

**Private Joint Stock Company  
“National Power Company  
“Ukrenergo”**

Consolidated Financial Statements and  
Independent Auditor’s Report  
for the Year Ended 31 December 2025

# PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"

## TABLE OF CONTENTS

---

	<b>Page</b>
INDEPENDENT AUDITOR'S REPORT	I-VI
STATEMENT OF MANAGEMENT'S RESPONSIBILITIES FOR THE PREPARATION AND APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025	1
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025:	
Consolidated Statement of Financial Position	2
Consolidated Statement of Profit or Loss and Other Comprehensive Income	3
Consolidated Statement of Changes in Equity	4
Consolidated Statement of Cash Flows (under direct method)	5
Notes to the Consolidated Financial Statements	6-110

## INDEPENDENT AUDITOR'S REPORT

To the National Securities and Stock Market Commission of Ukraine and the Shareholder of Private Joint-Stock Company National Power Company Ukrenergo

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the consolidated financial statements of Private Joint-Stock Company National Power Company Ukrenergo (EDRPOU code 00100227, address: 25, Simona Petliury Str., Kyiv, 01032) and its subsidiaries (collectively – the Group), which comprise:

- Consolidated statement of financial position as at 31 December 2025;
- Consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2025;
- Consolidated statement of changes in equity for the year ended 31 December 2025;
- Consolidated statement of cash flows (under direct method) for the year ended 31 December 2025;
- Notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2025, its consolidated financial performance and consolidated cash flows for the year then ended, in accordance with International Financial Reporting Standards, issued by the International Accounting Standards Board (IFRS Accounting Standards) and the requirements of the law of Ukraine “On Accounting and Financial Reporting in Ukraine” No. 996-XIV dated 16.07.1999 regarding the preparation of financial statements.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and ethical requirements applied in Ukraine to our audit of consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Material Uncertainty related to Going Concern

These consolidated financial statements have been prepared on the Group's going concern assumption. It should be noted that the tariffs for the Group's services are set and approved by the

(I)

regulator and should fully cover all economically reasonable costs to ensure uninterrupted operations. Therefore, given the critical importance of the Group as the only transmission system operator in Ukraine, the state, as the owner, supports and promotes the stable operation of the Group to ensure the security of electricity supply.

However, we draw attention to Note 2 of the Group's consolidated financial statements, which explains that from 24 February 2022, the Group's operations and financial performance are negatively affected by the full-scale military invasion of Ukraine by the Russian Federation. The magnitude or timing of further developments or the timing of their cessation are uncertain. These events and conditions, together with the impact of the default on the Eurobonds 2028 and respective invocation of the cross-default provisions in respect of other loans of the Group, which resulted in the right of lenders to demand early repayment of significant part of the Group's liabilities, which had an impact on financial indicators and performance results of the Group in 2025 as described in Notes 2 and 14, indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern in the event of an adverse development related to the impact of the military aggression on the Group and the outcome of negotiations with the Group's lenders. Our opinion is not modified in respect of this matter.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Group's consolidated financial statements for the current period. These matters were considered in the context of our audit of the Group's consolidated financial statements as a whole and were considered in forming our opinion thereon, and we do not express a separate opinion on these matters. In addition to the matters described in the Material Uncertainty related to Going Concern section, we determined that the matter described below is a key audit matter that should be addressed in our report.

### Key Audit Matter

### Description of Audit Procedures Performed

1

#### Revaluation of the Group's property, plant and equipment in 2025

In accordance with the Group's accounting policies, its property, plant and equipment (PPE), apart from construction in progress, are carried at revalued amounts, which correspond to their fair values. As at 1 October 2025, the Group performed a revaluation of its property, plant and equipment with the involvement of an independent appraiser.

Following the revaluation, the Group recognised an increase in the value of property, plant and equipment of UAH 7,890,900 thousand in other comprehensive income and an impairment loss of UAH 1,661,789 thousand in profit or loss.

The determination of the fair value of property, plant and equipment is complex and involves significant judgement, particularly with respect to the selection of valuation techniques and key assumptions. Accordingly, we identified this matter as a key audit matter.

Our audit procedures regarding the impact of the revaluation of PPE on the Group's consolidated financial statements included:

- gaining an understanding of the property, plant and equipment revaluation process, including an assessment of its design and the data used;
- holding discussions with representatives of the Group and the independent appraiser to understand the valuation approaches and methodologies applied, as well as their compliance with IFRS requirements.
- assessing the competence, capabilities, and objectivity of the independent appraiser;
- involving valuation specialists to analyse the valuation methods applied and to verify the fair value calculations;
- scrutinising the key assumptions used by management and the independent appraiser;

Our audit focused on assessing:

- the compliance of the valuation methods applied with the requirements of IFRS 13 Fair Value Measurement;
  - the reasonableness of key assumptions used in the valuation;
  - the appropriateness of the presentation of the revaluation results in the consolidated financial statements; and
  - the completeness and accuracy of the related disclosures.
- verifying the mathematical accuracy of the calculations and the logical consistency of the inputs.
  - assessing whether the results of the revaluation have been appropriately presented in the consolidated financial statements;
  - reviewing the completeness and appropriateness of the disclosures in the notes to the consolidated financial statements;
  - assessing whether events occurring after the valuation date and up to the reporting date indicate a need to adjust or disclose information relating to fair value.

See Note 5 “Critical accounting judgments and key sources of estimation uncertainty” and Note 7 “Property, Plant and Equipment” to the consolidated financial statements.

## Other Information

Management of the Group is responsible for other information prepared as at and for the year ended 31 December 2025.

Other information consists of the following:

1. Consolidated Management Report for 2025, prepared in accordance with the requirements of the Law of Ukraine “On Accounting and Financial Reporting in Ukraine” No. 996-XIV dated 16.07.1999,
2. Annual Information of the Issuer of Securities for 2025, prepared in accordance with the requirements of the Regulation on Disclosure of Information by Issuers of Securities and Persons Providing Collateral for Such Securities approved by the Decision of the National Securities and Stock Market Commission No. 608 dated 06.06.2023,

but does not include the consolidated financial statements or our auditor’s report thereon.

Our opinion on the Group’s consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

### Consolidated Management Report for 2025

The Group intends to prepare and publish the Consolidated Management Report for 2025 after the date of publication of this Independent Auditor’s Report. Upon receipt and review of the Consolidated Management Report for 2025, if we conclude that there is a material misstatement, we will communicate the matter to those charged with governance.

### Annual Information of the Issuer of Securities for 2025

The Group plans to prepare and publish the Annual Information of the Issuer of Securities for 2025 after the date of publication of this Independent Auditor’s Report. Upon receipt and review of the Annual Information of the Issuer of Securities for 2025, if we conclude that there is a material misstatement, we will communicate the matter to those charged with governance.

## Responsibility of Management and Those Charged with Governance for the Consolidated Financial Statements

Management of the Group is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with IFRS Accounting Standards and the requirements of the Law of Ukraine “On Accounting and Financial Reporting in Ukraine” No. 996-XIV dated 16.07.1999 in respect of consolidated financial statements preparation, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group’s ability to continue as a going concern, disclosing, where applicable, going concern matters and using going concern assumptions as a basis for accounting, unless management either intends to liquidate the Group or to cease operations or has no realistic alternatives but to do so.

Those charged with governance are responsible for overseeing the financial reporting process of the Group.

## Auditor’s Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and 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 these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain 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 override of internal control;
- Obtain 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 internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Group’s management;
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated 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. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform 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 Group's consolidated financial statements. We are 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 those charged with governance regarding 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 also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated 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.

## Report on the Requirements of Other Legislative and Regulatory Acts

Reporting in accordance with the requirements of Part 4 of Article 14 of the Law of Ukraine "On the Audit of Financial Statements and Auditing Activities" No. 2258-VIII dated 21 December 2017 regarding the provision of additional information on the results of the statutory audit of a public interest entity:

1. BDO LLC was appointed to perform this statutory audit engagement by the order of the Ministry of Energy of Ukraine No. 349 dated 02 September 2025. The Report on the Audit of the Consolidated Financial Statements section of this Independent Auditor's Report discloses the scope of the audit and the inherent limitations.
2. The total duration of the engagement to perform the statutory audit of the consolidated financial statements of the Group by BDO LLC, without interruption and taking into consideration any extensions of the mandate and reappointments, is six years.
3. In the Material Uncertainty related to Going Concern and Key Audit Matters sections of this report, we have disclosed matters that were of most significance in our audit of the current period's consolidated financial statements, and that, in our professional judgment, should also be addressed. These matters were considered as part of our audit of the consolidated financial statements taken as a whole and were included in the preparation of our opinion thereon, and we do not provide a separate opinion on these matters.
4. During this statutory audit engagement, we did not identify any matters in respect of our audit estimates other than those described in the Material Uncertainty related to Going Concern and Key Audit Matters sections of this report, which we consider appropriate to disclose in accordance with the requirements of paragraph 4.3 of Article 14 of the Law of Ukraine "On the Audit of Financial Statements and Auditing Activities" No. 2258-VIII dated 21.12.2017.
5. The information in this Independent Auditor's Report on the audit of the Group's consolidated financial statements was reconciled with the information in the Additional Report to the Audit Committee.
6. Throughout 2025, BDO LLC provided the Group with other assurance services, including a review of the Group's interim condensed consolidated financial statements, audits of special purpose financial statements under loan and grant projects, other assurance engagements regarding the information presented in the Corporate Governance Report, and the preparation of comfort letters, which form part of the restructuring process for the Eurobonds 2028.
7. BDO LLC and the Key Audit Partner are independent of the Group in accordance with the requirements of the IESBA Code. During the audit, we did not identify any additional facts or

issues that could affect our independence and to which we would wish to draw your attention. BDO LLC did not provide the Group with any services prohibited under the requirements of Article 6 of the Law of Ukraine “On the Audit of Financial Statements and Audit Activities” 2258-VIII dated 21 December 2017 during 2025 and in the period from 1 January 2025 to the date of signing of this Independent Auditor’s Report.

Reporting on compliance with the requirements of the Decision of the NSSMC No. 555 dated 22.07.2021 “On Approval of the Requirements for Information Regarding the Audit or Review of Financial Statements of Participants in Capital Markets and Organized Commodity Markets Supervised by the NSSMC”.

Information about the audit firm and the terms of the contract:

No.	Information	Data to fill in
1	2	3
1	Legal entity-audit firm identification code	20197074
2	Website of the audit firm	<a href="http://www.bdo.ua">www.bdo.ua</a>
3	Date and number of the contract for the audit / review and/or the engagement to provide reasonable assurance	Contract No. UE/8D dated 08.09.2025
4	Start date and end date of the audit/review and/or the reasonable assurance engagement	The audit commenced on 27 January 2026. The audit was completed on 30 March 2026.
5	Statutory audit of financial statements (select yes/no)	Yes
6	Reasonable assurance engagement (select yes/no)	No (not applicable to this statutory audit engagement)

The audit was performed under the supervision of the Key Audit Partner Olexander M. Nikolayenko.

Key Audit Partner



O. M. Nikolayenko

Registration Number in the Register of Auditors and Audit Entities: 101534

Kyiv, 30 March 2026

Limited liability company BDO. EDRPOU code 20197074. Registration Number in the Register of Auditors and Audit Entities: 2868. Legal address: 4, Lazar Globa Street, Dnipro, 49000 Tel. 044-393-26-87, website [www.bdo.ua](http://www.bdo.ua).

BDO LLC is included in the Register of Auditors and Audit Entities in section 4 “Audit entities that have right to perform statutory audits of financial statements of public interest entities”. Link to the Register: <https://register.apob.org.ua/uk/search>

# **PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"**

## **STATEMENT OF MANAGEMENT'S RESPONSIBILITIES FOR THE PREPARATION AND APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025**

---

Management is responsible for the preparation of the consolidated financial statements that present fairly the financial position of Private Joint Stock Company "National Power Company "Ukrenergo" and its subsidiaries ("the Group") as of 31 December 2025, and the results of its operations, cash flows, and changes in equity for the year then ended, in compliance with International Financial Reporting Standards ("IFRS"), and the requirements to financial statements preparation under the Law of Ukraine "On accounting and financial reporting in Ukraine" ("Law on accounting and financial reporting").

In preparing the consolidated financial statements, management is responsible for:

- Properly selecting and applying accounting policies;
- Presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable, and understandable information;
- Providing additional disclosures when compliance with the specific requirements in IFRS are insufficient to enable users to understand the impact of particular transactions, other events, and conditions on the Group's financial position and financial performance; and
- Making an assessment of the Group's ability to continue as a going concern.

Management is also responsible for:

- Designing, implementing, and maintaining an effective and reliable system of internal controls, throughout the Group;
- Maintaining adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group, and which enable them to ensure that the consolidated financial statements of the Group comply with IFRS;
- Maintaining statutory accounting records in compliance with the Ukrainian legislation and IFRS;
- Taking reasonably available measures to safeguard of the assets of the Group; and
- Detecting and preventing fraud and other irregularities.

The consolidated financial statements of the Group for the year ended 31 December 2025 were authorized for issue by management on 30 March 2026.

### **On behalf of management:**

---

V.B. Zaichenko,  
Chairman of the Management Board

---

I.I. Yuryk,  
Member of the Management Board

**PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS OF 31 DECEMBER 2025**

*In Ukrainian Hryvnias and in thousands*

	<u>Notes</u>	<u>31 December 2025</u>	<u>31 December 2024</u>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	7	126,179,415	115,866,098
Intangible assets	8	1,365,437	1,287,549
Deferred tax assets	28	3,099,920	2,191,184
Loans given		50,514	-
Other non-current assets		241,046	305,520
<b>Total non-current assets</b>		<b><u>130,936,332</u></b>	<b><u>119,650,351</u></b>
<b>Current assets</b>			
Inventories		1,219,703	1,066,914
Trade accounts receivable	9	29,915,674	31,602,370
Prepayments		608,715	715,460
Other accounts receivable		652,429	247,070
Taxes receivable, other than income tax	10	1,155,855	1,922,838
Loans given		90,491	-
Prepaid expenses		249,549	192,255
Cash and cash equivalents	11	11,736,386	15,515,975
Other current assets	12	2,566,721	2,623,104
<b>Total current assets</b>		<b><u>48,195,523</u></b>	<b><u>53,885,986</u></b>
<b>TOTAL ASSETS</b>		<b><u>179,131,855</u></b>	<b><u>173,536,337</u></b>
<b>EQUITY</b>			
Share capital	13	37,160,209	37,160,209
Corporatization effect	13	(35,933,854)	(35,933,854)
Revaluation reserve	13	73,551,844	67,467,606
Reserve capital	13	139,422	139,111
Accumulated deficit		(71,045,402)	(60,357,071)
Translation reserve		18,499	12,573
<b>TOTAL EQUITY</b>		<b><u>3,890,718</u></b>	<b><u>8,488,574</u></b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Loans and borrowings	14	15,334,064	10,315,876
Retirement benefit obligations	15	275,060	211,925
Special purpose funding	16	15,257,428	11,079,519
Other non-current liabilities		535,958	289,048
<b>Total non-current liabilities</b>		<b><u>31,402,510</u></b>	<b><u>21,896,368</u></b>
<b>Current liabilities</b>			
Loans and borrowings	14	90,056,442	90,741,879
Trade accounts payable	17	47,397,392	47,195,409
Advances received	18	897,418	1,246,650
Other accounts payable		208,539	171,053
Income tax payable		758	1,361
Taxes payable, other than income tax		52,136	47,970
Provisions	19	2,566,914	1,419,180
Deferred income	16	60,358	54,303
Other current liabilities	20	2,598,670	2,273,590
<b>Total current liabilities</b>		<b><u>143,838,627</u></b>	<b><u>143,151,395</u></b>
<b>TOTAL LIABILITIES</b>		<b><u>175,241,137</u></b>	<b><u>165,047,763</u></b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b><u>179,131,855</u></b>	<b><u>173,536,337</u></b>

