is related to decrease of finance income as a result of decrease of gain on bonds repurchase as only insignificant repurchase was made in 2024.

Financing activity

Financing activity of the Group is managed by the Finance departments together with the Treasury departments. The overall risk management policies seek to minimise the potential adverse effects on the Group's financial performance for those risks that are manageable or noncore to the power generating business.

Financial risk management is carried out by the Treasury departments working closely with the operating units, under policies approved by the Management Board. The Treasury departments identify, evaluate and propose risk management techniques to minimise these exposures. Additionally, DTEK Energy developed a compliance function to monitor and analyse financial, reputation or legal risks connected with business activities.

Financial risk management

Exposure of the Group to different financial risks is disclosed in Note 30 of the accompanying Consolidated Financial Statements.

Going concern

The Group's business is concentrated in Ukraine, almost all the revenue is generated in Ukraine and denominated in UAH (2024: 99% and 2023: 99%, respectively), although the Group also receives part of revenue in foreign currencies from its export of electricity (unless there are export restrictions as explained below). The majority of the Group's debt is denominated in USD (as disclosed in Note 16).

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As of 31 December 2024 the Group had an excess of current assets over current liabilities of UAH 7,909 million and UAH 19,830 million of positive net assets (31 December 2023: excess of current assets over current liabilities of UAH 682 million and UAH 7,763 million of negative net assets).

On 24 February 2022 Russia initiated a full-scale military invasion of Ukraine. This was followed up by the immediate enactment of martial law by the Ukrainian President's Decree approved by the Parliament of Ukraine and the corresponding introduction of the related temporary restrictions that impact the economic environment and business operations.

There is a significant uncertainty resulting from the current situation and over the future development of the military invasion. The current and future developments have a short and long-term impact on the Group, its people, operations, liquidity, and assets. There could be multiple scenarios of further developments of the current situation with unknown likelihood and the magnitude of the impact on the Group might be from significant to severe. Therefore, the Group has assessed the appropriateness of the Going Concern assumption. Since the start of the war, the Group has experienced a number of significant challenges and disruptions, including, but not limited to:

- lower domestic demand for electricity and accordingly electricity production in Ukraine fell by approximately 30% in 2022 compared to 2021, further fell by approximately 5% in 2023 compared to 2022 and in 2024 was in line with 2023;
- variability of movements of demand and prices for electricity between the different electricity market segments;
- the cessation of all electricity export until 28 March 2022, since when electricity export was resumed to Poland and from 30 June 2022 partially resumed to other EU countries. Further electricity export was ceased and resumed during 2H2022-2024 as a result of missile attacks and depending on the sufficiency of electricity supplied to Ukrainian market. Amount of allowed export volumes is still insignificant compared to pre-war level;
- in 2022 DTEK Energy has lost control over Luhansk TPP located in non-controlled territory. Zaporizhzhya TPP is also located in non-controlled territory and was idle from 5th May 2022. Starting from December 2023 Kurahivska TPP, which is located on the territory with active hostilities, was affected by the continuing missile attacks. As a result it stopped its generation at the end of December 2023 and tried to operate in January 2024, but stopped again due to continuous shelling. Further in 2nd quarter of 2024 railway connection with this TPP was damaged and as a result it was finally put to idle and certain equipment were reallocated to other TPPs to be used in repair programs;
- during October 2022-February 2025, Russia committed multiple attacks against civilian and critical infrastructure facilities throughout Ukraine, including the Group's energy enterprises. As a result some regions of Ukraine from time to time experienced lack of electricity supply during November 2022-February 2025. Energy enterprises including DTEK Energy continue to run repair campaigns to recover as much damaged equipment as possible to be able to meet the demand for electricity;
- moratorium for cross-border debt and capital repayments imposed by the National Bank of Ukraine, which was partially lifted in 2024 including for Eurobonds coupon payments (Note 2).

Management already took and continues to take a number of actions starting from March 2022 to mitigate the effect of negative impact by the challenges described above and optimised operations and its cash flows, including:

- continuous balancing of necessary efficient production on the basis of its fixed and variable costs versus payment collection;
- reduction of administrative expenses, including postponement of salary increase and bonus payments, in 2022 and 2023;
- pursuing regulatory and national energy policy negotiations to maintain adequate business environment;
- optimising working capital through renegotiation of payment terms with suppliers;
- sales in Ukraine to 3rd parties of own coal;
- running repairs and maintenance campaign for the critical operating units (including repairing damages due to missile attacks);
- receiving humanitarian aid to rebuild capacity destroyed in missile attacks;
- developing proper arrangements to service Eurobonds and comply with currency control restrictions.

As a result of the actions above and the operating profits, the Group was and expects to be able to maintain a positive cash balance.

As a part of the going concern assessment, management prepared monthly cash flow projections throughout 2025 and the first four months of 2026. Based on this forecast, taking into account results of damages from missile attacks committed before the date of issuing of these consolidated financial statements, management expects to have sufficient liquidity during the projected period.

The projected cash flows assume that:

- no further significant progression of Russian troops into the territory of Ukraine and no further escalation of military actions that could severely affect the Group's assets, or result in severe and wide-spread damages to Ukrainian energy infrastructure;
- the average tariffs in the projection period are expected to approximate the actual observed tariff in January-February 2025;
- no significant further (after November 2024 – February 2025 attacks) negative impact as a result of the war on the demand of electricity in Ukraine and controlled assets of DTEK Energy;
- repairs and maintenance are kept at the level ensuring the ability to operate at the sufficient level;
- no material losses from non-payment by the main customers and return of accounts receivable days with major counterparties to a usual terms by the end of 2025;
- payments of principal and interest under Eurobonds are serviced in accordance with Eurobonds documentation;
- no settlements under the guarantee issued in connection with debt to Sberbank of Russia, including due to the continuing sanctions regime imposed on the bank.

Management analysis shows that the Group will have sufficient liquidity to maintain required operating expenses, capex, other running costs and settle the external debts according to the agreed schedules during the full projection period. Some assumptions and/or preconditions contain uncertainty, existing at the date of these consolidated financial statements: it is uncertain how the military situation will further develop and the impact thereof on physical safety of the Group's assets and operations of energy system of Ukraine. In case the military situation worsens, management will still be able to use mitigating liquidity measures including the option to elect for partially payment-in-kind (PIK) of the interest, reduction of capital expenditure to minimum levels while maintaining minimum safety and environmental standards, varying the maintenance budget between the periods and continuing optimising working capital through renegotiation of payment terms with suppliers. In case these measures will not be sufficient to accumulate the amount due under the Eurobonds, a request on immediate full or partial repayment of loans issued to DTEK GROUP B.V. might be made subject to the terms and conditions of such loans (Note 9) or further restructuring opportunities of the existing terms of Eurobonds might be considered.

Management acknowledges that the facts and circumstances described above, in particular the current situation and the future development of military actions represent a material uncertainty, which may cast significant doubt about the Group's and the Company's ability to continue as a going concern and, therefore, the Group and the Company may be unable to realise its assets and discharge its liabilities in the normal course of business.

Despite this material uncertainty caused by the war in Ukraine, management is continuing taking actions to minimise the impact on the Group and the Company, and therefore believes that application of the going concern assumption for the preparation of these consolidated financial statements is appropriate.

Principal Risks and Uncertainties

Ukrainian economy has features inherent for emerging markets and its development is heavily influenced by the fiscal and monetary policies adopted by the government, together with developments in the legal, regulatory, and political environment which changes rapidly.

On 24 February 2022, Russian forces commenced a full-scale invasion across the Ukrainian state, which had impact on all areas of the Ukrainian life and economy. The territories of Kyiv, Chernihiv, Sumy, Kharkiv and part of Kherson regions were occupied at the beginning of the war however were liberated subsequently. As of 31 December 2024 Crimea and the major parts of Donetsk, Luhansk, Kherson and Zaporizhzhia regions are still under occupation and active military actions are ongoing there, though with no major move of the frontline since 2022 except for Donetsk region where in 2024 Russian troops progressed towards Kurakhove. Mobilisation of people to the Ukrainian army continues, stressing the labour market and affecting those companies and industries that are not eligible for securing its male employees from mobilisation. In 2023 and 2024 Russia continued to attack the civil infrastructure.

As of 31 December 2024, the Group had significant balances receivable from and prepayments made to the State and entities dependant on government financing, including the trade receivables from Energorynok SE with gross carrying amount of UAH 4,777 million, VAT recoverable of UAH 14,021 million, prepaid income taxes of UAH 181 million. The timing of settlement of these balances is uncertain and is dependent upon the availability of State funds and amounts of future taxable profits of the Group's subsidiaries.

The situation remains tense, it has an impact not only on the Ukrainian but also on the international economy, and its further impact and duration is difficult to predict and quantify (reference is given to the Notes 2 and 3 of the accompanying Consolidated Financial Statements).

Risk Management Framework

In order to mitigate and minimise the principal risks and uncertainties including fraud DTEK Energy implemented Internal Control and Risk Management system, which is based on Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework. It is fully integrated into strategic and tactical planning, including but not limited to business planning and budgeting processes, investment projects, etc. The risk management function covers all levels of business and production units (risk managers and coordinators). Risk management approach and

processes are unified across all units, iterative bottom-up and top-down approaches are in place for identification, and assessment of risks and opportunities, three-lines of defence principle is used. The COSO framework is designed in a way to help management in the achievement of its objectives, namely to enable effectiveness and efficiency of controls in the key business processes (purchases, sales, capex etc.) and operations, to ensure reliability of financial reports and compliance with applicable laws and regulations.

The DTEK Energy's Management Board is responsible in general for the development of strategic and operational targets and for identification, assessment and mitigation of associated risks. The Management Board established the Risk Management Committee, which tackles risk management issues on a regular basis. For the identified risks deemed to be material, comprehensive mitigating action plans are developed and reviewed on a regular basis to ensure that the risks' levels remain at acceptable levels. Management is kept informed via regular risk reports and understands how risks influence the achievement of business targets, so managements decisions are made based on existent/potential risks and opportunities. DTEK Energy implements necessary internal controls into the business processes based on performed risk assessments. The primary objective in setting up an internal control system is to ensure the reliability of DTEK Energy's financial information (statements), to meet the Company's goals and to attain compliance with applicable laws. The internal control function implemented controls that are imbedded into Group's business processes.

To ensure the reliability of financial statements, DTEK Energy uses automated SAP system. This system allows to automate and control the business processes of DTEK Energy, namely: production planning (SAP PP module), equipment maintenance and repair (SAP PM module), project management (SAP PS module), material flow management (module SAP MM), reflection of business transactions in accounting (SAP FI module, which also includes SAP FM - budget management). Additional SAP modules were recently implemented - the SAP Sourcing procurement platform and the automated SAP SLC vendor database management system, which automate the procurement procedures and processes for registering, qualifying and evaluating contractors.

As part of further development of the internal control system, DTEK Energy focuses on the following areas:

- Analysis of business processes for the identification and assessment of risks and internal controls aimed at minimizing such risks at the stage of creation or review of a business process procedures.
- Analysis of existing business processes in order to assess the system of internal control of these business processes. As part of such analysis, risks and internal controls are being identified and assessed which are selectively tested for their operational effectiveness, and mitigation measures are approved which aim at minimizing the inherent risks and strengthening the internal control system of business processes.

DTEK Energy also makes use of insurance programs in order to safeguard its most critical assets and activities from low-probability/high-impact risks where possible.

Therefore, DTEK Energy's Risk Management and Internal Control framework provides reasonable assurance that business objectives can be achieved.

During 2024 DTEK Energy concentrated on management of the following main risks:

Political, macroeconomic and geopolitical risks:

The political situation in Ukraine continued deteriorating in 2022-2024 as a result of Russia invasion of Ukraine (Note 2 of the accompanying consolidated financial statements). This has an adverse effect on the Ukrainian financial markets, including DTEK Energy's bonds. This also has contributed to a devaluation of the Hryvnia against major currencies during 2023-2024.

Since October 2022 Russia started to target with missile and combat drones energy infrastructure all over Ukraine including DTEK Energy's assets, causing its destruction, injuries and deaths of employees and lack of power supply which results in scheduled and unscheduled power outages for both households and businesses during heating season 2023-2024 and from summer 2024 onwards. Repair campaigns during 2024 allowed to restore capacities necessary to meet majority of demand of winter period 2024-2025.

The situation remains tense, it has an impact not only on the Ukrainian but also on the international economy and its further impact and duration is difficult to predict and quantify. DTEK Energy management takes all steps possible to mitigate negative effects including relocation of employees and where possible production facilities, installation of protective barriers near generation assets etc.

Risks of corporate strategy:

DTEK Energy's long-term corporate strategy was last updated and approved in 2020. Despite the turbulent market situation and the full-scale invasion of Ukraine, DTEK Energy continues the execution of its strategy. DTEK Energy aims at retaining competitive positioning on the Ukrainian market, diversification of the business, customer-centricity, further liberalization of the electricity market, higher efficiency, internal transformation and implementation of ESG (environmental social governance) strategy. The major risks relating to implementation of corporate strategy are as follows:

- political, macroeconomic and geopolitical risks described above, which arose due to the full-scale invasion of Ukraine and global energy crisis;
- liquidity issues in the Energy Market;
- risks arising from long-term sources of finance used;
- use of pricing regulating methods by the Government, including those introduced after February 2022
- a high level of state administrative regulation of the market;
- higher environmental taxes, setting effective CO2 prices in Ukraine at the EU level.

Corporate strategy is revised from time to time by management to ensure that it is still relevant for the business.

Regulatory risks:

Since the launch of New Electricity Market in 2019 DTEK Energy continues to work under the new market conditions: market and price modelling, obtaining appropriate licenses in order to enter the internal/additional electricity trading markets, introducing more direct agreements with clients for electricity supply, etc.

Despite of the launch of New Electricity Market, DTEK Energy is still highly exposed to regulatory risks. In particular, DTEK Energy faced risks associated with:

- Tariff-setting rules – the influence of price restrictions “Price Cap”;
- Restrictions on coal and electricity export;
- Lack of government subsidies for using alternative expensive fuel (natural gas).

During 2019-2024, DTEK Energy faced problems receiving payments from the state company Energorynok SE. The following measures were implemented inter alia in order to manage this risk - initiation before different state bodies and regulators the necessity to repay or offset of the debt of Energorynok SE.

DTEK Energy paid special attention to the market risks, mostly related to market competition and expansion. DTEK Energy is actively working to minimize such risks in the future in connection with liberalization of the Ukrainian electricity market and expected increased competition from local and international players. In order to manage this risk DTEK Energy uses special software that allows it to simulate the distribution of supply depending on the load of TPPs, number of requests, etc.; when the average annual tariff and/or supply of DTEK Energy TPPs decreases, DTEK Energy substitutes revenue sources, i.e. sells an excess of coal to third parties.

Financial risks and Market risks:

In order to mitigate commodity price risks DTEK Energy regularly re-assessed its open positions, developed and implemented risk mitigation strategies - principles of distribution of export commodities (electricity and coal), price projections, etc.

With regard to currency risk, the national currency of Ukraine hryvnia had high volatility during the recent years and it has weakened during 2023-2024. As a result, DTEK Energy received forex losses mainly on financing activities. DTEK Energy strives to reduce short open foreign currency balance position arisen as a result of the imbalance between loan portfolio in foreign currency and income in local currency. The following measures are implemented in order to manage these risks: the foreign exchange flow planning was carried out; the need for hedging currency positions is under constant evaluation however no decision is made yet.

Liquidity and the cash flow management:

Prudent liquidity and cash flow management implies maintaining sufficient cash and marketable securities and the availability of funding to meet existing obligations as they fall due. In order to manage liquidity risk and ensure timely repayment of debt, the DTEK Energy diligently plans and monitors cash inflows and outflows on daily basis, takes measures to optimize working capital structure, keeps short communication lines with lenders in order to restructure loan portfolio and eliminate possible liquidity gaps in future. Management monitors liquidity on a daily basis, management incentive programs use key performance indicators such as EBIT, EBITDA, operating and free cash flow and cash collections to ensure liquidity targets are actively monitored.

Credit risk management is based on internal scoring system, which assigns internal ratings and limits to counterparties based on financial performance and other aspects.

Aspects related to DTEK Energy's external credit rating remained in focus of management.

Fraud risk:

DTEK Energy formalised fraud risk assessment matrix in 2023 including formalisation of fraud risk assessment model, risks matrix and level of risks. In 2024 DTEK Energy continued analysis of fraud risks, including detailed description, analysis of possible impact, risk management options etc. The next steps are to test existing controls, align fraud risk assessment matrix with overall risk assessment (in progress), approve additional measures or controls which will allow to decrease level of critical risks and to perform fraud risk controls assessment on regular basis (annually).

Fraudulent activities by employees and the bypassing of internal control procedures could result in an adverse impact on commercial operations and reputational damage. To mitigate such risks, DTEK Energy has further improved its internal control framework, which includes a strict Code of Conduct. In addition, DTEK Energy maintains a zero-tolerance policy with regard to fraudulent behaviour and a strong 'tone-of-the-top' so as to serve an example across the organisations. With the further automation of administrative processes DTEK Energy continues to mitigate risks in manual processes. Furthermore, a whistle-blower hotline is in place for which any incidents are closely monitored and independently followed up. Fraud cases, if any, are reported to the Audit Committee. During the reporting period, there were no reported or confirmed cases of fraud or corruption violations.

Financial reporting risk:

DTEK Energy has policies and procedures for ensuring the accuracy and completeness of accounting records, and the timely preparation of reliable financial disclosures. IFRS department of the Group reviews the financial statements of the Group's entities and prepares consolidated information on a monthly basis. Semi-annual and annual financial information is reviewed by the Audit Committee, semi-annual information is reviewed and annual financial information is audited by an external independent auditor and is approved by the Supervisory Board of the Company. The annual report is submitted to Dutch Chamber of Commerce and published on the stock exchange.

Reputational Risks:

DTEK Energy actively manages reputational risks, performs regular assessment of the reputation, changes in the social climate both in the internal and external environment. DTEK Energy executes proactive and reactive communications at the local and international level in order to minimize the impact of any reputational risks.

Corporate Governance and Compliance Risks:

In order to manage compliance risks, DTEK Energy follows restrictions of current sanction regimes and acts in accordance with the international legislation, executes KYC procedures and compliance checks while working with its counterparties. DTEK Energy also implements anti-corruption and anti-bribery programs, Compliance Policy, Code of ethics & business conduct, Regulation on implementation of Code of ethics & business conduct, regularly provides employees with appropriate compliance trainings and monitors the internal compliance rules being in place.

Operations and production risks:

Industrial engineering:

Risk associated with the operation of technical facilities. Breakdowns and accidents, that temporarily interrupt operations at TPP's and mines remained relevant for DTEK Energy in 2024. Magnitude and likelihood of this risk has increased as a result of missile attacks by Russia since the start of the war. To limit the risk, technological facilities are regularly being inspected and maintained, production processes and technologies are constantly being upgraded and optimized and staff trained accordingly. In addition, more focus is put on increase of physical security of assets and employees, including from the missiles attacks, for instance shelling for employees are arranged at each office and entity of DTEK Energy, those are mandatory for use during the air alarms. The investment program of business units includes the costs for technological maintenance and current repair programs. If reasonable, DTEK Energy applies insurance policies to protect corporate assets, to compensate for a loss as a result of business interruption and to provide liability coverage in the event of harm inflicted on third parties by potential accidents occurred at DTEK Energy's production sites.

Risk associated with the construction of technical facilities. DTEK Energy's investment program includes a large number of projects for major repairs and reconstructions of power-generating units of TPPs, equipping mines. Risk management activities are an integrated part of the project management business process, so key risks of the projects are identified, their potential impact on the project results is assessed, risk mitigation plans are developed, and regular monitoring of the status is carried out.

Environmental risks:

DTEK Energy implemented an environmental management system according to ISO 14001 standard, the system is recertified every 3 years. There was special attention from social organizations and public authorities to impact of TPPs on the environment in 2021-2024. DTEK Energy follows its obligations in accordance with The National emission reduction plan (NERP) of major pollutants from the large combustion plants (adopted in 2017) during implementation of ecological investment projects, taking into consideration martial law. At the end of 2023 NERP implementation dates were postponed in part of emissions rates reduction (dust, SO₂, NO_x), modernization of large combustion plants and closure of power units mentioned in Opt-out list. Working hours limits for power units mentioned in Opt-out list for the period of martial law were withdrawn (but not later than till the end of 2025) and emission permits for some DTEK

Energy TPP's blocks were obtained without specifying restrictions on the operating hours. Power units mentioned in Opt-out list are expected to be closed following NERP implementation updated schedule in line with the order of Cabinet of Ministers of Ukraine of 29 December 2023 №1222-p (for some power units prolonged for two years comparing to previous schedule but no longer than till the end of 2025, for some power units prolonged until 2033), however further postponement in part of emissions rates reduction after the end of martial law may take place to ensure energy security of Ukraine due to expected increase of electricity consumption and corresponding increase of electricity generation deficit.

Health and Safety risks:

The risks of adverse effects to the health of employees, subcontractors or third parties are governed according to the rules of DTEK Energy's health and safety management systems, which is based on international standards OHSAS 18 001. The mining and energy industries are subject to significant risks that could result into personal injury or death. In order to minimize such risks DTEK Energy has implemented the project "Development of a safety culture" at coal mining offices, which aims to promote an appropriate safety and health culture among DTEK Energy's employees.

Human resources' risks:

Considering the political and economic instability in Ukraine and the specifics of the industry, the Group faces risks associated with the shortage of qualified engineering and working specialists, due to migration abroad, conscription into the army as well as the negative activities of trade unions. The Group manages these risks by employees reservation (applying for exemptions for employees from being conscripted into the armed forces as employees are employed by critical infrastructure), creating a motivation and educational system, and also by proactive communications with all parties involved.

General legal risks:

DTEK Energy faces a number of legal risks from all of its operational activities. The Group manages these risks via efficient administration of contracts with counterparties, analysis and applying proper legal practices, defending its interests in courts.

IT risks:

Technical malfunction, virus attacks, data loss or downtime of IT systems can have significant negative impact on the DTEK Energy's activities, taking into account high level of integration of informational and communicational systems into the Group's business processes. The following tools were implemented in order to manage these risks: control over unauthorized software (SCCM, etc.), the Intrusion Prevention System (IPS), DLP policies, the MDM system, group policies of the EMET tool, antivirus control, anti-SPAM systems. Cybersecurity was under the focus of DTEK Energy long prior to the war and continues to be during the war.

The remaining risks if any are not considered significant and do not have significant impact on operational activities.

Sustainable development and climate change

As part of the ongoing work within the DTEK Group of Companies, DTEK Energy is working to strengthen its performance on environmental, social and governance (ESG) issues. Recognising the pivotal role of climate change in shaping its ESG framework, DTEK Group is preparing to reporting in future on a consolidated basis, encompassing all subsidiaries, including DTEK Energy, according to Corporate Sustainability Reporting Directive (CSRD) to enhance its internal processes and strengthen external disclosure. This includes working to strengthen governance of climate change related risks, among other things through a dedicated Sustainability Committee within DTEK Energy's Supervisory Board, which convenes quarterly. The European Commission announced the Omnibus Proposal on 26 February 2025, a new legislative measure aimed at simplifying corporate sustainability reporting. The proposal includes among other elements postponement of reporting timelines and limiting the issuance of (new) reporting guidelines. DTEK Group will continue its preparations and monitor the outcome of the legislative process and respond accordingly. DTEK Energy is contributing to this work with guidance from DTEK Group.

DTEK Group assesses risks in its business plans, providing recommendations on risk scenarios, expert assessments, and measures to manage or mitigate risks and opportunities. DTEK Energy is in the early stages of formulating its more specific climate risk management processes, which are not only contingent upon the evolving DTEK Group strategy, but must also consider external factors like the impact of the Russian invasion of Ukraine.

Strategic risks and opportunities

As part of DTEK Energy's efforts to strengthen its climate strategy, it commissioned external specialist support in 2023 to identify and assess the principal climate change-related risks and opportunities facing the company. The assessment is also relevant for 2024. DTEK Energy looked at both the possible transition and physical risks and opportunities facing the business.

The initial high-level physical risks assessment was conducted. The potential likelihood and impact of a range of risks to DTEK Energy's business was analysed. Among the potential physical risks considered were:

- Flood and stormwaters causing damage and disruption to coal extraction and production facilities or power generation facilities;
- High winds associated with storms, as well as flooding, causing disruption to transportation networks;
- Extreme temperatures increasing energy demand, decreasing the efficiency of power generation plants or disrupting transportation networks;
- Fires and landslides causing damage to key infrastructure;
- Reduced water availability causing disruption to power generation facilities.

According to qualitative risk assessment Flood and stormwaters potentially can have bigger scale as compared to the other risks. At the same time, considering the location of DTEK's assets are inside the continent and not located near the sea or areas of higher risk of floods, this and other physical climate risks are initially assessed as not likely to have material impact on the financial statements and operations.

Among the key potential transition opportunities identified for the DTEK Energy business were:

- Policy and legal opportunities including access to funding or policy incentives to enable low carbon power generation;
- Technology opportunities including the opportunity to decarbonise operations through investing in more efficient, lower carbon technology and;
- Products and services opportunities including development and/or expansion of low emission power generation.

Among preliminary key potential transition risks identified to the DTEK Energy business were:

- Policy and legal risks associated with increasing regulation limiting or banning coal production; fiscal measures such as carbon pricing mechanisms; enhanced emissions-reporting obligations; and increased exposure to climate related litigation;
- Market risks including curtailed fossil fuel demand and reduced access to capital due to increased stakeholder concerns;
- Technology risks including barriers to successful investments in decarbonisation-related technologies due to high costs associated with the transition to lower emissions technology and;
- Reputational risks including the potential stigmatisation of sectors in which DTEK Energy operates.

According to the risk assessment performed, Policy and legal risks potentially can have higher risk in comparison to other transition risks. The Group is still in the process of assessment of the detailed accurate impact of such risks, although the timing of its completion is subject to decarbonization strategy finalization after the end of the war.

In response to the identified above policy and legal risks and in coordination with the journey towards the overarching DTEK Group goal of carbon neutrality short after 2035 and in alignment with Ukraine's commitment to phase out coal in the energy generation by 2035, DTEK Energy expects to gradually decrease the coal production and finally close the coal mines after 2035. This is already taken into account by management in previous years when defining the depreciation terms for coal mines and coal power generation stations in its financial reporting. DTEK Energy is currently under investigation and development of future plans after mines closure.

The Group also analyses an impact of the upcoming regulations and considers the mitigation measures. Ukraine has already stated its intention to launch an ETS as a part of its obligations under the Ukraine-EU Association Agreement. Management took these into account when building the cash flow projections for the impairment tests of its assets, assuming the substantial increase of carbon emission charges starting from 2028. Also, the management considerations with regards to the developments on The National emission reduction plan are described additionally in Environmental risks section of this report.

Based on the current best management estimate, as of the date of the issue of these financial statements other transition climate change risks are not expected to have material impact on the Group's financial position in the nearest term, up to 2030.

Prioritised steps in our ESG journey

With regards to potential physical risks DTEK Group companies are in process of and is going to continue conducting full quantitative analysis in next years to estimate accurate financial effects to its businesses and after conducting this work to structure priorities and analyse possible ways of risks mitigation.

With regards to potential transitions risks: they depend on DTEK Group Sustainability goals that depends on (i) international and domestic sustainability regulatory requirements (incl. national Ukrainian sustainability strategy) and (ii) updated DTEK Group business strategy and goals that is currently under review. After defining Sustainability goals DTEK Group companies is going to estimate (i) accurate possible financial effects of these risks (ii) priorities and possible ways of risks mitigation.

DTEK Energy will undertake a double materiality assessment to identify material impacts, risks and opportunities to its business and will update its sustainability strategy to reflect the results and will continue preparation for future CSRD

disclosure. DTEK Energy is committed to implementing the processes required to comply with ESRS and strengthen its sustainability performance.

Social responsibility

Social responsibility and commitment to the principles of sustainable development are key values and an integral part of the ESG strategy of the Group. That is why DTEK Energy invests significant funds into improving the safety, efficiency and environmental friendliness of its enterprises, labour protection, health improvement and professional development of employees, the development of local communities and improving the quality of life of people in the regions of activity. The Group being one of the biggest national employer and a social investor, participates in the socio-economic development of the regions in which it operates. Socially responsible investment in partnership with local communities is a prerequisite for the operations of the Group companies. The Group companies implement social networks, which are aimed at involving and uniting the population to solve the problems of community development and improve the quality of life.

Research and Development Costs

During 2024 and 2023, the Group was not involved in any activities concerning research and development.

Human resources

The Group employed approximately 26.5 thousand people by the end of 2024 (2023: 28.4 thousand people).

To ensure the constant development of its employees, DTEK Energy provides to its employees various education opportunities including online and offline trainings.

Provision of information

The financial statements are prepared using automatic accounting tools such as SAP and submitted to Dutch Chamber of Commerce as required by the applicable laws and regulations. Annual reports, presentations with analysis of results and disclosure calls are announced in advance and published on DTEK website. Since the start of the war in Ukraine only annual report is published on London Stock Exchange website.

Code of Ethics

The Group has a Code of Ethics developed and approved in 2011 with changes introduced in 2014 and in 2023. It is mandatory for all the Group entities and prescribes the key principles that the Group follows in its operations, including relationship with its employees, counterparties, state authorities and non-governmental and public authorities, responsibility for all activities the Group performs, conflicts of interests etc. The Code is available on the Group's official web-site.

Digital Transformation

DTEK Energy strives to adapt to the conditions of modern realities dictated by the rapid development of new technologies in the energy market, as well as energy efficiency and energy saving technologies. There are number of projects both finished and in process dedicated to the digitalisation of processes in coal mining, TPPs generation planning and production operations efficiency, procurement inventory and warehouse management.

Male/female ratio of Executive/Supervisory Board

The Company strives to get the best applicable persons in the Supervisory Board and the Management Board despite the gender or culture.

As at 31 December 2024 the Supervisory Board consists of one woman and five men (as at 31 December 2023: one woman and six men) and the Management board of one man, one woman and two women, who represented the legal entity. Changes in Supervisory Board in 2025 are disclosed in Note 1.

The Gender Diversity Act was entered into force in the Netherlands on 1 January 2022. This law provides guidance on disclosure in the Directors' Report with regard to the composition of the Board of (Supervisory) Directors and its division among men and women. Current targets for Management board and Supervisory board according to the latest report 2023 issued to the Sociaal-Economische Raad is 50% and 15% respectively. DTEK Energy B.V. goal is to ensure not less than 33% of the presence of women in management bodies by 2030. The Management Board of the Company consists of two women, who represented the legal entity, one woman and one man. At the date of issue of Annual report 2024 the composition of the Supervisory Board reflects the situation as described in legislation. Management notes that the composition of women in key management roles in the Group is significant.

Future Developments

In 2024, the Group continues implementing its long-term strategy, aimed to establishment of Ukrainian electricity market model and continuous supply of electricity to Ukrainian energy system.

Despite of the war, Ukraine is considered as the main market for the Group activities in the long-term.

Taking into account uncertainties in 2024 and depending on the developments of the war, the Group expect to focus on the following key areas in 2025:

- Further improve operational efficiency;
- Further increase of physical security of its assets, including from the missiles attacks;
- Service borrowing according to its terms and optimize liquidity management;
- Support further establishment of Ukraine electricity market;
- Maintaining the potential of production facilities (personnel, equipment, infrastructure);
- Investing in human resources including education and trainings of personnel, including veterans support program, in order to develop technical and soft skills;
- Promote safety culture among all members of personnel and develop leadership qualities and absolute commitment to ensuring occupational safety
- Implement transformation programs as part of the sustainable development strategy.