**On behalf of management:**

\_\_\_\_\_  
V.B. Zaichenko,  
Chairman of the Management Board

\_\_\_\_\_  
I.I. Yuryk,  
Member of the Management Board

**PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"**

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2025**

*In Ukrainian Hryvnias and in thousands*

	<u>Notes</u>	<u>2025</u>	<u>2024</u>
Revenue	21	107,739,171	101,139,123
Cost of sales	22	<u>(101,596,227)</u>	<u>(90,607,782)</u>
<b>Gross profit</b>		<b>6,142,944</b>	<b>10,531,341</b>
Other operating income	23	8,749,520	8,414,524
Administrative expenses	24	(1,619,666)	(1,216,633)
Other operating expenses	25	(6,585,980)	(10,970,172)
Impairment of financial assets, net	9	(5,860,924)	(14,493,093)
Impairment of property, plant and equipment and intangible assets, net	7, 8	<u>(2,884,737)</u>	<u>(1,482,577)</u>
<b>Operating loss</b>		<b>(2,058,843)</b>	<b>(9,216,610)</b>
Finance income	26	1,107,173	1,183,812
Finance costs	27	(6,367,055)	(33,733,419)
Foreign exchange loss, net		<u>(5,587,375)</u>	<u>(4,451,201)</u>
<b>Loss before tax</b>		<b>(12,906,100)</b>	<b>(46,217,418)</b>
Income tax benefit	28	<u>2,239,581</u>	<u>8,230,517</u>
<b>LOSS FOR THE PERIOD</b>		<b><u>(10,666,519)</u></b>	<b><u>(37,986,901)</u></b>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified subsequently to profit or loss, net of income tax:</i>			
Revaluation/(impairment) of property, plant and equipment	7	7,438,783	(1,236,683)
Deferred tax on (revaluation)/impairment of property, plant and equipment	28	(1,333,735)	222,620
Remeasurement of defined benefit obligation	15	(42,703)	103,170
Deferred tax on remeasurement of defined benefit obligation	28	<u>392</u>	<u>604</u>
<i>Items that may be reclassified subsequently to profit or loss, net of income tax:</i>			
Cumulative translation difference on retranslation to Group's presentation currency		<u>5,926</u>	<u>1,691</u>
<b>Other comprehensive income/(loss) for the period</b>		<b><u>6,068,663</u></b>	<b><u>(908,598)</u></b>
<b>TOTAL COMPREHENSIVE LOSS FOR THE PERIOD</b>		<b><u>(4,597,856)</u></b>	<b><u>(38,895,499)</u></b>

**On behalf of management:**

\_\_\_\_\_  
V.B. Zaichenko,  
Chairman of the Management Board

\_\_\_\_\_  
I.I. Yuryk,  
Member of the Management Board

**PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2025  
In Ukrainian Hryvnias and in thousands**

	<u>Share capital</u>	<u>Corporatization effect</u>	<u>Revaluation reserve</u>	<u>Reserve capital</u>	<u>Accumulated deficit</u>	<u>Translation reserve</u>	<u>Total equity</u>
<b>Balance at 1 January 2024</b>	<b>37,160,209</b>	<b>(35,933,854)</b>	<b>68,496,965</b>	<b>142,183</b>	<b>(22,361,221)</b>	<b>10,882</b>	<b>47,515,164</b>
Loss for the period	-	-	-	-	(37,986,901)	-	<b>(37,986,901)</b>
Other comprehensive loss for the period	-	-	(1,014,063)	-	103,774	1,691	<b>(908,598)</b>
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>-</b>	<b>(1,014,063)</b>	<b>-</b>	<b>(37,883,127)</b>	<b>1,691</b>	<b>(38,895,499)</b>
Dividend payment (Note 13)	-	-	-	-	(131,091)	-	<b>(131,091)</b>
Change of reserve capital (Note 13)	-	-	-	(3,072)	3,072	-	-
Realised revaluation reserve	-	-	(15,296)	-	15,296	-	-
<b>Balance at 31 December 2024</b>	<b><u>37,160,209</u></b>	<b><u>(35,933,854)</u></b>	<b><u>67,467,606</u></b>	<b><u>139,111</u></b>	<b><u>(60,357,071)</u></b>	<b><u>12,573</u></b>	<b><u>8,488,574</u></b>
Loss for the period	-	-	-	-	(10,666,519)	-	<b>(10,666,519)</b>
Other comprehensive income for the period	-	-	6,105,048	-	(42,311)	5,926	<b>6,068,663</b>
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>-</b>	<b>6,105,048</b>	<b>-</b>	<b>(10,708,830)</b>	<b>5,926</b>	<b>(4,597,856)</b>
Charges to reserve capital (Note 13)	-	-	-	311	(311)	-	-
Realised revaluation reserve	-	-	(20,810)	-	20,810	-	-
<b>Balance at 31 December 2025</b>	<b><u>37,160,209</u></b>	<b><u>(35,933,854)</u></b>	<b><u>73,551,844</u></b>	<b><u>139,422</u></b>	<b><u>(71,045,402)</u></b>	<b><u>18,499</u></b>	<b><u>3,890,718</u></b>

**On behalf of management:**

\_\_\_\_\_  
V.B. Zaichenko,  
Chairman of the Management Board

\_\_\_\_\_  
I.I. Yuryk,  
Member of the Management Board

**PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"**

**CONSOLIDATED STATEMENT OF CASH FLOWS (UNDER DIRECT METHOD)**

**FOR THE YEAR ENDED 31 DECEMBER 2025**

***In Ukrainian Hryvnias and in thousands***

	<u>Notes</u>	<u>2025</u>	<u>2024</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Cash inflows from:</b>			
Revenue		104,724,457	102,792,583
Return of taxes and duties		34	143
Special purpose funding		2,193,881	91,079
Advances from buyers and customers		7,216,342	3,155,249
Prepayments returned		3,355	13,445
Interest on current accounts with banking institutions		1,138,453	1,152,371
Forfeits (fines, penalties) from counterparties		964,784	2,092,739
Operating leases		9,915	5,469
Other proceeds		1,220,189	1,140,382
<b>Cash outflows to:</b>			
Goods (works, services)		(93,517,550)	(84,760,300)
Staff costs		(3,625,263)	(3,286,283)
Social charges		(969,158)	(819,854)
Liabilities on taxes and duties:		(2,549,942)	(2,330,611)
Income taxes		(3,151)	(210,877)
Value added tax		(1,386,433)	(1,252,082)
Other taxes and duties		(1,160,358)	(867,652)
Prepayments		(2,199,057)	(1,827,181)
Return of advances		(25,007)	(184,052)
Other expenses		(3,324,962)	(5,801,652)
<b>Net cash flows from operating activities</b>		<b><u>11,260,471</u></b>	<b><u>11,433,527</u></b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Provision of loans		(218,827)	-
Purchases of property, plant and equipment and intangible assets		(6,450,109)	(6,850,982)
<b>Net cash flows used in investing activities</b>		<b><u>(6,668,936)</u></b>	<b><u>(6,850,982)</u></b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from loans and borrowings	32	859,185	11,884,483
Repayment of loans and borrowings	32	(5,588,144)	(4,278,629)
Dividends paid	32	-	(338,974)
Interest paid	32	(4,166,656)	(4,239,608)
Other payments	32	(3,784)	(3,308)
<b>Net cash flow (used in)/from financing activities</b>		<b><u>(8,899,399)</u></b>	<b><u>3,023,964</u></b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b><u>(4,307,864)</u></b>	<b><u>7,606,509</u></b>
<b>Cash and cash equivalents at the beginning of the period</b>	11	<b><u>15,515,975</u></b>	<b><u>7,830,966</u></b>
Effect of exchange rates change on cash and cash equivalents		528,275	78,500
<b>Cash and cash equivalents at the end of the period</b>	11	<b><u>11,736,386</u></b>	<b><u>15,515,975</u></b>
<b>NON-CASH TRANSACTIONS</b>			
	<u>Notes</u>	<u>2025</u>	<u>2024</u>
Payments to acquire property, plant, and equipment and intangible assets by a lending bank	32	955,126	2,418,633
Payments to acquire property, plant, and equipment and intangible assets by grants and international technical assistance		5,826,738	8,391,604

**On behalf of management:**

\_\_\_\_\_  
V.B. Zaichenko,  
Chairman of the Management Board

\_\_\_\_\_  
I.I. Yuryk,  
Member of the Management Board

# PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

*In Ukrainian Hryvnias and in thousands, unless otherwise indicated*

---

### 1. THE ORGANISATION AND ITS OPERATIONS

#### Creation and change of the Group's shareholder

State Enterprise "National Energy Company "Ukrenergo" was established by the order of the Ministry of Energy of Ukraine dated April 15, 1998, No.54 on the basis of the state enterprise "National Dispatch Center of Electricity of Ukraine" with the merger of the reorganized state enterprise "State Electric Company "Ukrelectroperedacha".

Private Joint Stock Company "National Power Company "Ukrenergo" (NPC "Ukrenergo", the "Company") is a legal entity incorporated as a joint stock company with 100% shares fixed in state ownership due to reorganization through the transformation of the State Enterprise "National Power Company "Ukrenergo" in a Private Joint Stock Company in accordance with the order of the Cabinet of Ministers of Ukraine dated November 22, 2017, No.829-r "On Approval of the Transformation of the State Enterprise National Power Company Ukrenergo into the Private Joint Stock Company".

By the Decree of the Cabinet of Ministers of Ukraine dated November 14, 2018, No.1001-r integral property complex of the state enterprise "National Energy Company "Ukrenergo" was transferred from the Ministry of Energy and Coal Industry of Ukraine to the Ministry of Finance of Ukraine.

On July 29, 2019, the Ministry of Finance of Ukraine approved Order No.321 on the Company's transformation into Private Joint Stock Company. The Company's shares are not listed on international or national stock exchanges.

The Decree of the Cabinet of Ministers of Ukraine date July 28, 2021, No.833-r "Certain issues of management of state property" approved the transfer of management of corporate rights owned by the state in share capital of the Company from the Ministry of Finance of Ukraine to the Ministry of Energy of Ukraine, and authorized the Ministry of Energy of Ukraine as body of management of state property, which was assigned to the Company by the right of operational management. On September 16, 2021, the state, represented by the Ministry of Energy of Ukraine, became the owner of 100% of the Company's shares.

#### Main activities and structure of the Group

NPC "Ukrenergo" Group (hereinafter – the "Group") consists of the Company and subsidiaries "Ukrenergo Digital Solutions" LLC and EUkrenergo, the sole owner of which is the Company. "Ukrenergo Digital Solutions" LLC was founded in 2020 and is engaged in development of special purpose software for transmission system operator. EUkrenergo was founded in 2022 in Belgium to provide mechanisms for regulating deviations of the actual balance of electricity flows from planned values (unintended deviations, so-called technological flows), arising in the process of synchronous operation of adjacent energy systems in accordance with FSkar procedures.

NPC "Ukrenergo", which is a natural monopoly in electricity transmitting via high voltage lines, operates 144 substations (110-750 kV) and over 23,000 km of main and interstate power lines (including 52 substations and over 6,000 km of power lines located on temporarily occupied territories).

The Group's Head Office is located at: 25 Symona Petliury Street, Kyiv, Ukraine.

The principal activities of the Group are dispatch (operational and technological) control of the Integrated Power System of Ukraine (the "IPS"), electricity transmission via high voltage lines from generation to distribution networks, acting as administrator of commercial accounting and administrator of settlements in the electricity market of Ukraine.

In addition, the Group was assigned with public service obligation to increase the share of energy generation from alternative energy sources.

Tariffs for electricity transmission and dispatch (operational and technological) control services are regulated and approved by the National Energy and Utilities Regulatory Commission (the "NEURC").

# PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

*In Ukrainian Hryvnias and in thousands, unless otherwise indicated*

---

The Company was built on a regional basis and combined four territorial administrations: Northern, Southern, Eastern and Western. The Company also has a separate division "Construction and Repair", which provides power equipment repairing, implementation of certain projects under investment program projects by its own staff, and other.

The Group also has assets located at temporarily occupied territories of Autonomous Republic of Crimea (Crimean ES, Dzhankoi Main Power Grids (MPG), Feodosiya MPG, Simferopol MPG, Health Complex "Semidvirya", Boarding House "Energetik" and SD "Pivdenienergoprom"), Donetsk and Lugansk region (Chaikinski MPG and Luhansk MPG). The Group lost control over these assets and cannot obtain economic benefits from them. Respectively, these assets were fully impaired in previous years. In 2020 the arbitral tribunal began to consider the case of the illegal seizure by the Russian Federation of the Group's infrastructure facilities on territory of Autonomous Republic of Crimea (Note 30).

Starting from January 01, 2024, the Group becomes the 40th full member of the European network of operators of the electricity transmission system ENTSO-E.

### **Changes in the Group's management**

On February 05, 2025, the Supervisory Board of the Group officially announced the start of the selection process for a new Chairman of the Management Board. In June 2025, the Supervisory Board appointed the current member of the Management Board, Director for the Management of IPS of Ukraine, Vitalii Zaichenko, to this position, effective from July 01, 2025, replacing Oleksii Brekht, who had been acting Chairman of the Management Board since September 05, 2024.

On September 19, 2025, the Ministry of Energy of Ukraine decided to withdraw the member of the Supervisory Board - the representative of the state, Boyko Y.M., from the Supervisory Board of NPC "Ukrenergo". As of the date of approval of these consolidated financial statements, a new member of the Supervisory Board - the representative of the state had not been appointed.

The Group's consolidated financial statements for the year ended 31 December 2025 were authorized for issue by management on 30 March 2026.

## **2. OPERATING ENVIRONMENT**

On February 24, 2022, the Russian Federation launched a full-scale invasion of the territory of Ukraine, resulting in an escalation of hostilities and the occupation of certain Ukrainian territories. As a response, Ukraine declared martial law, which is still in place as of the date of approval of these consolidated financial statements. The military actions have significantly altered the operating environment of certain sectors of the economy and continue to shape their development trajectory.

In 2025, the power system of Ukraine was subject to significant pressure due to large-scale attacks on critical infrastructure facilities by the Russian Federation. The intensification of shelling towards the end of 2025 led to a reduction in available generation capacity, which resulted in a substantial increase in electricity imports in the fourth quarter of 2025 and adversely affected the performance of the energy sector. According to the Ministry of Economy of Ukraine, as at the beginning of 2026, as a result of Russian attacks ongoing since October 2025, approximately 8.5 GW of generation capacity had been damaged, including thermal and hydropower assets. Nevertheless, the power system overall remained operationally stable due to prompt restoration measures, adaptation of system operating modes, as well as international financial and technical support.

The operating environment in Ukraine in 2025 remained challenging, yet adaptive to the prolonged war. External financing and active government policy supported the maintenance of relative stability in economic processes. At the same time, economic development during the year was constrained by moderately high inflation, subdued domestic demand, labour shortages, and the impact of hostilities on certain sectors of the economy.

# PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

*In Ukrainian Hryvnias and in thousands, unless otherwise indicated*

---

According to the National Bank of Ukraine (the "NBU"), in 2025 the Ukrainian economy demonstrated a moderate recovery following the downturn at the end of 2024, however growth remained limited. Real GDP of Ukraine increased by 1.8% in 2025 (2024: 3.2%), reflecting the combined effect of a gradual recovery in domestic demand alongside the adverse impact of security risks, logistical disruptions, labour market constraints, and disruptions in the operation of the power system.

Inflation in Ukraine in 2025 remained moderately high at 8.0% (2024: 12.0%). Inflationary pressures during the year were driven by increases in energy and food prices, as well as rising business costs for raw materials, supplies, and labour. According to the NBU's forecast, inflation is expected to decline to 7.5% in 2026. At the same time, a return to the target level of 5% is expected only in 2028, reflecting the persistence of structural price pressures associated with large-scale damage to the energy sector.

The NBU's monetary policy in 2025 remained restrictive and was aimed at containing inflationary pressures amid elevated macroeconomic risks. Throughout the year, the key policy rate was maintained at 15.5%. At the beginning of 2026, against the backdrop of moderating inflation, the NBU initiated a gradual easing of monetary conditions by reducing the key policy rate to 15.0% effective from 30 January 2026.

In 2025, Ukraine received external financing from international partners in the amount of USD 52.4 billion, which supported the financing of the state budget and the maintenance of macro-financial stability. According to the NBU, international reserves amounted to approximately USD 57.3 billion as of 31 December 2025, representing a historical high. The accumulated level of reserves as at the end of 2025 provided a sufficient buffer to support the stability of the foreign exchange market and to meet the State's external obligations. In addition to financial assistance from the EU, the United States, the IMF and other partners, technical support aimed at restoring energy infrastructure also played a significant role.

As at the date of approval of these consolidated financial statements, the war between Ukraine and Russia is ongoing, resulting in the destruction of property and assets. The consequences of the war are changing daily, and the long-term implications remain unclear. Further stabilisation and development of the economy largely depend on the course of hostilities and the effectiveness of government measures aimed at restoring critical infrastructure and implementing reforms. Close cooperation with international partners plays a key role in these processes, providing Ukraine with substantial financial, technical, and institutional support to enhance economic resilience and security.

### **Transfer of corporate rights and assets to the Group's management**

On June 21, 2024, the Cabinet of Ministers of Ukraine, by Resolution No. 618-r, adopted a decision to transfer 100% of the corporate rights of LLC "Lviv Insulator Company" (EDRPOU code 30823262) ("LLC "LIC") to the management of NPC "Ukrenergo". Pursuant to Resolution No. 618-r, an Asset (Property) Management Agreement dated January 28, 2025 ("the Agreement") was concluded between the Asset Recovery and Management Agency ("ARMA") and the Company, under which ARMA transfers 100% of the charter capital of LLC "LIC" to the Company's management in order to prevent the risk of emergencies in the energy sector, for a term until August 31, 2029 (inclusive) or until early termination of the Agreement. The act of acceptance and transfer of LLC "LIC" to the Company's management was signed on January 24, 2025.

LLC "LIC" was established in 2002 based on the Lviv Insulator Plant, which had been operating since 1965, and is the sole manufacturer of glass insulators in Ukraine, which are critical for the functioning of the energy infrastructure.

In order to restore production, finance capital investments and cover operating expenses of LLC "LIC", in June 2025 the Group and LLC "LIC" entered into a revolving interest-free financial assistance agreement with a limit of up to UAH 525 million, to be provided in tranches. Repayment of the financial assistance is to be made in accordance with the agreed schedule of limit changes, but no later than 31 August 2029 or the date of early repayment or termination of the agreement. As of 31 December 2025, the outstanding amount of financial assistance provided by the Group to LLC "LIC" amounted to UAH 218,827 thousand, which was disbursed during 2025.

# PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

*In Ukrainian Hryvnias and in thousands, unless otherwise indicated*

---

According to the terms of this Agreement, the Group has limited ability to exercise its power over LLC "LIC" to influence its results, and the Agreement may be terminated early. Thus, as of the date of issuance of the Group's consolidated financial statements for the year ended December 31, 2025, the Group does not exercise control over LLC "LIC" within the meaning of IFRS 10 "Consolidated Financial Statements", acting instead as an agent under the corporate rights management agreement.

### **Government regulation of electric power market**

#### **Tariff regulation of the Group's operating activities**

The tariff for electricity transmission services and the tariff for dispatch (operational and technological) control services of the Integrated Power System of Ukraine for the Group are set by the National Energy and Utilities Regulatory Commission (the "NEURC").

Tariffs for electricity transmission services in 2024-2025 were as follows:

<b>Year</b>	<b>Period</b>	<b>Tariff, UAH/MWh</b>	<b>Date and number of the NEURC resolution</b>
2024	January - December	528.57	09.12.2023 No. 2322
2025	January - December	686.23	19.12.2024 No. 2200
2026	January - March	713.68	05.12.2025 No. 2009
2026	From 1 April 2026	742.91	05.12.2025 No. 2009

By the Resolutions of the NEURC No. 1342 dated August 26, 2025 and No. 1907 dated November 25, 2025, amendments were made to the structure of the tariff for electricity transmission for 2025 regarding the redistribution of costs without changing the tariff level.

Tariffs for dispatch (operational and technological) control services in 2024-2025 were as follows:

<b>Year</b>	<b>Period</b>	<b>Tariff, UAH/MWh</b>	<b>Date and number of the NEURC resolution</b>
2024	January - December	104.57	09.12.2023 No. 2323
2025	January - December	98.97	19.12.2024 No. 2201
2026	From 1 January 2026	110.03	05.12.2025 No. 2010

By the Resolution of the NEURC No. 1343 dated August 26, 2025, amendments were made to the structure of the tariff for dispatch (operational and technological) control services for 2025 regarding the redistribution of costs without changing the tariff level.

#### **Performing of public service obligation**

According to Article 62 of the Law of Ukraine "On electricity market" (the "Law"), in order to ensure the general economic interest in the electricity sector of Ukraine, necessary to meet the interests of citizens, society, and the state, and to ensure the sustainable long-term development of the electricity sector and competitiveness of Ukraine's national economy, on market participants may have been imposed special obligations to ensure public interests in the functioning of the electricity market ("public service obligation", "PSO"). The Law also stipulates that the Cabinet of Ministers of Ukraine may impose other PSO on market participants.

According to Article 33 of the Law, the transmission system operator ("TSO") performs public service obligations in the electricity market. In accordance with Article 62 of the Law, the Group is imposed with public service obligation to increase the share of electricity production from alternative energy sources for the duration of the "green" tariff, the term of support for producers of electricity from alternative energy sources, which according to the results of the auction became eligible for support ("PSO RES").

PSO RES is also imposed on the State Enterprise "Guaranteed Buyer" ("the Guaranteed Buyer") and universal service providers ("USP"). Information on PSO RES costs is provided in Note 22.

## **PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025**

***In Ukrainian Hryvnias and in thousands, unless otherwise indicated***

---

In accordance with Article 65 of the Law, in order to ensure coverage of the economically justified costs of the Guaranteed Buyer for the performance of public service obligation for the purchase of electricity at a "green" tariff and for the purchase of services under the market premium mechanism provided by business entities that have a "green" tariff or that have acquired the right to support as a result of the auction, the Guaranteed Buyer provides the transmission system operator with a service to ensure an increase in the share of electricity production from alternative energy sources.

Such a service is provided by the Guaranteed Buyer during the term of the "green" tariff and the term of support for producers who have acquired the right to such support as a result of the auction, in accordance with a standard contract for the provision of services to ensure an increase in the share of electricity production from alternative energy sources, the form of which is approved by the NEURC.

The cost of the PSO RES service is calculated by the Guaranteed Buyer in accordance with the Procedure for purchasing electricity produced from alternative energy sources by the Guaranteed Buyer approved by the Resolution of NEURC dated April 26, 2019 No. 641.

The cost of the PSO RES service provided to the transmission system operator by the Guaranteed Buyer is determined for the relevant settlement period as follows:

- the difference between the cost of electricity purchased at the "green" tariff and its value upon sale under bilateral contracts, on the "day-ahead" market and the intraday market;
- costs associated with the purchase of electricity on the balancing market to reduce imbalances of the Guaranteed Buyer;
- actual income or expenses related to the settlement of electricity imbalances of the Guaranteed Buyer, taking into account amounts received from sellers under the "green" tariff in accordance with acceptance certificates for services on compensation of a share of the imbalance settlement cost of the Guaranteed Buyer's balancing group;
- costs provided for in the Guaranteed Buyer's budget for its activities.

The cost of the PSO RES service provided to the transmission system operator by the Guaranteed Buyer is determined for the relevant settlement period and is reduced by:

- total amounts related to revenue from the sale of guarantees of origin of electricity generated from renewable energy sources (including under foreign economic agreements (contracts)), net of expenses related to such sales;
- total amounts related to revenue from the sale of electricity under export contracts, net of expenses (including those related to access to cross-border transmission capacity, taxes, duties and other mandatory payments associated with such export sales);
- additional profit of the Guaranteed Buyer, taking into account the difference between revenue and expenses arising in the course of fulfilling special obligations to ensure public interests;
- financial support received from the state budget for the performance of special obligations aimed at increasing the share of electricity generation from renewable energy sources;
- additional funds of the Guaranteed Buyer (excluding amounts required to cover 3% annual interest, inflation adjustments and penalties in accordance with court decisions) in accordance with the Resolution No. 358 of the NEURC dated February 7, 2020.

The Group fulfils its financial obligations to cover the economically justified costs incurred by the Guaranteed Buyer in performing special obligations related to the purchase of electricity at the "green" tariff and at auction prices through the tariff for electricity transmission.

Among other public service obligations assigned to the Guaranteed Buyer to ensure the public interest is the public service obligation to provide services ensuring the availability of electricity for household consumers (the "PSO for population"), as defined by the Regulation on the imposition of special obligations on market participants to ensure the public interest in the functioning of the electricity market, approved by the Resolution No. 483 of the Cabinet of Ministers of Ukraine dated June 5, 2019 ("the CMU No. 483").

# PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

*In Ukrainian Hryvnias and in thousands, unless otherwise indicated*

---

In 2021, the transition from a commodity to a financial model of PSO implementation was made. According to the new PSO financial model household consumers (population) pay USPs a fixed price, which changed during 2024-2025:

- From June 1, 2023, to May 31, 2024 – 2.64 UAH/kWh incl. VAT.
- From June 1, 2024, to April 30, 2026 – 4.32 UAH/kWh incl. VAT.

Additionally, in accordance with the CMU Resolution No. 483, the Group, as a transmission system operator, is assigned special obligations to purchase the service for ensuring the uninterrupted operation of the "last resort" supplier. Under the order of the Cabinet of Ministers of Ukraine dated 12 December 2018 No. 1023-r (as amended), SE "Ukrinterenergo" is designated as the "last resort" supplier for the period from January 1, 2019 to December 31, 2026.

The cost of the service for ensuring the uninterrupted operation of the "last resort" supplier is calculated as 1/12 of the annual cost estimate of SE "Ukrinterenergo", approved by the NEURC, for its operating activities in performing the function of the "last resort" supplier, in accordance with the financial plan for the reporting year.

### **Balancing Market**

In 2025, the financial result of the Group on the domestic balancing market (excluding costs related to the settlement of system constraints, which are compensated through the tariff for dispatch (operational and technological) control services, as well as cross-border balancing) amounted to a loss of UAH 4.2 billion, which is UAH 8.0 billion lower than in 2024 (profit of UAH 3.8 billion). In addition, costs related to the settlement of system constraints amounted to UAH 4.6 billion and UAH 3.3 billion in 2025 and 2024, respectively.

Such a significant deterioration in settlements on the balancing market is driven by the increasing number of attacks by the aggressor on energy infrastructure facilities, which in turn leads to large volumes of forced consumption restrictions and system constraints in the power system. Updated approaches to calculating the system state within the real-time unit (RTU) and the settlement period (SP), the increase in electricity market prices (as described below), as well as the formation of imbalance prices and balancing energy prices, which came into effect in 2025 following amendments to the Market Rules, do not operate effectively under non-market restrictions caused by the consequences of such attacks. As a result, there is a persistent trend towards an increasing gap between the Group's income and expenses on the balancing market, leading to a growing debt of the Group to market participants.

In accordance with applicable laws and regulations, the financing of the negative financial result (the residual value of imbalance charges for electricity accounted for in sub-account UA-1) is carried out through the tariff for dispatch (operational and technological) control services.

Given the need to balance inflows and outflows on the special account of the balancing market, which affects the performance of all balancing market participants, as well as to ensure an even distribution of the financial burden on transmission system operator tariff payers, the Group has developed and submitted proposals to the NEURC to eliminate the causes of the negative financial result on the balancing market (amendments to the Resolution of the NEURC No. 332 dated February 25, 2022). On March 24, 2026, these changes were approved by the regulator, which will allow, starting from April 01, 2026, to balance revenues and costs in the relevant market segment (Note 33).

### **Other legislative changes in the electricity market**

#### *Maximum prices in the day-ahead market, intraday market, and balancing market*

During the period from January 01 to July 31, 2025, the following maximum prices applied in the electricity market depending on the hour of delivery:

- on the "day-ahead" market and the intraday market: from 5,600 UAH/MWh to 9,000 UAH/MWh;
- on the balancing market: from UAH 6,600 UAH/MWh to UAH 10,000 UAH/MWh.

# PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

*In Ukrainian Hryvnias and in thousands, unless otherwise indicated*

---

From July 31, 2025, the maximum prices increased to 15,000 UAH/MWh on the "day-ahead" and intraday markets and to 16,000 UAH/MWh on the balancing market. This increase in electricity market prices contributed to the negative financial result of the balancing market in 2025 (as described above), as well as to an increase in expenses for electricity purchases to cover technical losses (Note 22).

At the beginning of 2026, further changes to maximum prices in the "day-ahead" market, the intraday market and the balancing market were introduced (Note 33).

### *ITC Mechanism*

From July 1, 2024, the ENTSO-E General Assembly decided to approve the Group's accession to the ITC mechanism (Inter-Transmission System Operator Compensation). The ITC mechanism aims to compensate for the costs incurred by TSOs due to interstate electricity flows. The mechanism is operated by ENTSO-E based on the multilateral ITS Agreement. It ensures financial compensation between transmission system operators for cross-border electricity flows. This contributes to improved operational performance of the operator by enhancing the accuracy of flow measurement, transparency of settlements and more efficient management of cross-border networks.

### *Electricity export/import with ENTSO-E*

As a result of attacks on energy infrastructure and significant damage to generation and grid capacity in 2022–2025, additional electricity imports from EU countries were required in certain periods to ensure the balancing reliability of the integrated power system of Ukraine.

In January 2026, the maximum cross-border transmission capacity for electricity imports from the European Union to the Ukraine–Moldova control block increased to 2,450 MW, providing additional electricity volumes to cover domestic market deficits, creating additional opportunities for balancing the power system and enhancing its resilience to various risks (Note 33). The previous level of the maximum agreed import capacity for the Ukraine–Moldova block was 2,150 MW.

Additionally, during 2025, changes were made to the maximum export capacity of electricity from Ukraine and Moldova to EU countries, which from 1 May 2025 was increased from 550 MW to 650 MW. This decision was taken by the ENTSO-E expert group on commercial electricity exchange calculations. The previous decision establishing the maximum export capacity of electricity from Ukraine and Moldova at 550 MW had been in effect since March 2024.

As of July 2025, the maximum export capacity of electricity from Ukraine and Moldova to EU countries was increased to 900 MW. From 1 August 2025, the maximum capacity again amounted to 650 MW. From November 2025, due to the need to ensure internal balancing of the power system of Ukraine and to cover the deficit caused by infrastructure damage, electricity exports were suspended.

In addition, in December 2025, the transmission system operators (TSOs) of Ukraine, Slovakia, Hungary and Romania launched monthly auctions for the long-term allocation of cross-border transmission capacity for January 2026. This became possible due to cooperation with TSOs of neighbouring countries and with the support of the European Network of Transmission System Operators for Electricity (ENTSO-E). For Ukraine, this provides an opportunity for more effective price forecasting and, in the longer term, a reduction in the cost of imported electricity. At a broader level, the introduction of monthly auctions contributes to closer integration of the Ukrainian and European electricity markets and enhances the resilience of the integrated power system of Ukraine.

It should be noted that the synchronisation of the Ukrainian power system with the continental European power system of ENTSO-E significantly improves the reliability of its operation by enabling timely support from Europe in the event of emergency outages of power plants, facilitating electricity imports from Europe, and reducing the number of disconnected consumers. Where necessary and subject to surplus generation capacity, Ukraine is also able to provide emergency support to European power systems and export electricity.

# PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

*In Ukrainian Hryvnias and in thousands, unless otherwise indicated*

---

### *Distribution of income from the distribution of the transmission capacity of interstate power networks in 2024-2025*

The Law of Ukraine dated August 21, 2024 No. 3915-IX allowed the Group to use the funds received from the granting access to the transmission capacity of interstate power networks in 2024 to repay the following debts of the Group:

- 50% – on the balancing market;
- 50% – for the RES PSO to the SE "Guaranteed Buyer" and the USPs.

Pursuant to the Law of Ukraine No. 4777-IX dated February 10, 2026, the Group is allowed to use funds received from the granting access to the transmission capacity of interstate power networks in 2025 as follows:

- 40% – to repay payables on the balancing market;
- 40% – to repay payables under the PSO RES to SE "Guaranteed Buyer";
- 10% – to repay payables under the PSO RES to universal service suppliers;
- 10% – for maintenance and expansion of cross-border transmission capacity.

Revenue from granting access to the transmission capacity of interstate power networks of Ukraine in 2025 and 2024 amounted to UAH 2,533,789 and 1,901,797 thousand, respectively (Note 21).

### *Distribution of excess income received from dispatch (operational and technological) control activities in 2023 and 2024*

The Law of Ukraine dated January 14, 2025 No. 4213-IX, among other things, provided the possibility for the Group to use the total amount of excess income received from dispatching (operational and technological) control services in 2023 and 2024 to repay the following debts of the Group:

- 45% for the balancing market;
- 45% for the PSO RES to SE "Guaranteed Buyer";
- 10% for the PSO RES to the USPs.

During 2025, under this mechanism, the Group directed approximately UAH 12.0 billion (VAT included) to settle its accounts payable. These legislative changes will improve the situation with overdue trade payables of the Group and increase the liquidity of the electricity market (Note 17).

### **Application assumptions about the Group's ability to continue as a going concern**

On 24 February 2022 Russia initiated a full-scale military invasion of Ukraine, which 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 remains a significant uncertainty over the future development of the military invasion, its duration and short and long-term impact on the Group, its people, operations, liquidity, and assets. There could be multiple scenarios for further developments of the current situation with unknown likelihood and the magnitude of the impact on the Group might vary.

As a result of the war, the Group has suffered a number of changes in its activities, the consequences of which are described below.

# PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

*In Ukrainian Hryvnias and in thousands, unless otherwise indicated*

---

### **Impact on the Group's financial results**

Based on the results of operations for 2025, the Group reported a loss of UAH 10.7 billion (2024: loss of UAH 38.0 billion).