Management does not plan any major business acquisitions in the nearest period.

Supervisory Board and Management Board

Supervisory Board and Management Board composition is disclosed in Note 1 of the accompanying consolidated financial statements.

Post balance sheet events

During January-March 2025 Russia continued carrying out further massive attacks on Ukraine, including on energy infrastructure resulting in damaging equipment at the thermal power plants. DTEK Energy continues analysis of time and additional expenses necessary to restore the damaged assets.

In 2025, additional buybacks of Eurobonds were performed with gain in the amount of UAH 1,189 million.

Oleksandr Fomenko
Chairman

Anastasiia Andrieieva
Director

Nataliya Muktan
on behalf of SCM
Management B.V.

Eliza Desiree den Aantrekker
on behalf of SCM
Management B.V.

23 April 2025

Consolidated Financial Statements

31 December 2024

DTEK Energy B.V.
Consolidated Balance Sheet

<i>In millions of Ukrainian Hryvnia</i>	Note	31 December 2024	31 December 2023
ASSETS			
Non-current assets			
Property, plant and equipment	8	58,626	32,377
Intangible assets		524	499
Financial investments	9	9,450	8,027
Income tax prepaid		1	1
Deferred income tax asset	27	2,131	1,527
Trade and other receivables	11	11,846	14,499
Total non-current assets		82,578	56,930
Current assets			
Inventories	10	9,600	4,446
Trade and other receivables	11	19,572	17,473
Income tax prepaid		180	93
Financial investments	9	-	21
Cash and cash equivalents	12	4,409	1,656
Total current assets		33,761	23,689
TOTAL ASSETS		116,339	80,619
EQUITY			
Share capital	13	0	0
Share premium		9,909	9,909
Other reserves	14	25,560	6,680
Accumulated deficit		(15,955)	(24,392)
Equity attributable to equity holders of the Company		19,514	(7,803)
Non-controlling interest		316	40
TOTAL EQUITY		19,830	(7,763)
LIABILITIES			
Non-current liabilities			
Borrowings	16	44,337	39,910
Other financial liabilities	15	1,145	826
Retirement benefit obligations	17	6,922	5,938
Provisions for other liabilities and charges	18	2,765	2,230
Deferred income tax liability	27	3,935	2,163
Other taxes payable	20	11,553	14,308
Total non-current liabilities		70,657	65,375
Current liabilities			
Borrowings	16	753	624
Other financial liabilities	15	1,924	1,296
Prepayments received	21	657	1,400
Trade and other payables	19	10,837	10,121
Current income tax payable		4,551	2,787
Retirement benefit obligations	17	814	539
Provisions for other liabilities and charges	18	331	266
Other taxes payable	20	5,985	5,974
Total current liabilities		25,852	23,007
TOTAL LIABILITIES		96,509	88,382
TOTAL LIABILITIES AND EQUITY		116,339	80,619

Signed by entire Management Board
on 23 April 2025
Oleksandr Fomenko
Chairman
Anastasiia Andriieva
Director
Nataliya Muktan
on behalf of SCM Management B.V.
Eliza Desiree den Aantrekker
on behalf of SCM Management B.V.

Approved for issue and signed by entire Supervisory Board on 23 April 2025
Ildar Salieiev
Olena Semych
Pavlo Livertovskyi
Oleksandra Moskalenko
Nikolay Ivin

DTEK Energy B.V.
Consolidated Income Statement

<i>In millions of Ukrainian Hryvnia</i>	Note	2024	2023
Revenue	21	57,756	67,139
Cost of sales	22	(38,230)	(44,152)
Impairment of property, plant and equipment	8	(857)	(882)
Gross profit		18,669	22,105
Other operating income	23	910	1,348
Distribution costs		(122)	(130)
General and administrative expenses	24	(3,049)	(2,524)
Net impairment (losses)/reversals on financial instruments	9,11,15	(1,020)	384
Other operating expenses	25	(2,139)	(2,537)
Net operating foreign exchange gain/(loss)		160	(111)
Gain from the loss of control	29	1,112	-
Operating profit		14,521	18,535
Foreign exchange losses on financing and investing activities	9,15,16	(3,592)	(1,483)
Finance income	26	1,161	4,742
Finance costs	26	(5,589)	(5,821)
Profit before income tax		6,501	15,973
Income tax expense	27	(569)	(2,298)
Profit for the year		5,932	13,675
Profit attributable to:			
Equity holders of the Company		5,746	13,539
Non-controlling interest		186	136

Consolidated Statement of Comprehensive Income

<i>In millions of Ukrainian Hryvnia</i>	Note	2024	2023
Profit for the year		5,932	13,675
Items that will not be reclassified to profit or loss:			
Property, plant and equipment:			
- Change in estimate for asset retirement obligation	18	129	(342)
- Income tax recorded on change in estimate for asset retirement obligation	27	(24)	63
- Increase/(decrease) in valuation of property, plant and equipment	8	26,745	(1,746)
- Income tax recorded on revaluation of property, plant and equipment	27	(4,823)	410
Re-measurements of post-employment benefit obligations	17	(453)	(414)
Income tax recorded on re-measurements of post-employment benefit obligations	27	87	82
Other comprehensive profit/(loss) for the year		21,661	(1,947)
Total comprehensive income for the year		27,593	11,728
Total comprehensive income is attributable to:			
Equity holders of the Company		27,317	11,596
Non-controlling interest		276	132
Total comprehensive income for the year		27,593	11,728

DTEK Energy B.V.
Consolidated Statement of Changes in Equity

<i>In millions of Ukrainian Hryvnia</i>	Attributable to equity holders of the Company					Non-controlling interest	Total Equity
	Share capital	Share premium	Other reserves	Accumulated deficit	Total		
Balance at 1 January 2023	0	9,909	9,992	(32,820)	(12,919)	(92)	(13,011)
Profit for 2023	-	-	-	13,539	13,539	136	13,675
Other comprehensive loss for 2023	-	-	(1,611)	(332)	(1,943)	(4)	(1,947)
Total comprehensive (loss)/income for 2023	-	-	(1,611)	13,207	11,596	132	11,728
Property, plant and equipment:							
- Realised revaluation reserve	-	-	(2,074)	2,074	-	-	-
- Deferred tax related to realised revaluation reserve	-	-	373	(373)	-	-	-
Dividends distribution (Note 13)	-	-	-	(6,480)	(6,480)	-	(6,480)
Balance at 31 December 2023	0	9,909	6,680	(24,392)	(7,803)	40	(7,763)
Profit for 2024	-	-	-	5,746	5,746	186	5,932
Other comprehensive profit/(loss) for 2024	-	-	21,937	(366)	21,571	90	21,661
Total comprehensive income for 2024	-	-	21,937	5,380	27,317	276	27,593
Property, plant and equipment:							
- Realised revaluation reserve	-	-	(3,728)	3,728	-	-	-
- Deferred tax related to realised revaluation reserve	-	-	671	(671)	-	-	-
Balance at 31 December 2024	0	9,909	25,560	(15,955)	19,514	316	19,830

DTEK Energy B.V.
Consolidated Statement of Cash Flows

<i>In millions of Ukrainian Hryvnia</i>	Note	2024	2023
Cash flows from operating activities			
Profit before income tax		6,501	15,973
Adjustments for:			
Depreciation of property, plant and equipment and amortisation of intangible assets		6,602	6,583
Impairment of property, plant and equipment	8	857	882
Gain from the loss of control of subsidiary	29	(1,112)	-
Net gain on disposals of property, plant and equipment	23	(45)	(51)
Assets received free of charge	23	(166)	(261)
Income from extinguishment of accounts payable	23	(377)	(111)
Net change in provision for financial investments, trade and other receivables, including non-financial assets and other financial liabilities	9,11,15,25	1,211	(306)
Change in provisions for other liabilities and charges		696	273
Non-cash operating charge to retirement benefit obligation		24	(17)
Non-recoverable VAT		83	20
Unrealised foreign exchange differences on operating activity		(43)	(108)
Foreign exchange losses less gains on financing and investing activities	9,15,16	3,592	1,483
Finance loss, net	26	4,428	1,079
Operating cash flows before working capital changes		22,251	25,439
Changes in:			
Trade and other receivables		(796)	3,818
Inventories		(3,965)	480
Prepayments received		(742)	(1,802)
Trade and other payables		2,344	1,653
Other financial liabilities		(52)	93
Other taxes payable and tax provision, other than income tax		(2,523)	5,378
Cash generated from operations		16,517	35,059
Income taxes paid		(2,229)	(3,106)
Defined employee benefits paid	17	(153)	(188)
Repayment of restructured obligations		(20)	(20)
Interest received		133	354
Provisions utilised	18	(231)	(191)
Net cash generated from operating activities		14,017	31,908
Cash flows from investing activities			
Purchase of property, plant and equipment and intangible assets		(7,663)	(7,652)
Withdrawal/(placement) of restricted cash	12,28,29	36	(9)
Loans provided to related parties		-	(8,446)
Interest received on loans provided to related parties		254	-
Net cash used in investing activities		(7,373)	(16,107)
Cash flows from financing activities			
Borrowings received	16	231	-
Repayment of borrowings	16	(700)	(5,742)
Interest and commissions paid	16	(3,371)	(3,884)
Amount paid under settlement agreement	13	-	(6,531)
Payment for lease liabilities	15	(69)	(54)
Net cash used in financing activities		(3,909)	(16,211)
Net increase/(decrease) in cash and cash equivalents		2,735	(410)
Cash and cash equivalents at the beginning of the year	12	1,566	1,925
Exchange gains on cash and cash equivalents		90	51
Cash and cash equivalents at the end of the year	12	4,391	1,566

For the purposes of the cash-flow statements amounts of restricted cash were not included in cash and cash equivalents balance.

1 The Organisation and its Operations

DTEK Energy B.V. (the “Company”) (former DTEK Holdings B.V.) is a private limited liability company incorporated in the Netherlands on 16 April 2009. The Company was formed through the contribution by System Capital Management Limited (SCM Ltd.) and InvestCom Services Limited of their 100% equity interest in DTEK Holding Limited, a Cyprus registered entity and the predecessor of the Company. On 19 September 2014 the Company changed its parent company to DTEK GROUP B.V. Starting 12 April 2021 DTEK Energy B.V. is directly owned by DTEK ENERGY HOLDINGS B.V., a private limited liability company incorporated on this date, domiciled in the Netherlands and owned by DTEK GROUP B.V. (former DTEK B.V., hereinafter referred to as DTEK GROUP B.V.). The structure regime is not applicable to DTEK Energy B.V. as it does not meet the criteria set in Book 2 of the Dutch Civil Code.

The Company and its subsidiaries (together referred to as “the Group” or “DTEK Energy”) are beneficially owned by Mr. Rinat Akhmetov through various entities commonly referred to as System Capital Management (“SCM”) with ultimate parent being SCM Holdings Limited, Cyprus. Mr. Akhmetov has a number of other business interests outside of the Group. Related party transactions are disclosed in Note 7.

The Company and its subsidiaries is a vertically integrated coal mining and power generating group. Its principal activities are coal mining for further supply to its power generating facilities in Ukraine. In 2024 the Group’s coal mines and power generation plants are located in the Donetsk, Dnipropetrovsk, Lviv, Ivano-Frankivsk and Vinnitsya regions of Ukraine.

The principal subsidiaries are presented below:

Name	% interest held as at 31 December		Place of incorporation
	2024	2023	
DTEK Pavlogradugol PJSC	100.00	100.00	Pavlograd, Ukraine
DTEK Mine Komsomolets Donbassa PJSC	95.31	95.31	Dobropolie, Ukraine
DTEK Dobropolskaya CEP PJSC	60.06	60.06	Dobropolie, Ukraine
Bilozerska Mine ALC	95.44	95.44	Dobropolie, Ukraine
Mospino CPE LLC	100.00	100.00	Dobropolie, Ukraine
Pershotravensky RMZ LLC	100.00	100.00	Mykolaivka, Ukraine
Tehrempostavka LLC	100.00	100.00	Pavlograd, Ukraine
CCM Kurahovskaya LLC	100.00	100.00	Ternivka, Ukraine
CCM Pavlogradskaya LLC	100.00	100.00	Verbky, Ukraine
DTEK Dniproenergo JSC	100.00	100.00	Zaporizhzhya, Ukraine
DTEK Westenergy JSC (former, DTEK Zakhidenergo PJSC)	100.00	100.00	Lviv, Ukraine
DTEK Skhidenergo LLC	-	100.00	Kurahovo, Ukraine
DTEK Kurahivska TPP LLC	100.00	100.00	Zaporizhzhya, Ukraine
DTEK Luhanska TPP LLC	100.00	100.00	Lviv, Ukraine
Remtehpostavka LLC	100.00	100.00	Lviv, Ukraine
DTEK Trading Limited	100.00	100.00	Limassol, Cyprus
DTEK Trading SA, en liquidation	100.00	100.00	Geneva, Switzerland
Interenergoservis LLC	100.00	100.00	Zaporizhzhya, Ukraine
Kharkivskiy Machine-Building Plant Svitlo Shakhtarya PJSC	66.77	66.77	Kharkiv, Ukraine
Corum Druzhkivskiy Machine-Building Plant LLC	100.00	100.00	Dnipro, Ukraine
Corum Repair LLC	100.00	100.00	Druzhkivka, Ukraine
Corum MineSpecialBuild LLC	100.00	100.00	Dobropolie, Ukraine
Corum Trading LLC (former, Sotsis LLC)	100.00	100.00	Kyiv, Ukraine
DTEK Scientific and Project Centre LLC	100.00	100.00	Dnipro, Ukraine
DTEK Trading LLC	100.00	100.00	Kyiv, Ukraine
DTEK Krymenergo PJSC	57.71	57.71	Kyiv, Ukraine
DTEK Power B.V.	100.00	100.00	Amsterdam, Netherlands
DTEK Finance PLC	100.00	100.00	London, United Kingdom
DTEK Investments Ltd	100.00	100.00	London, United Kingdom
DTEK Holdings Limited	100.00	100.00	Limassol, Cyprus
GPL Power Limited	100.00	100.00	Limassol, Cyprus
GPL Ingen Power Limited	100.00	100.00	Limassol, Cyprus
DTEK Energy LLC	100.00	100.00	Kyiv, Ukraine
Elektronaladka LLC	100.00	100.00	Pavlograd, Ukraine
Power Trade LLC	100.00	100.00	Kyiv, Ukraine
Corum Group LLC (former, Engineering and Technical Center Mining Machines LLC)	100.00	100.00	Kyiv, Ukraine

1 The Organisation and its Operations (Continued)

The Company is registered at Strawinskylaan 1531, Tower B, Level 15, grid TB-15-046/089, 1077XX Amsterdam, the Netherlands, Dutch Chamber of Commerce registration number 34334895. The address of Ukrainian subsidiaries' office is 8 Gareth Jones str. Campus 20D, 04119 Kyiv, Ukraine.

Supervisory Board and Management Board

As of 31 December 2023, the Supervisory Board comprised of following Board members: Sergey Korovin, Dmytro Sakharuk, Oleksandr Kucherenko, Oleksiy Povolotskiy, Pavlo Livertovskiy, Oleksandra Moskalenko and Nikolay Ivin. Further Dmytro Sakharuk has resigned with effect from 6 October 2024.

As of 31 December 2024, the Supervisory Board comprised of following Board members: Sergey Korovin, Oleksandr Kucherenko, Oleksiy Povolotskiy, Pavlo Livertovskiy, Oleksandra Moskalenko, and Nikolay Ivin. Further Sergey Korovin, Oleksandr Kucherenko, and Oleksiy Povolotskiy have resigned with effect from 31 December 2024, Ildar Salieiev, Olena Semych and Margaryta Povazhna were appointed as new Supervisory Board members with effect from 1 January 2025. Further Margaryta Povazhna has resigned with effect from 14 February 2025.

The Management Board of the Company during the year and up to 6 October 2024 were as follows: Ildar Salieiev, Anastasiia Andrieieva, and SCM Management B.V. (represented by its directors Nataliya Muktan and Eliza Desiree den Aantrekker). The Company has accepted the resignation of Ildar Salieiev from the position of director and appointed Oleksandr Fomenko as a new director with effect from 7 October 2024. As of 31 December 2024, the Management Board comprises of the following Board members: Oleksandr Fomenko, Anastasiia Andrieieva and SCM Management B.V. (represented by its directors Nataliya Muktan and Eliza Desiree den Aantrekker).

Changes in the Group structure

In May 2023 DTEK Trading SA liquidation was approved and in July 2023 its status was changed to "in liquidation" and its name was changed to DTEK Trading SA, en liquidation. In March 2025 DTEK Trading SA applied for deregistration from the Trade Register.

Loss of control

In February 2024 a bankruptcy procedure of DTEK Skhidenergo LLC has commenced. On 28 October 2024 DTEK Skhidenergo LLC was declared by the court as a bankrupt and a liquidation procedure commenced. The court assigned a liquidator who took control over the entity from the Group. As a result of deconsolidation UAH 1,112 million gain was recognised (Note 29).

2 Operating Environment of the Group

Ukrainian economy. Ukrainian economy has features inherent for emerging markets and its development is heavily influenced by the fiscal and monetary policies adopted by the government, together with developments in the legal, regulatory, and political environment which changes rapidly.

Since 24 February 2022, Ukraine has faced a full-scale invasion by Russian forces, affecting all spheres of life and the economy. Territories such as Kyiv, Chernihiv, Sumy, and parts of Kharkiv and Kherson regions were initially occupied but have since been liberated. As of 31 December 2024, Crimea and large parts of Donetsk, Luhansk, Kherson, and Zaporizhzhia regions remain under occupation, with active military operations ongoing. The frontline has seen little change since late 2022, however in 2024, Russian forces continued advancing on the eastern front, predominantly focused on their offensive. For the additional details on the war impact on the Group's assets and operations refer to Note 3.

The mobilization of personnel for the Ukrainian army continues, adding pressure to the labour market and impacting industries unable to secure exemptions for key male employees. Export challenges remain, including logistical issues at border crossings, although the Black Sea grain export corridor resumed operations in August 2023 and continues functioning in 2024.

Despite these challenges, the Ukrainian economy has demonstrated resilience. According to data published by the National Bank of Ukraine ('NBU'), Ukrainian GDP increased by 3.4% in 2024 (2023: 5.3% increase). The inflation rate in Ukraine for 2024 stood at 12% (2023: 5.1%) according to the statistics published by the State Statistics Service of Ukraine. During 2023- 2024 the NBU has gradually decreased its key policy rate reaching to 13.5% as at 31 December 2024. Further key policy rate was increased by 1% to 14.5% effective since 24 January 2025 and to 15.5% since 7 March 2025.

The hryvnia exchange rate, which returned to a floating regime in October 2023, stood at UAH 42.04 per USD 1 as of 31 December 2024 (as compared to UAH 37.98 per USD 1 as at 31 December 2023).

2 Operating Environment of the Group (Continued)

During 2023-2024 the NBU lifted some of the currency restrictions, including those related to transferring of funds abroad for servicing and repayment of external credits/loans obtained after 20 June 2023 (subject to a number of requirements met simultaneously), cancellation of foreign currency sale limits for banks and non-banking financial institutions and permission to Export credit agency to transfer funds abroad for compensations based on insurance/reinsurance contracts. Further during May-September 2024 the NBU introduced a few new relaxations:

- in May 2024 the NBU allowed payment of dividends abroad in the amount not exceeding EUR 1 million per month per legal entity (subject to a number of requirements met by legal entity);
- in July 2024 the NBU allowed purchase of foreign currency and payment of dividends for the purpose of servicing of coupon payments under bonds was allowed subject to number of requirements, including: the amount of payment should not exceed amount of scheduled coupon payment scheduled after 10 July 2024, Ukrainian subsidiary should be surety/guarantor under the respective bonds, payment can be made not earlier than 10 days before the coupon payment deadline etc.;
- in September 2024 the NBU allowed payment of dividends for the purpose of compensation of coupon payments under the bonds that have been made between 24 February 2022 and 9 July 2024; for the purpose of these dividends own foreign currency should be used.

These changes allowed some of the Group's subsidiaries to pay dividends abroad to serve the Group's Eurobonds.

The yield to maturity ("YtM") on Ukrainian Government's Eurobonds decreased to 14.8% (for a 5-year maturity instruments as of 31 December 2024) from 50.6% as of 31 December 2023. At the same time, the domestic Ukrainian sovereign bonds in UAH (for a 5-year maturity) were traded with the yields of 15.8% as of 31 December 2024 (18.6% as of 31 December 2023) according to the NBU data.

Fitch Ratings has downgraded Ukraine's Long-Term Foreign-Currency (LTFC) Issuer Default Rating (IDR) to 'RD' from 'C' since 13 August 2024. Fitch also downgraded the rating on the 2026 USD 750 million sovereign Eurobond to 'D' from 'C' and affirmed the other foreign-currency bonds at 'C'. The downgrade of Ukraine's LTFC IDR to 'RD' follows the expiration of the 10-day grace period for the 2026 USD 750 million Eurobond coupon payment due on 1 August 2024. On 9 August 2024, the government formally launched a consent solicitation to restructure its outstanding USD 19.7 billion sovereign Eurobonds and USD 0.7 billion state-guaranteed Ukravtodor bonds and on 3 September 2024 announced successful finalization, which allowed to exchange it to new Eurobonds and decrease outstanding debt to USD 15.2 billion.

From the start of the war the Ukrainian budget experiences a significant deficit, which was financed by national and international borrowings, grants, national borrowings and other means. Due to the inflow of international aid, international reserves have reached a new record of USD 43.8 billion as of 31 December 2024 (2023: USD 40.5 billion). International support is crucially important for Ukraine's ability to continue fighting against the aggression and to fund the budget deficit and on-going debt repayments.

In February 2025, the U.S. administration initiated negotiations between the U.S. and Russia, which may influence the geopolitical landscape, including availability of financial aid to Ukraine. These developments may also impact the Group's operating environment going forward.

As of 31 December 2024, the Group had significant balances receivable from and prepayments made to the State and entities dependant on government financing, including the trade receivables from Energorynok SE with gross carrying amount of UAH 4,777 million (Note 11), VAT recoverable of UAH 14,021 million (Note 11), prepaid income taxes of UAH 181 million. The timing of settlement of these balances is uncertain and is dependent upon the availability of State funds and amounts of future taxable profits of the Group's subsidiaries.

Electricity market. The Ukrainian electricity market provides various mechanisms for the purchase and sale of electricity, namely direct contracts, a day-ahead market, an intraday market, a balancing market and auxiliary services market. The market of direct contracts represents the sale of electricity based on bilateral agreements concluded for up to one year. The day ahead and intraday markets represent the sale of electricity with a coverage period being the next day, in which all transactions are agreed with the transmission system operator NEC (NPC) "Ukrenergo". Pricing on the day ahead market is based on a supply and demand balance. The balancing market is a market of deviations of the actual hourly production and consumption of electricity from the planned trading schedule and together with the auxiliary services markets were established in order to ensure sufficient amounts of electricity needed for the real-time balancing of electricity production and import/export, congestion management in the Integrated Power System ("IPS") of Ukraine, as well as financial settlement of electricity imbalances.

2 Operating Environment of the Group (Continued)

Despite the liberalisation of the energy market in recent years, the Ukrainian government still continues to influence the pricing on the market through implementing price caps, balancing nuclear power production volumes, introduction/cancellation of restrictive measures on import/export of electricity or applying import duties on thermal coal, etc. In 2022-2024 and till the date of issue of these consolidated financial statements several developments took place and remain valid in the electricity market rules including introduction of the minimum price floors on intraday and day-ahead markets since February 2022, mandatory sale of the majority of electricity through open auctions, restrictions on electricity exports, changing of price caps on balancing market since 31 May 2024. The Ukrainian regulator has increased several times the maximum price caps for the Ukrainian electricity market which resulted in overall increase of tariffs on day-ahead market by more than 30%: since 30 June 2023 (by 25% in day-time, by 50% in night time and by 80% in the peak period from 7pm till 11pm), since 30 November 2023 (on average by about 7% in day-time, no change in night time and by about 13% in the peak period from 5pm till 11pm) and since 31 May 2024 (on average by about 2% in day-time, by about 92% in night time and by about 20% in the peak period from 5pm till 11pm).

In November 2023, ENTSO-E announced the successful completion of synchronisation project with Ukraine after the compliance by NEC (NPC) Ukrenergo with the key technical requirements necessary to enable a permanent interconnection between the power systems of Continental Europe and Ukraine. Further on 14 December 2023 by the ENTSO-E Assembly approved Ukraine to become the 40th member of the association as of 1 January 2024.

Russia continues their missile attacks specifically targeting the energy infrastructure. Due to substantial damages to electricity generation and transmission capacities in Ukraine, power system experiences from time to time a lack of power supply, resulting in cutting for commercial and household customers. Also, as a result of destructions caused by rocket attacks and lack of power supply in the Ukrainian energy system export of electricity in all directions is stopped when there is a lack of domestic power supply and renewed when situation improves.

The trading strategies of energy market participants have also been evolving amid this continuously developing market. Examples of adjustments include changing between direct contracts and other market mechanisms, utilising forward purchases/sales opportunities. All this results in price turbulences on the day ahead and intraday markets which during the reporting period were fluctuating substantially.

Coal Market. In 2024, global coal markets stabilized after significant price declines in 2023. API2 coal prices averaged 112 USD/ton, down 9% from 2023 levels, driven by ample inventories and reduced coal-fired generation due to mild weather and increased renewable energy production. Coal stocks at Ukrainian TPPs and CHPs increased significantly by the end of 2024 reaching 3 million tonnes including on DTEK Energy TPPs as a result of missile attacks and resulting decrease of demand by TPPs (end of 2023: 0.8 million tons). In May 2024, the government lifted the restriction on energy coal exports, introducing a quota of 1.1 million tons for the year to balance domestic supply and international market opportunities. Further in December 2024 quota for energy coal exports was cancelled for 2025, while quotas for cooking coal export was set at 1.3 million tonnes.

The REMIT Law (the Law of Ukraine No.3141-IX "On Amendments to Certain Laws of Ukraine on Prevention of Abuse in Wholesale Energy Markets") was adopted by the Verkhovna Rada and entered into force on 2 July 2023. The Law was developed in order to transpose into national legislation the provisions of the European Union Regulation on the prevention of abuse in the natural gas and electricity markets, known as REMIT (Regulation (EU) No. 1227/2011 of the European Parliament and of the Council of 25 October 2011), but was implemented with some national peculiarities. The REMIT Law prescribes an obligation to register as a wholesale energy market participant, report transactions with wholesale energy products, disclose inside information and forbids the use of inside information or the manipulation of wholesale energy markets (additionally, it imposes significant fines for non-compliance).

The Group is taking the necessary actions to comply with the new market obligation, e.g. it registered the companies active on the Ukrainian market in the wholesale energy market participant register and obtained the relevant ECRB codes. The Group is also preparing the necessary IT solution and internal processes for compliance with the reporting and disclosure requirements in line with the setup of the relevant market infrastructure (inside information platforms and registration of the reporting mechanism).

3 Material Accounting Policies Information

Basis of preparation. These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS Accounting Standards") as adopted by the European Union and the statutory provisions of Part 9, Book 2, of the Dutch Civil Code.

The consolidated financial statements have been prepared using the historical cost convention, as modified by the revaluation of property, plant and equipment (revaluation model under IAS 16 *Property, plant and equipment*), and certain financial instruments measured at fair value in accordance with the requirements of IFRS 9 *Financial instruments*. The material principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

Management applied the going concern assumption for the preparation of these consolidated financial statements.

3 Material Accounting Policies Information (Continued)

Going concern. The Group's business is concentrated in Ukraine, almost all the revenue is generated in Ukraine and denominated in UAH (2024: 99% and 2023: 99%, respectively), although the Group also receives part of revenue in foreign currencies from its export of electricity (unless there are export restrictions as explained below). The majority of the Group's debt is denominated in USD (as disclosed in Note 16).

As of 31 December 2024 the Group had an excess of current assets over current liabilities of UAH 7,909 million and UAH 19,830 million of positive net assets (31 December 2023: excess of current assets over current liabilities of UAH 682 million and UAH 7,763 million of negative net assets).

On 24 February 2022 Russia initiated a full-scale military invasion of Ukraine. This was followed up by the immediate enactment of martial law by the Ukrainian President's Decree approved by the Parliament of Ukraine and the corresponding introduction of the related temporary restrictions that impact the economic environment and business operations.

There is a significant uncertainty resulting from the current situation and over the future development of the military invasion. The current and future developments have a short and long-term impact on the Group, its people, operations, liquidity, and assets. There could be multiple scenarios of further developments of the current situation with unknown likelihood and the magnitude of the impact on the Group might be from significant to severe. Therefore, the Group has assessed the appropriateness of the Going Concern assumption. Since the start of the war, the Group has experienced a number of significant challenges and disruptions, including, but not limited to:

- lower domestic demand for electricity and accordingly electricity production in Ukraine fell by approximately 30% in 2022 compared to 2021, further fell by approximately 5% in 2023 compared to 2022 and in 2024 was in line with 2023;
- variability of movements of demand and prices for electricity between the different electricity market segments;
- the cessation of all electricity export until 28 March 2022, since when electricity export was resumed to Poland and from 30 June 2022 partially resumed to other EU countries. Further electricity export was ceased and resumed during 2H2022-2024 as a result of missile attacks and depending on the sufficiency of electricity supplied to Ukrainian market. Amount of allowed export volumes is still insignificant compared to pre-war level;
- in 2022 DTEK Energy has lost control over Luhansk TPP located in non-controlled territory. Zaporizhzhya TPP is also located in non-controlled territory and was idle from 5th May 2022. Starting from December 2023 Kurahivska TPP, which is located on the territory with active hostilities, was affected by the continuing missile attacks. As a result it stopped its generation at the end of December 2023 and tried to operate in January 2024, but stopped again due to continuous shelling. Further in 2nd quarter of 2024 railway connection with this TPP was damaged and as a result it was finally put to idle and certain equipment were reallocated to other TPPs to be used in repair programs;
- during October 2022-February 2025, Russia committed multiple attacks against civilian and critical infrastructure facilities throughout Ukraine, including the Group's energy enterprises. As a result some regions of Ukraine from time to time experienced lack of electricity supply during November 2022-February 2025. Energy enterprises including DTEK Energy continue to run repair campaigns to recover as much damaged equipment as possible to be able to meet the demand for electricity;
- moratorium for cross-border debt and capital repayments imposed by the National Bank of Ukraine, which was partially lifted in 2024 including for Eurobonds coupon payments (Note 2).

Management already took and continues to take a number of actions starting from March 2022 to mitigate the effect of negative impact by the challenges described above and optimised operations and its cash flows, including:

- continuous balancing of necessary efficient production on the basis of its fixed and variable costs versus payment collection;
- reduction of administrative expenses, including postponement of salary increase and bonus payments, in 2022 and 2023;
- pursuing regulatory and national energy policy negotiations to maintain adequate business environment;
- optimising working capital through renegotiation of payment terms with suppliers;
- sales in Ukraine to 3rd parties of own coal;
- running repairs and maintenance campaign for the critical operating units (including repairing damages due to missile attacks);
- receiving humanitarian aid to rebuild capacity destroyed in missile attacks;
- developing proper arrangements to service Eurobonds and comply with currency control restrictions.

As a result of the actions above and the operating profits, the Group was and expects to be able to maintain a positive cash balance.

3 Material Accounting Policies Information (Continued)

As a part of the going concern assessment, management prepared monthly cash flow projections throughout 2025 and the first four months of 2026. Based on this forecast, taking into account results of damages from missile attacks committed before the date of issuing of these consolidated financial statements, management expects to have sufficient liquidity during the projected period.

The projected cash flows assume that:

- no further significant progression of Russian troops into the territory of Ukraine and no further escalation of military actions that could severely affect the Group's assets, or result in severe and wide-spread damages to Ukrainian energy infrastructure;
- the average tariffs in the projection period are expected to approximate the actual observed tariff in January-February 2025;
- no significant further (after November 2024 – February 2025 attacks) negative impact as a result of the war on the demand of electricity in Ukraine and controlled assets of DTEK Energy;
- repairs and maintenance are kept at the level ensuring the ability to operate at the sufficient level;
- no material losses from non-payment by the main customers and return of accounts receivable days with major counterparties to a usual terms by the end of 2025;
- payments of principal and interest under Eurobonds are serviced in accordance with Eurobonds documentation;
- no settlements under the guarantee issued in connection with debt to Sberbank of Russia, including due to the continuing sanctions regime imposed on the bank.

Management analysis shows that the Group will have sufficient liquidity to maintain required operating expenses, capex, other running costs and settle the external debts according to the agreed schedules during the full projection period. Some assumptions and/or preconditions contain uncertainty, existing at the date of these consolidated financial statements: it is uncertain how the military situation will further develop and the impact thereof on physical safety of the Group's assets and operations of energy system of Ukraine. In case the military situation worsens, management will still be able to use mitigating liquidity measures including the option to elect for partially payment-in-kind (PIK) of the interest, reduction of capital expenditure to minimum levels while maintaining minimum safety and environmental standards, varying the maintenance budget between the periods and continuing optimising working capital through renegotiation of payment terms with suppliers. In case these measures will not be sufficient to accumulate the amount due under the Eurobonds, a request on immediate full or partial repayment of loans issued to DTEK GROUP B.V. might be made subject to the terms and conditions of such loans (Note 9) or further restructuring opportunities of the existing terms of Eurobonds might be considered.

Management acknowledges that the facts and circumstances described above, in particular the current situation and the future development of military actions represent a material uncertainty, which may cast significant doubt about the Group's and the Company's ability to continue as a going concern and, therefore, the Group and the Company may be unable to realise its assets and discharge its liabilities in the normal course of business.

Despite this material uncertainty caused by the war in Ukraine, management is continuing taking actions to minimise the impact on the Group and the Company, and therefore believes that application of the going concern assumption for the preparation of these consolidated financial statements is appropriate.

Use of estimates. The preparation of financial statements in accordance with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Group's accounting policies. The areas, involving a high degree of judgement, complexity, or areas where assumptions and estimations are significant to the financial statements are disclosed in Note 4.

Functional and presentation currency. The consolidated financial statements are presented in Ukrainian Hryvnia ("UAH"), which is the Company's functional and the Group's presentation currency. Transactions denominated in currencies other than the relevant functional currency are translated into the functional currency, using the exchange rate prevailing at the date of the transaction.

Foreign exchange differences classification. Foreign exchange transaction differences on accounts receivable, accounts payable, cash and cash equivalents and deposits placed are classified in consolidated income statement as "Net operating foreign exchange gains and losses". Transaction differences recognised on other monetary assets and liabilities are classified in consolidated income statement as "Foreign exchange losses less gains on financing and investing activities".

As at 31 December 2024, the exchange rates used for translating foreign currency balances were USD 1 = UAH 42.04 (31 December 2023: USD 1 = UAH 37.98); EUR 1 = UAH 43.93 (31 December 2023: EUR 1 = UAH 42.21).

3 Material Accounting Policies Information (Continued)

The results and financial position of each consolidated entity are translated into the presentation currency as follows: (i) assets and liabilities for each balance sheet are translated at the closing rate at the date of that balance sheet; (ii) income and expenses for each income statement are translated at monthly average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and (iii) all resulting exchange differences are recognised as a separate component of equity. All the components of consolidated equity are translated at the closing rate of that balance sheet date, except for share capital, share premium and retained earnings, which is stated at historical rates. The balancing figure goes to cumulative currency translation reserve in other reserves in equity.

Transactions with non-controlling interests. The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Segment reporting. Operating segments are reported in a manner consistent with the internal reporting provided to the Group's chief operating decision maker. The chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segments. Reportable segments whose revenue, result or assets are ten percent or more of all the segments are reported separately. Segments falling below this threshold can be reported separately at management decision.

Property, plant and equipment. The Group uses the revaluation model to measure property, plant and equipment. The Group measure the right-of-use asset at cost at the commencement date and for a subsequent measurement elect to apply cost model to the all right-of-use assets, except for those relate to mining assets, for which revaluation model is applied. Fair value is based on valuations by external independent valuers or internally in case it is related to reversal of previous recognised economic obsolesce haircut. The frequency of revaluation will depend on the market conditions.

Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the income statement and depreciation based on the asset's original cost is transferred from other reserves to retained earnings. When an item of property, plant and equipment is revalued the accumulated depreciation is eliminated against the gross carrying amount of the asset.

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately, is capitalised with the carrying amount of the replaced component being written off. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred. Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from the continued use of the asset. Gains and losses on disposals determined by comparing proceeds with carrying amount of property, plant and equipment are recognised in the consolidated income statement. When revalued assets are sold, the amounts included in other reserves are transferred to retained earnings.

Depreciation. Depreciation is charged to the consolidated income statement on a straight-line basis to allocate costs of individual assets to their residual value over their estimated useful lives. Depreciation commences on the date of acquisition or, in respect of self-constructed assets, from the time an asset is completed and ready for use.

Mining assets include mineral licences and mineral reserves, which were acquired by the Group and which have finite useful lives. Mineral licenses and mineral reserves are stated at cost less accumulated amortisation and accumulated impairment losses. Mining assets are amortised on a straight-line basis over the estimated useful life.

Other property, plant and equipment are depreciated on a straight line basis over its expected useful life. The typical useful lives of the Group's other property, plant and equipment are as follows:

	<u>Average useful lives in years</u>
Mining assets	from 2 to 11
Buildings and structures	from 2 to 29
Plant and machinery	from 2 to 15
Furniture, fittings and equipment	from 2 to 21

Construction in progress represents the cost of property, plant and equipment, including advances to suppliers, which has not yet been completed. No depreciation is charged on such assets until they are available for use.

3 Material Accounting Policies Information (Continued)

Asset retirement obligations. According to the Code on Mineral Resources, Land Code of Ukraine, Mining Law, Law on Protection of Land and other legislative documents, the Group is responsible for site restoration and soil rehabilitation upon abandoning of its mines. Estimated costs of dismantling and removing an item of property, plant and equipment are added to the cost of an item of property, plant and equipment when the item is acquired, and corresponding obligation is recognised. When there are changes in the measurement of an existing asset retirement obligation, that result from changes in the estimated timing or amount of the outflows, or from changes in the discount rate used for measurement, the revaluation surplus of underlying asset is adjusted and any amount in excess of the revaluation surplus is recognised in the income statement.

Provisions in respect of abandonment and site restoration are evaluated and re-estimated annually and are included in the consolidated financial statements at each balance sheet date at their expected net present value, using discount rates which reflect the economic environment in which the Group operates.

Initial recognition of financial instruments. The Group's principal financial instruments comprise loans issued and borrowings, cash and cash equivalents, short-term deposits and financial guarantees. The Group has various other financial instruments, such as trade debtors and trade creditors, which arise directly from its operations.

Where financial instruments are acquired from parties under the common control of the ultimate shareholder, and the difference between the amount paid to acquire the instrument and its fair value in substance represents a capital contribution or distribution, such difference is recorded as a debit or credit in other reserves in equity.

All purchases and sales of financial instruments that require delivery within the time frame established by regulation or market convention ("regular way" purchases and sales) are recorded at trade date, which is the date that the Group commits to deliver a financial instrument.

Impairment of financial asset (credit loss allowance for ECL). The Group assesses, on a forward-looking basis, the ECL for debt instruments measured at AC and FVOCI and for the exposures arising from loan commitments and financial guarantee contracts and for contract assets. The Group measures ECL and recognises Net impairment losses on financial and contract assets at each reporting date. The measurement of ECL reflects: (i) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (ii) time value of money and (iii) all reasonable and supportable information that is available without undue cost and effort at the end of each reporting period about past events, current conditions and forecasts of future conditions.

Debt instruments measured at AC and contract assets are presented in the consolidated statement of financial position net of the allowance for ECL. For loan commitments and financial guarantees, a separate provision for ECL is recognised as a liability in the consolidated statement of financial position.

The Group applies the IFRS 9 simplified approach which uses a lifetime expected loss allowance for the trade accounts receivable balances. At each reporting date, an entity assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. For all other instruments, the Group applies a three stage model for impairment, based on changes in credit quality since initial recognition.

Modification of financial assets. The Group sometimes renegotiates or otherwise modifies the contractual terms of the financial assets.

In a situation where the renegotiation was driven by financial difficulties of the counterparty and inability to make the originally agreed payments, the Group compares the original and revised expected cash flows to assets whether the risks and rewards of the asset are substantially different as a result of the contractual modification. If the risks and rewards do not change, the modified asset is not substantially different from the original asset and the modification does not result in derecognition. The Group recalculates the gross carrying amount by discounting the modified contractual cash flows by the original effective interest rate (or credit-adjusted effective interest rate for POCI financial assets), and recognises a modification gain or loss in profit or loss.

Financial guarantees. Financial guarantees are irrevocable contracts that require the Group to make specified payments to reimburse the holder of the guarantee for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument. Financial guarantees are initially recognised at their fair value. This amount is amortised on a straight line basis over the life of the guarantee. At the end of each reporting period, the guarantees are measured at the higher of (i) the remaining unamortised balance of the amount at initial recognition and (ii) the amount of expected credit losses under IFRS 9.

3 Material Accounting Policies Information (Continued)

Derecognition of financial liabilities. A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. A substantial modification of the terms of an existing financial liability or a part of it is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. While assessing if modification is substantial, management considers both quantitative and qualitative factors. Qualitative factors include change of form of the instrument, interest rate, change in covenants and guarantors. The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, are recognised in profit or loss.

Derivative financial instruments are carried at their fair value. All derivative instruments are carried as assets when fair value is positive and as liabilities when fair value is negative. Changes in the fair value of derivative instruments are included in profit or loss for the year. The Group does not apply hedge accounting.

Certain derivative instruments embedded in financial liabilities and other non-financial contracts are treated as separate derivative instruments when their risks and characteristics are not closely related to those of the host contract.

Inventories. The cost of inventory is assigned on the first in first out basis for raw materials and spare parts and weighted average cost for coal.

Cash and cash equivalents. Cash and cash equivalents include cash in hand, deposits held at call with banks, and other short-term highly liquid investments with maturities of three months or less with insignificant change in value. Cash and cash equivalents are carried at amortised cost using the effective interest method. Restricted balances are excluded from cash and cash equivalents for the purposes of the consolidated cash flow statement. Balances restricted from being exchanged or used to settle a liability for at least twelve months after the balance sheet date are included in other non-current assets.

Dividends. Dividends are recognised as a liability and deducted from equity at the balance sheet date only if they are declared before or on the balance sheet date. Dividends are disclosed when they are proposed before the balance sheet date or proposed or declared after the balance sheet date but before the consolidated financial statements are authorised for issue.

Value added tax ("VAT"). In Ukraine VAT is levied at four rates: 20% on sales and imports of majority of goods within the country, works and services, 14% for sales of agricultural products, 7% for cultural services and sales of medicals and 0% on the export of goods and provision of works or services to be used outside Ukraine. A taxpayer's VAT liability equals the total amount of VAT collected within a reporting period and arises on the earlier of the date of shipping goods to a customer or the date of receiving payment from the customer. A VAT credit is the amount that a taxpayer is entitled to offset against his VAT liability in a reporting period. Rights to VAT credit arise when a VAT invoice is received, which is issued on the earlier of the date of payment to the supplier or the date goods are received. For electricity and coal supply and purchase operations, companies have the right to recognize a VAT credit and liability respectively on the date of payment to the supplier. VAT related to sales and purchases is recognised in the consolidated balance sheet on a gross basis and disclosed separately as an asset and liability. Where provision has been made for impairment of receivables, the impairment loss is recorded for the gross amount of the debtor, including VAT.

Revenue recognition. The Group's generating companies sell all electricity produced by its electricity generation plants to electricity market. Revenue from the sale of electricity is the value of units supplied during the year. The Group recognises revenue from sales of electricity and auxiliary services over time. Revenue from electricity sales is recognised in the accounting period in which the electricity was supplied based on meter readings data and control over electricity is transferred.

Revenues from other sales are recognised at the point of transfer of control associated with ownership of goods. If the goods are transported to a specified location, revenue is recognised when the goods are passed to the customer at the destination point. Revenues are measured at the fair value of consideration received or receivable, and are shown net of value added tax, discounts, returns, penalties for electricity supply due to non-fulfilment of quantity of electricity supply, export duties and other similar mandatory payments.

Recognition of expenses. Expenses are recorded on an accrual basis. The cost of goods sold comprises the purchase price, transportation costs, commissions relating to supply agreements and other related expenses.

Finance income and costs. Finance income and costs comprise interest expense on borrowings, losses on early repayment of borrowings, interest income on funds invested, income on origination of financial instruments, unwinding of interest of the pension obligation and asset retirement provision, and foreign exchange gains and losses. Interest received in the operational course of business (such as interest income on cash and cash equivalents) is represented in operating activities, while interest received on loans provided to related parties – in investing activities in the consolidated statement of cash flows.

3 Material Accounting Policies Information (Continued)

Employee benefits: Defined Contributions Plan. The Group makes statutory unified social contributions to the Pension Fund of Ukraine in respect of its employees. The contributions are calculated as a percentage of current gross salary, and are expensed when incurred. Discretionary pensions and other post-employment benefits are included in labour costs in the consolidated income statement.

Employee benefits: Defined Benefit Plan. Certain entities within the Group participate in a mandatory State defined retirement benefit plan, which provides for early pension benefits for employees working in certain workplaces with hazardous and unhealthy working conditions. The Group also provides lump sum benefits upon retirement subject to certain conditions. The liability recognised in the balance sheet in respect of the defined benefit pension plan is the present value of the defined benefit obligation at the balance sheet date. The defined benefit obligation is calculated annually by actuaries using the Projected Unit Credit Method. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

Remeasurement of liability resulting from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. Current and past service costs are recognised immediately in the income statement.

Income from non-core activity. The Group undertakes, in the course of its ordinary activities, other transactions that do not generate revenue and are incidental to the main revenue-generating activities. When the Group acts as an agent the presentation of the transaction reflect the substance of the transaction by recording the net result through netting any income with related expenses arising on the same transaction with any net gain or loss presented in revenue. Accounts receivable and accounts payable are recognised on a gross basis and not offset.

4 Critical Accounting Estimates and Judgements

The Group makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management also makes certain judgements, apart from those involving estimations, in the process of applying the accounting policies. Judgements that have the most significant effect on the amounts recognised in the consolidated financial statements and estimates that can cause a significant adjustment to the carrying amount of assets and liabilities within the next financial year include:

Impairment of property, plant and equipment. The Group is required to perform impairment tests for its cash-generating units where impairment indicators are identified. One of the determining factors in identifying a cash-generating unit is the ability to generate independent cash flows for that unit. For many of the Group's identified cash-generating units a significant proportion of their output is input to another cash-generating unit. Management critical accounting estimates and judgements related to determination of recoverable values of property, plant and equipment are further disclosed in Note 8.

Revaluation of property, plant and equipment. On an annual basis management of the Group carries out an analysis to assess whether carrying amounts of items of property, plant and equipment differ materially from that which would be determined using fair value at the end of the reporting period. The analysis is based on price indices, developments in technology, movements in exchange rates since the date of latest revaluation, profitability of underlying businesses and other relevant factors. Where the analysis indicates that the fair values of items of property plant and equipment differ materially from the carrying amounts, further revaluation is performed involving independent appraisers.

As most of the Group's property, plant and equipment is of a specialised nature, its fair value is determined using depreciated replacement cost (Level 3). As at 31 October 2024, the Group's management performed the revaluation of property, plant and equipment for its mining and generation assets based on positive changes in economic and regulatory environment on the energy market of Ukraine and an increase of the inflation rate. Fair values of property, plant and equipment and remaining useful lives were determined by an independent appraiser. The fair values obtained using depreciated replacement cost are validated using discounted cash flow models (income approach, Level 3), and are adjusted if the values obtained using income approach are lower than those obtained using depreciated replacement cost or indexation of carrying amounts (i.e. there is economic obsolescence) (Note 8).

Remaining useful lives of property, plant and equipment. The Group's management determines the estimated useful lives and related depreciation charges for its property, plant and equipment. This estimate is based on the technical characteristics, physical conditions, management's expectations on use of the respective assets and other factors. This affects depreciation charge and revaluation results.

4 Critical Accounting Estimates and Judgements (Continued)

Control over the legal entities whose operations in the non-controlled territory were lost. On 15 March 2017 the self-proclaimed authorities took control of all of the Group's assets located in the non-controlled territory. Further on 24 February 2022, invasion of Russia took place in the territories where some of DTEK Energy assets are located. The Group determined that it retains control over the legal entities whose operations were located in the non-controlled territories and are located in territories impacted by the invasion of Russia in 2022, as these entities are registered in the controlled territory of Ukraine and continue to serve its obligations and collect payments on receivables. Therefore, the Group continues to consolidate these entities as of 31 December 2024 or up until the commencement of liquidation procedure.

ECL measurement. Management estimates ECL based on an analysis of individual accounts. Factors taken into consideration include an ageing analysis of trade and other accounts receivable in comparison with the credit terms allowed to customers, and the financial position of and collection history with the customer. Should actual collections be less than management's estimates, the Group would be required to record an additional impairment expense.

For the period ended 31 December 2024 and 2023 ECL rate was calculated based on default rates corresponding to Fitch credit rating set for country of counterparty's operations or a counterparty where relevant and adjusted for weighted average loss given default determined according to Fitch recovery rates or the European Banking Authority if Fitch recovery rate is unavailable.

For the period ended 31 December 2024 and 2023, expected credit losses for financial investments were measured at a 12-month ECL rate (Stage 1). Details regarding assumptions and estimates used for expected credit loss assessment of financial investments were disclosed in Note 9.

As a result of the electricity market reform, from 1 July 2019 Energorynok SE as a sole buyer of electricity ceased to perform its main functions, but remained as a legal entity until all of its obligations are settled. The set of laws (the "Laws") required for settlement of these obligations have been partially adopted, but not yet in full by the Ukrainian parliament and the timing of the adoption of these laws and validity period is still uncertain.

As at 31 December 2024 the gross carrying amount of trade receivables from Energorynok SE comprised UAH 4,777 million (31 December 2023: UAH 6,157 million). ECL for trade receivables from Energorynok SE is calculated based on scenario approach as follows: the most weight assumes non-repayment (80% probability) and an alternative scenario (20% probability) assumes a 20-year period for settlement.

In case the weight of the non-repayment scenario increased to 100%, this could result in additional provision totaling UAH 132 million as of 31 December 2024. The Group classified the whole balance of trade receivables as non-current trade and other receivables as at 31 December 2024 and as at 31 December 2023 (Note 11).

Other assumptions and estimates used for expected credit loss assessment of guarantee issued were disclosed in Note 15.

Sales and purchases of electricity with the same counterparty. Electricity sales by direct contracts are reduced by the amount of imbalances purchased from the same counterparty. Electricity sales and purchases on balancing market are presented on a gross basis, because loading and unloading orders from NEC Ukrenergo SE do not arise simultaneously and are not commercially linked between each other. Electricity sales and purchases of electricity used for own needs are presented on a gross basis as such sale and purchase have clearly different commercial purposes, are not mutually linked and are made under different agreements.

Post-employment and other employee benefit obligations. Management assesses post-employment and other employee benefit obligations using the Projected Unit Credit Method based on actuarial assumptions which represent management's best estimates of the variables that will determine the ultimate cost of providing post-employment and other employee benefits. Since the plan is administered by the State, the Group may not have full access to information and therefore assumptions regarding when, or if, an employee takes early retirement, whether the Group would need to fund pensions for ex-employees depending on whether that ex-employee continues working in hazardous conditions, the likelihood of employees transferring from State funded pension employment to Group funded pension employment could all have a significant impact on the pension obligation. The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions.

The major assumptions used in determining the net cost (income) for pensions include the discount rate, indexation rate and expected salary increases. Any changes in these assumptions will impact the carrying amount of pension obligations. Since there are no long-term, high quality corporate bonds issued in Ukrainian Hryvnias, significant judgement is needed in assessing an appropriate discount rate. Since there are no long-term high-quality corporate bonds in Ukraine, the Group applies market rates on Ukrainian government bonds of appropriate maturity to discount post-employment benefit obligations.

4 Critical Accounting Estimates and Judgements (Continued)

The principal actuarial assumptions used as follows:

	31 December 2024	31 December 2023
Nominal discount rate	16.49%	18.05%
Nominal salary increase	5.00%-15.00%	5.00%-12.99%
Pension indexation rate	5.00%-11.24%	5.00%-11.13%

As a result of change in assumptions UAH 453 million was recorded in other comprehensive income as loss from re-measurements of post-employment benefit obligations for the 12 months 2024.

The principal actuarial assumptions for sensitivity analysis were considered independently from each other. The methods and types of the assumptions used in preparing the sensitivity analysis did not change compared to the prior period. The sensitivity of the defined benefit obligation (Note 17) to changes in the principal assumptions is as follows:

	31 December 2024	31 December 2023
Nominal discount rate increase/decrease by 1%	(5.99%)/6.67%	(5.63%)/6.16%
Nominal salary increase/decrease by 1%	2.72%/(2.57%)	2.47%/(2.33%)
Pension indexation rate increase/decrease by 1%	2.27%/(2.22%)	2.16%/(2.11%)

Asset retirement obligations. Changes in the measurement of an existing asset retirement obligation result from changes in the estimated timing or amount of the outflows, or from changes in the discount rate are recognised as an adjustment to the cost of the respective asset through the income statement or other reserves in equity to the extent of any revaluation balance existence in respect of the related asset. The principal asset retirement provision assumptions used are as follows:

	31 December 2024	31 December 2023
Pre-tax nominal discount rate	16.49%	18.05%
Inflation long-term	5.00%	5.00%
Inflation middle-term	6.08%	7.75%

Also, as at 31 December 2024 there was the change in estimate in relation to remaining useful life of mines Stepna and Uvileyna, which were extended for 1 and 3 years respectively and mine Dniprovskya, which was reduced for 8 years according to revised strategy in respect of mining.

As a result of changes in assumptions and estimate UAH 129 million was recorded in other comprehensive income from change in estimate for asset retirement obligation for the 12 months 2024.

Fair value of Eurobonds. As of 17 May 2021, new Eurobonds were initially recorded at a fair value, where a significant judgement was required to determine the fair value of new Eurobonds. The Group's new Eurobonds maturing in 2027 were traded on open markets with a discount of approximately 30% to their nominal value. However, as trading volumes were low and transactions were infrequent, the market was not considered by management as an active market. Therefore, to estimate the fair value of new Eurobonds at the inception date quoted prices for similar financial instruments (corporate bonds) on active markets were used (Level 3), which included CCC rated bonds with maturities in 2026-2028 and trading volumes of at least 10% out of the total issue amount, resulting in effective interest rate for new Eurobonds of 9.42%.

Deferred tax asset recognition. The net deferred tax asset represents income taxes recoverable through future deductions from taxable profits and is recorded in the balance sheet. Deferred tax assets are recorded to the extent that realisation of the related tax benefit is probable. In determining future taxable profits and the amount of tax benefits that are probable in the future, management makes judgements and applies estimation based on historic taxable profits and expectations of future income that are believed to be reasonable under the circumstances. Deferred tax asset is recognised on entities, which are profitable according to the tax forecast planning and expected to be profitable in the observable future and, respectively, deferred tax asset is expected to be utilised within 5 years on average from the reporting date.

Tax legislation. Ukrainian tax, currency and customs legislation continues to evolve. Conflicting regulations are subject to varying interpretations. Management believes its interpretations are appropriate and sustainable, but no certainty can be provided against a challenge from the tax authorities.

4 Critical Accounting Estimates and Judgements (Continued)

Uncertain tax positions. The Group's uncertain tax positions are reassessed by management at the end of each reporting period. Liabilities are recorded for income tax positions that are determined by management as more likely than not to result in additional taxes being levied if the positions were to be challenged by the tax authorities. The assessment is based on the interpretation of tax laws that have been enacted or substantively enacted by the end of the reporting period, and any known court or other rulings on such issues. Liabilities for penalties, interest and taxes other than on income are recognised based on management's best estimate of the expenditure required to settle the obligations at the end of the reporting period. Adjustments for uncertain income tax positions, other than interest and fines, are recorded within the income tax charge. Adjustments for uncertain income tax positions in respect of interest and fines are recorded within finance costs and other operating income/(expenses), net, respectively.

Related party transactions. In the normal course of business the Group enters into transactions with related parties. Judgement is applied in determining if transactions are priced at market or non-market rates, where there is no active market for such transactions.

Lease. The Group's majority of lease agreements refer to land leases for its electricity generation and coal production facilities under agreements with local authorities. Lease payments are variable and calculated as a percentage from "normative monetary appraisal of land". Normative monetary appraisal of land does not constitute fair value of land as at reporting date since in Ukraine changes in normative monetary appraisal of land would not represent a variable to the change in fair value of land. In general, normative monetary appraisal of land is based on specific requirements in the legislation. Therefore, management concluded that normative monetary appraisal of land does not meet the definition of an index or a rate under of IFRS 16 and respectively no lease asset and liability should be recorded for lease of land contracts.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

5 Adoption of New or Revised Standards and Interpretations

New and amended standards adopted by the Group. The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2024:

- **Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback** (issued on 22 September 2022 and effective for annual periods beginning on or after 1 January 2024). The amendments relate to the sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The amendments require the seller-lessee to subsequently measure liabilities arising from the transaction and in a way that it does not recognise any gain or loss related to the right of use that it retained. This means deferral of such a gain even if the obligation is to make variable payments that do not depend on an index or a rate.

The application of these amendments had no material impact on the Group's consolidated financial statements

- **Classification of liabilities as current or non-current – Amendments to IAS 1 (originally issued on 23 January 2020 and subsequently amended on 15 July 2020 and 31 October 2022, ultimately effective for annual periods beginning on or after 1 January 2024).** These amendments clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Liabilities are non-current if the entity has a substantive right, at the end of the reporting period, to defer settlement for at least twelve months. The guidance no longer requires such a right to be unconditional. The October 2022 amendment established that loan covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Management's expectations whether they will subsequently exercise the right to defer settlement do not affect classification of liabilities. A liability is classified as current if a condition is breached at or before the reporting date even if a waiver of that condition is obtained from the lender after the end of the reporting period. Conversely, a loan is classified as non-current if a loan covenant is breached only after the reporting date. In addition, the amendments include clarifying the classification requirements for debt a company might settle by converting it into equity. 'Settlement' is defined as the extinguishment of a liability with cash, other resources embodying economic benefits or an entity's own equity instruments. There is an exception for convertible instruments that might be converted into equity, but only for those instruments where the conversion option is classified as an equity instrument as a separate component of a compound financial instrument.

As a result of this amendment the Group updated its disclosure in Note 16. However, it did not result in any actual changes in classification of borrowings.

5 Adoption of New or Revised Standards and Interpretations (Continued)

• **Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements** (issued on 25 May 2023 and effective for annual periods beginning on or after 1 January 2024). In response to concerns of the users of financial statements about inadequate or misleading disclosure of financing arrangements, in May 2023, the IASB issued amendments to IAS 7 and IFRS 7 to require disclosure about entity's supplier finance arrangements (SFAs). These amendments require the disclosures of the entity's supplier finance arrangements that enable the users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows and on the entity's exposure to liquidity risk. The purpose of the additional disclosure requirements is to enhance the transparency of the supplier finance arrangements. The amendments do not affect recognition or measurement principles but only disclosure requirements.

The application of these amendments had no material impact on the Group's consolidated financial statements.

New accounting pronouncements. Certain new standards and interpretations have been issued that are mandatory for the annual periods beginning on or after 1 January 2025 or later, and which the Group has not early adopted.

The following new standards, which are relevant to the Group, have been endorsed by European Union:

- **Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability** (issued on 15 August 2023 and effective for annual periods beginning on or after 1 January 2025);

The application of these amendments had no material impact on the Group's consolidated financial statements.

The following new standards, which are relevant to the Group consolidated financial statements, have been issued, but have not been endorsed by European Union:

- **Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Classification and Measurement of Financial Instruments** (issued on 30 May 2024 and effective for annual periods beginning on or after 1 January 2026);
- **Amendments to IFRS 9 and IFRS 7 Contracts Referencing Nature-dependent Electricity** (Issued on 18 December 2024 and effective from 1 January 2026). The IASB has issued amendments to help companies better report the financial effects of nature-dependent electricity contracts, which are often structured as power purchase agreements (PPAs). Current accounting requirements may not adequately capture how these contracts affect a company's performance. To allow companies to better reflect these contracts in the financial statements, the IASB has made targeted amendments to IFRS 9, Financial Instruments, and IFRS 7, Financial Instruments: Disclosures. The amendments include: (a) clarifying the application of the 'own-use' requirements; (b) relaxing certain hedge accounting requirements if these contracts are used as hedging instruments; and (c) adding new disclosure requirements to enable investors to understand the effect of these contracts on financial performance and cash flows.
- **IFRS 18 Presentation and Disclosure in Financial Statements** (issued on 9 April 2024 and effective for annual periods beginning on or after 1 January 2027). In April 2024, the IASB has issued IFRS 18, the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:
 - the structure of the statement of profit or loss;
 - required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures);
 - enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

IFRS 18 will replace IAS 1; many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its 'operating profit or loss'. IFRS 18 will apply for reporting periods beginning on or after 1 January 2027 and also applies to comparative information.

- **IFRS 19 Subsidiaries without Public Accountability: Disclosures** (issued on 9 May 2024 and effective for annual periods beginning on or after 1 January 2027);
- **Annual improvements to IFRS Accounting Standards – Amendments to:** IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements and IAS 7 Statement of Cash flows (issued on 18 July 2024 and effective for annual periods beginning on or after 1 January 2026).

The Group is currently assessing the impact of the amendments on the consolidated financial statements.

6 Segment Information

The Management Board is the Group's chief operating decision-maker (CODM). The Management has determined the operating segments used for disclosure by the Group based on reports reviewed by the Management Board for the purposes of assessing performance. The Management Board considers the business from a product perspective taking into account the vertical integration of the Group.

The Management Board assesses the performance of the operating segments based on a measure of Adjusted EBIT. This measurement basis (further referred to as 'segment result') represents Profit after income tax after excluding the following income statement items: foreign exchange losses less gains, impairment of property, plant and equipment, intangible assets, net impairment losses on financial instruments, income tax expense, certain maintenance of social infrastructure costs; gain/loss on loss of control, finance income and expenses, except for interest on bank deposits, extinguishment of VAT payable and late adjustments.

In 2024 to align to the way how CODM gets and reviews the information about the performance of the segments the Group has made a change in presentation of segment information leaving only one reportable segment "Coal mining and power generation". The comparative information has been aligned with a new presentation.