The key factors that had a positive impact on the Group's financial performance in 2025 compared to the previous year were as follows:

- Revenue from electricity transmission services increased by UAH 13.0 billion, or 26%, primarily driven by an increase in the tariff for electricity transmission from the beginning of 2025 by almost 30%, from 528.57 UAH/MWh to 686.23 UAH/MWh. At the same time, the volume of electricity transmission during 2025 decreased by 3.1% compared to the same period of the previous year, mainly due to large-scale attacks on Ukraine's energy infrastructure, which resulted in a significant electricity deficit in the Integrated Power System of Ukraine at the end of 2025. Meanwhile, revenue from dispatch (operational and technological) control services decreased by UAH 1.5 billion, or 8%, mainly due to a 5% reduction in the tariff for dispatch (operational and technological) control for 2025 compared to the previous year, from 104.57 UAH/MWh to 98.97 UAH/MWh, as well as a 2.5% decrease in electricity transmission and supply volumes (Note 21). In addition, the decline in electricity transmission and supply volumes compared to planned levels continued in January–February 2026 (Note 33).
- Expenses related to the recognition of expected credit losses on trade accounts receivable decreased by UAH 8.6 billion, or 60%, due to the absence of a significant deterioration in the credit quality of receivables compared to the previous year (Note 9).
- In 2025, no loss of UAH 25.0 billion was recognised in connection with the revision of estimated contractual cash flows and the adjustment of the amortised cost of the financial liability under "green" sustainability-linked bonds (the "Eurobonds 2028") to their full nominal value, including all accrued and unpaid interest, following a technical default. In 2024, the Group was not legally able to make payments of current and deferred coupons under its Eurobonds 2028 obligations, which constituted an event of default (technical default) (Notes 14 and 27).
- Interest expenses on loans and borrowings decreased by UAH 2.4 billion, or 28%, mainly due to the revision of estimated contractual cash flows and the adjustment of the amortised cost of the financial liability under the Eurobonds 2028 to their full nominal value, including all accrued and unpaid interest at the end of 2024, as a result of the temporary suspension of payments under the Eurobonds 2028 in 2024 (Notes 14 and 27).

At the same time, the following factors had a negative impact on the Group's financial performance in 2025 compared to the previous year:

- The financial result from operations on the domestic balancing market deteriorated by UAH 8.0 billion, and expenses related to the settlement of system constraints increased by UAH 1.3 billion, or 40%, mainly as a result of changes in the approach to the formation of imbalance and balancing energy prices. This led to a widening gap between the Group's revenue and costs on the balancing market in 2025 (Notes 21 and 22).
- PSO RES costs increased by UAH 3.7 billion, or 13%, primarily due to a 3% increase in the weighted average "green" tariff as a result of the depreciation of the Ukrainian hryvnia against the euro, a 14% decrease in the weighted average selling price of electricity from RES by SE "Guaranteed Buyer", and a 17% increase in electricity generation from RES by private households. At the same time, electricity generation from RES by industrial producers selling electricity at the "green" tariff decreased by 10% (Note 22).
- Expenses for the purchase of electricity to compensate for technical losses increased by UAH 3.1 billion, or 25%, due to higher market electricity prices (Note 22). Pursuant to the Resolution of the Cabinet of Ministers of Ukraine No. 1597 dated 5 December 2025, the Group is allowed to participate in special sessions for the sale of lot packages under bilateral contracts. These changes enable the Group to reduce expenses for electricity purchases to cover technical losses in 2026 (Note 33).
- Impairment losses on non-current assets increased by UAH 1.4 billion, or 95%, driven by significant damage to the Group's assets as a result of large-scale attacks on Ukraine's energy infrastructure at the end of 2025, which continued in early 2026 (Note 33).

# PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

*In Ukrainian Hryvnias and in thousands, unless otherwise indicated*

---

- Foreign exchange losses amounted to UAH 5.6 billion, arising from loans and borrowings denominated in foreign currencies, as a result of the depreciation of the Ukrainian hryvnia during 2025: the UAH/USD exchange rate increased by 0.35 UAH, or 0.8%, and the UAH/EUR exchange rate increased by 5.93 UAH, or 13.5%.

Despite significant challenges and the unpredictability of the course of hostilities, the Group fully ensures its ongoing operations, continues and plans to continue to provide sustainable electricity transmission and dispatch (operational and technological) control services, carry out power system balancing activities, and implement measures aimed at maximising the efficient use of its existing potential and expanding the Group's future capabilities, including further integration into ENTSO-E operational processes and maximising the use of electricity import and export opportunities between Ukraine and EU countries.

### ***Impact on the condition of the Group's assets***

In 2022–2025, Ukraine's energy sector faced an unprecedented stress test due to attacks by Russian missiles and drones. According to the Ministry of Energy of Ukraine, in 2025 alone the Russian Federation carried out more than 3,000 attacks on Ukraine's energy infrastructure, including combined missile and drone strikes on thermal, hydro and solar power plants, substations and electricity transmission networks. The total capacity of generation facilities occupied or destroyed since 2022 amounts to approximately 18 GW. Overall, the condition of Ukraine's power system in 2025 is assessed as controlled, while facing numerous challenges resulting from military aggression and the destruction of critical infrastructure.

Despite the scale of the damage, Ukraine's power system has demonstrated a high degree of flexibility, resilience and adaptability. Owing to the efforts of energy sector personnel, the authorities and international support, the power system remains operational and is gradually recovering. The Group, in cooperation with other companies and the state, continues to develop and implement measures aimed at strengthening the power system. At the same time, support for renewable energy is being expanded, infrastructure is being modernised, and backup capacity is being developed to ensure the stability and reliability of electricity supply under wartime conditions. Meanwhile, enhancing the security of energy facilities requires strengthening Ukraine's air defence capabilities and improving the physical protection of energy infrastructure.

According to preliminary estimates, the main consequences of the war on the Group's assets are the following:

- As a result of numerous missile strikes since October 2022, part of the Group's energy infrastructure, particularly high-voltage substations, has been damaged or destroyed. In addition, as of 31 December 2025, part of the Group's assets is located in temporarily uncontrolled territory. The Group does not disclose the total carrying value of assets destroyed or damaged as a result of missile strikes, or information on assets located in temporarily uncontrolled territory, as such information is sensitive and may be classified as restricted information, including in relation to critical infrastructure facilities.
- Electricity is not supplied to the temporarily occupied territory of Ukraine, except for the supply of electricity to the Zaporizhzhia NPP in order to prevent emergency situations at the nuclear facility. The condition of power transmission lines and substations located in temporarily uncontrolled territory cannot be assessed due to lack of access.
- In the event of an electricity deficit in the system, priority is given to electricity imports. In November 2025, the available import capacity from the EU to Ukraine and Moldova was increased to 2,300 MW, and from the beginning of 2026 to 2,450 MW. Since March 2025, import limits have been subject to monthly review by transmission system operators in order to promptly respond to changes in system conditions and supply arrangements. The Group and the state continue to actively work on further increasing cross-border transmission capacity for electricity imports. In addition, the Group, as a transmission system operator, where necessary, engages emergency assistance from transmission system operators of neighbouring countries and, in the most critical situations, applies emergency load shedding.

## PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

*In Ukrainian Hryvnias and in thousands, unless otherwise indicated*

---

- In December 2025, the transmission system operators (TSOs) of Ukraine, Slovakia, Hungary and Romania launched monthly auctions for the long-term allocation of cross-border transmission capacity for January 2026. For Ukraine, this provides an opportunity for more effective price forecasting and, in the longer term, a reduction in the cost of imported electricity. At a broader level, the introduction of monthly auctions contributes to closer integration of the Ukrainian and European electricity markets and enhances the resilience of the integrated power system of Ukraine.
- During 2023–2025, the Group implemented projects aimed at constructing physical protection for energy facilities, i.e., engineering fortifications, which are expected to significantly improve resilience to missile and drone strikes. The impact of attacks on the Group's substations was reduced by at least two times due to the implementation of two levels of protection.
- The Group is actively working to create attractive conditions for investors in the electricity market with a view to developing its own generation and energy storage systems, which will enhance the security and resilience of Ukraine's power system. Strengthening the resilience of the power system to such missile attacks requires the decentralisation of generation capacity, which would be more resistant to such attacks due to its dispersed nature, and should comprise a mix of different generation types. In addition to solar and wind power plants, which are highly dependent on weather conditions, balancing technologies are required, including highly flexible gas-fired power plants, energy storage systems, and modern thermal generation based on biogas and other renewable fuels.
- In 2025, the Group conducted a series of long-term special auctions for the procurement of ancillary services in the electricity market, including automatic frequency restoration reserves and frequency containment reserves. As a result of four such auctions, up to 810 MW of fast reserves were contracted, including new generation facilities expected to support the balancing of the power system. The auction winners will enter into fixed-price contracts denominated in euro with the Group for a period of five years, with a one-year deferral of the commencement of service provision. This is expected to strengthen the power system and reduce electricity shortages during peak hours, thereby decreasing the need for emergency assistance and reducing the incidence of consumption restrictions.
- As a result of the first two special auctions for the long-term procurement of ancillary services held in August 2024, 423 MW of new balancing capacity was added to Ukraine's power system in 2025. The largest share of this new balancing capacity consists of energy storage systems ("ESS"), with a total capacity of 398 MW. In addition, newly constructed gas engine power plants with a total capacity of 25 MW provide fast reserve services.
- The Ukrainian energy sector has received and continues to receive humanitarian and technical assistance in the form of energy equipment from international partners. Significant grant support is provided by partners, including the United Nations Development Programme, the Energy Community, the Japan International Cooperation Agency (JICA), the European Bank for Reconstruction and Development (EBRD) and Kreditanstalt für Wiederaufbau (KfW), which enables the procurement of critical equipment for the restoration of networks.
- During 2022–2025, the Group cooperated with international financial institutions to ensure the effective use of previously raised funds for the restoration of damaged networks and facilities and to support the Group's liquidity, including through the repurposing of existing loan agreements, as well as the attraction of additional financial resources for the rapid recovery of the network and the resilience of the power system. The total amount of loan and grant funding raised, together with repurposed existing loans, in 2022–2025 amounted to approximately EUR 1.4 billion and was primarily used for the procurement of equipment for the restoration and modernisation of the power system (Notes 14 and 16).
- The Group records all damage to its assets and assesses losses resulting from the war. The Group is developing a legal mechanism to protect its interests in obtaining compensation for such damages. One of the most influential international energy organisations in Europe, the Energy Community, of which Ukraine has been a member since 2010, will support the Group in pursuing claims against the Russian Federation and seeking compensation for damages caused to the Group's transmission networks. A relevant Memorandum was signed between the Group and the Energy Community Secretariat.

# PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

*In Ukrainian Hryvnias and in thousands, unless otherwise indicated*

---

### ***Impact on the financial condition of the Group***

#### *Trade accounts receivable*

With the onset of the full-scale war, the solvency of a significant portion of consumers has deteriorated or been lost. The level of settlements in the electricity market has deteriorated significantly. The electricity market experienced a shortage of funds due to weakened solvency, bankruptcies of end consumers, and the destruction of their infrastructure.

In 2025, the Group's gross accounts receivable increased by UAH 4.1 billion, or 6% (from UAH 66.5 billion to UAH 70.6 billion), mainly due to an increase in receivables on the balancing market.

At the same time, during the period of martial law, the Group has limited ability to stimulate the collection of receivables from market participants, which has significantly contributed to the deterioration of settlement discipline and the increase in the Group's accounts receivable during 2022–2025. During the reporting period, expected credit losses on trade accounts receivable amounted to UAH 5.8 billion, primarily due to an increase in overdue receivables and delays in payments on the balancing market from various categories of market participants (Note 9).

To address the settlement crisis and reduce debt among electricity market participants, the Group, market participants, and government authorities have implemented and continue to develop the following measures:

- Development and implementation of mechanisms to reduce debt in the balancing market, including through the introduction of a mechanism for interaction between "protected" consumers / critical infrastructure facilities and electricity suppliers, as well as the identification of funding sources for their electricity procurement costs, and addressing the issue of unregulated unauthorized electricity consumption.
- In view of the need to balance inflows and outflows in the special account of the balancing market, which affects the performance of all balancing market participants, as well as to ensure an even distribution of the financial burden on transmission system operator tariff payers, the Group has developed and submitted to the NEURC proposals to eliminate the causes of the negative financial result on the balancing market (amendments to the Resolution of the NEURC No. 332 dated 25 February 2022). On March 24, 2026, these changes were approved by the regulator, which will allow, starting from April 01, 2026, to balance revenues and costs in the relevant market segment (Note 33).
- Active engagement with the NEURC to set tariffs for 2027 and future years at a level that will fully cover all economically justified costs, including residual deficit amounts subject to compensation based on the results of reviews of licensed activities for 2023–2025 and not included in the tariffs for 2025–2026, which will enable the Group to fully settle for goods and services with market participants, thereby increasing overall liquidity in the electricity market.
- Implementation, pursuant to the Laws of Ukraine No. 4213-IX dated January 14, 2025 and No. 4777-IX dated February 10, 2026, of the mechanism allowing the Group to use the total amount of excess income received from dispatch (operational and technological) control services in 2023 and 2024, as well as funds received in 2025 from granting access to the transmission capacity of interstate power networks of Ukraine, to repay its trade accounts payable, which in turn will increase liquidity in the electricity market and improve settlements among market participants (as detailed earlier in Note 2 and Note 33).

The Group continues to assess and manage its credit risks, analyse the condition of its receivables and actively cooperate with counterparties, the regulator and the Ministry of Energy of Ukraine. Management expects that in future periods it may revise its assessment of the probability of repayment of receivables by market participants, taking into account the ongoing volatility of the course of hostilities, changes in the economic environment, international support and other factors.

# PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

*In Ukrainian Hryvnias and in thousands, unless otherwise indicated*

---

### *Trade accounts payable*

During 2025, the Group's accounts payable remained broadly unchanged, increasing by UAH 0.2 billion, or 0.4% (from UAH 47.2 billion to UAH 47.4 billion). This reflects an increase in the Group's payables on the balancing market by UAH 5.6 billion and curtailment of RES production services by UAH 1.0 billion, offset by a decrease in PSO RES payables by UAH 6.8 billion. However, the amount of overdue accounts payable increased by UAH 9.3 billion, or 29% (from UAH 31.5 billion to UAH 40.8 billion), mainly as a result of the widening gap between the Group's revenue and expenses on the balancing market, which led to a rise in the Group's liabilities to market participants (as detailed earlier in Note 2).

Given the need to balance inflows and outflows on the special account of the balancing market, which affects the performance of all balancing market participants, as well as to ensure an even distribution of the financial burden on transmission system operator tariff payers, the Group has developed and submitted proposals to the NEURC to eliminate the causes of the negative financial result on the balancing market (amendments to the Resolution of the NEURC No. 332 dated 25 February 2022). On March 24, 2026, these changes were approved by the regulator, which will allow, starting from April 01, 2026, to balance revenues and costs in the relevant market segment (Note 33).

At the same time, during 2025, the Group applied the mechanism introduced by the Law of Ukraine No. 4213, under which the Group directed approximately UAH 12.0 billion (VAT included) to settle its payables (as detailed earlier in Note 2).

In addition, pursuant to the Laws of Ukraine No. 3915-IX dated 21 August 2024 and No. 4777-IX dated February 10, 2026, the Group was permitted to use funds received from granting access to the transmission capacity of interstate power networks of Ukraine in 2024-2025 to settle its liabilities on the balancing market and for PSO RES (as detailed earlier in Note 2 and Note 33). Revenue from granting access to the transmission capacity of interstate power networks of Ukraine amounted to UAH 2.5 and 1.9 billion in 2025 and 2024, respectively (Note 21).

### *Loans and borrowings*

The main effects of the war on loans and borrowings received by the Group were as follows:

- As a result of the events described in Note 14, on November 09, 2024, due to the adoption of several regulations that make it impossible for the Group to make the payment of the current and deferred coupons under the Eurobonds 2028, which constituted an event of default (technical default) under respective obligations. As a result of the technical default on the Eurobonds 2028, as of 31 December 2025, part of the long-term liabilities under loans and borrowings was reclassified from non-current to current liabilities, namely:
  - UAH 35.0 billion of obligations under Eurobonds 2028, as an event of default gives creditors the right to demand early repayment of the full amount of the debt under Eurobonds 2028, and the Group did not have the right to postpone the repayment of these obligations for at least twelve months after the reporting period;
  - UAH 37.0 billion of obligations on some loans from IFIs and state-owned banks due to the application of cross-default provisions.

As of 31 December 2025, the total carrying amount of loans and borrowings in technical default or cross-default, which were fully classified as current liabilities, is UAH 87.2 billion.

As of the date of approval of these consolidated financial statements, the Group has not received any notice from creditors regarding the immediate payment of any amounts due under the Eurobonds 2028 or loans from IFIs and state-owned banks. The Group communicates with creditors regarding the restructuring process of the Eurobonds 2028 on a regular basis and assures its operational and financial stability.

## PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

*In Ukrainian Hryvnias and in thousands, unless otherwise indicated*

---

- In April 2025, a preliminary agreement was reached regarding the terms of the debt management operation for the Eurobonds 2028 with the Ad Hoc group of bondholders. In July 2025, the Group announced a delay in the execution of the debt management operation, which was related to the resolution of certain financing requirements. The Group is focusing its efforts on implementing the agreements reached with the Ad Hoc group of bondholders as quickly as possible, which will contribute to the Group's long-term financial stability (Note 14).
- On July 04, 2025, the Group received a waiver letter from the EIB of its right to demand early repayment of Loan No. FIN 87.554 Serapis No. 2017-0155, which arose as a result of non-compliance with financial covenants as of 31 December 2024 and the temporary suspension of payments under the Eurobonds 2028 (technical default). Accordingly, as of 31 December 2025, the Group classified this loan as non-current in the consolidated statement of financial position.
- As a result of the technical default on the Eurobonds 2028 in November 2024, the contractual cash flows under this financial instrument were revised, and additional finance costs in the amount of UAH 25.0 billion were recognised in the consolidated statement of profit or loss and other comprehensive income for 2024 (Note 27).
- As of 31 December 2025, the Group was not in compliance with certain financial covenants under loans from IFIs (Note 14). The Group will take all possible measures to improve its financial position and, accordingly, its compliance with financial covenants; however, it is expected that certain financial covenants may not be met in future periods as a result of the impact of the war on the Group's operations. The Group intends to obtain waivers in advance for future periods, if necessary, in order to avoid potential breaches of financial covenants under its loans and borrowings.
- As a result of the amendments to the charter of NPC "Ukrenergo" made by the Ministry of Energy of Ukraine in May 2025 without prior notification to the EBRD, the requirements of the loan agreements with the EBRD were violated (Note 14). As a result, in June 2025, the Bank notified the Ministry of Energy of Ukraine, the Ministry of Finance of Ukraine and the Group about the reservation of its rights to terminate further financing and the possible demand of early repayment of the Group's and the state's obligations under the loan agreements with the EBRD. To resolve this matter, the Ministry of Energy of Ukraine held consultations with the EBRD, and on July 01, 2025 and February 13, 2026, amendments to the Charter of NPC "Ukrenergo" were introduced, which had been agreed in advance with the international financial institutions and other stakeholders in accordance with the requirements of legislation and loan agreements (Note 33).
- With the onset of the war in 2022, the Group suspended repayments of principal on UAH-denominated loans from state-owned banks due to force majeure circumstances and agreed payment holidays with creditor banks. During 2023–2026, the Group's management regularly agreed with state-owned banks on the deferral of repayment of outstanding principal under the loans to later periods (Notes 14 and 33).
- During 2025, the Group made timely and full repayments of principal and interest on loans from IFIs and state-owned banks in accordance with the agreed terms of the loan agreements.
- During 2022–2025, the Group entered into a number of grant agreements with a total value of approximately EUR 600 million in order to attract additional financial resources for the rapid recovery of the network and to enhance the resilience of the power system.
- The Group continues to cooperate and maintain active communication with IFIs regarding the attraction of loans and borrowings for working capital needs and for the restoration of equipment damaged or destroyed by missile attacks. The Group actively leverages its status as a transmission system operator, which is currently a full member of the European ENTSO-E community, enjoys a high level of trust from international partners, and is successfully attracting financing primarily aimed at restoring equipment damaged or destroyed by missile attacks and at repaying the Group's liabilities to market participants.
- Part of the Group's loans and the Eurobonds 2028 are denominated in foreign currencies, and changes in exchange rates have a significant impact on the Group's financial performance (Note 32). However, given that the Group's foreign currency loans and borrowings are long-term, the impact of exchange rate fluctuations on the Group's cash flows over the next twelve months from the date of approval of these consolidated financial statements is limited.

# PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

*In Ukrainian Hryvnias and in thousands, unless otherwise indicated*

---

### ***Management's plans and the Group's ability to continue as a going concern***

For the purposes of assessing the going concern assumption, management has prepared a cash flow projection scenario for the 12 months period ended March 2027 based on the following key assumptions:

- no further significant advancement of Russian troops into the territory of Ukraine and no further escalation of hostilities that could materially affect the Group's assets;
- no significant further deterioration in electricity consumption and transmission in Ukraine as a result of the war;
- an increase in interconnector capacity, which will partially offset reduced domestic generation capacity, and further transformation of the transmission network, contributing to improved electricity supply to specific nodes and supporting the development of decentralised generation;
- strengthening of the physical protection of the Group's facilities, enhancement of air defence capabilities and a reduction in the effectiveness of missile attacks on energy infrastructure;
- as required by law, all economically justified costs of the Group will be covered by tariffs for electricity transmission and dispatch (operational and technological) control services, which are regulated and approved by the NEURC. Any differences between actual and planned costs in current periods are to be reflected in tariffs for subsequent years;
- cooperation with international partners to attract grants, international technical assistance, and concessional loans and borrowings, including for the restoration of assets, in order to replace and reduce the cost of debt capital in the Group's financing structure (without a significant increase in total debt);
- achieving financial neutrality in the balancing market, including the settlement of receivables from "protected" consumers and critical infrastructure facilities, and the establishment of balanced pricing;
- implementation of additional mechanisms in the electricity market to halt the accumulation of debt and improve the level of settlements;
- completion of the restructuring of the Eurobonds 2028 in 2026, which will contribute to the long-term financial stability of the Group.

Under this scenario, management expects to have sufficient liquidity to settle external debt in accordance with the agreed schedules throughout the entire forecast period. However, it remains uncertain how hostilities will further develop and what impact this may have on the Group's operations, the physical security of its assets, electricity transmission and tariffs for the Group's services. In the event of a deterioration in the military situation, management expects that it will still be able to apply liquidity mitigation measures to ensure the continued uninterrupted operation of the Group.

As part of management's going concern assessment, the Group continuously updates its long-term model to reflect the latest developments, including potential changes in transmission volumes, tariffs set by the NEURC, repayment schedules of loans and borrowings, and the creditworthiness of debtors, etc.

The Group also considers a negative scenario, which may include a significant escalation of hostilities with a potential expansion of affected areas within Ukraine, substantial damage to energy infrastructure, a significant reduction in international support for Ukraine, the easing of sanctions against the Russian Federation, and a material outflow of the labour force abroad. However, given the high degree of uncertainty related to (i) the development, outcomes and intensity of hostilities, their impact on the population and business activities in affected areas, as well as their potential escalation and spread to other regions of Ukraine; or (ii) the possible political and socio-economic consequences of the war and a significant reduction in international support for Ukraine, the Group's management is unable to reliably assess all significant implications for its operations under such a negative scenario.

# PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

*In Ukrainian Hryvnias and in thousands, unless otherwise indicated*

---

Given the stabilisation of hostilities since the second half of 2022 and their geographical concentration in the East and South of Ukraine, the unprecedented political, economic and military support provided to Ukraine by international partners, as well as the political and economic stability of Ukraine as of the date of approval of these consolidated financial statements, the Group's management believes that the realisation of a negative scenario is unlikely.

The results of modelling based on these scenarios indicate that, taking into account the approved tariffs for the Group's services for 2026, the successful further deferral of payments and reduction of interest rates on loans from state-owned banks, the agreements reached with existing investors in April 2025 and the potential completion of the restructuring of the Eurobonds 2028 in 2026, as well as the agreement of new projects for the restoration and modernisation of assets with IFIs financed through grants, international technical assistance and concessional loans and borrowings, management believes that the Group has sufficient economic resources to continue its operations in the foreseeable future.

The full extent of the impact of further developments in the war on the Group's operations remains uncertain; however, the potential impact could be significant. Management notes that the development, duration and consequences of the war are subject to significant uncertainty. In addition to hostilities, the Group's performance may be materially affected by factors beyond its control, and the Group has limited ability to mitigate such risks, including the approval of tariffs for the Group's services, bankruptcy and insolvency of market participants, changes in exchange rates, changes in electricity consumption, and changes in the prices of goods and services due to inflation. Accordingly, the estimates and assumptions applied by management in assessing the impact of the war on the Group's financial position and operations may change materially in the future as circumstances evolve.

It is worth noting that in accordance with the legislation and regulatory acts, all economically reasonable costs of the Group must be covered by tariffs for the services of electricity transmission and dispatch (operational and technological) control, which are regulated and approved by the NEURC. Any differences between the actual and planned costs of the current periods should be reflected in the tariffs for the following years.

Management acknowledges that the future development and duration of the war, as well as potential non-compliance with debt obligations, represent a major source of material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Despite the significant uncertainty associated with the war in Ukraine, management continues to take measures to mitigate its impact on the Group and, accordingly, considers it appropriate to prepare these consolidated financial statements on a going concern basis.

In addition, the state, as the owner of the Group, considers its critical importance as the sole transmission system operator in Ukraine to ensure security of electricity supply. Thus, the state is directly interested in the stable work of the Group and will, if necessary, support the activities of the Group in the future.

# PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

*In Ukrainian Hryvnias and in thousands, unless otherwise indicated*

---

### 3. MATERIAL ACCOUNTING POLICIES

#### Statement of compliance

These financial statements are the Group's consolidated financial statements prepared in accordance with International Financial Reporting Standards (hereinafter – the "IFRS") and subject to the requirements of current legislation regarding the formation and presentation of consolidated financial statements.

In accordance with p.5 of Article 12.1 of the Law of Ukraine "On Accounting and Financial Reporting in Ukraine" No. 996-XIV dated 16 July 1999 (as amended), entities that apply IFRS for the preparation of financial statements shall prepare and submit financial statements and consolidated financial statements to state authorities and other users upon request, in the manner prescribed by this Law, based on the IFRS financial reporting taxonomy in a unified electronic format determined by the central executive body responsible for the formation and implementation of state policy in the field of accounting and auditing (hereinafter – "XBRL"). As of the date of issuing of these consolidated financial statements, the UA XBRL IFRS Taxonomy 2025 has been published on the portal of the Financial Reporting System Center. The Group's management is planning to prepare the XBRL report and submit it within the established deadlines during 2026.

#### Basis for preparation of the consolidated financial statements

These consolidated financial statements of the Group were prepared on the basis of the historical value principle, with the exception of items of property, plant and equipment that are measured at revalued cost as explained in the accounting policies below.

Historical value is usually determined based on the fair value of consideration given in exchange for goods and services.

Fair value is defined as the price that will be obtained as a result of the sale of an asset or paid as a result of the transfer of a liability in a regular transaction between market participants at the measurement date, regardless of whether this price is subject to direct observation or measurement using another valuation methodology. When measuring the fair value of an asset or a liability, the Group takes into account the characteristics of the relevant asset or liability, as if market participants took these characteristics into account when determining the price of the asset or liability at the measurement date.

Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on the following basis, with the exception of leases that fall within the scope of IFRS 16 *Leases*, and measurements that are quite similar to the fair value but are not fair value, such as net realizable value under IAS 2 *Inventories* or value in use under IAS 36 *Impairment of Assets*.

In addition, for the purposes of the consolidated financial statements, fair value measurements are categorized at Levels 1, 2, or 3, depending on the extent to which the inputs used for fair value measurements are observable and the importance of such inputs for the overall fair value measurement, which can be set out as follows:

- Level 1 inputs represent quotation prices (unadjusted) in active markets for identical assets or liabilities available to the entity at the measurement date;
- Level 2 inputs represent input data (other than the quote prices assigned to Level 1) that can be observed for an asset or a liability, directly or indirectly; and
- Level 3 inputs represent inputs for an asset or a liability that are not observable.

These policies have been consistently applied to all presented periods, unless otherwise stated.

# PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

*In Ukrainian Hryvnias and in thousands, unless otherwise indicated*

---

### **Basis for consolidation**

Subsidiaries are companies under the Group's control. Control is achieved when the Group has the power over an investee, is exposed to risks, or has rights over variable performance of the investee; and has the ability to use its power over the investee to influence its operating results. Subsidiaries are consolidated from the date when control passes to the Group (on the date of acquisition or establishment) and stop consolidating from the date when control is lost.

Intragroup transactions, transaction balances and unrealized gains or losses from such transactions are eliminated in full during consolidation. If necessary, the accounting policies of subsidiaries are amended to ensure their compliance with the policy adopted by the Group.

The Group reassesses the presence or absence of control if the facts or circumstances indicate a change in one or more of the above controls.

If the Group has an overwhelming majority of voting rights in the investee, it continues to assess whether these voting rights are sufficient to ensure its practical ability to manage significant activities alone and whether the Group's voting rights are sufficient to grant it authority over the investee.

The Group considers all relevant facts and circumstances when assessing whether the Group's voting rights in the investee are sufficient to grant it power over it, including:

- the size of the package of votes held by the Group in comparison with the size and degree of dispersion of packages of other voting rights holders;
- potential voting rights held by the Group, other holders or other parties;
- rights arising from other contractual agreements; and
- any additional facts and circumstances that indicate that the Group has or does not have the ability to manage significant activities during the period when a decision needs to be made, including the order of distribution of votes during voting at the previous shareholders' meeting.

### **Functional currency and presentation currency**

The functional currency of Ukrainian companies of the Group is the Ukrainian Hryvnia ("UAH"), and the Group's subsidiary EUkrenergo in Belgium is the Euro ("EUR").

The presentation currency of these consolidated financial statements of the Group is the Ukrainian Hryvnia ("Hryvnia" or "UAH"). All amounts reflected in the consolidated financial statements are presented in hryvnias, rounded to thousands, unless otherwise specified.

### **Foreign currency transactions**

Transactions in currencies other than the functional currency of the Group's companies are considered foreign currency transactions and are translated into the functional currency using the currency exchange rate that prevailed on the dates of the corresponding transactions. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rates that were in effect at the reporting date. Non-monetary items that are valued at their historical value in a foreign currency are translated using currency exchange rates as of the dates of initial transactions. Non-monetary items that are measured at fair value in a foreign currency are translated using currency exchange rates at the date of the fair value measurement. Exchange differences are recognized in profit or loss in the period in which they arise. Foreign exchange differences resulting from operating activities are recorded as other operating expenses or income, while other foreign exchange differences are presented separately in the statement of profit or loss.

# PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

*In Ukrainian Hryvnias and in thousands, unless otherwise indicated*

The exchange rates used in the preparation of these consolidated financial statements were presented as follows:

Currency	As of 31 December 2025	Average currency exchange rate for 2025	As of 31 December 2024	Average currency exchange rate for 2024
UAH / US Dollar	42.39	41.69	42.04	40.16
UAH / Euro	49.86	47.06	43.93	43.46

### Segment reporting

The operating segments presented in these consolidated financial statements are consistent with the structure of financial information, which is regularly reviewed by the Group's management. The Management Board is the main body that makes operational decisions of the Group. Segments whose income, results of operations or assets represent ten percent or more of the results of all segments are shown separately. Segments whose results do not exceed this threshold may be shown separately at the discretion of management. The Group does not provide information on the assets and liabilities of segments, as the Group's management does not review such information for decision making.

### Revenue recognition

The Group generates revenues on varied types of activities, the primary of which include electricity transmission and dispatch (operational and technological) control services, services of granting access to the transmission capacity of interstate power networks, and sale of electricity during cross-border flows. Due to implementation of new electricity market in Ukraine, the Group started to participate in the balancing market and to purchase and sell balancing electricity and electricity to settle imbalances.

The Group's clients are electricity producers, traders, suppliers, distribution system operators, and other electricity market participants that pay the Group for transferred services related to the use of the Group's electricity transmission system.

The Group recognizes revenue in an amount that reflects the amount of consideration to which the Group is expected to be entitled in exchange for these services under the contracts. Such consideration does not include trade discounts and value-added tax ("VAT"). The Group uses a five-step model to recognize revenue:

- identifying a contract with customer;
- identifying performance obligations in the contract;
- determining the transaction price;
- distribution of the transaction price by performance obligations in contracts;
- recognition of sales revenue when (or as) the Group satisfies its performance obligations.

The Group recognizes revenue when (or as) the performance obligation is satisfied, i.e., when control over the goods or services that accompany the fulfillment of specific obligations has been transferred to the customer.

The Group recognizes revenue from the following types of activities as services for sale of goods are provided. In addition, the Group recognizes its obligations as a series of separate services and goods that are in substance the same and are transferred to the customer on the same principle:

- Revenue from electricity transmission and dispatch (operational and technological) control services;
- Revenue from electricity sales on the balancing market;
- Revenue from granting access to the transmission capacity of interstate power networks;
- Revenue from electricity sales during cross-border flows;
- Revenue from connection to electricity transmission system.

## **PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025**

***In Ukrainian Hryvnias and in thousands, unless otherwise indicated***

---

The Group uses practical expedient for the above revenue since the Group is entitled to consideration from the customer in an amount that directly corresponds to the value of the obligation for the client performed by the Group, and therefore revenue from ordinary activities is recognized in the amount for which the Group is entitled to issue an invoice.

#### ***Revenue from electricity transmission and dispatch (operational and technological) control services***

Revenue from electricity transmission (transportation of electricity from places of generation to places of distribution and consumption) is defined as (i) the sum of the product of volume of transmission (consumption), including the export of electricity and the tariff for electricity transmission services; and (ii) the product of the sum of the volume of transmission (consumption) of electricity, including the export of electricity, the volume of released electricity by producers of electricity, the volume of import of electricity and the tariff for dispatch (operational and technological) control services.

Electricity transmission and dispatch (operational and technological) control services are evaluated according to the transmitted units of electricity and do not depend on the transmission distance, do not contain discounts according to the amount of transmitted electricity, and do not depend on other contracts and services of the Group. Control over the rendered services is transferred as the Group fulfills its obligations, because buyers simultaneously receive and consume benefits from fulfilling the Group's obligations.

Tariffs for electricity transmission and dispatch (operational and technological) control services are approved by the NEURC. Separate contracts are concluded with each participant of the electricity market for the provision of electricity transmission and dispatch (operational and technological) control services.