This operating segment consist of coal mining and sale, power generation on thermal power plants and electricity sale and sales of services and machinery. Those Group's operations are vertically integrated and while the operating businesses are organised and managed separately, with each business unit offering different products and serving different markets, there remains significant inter-dependence between mining, generation and machinery business units of the Group. The primary reporting format, business segments, is based on the Group's management and internal reporting structure. Prices between the business units were set based on references to the market prices. Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Segment information for the reportable business segments of the Group for the year ended 31 December is as follows:

<i>In millions of Ukrainian Hryvnia</i>	Coal mining and power generation	
	2024	2023
Revenue	57,756	67,139
Cost of sales	(38,230)	(44,152)
General and administrative expenses	(3,049)	(2,524)
Distribution costs	(122)	(130)
Other income/(expenses)	16	(1,068)
Total segment result	16,371	19,265
Net operating foreign exchange gain/(loss)	160	(111)
Foreign exchange losses less gains on financing and investing activities	(3,592)	(1,483)
Net finance costs not included in segment result	(4,561)	(1,433)
Impairment of property, plant and equipment (Note 8)	(857)	(882)
Net impairment losses on financial instruments	(1,020)	384
Gain from the loss of control (Note 29)	1,112	-
Maintenance of social infrastructure (Note 25)	(109)	(187)
Extinguishment of VAT payable	311	-
Late adjustment on depreciation	(1,016)	332
Income tax expense	(569)	(2,298)
Unallocated (expenses)/income, net	(298)	88
Profit after income tax	5,932	13,675
Capital expenditure	8,169	8,213
Net increase/(decrease) in valuation of property, plant and equipment	26,745	(1,746)
Material non-cash items included in segment result:		
Depreciation and amortisation	(6,602)	(6,583)

Other income/(expenses) include mainly late adjustment on depreciation in amount of UAH 1,016 million.

The total of non-current assets other than financial instruments and deferred tax assets (there are no employment benefit assets and rights arising under insurance contracts) located in Ukraine is UAH 70,997 million (2023: UAH 47,184 million). As at 31 December 2024 and 2023 the Group has no non-current assets, located in other countries than Ukraine.

6 Segment Information (Continued)

Customers concentration, exceeding 10% of total revenues is presented below:

<i>In millions of Ukrainian Hryvnia</i>	Coal mining and power generation	
	2024	2023
Entities under common control of SCM and DTEK GROUP B.V. Group subsidiaries	44,562	53,244
Total	44,562	53,244

Geographical information

<i>In millions of Ukrainian Hryvnia</i>	2024	2023
Ukraine	57,114	66,417
Foreign countries	642	722
Total revenues	57,756	67,139

The Group's revenues are presented by legal address of the customers. Revenues to foreign countries include sales to DTEK GROUP B.V. Swiss and Croatian subsidiaries amounting to UAH 622 million (2023: UAH 633 million).

The Group employed approximately 27.4 thousand people during 2024 (2023: 28.7 thousand people) and 26.5 thousand people based on full time equivalents as of 31 December 2024 (31 December 2023: 28.4 thousand people). The number of employees, based on full time equivalents, who are working outside the Netherlands as of 31 December 2024 was 26.5 thousand people (31 December 2023: 28.4 thousand people).

7 Balances and Transactions with Related Parties

Related parties are defined in IAS 24, *Related Party Disclosures*. Parties are generally considered to be related if one party has the ability to control the other party, is under common control, or can exercise significant influence or joint control over the other party in making financial and operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form. Other related parties represent entities with significant concentration of transactions, but which are not under common control.

The nature of the related party relationships for those related parties with whom the Group entered into significant transactions or had significant balances outstanding at 31 December are detailed below.

<i>In millions of Ukrainian Hryvnia</i>	2024						2023
	Entities under common control of SCM	DTEK GROUP B.V. Group subsidiaries	Associates and Joint Ventures of SCM	Entities under common control of SCM	DTEK GROUP B.V. Group subsidiaries	Associates and Joint Venture of SCM	
Prepayments for property, plant and equipment	-	9	-	46	12	-	
Loans provided to related parties (Note 9)	-	9,443	8	-	8,041	7	
Trade and other receivables	416	12,423	11	834	11,157	21	
Restricted deposits	8	-	-	17	-	-	
Cash and cash equivalents	2,536	-	-	184	-	-	
Other financial liabilities	-	(55)	-	-	(69)	-	
Trade and other payables	(319)	(1,213)	(5)	(111)	(1,667)	(1)	
Prepayments received	-	-	-	(222)	(616)	-	
Provisions for other liabilities and charges	(165)	-	-	(165)	-	-	

7 Balances and Transactions with Related Parties (Continued)

The income and expense items with related parties for the years ended 31 December were as follows:

<i>In millions of Ukrainian Hryvnia</i>	2024			2023		
	Entities under common control of SCM	DTEK GROUP B.V. Group subsidiaries	Associates and Joint Ventures of SCM	Entities under common control of SCM	DTEK GROUP B.V. Group subsidiaries	Associates and Joint Venture of SCM
Sales of electricity	-	29,747	-	-	40,368	-
Sales of coal	-	14,209	-	-	12,314	-
Sales of services and machinery	606	-	9	562	-	5
Other operating income	151	7	18	107	606	8
Other operating expenses	(27)	(35)	(6)	-	(247)	-
Charity expenses	-	-	(219)	-	-	(257)
Purchase of coal and fuel	-	(1,720)	-	-	(1,606)	-
Purchase of production materials and spare parts	(1,744)	(78)	-	(2,318)	(39)	-
Purchase of gas	-	(922)	-	-	(1,098)	-
Purchase of electricity	-	(3,149)	-	-	(4,531)	-
Purchase of non-current assets	(154)	-	-	(70)	-	-
Purchase of services	(5,291)	(1,657)	(48)	(7,353)	(1,294)	(30)
Interest income on bank deposits	46	-	-	244	-	-
Interest income on loans issued to related parties	-	1,007	-	-	21	-

Loans provided to related parties

In 2023, loans were issued to DTEK GROUP B.V. at the nominal amount of USD 225 million (UAH 8,546 million). As at 31 December 2024, the loans provided to related parties include loans issued to DTEK GROUP B.V. in the amount of UAH 9,443 million (31 December 2023: UAH 8,041 million) (Note 9). During 2024 interest income on loans issued to DTEK GROUP B.V. amounted to UAH 1,007 million including UAH 753 million, which were capitalized (2023: interest income of UAH 21 million).

Sales, trade and other receivable

The trade receivable balances as of 31 December 2024 due from entities under common control and associates of SCM are non-interest bearing. Balances from related parties as of 31 December 2024 and 2023 are unsecured and settlements are made either in cash, in the form of debt set-off or other means. Those balances are presented on a net basis including ECL allowance (see Note 11).

As of 31 December 2024 and 2023 DTEK Energy has commitment with one of DTEK GROUP B.V. Group subsidiaries to sell electricity for supply to Hungary for a variable amount dependent on the market conditions, which may be realised after the volumes of export of electricity from DTEK will start to Hungary.

Purchases, trade and other payables

Purchases and outstanding trade and other payables as at 31 December 2024 and 2023 comprised mainly balances due to related parties for provision of railway services, supplies of electricity, gas, iron shoring for mines, raw materials, steaming coal and professional services relating mainly to DTEK Service LLC. Balances payable are non-interest bearing and are repayable in the normal course of business.

Prepayments received mainly include prepayments for electricity.

Purchases of services are mainly presented by purchase of railway transportation services of UAH 5,264 million (2023: UAH 7,329 million) from entities under common control of SCM.

Key management personnel compensation

In 2024 total compensation to key management personnel amounted to UAH 104 million (2023: UAH 86 million). Compensation to the key management personnel consists of salary and bonus payments.

8 Property, Plant and Equipment

Movements in the carrying amount of property, plant and equipment were as follows:

<i>In millions of Ukrainian Hryvnia</i>	Mining assets	Buildings and structures	Plant and machinery	Furniture, fittings and equipment	Construction in progress	Total
Carrying amount at 1 January 2023	9,185	5,444	17,242	1,047	597	33,515
At 1 January 2023						
Cost or valuation	10,948	7,489	25,039	1,558	597	45,631
Accumulated depreciation	(1,763)	(2,045)	(7,797)	(511)	-	(12,116)
Carrying amount at 1 January 2023	9,185	5,444	17,242	1,047	597	33,515
Additions	1,479	195	4,651	311	1,577	8,213
Disposals	-	(20)	(6)	(1)	(16)	(43)
Depreciation charge	(1,339)	(720)	(4,431)	(190)	-	(6,680)
Increase in valuation of property, plant and equipment	-	130	627	24	-	781
Decrease in valuation of property, plant and equipment	-	(749)	(1,719)	(2)	(57)	(2,527)
Reversal of impairment of property, plant and equipment	-	23	64	9	-	96
Impairment of property, plant and equipment	-	(111)	(659)	(15)	(193)	(978)
Transfer	249	200	384	21	(854)	-
Carrying amount at 31 December 2023	9,574	4,392	16,153	1,204	1,054	32,377
At 31 December 2023						
Cost or valuation	12,676	7,030	28,126	1,880	1,054	50,766
Accumulated depreciation	(3,102)	(2,638)	(11,973)	(676)	-	(18,389)
Carrying amount at 1 January 2024	9,574	4,392	16,153	1,204	1,054	32,377
Additions	945	313	4,599	220	2,092	8,169
Disposals	-	(23)	(103)	(4)	(7)	(137)
Depreciation charge	(1,353)	(776)	(5,248)	(294)	-	(7,671)
Increase in valuation of property, plant and equipment	3,706	7,479	17,769	1,264	-	30,218
Decrease in valuation of property, plant and equipment	(526)	(1,537)	(1,358)	(52)	-	(3,473)
Reversal of impairment of property, plant and equipment through profit and loss	601	402	1,928	(317)	694	3,308
Impairment of property, plant and equipment	(621)	(374)	(3,010)	(114)	(46)	(4,165)
Transfer	(328)	72	479	(43)	(180)	-
Carrying amount at 31 December 2024	11,998	9,948	31,209	1,864	3,607	58,626
At 31 December 2024						
Cost or valuation	12,338	10,172	32,747	1,963	3,607	60,827
Accumulated depreciation	(340)	(224)	(1,538)	(99)	-	(2,201)
Carrying amount at 31 December 2024	11,998	9,948	31,209	1,864	3,607	58,626

As at 31 December 2024 total carrying amount of right-of-use assets is UAH 1,914 million consisted of 67% plant and machinery, 21% mining assets, 6% buildings and structures, 4% construction in progress and 2% of furniture, fittings and equipment (31 December 2023: UAH 1,558 million consisted of 57% plant and machinery, 29% mining assets, 7% buildings and structures and 6% construction in progress).

During 2024 the depreciation expense of right-of-use assets of UAH 292 million includes 73% of plant and machinery, 14% of mining assets, 11% of buildings and structures and 2% of furniture, fittings and equipment (2023: UAH 237 million includes 66% of plant and machinery, 21% of buildings and structures, 12% of mining assets and 2% of furniture, fittings and equipment).

During 2024 additions of right-of-use assets of UAH 363 million includes 89% of plant and machinery, 4% of buildings and structures, 4% of construction in progress, 2% of mining assets and 1% of furniture, fittings and equipment (2023: UAH 306 million, including 94% of plant and machinery, 2% of buildings and structures, 1% of mining assets and 3% of furniture, fittings and equipment).

8 Property, Plant and Equipment (Continued)

As at 31 December 2024 property, plant and equipment amounting to UAH 81 million have been pledged to third parties as collateral for borrowings (31 December 2023: no property, plant and equipment have been pledged to third parties as collateral for borrowings) (Note 28).

In 2024, the depreciation expense of UAH 6,390 million (2023: UAH 6,318 million) was included in cost of sales, UAH 11 million (2023: UAH 67 million) in other operating expenses, UAH 57 million (2023: UAH 70 million) in general and administrative expenses, UAH 1,213 million was capitalised (2023: UAH 225 million).

Revaluation 2024

In 2024 the Group engaged independent appraisers to determine the fair value of its property, plant and equipment as of 31 October 2024. Fair value was determined with reference to depreciated replacement cost or market-based evidence, in accordance with International Valuation Standards. This change affected the depreciation charge for November-December 2024 and will impact depreciation onwards. The Group makes use of the exemption as allowed by IAS 8 for not disclosing the estimated effect due to impracticability.

The majority of the structures, plant and machinery are specialised in nature and are rarely sold in the open market in Ukraine other than as part of a continuing business. The market for similar property, plant and equipment is not active in Ukraine and does not provide a sufficient number of sales of comparable assets to allow for using a market-based approach for determining fair value. Consequently, the fair value of structures, plant and machinery was primarily determined using depreciated replacement cost. This method considers the cost to reproduce or replace the property, plant and equipment, adjusted for physical, functional or economic depreciation, cost of repair for damaged items and obsolescence.

The depreciated replacement cost was estimated based on internal sources and analysis of Ukrainian and international markets for similar property, plant and equipment. Specifically, the depreciated replacement cost was based on the actual physical characteristics of assets (volume, length, etc) multiplied by the cost to replace (as based on price indices), this was then further adjusted by the remaining useful life and the economic ceiling as determined on each cash generating unit. Various market data was collected from published information, catalogues, statistical data etc, and industry experts and suppliers.

Key Assumptions used in valuation and determination of economic ceiling as of 31 October 2024.

Post-tax discount rate. The discount rate of 22.7% for generation CGUs and 25.1% for mining CGUs used is after-tax and reflect specific risks of the relevant CGUs (31 December 2023: 27.0% of post-tax discount rate for all CGUs).

Electricity tariff. Due to the increased deficit of electricity generation in the Ukrainian energy system resulting mostly from damages of TPPs during 2022-2024 as a result of missile attacks, as well as due to revision of price caps (Note 2) day ahead market ("DAM") prices increased approximately by 26% on monthly average from May and further from June 2024. Further average base tariff on DAM in July 2024 was 10% higher compared to June 2024 and was stabilized in August 2024. Average tariff in the 2nd half of 2024 approximated the actual observed tariff in July-August 2024. Average tariff for 2025 is forecasted to be in line with 2nd half of 2024. In 2026-2035 weighted average tariff is expected to increase on average by 4% annually.

Effect of operating environment and generation volume. Generation of electricity during the year ended 31 December 2024 decreased comparing to forecasted volumes for that period, which was mostly caused by Russian missile attacks in 2024. As at 31 December 2024 part of the damaged equipment used in production of electricity is already repaired and part of it is in the process of repair to be able to meet future demand. However, taking into account long production cycle of some equipment not all repairs were finished as of 31 December 2024, some will continue in 2025. Since Kurahivska TPP was put into idle starting from 2024 (Note 3), its generation volumes were reallocated to other TPPs increasing their forecasted electricity production, therefore total generation volumes for 2025-2027 are expected annually to increase by 17% on average comparing to the fact 2024 as a result of ongoing repairing campaign. In 2028-2035 it is expected slight annual decrease in generation volumes by 2% on average. Individual impairment of Kurahivska TPP equipment was recognized in the amount of UAH 775 million except for those items of property plant and equipment that can be transferred and used at other TPPs.

Cost of coal. Management expects that 2025 market price will be in line with 2024 mostly as a result of lack of coal demand with accumulation of coal stocks caused by the decreased consumption by TPPs as a result of damages due to missile attacks. Coal price recovery is expected in 2026 when accumulated during 2024-2025 coal stock will be utilized with further annual increase during 2027-2035 by 2% on average. Coal prices for 2025 is consistent with management internal budgeting forecasts and for 2026-2028 were determined based on Bloomberg 30-day average of API-2 forwards for the respective periods adjusted for freight costs. From 2029 onwards coal prices are adjusted on change in Baringa coal forecasts, adjusted for expected CPI, freight costs and exchange rate of local currency in relation to US dollar based on own forecasts.

8 Property, Plant and Equipment (Continued)

Coal production volumes. Management assumes that average coal production volumes during 2025-2026 will be higher by 3-4% each year comparing to the average actual output during 2024, then during 2027-2035 following a closure of part of the mines will decrease by approximately 9% annually. One of the assumptions in the future cash flow projections was an achievement of carbon neutrality short after 2035. Respectively management assumed that the coal production will continue decreasing after 2035 and therefore the forecast period was limited by 2035 as subsequent period did not have significant effect on valuation results.

Green Deal. Management expects that there shall be no need to perform any significant non-planned capital expenditures to decrease the CO₂, SOX, NOX emissions by power stations (Note 28). Would the future actual developments be different, the recoverable value of power plants might be lower. Payment for CO₂ emissions are expected to be made as the environmental tax at the same level in 2025 as compared to 2024 doubling further annual growth in 2026-2027, 6.5x increase in 2028-2030 with further increase on average by 10% annually in 2031-2035 in EUR terms. Forecast is based on the National Energy and Climate Plan of Ukraine according to the Scenario IEA “Net Zero Emissions by 2050”. For details of the National Energy and Climate Plan of Ukraine and prolongation of exploitation of power plants according to NERP please see Note 28. Carbon border adjustment mechanism (CBAM) proposed by European Commission was not embedded in the future cash flow projections due to zero or insignificant amount of export assumed in all projected periods.

An exchange rate of 42.04 UAH for 1 USD as at 31 December 2024 is expected to gradually increase by 4% annual on average during 2025-2035.

Final fair values for property plant and equipment assets were primarily defined by the depreciated replacement cost method as the economic ceiling test indicated headroom above the values defined by the depreciated replacement cost assessment for the majority of CGUs. The Group assesses the uncertainty of estimates above by performing a sensitivity analysis:

Key assumption	Change in all periods	Impact on carrying value
Discount rate	+1%	Decrease by UAH 8 million
Electricity tariffs	-1%	Decrease by UAH 321 million
Generation volumes	-1%	Decrease by UAH 48 million
Cost of coal	+1%	Decrease by UAH 140 million
CO ₂	+1%	Decrease by UAH 7 million

As of 31 December 2024, management performed assessment of individual physical impairment because of missile attacks in November and December 2024 and recorded UAH 483 million of impairment (including UAH 450 million through revaluation reserve). In regards to economic impairment indicators management assessed key developments in internal and external factors since the date of revaluation and concluded that there are no impairment indicators for any of the cash generating units.

Impairment and value assessment as at 31 December 2023

Management performed an analysis of impairment indicators as at 31 December 2023 and determined that the lower coal price and electricity tariffs for projected periods compared to prior expectations represent impairment indicators for mining and generation assets of the Group and performed an impairment test, using the fair value less costs to sell method. Significant estimates and assumptions are described below.

Effect of operating environment. Zaporizhzhya TPP is located in Enerhodar (non-controlled territory as at 31 December 2023) and from 5th May 2022 was idle. It's expected to recommence operations upon the end of the hostilities and return of the territory under control of Ukrainian government with initial capacity, however considering the uncertainty it was impaired by around 95% with remaining recoverable value as of 31 December 2023 of UAH 100 million.

Further as a result of numerous shelling of another TPP located near the front line its generation volumes were revised and in 2024 it is expected to decrease its electricity production to 25% of its 2023 volume. Considering the uncertainty assets of the TPP near front line were impaired by around 70%. If the numerous shelling will continue and TPP will remain idle this may result in additional impairment of UAH 1,005 million.

Management assumes that the war will remain in status quo during 2024 (loss of control over Luhansk TPP and all other power plants are working, except Zaporizhzhia TPP and decrease in production of electricity of the TPP near the front line) and that as from 2025 onwards active hostilities will cease without any additional losses of territory. This will allow to restore volumes of electricity generation by the TPP near front line to 70% of its pre-war generation with simultaneous decrease of electricity generation of the other TPPs.

8 Property, Plant and Equipment (Continued)

Post-tax discount rate. The discount rate of around 27.0% used is after-tax and reflect specific risks of the relevant CGUs including the war risks. In case the post-tax weighted average cost of capital is higher by 1%, this would result in increase of net impairment of property, plant and equipment in the amount of UAH 162 million (including UAH 142 million reduction in revaluation reserve).

Cash flows beyond the seven-years projection period were extrapolated using an estimated growth rate of 4.8%.

Electricity and auxiliary services tariffs. During the first half of 2023 average base tariff on Day Ahead market (DAM) approximated average tariff in July-December 2022. Further, the price caps were increased from 30 June 2023, which positively affected the electricity tariffs, though their level close to the year end and in the months subsequent to the balance sheet date slightly went down. Management assumes that during 2024 electricity tariffs will not change significantly as compared to 2nd half of 2023 due to existing price caps.

Starting from 2025 it is assumed that the market regulations shall be further released, the tariffs will be market driven, resulting in tariff increase of 4.9% on average during 2025-2030, considering the gap between price on day ahead market and price on direct contracts market. Also the gap between marginal costs (based on market prices of coal and CO₂) to produce electricity by Group's TPPs and the electricity tariffs in neighbouring EU countries shall be gradually narrowing to reach mid point of the gap by 2031. For projection of EU electricity tariffs for 2031 Baringa analytical agency forecasts for European market adjusted on expected European CPI and expected exchange rate of respective currency were used. If the tariff will be lower by 1% in all projected periods, this would result in increase of net impairment of property, plant and equipment totalling UAH 893 million (including UAH 778 million through revaluation reserve). From 2025, following assumed cease of active hostilities, management expects liberalization of tariffs regulation for auxiliary services, which would result in the increase of tariffs for such services by 3.3 times in 2025 and further average annual increase during 2026-2030 by 2%.

Generation volumes. Management assumes that average generation volumes for coal-fired stations in total for all CGUs will increase by 21.6% on average during 2024 as compared to 2023 with further decrease in 2025 by 12.6% and during 2026-2030 will decrease on average by 1.6% annually. Thermal power generation volumes are expected to decline as a result of closure of several TPPs with further major reduction of volumes by 2035 for DTEK to become carbon neutral by 2040. Respectively the forecast period for terminal value was limited by 2035 as subsequent period did not have significant effect on valuation results. If the expected generation volumes will be lower by 1% than assumed by management in all projected periods this would result in increase of net impairment of property, plant and equipment totalling UAH 268 million (including UAH 234 million in revaluation reserve).

Cost of coal. Management assumes that the market price of coal will increase by 9.6% in 2024 and further stay relatively stable during 2025-2030. Coal prices for 2024 is consistent with management internal budgeting forecasts and for 2025-2026 were determined based on Bloomberg 30-day average of API-2 forwards for the respective periods adjusted for freight costs. From 2027 onwards coal prices are adjusted on change in Baringa coal forecasts, adjusted for expected CPI, freight costs and exchange rate of local currency in relation to US dollar based on own forecasts.

If the cost of coal starting from 2024 and onwards will grow by 1% higher than expected (with all other variables including electricity tariffs held constant), this would result in increase of net impairment of property, plant and equipment of generating assets by UAH 477 million (including UAH 416 million through revaluation reserve) and have no impact on valuation of mining assets due to significant headroom in its recoverable value estimate.

Green Deal. Management expects that there shall be no need to perform any significant non-planned capital expenditures to decrease the CO₂, SO_x, NO_x emissions by power stations (Note 28). Would the future actual developments be different, the recoverable value of power plants might be lower. Payment for CO₂ emissions are expected to be made as the environmental tax at the same level in 2024 as compared to 2023 with further growth by 420% in 2025 and by average 28% annually in 2026-2028 in EUR terms. Further forecast is based on EBA analytical research forecasts for 2028-2032 regarding Ukraine's adoption and integration to EU ETS adjusted on the Company's free share assumption, which leads to double increase of Company's CO₂ payments from 2029 till 2030 taking into account part of free share of CO₂ quotes of 86-88%, assuming payments in terminal period will be in line with 2030 remaining existing level of free share. For details on prolongation of exploitation of power plants according to NERP please see Note 28. Carbon border adjustment mechanism (CBAM) proposed by European Commission was not embedded in the future cash flow projections due to zero or insignificant amount of export assumed in all projected periods.

8 Property, Plant and Equipment (Continued)

Coal production volumes. Management assumes that average coal production during 2024 will approximate the average actual output during 2023, then following a closure of part of the mines will decrease annually by approximately 4% during 2025-2030. One of the assumptions in the future cash flow projections was an achievement of carbon neutrality by 2040. Management assumed that the coal production will continue decreasing after 2030 and the forecast period for terminal value was limited by 2035 as subsequent period did not have significant effect on valuation results.

As a result of the impairment test for generation assets, certain generation CGUs were identified with the recoverable amount being lower than their net book value while for certain generation CGUs recoverable amount was higher due to transfer of generation volumes from other TPPs. As a result, net impairment of property, plant and equipment in the income statement is UAH 882 million and UAH 1,746 million in other comprehensive income.

9 Financial investments

As at 31 December, non-current financial investments were as follows:

<i>In millions of Ukrainian Hryvnia</i>	2024	2023
Loans provided to related parties (Note 7)	9,443	8,020
Equity securities (quoted)	6	6
Deposits placed	1	1
Total	9,450	8,027

As at 31 December, current financial investments were as follows:

<i>In millions of Ukrainian Hryvnia</i>	2024	2023
Loans provided to related parties – accrued interest (Note 7)	-	21
Total	-	21

Cash and non-cash movements in financial investments during the period are as follows:

<i>In millions of Ukrainian Hryvnia</i>	2024	2023
Opening balance as at 1 January	8,048	13
Cash movements		
Loans provided to related parties	-	8,446
Interest received on loans provided to related parties	(254)	-
Non-cash movements		
Interest accrued during the period (Note 26)	1,007	21
Change in expected credit losses	(295)	(526)
Foreign exchange gain	944	94
Closing balance as at 31 December	9,450	8,048

As at 31 December 2024, loans provided to related parties in the principal amount of UAH 9,512 million and UAH 753 million of capitalized interest including interest for the first, third and fourth quarters of 2024 (31 December 2023: UAH 8,546 million and UAH nil respectively) are represented by loans issued to DTEK GROUP B.V. in December 2023 denominated in US dollars and due in October 2028. Loans bear a nominal interest of 10% per annum payable on quarterly basis with an option of interest capitalization at 11% interest rate per annum two times per calendar year until 2027. Capitalisation of interest for fourth quarter 2024 was agreed by the Group in exchange for DTEK GROUP B.V. refusing from one of the capitalisations in 2025 and a binding promise to not apply for capitalisation in the first quarter of 2025 (and first quarter payment was received in April 2025). The Group agreed to the above terms in accordance with relevant documentation following conclusion that these are not unduly prejudicial to the rights the Eurobond holders. The borrower may at any time elect to change the applicable Interest Rate from the Fixed Interest Rate to the Floating Interest Rate, which is the aggregate of margin, being 10% less the average US 6-month Treasury Rate for the calendar month immediately preceding the Floating Interest Starting Date, and the average US 6-month Treasury Rate. At the date of these consolidated financial statements there was no request from the borrower to change its interest rate.

Loans provided to DTEK GROUP B.V. were initially recorded at their fair value which is equal to cash paid by the Group. The 10% fixed interest rate on the instrument is within the range of market interest rates between 8.4% and 11.9% on active markets (Level 3) for similar USD denominated financial instruments (corporate loans) of entities with a credit rating of CCC+ to D issued in 2023 with maturities within 4.5-5.5 years.

9 Financial investments (Continued)

For the purpose of solely payments of principal and interest (SPPI) test the Group performed the quantitative assessment, which requires it to compare the contractual cash flows of the financial asset under assessment to the cash flows of a 'benchmark' instrument whose time value of money element is not modified (known as the 'benchmark test'). As part of the benchmark test the Group applied two scenarios – based on the US 3-month Treasury Rate from publicly available experts' forecasts and the maximum observed historical difference between US 3 month and 6-month Treasury Rates for the last 20 years. The Group determined that the benchmark test was passed and therefore accounted for the loans at amortized cost.

As at 31 December 2024, expected credit losses for loans provided to related parties amounted to UAH 821 million, and were measured at a 12-month ECL rate (Stage 1) of 8.00% (31 December 2023: UAH 526 million and 12-month ECL rate (Stage 1) of 6.16%), which was assessed as a median rate between interest rates for similar USD denominated financial instruments (corporate loans) of entities with similar credit rating and difference between these interest rates and the yield to maturity of US treasury bonds as of 31 December 2024 (31 December 2023: was assessed as a difference between the original effective interest rate of the loan and the yield to maturity of 5-year US treasury bonds observable at the date of originating of the loans).

As at 31 December 2024 and 2023, loans provided to related parties were pledged as collateral for Eurobonds. According to the contractual terms, on and at any time after the occurrence of a payment default under the Eurobonds, the minimum amount required to remedy such default, if lower, the principal amount outstanding of the loan plus accrued interest, and all other amounts accrued or outstanding shall become immediately due and payable.

Equity securities are carried at fair value through profit or loss.

10 Inventories

As at 31 December, inventories were as follows:

<i>In millions of Ukrainian Hryvnia</i>	2024	2023
Coal	7,221	2,006
Production materials	1,555	1,711
Spare parts	623	472
Fuel supplies	188	181
Goods for resale	13	76
Total inventories	9,600	4,446

Change in coal balance is mainly caused by the accumulation of stocks in warehouses due to decreased consumption by TPPs as a result of damages due to missile attacks (Note 3).

11 Trade and Other Receivables

As at 31 December non-current trade and other receivables were as follows:

<i>In millions of Ukrainian Hryvnia</i>	2024	2023
Trade receivables less provision of UAH 5,582 million (31 December 2023: UAH 5,969 million)	289	188
Other financial receivables less provision of UAH nil million (31 December 2023: UAH 3 million)	4	3
Total financial assets	293	191
VAT recoverable less provision of UAH nil million	11,553	14,308
Total non-financial assets	11,553	14,308
Total non-current trade and other receivables	11,846	14,499

11 Trade and Other Receivables (Continued)

As at 31 December current trade and other receivables were as follows:

<i>In millions of Ukrainian Hryvnia</i>	2024	2023
Trade receivables less provision of UAH 1,254 million (31 December 2023: UAH 2,945 million)	15,083	13,495
Other financial receivables less provision of UAH 1,211 million (31 December 2023: UAH 1,499 million)	1,283	932
Total financial assets	16,366	14,427
VAT recoverable less provision of UAH nil million	2,468	514
Prepayments to suppliers less provision of UAH 624 million (31 December 2023: UAH 484 million)	735	2,500
Other non-financial assets less provision of UAH 24 million (31 December 2023: UAH 56 million)	3	32
Total non-financial assets	3,206	3,046
Total current trade and other receivables	19,572	17,473

As of 31 December 2024 other financial receivables include UAH 356 million of principal and interest (31 December 2023: UAH 304 million) due from the payment agent in respect of Eurobonds held by Group subsidiary (Note 16) and UAH 720 million of assigned EUR denominated receivables from related party, which is non-interest bearing and is on demand.

As at 31 December 2024, 14% of trade and other receivables are denominated in currency, other than UAH (31 December 2023: 7%).

Following the change in payments terms of intercompany balances the management reassessed the amount that will be realized for more than 1 year for settlement of VAT recoverable and VAT liability of UAH 11,553 million as of 31 December 2024 (31 December 2023: UAH 14,308 million) and as a result the respective VAT balances were reclassified to non-current trade and other receivables and other taxes payable respectively (Note 20). The rights to utilize respective VAT credit against VAT liability will arise on the date of payment in cash or other forms of compensations to the subsidiaries-suppliers.

Movements in the impairment provision for trade and other receivables were as follows:

<i>In millions of Ukrainian Hryvnia</i>	2024		
	Financial receivables	Financial receivables – credit-impaired	Non-financial receivables
Provision for impairment at 1 January	765	9,648	544
Provision for impairment during the year	438	59	204
Reversal of provision	(308)	(104)	(13)
Impact of changes in estimates and assumptions	164	-	-
Exchange rate difference	(35)	-	-
Loss of control	-	(2,580)	(87)
Provision for impairment at 31 December	1,024	7,023	648

11 Trade and Other Receivables (Continued)

<i>In millions of Ukrainian Hryvnia</i>	2023		
	Financial receivables	Financial receivables – credit-impaired	Non-financial receivables
Provision for impairment at 1 January	1,160	9,730	420
Provision for impairment during the year	331	46	98
Reversal of provision	(486)	(128)	(20)
Impact of changes in estimates and assumptions	(285)	-	-
Exchange rate difference	80	-	-
Amounts written off during the year as uncollectible and other movements	(35)	-	46
Provision for impairment at 31 December	765	9,648	544

Measurement of ECLs. For all significant debtors and related parties, the calculation of expected credit losses is carried out on an individual basis taking into account agreement terms, expected repayment period, internally assessed credit risks for significant debtors based on the financial performance and taking into account external credit rating, if available. Approach to expected credit losses measurement is described in Note 4. As at 31 December 2024 Ukrenergo's Long-term Issuers Default Rating was 'Restricted Default' (RD) according to Fitch Ratings.

As at 31 December 2024 and 2023, ECL rates for trade receivables from Ukrenergo and trade and other receivables from DTEK GROUP B.V. Group subsidiaries were assessed considering balances of financial payables from these counterparties and expected repayment period.

As at 31 December 2024, the Group reversed provision in the amount of UAH 164 million (2023: UAH 285 million) due to change in estimates in respect of timing of settlement of receivables.

The following analysis provides further details about the calculation of ECLs related to trade receivables. The Group performed the calculation of ECL rates separately for different group of customers. Exposures within each group were segmented based on common credit risk characteristics such as credit risk and ageing of trade and other receivables.

The following table provides information about the exposure to credit risk and ECLs for financial receivables as at 31 December 2024:

<i>In millions of Ukrainian Hryvnia</i>	Expected loss rate	Gross carrying amount	Lifetime ECL	Basis
Financial receivables from Energorynok SE	97,23%	4,777	(4,645)	Adjusted yield to maturity on government bonds and repayment probability scenarios (Note 4)
Financial receivables from related parties	3,20%	12,712	(407)	Default rate adjusted for weighted average loss given default (Note 4)
Credit-impaired financial receivables from related parties	90,19%	1,782	(1,607)	Historical payment discipline
Financial receivables from NEC (NPC) UKRENERGO SE	1,56%	2,610	(41)	Default rate adjusted for weighted average loss given default (Note 4)
Financial receivables from Individuals	67,55%	68	(46)	Based on statistics of the National Bank of Ukraine
Trade and other receivables from other counterparties	19,19%	1,699	(326)	Historical payment discipline

11 Trade and Other Receivables (Continued)

For trade and other receivables with overdue period for more than one year as of 31 December 2024 with gross carrying amount of UAH 1,058 million, loss allowance was calculated based on historical default rates that fall within 93-100%. Trade and other receivables from other counterparties were assessed for impairment on portfolio statistics approach while the others were based on individual assessment.

The following table provides information about the exposure to credit risk and ECLs for financial receivables as at 31 December 2023:

<i>In millions of Ukrainian Hryvnia</i>	Expected loss rate	Gross carrying amount	Lifetime ECL	Basis
Financial receivables from Energorynok SE	96,95%	6,157	(5,969)	Adjusted yield to maturity on government bonds and repayment probability scenarios (Note 4)
Financial receivables from related parties	1,73%	10,159	(176)	Default rate adjusted for weighted average loss given default (Note 4)
Credit-impaired financial receivables from related parties	95,49%	2,949	(2,816)	Historical payment discipline
Financial receivables from NEC (NPC) UKRENERGO SE	5,34%	3,566	(191)	Default rate adjusted for weighted average loss given default (Note 4)
Financial receivables from Individuals	33,94%	76	(26)	Based on statistics of the National Bank of Ukraine
Trade and other receivables from other counterparties	26,60%	1,066	(284)	Historical payment discipline

For trade and other receivables with overdue period for more than one year as of 31 December 2023 with gross carrying amount of UAH 1,056 million, loss allowance was calculated based on historical default rates that fall within 93-100%. Trade and other receivables from other counterparties were assessed for impairment on portfolio statistics approach while the others were based on individual assessment.

12 Cash and Cash Equivalents

As at 31 December, cash and cash equivalents were as follows:

<i>In millions of Ukrainian Hryvnia</i>	2024	2023
Bank balances available on demand	4,390	1,566
Restricted cash	18	90
Term deposits with original maturity of less than three months	1	-
Total cash and cash equivalents	4,409	1,656

As of 31 December 2024, cash and cash equivalents of UAH 1,778 million were denominated in US dollars (31 December 2023: UAH 31 million), UAH 1,712 million were denominated in EUR (31 December 2023: UAH 90 million), UAH 86 million were denominated in CHF (31 December 2023: UAH 0 million), UAH 5 million were denominated in GBP (31 December 2023: UAH 17 million). Remaining balances were denominated in Ukrainian hryvnia.

As of 31 December 2024 and 2023, no term deposits with original maturity of less than three months were pledged as collateral for borrowings or bank guarantees received.

For the purposes of the cash-flow statements amounts of restricted cash were not included in cash and cash equivalents balance.

12 Cash and Cash Equivalents (Continued)

Analysis by credit quality of bank balances and term deposits is as follows:

<i>In millions of Ukrainian Hryvnia</i>	2024				2023	
	Bank balances payable on demand	Restricted cash	Term deposits with original maturity of less than three months	Bank balances payable on demand	Restricted cash	Term deposits with original maturity of less than three months
<i>Rating by Moody's Investors Service</i>						
- A2 rated	666	-	-	-	-	-
- A3 rated	-	-	-	118	-	-
- B3 rated	2	-	1	5	-	-
- Baa1	547	-	-	-	-	-
- Caa2	-	4	-	200	4	-
- Caa3	245	-	-	285	-	-
- Non-rated*	2,930	14	-	958	86	-
Total	4,390	18	1	1,566	90	-

* As of 31 December 2024 included UAH 2,544 million (31 December 2023: UAH 392 million) in non-rated banks in the top 10 Ukrainian banks by size of total assets and capital (per National Bank of Ukraine).

Significant non-cash changes from financing activities were disclosed in Note 15 and Note 16.

13 Share Capital

The authorised share capital of DTEK Energy B.V. equals to fully paid share capital and comprises 3,000 ordinary shares with a par value of Euro 10.0 per share in the total amount of Euro 30,000. All shares carry one vote.

During the year ended 31 December 2023 DTEK Energy B.V. declared UAH 6,480 million dividends to its direct parent DTEK ENERGY HOLDINGS B.V.. Further several reassignments took place in the amount of USD 175 million, as a result of which DTEK Energy B.V.'s own dividends payable of UAH 6,480 million were offset with receivable from its direct parent and final payment was made by DTEK Energy B.V. in cash to DTEK GROUP B.V. before 31 December 2023 in the amount of UAH 6,531 million (difference with the declared amount is recognized as loss in Foreign exchange (losses)/gains on financing and investing activities).

14 Other Reserves

<i>In millions of Ukrainian Hryvnia</i>	Revaluation reserve	Currency translation reserve	Other reserves	Total
Balance at 31 December 2022	11,881	2,310	(4,199)	9,992
<i>Other comprehensive income/(loss) for the period:</i>				
Change in estimate relating to asset retirement provision net of tax	(275)	-	-	(275)
Increase in valuation of property, plant and equipment net of tax	641	-	-	641
Decrease in valuation of property, plant and equipment net of tax	(1,977)	-	-	(1,977)
<i>Other movement in other reserves posted directly through equity:</i>				
Realised revaluation reserve net of tax	(1,701)	-	-	(1,701)
Balance at 31 December 2023	8,569	2,310	(4,199)	6,680
<i>Other comprehensive income/(loss) for the period:</i>				
Change in estimate relating to asset retirement provision net of tax	112	-	-	112
Increase in valuation of property, plant and equipment net of tax	24,779	-	-	24,779
Decrease in valuation of property, plant and equipment net of tax	(2,954)	-	-	(2,954)
<i>Other movement in other reserves posted directly through equity:</i>				
Realised revaluation reserve net of tax	(3,057)	-	-	(3,057)
Balance at 31 December 2024	27,449	2,310	(4,199)	25,560

The revaluation reserve and currency translation reserve are legal reserves according to art. 2:373.4 DCC. These legal reserves are not distributable to the shareholders until they are transferred to retained earnings.

Accumulated deficit of the Group represents the earnings/losses of the Group entities from the date they have been established or acquired by the entities under common control. Group subsidiaries distribute profits as dividends or transfer them to reserves on the basis of their statutory financial statements prepared in accordance with local GAAP or IFRS Accounting Standards as appropriate. Ukrainian legislation identifies the basis of distribution as retained earnings only, however this legislation and other statutory laws and regulations are open to legal interpretation and, accordingly, management believes at present it would not be appropriate to disclose the amount of the distributable statutory reserves in these consolidated financial statements.

Currency translation reserve relates to the Company's subsidiaries, for which the functional currency was different than UAH till 1 January 2020.

15 Other Financial Liabilities

As of 31 December, other non-current financial liabilities comprised:

<i>In millions of Ukrainian Hryvnia</i>	2024	2023
Lease liabilities	822	679
Government grants	226	50
Restructured trade payables	67	77
Other long-term financial liabilities	30	20
Total non-current other financial liabilities	1,145	826

As of 31 December, other current financial liabilities comprised:

<i>In millions of Ukrainian Hryvnia</i>	2024	2023
Guarantee issued to Sberbank	1,701	1,073
Lease liabilities	167	175
Current portion of restructured trade payable	20	15
Other short-term financial liabilities	36	33
Total current other financial liabilities	1,924	1,296

Lease liabilities relate primarily to lease of coal mine. It is carried at amortised cost at an effective discount rate of 16.56% per annum and matures in 2057. Restructured trade payables are recognised at fair value and subsequently carried at amortised cost at effective interest rate of 16.5% (2023: 16.5%).

During 2024 the Group received grants from local and foreign authorities and organizations for repairs and replacement of generation equipment in the amount of UAH 226 million. Such grants were accounted as government grants under IAS 20.

Payments for lease liabilities are included in the cash flows used in financing activities in the amount of UAH 69 million (2023: UAH 54 million). Repayment of the restructured trade payables to state-owned Vugillya Ukrayiny of UAH 20 million (2023: UAH 20 million) are included in repayment of the restructured obligations in the cash flows from operating activities. There were no other material cash movements in other financial liabilities. Other changes in other financial liabilities in amount of UAH 860 million are presented by non-cash movements.

As part of acquisition of the mining assets in 2011, the Group assumed certain restructured tax obligations that are due between 2013 and 2030. The obligations have been discounted at implied rates in a range from 16.6% to 18.6%.

The Group issued a guarantee to Sberbank of Russia in 2022 (the old guarantee was discontinued and restructured replacing it with a new guarantee) with respect to the loan owed to the bank by the Cyprus entity operating several Russian coal mines in the Rostov region. The Guarantee is limited to USD 100 million and is further reduced by any amounts of the primary obligation paid by the entity to the bank (in February 2022 the nominal amount of guarantee was reduced to USD 80 million). As a result of the start of the war in Ukraine, a ban on import of Russian coal to Europe and other sanctions were applied by international community, there is limited information about the underlying assets performance in the current environment. Further in 2023-2024, based on publicly available information, transfer of above-mentioned coal mines to a Russian company was approved by the Russian government, as well that further in 2024 a claim was issued against the Cyprus entity. The general terms of the transfer are unknown. It is also unknown if the guaranteed debt was also transferred and remains attached to the mines, who continue operating activities based on publicly available information, and what is the status of the due principal payments in 2022 - 2024. At the date of these consolidated financial statements there is no claim made to the Group in connection with the guarantee including in relation to the contractually scheduled principal payments and quarterly interest repayments.

As of 31 December 2023, management assessed that in the situation where limited information is available, the calculated expected balance of guarantee in accordance with requirements of IFRS 9 was UAH 1,073 million, being approximately half of the expected nominal amount of guarantee decreased on scheduled principal payment which was due in December 2022. Upon consideration of all available information as of 31 December 2024, management assessed guarantee amount at UAH 1,701 million, being approximately 50% of the maximum nominal guaranteed amount. Change in assessment of guarantee by an increase/decrease of 10% would result in balance sheet value of the guarantee to increase/decrease by UAH 336 million with respective additional charge to profit and loss for the period.

16 Borrowings

As at 31 December, borrowings were as follows:

<i>In millions of Ukrainian Hryvnia</i>	2024	2023
Non-current		
Eurobonds	43,900	39,604
Bank borrowings	437	306
Total non-current borrowings	44,337	39,910
Current		
Eurobonds	643	582
Bank borrowings	102	36
Interest accrual	8	6
Total current borrowings	753	624
Total borrowings	45,090	40,534

Cash and non-cash movements in borrowings during the period are as follows:

<i>In millions of Ukrainian Hryvnia</i>	2024	2023
Opening balance as at 1 January	40,534	48,314
Cash movements		
Principal amount paid	(690)	(5,668)
Interest paid	(3,329)	(3,362)
Commissions paid (consent fee)	-	(307)
Borrowings received	231	-
Non-cash movements		
Interest accrued during the period	3,284	3,320
Consent fee accrued (Note 26)	-	307
Foreign exchange differences	4,384	1,493
Gain on bonds repurchase	(7)	(4,346)
Unwinding of discounts on borrowings	683	783
Closing balance as at 31 December	45,090	40,534

As at 31 December, the maturity of the Group's loans and borrowings were as follows:

<i>In millions of Ukrainian Hryvnia</i>	2024	2023
Loans and borrowings due:		
- within 1 year	753	624
- between 1 and 5 years	44,337	39,910
Total borrowings	45,090	40,534

16 Borrowings (Continued)

The nominal interest rates and currency denomination of borrowings as at the balance sheet date were as follows:

In % per annum	2024			2023	
	UAH	EUR	USD	UAH	USD
18.5%-UIRD 3M +7.42%		4.8%	7-7.5%	UIRD 3M +7.42%	7-7.5%
Total borrowings <i>in millions of Ukrainian Hryvnia</i>	511	36	44,543	348	40,186

Effective interest rate of bank borrowings denominated in UAH was 23.61% and denominated in EUR was 5.16%. Effective interest rate of Eurobonds was 9.42% (2023: 18.46% for denominated in UAH and 9.42% for Eurobonds).

Eurobonds. As at 31 December 2024 current part of Eurobonds includes UAH 643 million or USD 15 million (31 December 2023: UAH 582 million or USD 15 million) of the principal payable within one year.

During 2023-2024 additional buybacks of Eurobonds were performed:

- In April 2023 for a total carrying value of UAH 6,607 million (USD 181 million) with a total cash compensation of UAH 3,241 million.
- In October 2023 for a total carrying value of UAH 2,798 million (USD 77 million) with a total cash compensation of UAH 1,818 million.
- In December 2024 for a total carrying value of UAH 20 million (USD 0.5 million) with a total cash compensation of UAH 13 million.

As a result of these buy-backs described above financial gain of UAH 7 million was recorded in profit and loss in 2024, being the difference between the carrying value of bonds repurchased and cash paid for buy-backs (2023: UAH 4,346 million) (Note 26).

In October 2023 DTEK Energy obtained the consent from the bond holders to amend some limitations in relation to restricted payments (including distributions to shareholders) and minimum annual redemption and repurchase in connection therewith, restrictions on permissible business activities and limits for affiliate transactions, amount for reconstruction and development indebtedness. As a result of the consent a consent fee of UAH 307 million (USD 8 million) was recognized.

In 2024 interest was fully paid, as well as instalments of principal amount of UAH 653 million (USD 15 million) according to the payment schedule. Cash movements in the table above do not include UAH 998 million of interest paid and UAH 195 million repayment of principal made by DTEK Energy B.V. on part of Eurobonds held by the Group subsidiary as a result of performed buybacks as it is an intercompany transaction eliminated in the consolidated financial statements. As of 31 December 2024, the Group did not receive UAH 99 million of principal (31 December 2023: UAH 89 million) and UAH 257 million of interest (31 December 2023: 215 million) due on Eurobonds held by its subsidiary from the payment agent and respectively recorded this amount as Other financial receivable (Note 11).

Bank borrowings. In October 2023 additional agreement with one of the Ukrainian banks was signed, according to which final repayment period was extended till 2026 (5% of principal amount shall be paid till 31 December 2023, 10% till 31 December 2024, 10% till 31 December 2025 and the remaining part till 31 December 2026), payment of 50% of interest accrued during February – May 2022 and 5% of principal in the amount of UAH 18 million was paid in 2023. Additional agreement also assumes UIRD 3M + 7.42% interest per annum payable monthly.

During 2024, DTEK Energy B.V. subsidiaries received revolving lines from several Ukrainian banks in the total amount of UAH 195 million. Borrowings are denominated in UAH and have maturity dates during 2025-2027. Lines bear a nominal interest of 18.5-19% per annum payable on monthly basis.

In September-October 2024 DTEK Energy B.V. received a loan from Croatian Bank for Reconstruction and Development in the amount of UAH 37 million denominated in EUR for a period of 4 years with a nominal interest rate of 4.83% per annum payable quarterly.

Bank borrowings were initially recorded at their fair value, nominal interest rates are within the range of market rates.

Collaterals for bank borrowings and Eurobonds are disclosed in Note 28.

16 Borrowings (Continued)

Covenants. The Eurobonds documentation contain specific covenants, including but not limited to limitations on distribution to shareholders, limits on capital expenditure, restrictions on permissible business activities, restriction on certain payments, requirement to perform transactions on an arm's length basis, requirement to make periodic disclosure of financial information, requirements on approval of significant transaction by an Independent Supervisory Board Member (including transactions with related parties). Events of default are comprehensive and include cross-default to other debt of the Group.

The Group is in compliance with its covenants in relation to the debt at the reporting date and the date of issuing these consolidated financial statements.

17 Retirement Benefit Obligations

The Group's production companies have a legal obligation to compensate the Ukrainian state pension fund for additional pensions paid to certain categories of the Group employees. There are also lump sum benefits payable upon retirement and post-retirement benefit programs. In 2024 the defined benefit plan covers 70,011 employees (including former employees) and 5,866 pensioners (2023: 70,607 and 5,881 respectively). None of the employee benefits plans stated below are funded.

The defined employee benefit liability as of 31 December originated as follows:

<i>In millions of Ukrainian Hryvnia</i>	2024	2023
Non-current		
Retirement benefits	5,730	4,787
Retirement benefits – coal support	642	719
Lump sum payments	550	432
Current		
Retirement benefits	814	539
Present value of Retirement benefit obligation	7,736	6,477

The amounts recognised in the income statement were as follows:

<i>In millions of Ukrainian Hryvnia</i>	2024	2023
Current service cost	80	104
Interest cost	1,100	1,025
Past service costs/ Sequester	18	(36)
Total	1,198	1,093

Changes in the present value of the defined benefit obligation were as follows:

<i>In millions of Ukrainian Hryvnia</i>	2024	2023
Defined benefit obligation as at 1 January	6,477	5,245
Current service cost	80	104
Interest cost	1,100	1,025
Sequester	18	(36)
Benefits paid	(153)	(188)
Coal support provided	(74)	(87)
Re-measurements of the defined benefit liability resulting from:		
- changes in financial assumptions	798	586
- changes in demographic assumptions	(20)	(53)
- experience adjustments	(325)	(119)
Loss of control (Note 29)	(165)	-
Defined benefit obligation as at 31 December	7,736	6,477

The estimate of pension obligations requires significant judgement and is disclosed in Note 4.

17 Retirement Benefit Obligations (Continued)

The principal actuarial assumptions for sensitivity analysis were considered independently from each other. The methods and types of the assumptions used in preparing the sensitivity analysis did not change compared to the prior period. The sensitivity of the defined benefit obligation is also disclosed in Note 4.

As at 31 December 2024, the weighted average duration of the Group's defined benefit obligations is 6.6 years and it varies across different Group's subsidiaries from 5.2 to 7.6 years (31 December 2023: 6.4 years, varying from 4.4 to 7.7 years). Accruals for pension fund in respect of defined benefit obligations expected to be made during the year ending 31 December 2024 are UAH 768 million (2023: UAH 663 million), which are expected to be paid in addition to benefits accrued but not paid in 2023.

18 Provisions for Other Liabilities and Charges

Movements in provisions for liabilities and charges are as follows:

<i>In millions of Ukrainian Hryvnia</i>	Asset retirement provision	Provision for legal and other claims	Total
At 1 January 2023	1,514	425	1,939
Change in estimates	342	-	342
Arising during the year	-	162	162
Unwinding of discount (Note 26)	244	-	244
Utilised	(129)	(62)	(191)
At 31 December 2023	1,971	525	2,496
Change in estimates	446	-	446
Arising during the year	-	121	121
Unwinding of discount (Note 26)	312	-	312
Utilised	(172)	(59)	(231)
Loss of control (Note 29)	-	(48)	(48)
At 31 December 2024	2,557	539	3,096

The provision for legal and other claims is attributable to the potential results of legal claims against the Group, which are received in the normal course of business, none of which are individually material. Expected timing of economic outflows related to this provision is hard to predict due to nature of provision. The asset retirement provision is attributable to the mining and energy generating activities of the Group resulting from the obligation to dismantle and remove the mines and remediate soils disturbed by the underground works and ash dumps. The decrease (2023: increase) of the asset retirement obligation was recorded in Other comprehensive income in amount of UAH 129 million as the Group uses the revaluation model to measure property, plant and equipment and increase in amount of UAH 575 million in Cost of sales, where it does not related to Property, plant and equipment and related to coal enrichment process.

The estimate of asset retirement provision requires significant judgement and is disclosed in Note 4.

Change in estimates in 2024 is mainly explained by the decrease of discount rate from 18.05% to 16.49% and the change of the maturity of the Group's assets retirement obligations, which as at 31 December 2024 varies across different Group's subsidiaries from 2 to 16 years as disclosed in Note 4. (31 December 2023: varying from 3 to 22 years). Change in estimates also includes UAH 176 million of asset retirement obligation passed to a third party together with a sale of respective mine in 2024.

19 Trade and Other Payables

As at 31 December trade and other payables were as follows:

<i>In millions of Ukrainian Hryvnia</i>	2024	2023
Trade payables	7,522	6,507
Liabilities for purchased property, plant and equipment and intangible assets	940	830
Dividends payable	67	67
Other creditors	235	750
Total financial payables	8,764	8,154
Accruals for employees' unused vacations	1,254	1,273
Wages and salaries payable	819	694
Total non-financial payables	2,073	1,967
Total	10,837	10,121

Analysis by currency and future undiscounted cash flows of financial trade and other payables is as follows:

31 December 2024

<i>In millions of Ukrainian Hryvnia</i>	Trade payables	Liabilities for purchased property, plant and equipment	Dividends payable	Other creditors
<i>Currency analysis:</i>				
UAH denominated	7,146	811	67	108
USD denominated	170	5	-	35
EUR denominated	149	86	-	67
Other currency	57	38	-	25
Total	7,522	940	67	235
<i>Future undiscounted cash flow analysis:</i>				
Up to 3 months	7,511	875	67	235
From 3 to 6 months	11	65	-	-
From 6 to 12 months	-	-	-	-
Total	7,522	940	67	235

31 December 2023

<i>In millions of Ukrainian Hryvnia</i>	Trade payables	Liabilities for purchased property, plant and equipment	Dividends payable	Other creditors
<i>Currency analysis:</i>				
UAH denominated	6,033	740	67	579
USD denominated	286	5	-	47
EUR denominated	149	44	-	49
Other currency	39	41	-	75
Total	6,507	830	67	750
<i>Future undiscounted cash flow analysis:</i>				
Up to 3 months	6,507	830	67	690
From 3 to 6 months	-	-	-	-
From 6 to 12 months	-	-	-	60
Total	6,507	830	67	750

20 Other Taxes Payable

As at 31 December other taxes payable were as follows:

<i>In millions of Ukrainian Hryvnia</i>	2024	2023
Value-added tax	11,553	14,308
Total non-current other taxes payable	11,553	14,308
Value-added tax	4,769	4,858
Payroll taxes	190	187
Other taxes	1,026	929
Total current other taxes payable	5,985	5,974

Other taxes are mainly presented by ecological tax.

Non-current other taxes payable are represented by VAT liability arising on intercompany balances that will become payable on the date of receiving payment in cash or other forms of compensations from the subsidiary-customer. As at 31 December 2024 and 2023 the management assessed expectations based on contract terms in respect of the timing of settlement of respective intercompany balance and as result the respective VAT balances expected to be settled within the period over 1 year were reclassified to non-current (Note 11).

21 Revenue

Analysis of revenue by category is as follows:

<i>In millions of Ukrainian Hryvnia</i>	2024	2023
Sale of electricity by direct contracts	32,511	42,922
Sale of produced coal	15,679	14,970
Sale of electricity on balancing market	3,988	3,245
Sale of electricity on day ahead and intraday markets	2,719	2,864
Sales on auxiliary service market	1,412	1,699
Sales of machinery	634	604
Sale of electricity abroad	622	633
Heat generation and tariff compensation	173	190
Sales of services	18	12
Total	57,756	67,139

Revenue recognised over time is presented by electricity sales, sales of auxiliary services and heat generation and comprised UAH 41,425 million (2023: UAH 51,553 million). Remaining amount of revenue totalling UAH 16,331 million is recognised at a point of time (2023: UAH 15,586 million).

Geographical analysis of revenue is presented in Note 6.

The major part of sales of electricity by direct contracts is made through Ukrainian Energy Exchange using the open auctions.

As at 31 December 2024 amount of contract liabilities from contracts with customers comprised UAH 657 million (31 December 2023: UAH 1,400 million). Contract liabilities existing as at 31 December 2023 in the amount of UAH 1,400 million were recognised as revenue during the period ended 31 December 2024. Amount of contract liabilities is included in prepayments received line in the consolidated balance sheet.

22 Cost of Sales

<i>In millions of Ukrainian Hryvnia</i>	2024	2023
Staff cost, including payroll taxes	9,652	8,886
Transportation services and utilities	9,605	11,564
Depreciation of property, plant and equipment and amortisation of intangible assets	6,425	6,349
Production materials	4,198	5,129
Production overheads	3,580	3,772
Coal purchased for electricity production	2,629	1,516
Fuel supplies other than coal	1,498	2,112
Taxes, other than income tax	1,410	1,391
Cost of electricity purchased for resale	1,330	2,565
Equipment repairs	700	524
Provisions for other liabilities and charges	575	7
Other costs	594	279
Change in inventory (Note 10)	(3,966)	58
Total	38,230	44,152

Transportation services and utilities include UAH 5,658 million of railway transportation expenses (2023: UAH 7,962 million), UAH 3,176 million of electricity purchased for own needs (2023: UAH 2,572 million), UAH 16 million of public service obligations on electricity export (2023: UAH 116 million) and UAH 755 million of other utilities (2023: UAH 914 million).

In 2024, staff costs include payroll in the amount of UAH 6,814 million (2023: UAH 6,198 million), payroll related taxes in the amount of UAH 1,632 million (2023: UAH 1,508 million), unused vacation and bonuses provisions in the amount of UAH 848 million (2023: UAH 853 million) and other costs in the amount of UAH 358 million (2023: UAH 327 million).

Cost of electricity purchased for resale is mainly presented by cost of electricity purchased by generation entities on the balancing electricity market.

23 Other Operating Income

<i>In millions of Ukrainian Hryvnia</i>	2024	2023
Extinguishment of accounts payable	377	111
Assets received free of charge	166	261
Penalties	93	740
Income on sales of inventories	53	-
Income on sales of property, plant and equipment	45	51
Income on fixed assets rent	-	42
Other	176	143
Total	910	1,348

Penalties are mainly attributable to trade receivables which were paid with a delay (Note 7).

24 General and Administrative Expenses

<i>In millions of Ukrainian Hryvnia</i>	2024	2023
Professional fees	1,520	1,038
Staff cost, including payroll taxes	983	958
Depreciation of property, plant and equipment and amortisation of intangible assets	174	167
Office costs	157	106
Other costs	215	255
Total	3,049	2,524

In 2024, staff costs include payroll in the amount of UAH 637 million (2023: UAH 637 million), payroll related taxes in the amount of UAH 121 million (2023: UAH 114 million), unused vacation and bonuses provisions in the amount of UAH 213 million (2023: UAH 193 million) and other personnel costs in the amount of UAH 12 million (2023: UAH 14 million).

The increase of professional fees is mainly explained by growth of variety of new services provided in the amount of UAH 250 million and other changes are mainly due to inflation and devaluation of hryvnia.

The following independent auditor's fees were included in Professional fees for the year ended 31 December 2024:

<i>In millions of Ukrainian Hryvnia</i>	Amount of external auditor and audit firm	Network organization amount	Total amount
Audit of the financial statements by PricewaterhouseCoopers Accountants N.V.	14	38	52
Other audit services	1	1	2
Tax services	9	5	14
Other non-audit services	-	8	8
Total	24	52	76

The following independent auditor's fees were included in Professional fees for the year ended 31 December 2023:

<i>In millions of Ukrainian Hryvnia</i>	Amount of external auditor and audit firm	Network organization amount	Total amount
Audit of the financial statements by PricewaterhouseCoopers Accountants N.V.	13	38	51
Other audit services	-	1	1
Tax services	12	21	33
Other non-audit services	-	6	6
Total	25	66	91

25 Other Operating Expenses

<i>In millions of Ukrainian Hryvnia</i>	2024	2023
Charitable donations and sponsorship	917	878
Social payments	280	474
Non-recoverable VAT	261	211
Net movement in provision for impairment of non-financial receivables and prepayments made	191	78
Penalties provision	144	352
Maintenance of social infrastructure	109	187
Depreciation of property, plant and equipment and amortisation of intangible assets	11	67
Professional fees	4	25
Expenses on sales of inventories	-	42
Other	222	223
Total	2,139	2,537

26 Finance Income and Finance Costs

<i>In millions of Ukrainian Hryvnia</i>	2024	2023
Interest income on loans issued to related parties (Note 9)	1,007	21
Interest income on bank deposits	133	354
Gain on bonds repurchase (Note 16)	7	4,346
Other finance income	14	21
Total finance income	1,161	4,742
Interest expense		
- Eurobonds issued	3,882	4,037
- Bank borrowings	86	66
Commission on consent (Note 16)	-	307
Unwinding of discounts on pension obligations (Note 17)	1,100	1,025
Unwinding of discounts on assets retirement provision (Note 18)	312	244
Unwinding of discounts on lease liabilities	162	94
Unwinding of discounts on restructured trade payable	14	15
Other finance costs	33	33
Total finance costs	5,589	5,821

27 Income Taxes

Income tax expense comprises the following:

<i>In millions of Ukrainian Hryvnia</i>	2024	2023
Current tax	4,161	3,094
Deferred tax	(3,592)	(796)
Income tax expense	569	2,298

Deferred income tax related to items recognised in other comprehensive income:

<i>In millions of Ukrainian Hryvnia</i>	2024	2023
Re-measurement of post-employment benefit obligations	(87)	(82)
Change in estimate relating to asset retirement provision recorded in equity	24	(63)
(Decrease) / increase in valuation of property, plant and equipment	4,823	(410)
Income tax benefit through other comprehensive income	4,760	(555)

The Group is subject to taxation in several tax jurisdictions, depending on the residence of its subsidiaries (primarily in Ukraine).

27 Income Taxes (Continued)

Reconciliation between the expected and the actual taxation charge is provided below.