Payments for the rendered services of electricity transmission and dispatch (operational and technological) control services are made on the terms of advance payments before the delivery date, with the corresponding balance payment immediately after the fulfillment of the obligation and issuing the final invoice.

As described in Note 2, the Group should fulfill public service obligation to ensure the public interest in increasing the share of energy production from alternative sources, which concerns consideration to producers of electricity from renewable sources of the difference between the "green" tariff determined by legislation and the sale price of this electricity on the market. This obligation is included in the tariff for electricity transmission services. The Group recognizes revenue from ordinary activities for such consideration since there is no direct obligation to transfer a portion of the proceeds to third parties from the amount of funds received for electricity transmission services.

#### ***Revenue from electricity sales on the balancing market***

The Group ensures the sufficiency of the volumes of electric capacity and electricity required for real-time balancing, particularly the commercial balance, for which it purchases and sells electricity to balance the volumes of supply and demand of electricity within the current day and in order to resolve the imbalances of electricity of the parties responsible for the balance in the balancing market. The cost of electricity imbalances for the party responsible for the balance is calculated by the Group for each hour of the day based on the volume of electricity imbalances caused by this party and the prices of electricity imbalances determined according to Market Rules. Payments are made on 10-day payment basis immediately after the obligation is fulfilled and invoices are issued.

The Group reflects income and expenses from the purchase/sale of balancing electricity and electricity to settle imbalances on a gross basis, as it considers itself acting as a principal in the sale of electricity on the balancing market. According to the legislation, the Group is ultimately responsible for maintaining the balance in the system.

# PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

*In Ukrainian Hryvnias and in thousands, unless otherwise indicated*

---

### ***Revenue from granting access to the transmission capacity of interstate power networks***

Distribution of the free transmission capacity of interstate power networks is carried out by the Group according to the procedure of electronic auctions using electronic document management and electronic digital signature. Electricity suppliers get access to the transmission capacity of interstate power networks based on the results of annual, monthly and daily auctions. For several interconnection directions with EU member states, long-term transmission rights auctions are jointly organised via the Joint Allocation Office (JAO) platform, while day-ahead capacity allocation is performed jointly by the neighbouring transmission system operators (TSOs) in line with the applicable coordinated market rules.

If the total demand for the transmission capacity of interstate power networks is lower than the free transmission capacity of interstate power networks, the access service is provided free of charge to all auction participants. Otherwise, the access service is provided on the principle of priority satisfaction of bids from auction participants who offer the highest price. In this case, the price of access to capacity in the corresponding direction is determined at the minimum price from the satisfied bids of auction participants. Revenue from providing services on granting access to the transmission capacity of interstate power networks is determined based on the price set at the auction, the amount of distributed capacity, and the period for granting such access.

Payments for services on granting access to the transmission capacity of interstate power networks allocated via the EAP platform (Ukrenergo) are made through direct debit to Ukrenergo's account on the sixth banking day. Payments for cross-border transmission capacity allocated via the JAO platform are made by transferring funds to Ukrenergo's bank account no later than the 20th business day of the month following the delivery month.

### ***Revenue from electricity sales during cross-border flows***

FSkar (Financial Settlement of KAf, ACE and ramping period) is the process for calculating and financially settling flow imbalances/deviations between the IPS of Ukraine and the Continental Europe synchronous area, based on ENTSO-E data. Under the agreement, financial settlement is performed for deviations between actual and scheduled electricity flows during parallel operation with ENTSO-E, in accordance with the FSkar process established by Regulation (EU) 2017/2195.

Revenue is recognised in the amount of the deviation between actual and scheduled flows, with monthly determination of quantities and values based on the relevant data. The settlement period is the calendar month. The confirmation of quantities and values is based on the monthly ENTSO-E report and subsequent exchange of documentation between the parties. The payment term is up to 30 banking days.

The Group recognizes revenue from the sale of electricity during cross-border flows as goods are provided. The Group reflects income and expenses from the purchase/sale of electricity during cross-border flows on a gross basis, as it considers itself acting as a principal in the sale of electricity.

### ***Revenue from connection to electricity transmission system***

When connecting electrical installations to electricity transmission system, customers must pay the connection fee based on the actual construction costs of the infrastructure required to connect to the network. Agreements on connection are qualified as contracts with customers in accordance with IFRS 15 *Revenue from Contracts with Customers*.

Revenue from such services is recognized as the services are rendered. Thus, revenue from agreements on connection is recognized in profit or loss on a straight-line basis over the period of use of the network connection by the customer. This solution corresponds to the economic essence of operations: it is reasonable to recognize revenue from connection services during the period of use of the connection. In addition, the service provided to the customer does not consist in the connection itself, but in its use: the client simultaneously receives and consumes its right to use the connection provided by the Group.

# PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

*In Ukrainian Hryvnias and in thousands, unless otherwise indicated*

---

As such, the connection service provided for in the contract is provided to the client continuously, and not on a specific date, and this is the reason why revenue from connection services should be gradually recognized during the period of use of the network connection.

The Group receives a full prepayment for the services provided. Such payments from customers for connection services are reflected in the consolidated statement of financial position as special purpose funding and deferred income. The Group expects that income from assets received for liabilities that have not been fulfilled will be recognized during the term of the Group's liabilities for connected users. The estimated time frame is approximately 20-30 years.

The Group does not disclose the expected terms of performance of obligations that remained unfulfilled as of the reporting date, because for all obligations under agreement, except for connection services, a practical expedient is used that enables to recognize income in the amount that directly corresponds to the value of the obligation for the customer, fulfilled by the Group at the end of the period.

### **Expense recognition**

Expenditures are recognized as expenses for a certain period simultaneously with the recognition of related revenues. Expenditures that cannot be directly related to the revenues of a certain period are included in the expenses of the period in which they have been incurred.

### **Finance income and costs**

Borrowing costs directly attributable to the acquisition, construction, or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned from the temporary investment of specific loans pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

Finance income comprises interest income on the funds invested, income on interest on deposit and current accounts. Finance income is recognized as it is accrued, considering the effective yield on the asset.

### **Grants and assets received free of charge**

Grants, assets received free of charge, humanitarian aid, international technical assistance similar funding, which are mainly represented by funding for capital expenditures to construct, modernize, restore or reconstruct certain assets, received from the state, governmental institutions, companies or other organizations, are recognized as special purpose funding (long-term) and deferred income (short-term) in the consolidated statement of financial position, when there is sufficient assurance that the Group will meet the conditions for granting government grants and similar financing, and they will be received.

Such grants and assets received free of charge are recorded in the consolidated statement of financial position at the cost of funds received; if the financing is received in the form of a transfer of a non-monetary asset, it is recognized at its fair value. Income from receiving such grants and assets received free of charge are transferred to profit or loss on a systematic and rational basis over the useful life of the respective assets or fulfillment of specified conditions.

Grants and assets received free of charge in the form of humanitarian, international technical and other assistance, provided to the Group as immediate financial support for eliminating the consequences of enemy shelling and destruction of energy infrastructure facilities and maintaining the Integrated Power System of Ukraine in a functioning state, are recognized as income in profit or loss when the corresponding asset is put into operation.

# PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

*In Ukrainian Hryvnias and in thousands, unless otherwise indicated*

---

### **Regulatory assets and regulatory liabilities**

A description of critical accounting judgment regarding the impact of tariff regulation on the Group is described in Note 5.

The Group that (i) is subject to tariff regulation; (ii) which tariff (price) that the Group may charge for goods or services supplied to its customers is set by the regulator; (iii) has the enforceable right to increase / (obligation to decrease) the tariff for future periods by the difference between the economically justified actual and planned (included in the tariff) costs of the reporting period, recognizes regulatory assets and regulatory liabilities in the financial statements.

The Group recognizes:

- regulatory asset: when the Group has the right to increase the tariff to be charged to customers in future periods by adding to it additional costs incurred in the reporting period that are not covered by the tariff for the reporting period; and
- regulatory liability: when the Group has a current obligation to reduce the tariff to be charged to customers in future periods by reducing it by the amount of costs not incurred in the reporting period but covered by the tariff for the reporting period.

Regulatory assets and liabilities are assessed regularly at the end of the reporting period. Changes in regulatory assets and regulatory liabilities result in regulatory income and expenses.

The recognition of regulatory assets, liabilities, income and expenses meets the definition, recognition criteria and measurement concepts for assets, liabilities, income and expenses set out in the *Conceptual Framework for Financial Reporting*.

The Group discloses the net changes in regulatory assets and liabilities in other operating income or other operating expenses, depending on the net value. Regulatory assets are disclosed in other current assets, and regulatory liabilities are disclosed in other current liabilities in the statement of financial position.

### **Provisions**

Provisions are recognized when the Group has a present obligation (legal or constructive) resulted from circumstances, past events and it is probable that an outflow of resources will be required to repay the obligation, and a reliable assessment of this obligation can be made.

The amount recognized as provision is the best estimate of the consideration required to repay the current liability at the end of the reporting period, considering all the risks and uncertainties inherent in this liability.

Expenses for any provision are presented in profit or loss, net of any consideration. If the impact of the time value of money is significant, the provision is discounted using the current pre-tax rate, which reflects, if appropriate, the risks characteristic of the corresponding liability. If discounting is used, the increase in the provision over time is recognized as finance costs.

### **Retirement benefit obligations**

#### ***Defined contribution plan***

The Group makes payments to the State Pension Fund of Ukraine based on the salary of each employee in the form of accrual and payment of a single social contribution. These amounts are included in the expenses of the period in which they were incurred.

# PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

*In Ukrainian Hryvnias and in thousands, unless otherwise indicated*

---

### **Defined benefit plan**

The Group is also obliged to compensate the State Pension Fund of Ukraine for the amount of additional pensions paid to certain categories of its current and former employees who worked in dangerous and/or harmful working conditions as defined by the legislation, and, accordingly, received the right to leave and receive a pension earlier than the age established by pension legislation.

In addition, in accordance with the collective agreement, the Group has a legal obligation to make payments of monetary incentives to employees in connection with anniversaries, regular remuneration to retired employees in the form of non-targeted material assistance, irregular material assistance to close relatives in connection with the death of a non-working pensioner and lump-sum payments at the end of employees' work (due to old-age retirement). These programs meet the definition and are included in defined benefit plans.

These defined benefit plans (hereinafter – the "Plans") do not have a financial fund or related assets to implement thereof. Expenses related to such plans are calculated in these consolidated financial statements using the projected unit credit method for employees who are eligible for such payments.

The Group's net liability for these plans is calculated by estimating the amount of future payments due to employees for services rendered in the current and previous periods. The payment amount is then discounted to determine the present value of the liability, which is reflected in the consolidated statement of financial position. The discount rate is estimated using the actual yield of corporate or government securities that have a high rating and the same maturity as the corresponding pension liability.

The categories of expenses under a defined benefit pension plan are presented as follows:

- cost of current services (including the cost of current and past services, as well as gains or losses from pension plan curtailments and settlements);
- net interest expenses; and
- revaluation.

The Group reflects the cost of current services as part of the gains and losses of the period in which they arise. Net interest expenses are recorded as part of finance costs of the period in which they arise. Revaluation, which includes actuarial gains and losses, is reflected directly in the consolidated statement of financial position with the recognition of the corresponding gain or loss as part of other comprehensive income of the period in which they arise. Revaluation recognized as part of other comprehensive income is reflected directly as part of retained earnings and will not change its classification for profit or loss in subsequent reporting periods.

### **Income tax**

Annual income tax expenses include current tax and deferred tax.

#### **Current tax**

The tax payable in the current period is calculated based on the amount of taxable profit for the year. Taxable profit differs from the profit or loss reflected in the consolidated profit or loss and other comprehensive income statement as it does not include items of income or expenses that are taxable or that relate to expenses for tax purposes in other years, and also because it does not include items that will never be taxable or that will never relate to expenses for tax purposes. The Group's current income tax liabilities are calculated using the current tax rates as of the end of the reporting period.

# PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

*In Ukrainian Hryvnias and in thousands, unless otherwise indicated*

---

### **Deferred tax**

Deferred tax is recognized in relation to temporary differences between the carrying amount of assets and liabilities in the consolidated financial statements and the corresponding tax bases used to calculate taxable profits using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all temporary differences that relate to expenses that are taken into account for determining the object of taxation to the extent that it is probable to obtain taxable profits at the expense of which these temporary differences can be realized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is not probable to obtain sufficient taxable profit that will allow full or partial recovery of the amount of this asset.

Deferred tax assets and liabilities are measured at the tax rates that are expected to be applied in the period in which the asset will be realized, or the liability will be repaid, based on the tax legislation in force at the end of the reporting period. The assessment of deferred tax liabilities and assets reflects the tax consequences that may arise as a result of the Group's use of a particular method at the end of the reporting period to recover or repay the book value of its assets and liabilities.

Current income tax and deferred income tax are recognized as expenses or income as part of profit or loss, except when they relate to items that are recorded directly as part of equity or other comprehensive income (in this case, taxes are also recognized directly as part of equity or other comprehensive income).

### **Property, plant and equipment**

The Group uses a revaluation model for all groups of property, plant and equipment, except for construction in progress carried at historical cost. The last independent appraisal of the fair value of the Group's property, plant and equipment was carried out as of 01 October 2025.

The fair value of property, plant and equipment is determined based on the results of an appraisal performed by an external independent appraiser. The frequency of revaluations depends on materiality of changes in the fair value of the assets being measured. The Group uses the "net" approach of adjusting the carrying amount of an asset upon revaluation and eliminates accumulated depreciation against the carrying amount of the asset and then revalues the net carrying amount. Any increase in the carrying amounts resulting from revaluations are credited to revaluation reserve in equity through other comprehensive income.

Decreases that offset previously recognised increases of the same asset are charged against revaluation reserve in equity through other comprehensive income; all other decreases are charged to profit or loss. To the extent that an impairment loss on the same revalued asset was previously recognised in profit or loss, a reversal of that impairment loss is also recognised in profit or loss.

Subsequent additions of property, plant and equipment are recorded at historical cost. Cost of an item of property, plant and equipment includes (a) the purchase price, including non-recoverable import duties and acquisition taxes after deducting trade and other discounts; (b) any expenses directly related to the delivery of an item of property, plant and equipment to a location and bringing it into a condition ensuring its operation in accordance with the intentions of the Group's management; (c) an initial estimate of the costs of dismantling and removing the item of property, plant and equipment and restoring the area it occupies, the obligations for which the Group assumes either at the time of acquisition of this item, or as a result of its operation for a certain period of time for purposes not related to production activities during this period.

The cost of internally created assets includes the cost of materials, direct labor costs, and the respective share of production overheads. The initial cost of qualified assets acquired and internally created includes capitalized borrowing costs.

The cost of property, plant and equipment received free of charge is equal to their fair value on the date of receipt, taking into account the costs included in the cost, as shown above.

# PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

*In Ukrainian Hryvnias and in thousands, unless otherwise indicated*

---

Depreciation of property, plant and equipment is calculated for the purpose of writing off the historical (revalued) cost of PPE less their residual value during the useful life of the asset using the straight-line method.

The useful life of property, plant and equipment is determined by an expert method during its putting into operation. The useful life of property, plant and equipment is reviewed in the event of changes in the expected economic benefits from its use, as well as at the end of each reporting period. The useful lives of the groups of property, plant and equipment are presented as follows:

Transmission lines (OHL)	30-50 years
Buildings and structures	20-60 years
Plant and equipment	5-35 years
Vehicles and other	3-10 years

The residual value, useful lives, and depreciation method are reviewed at the end of each fiscal year. The impact of any changes compared to previous estimates is accounted for as a change in accounting estimates.

Construction in progress includes costs directly related to the construction of property, plant and equipment, considering the appropriately distributed direct variable overhead costs incurred during construction. Construction in progress is not depreciated. Depreciation of construction in progress, similar to other property, plant and equipment, begins when these assets are ready for operation, that is, when they are in the place and condition necessary for using for the purpose determined by the management. Construction in progress also includes prepayments for property, plant and equipment.

Property, plant and equipment are derecognized after the disposal or when future economic benefits from continuing use of the asset are no longer expected. Gains and losses from disposal, which are determined by comparing income with the carrying amount of property, plant and equipment, are recognized in profit or loss. After the sale or write-off of revalued assets, the amounts included in the revaluation reserve are transferred to retained earnings.

### **Intangible assets**

Intangible assets include mainly software and right-of-use assets. The Group uses a cost model for all groups of intangible assets.

Intangible assets are recorded at their cost, less accumulated amortization and accumulated impairment losses, if any. Subsequent costs of intangible assets are capitalized only if they increase the future economic benefits embodied in the specific assets to which they relate. All other expenses are attributed to expenses in the period in which they were incurred.

Amortization is charged on a straight-line basis over their useful life, which is not expected to exceed a period of ten years.

The Group has the right to use the land on which its production facilities are located and pays a land tax, which is estimated annually based on the total area of land and its use according to the area to which it is assigned. Expenses for the acquisition and registration of land use rights are capitalized as intangible assets.