<i>In millions of Ukrainian Hryvnia</i>	2024	2023
Profit for the period	6,501	15,973
Total profit before income tax, including:	6,501	15,973
Profit before income tax of Ukrainian companies	12,292	16,584
Loss before income tax of non-Ukrainian companies	(5,791)	(611)
Income tax at statutory rates of 18% (Ukrainian operations)	2,213	2,985
Income tax at statutory rates on non-Ukrainian operations	(307)	(108)
Tax effect of items not deductible or assessable for taxation purposes:		
- non-deductible expenses	1,183	123
- non-taxable income	-	-
Utilization of previously unrecognized tax losses	(1,017)	(1,078)
Non-taxable income on bonds repurchase and unwinding of discount	(108)	(890)
Income tax provision change in current year	81	618
Unrecognized deferred tax on tax losses of current period	721	1,033
Tax effect of non-taxable forex losses/(gains) on foreign subsidiaries, net	653	(17)
Accrual and payment of withholding tax	(552)	-
Recognition of deferred tax on withholding tax on profits of Ukrainian subsidiaries	577	919
Recognition of previously unrecognized tax asset	(2,843)	(1,287)
Other	(32)	-
Income tax expense	569	2,298

The parent and its subsidiaries are separate taxpayers and therefore the deferred tax assets and liabilities are presented on an individual basis. The deferred tax liabilities and assets reflected in the consolidated balance sheets as at 31 December are as follows:

<i>In millions of Ukrainian Hryvnia</i>	2024	2023
Deferred tax asset	2,131	1,527
Deferred tax liability	(3,935)	(2,163)
Net deferred tax liability	(1,804)	(636)

27 Income Taxes (Continued)

<i>In millions of Ukrainian Hryvnia</i>	1 January 2024	Credited/ (charged) to income	Credited/ (charged) to OCI	31 December 2024
Retirement benefit obligations	889	134	87	1,110
Trade and other receivables	720	460	-	1,180
Provisions for other liabilities and charges	364	195	(24)	535
Inventories	104	817	-	921
Tax losses	605	1,088	-	1,693
Gross deferred tax asset	2,682	2,694	63	5,439
Less offsetting with deferred tax liabilities	(1,155)	(2,153)	-	(3,308)
Recognised deferred tax asset	1,527	541	63	2,131
Property, plant and equipment	(1,357)	815	(4,823)	(5,365)
Borrowings	(761)	108	-	(653)
Withholding tax on profits of subsidiaries	(1,200)	(25)	-	(1,225)
Gross deferred tax liability	(3,318)	898	(4,823)	(7,243)
Less offsetting with deferred tax assets	1,155	2,153	-	3,308
Recognised deferred tax liability	(2,163)	3,051	(4,823)	(3,935)
Recognised net deferred tax asset/(liability)	(636)	3,592	(4,760)	(1,804)

<i>In millions of Ukrainian Hryvnia</i>	1 January 2023	Credited/ (charged) to income	Credited/ (charged) to OCI	31 December 2023
Retirement benefit obligations	662	145	82	889
Trade and other receivables	140	580	-	720
Provisions for other liabilities and charges	257	44	63	364
Inventories	-	104	-	104
Tax losses	382	223	-	605
Gross deferred tax asset	1,441	1,096	145	2,682
Less offsetting with deferred tax liabilities	(871)	(284)	-	(1,155)
Recognised deferred tax asset	570	812	145	1,527
Property, plant and equipment	(2,086)	319	410	(1,357)
Borrowings	(1,061)	300	-	(761)
Withholding tax on profits of subsidiaries	(281)	(919)	-	(1,200)
Gross deferred tax liability	(3,428)	(300)	410	(3,318)
Less offsetting with deferred tax assets	871	284	-	1,155
Recognised deferred tax liability	(2,557)	(16)	410	(2,163)
Recognised net deferred tax asset/(liability)	(1,987)	796	555	(636)

Income taxes have been provided for in the financial statements in accordance with Ukrainian, Dutch, Cypriot, Swiss or UK legislation enacted or substantially enacted by the balance sheet date. As at 31 December 2024 and 2023, the Group has not recognised deferred tax liability in respect of all taxable temporary differences associated with investments in subsidiaries as the Group is able to control the timing of the reversal of those temporary differences and is not intend to reverse them in the foreseeable future.

As at 31 December 2024, net recognised deferred tax asset of UAH 1,515 million is expected to be recovered or settled within twelve months after the reporting period (31 December 2023: net recognised deferred tax asset of UAH 767 million).

The deferred tax asset on unused tax losses not recognised as at 31 December 2024 comprised UAH 3,256 million (31 December 2023: UAH 4,867 million). According to the current legislation there is no expiry period for this amount.

In the context of the Group's current structure, tax losses and current tax asset of different Group companies may not be offset against current tax liabilities and taxable profits of other Group companies and, accordingly, taxes may accrue even where there is a consolidated tax loss. Therefore, deferred tax assets and liabilities are offset only when they relate to the same taxable entity.

27 Income Taxes (Continued)

Pillar Two impact assessment. The Group is within the scope of the OECD Pillar Two model rules. The Group applied the mandatory exemption in paragraph 102a concerning the recognition of deferred tax assets and liabilities related to Pillar 2 income tax. Main part of the Group's subsidiaries located in the Netherlands, Cyprus, the UK, Switzerland and Ukraine. Pillar Two legislation was enacted in the EU via European Union Minimum Taxation Directive (2022/2523). In the Netherlands, Cyprus, the UK and Switzerland respective law came into force, while Ukraine has committed to join the Pillar Two framework, however, as of now no legislation has been introduced yet. The legislation is effective for the Group's financial year beginning 1 January 2024.

Under the legislation, the Group is liable to pay a top-up tax for the difference between GloBE (Global Anti-Base Erosion) effective tax rate per jurisdiction and the 15% minimum rate. In most of the jurisdictions where the Group operates either the Jurisdictional Effective Tax Rate is greater than 15% or there are Jurisdictional GloBE Losses (e.g. Cyprus). The only exception may be Switzerland where the Group expects to have Jurisdictional Effective tax Rate below 15% however the Group already ceased trading operations there and expects to liquidate the entity. As a result application of OECD Pillar Two model rules have no material impact on the Group.

28 Contingencies, Commitments and Operating Risks

Tax legislation. Ukrainian tax and customs legislation is subject to varying interpretations and changes, which can occur frequently. Management's interpretation of such legislation as applied to the transactions and activity of the Group may be challenged by the relevant authorities, and it is possible that transactions and activities that have not been challenged in the past may be challenged. As a result, significant additional taxes, penalties and interest may be assessed. Fiscal periods remain open to review by the authorities in respect of taxes for three calendar years preceding the year of review. Under certain circumstances reviews may cover longer periods.

On 1 September 2013 the Law "On Changes to the Tax Code of Ukraine in respect of transfer pricing rules" came into effect. Transfer pricing rules are much more detailed than previous legislation and, to a certain extent, better aligned with the international transfer pricing principles developed by the Organisation for Economic Cooperation and Development (OECD). Legislation allows the tax authorities to make transfer pricing adjustments and impose additional tax liabilities in respect of controlled transactions (transactions with related parties and some types of transactions with unrelated parties) if the transaction price is not arm's length and not supported by relevant documentation.

Management believes it is taking appropriate measures to ensure compliance with the transfer pricing legislation.

The Group conducts intercompany transactions. It is possible with evolution of the interpretation of tax law in Ukraine and changes in the approach of tax authorities under the Tax Code, that such transactions could be challenged in the future. The impact of any such challenge cannot be estimated; however, management believes that it should not be significant.

The Group has income tax liabilities in various countries. The ultimate tax consequences of many transactions and calculations are uncertain, partly because of uncertainty concerning their timing. The Group continually assesses such matters and where final tax sums differ from the estimates such differences are recognised as income tax provisions in the period in which the differences become apparent. As at 31 December 2024 the Group's contingent liabilities in relation to uncertain tax positions are equal to UAH 1,764 million (31 December 2023: UAH 1,002 million).

Legal proceedings and tax litigations. From time to time and in the normal course of business, claims against the Group are received. Management believes that it has provided for all material losses in these financial statements. As at 31 December 2024 the Group's contingent liabilities in relation to legal claims on the Group's contractual obligations and contingent liabilities in relation to tax litigations, that are not disclosed below, are equal to UAH 200 million (31 December 2023: UAH 425 million).

In 2017 the National Anti-Corruption Bureau (NACB) opened criminal proceedings against members of the National Commission for Regulation of Energy and Utilities (NCREU), who adopted the methodology for calculation of the coal price formula, which was used during 2016-2019 for establishing of forecast wholesale market price of electricity in Ukraine. During the investigation, NACB conducted several searches. In the course of investigation a number of Ukrainian and international examinations were carried out, which, according to the lawyers, did not reveal any harm or loss from the formula. The criminal proceeding has been closed several times during the 2020-2021 by different prosecutors of the Special Anticorruption Prosecutor's Office, the last decision to close the case was taken in May 2021 due to lack of sufficient evidence. In October 2021 and in September 2022, the legality of closing a case was confirmed by the Supreme Anti-Corruption Court both in first and in appeal instance. Immediately after that in September 2022 Special Anticorruption Prosecutor's Office cancelled the decision to close the case, pre-trial investigation in the case has been completed and in March 2023 the criminal case was sent to the Higher anticorruption court for review on the merits in respect of the period 2016-2017. In October 2023 Anti-Corruption Court closed this case, further in December 2023 Chamber of Appeal of Anti-Corruption Court cancelled the previous decision and re-opened it. In this case the suspicion is reported to several former employees and members of NCREU and a few legal entities of DTEK Energy and employees of DTEK Group. The risk in relation of this case was assessed as remote and no provision was accrued for the year ended 31 December 2024 regarding the case described above.

28 Contingencies, Commitments and Operating Risks (Continued)

Capital expenditure commitments. As at 31 December 2024 and 2023 the Group had no material purchase commitments for the property, plant and equipment.

Assets pledged and restricted. At 31 December the Group has the following assets pledged as collateral or restricted:

<i>In millions of Ukrainian Hryvnia</i>	2024		2023	
	Asset pledged	Related liability	Asset pledged	Related liability
Non-current financial investments (Note 9)	9,443	44,543	8,041	40,186
Property, plant and equipment (Note 8)	81	193	-	-
Restricted cash (Note 12)	18	-	90	-
Total	9,542	44,736	8,131	40,186

As at 31 December 2024 and 2023, there were no movable and immovable property of the Group encumbered with a tax lien.

As at 31 December 2024 and 2023, non-current financial investments represented by loans provided to related parties, were pledged as collaterals for Eurobonds issued by the Company.

Environmental matters. The enforcement of environmental regulation in Ukraine and globally is evolving and the enforcement posture of government authorities is continually being reconsidered. The Group periodically evaluates its obligations under environmental regulations. As obligations are determined, they are recognised immediately. Potential liabilities, which might arise as a result of changes in existing regulations, civil litigation or legislation, cannot be estimated but could be material. Management believes that there are no significant liabilities for environmental damage.

In accordance with the requirements of the Directives of the European Parliament 2010/75 / EU, which superseded 2001/80 / EU, as well as the National Emission Reduction Plan (hereinafter – “NERP”), which came into force on 1 January 2018 and will last until 31 December 2033, for operators, which use large combustion plants (hereinafter – “APU”) requirements were set for the gradual and steady reduction of emissions of sulphur dioxide, nitrogen oxides and substances in the form of suspended solids, not differentiated by composition (dust). At the end of the validity period of the NERP, each heating installation must comply with the requirements of Directive 2010/75 / EU on emissions of the above pollutants.

DTEK Energy makes and is expected to continue to make capital investments to ensure compliance with environmental regulations. To meet the requirements of the National Emission Reduction Plan, additional investments may be needed to upgrade combustion plants. At present, the probability and extent of investment commitments cannot be reliably estimated, although they may be significant. DTEK Energy management periodically revalue its investment liabilities in accordance with changes in current legislation.

At the end of 2023 NERP implementation dates were postponed in part of emissions rates reduction (dust, SO₂, NO_x), modernization of large combustion plants and closure of power units mentioned in Opt-out list. Working hours limits for power units mentioned in Opt-out list for the period of martial law were withdrawn (but not later than till the end of 2025) and emission permits for some DTEK Energy TPP’s blocks were obtained without specifying restrictions on the operating hours. Power units mentioned in Opt-out list are expected to be closed following NERP implementation updated schedule in line with the order of Cabinet of Ministers of Ukraine of 29 December 2023 №1222-p (for some power units prolonged for two years comparing to previous schedule but no longer than till the end of 2025, for some power units prolonged until 2033), however further postponement in part of emissions rates reduction after the end of martial law may take place to ensure energy security of Ukraine due to expected increase of electricity consumption and corresponding increase of electricity generation deficit.

In June 2024 the National Energy and Climate Plan of Ukraine (the “Plan”) for 2025-2030 was approved, according to which carbon pricing are expected to increase to EUR 38 per ton of CO₂ starting from 2030. However, taking into account that the Plan foresees revision of the carbon emission rates after the end of martial law, the Group assumes, that such increase may be further postponed including the fact that CO₂ rate in the Plan is rather ambitious, depends on number of different factors and is not in line with historic experience in respect of revision of rates for carbon emission of bordering EU countries.

Compliance with covenants. The Group is subject to certain covenants related primarily to its Eurobonds and bank borrowings. Non-compliance with such covenants may result in negative consequences for the Group, including increase in the cost of borrowings, declaration of default and demand for immediate repayment of borrowings and Eurobonds.

28 Contingencies, Commitments and Operating Risks (Continued)

As at 31 December 2023 and 2024 the Group is in compliance with covenants.

Insurance. The insurance industry in Ukraine is developing and many forms of insurance protection common in other parts of the world are not yet generally available. If reasonable, DTEK Energy applies insurance policies to protect corporate assets, to compensate for a loss as a result of business interruption and to provide liability coverage in the event of harm inflicted on third parties by potential accidents occurred at DTEK Energy's production sites. The Group does not have full coverage for third party liability in respect of property or environmental damage arising from accidents on the Group's property or relating to the Group's operations. Until the Group obtains adequate insurance coverage, there is a risk that the loss or destruction of certain assets could have an adverse effect on the Group's operations.

Lease of land. The Group leases the land on which its assets are located. The annual lease payment in 2024 amounted to UAH 162 million (2023: UAH 179 million). Impact of IFRS 16 disclosed in Note 4.

29 Gain from the loss of control

On 28 October 2024 DTEK Skhidenergo LLC was declared by the court as a bankrupt and liquidation procedure commenced. The court assigned a liquidator who took control over the entity from the Group. The result of loss of control over this entity as at the date of the commencement of liquidation procedure is presented below:

<i>In millions of UAH</i>	2024
Cash and cash equivalents	36
Trade and other receivables	424
Retirement benefit obligations	(165)
Trade and other payables	(1,048)
Other taxes payables	(304)
Provisions for other liabilities and charges	(48)
Current income tax payable	(7)
Total carrying amount of net liabilities	(1,112)
Non-controlling interest	-
Total carrying amount of net liabilities attributable to Equity holders of the Company	(1,112)
Fair value of cash consideration received	-
Gain from loss of control	(1,112)

Trade and other receivables include UAH 3,091 million of nominal amount and UAH 2,667 million of expected credit losses. Property, plant and equipment and inventory of DTEK Skhidenergo LLC were impaired in the prior periods.

30 Financial Risk Management

The Group's activities expose it to a variety of financial risks: market risk (including price risk, currency risk and cash flow and fair value interest rate risk), credit risk and liquidity risk. The Group's overall risk management policies seek to minimise the potential adverse effects on the Group's financial performance for those risks that are manageable or noncore to the power generating business. Reference is made to Note 2 describing the most recent developments in the operating environment of the Group, which might have an impact on the Group's financial risks.

Risk management is carried out by a centralised treasury department working closely with the operating units, under policies approved by the Supervisory board. The Group treasury identifies, evaluates and proposes risk management techniques to minimise these exposures.

Credit risk. The Group takes on exposure to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Exposure to credit risk arises as a result of the Group's sales of products on credit terms and other transactions with counterparties giving rise to financial assets.

Credit risk is managed on an entity by entity basis with oversight by the Group management. Credit risk arises from cash and cash equivalents, financial instruments and deposits with banks, as well as credit exposure for selling transactions, including outstanding receivables and committed transactions. For Banks only upper tier Ukrainian or international banks are accepted, which are considered at time of deposit to have minimal risk of default. The exposure to credit risk for other customers other than those arises on electricity sales operations on intraday, day ahead and balancing markets is approved and monitored on an ongoing individually basis. The Group does not require collateral in respect of trade and other receivables.

30 Financial Risk Management (Continued)

The maximum exposure to credit risk at the reporting date is UAH 33,881 million (2023: UAH 27,361 million) being carrying value of financial investments, trade and other financial receivables, cash and cash equivalents and the nominal value of guarantee issued to Sberbank. As at 31 December 2024 carrying value of guarantee was UAH 1,701 million (31 December 2023: UAH 1,073 million). The Group does not hold any collateral as security.

Credit risks concentration. The Group is exposed to concentrations of credit risk.

The table below shows the balance of the major counterparties at the balance sheet date.

<i>In millions of Ukrainian Hryvnia</i>		31 December	31 December
Counterparty	Classification in balance sheet	2024	2023
First Ukrainian International Bank (FUIB)*	Cash and cash equivalents	2,544	201
Bank of Cyprus	Cash and cash equivalents	547	-
PKO BANK POLSKI SA	Cash and cash equivalents	417	118
MTB Bank	Cash and cash equivalents	353	391
Unicredit Bank AG	Cash and cash equivalents	248	-
Bank "Vostok"	Cash and cash equivalents	245	200
D.Trading B.V. Group	Trade and other receivables	12,237	9,866
NEC (NPC) Ukrenergo	Trade and other receivables	2,569	3,375
Cherkassy Khimvolokno	Trade and other receivables	585	-
Eurorekonstruktsiya	Trade and other receivables	196	-
DTEK GROUP B.V. (Note 9)	Financial investments	9,443	8,041
Sberbank of Russia (Note 15)	Other financial liabilities**	3,363	3,039

* These banks rank in the top 10 Ukrainian banks by size of total assets and capital (per National Bank of Ukraine).

** Nominal value of guarantee.

Market risk. The Group takes on exposure to market risks. Market risks arise from open positions in (a) foreign currencies, (b) interest bearing assets and liabilities and (c) equity investments, all of which are exposed to general and specific market movements. Management sets limits on the value of risk that may be accepted, which is monitored on a daily basis. However, the use of this approach does not prevent losses outside of these limits in the event of more significant market movements.

Currency risk. The Group primarily operates within Ukraine and accordingly its exposure to foreign currency risk is determined mainly by borrowings, cash balances and deposits, which are mostly denominated in/or linked to USD, and EUR. Ukrainian Hryvnia remains volatile to the currency exchange market and substantial changes in currency rates may have crucial impact on Group's covenants.

The following table presents sensitivities of profit or loss and equity before tax to reasonably possible changes in exchange rates applied at the balance sheet date relative to the functional currency of the respective Group entities, with all other variables held constant:

The exposure was calculated only for monetary balances denominated in currencies other than the functional currency of the respective entity of the Group.

<i>In millions of Ukrainian Hryvnia</i>	At 31 December 2024		At 31 December 2023	
	Impact on profit or loss	Impact on equity	Impact on profit or loss	Impact on equity
USD strengthening by 15% (2023:15%)	(5,098)	(5,098)	(4,913)	(4,913)
USD weakening by 15% (2023:15%)	5,098	5,098	4,913	4,913
Euro strengthening by 15% (2023:15%)	372	372	24	24
Euro weakening by 15% (2023:15%)	(372)	(372)	(24)	(24)

Interest rate risk. The Group has substantial amount of interest-bearing liabilities and the Group's income together with operating cash flows are dependent on changes in market interest rate. The Group's interest rate risk arises from borrowings and loans provided to related parties. Borrowings at variable interest rates expose the Group to cash flow interest rate risk. Borrowings at fixed rate expose the Group to fair value interest rate risk.

At 31 December 2024 and 2023, the Group's variable interest debt is UAH denominated. As at 31 December 2024, 1% of the total borrowings was provided to the Group at floating rates (31 December 2023: 1%). Additionally, the borrower of the loan provided to related parties may at any time elect to change the applicable Interest Rate from the Fixed Interest Rate to the Floating Interest Rate, which is the aggregate of margin, being 10% less the average US 6 month Treasury Rate for the calendar month immediately preceding the Floating Interest Starting Date, and the average US 6 month Treasury Rate. At the date of these consolidated financial statements there was no request from the borrower to change its interest rate.

30 Financial Risk Management (Continued)

The Group's exposure to fixed or variable rates is determined at the time of issuing new debt. Management uses its judgment to decide whether fixed or variable rate would be more favourable to the Group over the expected period until maturity. The risk of increase in market interest rates is monitored by the Finance Department of the Company together with the Treasury Department. The Finance Department is responsible for planning the financing structure (levels of leverage) and borrowing activities.

The borrowing activities are reviewed on a 12-month budget. Long-term investing activities and associated funding are considered separately.

The maturity dates and effective interest rates of borrowings are disclosed in Note 16. Re-pricing for fixed rate financial instruments occurs at maturity. Re-pricing of floating rate financial instruments occurs continually.

At 31 December 2024, if the interest rates on variable interest borrowings had been 200 basis points higher (2023: 200 basis points higher) with all other variables held constant, pre-tax profit for the year would have been UAH 7 million lower (2023: pre-tax profit for the year would have been UAH 9 million lower).

Liquidity risk. Prudent liquidity management implies maintaining sufficient cash and marketable securities and the availability of funding to meet existing obligations as they fall due. Management monitors liquidity on a daily basis, management incentive programs use key performance indicators such as EBIT, EBITDA, free cash flow and cash collections to ensure liquidity targets are actively monitored. Prepayments are commonly used to manage both liquidity and credit risks. The Group has capital construction programs which can be funded through existing business cash flows. The following table analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are undiscounted cash flows.

The maturity analysis of financial liabilities as of 31 December 2024 is as follows:

<i>In millions of Ukrainian Hryvnia</i>	Up to 6 months	6 -12 months	1 - 2 years	2 - 5 years	Over 5 years	Total
Liabilities						
Bank borrowings	77	123	413	118	-	731
Eurobonds	1,969	1,958	3,882	48,984	-	56,793
Guarantee issued to Sberbank	3,363	-	-	-	-	3,363
Lease liabilities	233	50	196	297	2,765	3,541
Other financial liabilities	47	10	275	59	42	433
Trade and other payables	8,764	-	-	-	-	8,764
Total future payments, including future principal and interest payments	14,453	2,141	4,766	49,458	2,807	73,625

The maturity analysis of financial liabilities as of 31 December 2023 is as follows:

<i>In millions of Ukrainian Hryvnia</i>	Up to 6 months	6 -12 months	1 - 2 years	2 - 5 years	Over 5 years	Total
Liabilities						
Bank borrowings	37	73	103	329	-	542
Eurobonds	1,800	1,790	3,550	47,786	-	54,926
Guarantee issued to Sberbank	3,039	-	-	-	-	3,039
Lease liabilities	157	44	114	265	2,558	3,138
Other financial liabilities	30	10	90	59	62	251
Trade and other payables	8,154	-	-	-	-	8,154
Total future payments, including future principal and interest payments	13,217	1,917	3,857	48,439	2,620	70,050

31 Management of Capital

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return on capital to shareholders, issue new shares or sell assets to reduce debt. Currently there is a restriction imposed on dividends payments currencies based on agreement with the lenders. Additionally, management may defer certain capital spending to enhance its debt position.

Consistent with others in the industry, the Group monitors capital on the basis of gearing ratio, where the target varies from period to period depends on the market circumstances and long-term plans. This ratio is calculated as net liabilities divided by total capital under management. Net debt is calculated as total borrowing (current and long-term as shown in the consolidated balance sheet) less cash and cash equivalents. Total capital under management equals equity as shown in the consolidated balance sheet.

As at 31 December 2024 the total net debt and total positive net assets of the Group were UAH 40,681 million and UAH 19,830 million respectively (31 December 2023: UAH 38,878 million of net debt and UAH 7,763 million of total negative net assets).

32 Fair Value of Assets and Liabilities

Property, plant and equipment at fair value. Property, plant and equipment are carried in the statement of financial position at their fair value. The Group's property, plant and equipment are all categorised as Level 3 in the fair value hierarchy.

Financial instruments carried at amortised cost. Majority of the Group financial assets and liabilities are carried at amortised cost using the effective interest method. These assets are not measured at fair value in the balance sheet. For the majority of these instruments, the fair values are not materially different to their carrying amounts, since the interest receivable/payable is either close to current market rates or the instruments are short-term in nature. Significant differences were identified for the following instruments:

<i>In millions of Ukrainian Hryvnia</i>	31 December 2024		31 December 2023	
	Fair value	Carrying amount	Fair value	Carrying amount
FINANCIAL LIABILITIES*				
Non-current Eurobonds*	28,208	43,900	23,161	39,604
Current Eurobonds*	391	643	316	582

* As of 31 December 2023 and 2024, management believes that market prices are the best benchmark for fair value determination of Eurobonds.

Management considers carrying value of non-current and current financial investments, non-current bank borrowings, current bank borrowings and interest accrual as of 31 December 2024 and as of 31 December 2023 to be equal to its Fair Value.

Valuation technique and description of inputs used in the fair value measurement for level 2 as of 31 December 2023 and 2024:

	Valuation technique	Inputs used
FINANCIAL LIABILITIES		
Eurobonds	Market approach	Market quotes on DTEK Eurobonds

33 Reconciliation of Classes of Financial Instruments with Measurement Categories

All of the Group's financial assets and financial liabilities are carried at amortised cost.

34 Subsequent events

During January-March 2025 Russia continued carrying out further massive attacks on Ukraine, including on energy infrastructure resulting in damaging equipment at the thermal power plants. DTEK Energy continues analysis of time and additional expenses necessary to restore the damaged assets.

In 2025, additional buybacks of Eurobonds were performed with gain in the amount of UAH 1,189 million.

Company financial statements

31 December 2024

DTEK Energy B.V.
Company Balance Sheet (BEFORE PROFIT APPROPRIATION)

<i>In millions of Ukrainian Hryvnia</i>	Note	31 December 2024	31 December 2023*
ASSETS			
Non-current assets			
Property, plant and equipment		2	3
Investments in subsidiaries	3	38,182	21,254
Loans to related parties	4	35,176	32,095
Total non-current assets		73,360	53,352
Current assets			
Loans to related parties	4	1,815	17
Receivables from related parties	5	283	165
Dividend receivables from related parties	5	12,824	9,068
Other receivables	5	1	9
Cash and cash equivalents	6	402	25
Total current assets		15,325	9,284
TOTAL ASSETS		88,685	62,636
EQUITY			
Share capital		0	0
Share premium	7	9,909	9,909
Revaluation reserves	7	18,308	7,705
Accumulated losses	7	(19,871)	(35,199)
Result for the year	7	14,010	13,316
TOTAL EQUITY		22,356	(4,269)
LIABILITIES			
Provisions			
Deferred income taxes	10	1,225	1,200
Total provisions		1,225	1,200
Non-current liabilities			
Borrowings	8	57,533	51,854
Loans from related parties	9	1,786	1,897
Total non-current liabilities		59,319	53,751
Current liabilities			
Borrowings	8	854	760
Loans from related parties	9	2,231	-
Payables to related parties	11	284	10,056
Current income tax payable	10	678	-
Other payables	11	37	65
Other financial liabilities	12	1,701	1,073
Total current liabilities		5,785	11,954
TOTAL LIABILITIES		66,329	66,905
TOTAL LIABILITIES AND EQUITY		88,685	62,636

*as restated, refer to Note 2, Correction of material error.

DTEK Energy B.V.
Company Income Statement

<i>In millions of Ukrainian Hryvnia</i>	Note	2024	2023*
General and administrative expenses	13	(220)	(908)
Other interest income and similar income	4	6,937	5,298
Interest expenses and similar charges	14	(11,434)	(5,987)
Loss before taxation		(4,717)	(1,597)
Taxation	10	(1,255)	(1,200)
Share in result of participations	3	19,982	16,113
Net result for the year		14,010	13,316

*as restated, refer to Note 2, Correction of material error and change in presentation of the profit and loss account.

1 The Organisation and its Operations

General

DTEK Energy B.V. (former DTEK Holdings B.V.) is a private limited liability company incorporated in the Netherlands on 16 April 2009. The Company was formed through the contribution by System Capital Management Limited (SCM Ltd.) and InvestCom Services Limited of their 100% equity interest in DTEK Holding Limited, a Cyprus registered entity and the predecessor of the Company. On 19 September 2014 the Company changed its parent company to DTEK B.V. As of 31 December 2020 DTEK Energy B.V. was owned by DTEK B.V. Starting 12 April 2021 DTEK Energy B.V. is directly owned by DTEK ENERGY HOLDINGS B.V., a private limited liability company incorporated on this date, domiciled in the Netherlands and owned by DTEK GROUP B.V. (former DTEK B.V., hereinafter referred to as DTEK B.V.). The structure regime is not applicable to DTEK Energy B.V. as it does not meet the criteria set in Book 2 of the Dutch Civil Code.

The Company and its subsidiaries (together referred to as “the Group” or “DTEK Energy”) is a vertically integrated coal mining and power generating group. Its principal activities are coal mining for further supply to its power generating facilities in Ukraine. In 2024 the Group’s coal mines and power generation plants are located in the Donetsk, Dnipropetrovsk, Lviv, Ivano-Frankivsk and Vinnitsya regions of Ukraine.

DTEK Energy is focused on achieving high quality of the work and on adherence to corporate standards, meeting its obligations, efficient use of natural resources and on protecting the environment.

DTEK Energy has Supervisory Board, that is in charge for strategic management and overseeing the activities of management. Supervisory Board meetings with management are held on a regular basis to discuss and review reports on business performance, financial results and implementation of tasks and decisions.

The principal activity of the Company is holding ownership interests in its subsidiaries, their financing and management. The Company is a corporate member of EURACOAL, an association of coal and lignite sector of Europe, and a business associate member of the Union of the Electricity Industry - Eurelectric, a sector association which represents the interests of the electricity industry at pan-European level and has affiliates and associates on several other continents.

Supervisory Board

As of 31 December 2023 the Supervisory Board comprises of following Board members: Sergey Korovin, Dmytro Sakharuk, Oleksandr Kucherenko, Oleksiy Povolotskiy, Pavlo Livertovskiy, Oleksandra Moskalenko and Nikolay Ivin. Further Dmytro Sakharuk has resigned with effect from 6 October 2024.

As of 31 December 2024, the Supervisory Board comprises of following Board members: Sergey Korovin, Oleksandr Kucherenko, Oleksiy Povolotskiy, Pavlo Livertovskiy, Oleksandra Moskalenko, and Nikolay Ivin. Further Sergey Korovin, Oleksandr Kucherenko, and Oleksiy Povolotskiy have resigned with effect from 31 December 2024, Ildar Salieiev, Olena Semych and Margaryta Povazhna were appointed as new Supervisory Board members with effect from 1 January 2025. Further Margaryta Povazhna has resigned with effect from 14 February 2025.

In 2024 DTEK Energy B.V. and its subsidiaries paid remuneration to the Supervisory Board in the amount of UAH 21 million (2023: UAH 25 million).

Basis of presentation of the company financial statements

The company financial statements of DTEK Energy B.V. are presented pursuant to the legal stipulations of Part 9 Book 2 of the Dutch Civil Code (“DCC”). In this context use was made of the option provided under art. 2:362 part 8 DCC to apply the accounting principles for the recognition and measurement of assets and liabilities and determination of results (including principles for presentation of financial instruments such as equity or debt) to the company’s financial statements to be consistent with those that are applied in the consolidated financial statements.

The Company has voluntarily changed the presentation of the profit and loss account to Model F and does not apply article 2:402 DCC. Management considers that the new format offers a more accurate and transparent view of the Company’s performance by function and will provide users of the financial statements with more detailed insights into the drivers of the Company’s result for the year. This change in presentation does not affect the recognition and measurement of the Company’s assets, liabilities, income, or expenses and is limited solely to the format of the income statement. The comparative figures for the prior period have been restated accordingly to ensure consistency and comparability.

The principal subsidiaries of the Company are presented in Note 1 to the accompanying Consolidated Financial Statements.

2 Accounting Policies Information

General

The accounting policies for the Company's financial statements are the same as for the consolidated financial statements. Where no specific policies are mentioned, reference should therefore be made to the accounting policies relating to the consolidated financial statements.

Subsidiaries

Consolidated subsidiaries are all entities (including intermediate subsidiaries) over which the company has control. The company controls an entity when it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. Subsidiaries are recognised from the date on which control is transferred to the company or its intermediate holding entities. They are derecognised from the date that control ceases.

Investments in consolidated subsidiaries are measured at net asset value. Net asset value is based on the measurement of assets, provisions and liabilities and determination of profit based on the principles applied in the consolidated financial statements.

When measuring investments in consolidated subsidiary with an equity deficit, the long-term interests for which settlement is neither planned nor likely to occur in the foreseeable future are considered as an extension of the net investment in a subsidiary.

Losses under the net asset value method in excess of the investor's equity investment are continued to be recognised on the identified long-term interests held by the company (or its underlying subsidiaries) in the reverse order of their seniority.

If the share of losses attributable to DTEK Energy B.V. exceeds the carrying amount of the net investment of a subsidiary, losses over and above that amount are not recognised unless DTEK Energy B.V. has given guarantees to the entity concerned or other commitments have been entered into or payments have been made on behalf of that entity. In that case, a provision is recognised only when DTEK Energy B.V. has a constructive or legal obligation.

Results on transactions with subsidiaries are eliminated in proportion to the interest in the entities concerned, except where the results are realised via transactions with third parties. Losses are not eliminated if there are indications of impairment of the assets concerned.

The company applies the acquisition method to account for acquiring subsidiaries, consistent with the approach identified in the consolidated financial statements. The consideration transferred for the acquisition of a subsidiary is the fair value of assets transferred by the company, liabilities incurred to the former owners of the acquiree, and the equity interests issued by the company. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in an acquisition are measured initially at their fair values at the acquisition date and are subsumed in the net asset value of the investment in consolidated subsidiaries. Acquisition-related costs are expensed as incurred.

When applying the net asset value, the result from consolidated subsidiaries for the year is derived based on the reported result of the subsidiary to the extent that this can be attributed to the investor legal entity and aligned with the accounting policies of the Group. Dividends received are deducted from the carrying amount of the investment.

When an acquisition of an investment in a consolidated subsidiary is achieved in stages, any previously held equity interest is remeasured to fair value on the date of acquisition. The remeasurement against the book value is accounted for in the income statement.

When parts of investments in consolidated subsidiaries are bought or sold, and such transaction does not result in the loss of control, the difference between the consideration paid or received and the carrying amount of the net assets acquired or sold, is directly recognised in equity.

In case of unprofitable subsidiaries having negative net asset value, any negative amounts are booked against receivables from these subsidiaries in case these considered to be a part of the net investment. The revaluation reserve is a legal reserve according to art. 2:373.4 DCC. The legal reserves are not distributable to the shareholders until they are transferred to retained earnings. In the event the net equity value of a subsidiary becomes negative additional losses are not recognised in case the company is not liable for the debts of its subsidiaries and there are no other receivables which are considered to be a part of the net investment into such subsidiary.

Loans to related parties

Amounts due from related parties are stated initially at fair value and subsequently at amortised cost. Amortised cost is determined using the effective interest rate.

When measuring interests in a participating interest with an equity deficit, the long-term interests for which settlement is neither planned nor likely to occur in the foreseeable future are considered as an extension of the net investment. For the remaining part of the loan receivable expected credit losses are applied if considered necessary.

2 Accounting Policies Information (Continued)

Elements of shareholders' equity

Various legal reserves required by Part 9, Book 2, of the Dutch Civil Code have been retained in the corporate balance sheet. These reserves restrict the ability to distribute equity. They are the reserve for property, plant and equipment revaluations, the reserve for intangible assets (only to the extent related to the capitalized incorporation costs and the capitalized development costs, if any) and the reserve for participating interests (only to the extent that profits and other equity increases are both not distributed and not freely distributable at the intention of the entity).

The revaluation reserve (Art. 2:390 part 1 DCC) is maintained in respect of unrealised fair value increase held by companies forming part of DTEK Energy B.V.

Additions to the reserve for property, plant and equipment revaluations are made via equity appropriation, after allowing for corporate income tax.

Correction of material error

Upon preparation of the financial statements for 2024, management identified that net asset value accounting of investments in consolidated subsidiaries had been incorrectly applied in the 2023 entity's financial statements due to the complexity of the accounting rules and practices. In applying the net asset value, this also requires that any other (long-term) interests considered as an extension in a subsidiary with negative net assets should be taken into account when applying the net asset value under requirements of Dutch Accounting Standards (DAS 100.111 and DAS 214.340). Such other (long-term) interest are items for which settlement is neither planned nor likely to occur in the foreseeable future.

Up until 2023, the scope of such other (long-term) interest was limited to only receivables directly held by the Company, while the scope should also include interests held indirectly by the Company's other subsidiaries. Therefore, for subsidiaries with a negative net asset value, receivables qualifying as (long-term) interests owned by other subsidiaries were previously not considered as extension of net investment in these subsidiaries, which was corrected and brought in line with the requirements of Dutch Accounting Standards. The comparative figures were changed to reflect the application of amended scope of consideration of extension of net investment in subsidiaries as follows:

In millions of Ukrainian Hryvnia

Balance Sheet item	31 December 2023	Increase/ (Decrease)	31 December 2023, as restated	1 January 2023	Decrease	1 January 2023, as restated
Investments in subsidiaries	41,058	(19,804)	21,254	47,208	(23,232)	23,976
Net assets	15,535	(19,804)	(4,269)	13,738	(23,232)	(9,494)
(Accumulated losses)/Retained earnings	(11,967)	(23,232)	(35,199)	6,265	(23,232)	(16,967)
Result for the year	9,888	3,428	13,316	(13,093)	-	(13,093)
TOTAL EQUITY	15,535	(19,804)	(4,269)	13,738	(23,232)	(9,494)

In millions of Ukrainian Hryvnia

Company income statement	2023	Increase	2023, as restated
Share in result of participations	12,685	3,428	16,113
Net income attributable to shareholders	9,888	3,428	13,316

3 Investments in Subsidiaries

Movements in investments in subsidiaries are as follows:

In millions of Ukrainian Hryvnia

	2024	2023*
Carrying amount of 1 January	21,254	23,976
Share in result of participations	19,982	16,113
Share of equity movements	12,615	(1,611)
Share capital reduction and share premium distribution	(1,027)	(5,930)
Other movements in subsidiaries	3,142	(4,409)
Dividends accrued	(17,784)	(6,885)
Carrying amount of 31 December	38,182	21,254

*as restated, refer to Note 2, Correction of material error.

3 Investments in Subsidiaries (Continued)

Net gain of the subsidiaries within the Group attributable to shareholders for the year ending 31 December 2024 is UAH 19,982 million (2023: net gain of UAH 16,113 million). The difference of UAH 14,236 million (2023: UAH 2,574 million) with the consolidated result for the year ended 31 December 2024 of UAH 5,932 million (2023: UAH 13,675 million) is related to the fact that the Company recognises losses of the subsidiaries only to the extent of net investment in subsidiaries which includes long-term receivables that in substance form part of the net investment in the subsidiary. In the event the net equity value of a subsidiary becomes negative additional losses are not recognised unless there is a probability of cash outflow due to guarantees given to third parties on loan contracts issued by its subsidiaries or there are other receivables due from this subsidiary which is treated as a part of net investment. As of 31 December 2024, the management assesses the probability of such cash outflow as possible.

Share of equity movements of subsidiaries comprise re-measurements of post-employment benefit obligations, changes in estimates for asset retirement obligation and net result in valuation of property, plant and equipment.

Other movements in subsidiaries comprise ECL and impairment on intercompany transactions, and foreign exchange gains/(losses) on financial instruments treated as an extension of the net investments.

2024 year activity

In December 2024 one of the subsidiaries of the Company, GPL Ingen Power Limited, approved reduction of the share premium in the amount of UAH 1,027 million by releasing the Company from its obligations to pay its payables to GPL Ingen Power Limited. The amount is included into the Share capital reduction and share premium distribution in subsidiaries line in the table above.

2023 year activity

In December 2023 one of the subsidiaries of the Company, DTEK Trading SA, en liquidation, carried out share capital reduction and share premium distribution by passing to the Company its rights to claim the loans issued to subsidiaries of DTEK Energy B.V in the amount of UAH 4,457 million (Note 4) and releasing the Company from its obligations to pay on its payables to DTEK Trading SA, en liquidation in the amount of UAH 1,495 million. The amount is included into the movements in investments in subsidiaries as shown above in the amount of UAH 5,930 million. The resulting difference of UAH 22 million related to foreign exchange gain is recorded in Net operating foreign exchange gain/(loss).

4 Loans to Related Parties

As of 31 December non-current loans to related parties were as follows:

<i>In millions of Ukrainian Hryvnia</i>	2024	2023
Balance of 1 January	32,095	19,090
New loans issued	-	5,482
Interest paid	(622)	-
Assigning of right to claim on loan receivables (Note 3)	-	4,457
Transfer to current	(4,038)	(17)
Capitalised interest	508	-
Interest accrued during the period	5,644	5,162
Foreign exchange gain	2,936	1,324
Provision for impairment during the year	(1,347)	(3,403)
Balance of 31 December	35,176	32,095

As of 31 December, current loans to related parties were as follows:

<i>In millions of Ukrainian Hryvnia</i>	2024	2023
Balance of 1 January	17	1,001
Interest paid	(168)	-
Transfer from non-current	4,038	17
Capitalised interest	(508)	-
Set-off of loans	-	(1,413)
Interest accrued during the period	1,293	97
Foreign exchange gain/(loss)	576	(23)
Unwinding of discount	-	39
(Provision)/reversal for impairment during the year	(3,433)	299
Balance of 31 December	1,815	17

4 Loans to Related Parties (Continued)

Loan issued to DTEK GROUP B.V. As at 31 December 2024, loans provided to related parties in the principal amount of UAH 6,153 million and UAH 508 million of capitalized interest including interest for the first, third and fourth quarters of 2024 (31 December 2023: UAH 5,545 million principal and UAH 17 million interest) are represented by loan issued to DTEK GROUP B.V. in December 2023 denominated in US dollars and due in October 2028. Loans bear a nominal interest of 10% per annum payable on quarterly basis with an option of interest capitalization at 11% interest rate per annum two times per calendar year until 2027. Capitalisation of interest for the fourth quarter 2024 was agreed by the Group in exchange for DTEK GROUP B.V. refusing from one of the capitalisations in 2025 and a binding promise to not apply for capitalisation in the first quarter of 2025 (and first quarter payment was received in April 2025). The Group agreed to the above terms in accordance with relevant documentation following conclusion that these are not unduly prejudicial to the rights the Eurobond holders. The borrower may at any time elect to change the applicable Interest Rate from the Fixed Interest Rate to the Floating Interest Rate, which is the aggregate of margin, being 10% less the average US 6-month Treasury Rate for the calendar month immediately preceding the Floating Interest Starting Date, and the average US 6-month Treasury Rate. At the date of these consolidated financial statements there was no request from the borrower to change its interest rate

Loan provided to DTEK GROUP B.V. was initially recorded at its fair value which is equal to cash paid by the Company. The 10% fixed interest rate on the instrument is within the range of market interest rates between 8.4% and 11.9% on active markets (Level 3) for similar USD denominated financial instruments (corporate loans) of entities with a credit rating of CCC+ to D issued in 2023 with maturities within 4.5-5.5 years.

For the purpose of solely payments of principal and interest (SPPI) test the Company performed the quantitative assessment, which requires it to compare the contractual cash flows of the financial asset under assessment to the cash flows of a 'benchmark' instrument whose time value of money element is not modified (known as the 'benchmark test'). As part of the benchmark test the Company applied two scenarios – based on the US 3 month Treasury Rate from publicly available experts forecasts and the maximum observed historical difference between US 3 month and 6 month Treasury Rates for the last 20 years. The Company determined that the benchmark test was passed and therefore accounted for the loans at amortized cost.

As at 31 December 2024, expected credit losses for the loan provided to DTEK GROUP B.V. amounted to UAH 533 million, and were measured at a 12-month ECL rate (Stage 1) of 8.00% (31 December 2023: UAH 342 million and rate of 6.16%), which was assessed as a median rate between interest rates for similar USD denominated financial instruments (corporate loans) of entities with similar credit rating and difference between these interest rates and the yield to maturity of US treasury bonds as of 31 December 2024 (31 December 2023: was assessed as a difference between the original effective interest rate of the loan and the yield to maturity of 5-year US treasury bonds observable at the date of originating of the loans)..

As at 31 December 2024, loan provided to DTEK GROUP B.V. was pledged as collaterals for Eurobonds. According to the contractual terms, on and at any time after the occurrence of a payment default under the Eurobonds, the minimum amount required to remedy such default, if lower, the principal amount outstanding of the loan plus accrued interest, and all other amounts accrued or outstanding shall become immediately due and payable.

Loans issued to subsidiaries. As at 31 December 2024 loans issued also comprised:

- non-current loan to DTEK Finance PLC with nominal value of UAH 17,665 million principal and UAH 4,196 million accrued interest and with final maturity in December 2026 (8.14% annual interest rate payable on the repayment date, denominated in USD) (31 December 2023: UAH 15,960 million principal and UAH 2,488 million accrued interest).
- non-current loans to DTEK Holdings Limited with nominal value of UAH 52,672 million principal and UAH 13,413 million of accrued interest and with final maturity in December 2027, annual interest rate of 8.43% for USD and 6.8% for EUR payable on the repayment date (31 December 2023: UAH 47,655 million principal and UAH 8,722 interest);
- current loans to DTEK Holdings Limited with nominal value of UAH 4,129 million principal and UAH 1,620 accrued interest. In December 2023 rights to claim on loans to DTEK Holdings Limited were reassigned to the Company in the amount of UAH 4,457 million (denominated in USD and EUR) from DTEK Trading SA, en liquidation (Note 3). Loans reassigned were initially recognized at the value carried in the books of DTEK Trading SA, en liquidation, have an interest rate of 12.7% + 1m SOFR rate and maturity date on 31 January 2025.

In 2024 additional impairment of UAH 4,780 million (2023: UAH 3,104 million) was recorded mainly on loans issued to DTEK Holdings Limited and DTEK Finance PLC mainly due to a negative net asset value (NAV) increase.

4 Loans to Related Parties (Continued)

Movement in the expected credit loss provision for loans to related parties was as follows:

<i>In millions of Ukrainian Hryvnia</i>	2024	2023
Provision for impairment at 1 January	52,899	47,949
Provision for impairment during the year	4,780	5,090
Reversal of provision	-	(1,986)
Effect of changes in exchange rate	5,686	1,846
Provision for impairment at 31 December	63,365	52,899

As of 31 December 2024, these loans are unsecured and carrying amounts of the loans to related parties approximate their fair values after the impairment recognised.

5 Other Receivables

As of 31 December, current assets were as follows:

<i>In millions of Ukrainian Hryvnia</i>	2024	2023
Dividend receivable from related parties	12,824	9,068
Accounts receivable from related parties	283	165
Other receivables	1	9
Total other receivables	13,108	9,242

Accounts receivables from related party as of 31 December 2024 is UAH 283 million (31 December 2023: UAH 165 million) and includes UAH 107 million of receivables for the shares sold. Accounts receivable from related parties are recognized at fair value and subsequently measured at amortized cost. Fair value of other receivables approximates the book value, due to their short-term character. As at 31 December 2024 all current receivables are due on demand, not secured and bear no interest.

In 2024 subsidiaries declared dividends to the Company in the amount of UAH 17,784 million. Further part of dividends receivable in the amount of UAH 8,698 million was offset with payables to related parties (Note 11), UAH 3,459 million was paid in cash with related accrual of withholding tax in the amount UAH 552 million. Other movement in dividends receivable mainly consist of change of expected credit losses in the amount of UAH 1,319 million.

As at 31 December 2024, the change in the ECL estimate compared to 31 December 2023 is due to the change of expected terms of its settlement.

Movements in the impairment provision for receivables were as follows:

<i>In millions of Ukrainian Hryvnia</i>	2024	2023
Provision for impairment at 1 January	469	7,582
Provision for impairment during the year	1,326	19
Reversal of provision	-	(7,277)
Effect of changes in exchange rate	40	145
Provision for impairment at 31 December	1,835	469

For all significant debtors of the Company that are primary related parties, ECL rate is calculated based on default rates corresponding to Fitch credit rating set for country of counterparty's operations or a counterparty, where relevant, and adjusted for weighted average loss given default determined according to Fitch recovery rates. When considering ECL provision for financial receivables from subsidiaries, Company takes into account results of subsidiaries and their credit risks, the net asset value and expectations on its repayment (Note 2).

The following table provides information about the exposure to credit risk and ECLs for financial receivables, including considerations related to negative results of subsidiaries:

	Expected loss rate as of 31 December 2024	Basis	Expected loss rate as of 31 December 2023	Basis
Financial receivables from related parties	1.35% - 95%	Default rate adjusted for weighted average loss given default	14.54% - 96%	Default rate adjusted for weighted average loss given default

6 Cash and Cash Equivalents

As at 31 December 2024, cash and cash equivalents of UAH 402 million were as bank balances receivable on demand (31 December 2023: UAH 25 million).

As at 31 December cash and cash equivalents were denominated in the following currencies:

<i>In millions of Ukrainian Hryvnia</i>	2024	2023
UAH	-	1
EUR	298	12
USD	104	12
Total cash and cash equivalents	402	25

Analysis by credit quality of bank balances and term deposits is as follows:

<i>In millions of Ukrainian Hryvnia</i>	2024	2023
<i>Rating by Moody's Investors Service</i>		
- A2 rated	138	24
- Baa1 rated	264	-
- Non-rated	-	1
Total cash and cash equivalents	402	25

Cash and cash equivalents are freely disposable.

7 Equity

Movements in equity are as follows:

<i>In millions of Ukrainian Hryvnia</i>	Share capital	Share premium	Revaluation reserves	Retained earnings/ (Accumulated losses)	Result for the year	Total
As of 1 January 2023	0	9,909	10,657	6,265	(13,093)	13,738
Correction (Note 2)	-	-	-	(23,232)	-	(23,232)
Balance at 1 January 2023 as corrected		9,909	10,657	(16,967)	(13,093)	(9,494)
Profit appropriation	-	-	-	(13,093)	13,093	-
Result for the year ended 31 December 2023	-	-	-	-	13,316	13,316
Property, plant and equipment:						
- Net result in valuation of property, plant and equipment	-	-	(1,392)	-	-	(1,392)
- Deferred tax	-	-	253	-	-	253
- Realised revaluation reserve	-	-	(2,162)	2,162	-	-
- Deferred tax related to realised revaluation reserve	-	-	349	(349)	-	-
Dividends distribution	-	-	-	(6,480)	-	(6,480)
Other movements	-	-	-	(472)	-	(472)
As of 31 December 2023*	0	9,909	7,705	(35,199)	13,316	(4,269)
As of 1 January 2024	0	9,909	7,705	(35,199)	13,316	(4,269)
Profit appropriation	-	-	-	13,316	(13,316)	-
Result for the year ended 31 December 2024	-	-	-	-	14,010	14,010
Property, plant and equipment:						
- Net result in valuation of property, plant and equipment	-	-	15,502	-	-	15,502
- Deferred tax	-	-	(2,797)	-	-	(2,797)
- Realised revaluation reserve	-	-	(2,384)	2,384	-	-
- Deferred tax related to realised revaluation reserve	-	-	282	(282)	-	-
Dividends distribution	-	-	-	-	-	-
Other movements	-	-	-	(90)	-	(90)
As of 31 December 2024	0	9,909	18,308	(19,871)	14,010	22,356

*as restated, refer to Note 2, Correction of material error.

The revaluation reserve is a legal reserve according to art. 2:373.4 DCC. The legal reserves are not distributable to the shareholders until they are transferred to retained earnings.

The authorised share capital of DTEK Energy B.V. equals to fully paid share capital and comprises 3,000 ordinary shares with a par value of EUR 10.0 per share in total amount of UAH 928 thousand (EUR 30 thousand) using exchange rate as of 15 April 2009 as the date of contribution. All shares carry one vote.

During the year ended 31 December 2023 DTEK Energy B.V. declared UAH 6,480 million dividends to its direct parent DTEK ENERGY HOLDINGS B.V. Further several reassignments took place in the amount of USD 175 million, as a result of which DTEK Energy B.V.'s own dividends payable of UAH 6,480 million were offset with receivable from its direct parent and final payment was made by DTEK Energy B.V. in cash to DTEK GROUP B.V. before 31 December 2023 in the amount of UAH 6,531 million. Distributions of the dividends in respect of the prior period were determined based on the information and financial statements available and valid at that time, prior to the amendment in the application of net asset value accounting for investments in consolidated subsidiaries and the expansion of the scope of assessment. The minimum amount of legal reserves to be retained has been restored during 2024 through the generation of profits.

7 Equity (Continued)

As of 31 December 2024, the difference between equity according to the Company balance sheet and equity according to the consolidated balance sheet amounts to UAH 2,842 million (2023: UAH 3,534 million). The amount of UAH 653 million (2023: UAH 761 million) of the difference is explained by deferred income tax liability on borrowings which is recorded only in the consolidated balance sheet. The remaining difference is attributable to investments in subsidiaries whose net assets value are negative (together with Company's receivables from such subsidiaries which by substance are an extension of the net investments) and capped at nil value in the Company balance sheet.

Difference in equity between the company and consolidated financial statements:

<i>In millions of Ukrainian Hryvnia</i>	2024	2023*
Negative equity of consolidated participating interests/group companies	2,189	2,773
Deferred income tax liability on borrowings	653	761
Total of difference in equity and in the company financial statements and consolidated financial statements	2,842	3,534
<i>Equity in the consolidated financial statements</i>	19,514	(7,803)
Total of equity in the company financial statements	22,356	(4,269)

*as restated, refer to Note 2, Correction of material error.

In 2024 the difference between the result for the year according to the Company income statement and result according to the consolidated income statement amounts to UAH 8,264 million (2023: UAH (223) million). The amount of UAH (108) million (2023: UAH (300) million) of the difference is explained by deferred income tax reversal (2023: deferred income tax reversal) on borrowings which is recorded only in the consolidated income statement. The remaining difference is attributable to non-recording the financial result of subsidiaries whose net assets value are negative (together with Company's receivables from such subsidiaries which by substance are an extension of the net investments) and capped at nil value in the Company balance sheet.

Difference in result between the company and consolidated financial statements:

<i>In millions of Ukrainian Hryvnia</i>	2024	2023*
Increase/(decrease) in negative equity of group companies	8,372	77
Deferred income tax (reversal)/charge	(108)	(300)
Total of difference in result in the company and consolidated financial statements	8,264	(223)
<i>Result in the consolidated financial statements</i>	5,746	13,539
Total of result in the company financial statements	14,010	13,316

*as restated, refer to Note 2, Correction of material error.

Proposed profit appropriation

In line with the stipulations in article 23 of the articles of association of DTEK Energy B.V., which state that the General Meeting of Shareholders shall determine the allocation of result, the Management Board proposes to appropriate the gain for the year ended 31 December as follows:

<i>In millions of Ukrainian Hryvnia</i>	2024	2023*
Gross dividends	-	-
Gain/(loss) to retained earnings/ (accumulated losses)	14,010	13,316
Total	14,010	13,316

*as restated, refer to Note 2, Correction of material error.

There are contractual restrictions on future dividend distributions of DTEK Energy B.V. due to specific covenants, including limitations on payments to shareholders, as included in Notes (Eurobonds) contracts issued in December 2016 and restructured on 17 May 2021. The amount of the retained earnings subject to these restrictions as of 31 December 2024 is UAH (19,871) million (31 December 2023: UAH (35,199) million). In 2023 the Company obtained consent from bondholders, which changed some of these restrictions including in relation to restricted payments (including distribution to shareholders) under some conditions (see Note 16 of the accompanying Consolidated Financial Statements).

8 Borrowings

In September-October 2024 DTEK Energy B.V. received a loan from Croatian Bank for Reconstruction and Development in the amount UAH 37 million denominated in EUR for a period of 4 years with a nominal interest rate of 4.83% per annum payable quarterly. As of 31 December 2024 balance comprised of UAH 36 million principal.

The key terms of Eurobonds are disclosed in Note 16 to the accompanying Consolidated Financial Statements.

As at 31 December, borrowings were as follows:

<i>In millions of Ukrainian Hryvnia</i>	2024	2023
Non-current		
Eurobonds	57,506	51,854
Bank borrowings	27	-
Total non-current borrowings	57,533	51,854
Current		
Eurobonds	845	760
Bank borrowings	9	-
Total current borrowings	854	760
Total borrowings	58,387	52,614

Cash and non-cash movements in borrowings during the period are as follows:

<i>In millions of Ukrainian Hryvnia</i>	2024	2023
Carrying amount as of 1 January	52,614	50,607
Cash movements		
Settlement of borrowings	(818)	(739)
Interest paid	(4,210)	(3,868)
Commissions paid	-	(307)
Borrowings received	37	-
Non-cash movements		
Foreign exchange loss	5,654	1,992
Unwinding of discount	925	769
Interest accrued	4,185	3,853
Commissions accrued	-	307
Carrying amount as of 31 December	58,387	52,614

The fair value of borrowings is disclosed in Note 32 to the accompanying Consolidated Financial Statements.

9 Loans from Related Parties

As of 31 December non-current loans from related parties were as follows:

<i>In millions of Ukrainian Hryvnia</i>	2024	2023
Carrying amount as of 1 January	1,897	4,976
Cash movements		
New loans received	3	-
Loans paid	(98)	(3,843)
Interest paid	(104)	-
Non-cash movements		
Interest accrued during the period	149	272
Foreign exchange loss	165	75
Unwinding of discount and gain/loss at the initial recognition	73	417
Transfer to current	(299)	-
Carrying amount as of 31 December	1,786	1,897

9 Loans from Related Parties (Continued)

As of 31 December current loans to related parties were as follows:

<i>In millions of Ukrainian Hryvnia</i>	2024	2023
Carrying amount as of 1 January	-	-
Cash movements		
New loans received	1,734	
Non-cash movements		
Transfer from non-current	299	-
Interest accrued during the period	129	-
Foreign exchange loss	104	-
Recognition of discount	(35)	
Carrying amount as of 31 December	2,231	-

The loan from DTEK Finance PLC with maturity in December 2027 and annual nominal interest rate of 8.14% comprised of UAH 1,336 million carrying amount and is denominated in USD (31 December 2023: UAH 1,132 million). The loan is carried at amortised cost at an effective interest rate of 9.42%.

The loans from DTEK Holdings Limited are presented by revolving credit lines in carrying amount of UAH 332 million denominated in EUR under an annual interest rate of 6.9% and maturity date in December 2025 and in carrying amount of UAH 446 million denominated in USD under an annual interest rate of 8.14% and maturity date in December 2027 (2023: UAH 291 million in EUR and UAH 466 million in USD). The loans are carried at amortised cost at an effective interest rate of 9.42%.

As of 31 December 2024 the loan from DTEK Investments Limited is presented by revolving credit line with a limit of USD 60 million. In March and June 2024 the Company received UAH 1,734 million USD denominated loan under this credit line with an annual interest rate of 9.5% and maturity date in December 2026. As of 31 December 2024 balance comprised of UAH 1,899 million of carrying amount denominated in USD. In March 2025 the loan and respective accrued interest was repaid in full. The loan is carried at amortised cost at an effective interest rate of 19.00%.

As at 31 December 2024 loans from related parties in the amount of UAH 2,231 million (31 December 2023: zero) have maturity up to 1 year, and in the amount of UAH 1,786 million (31 December 2023: UAH 1,897 million) have maturity from 1 to 5 years.

The carrying amounts of loans to related parties approximate their fair values. The loans are unsecured and no repayment obligations for mentioned loans exist in 2024.

10 Income Taxes

The Company recognizes deferred tax liability relating to post-acquisition profits of subsidiaries where these temporary differences are reasonably expected to be settled/reversed in the next several years. It qualifies as long term (in effect more than one year). The deferred tax liabilities and current tax liabilities as at 31 December are as follows:

<i>In millions of Ukrainian Hryvnia</i>	2024	2023
Current tax	678	-
Deferred tax	1,225	1,200
Tax liability	1,903	1,200

Income tax expense comprises the following:

<i>In millions of Ukrainian Hryvnia</i>	2024	2023
Current tax	678	-
Deferred tax	25	1,200
Withholding tax	552	-
Income tax expense	1,255	1,200

Withholding tax at the level of 5% will be withheld in Ukraine when paying dividends from Ukraine to Dutch shareholders according to the current tax legislation. In 2024 deferred tax balance was decreased on the related accrual and payment of withholding tax in the amount UAH 552 million (Note 5) and increased in the amount of UAH 577 million (31 December 2023: UAH 1,200 million) due to accrual of deferred tax on post-acquisition profits of Ukrainian subsidiaries.

10 Income Taxes (Continued)

The effective tax rate applicable for the respective period was (25.9)% in 2024 comparing to (75.14)% in 2023. The effective tax rate differs from the previous year mainly due to the effect of items not deductible for taxation purposes and unrecognised deferred tax on tax losses carried forward.

For Dutch corporate income tax purposes, the Company is a part of the fiscal unity together with other Dutch DTEK Group entities, which is headed by DTEK GROUP B.V. DTEK GROUP B.V. allocates tax losses of the fiscal unity to its members insofar the fiscal unity and the respective member incurs a taxable profit. In 2024 DTEK GROUP B.V. allocated to the Company a portion of vertical tax losses historically accumulated by the fiscal unity as a taxable profit is expected for the fiscal unity as well as DTEK Energy BV, with no recourse compensation required by DTEK Energy for the use of these losses. As such, a tax benefit is incurred for the usage of these losses.

The numerical reconciliation between the applicable and effective tax rate is as follows:

<i>In millions of Ukrainian Hryvnia</i>	2024	2023
Losses for the period	(4,717)	(1,597)
Corporation tax based on the applicable rate of 25.8%	(1,217)	(412)
Non-tax-deductible costs	2,573	412
Utilization of previously unrecognised tax losses	(678)	-
Recognition of deferred tax on withholding tax on profits of Ukrainian subsidiaries	577	1,200
Income tax expense	1,255	1,200

11 Payables to Related Parties and Other Payables

As of 31 December payables are as follows:

<i>In millions of Ukrainian Hryvnia</i>	2024	2023
Payables to related parties	284	10,056
Other payables	37	65
Total	321	10,121

In 2024 there were several reassignments between the Company and its subsidiaries:

- payables to three subsidiaries in the amount of UAH 7,032 million that were reassigned to the Company in 2023 were further settled-off with respective dividends receivable in January 2024 (Note 5).
- payables to GPL Ingen Power Limited in the amount of UAH 2,693 million as at 31 December 2023 during 2024 were settled-off with dividends from related parties in the amount UAH 1,666 million (Note 5) and another part of the balance was settled-off via reduction of the share premium of the subsidiary in the amount UAH 1,027 million (Note 3).

Fair value of trade and other payables approximates the book value due to their short-term character. Liabilities to related parties fall due within one year. Payables to related parties as at 31 December 2024 and 2023 are not secured and not bearing any interest.

12 Other Financial Liabilities

As of 31 December, current financial liabilities are as follows:

<i>In millions of Ukrainian Hryvnia</i>	2024	2023
Carrying amount as of 1 January	1,073	1,421
Net impairment losses/(gains) on guarantee	476	(388)
Foreign exchange loss	152	40
Carrying amount as of 31 December	1,701	1,073

12 Other Financial Liabilities (Continued)

The Company issued a guarantee to Sberbank of Russia in 2022 (the old guarantee was discontinued and restructured replacing it with a new guarantee) with respect to the loan owed to the bank by the Cyprus entity operating several Russian coal mines in the Rostov region. The Guarantee is limited to USD 100 million and is further reduced by any amounts of the primary obligation paid by the entity to the bank (in February 2022 the nominal amount of guarantee was reduced to USD 80 million). As a result of the start of the war in Ukraine, a ban on import of Russian coal to Europe and other sanctions were applied by international community, there is limited information about the underlying assets performance in the current environment. Further in 2023-2024, based on publicly available information, transfer of above-mentioned coal mines to a Russian company was approved by the Russian government, as well that further in 2024 a claim was issued against the Cyprus entity. The general terms of the transfer are unknown. It is also unknown if the guaranteed debt was also transferred and remains attached to the mines, who continue operating activities based on publicly available information, and what is the status of the due principal payments in 2022 - 2024. At the date of these financial statements there is no claim made to the Group in connection with the guarantee including in relation to the contractually scheduled principal payments and quarterly interest repayments.

As of 31 December 2023, management assessed that in the situation where limited information is available, the calculated expected balance of guarantee in accordance with requirements of IFRS 9 was UAH 1,073 million, being approximately half of the expected nominal amount of guarantee decreased on scheduled principal payment which was due in December 2022. Upon consideration of all available information as of 31 December 2024, management assessed guarantee amount at UAH 1,701 million, being approximately 50% of the maximum nominal guaranteed amount. Change in assessment of guarantee by an increase/decrease of 10% would result in balance sheet value of the guarantee to increase/decrease by UAH 336 million with respective additional charge to profit and loss for the period.

13 General and Administrative Expenses

General and administrative expenses were as follows:

<i>In millions of Ukrainian Hryvnia</i>	2024	2023
Professional fees	203	438
Staff cost, including payroll taxes	21	31
Remuneration to the Supervisory Board	21	25
Other operating expenses	59	67
Net operating foreign exchange loss/(gain)	(84)	347
Total	220	908

Net operating foreign exchange gain in 2024 amounted to UAH 84 million (2023: losses UAH 347 million), including foreign exchange losses in the amount UAH 185 million (2023: UAH 709 million) and foreign exchange gain in the amount UAH 269 million (2023: UAH 362 million).

14 Interest Expenses and Similar Charges

<i>In millions of Ukrainian Hryvnia</i>	2024	2023
Foreign exchange losses from finance activity	5,534	806
The accrued interest for the borrowings (Note 8)	4,185	3,853
Unwinding of discount on borrowings	799	769
Net impairment losses/(gains) on guarantee (Note 12)	476	(388)
The accrued interest for the loans from related parties (Note 9)	278	272
Impairment losses on loans receivables	117	344
Unwinding of discount and loss on the loans from related parties (Note 9)	38	417
Impairment losses on trade receivables	7	19
Reversal of Impairment losses on trade receivables	-	(105)
Total	11,434	5,987

Net financing and investing foreign exchange losses in 2024 amounted to UAH 5,534 million (2023: UAH 806 million), including losses in the amount UAH 6,075 million (2023: UAH 2,145 million) and gain in the amount UAH 541 million (2023: UAH 1,339 million).

15 Average Number of Employees

As of 31 December 2024, four employees based on full time equivalents were employed by DTEK Energy B.V. (31 December 2023: three). None of the DTEK Energy B.V. employees are working outside the territory of the Netherlands.

16 Directors Remuneration

The directors of the Company received remuneration of UAH 61 million in 2024 (2023: UAH 40 million).

17 Independent Auditor Remuneration

For details of independent auditor remuneration refer to Note 24 of the accompanying Consolidated Financial Statements.

18 Commitments and Contingencies Not Included in the Balance Sheet

As at 31 December 2024 and 31 December 2023 off balance sheet commitments of the Company are primarily related to the guarantees given to the banks issued by its subsidiaries and tax contingencies (for further details please refer to Note 16 to the accompanying Consolidated Financial Statements), DTEK Energy B.V. does not rely on special purpose entities to deconsolidate these risks.

The Company is subject to corporation tax on taxable profits at the rate of 19% (2023: 19%) for profits up to EUR 200 thousand (2023: EUR 200 thousand) and at the rate of 25.8% for profits exceeding EUR 200 thousand (2023: EUR 200 thousand) per annum.

For Current Income Tax (CIT) purposes the Company is part of the fiscal unity together with other Dutch DTEK Group entities, which is headed by DTEK GROUP B.V. Under the standard conditions, the members of the fiscal unity are jointly and severally liable for any taxes payable by the fiscal unity. The tax declaration will be filed by the head of the fiscal unity.

DTEK GROUP B.V. settles, based on the outcome of the fiscal consolidation, the CIT with the Dutch tax authorities, taking into account an allocation of the benefits of the fiscal unity to its members; as such CIT assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the tax authorities by the fiscal unity as a whole.

In 2024 DTEK Energy B.V. recognised UAH 678 million current income tax expenses (2023: nil), as management expects that the fiscal unity will be in a tax payable position for the year 2024.

For value added tax purposes the Company is part of the fiscal unity together with other Dutch DTEK Group entities, which is headed by DTEK GROUP B.V. Under the standard conditions, the members of the fiscal unity are jointly and severally liable for any taxes payable by the fiscal unity.

The ultimate tax consequences of transactions and calculations are uncertain, partly because of uncertainty concerning their timing. The Company continually assesses such matters and where final tax sums differ from the estimates such differences are recognised as income tax provisions in the period in which the differences become apparent. As of 31 December 2024, the Company's contingent tax liabilities in relation to uncertain tax positions are UAH nil (31 December 2023: nil)

The Company is subject to certain covenants related primarily to its Eurobonds and existing loans. Non-compliance with such covenants may result in negative consequences for the Company, including increase in the cost of borrowings, declaration of default and demand for immediate repayment of borrowings and Eurobonds.

The following table shows the remaining off-balance sheet commitments as of 31 December:

<i>In millions of Ukrainian Hryvnia</i>	2024	2023
Guarantees given on loan contracts issued by its subsidiaries.	305	348

19 Subsequent events

In 2025, additional buybacks of Eurobonds were performed with gain in the amount of UAH 1,189 million.

In 2025, the Company received UAH 5,262 million (USD 127 million) dividends from its subsidiary.

In 2025, as part of liquidation, DTEK Trading SA transferred its remaining net assets in the amount of equivalent of UAH 1,433 million to the Company.

Signed by entire Management Board

on 23 April 2025

Oleksandr Fomenko

Chairman

Anastasiia Andrieieva

Director

Nataliya Muktan

on behalf of SCM Management B.V.

Eliza Desiree den Aantrekker

on behalf of SCM Management B.V.

Approved for issue and signed by entire Supervisory Board on 23 April 2025

Ildar Salieiev

Olena Semych

Pavlo Livertovskyi

Oleksandra Moskalenko

Nikolay Ivin

Other information

Provisions in the Articles of Association relating to profit appropriation

Article 23 of the Articles of Association states that General Meeting of Shareholders shall determine the appropriation of the results realised in any financial year.

Independent auditor's report

The independent auditor's report follows on the next page.



Independent auditor's report

To: the general meeting and the supervisory board of DTEK Energy B.V.

Report on the audit of the financial statements 2024

Our opinion

In our opinion:

- the consolidated financial statements of DTEK Energy B.V. together with its subsidiaries ('the Group') give a true and fair view of the financial position of the Group as at 31 December 2024 and of its result and cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the European Union ('EU') and with Part 9 of Book 2 of the Dutch Civil Code;
- the company financial statements of DTEK Energy B.V. ('the Company') give a true and fair view of the financial position of the Company as at 31 December 2024 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

We have audited the accompanying financial statements 2024 of DTEK Energy B.V., Amsterdam. The financial statements comprise the consolidated financial statements of the Group and the company financial statements.

The consolidated financial statements comprise:

- the consolidated balance sheet as at 31 December 2024;
- the following statements for 2024: the consolidated income statement, the consolidated statements of comprehensive income, changes in equity and cash flows; and
- the notes to the financial statements, including material accounting policies information and other explanatory information.

The company financial statements comprise:

- the company balance sheet as at 31 December 2024;
- the company income statement for the year then ended; and
- the notes, comprising a summary of the accounting policies applied and other explanatory information.



The financial reporting framework applied in the preparation of the financial statements is IFRS Accounting Standards as adopted by the EU and the relevant provisions of Part 9 of Book 2 of the Dutch Civil Code for the consolidated financial statements and Part 9 of Book 2 of the Dutch Civil Code for the company financial statements.

The basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. We have further described our responsibilities under those standards in the section 'Our responsibilities for the audit of the financial statements' of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of DTEK Energy B.V. in accordance with the 'Wet toezicht accountantsorganisaties' (Wta, Audit firms supervision act), the 'Verordening inzake de onafhankelijkheid van accountants bij assuranceopdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

Material uncertainty related to going concern

We draw attention to the section 'Going concern' included in Note 3 to the consolidated financial statements, which indicates that since 24 February 2022, the Group's and the Company's operations and cash flows are significantly affected by the ongoing military actions in Ukraine. The magnitude of further military developments and the timing of cessation of these circumstances and the impact thereof on the Group's and the Company's operations and assets are uncertain. These conditions, along with the other matters as set forth in Note 3 indicate the existence of a material uncertainty which may cast significant doubt about the Group's and the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

We refer to section 'Audit approach going concern' for further information on our audit procedures regarding the going-concern assumption.



Our audit approach

We designed our audit procedures with respect to the key audit matters, fraud and going concern, and the matters resulting from that, in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The information in support of our opinion, such as our findings and observations related to individual key audit matters, the audit approach fraud risk and the audit approach going concern was addressed in this context, and we do not provide separate opinions or conclusions on these matters.

Overview and context

DTEK Energy B.V. is a vertically integrated coal mining, power generating and trading group. Its principal activities are coal mining for further supply to its power generating facilities located in Ukraine. The Group's business is generally located in Ukraine, in 2024 almost all revenue was generated in Ukraine and denominated in UAH, although the Group also received part of its revenue in foreign currencies from export activities.

The financial year 2024 was characterised by the continuing war in Ukraine that started on 24 February 2022 when Russia launched a full-scale military invasion of Ukraine which is still ongoing. The war had a significant impact on the operations of the Group due to loss of control of certain assets during the last 3 years, which are located on occupied territory, government regulations on the electricity and coal market in Ukraine, damages of attacks against the critical infrastructure facilities throughout Ukraine, including the Group's energy plants and some currency restrictions implemented by the National Bank of Ukraine all of which were still ongoing during 2024. This affected the determination of materiality, the scope of our group audit and our audit procedures as described in the sections 'Materiality', 'The scope of our audit' and 'Key audit matters'. Also in 2024 the government in Ukraine continued relaxing electricity price regulations and further increased price-caps, which resulted in an increase in electricity prices in Ukraine and improved the performance of the Group's generation assets, but it was not enough to cover the decrease in volumes of electricity which resulted in decreasing revenue. We described in the Key audit matters section how this affected the valuation of the property, plant and equipment. Because of the significance of management's assessment with respect to the impact of the war on the Group's ability to continue as a going concern, we have paid specific attention to this in our audit.

The Group is comprised of several components and therefore we considered our group audit scope and approach as set out in the section 'The scope of our group audit'.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where management made important judgements, for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. In these considerations, we paid attention to, amongst others, the assumptions underlying the physical and transition risk related to climate change.



DTEK Energy B.V. performed an assessment of possible effects of climate change, in coordination with the journey towards the overarching DTEK Group goal of carbon neutrality, shortly after 2035, on its financial position. Refer to section 'Sustainable development and climate change' of the director's report. We challenged management to ensure that all known factors were taken into account regarding this assessment. The coal mines were already planned to be phased out and closed after 2035 and accordingly no accelerated depreciation is needed. The physical risk assessment did not lead to the identification of risks that are likely to have a material impact on the Group. Accordingly, based on management's best estimate, both physical and transition climate risks do not have a material impact on the Group's operations and financial position as of 31 December 2024. However, as a result of the war, the full assessment is not completed yet. The expected effects of climate change are not considered a key audit matter for 2024.

In Note 4 of the consolidated financial statements, management describes the areas of judgement in applying accounting policies and the key sources of estimation uncertainty. In 2024 there has been a significant increase in valuation of property plant and equipment. Given the significant estimation uncertainty which is embedded in the future discounted cash flows projections used in the valuation and sensitivity of the estimates and assumptions involved, we considered revaluation of property, plant and equipment as a key audit matter as set out in the section 'Key audit matters' of this report.

Other areas of focus, that were not considered as key audit matters, were the assessment of the accounting for the guarantee to Sberbank, accounting of damaged items of property, plant and equipment, accounting of loss of control and changes in comparative figures in net asset value accounting of investments in consolidated subsidiaries in the company financial statements.

We ensured that the audit teams at both group and component level included the appropriate skills and competences which are needed for the audit of a full cycle electricity production chain group. We therefore included experts and specialists in the areas of amongst others IT, actuarial expertise, accounting, valuation, tax and legal in our team.

The outline of our audit approach was as follows:

Materiality
<ul style="list-style-type: none">• Overall materiality: UAH 519.8 million.
Audit scope
<ul style="list-style-type: none">• We conducted audit work on five components.• Site visits were conducted to two countries (DTEK PAVLOHRADCOAL PrJSC (Ukraine), DTEK WESTENERGY JSC (Ukraine), DTEK DNIPROENERGY JSC (Ukraine) and DTEK Energy B.V. (Netherlands)).• Audit coverage: 99% of consolidated revenue, 93% of consolidated total assets and 92% of consolidated profit before tax.
Key audit matters
<ul style="list-style-type: none">• Revaluation of property, plant and equipment.



Materiality

The scope of our audit was influenced by the application of materiality, which is further explained in the section 'Our responsibilities for the audit of the financial statements'.

Based on our professional judgement we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and to evaluate the effect of identified misstatements, both individually and in aggregate, on the financial statements as a whole and on our opinion.

Overall group materiality UAH 519.8 million (2023: UAH 604 million).

Basis for determining materiality We used our professional judgement to determine overall materiality. As a basis for our judgement, we used 0.9% of Revenue.

Rationale for benchmark applied We used revenue as the primary benchmark, a generally accepted auditing practice, based on our analysis of the common information needs of the users of the financial statements. On this basis, we believe that revenue is the most relevant metric for the financial performance of the Group as it is most reflective of the scale of operations of the entity and does not take into account the possible impact of government regulations which can lead to significant fluctuations of the Group's results.

Component materiality Based on our judgement, we allocate materiality to each component in our audit scope that is less than or equal to our overall group materiality. The range of materiality allocated across components was between UAH 259.9 million and UAH 519.8 million.

We also take misstatements and/or possible misstatements into account that, in our judgement, are material for qualitative reasons.

We agreed with the Audit Committee that we would report to them any misstatement identified during our audit above UAH 26 million (2023: UAH 30 million) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

The scope of our group audit

DTEK Energy B.V. is the parent company of a group of entities. The financial information of this group is included in the consolidated financial statements of DTEK Energy B.V.

We are responsible for the identification and assessment of the risks of material misstatement of the financial statements of the group, including those with respect to the consolidation process. Based on our risk assessment, we tailored the scope of our audit to ensure that we, in aggregate, performed sufficient work on the financial statements to enable us to provide an opinion on the financial statements as a whole.

In setting the scope of our group audit we determined what audit work needed to be performed at group level or component level and whether involvement of component auditors was necessary.



Our audit primarily focussed on the significant components of the Group due to risk or size: DTEK PAVLOHRADCOAL PrJSC, DTEK WESTENERGY JSC, DTEK DNIPROENERGY JSC and DTEK Energy B.V.

We conducted audit work on five components. For three components the engagement team performed an audit of one or more financial line items and for DTEK Energy B.V. - a full scope audit, as those components are significant due to risk or size to the Group. Additionally, we selected the component TEHREMPOSTAVKA LLC for limited scope audit procedures and we performed additional testing for selected transactions and balances in other components to achieve appropriate coverage on financial line items in the consolidated financial statements.

In total, in performing these procedures, we achieved the following coverage on the financial line items:

Revenue	99% (2023: 99%)
Total assets	93% (2023: 94%)
Profit before tax	92% (2023: 93%)

None of the uncovered balances and transactions in the remaining components represented more than 2% of total group revenue or total group assets. For those remaining components we performed, among other things, analytical procedures to corroborate our assessment that there were no significant risks of material misstatements within those components.

Where component auditors performed the work, we determined the nature, timing and extent of direction and supervision of the component auditors and review of their work.

In this respect, we performed the following procedures:

- We communicated to the component audit teams our risk analysis, materiality and scope of the work. We explained to the component audit teams the structure of the Group, the main developments that are relevant for the component auditors, the risks identified, the materiality levels to be applied and our global audit approach.
- We had individual calls with each of the in-scope component audit teams during the year and upon completion of their work. During these calls we discussed the significant accounting and audit issues identified by each of the component auditors, their reports, the findings of their procedures and other matters, which could be of relevance for the consolidated financial statements.
- The group engagement team has reviewed the working papers related to the audit performed by the component teams. Outside Ukraine, there was a site visit to DTEK Energy B.V. , as all others are not significant due to almost all revenues being generated by components located in Ukraine.

The group engagement team performed the audit work on the group consolidation, financial statement disclosures and a number of more complex items. These included, the going-concern assessment, revaluation of property, plant and equipment, assessment of guarantee issued to Sberbank and application of net asset value accounting of subsidiaries in the company financial statements. The group engagement team also performed central procedures over the controls performed by the business units and other central functions, where relevant for our audit. This included indirect entity level controls (e.g. to prevent and detect fraud), including the code of conduct, corporate directives, whistle-blower policy and internal audits.



By performing the procedures outlined above at the components, combined with additional procedures exercised at group level, we have been able to obtain sufficient and appropriate audit evidence on the Group's financial information, to provide a basis for our opinion on the financial statements.

Audit approach fraud risks

We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of DTEK Energy B.V. and its environment and the components of the internal control system. This included management's risk assessment process, management's process for responding to the risks of fraud and monitoring the internal control system and how the supervisory board exercised oversight, as well as the outcomes. We refer to the subsection 'Fraud risk' as part of the section 'Risk Management Framework' of the directors' report where management indicates that they formalised the fraud risk assessment matrix in 2023 including formalisation of the fraud risk assessment model, the risks matrix and the level of risks. The next steps for the company are to test existing controls, align the fraud risk assessment matrix with the overall risk assessment, approve additional measures or controls which will allow to decrease level of critical risks and to perform fraud risk controls assessment on regular basis (annually).

We evaluated the design and relevant aspects of the internal control system with respect to the risks of material misstatements due to fraud and in particular the fraud risk assessment, as well as the code of conduct, whistleblower procedures. We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness of internal controls designed to mitigate fraud risks.

We performed inquiries with members of the management board as well as the internal audit department and legal affairs and the supervisory board members to identify the areas of their concern in relation to fraud. This did not result in indications of actual or suspected fraud that may lead to a material misstatement.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption. We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present.

We identified the following fraud risks and performed the following specific procedures:

Identified fraud risks	Our audit work and observations
<p>The risk of management override of controls</p> <p>It is generally presumed that management is in a unique position to perpetrate fraud because of management's ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. That is why, in all our audits, we pay attention to the risk of management override of controls in:</p> <ul style="list-style-type: none"> • The appropriateness of journal entries and other adjustments made in the preparation of the financial statements. • Assumptions applied in judgements with respect to estimates. 	<p>We have, to the extent relevant to our audit, evaluated the design and implementation of the internal control system in the processes of generating and processing journal entries, making estimates, and monitoring projects. We also paid specific attention to the access safeguards in the IT system and the possibility that these lead to violations of the segregation of duties.</p> <p>We performed our audit procedures primarily through substantive procedures.</p>

Identified fraud risks	Our audit work and observations
<ul style="list-style-type: none"> • Significant transactions, if any, outside the normal course of business for the entity. 	<p>We selected journal entries based on risk criteria and conducted specific audit procedures for these entries for significant components. These procedures include, amongst others, inspection of the entries to source documentation. We also paid particular attention to consolidation and elimination entries, focusing on testing entries that affect revenue and results in the relevant year.</p> <p>We tested the transactions with related parties paying special attention to approval of their terms and conditions by an Independent Supervisory Board member.</p> <p>We did not identify significant transactions outside the normal course of business.</p> <p>We also performed specific audit procedures related to important estimates of management for which we refer to the key audit matter. It also included procedures on the assessment of the guarantee issued to Sberbank, assessment of impairment provision for trade and other receivables and financial investments and assessment of legal claims provision. In our assessment, we specifically paid attention to the inherent risk of bias of management in estimates.</p> <p>Our audit procedures did not lead to specific indications of fraud or suspicions of fraud with respect to management override of controls.</p>
<p>The risk of fraudulent financial reporting due to overstating the revenue</p> <p>As part of our risk assessment and based on a presumption that there are risks of fraud in revenue recognition, we evaluated which types of revenue transactions or assertions give rise to the risk of fraud in revenue recognition.</p> <p>Management receives bonuses of which the size partly depends on the financial results achieved. In this context, management has been given specific targets for growth in turnover and results. This could lead to pressure on management to overstate revenue by posting manual adjustments to the accounting records or entering fictitious turnover or performing sales to intermediaries which do not reflect the real market prices.</p> <p>We defined the existence/occurrence assertion as that having significant risk for all revenue streams and the accuracy assertion as having significant risk for sales of coal.</p>	<p>Where relevant to our audit, we evaluated the design and implementation of the internal control system and assessed the effectiveness of relevant controls in the processes related to revenue reporting.</p> <p>We mainly performed our audit procedures based on substantive procedures.</p> <p>We tested, on a sample basis, the delivered performance and transaction prices of the revenue transactions based on sales agreements, delivery documents and calculation of selling price. In addition, we obtained confirmations or reconciliations from third parties in respect of selected turnovers and transactions (or performed alternative procedures).</p> <p>We also performed a comparison of electricity and coal sales prices to similar transactions published in open market sources, and reviewed the accuracy of pricing calculations with related parties.</p> <p>Our audit procedures did not lead to specific indications of fraud or suspicions of fraud in respect of revenue recognition.</p>

We incorporated an element of unpredictability in our audit and we reviewed lawyer's letters. During the audit, we remained alert to indications of fraud. Furthermore, we considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance with laws and regulations. Whenever we identify any indications of fraud, we re-evaluate our fraud risk assessment and its impact on our audit procedures.

Audit approach going concern



In the going-concern paragraph in the note 3 of the consolidated financial statements, the management board disclosed conditions that indicate the existence of a material uncertainty which may cast significant doubt about the Group's and Company's ability to continue as a going concern.

In order to evaluate the appropriateness of the management's use of the going-concern basis of accounting, including the management's expectation that their plans sufficiently address the identified going-concern risk and the adequacy of the related disclosures, we with support of internal specialists amongst others, performed the following procedures:

- Based on our knowledge obtained regarding the Group, its environment and current financial situation, we assessed whether the information obtained regarding events or conditions that may result in going-concern risks has been included in the management's assessment. We have taken into account external information such as the development of the war in Ukraine and its impact on the sales, market sales prices, analysed current government restrictions imposed on electricity and coal export, read the terms of loan agreements and bonds documentation and determined whether any covenant breach occurred.
- In addition, we have inquired of management as to their knowledge of going-concern risks beyond the period of management's assessment.

Regarding the assumptions underlying management's plans and cash flow forecasts, we:

- used external information such as news articles and, market selling prices of electricity and coal to consider whether there is adequate support for those assumptions;
- assessed the development of the war and front line and potential impact on the Group;
- evaluated the consistency of these assumptions with assumptions made by management in other significant estimates such as impairment assessment.

Regarding management's plans and cash flow forecasts, we:

- evaluated whether the scenarios applied in management's sensitivity analysis regarding the expected outcome of management's plans were reasonable;
- evaluated whether management can realise their plans timely, specifically with regard to the situation if volumes of generation or market selling prices will be lower than expectations;
- assessed whether the expected outcome of management's plans has been adequately included in management's cash flow forecast;
- evaluated the consistency of management's business plan, the aforementioned plans and cash flow forecasts;
- evaluated the sufficiency of the liquidity headroom as included in the forecast, specifically with regard to management's reasonable downside scenario when the volumes of generation are reduced to the actual 2024 levels (taking into account missile attacks).

To consider whether any additional facts or information have become available that may be relevant for the identified going-concern risk, including management's expectation on the sufficiency of the management's plans to mitigate the identified risk, we:



- read minutes of the meetings of shareholders, supervisory board and management board for reference to financing difficulties;
- inquired of management, including the Chief Executive Officer and Chief Financial Officer;
- analysed and discussed the entity's latest available interim financial information and reconciled this with the underlying accounting records.

We evaluated whether the going-concern risk including management's plans to address the identified risk and the most significant underlying assumptions have been sufficiently described in the notes to the financial statements. We found the disclosure in the section 'Going Concern' in note 3 of the consolidated financial statements, where management disclosed conditions that indicate the existence of a material uncertainty which may cast significant doubt about the Group's and Company's ability to continue as a going concern, to be adequate.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements. We have communicated the key audit matters to the Audit Committee. The key audit matters are not a comprehensive reflection of all matters identified by our audit and that we discussed. In this section, we described the key audit matter and included a summary of the audit procedures we performed on this matter.

Considering the significant financial impact of revaluation of property, plant and equipment in 2024 and the respective estimation uncertainty involved, a key audit matter on revaluation of property, plant and equipment has been added this year, evolving from the last year key audit matter on impairment assessment of property, plant and equipment.

In addition to the matter described in the section 'Material uncertainty related to going concern' we have determined the matter described below to be the key audit matter to be communicated in our report.

Key audit matter	Our audit work and observations
<p>Revaluation of property, plant and equipment</p> <p>(Refer to note 8 in the consolidated financial statements)</p> <p>The Group has chosen an accounting policy to measure property, plant and equipment based on the revaluation model in accordance with IAS 16.</p> <p>Management appointed an independent valuation expert to assist in performing a fair value assessment as of 31 October 2024 based on the International Standards on Valuation. The fair values assessed by the valuation expert using depreciated replacement cost (DRC), or where available, market value, are validated using discounted cash flow models (DCF), and are adjusted if the recoverable amounts are lower than those obtained using DRC.</p> <p>Management has used several significant assumptions in the DCF models, including electricity and coal prices, discount rate, production volumes, exchange rates, etc.</p>	<p>We obtained and reviewed the external valuation report and, with support of our internal valuation experts, we reviewed the appropriateness of the valuation methodology applied by the management's expert and confirmed that the valuation approach was in accordance with professional valuation standards.</p> <p>We assessed the independence, objectivity, competence and reputation of the valuation expert used by management.</p> <p>In respect to the determination of the fair values of individual items of property, plant and equipment determined by the external valuation expert using depreciated replacement cost (DRC), or where available, market value, we performed the following:</p> <ul style="list-style-type: none"> • Tested the mathematical accuracy of the underlying calculations in the valuation model;

Key audit matter	Our audit work and observations
<p>As a result of the revaluation, the Group recorded a net revaluation surplus of UAH 26,745 million (out of which the increase in value of UAH 30,218 million and a decrease of UAH 3,473 million) and net impairment of UAH 857 million (out of which the reversal of impairment of UAH 3,308 million and impairment of UAH 4,165 million) for property, plant and equipment.</p> <p>Due to the significant financial impact of the revaluation and management judgements involved, revaluation of property, plant and equipment was considered to be a key audit matter.</p>	<ul style="list-style-type: none"> Tested the input data used for valuation by reconciling technical characteristics of property, plant and equipment with the existing supporting documentation and verifying market prices of similar items valued using market approach. <p>In respect of the discounted cash flow models, used to determine the recoverable amounts, we performed the following procedures:</p> <ul style="list-style-type: none"> We assessed the appropriateness of key inputs such as discount rates, macro data, adequacy of the methodology applied and reviewed the mathematical accuracy of underlying calculations; Evaluated management's approach to electricity price projections (through well known application to assess future tariffs including detailed testing of inputs used for electricity price forecasting) and evaluated resulting electricity price projections against relevant market data (EU markets); Evaluated the reasonableness of available and expected, upon restoration, production capacities of power plants to produce the volumes of electricity output forecasted; Assessed other key assumptions against historical data and prior year assumptions used in performing impairment test of property, plant and equipment, industry benchmarks and market data where relevant; Assessed the reasonableness and internal consistency of assumptions applied, including by enquiries of management and external valuers. <p>In respect of accounting of damaged items of property plant and equipment in revaluation of property, plant and equipment we performed the following:</p> <ul style="list-style-type: none"> We engaged internal valuation specialists to assess the appropriateness of the DRC methodology and treatment of damages in line with valuation standards; We performed site visits and obtained evidences from the energy system to validate the physical condition of selected damaged assets; We conducted interviews with technical specialists during sites visit, with key operational management, including the Chief Operational Officer and Chief Executive Officer, to understand the amount of expected repaired costs and future use plans; We assessed the assumptions used in DRC and DCF models and reconciled them with the information about damaged items and expected repair costs. <p>We found management's assumptions to be in line with our expectations. We found no material exceptions as a result of the procedures listed above.</p> <p>Finally, we verified that results of the revaluation is properly recognised in the consolidated financial statement, including the allocation of its result between other comprehensive income and profit and loss. We also evaluated the sufficiency of the related disclosures, including the sensitivity disclosures, and found them to be appropriate and in line with the requirements of the accounting framework.</p>



Report on the other information included in the annual report

The annual report contains other information. This includes all information in the annual report in addition to the financial statements and our auditor's report thereon.

Based on the procedures performed as set out below, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements; and
- contains all the information regarding the directors' report and the other information that is required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and the understanding obtained in our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing our procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of such procedures was substantially less than the scope of those procedures performed in our audit of the financial statements.

The management board is responsible for the preparation of the other information, including the directors' report and the other information in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

Our appointment

We were appointed as auditors of DTEK Energy B.V. on 4 March 2025 by the supervisory board. Our appointment has been renewed annually by shareholders and now represents a total period of uninterrupted engagement of 16 years.

Responsibilities for the financial statements and the audit

Responsibilities of the management board and the supervisory board for the financial statements

The management board is responsible for:



- the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as adopted by the EU and Part 9 of Book 2 of the Dutch Civil Code; and for
- such internal control as the management board determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management board is responsible for assessing the Company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the management board should prepare the financial statements using the going-concern basis of accounting unless the management board either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so. The management board should disclose in the financial statements any event and circumstances that may cast significant doubt on the Company's ability to continue as a going concern.

The supervisory board is responsible for overseeing the Company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our responsibility is to plan and perform an audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence to provide a basis for our opinion. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high but not absolute level of assurance, and is not a guarantee that an audit conducted in accordance with the Dutch Standards on Auditing will always detect a material misstatement when it exists. Misstatements may arise due to fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

A more detailed description of our responsibilities is set out in the appendix to our report.

Rotterdam, 23 April 2025

PricewaterhouseCoopers Accountants N.V.

Antoine Westerman

A. Westerman RA

Appendix to our auditor's report on the financial statements 2024 of DTEK Energy B.V.

In addition to what is included in our auditor's report, we have further set out in this appendix our responsibilities for the audit of the financial statements and explained what an audit involves.

The auditor's responsibilities for the audit of the financial statements

We have exercised professional judgement and have maintained professional scepticism throughout the audit in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit consisted, among other things of the following:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the intentional override of internal control.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management board.
- Concluding on the appropriateness of the management board's use of the going-concern basis of accounting, and based on the audit evidence obtained, concluding whether a material uncertainty exists related to events and/or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report and are made in the context of our opinion on the financial statements as a whole. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



We are responsible for planning and performing the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the financial statements. We are also responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the supervisory board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We provide the supervisory board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related actions taken to eliminate threats or safeguards applied.

From the matters communicated with the supervisory board, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.