### **Impairment of non-financial assets**

At the end of each reporting period, the Group reviews the carrying amount of its assets to determine whether there is any evidence that these assets have suffered an impairment loss. If such signs are present, the Group evaluates the recoverable amount of the relevant asset to determine the amount of impairment loss (if such impairment has occurred). If it is not possible to estimate the recoverable amount of an individual asset, the Group evaluates the recoverable amount of the cash-generating unit to which the asset belongs.

# PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

*In Ukrainian Hryvnias and in thousands, unless otherwise indicated*

---

The estimated recoverable amount represents the higher of the fair value less costs to sell and the value in use. When assessing the value in use, the amount of expected future cash flows is discounted to their present value using the pre-tax discount rate, which reflects current market estimates of the time value of money and asset-specific risks for which future cash flow estimates have not been adjusted.

If, according to estimates, the recoverable amount of an asset (or a cash generating unit) is less than its carrying value, the carrying value of the asset (the cash generating unit) is reduced to the expected recoverable amount. Impairment losses are recognized directly in profit or loss.

In cases where the impairment loss is further reversed, the carrying amount of the asset (or the cash generating unit) is increased to a revised estimate of its recoverable amount, but in such a way that the increased carrying amount does not exceed the carrying amount that would be determined provided that there are no impairment losses of the asset (or the cash generating unit) recognized in previous years.

### **Leases**

#### ***Group as a lessee***

At the lease commencement, the Group recognizes the right-of-use asset and the lease liability in relation to all leases, except for short-term leases (with a lease term of 12 months or less) and leases under which the underlying asset is of low value. The Group recognizes such lease payments on the straight-line basis over the lease term.

At the commencement date, the Group evaluates the lease liability at present value of rental payments discounted at the rate stipulated in the relevant agreement. If this rate is not determined by the terms of the agreement, the incremental borrowing rate of the lessee is used.

The Group reflects amortization of the right-of-use assets and interest on lease liabilities in profit or loss. The amount of the principal share of the lease liability paid is presented as part of the financial activities in the consolidated statement of cash flows (under direct method), and interest is presented as part of financing activities.

#### ***Group as a lessor***

The Group classifies each of its leases either as an operating lease or as a financial lease.

The lease is classified as a financial lease, if it transfers substantially all the risks and rewards of ownership of the underlying asset. The lease is classified as an operating lease, if it does not transfer substantially all the risks and rewards of ownership of the underlying asset.

The Group recognizes lease payments from operating leases as income on a straight-line basis.

### **Inventories**

Inventory is recorded at the lower of cost and net realizable value.

The cost of inventory includes:

- purchase costs that are paid in accordance with the agreement with the supplier (net of indirect taxes);
- import duties;
- amounts of indirect taxes related to the acquisition of inventory that are not reimbursed to the Group;
- transportation and procurement costs;
- other expenses that are directly related to the acquisition of inventory and bringing it to the condition and location in which it is suitable for use for the planned purposes.

# PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

*In Ukrainian Hryvnias and in thousands, unless otherwise indicated*

---

The initial cost of inventory received for free is recognized as its fair value, taking into account other costs associated with bringing it to the condition and location in which it is suitable for use for the planned purposes.

Transportation and procurement costs that can be attributed to a specific unit of inventory are reflected directly in the initial cost. Transportation and procurement costs that cannot be attributed to a specific unit of inventory are distributed as of the date of initial recognition of the corresponding inventory.

When writing off inventory into production, sale, and other disposal, the value of inventory is determined based on the specific identification method for all inventory, except fuel, which are disposed of using the "First In - First Out" method.

Net realizable value is defined as the selling price less costs to sell. The carrying amount of inventory should be reduced to the net realizable value if there is physical damage, complete or partial obsolescence, or a drop in the realizable price. Inventory impairment is reducing their carrying amount to the net realizable value.

### **Financial instruments**

#### ***Initial recognition of financial instruments***

With the exception of trade receivables, which are valued at the price of the transaction (according to the definition given in IFRS 15 *Revenue from Contracts with Customers*), financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

The Group's main financial instruments include cash and cash equivalents, accounts receivable and payable, loans and borrowings.

All transactions of purchase and sale of financial instruments that require their delivery within a period defined by regulatory or market conditions ("regular" purchase and sale operations) are accounted for as of the transaction date, i.e., the date on which the Group undertakes to transfer the financial instrument. All other purchase and sale transactions are recognized as of the settlement date.

### **Financial assets**

#### ***Classification and subsequent valuation of financial assets***

Financial assets are subsequently measured at amortized or fair value. In particular, investments in debt instruments that are held under a business model that aims to collect contract cash flows, and that have contract cash flows that are payments only of a principal and interest on the outstanding amount of debt, are generally estimated at amortized cost. Debt instruments that are held within a business model, the purpose of which is achieved by both collecting contract cash flows and selling financial assets, and that have contractual terms under which cash flows arise on certain dates, which are payments only of a principal and interest on outstanding principal, are measured at fair value through other comprehensive income. All other investments in debt instruments are measured at fair value at the end of subsequent reporting periods.

The amortized cost is calculated using the effective interest rate method and is determined less any impairment loss. Premiums and discounts, including initial transaction costs, are included in the carrying amount of the corresponding instrument and amortized on the basis of the effective interest rate for the corresponding instrument.

The Group uses a practical expedient that assumes that the amortized cost of financial assets with maturities of up to one year, less any expected credit losses, is equal to their nominal value.

# PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

*In Ukrainian Hryvnias and in thousands, unless otherwise indicated*

---

### ***Effective interest rate method***

The effective interest rate method is a method of calculating the amortized cost of a financial instrument and allocating interest income or expenses over the corresponding period. The effective interest rate is the rate discounting the expected future cash inflows over the expected useful life of the financial instrument or, if appropriate, a shorter period to the net book value of the instrument at the initial recognition. Income or expenses are recognized using the effective interest rate method for financial instruments.

### ***Accounts receivable***

Accounts receivable are derivative financial assets with fixed or determinable payments that are not quoted in the active market. Accounts receivable that do not contain a significant financing component are measured at the transaction price determined under IFRS 15.

Accounts receivable (including non-current accounts receivable, trade and other accounts receivable) are measured at amortized value using the effective interest rate method, less any impairment loss.

Interest income is recognized using the effective interest rate method, with the exception of short-term accounts receivable, for which the recognition of interest will not have material impact.

### ***Cash and cash equivalents***

Cash and cash equivalents include cash on hand and cash in bank accounts, deposits with an initial maturity of up to three months plus one week, and cash in special accounts.

### ***Impairment of financial assets***

The Group reflects expected credit losses and changes therein at each reporting date to reflect changes in credit risk after initial recognition.

The expected credit losses of accounts receivables are estimated on a portfolio basis using the provision matrix and on an individual basis using different scenarios of the probability of default. For determining expected credit losses from impairment, trade receivables are grouped based on common credit risk characteristics and days past due.

The provision matrix is used with reference to the historical information of debtors' default and analysis of the debtor's forecast condition, adjusted for factors specific to debtors, general economic conditions of the industry in which debtors work, assessment of current and forecast events that may significantly affect future payments, credit terms, and available market information on the solvency of debtors. Individual assessment is used for individually significant debtors or groups of debtors with credit risk characteristics that are different from others.

Assessing expected credit losses on trade accounts receivables, the Group takes into account the cash flows expected from credit enhancements, which are an integral part of the contract. Such credit enhancements are accounts payable of the counterparties owed to the Group, which are usually settled on a net basis together with accounts receivable, but do not meet the offsetting criteria, and financial guarantees arising under of the same contract.

The carrying amount of the asset is reduced by the provision, and the amount of the loss is recognized in profit or loss. If accounts receivable are uncollectible, it is written off through usage of previously recognized expected credit losses. Subsequent reimbursement of previously written off amounts is included in profit or loss.

For other financial instruments, the Group recognizes expected credit losses for the lifetime of the financial instrument when there has been a significant increase in credit risk since the initial recognition. However, if the credit risk to the financial instrument has not increased significantly since the initial recognition, the Group estimates expected credit losses for the financial instrument at an amount equal to the expected credit losses over 12 months.

# PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

*In Ukrainian Hryvnias and in thousands, unless otherwise indicated*

---

Expected credit losses for the lifetime of a financial instrument represent credit losses that will arise from all possible default events during the expected term of the financial instrument. Conversely, the expected credit losses for 12 months represent a portion of the expected credit losses for the lifetime of the financial instrument, which are expected to arise as a result of events of default on the financial instrument, the occurrence of which is possible within 12 months after the reporting date.

### ***Significant increase in credit risk***

In assessing whether the credit risk of a financial instrument has increased significantly since the initial recognition, the Group compares the risk of default of the financial instrument at the reporting date with the risk of default of the financial instrument at the date of initial recognition. During the assessment, the Group takes into account both quantitative and qualitative information that is reasonable and useful, including historical experience and forecast information that is available without excessive cost or effort.

Forecast information that is taken into account includes future forecasts for the industries in which the Group's debtors conduct their operating activities, obtained from economic reports of experts, financial analysts, government agencies, relevant think tanks and other similar organizations, as well as an assessment of various external sources of actual and forecast economic information related to the main operating activities of the Group.

A significant increase in credit risk is the delayed debt repayment for a period of more than 30 days.

In particular, such information is taken into account when assessing whether there has been a significant increase in credit risk since the initial recognition:

- actual or expected significant deterioration in external (if available) or internal credit rating of a financial instrument;
- a significant deterioration in external market indicators of credit risk for a particular financial instrument, such as a significant increase in the credit spread, credit default swap prices for the debtor, or the length of time or volume by which the fair value of the financial asset has become less than its amortized cost;
- current or projected negative changes in business, financial and economic conditions, which are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- actual or expected significant deterioration of the debtor's operating results;
- significant increase in credit risk in relation to other financial instruments of the same debtor;
- actual or expected significant negative changes in the debtor's regulatory, economic, or technological environment that result in a significant decrease in the debtor's ability to meet its debt obligations.

### ***Default definition***

The Group considers the following factors to be components of a default event for internal credit risk management, as historical experience shows that financial assets that meet any of the following criteria are generally not recoverable:

- when there was a violation of financial conditions by a debtor; or
- internal or external information indicates that the debtor will most likely not be able to make payments to its creditors, including the Group, in full (without taking into account any provision held by the Group).

Regardless of the above analysis, the Group believes that a default occurred when a financial asset is more than 90 days overdue, unless the Group has reasonable and useful information to demonstrate that it would be more appropriate to apply the default criterion with a longer delay.

# PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

*In Ukrainian Hryvnias and in thousands, unless otherwise indicated*

---

### ***Estimation and recognition of expected credit losses***

Estimating expected credit losses is a function of determining the probability of default, the level of losses in the event of default (i.e., the amount of losses in the event of default), and the risk of losses in the event of default. The assessment of the probability of default and the level of losses in the event of default is based on historical data adjusted using forecast information, as described above. As for the risk of loss in the event of default, for financial assets, it represents the gross carrying amount of assets at the reporting date.

For financial assets, the expected credit loss is estimated as the difference between all contract cash flows due to the Group under the contracts and all cash flows that the Group expects to receive, discounted at the initial effective interest rate. The Group recognizes gains or losses from impairment in profit or loss for all financial instruments, with appropriate adjustments to their carrying amount against the provision for loss.

### ***Derecognition of financial assets***

The Group derecognizes financial assets when (i) the assets have been repaid or the contractual rights from the assets to cash flows expire, or (ii) the Group has transferred all significant risks and rewards of ownership of the assets, or (iii) the Group has neither transferred nor retained all significant risks and rewards of ownership but has lost control of the asset. Control is retained if the counterparty does not have the practical ability to sell the asset in full to an unrelated third party without the need to impose additional restrictions on the sale operation.

### ***Write-off policy***

The Group writes off a financial asset when information indicates the debtor has severe financial difficulty. There is no realistic prospect of recovery, e.g., when the debtor has been placed under liquidation or has entered into bankruptcy proceedings. Written-off financial assets may still be subject to enforcement activities. Any recoveries made are recognized in the consolidated statement of profit or loss.

## **Financial liabilities and equity instruments**

### ***Classification of debt instruments or equity instruments***

Debt instruments and equity instruments are classified as either financial liabilities or equity, depending on the nature of the contractual relationship and the definitions of the financial liability and equity instrument.

### ***Share capital***

Ordinary shares are classified as equity. Additional expenses that directly relate to the issue of new shares are recorded in equity as a deduction from income, excluding tax.

### ***Dividends***

Dividends are recognized as liabilities and deducted from equity at the reporting date only when they are declared before or on the reporting date. Information about dividends is disclosed when they are offered before the reporting date or offered or announced after the reporting date, but before the consolidated financial statements are approved to the issue.

# PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

*In Ukrainian Hryvnias and in thousands, unless otherwise indicated*

---

### ***Classification and subsequent measurement of financial liabilities***

Financial liabilities are subsequently measured at amortized cost or fair value through profit or loss.

Financial liabilities that are not (i) a conditional compensation of the buyer in a merger transaction, (ii) are not held for trading, or (iii) are not defined as being measured at fair value through profit or loss, are subsequently measured at amortized cost using the effective interest rate method. The effective interest rate is the rate discounting expected future cash payments (including fees paid or received, transaction costs, and other premiums or discounts) over the expected term of the financial liability or, if appropriate, a shorter period to the amortized value of the financial liability.

If the Group revises its estimates of payments or receipts under a financial instrument, the amortised cost of a financial liability is adjusted to reflect actual and revised estimated contractual cash flows. The Group recalculates the amortised cost of the financial liability as the present value of the estimated future contractual cash flows that are discounted at the financial instrument's original effective interest rate. The adjustment is recognised in profit or loss as income or expense.

### ***Derecognition of financial liabilities***

The Group recognizes financial liabilities if and only if the Group's obligations are fulfilled, cancelled, or expire. The difference between the carrying amount of a financial liability that has been derecognized and the compensation paid is recognized as part of profit or loss.

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. Under quantitative assessment it is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. Qualitative factors include change of form of the instrument, interest rate, maturity, risk factors, change in covenants and guarantors. If the modification is not substantial, the difference between: (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after modification should be recognised in profit or loss as the modification gain or loss.

### **Prepayments**

Prepayments to suppliers are recorded at their cost, excluding VAT, less provisions for impairment losses. A prepayment is classified as a non-current asset when goods or services related to that prepayment are expected to be received after one year, or when the prepayment relates to an asset that is classified as non-current after initial recognition.

If there is an indication that assets, goods or services related to prepayment will not be received, the Group charges a provision for impairment for the corresponding prepayment, while simultaneously recognizing expenses in profit or loss.

### **Taxes receivable**

Taxes receivable (prepayment for corporate income tax, VAT to be reimbursed, and prepayment for other taxes) are reflected at the actual value of the funds paid.

### **Trade accounts payable**

Trade accounts payable are recognized and initially assessed in accordance with the stated policy regarding financial instruments. In the future, fixed-maturity instruments are revalued at amortized cost using the effective interest rate method. The amortized cost is calculated taking into account any transaction costs and any discount or premium at the time of repayment.

# PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

*In Ukrainian Hryvnias and in thousands, unless otherwise indicated*

---

### Advances received

Advances received are reflected in the amount of the original amounts received, excluding VAT. The amounts of advances received are expected to be realized by receiving income from the Group's ordinary activities.

### Contingent liabilities and assets

Contingent liabilities are not recognized in the consolidated financial statements, except in cases where the outflow of economic resources for the settlement of the liability is probable and their amount can be estimated reliably. Contingent liabilities are disclosed, except in cases where the possibility of outflow of resources that embody economic benefits is unlikely.

Contingent assets are not recognized in the consolidated financial statements. They are disclosed in notes, if the inflow of economic benefits is highly probable.

## 4. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

### Adoption of new and revised standards

The Group has adopted such standards and interpretations for the first time beginning or after January 01, 2025:

- Amendments to IAS 21 «*The Effects of Changes in Foreign Exchange Rates*»: Lack of exchangeability.

The adoption of the amendments to the standards did not have a material impact on the financial position or performance indicators reflected in the consolidated financial statements, and did not result in any changes in the Group's accounting policies and amounts reflected for the current or previous years.

### Standards and Interpretations issued but not yet effective

As at the date of approval of these consolidated financial statements for issue, such standards and interpretations that have not been applied by the Group, as well as amendments to the standards, have been issued but have not yet entered into force:

<b>Standards/Interpretations</b>	<b>Become effective for annual accounting periods beginning on or after</b>
Amendments to IFRS 9 <i>Financial Instruments</i> and IFRS 7 <i>Financial Instruments: Disclosures</i> : Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to IFRS 9 <i>Financial Instruments</i> and IFRS 7 <i>Financial Instruments: Disclosures</i> : Contracts Referencing Nature-dependent Electricity	1 January 2026
Annual Improvements to IFRS Accounting Standards — Volume 11	1 January 2026
IFRS 18 <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
IFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
Amendments to IAS 21 <i>The Effects of Changes in Foreign Exchange Rates</i> : Translation to a Hyperinflationary Presentation Currency	1 January 2027

Management expects that the application of the new standards and interpretations, except IFRS 18 *Presentation and Disclosure in Financial Statements* that described below, will not have a material impact on the Group's consolidated financial statements in future periods.

# PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

*In Ukrainian Hryvnias and in thousands, unless otherwise indicated*

---

### **IFRS 18 Presentation and Disclosure in Financial Statements**

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 *Presentation of Financial Statements*. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

The standard requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and it also includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

In addition, narrow-scope amendments have been made to IAS 7 *Statement of Cash Flows*, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

IFRS 18, and the amendments to the other standards, are effective for reporting periods beginning on or after January 01, 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively. The Group is currently working to identify all impacts the amendments will have on the consolidated financial statements.

## **5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

The application of the Group's accounting policies as set out in Note 3 requires management to make professional judgments, estimates and assumptions about the carrying amount of assets and liabilities that cannot be obtained explicitly from other sources. Estimates and related assumptions are based on historical experience and other factors that management considers appropriate in these circumstances. Actual results may differ from these estimates. Management also makes certain judgments, other than those relating to estimates, in the process of applying accounting policies.

Estimates and related assumptions are reviewed on an ongoing basis. The results of revisions of accounting estimates are recognized in the period of such revision, if the result of revision affects only this period, or in the period of revision and future periods, if the result of revision affects the current and future periods.

### **Critical professional judgments when applying accounting policies**

The following are critical judgments, other than those requiring to perform estimates, made by management in applying the Group's accounting policies and which have the most significant impact on the amounts recognized in the consolidated financial statements.

#### **(i) Revenue recognition – receiving full consideration**

At the inception of contracts with customers for provision of services and sale of goods, the Group is likely to expect to receive full consideration in exchange for goods or services that will be transferred by customers and for which the corresponding invoices will be issued. In assessing whether the probability of receiving the amount of compensation is high enough, the Group considers the customer's ability and intention to pay the full amount of consideration when it becomes due.

## **PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025**

***In Ukrainian Hryvnias and in thousands, unless otherwise indicated***

---

As part of its operations, the Group provides services and sells goods to various counterparties, including protected consumers, which cannot be disconnected from the energy supply due to the risks of social and environmental catastrophe. Such companies are financed not only through revenues from the sale of goods and services, but also through other mechanisms of subsidies and compensations provided by Ukrainian legislation. The Group's management believes that such enterprises have sufficient sources of income to conclude that the Group is likely to recover full compensation under its sales agreements. In addition, the Group may receive compensation for services provided and sales of goods from third parties, rather than directly from customers, which also increases the likelihood of receiving compensation in full.

Additionally, with the beginning of the war, some of the Group's clients stopped their activities or reduced the level of production, and some enterprises are located in the temporarily occupied territory. However, the supply of electricity to the temporarily occupied territory of Ukraine does not take place, and, accordingly, the Group does not provide services and sell goods to counterparties located there. The war affected the volume of electricity consumption in Ukraine, and, accordingly, the volume of sales of services and goods by the Group, however, the management believes that such enterprises have sufficient sources of income to make payments to the Group in full under its sales agreements.

Thus, management has concluded that revenue recognition criteria are met when services and goods are delivered to the consumer. Losses from changes in the creditworthiness of customers in subsequent periods are recognized as expected credit losses (Note 9).

#### ***(ii) Property, plant and equipment on the right of operational management***

According to the Order of the Cabinet of Ministers of Ukraine of 22 November 2017 No.829-r "On Approval of the Transformation of the State Enterprise National Power Company Ukrenergo into Private Joint Stock Company" property that ensures the integrity of the IPS of Ukraine and dispatch (operational and technological) control, trunk and interstate power grids, which were on the balance of the state enterprise "National Energy Company "Ukrenergo", are assigned to a private joint stock company formed in the process of transformation of the enterprise, on the right of operational management and are not subject to disposal.

On 27 May 2021 the Company and the Ministry of Finance of Ukraine concluded an agreement on the transfer of state-owned property used in the electricity transmission activities on the right of operational management. On 8 December 2021 amendments were made to this agreement in terms of establishing the Ministry of Energy of Ukraine as the body of management of state-owned property used in the electricity transmission activities.

The right of operational management allows to own and use property, plant and equipment (until its full amortization, depreciation or destruction – the government does not have any risk elements associated with the residual value of assets at the end of their useful life), except for actions to dispose of property, plant and equipment that may lead to dispossession of such property, plant and equipment. The Group freely uses them in its business activities and bears the risk of their accidental destruction or damage. There are no special restrictions on income received from the use of these assets, and the Group maintains their proper functional state at its own expense.

In accordance with the Resolution of the National Energy and Utilities Regulatory Commission dated 17 December 2021 No.2589, a final decision was made on the certification of NPC "Ukrenergo" as a transmission system operator according to the ISO (Independent System Operator) model. The ISO model regulates the relationship between the Group and the transmission system owner so that the Group uses state-owned property (trunk and interstate electricity networks) to ensure the integrity of IPS of Ukraine.

# PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

*In Ukrainian Hryvnias and in thousands, unless otherwise indicated*

---

Management believes that the terms of the agreement on the perpetual transfer of state-owned facilities used in electricity transmission on the right of operational management give the Group control over the defined properties, all economic benefits from the use of assets belong to the Group, and therefore these properties meet the definition of an asset, namely an item of property, plant and equipment in accordance with the IAS 16 *Property, Plant and Equipment* definition. As such, the state properties received on the right of operational management are carried on the Group's balance sheet at fair value as part of corresponding groups of property, plant and equipment.

In addition, operations to assign to the Group property that ensures the integrity of the IPS of Ukraine and dispatch (operational and technological) control, trunk and interstate power grids, which were on the balance of the state enterprise "National Energy Company "Ukrenergo" according to the Order of the Cabinet of Ministers of Ukraine of November 22, 2017 No.829-r, as well as the conclusion of the abovementioned agreement on its perpetual transfer on the right of operational management, are recognized as transactions with shareholder acting on behalf of the owner.

### ***(iii) Presentation of impact of tariff regulation on financial statements***

Tariff regulation can have a significant impact on the long-term financial results of companies. However, existing IFRS standards do not contain comprehensive guidelines and rules for the presentation of the impact of tariff regulation on accounting and financial reporting.

The application of only existing IFRS increases the volatility of gross profit and financial results between the reporting periods of the Group, which is subject to tariff regulation. Financing of actual expenses in one period is carried out by increasing the tariff and income of another period, which contradicts the principle of matching income and expenses, and, accordingly, may mislead users of financial statements by reflecting overstated or understated financial results in certain reporting periods.

To ensure that the Group's consolidated financial statements present fairly the financial position, financial performance and cash flows of the Group, and reflect the economic substance of transactions and events rather than legal form, the Group has developed and applied accounting policies to reflect the impact of tariff regulation on financial statements (Note 3).

As a result, the Group's total income is consistent with its "total allowable compensation" - the amount that the Group is entitled to collect in accordance with the tariff set by the regulator. This, in turn, will reduce the volatility of financial results between reporting periods, which will improve the relevance and truthfulness of the information in the financial statements for its users.

As described in Note 12, as of 31 December 2025 the Group recognized regulatory assets in the amount of UAH 2,546,522 thousand (2024: UAH 2,603,276 thousand).

### **Key sources of estimation uncertainty**

The following are the main assumptions for the future and other key sources of estimation uncertainty at the end of the reporting period, for which there is a significant risk that they will cause material adjustments to the carrying amount of assets and liabilities during the next fiscal year.

#### ***(i) Revaluation of property, plant and equipment***

As stated in Note 3, the Group applies the revaluation model to its property, plant and equipment. At each reporting date, the Group performs an analysis to assess whether the carrying amount of property, plant and equipment, carried at revalued cost, differs significantly from its fair value. This assessment is performed annually and is based on an analysis of prices, price indices, technological changes, changes in exchange rates, and other relevant factors. If the results of the analysis indicate that the carrying amount of property, plant and equipment differs significantly from their fair value at the reporting date, management engages independent appraisers to assess the fair value of property, plant and equipment.

## **PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025**

***In Ukrainian Hryvnias and in thousands, unless otherwise indicated***

---

The last independent appraisal of the fair value of the Group's property, plant and equipment was carried out as of 01 October 2025. The main assumptions for revaluation are disclosed in Note 31. The previous independent appraisal of the fair value of the Group's property, plant and equipment was carried out as of 31 December 2023.

As most of the Group's property, plant and equipment is of specialised nature, its fair value is determined using depreciated replacement cost (Level 3) or, where it is available, the market value (Level 2).

When performing valuation using these methods, the key estimates and judgments applied by the independent valuers, in discussion with the Group's internal valuation team and technicians, are as follows:

- choice of information sources for construction costs analysis (actual costs recently incurred by the Group, specialized reference materials and handbooks, estimates for cost of construction of various equipment etc.);
- determination of similar items for replacement cost of certain equipment, as well as corresponding adjustments required to take into account differences in technical characteristics and condition of new and existing equipment;
- determination of physical wear and tear, which depends on the chronological age of the asset and its remaining useful life;
- determination of the functional depreciation of assets, which was calculated on the basis of the optimization coefficient, which ensures the distribution of the level of depreciation of specialized assets depending on the level of real use of the relevant assets;
- selection of market data when determining market value where it is available as well as corresponding adjustments required to take into account differences in technical characteristics and the condition of new and existing equipment;
- use of directories of per-unit replacement cost for buildings and constructions, assuming that all buildings and constructions of similar type and nature within industry have similar replacement costs; and
- liquidation value for items, which are expected to be realized, less cost to sell.

The fair values obtained using depreciated replacement cost and indexation of carrying amounts 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).

The key assumptions used in the calculation of the value in use are those related to the discount rate, growth rate, and estimated changes in income and operating expenses. In 2025 the discount rate was determined at 22.8% (2023: 23.1%), reflecting the current situation in the country and the impact of military aggression on a significant increase in the country risk premium. The growth rate is based on the growth of the consumer price index and the producer price index. Expected changes in income and operating expenses are based on historical experience and expectations regarding future changes in the market.

Cash flow forecasts are developed on the basis of the most recent financial budgets for the next five years, taking into account the various probabilities of their realization. Beyond this period, the Group's management extrapolated cash flows based on expected growth levels below the average long-term growth rate for the respective markets. When making calculations, the legislation was used that was in force on assessment date.

# PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

*In Ukrainian Hryvnias and in thousands, unless otherwise indicated*

The table below shows the key assumptions based on which management built its projections of cash flows in order to assess economic obsolescence during fair value assessment of property, plant and equipment as of 01 October 2025 and 31 December 2023 (previous revaluation):

	<b>01 October 2025</b>	<b>31 December 2023</b>
Pre-tax discount rate	22.8%	23.1%
Regulatory rate of return on the regulatory asset base (RAB)	14.1%	14.6%
Average growth rate of the consumer price index	6.2%	9.1%

The numerical values of the main assumptions reflect the Group management's assessment of future business trends and are based on both external and internal sources of information.

Below is an analysis of the sensitivity of the results of the discounted cash flow model to possible changes in the main assumptions used during its preparation as of 01 October 2025:

<b>01 October 2025</b>	<b>Change of assumptions</b>	<b>Increase/ (Decrease) of value</b>
Pre-tax discount rate	+1%	(2,924,249)
Pre-tax discount rate	-1%	3,043,555
Regulatory rate of return on the regulatory asset base (RAB)	+1%	(789,844)
Regulatory rate of return on the regulatory asset base (RAB)	-1%	803,821
Average growth rate of the consumer price index	+1%	2,985,577
Average growth rate of the consumer price index	-1%	(2,895,353)

Additionally, as of 31 December 2025, Management performed an assessment to determine whether the carrying amount of property, plant and equipment measured at revalued amounts significantly differed from their fair value, taking into account changes in internal and external factors during the period from 01 October to 31 December 2025:

- an assessment of the depreciated replacement cost of property, plant and equipment was performed, taking into account their depreciated replacement cost as at the valuation date determined through an independent appraisal, as well as changes in price indices and the physical deterioration of the assets;
- the income approach was applied by discounting the Group's expected future cash flows to determine economic impairment. The assumptions used in estimating the expected cash flows are consistent with those applied during the revaluation. The discount rate was determined as the post-tax weighted average cost of capital.

Based on the results of the assessment as of 31 December 2025, management concluded that the carrying amount of property, plant and equipment measured at revalued amounts did not deviate significantly from their fair value, and no additional adjustments to the carrying amount were made as at the reporting date.

### **(ii) Impairment of property, plant and equipment, construction in progress, and intangible assets**

At the end of each reporting period, the Group reviews the carrying amount of its property, plant and equipment, construction in progress, and intangible assets to determine whether there is any indication that those assets may be impaired.

As of 31 December 2025, the Group determined the existence of certain indications that the recoverable amount of property, plant and equipment, construction in progress and intangible assets might fall lower than their carrying amounts. The Group assessed recoverable value of property, plant and equipment, construction in progress and intangible assets (at the level of the cash generating unit) for impairment considering the Group as one cash-generating unit. Value-in-use of the Group's assets was calculated by preparing the analysis of discounted cash flows based on the assumptions of estimated income and expenses, as well as the discount rate.

## PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

*In Ukrainian Hryvnias and in thousands, unless otherwise indicated*

Based on this assessment, the Group determined that the recoverable amount of the assets exceeded their carrying amount, i.e. there was no impairment of the assets.

Another impairment assessment will be performed at the end of any subsequent reporting periods. If there are positive changes in the Group's future cash flows and macroeconomic indicators, and restoration of control over assets, then part of the impairment loss may be reversed in future periods. Conversely, an adverse change in the above key assumptions would further reduce the expected recoverable value of the Group's non-current assets.

Additionally, as disclosed in Note 2, because of missile and drone attacks conducted by the Russian Federation, part of the Group's energy infrastructure, in particular high-voltage substations, was damaged or destroyed. Accordingly, in 2025, the Group assessed the impairment of property, plant and equipment, construction in progress and intangible assets on an individual basis and recorded the following results (Notes 7 and 8):

	<b>Impairment of assets</b>	<b><i>incl. decrease in the revaluation reserve</i></b>	<b><i>incl. impairment loss in profit or loss</i></b>
Property, plant and equipment	765,937	452,117	313,820
Construction in progress	909,686	-	909,686
Intangible assets	243	-	243
<b>Total</b>	<b>1,675,866</b>	<b>452,117</b>	<b>1,223,749</b>

#### ***(iii) Expected credit losses on trade accounts receivable***

Expected credit losses on trade accounts receivables is based on an analysis of historical and current information on debtors. Factors considered include an analysis of the repayment of trade accounts receivable compared to the payment history, credit conditions provided to customers, and available market information about the counterparty's ability to make payments. If the actual recovery is less than management's estimates, the Group may be forced to reflect additional impairment charges. If there is a deterioration in the creditworthiness of the main customers or the actual non-fulfillment of their obligations exceeds acceptable estimates, actual results may differ from such estimates.

The expected credit losses on trade accounts receivable are estimated on a portfolio basis using the provision matrix and on an individual basis using different scenarios of the probability of default. During the creation of portfolios, trade accounts receivable are grouped according to similar credit risk characteristics: by types of services or goods provided, by the level of payments, by the geographical location of the operational activities of counterparties (for example, in areas bordering the front line of military operations).

With the onset of war, the solvency of many consumers has deteriorated or lost. The level of settlements in the electricity market has significantly deteriorated. Since the beginning of the military aggression on the electricity market, there has been a shortage of funds due to deteriorating solvency, bankruptcy of end customers, and destruction of their infrastructure, which also resulted in significant increase of gross accounts receivable to the Group compared to the pre-war level.

At the same time, as a result of the implementation of measures by the regulator and state authorities to improve settlements in the electricity market, the regulatory impact on market pricing has decreased and the liquidity of market participants has increased. Such measures include, but are not limited to, increasing of price caps, improving the interaction of the supplier of last resort with consumers, including protected consumers or consumers whose facilities are designated as critical infrastructure facilities, and agreeing on other sources of debt repayment.

In 2025, due to an increase in the level of overdue accounts receivables, the Group accrued expected expected credit losses on trade accounts receivables in the amount of UAH 5,814,003 thousand (2024: UAH 14,494,153 thousand).

# PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

*In Ukrainian Hryvnias and in thousands, unless otherwise indicated*

---

As of 31 December 2025 and 2024, the Group's management assessed trade accounts receivable for their recoverability and recognized expected credit losses in the amount of UAH 40,735,467 thousand and UAH 34,944,675 thousand, respectively. More detailed information is provided in Note 9.

### **(iv) Useful lives of property, plant, and equipment and intangible assets**

The estimation of the useful life of an item of property, plant, and equipment and intangible assets is a matter of management's judgment based upon experience with similar assets. In determining the useful life of an asset, management considers the expected usage, estimated technical obsolescence, physical wear and tear, and the physical environment in which the asset is operated. The Group reviews useful lives of property, plant, and equipment and intangible assets at the end of each annual reporting period. Changes in any of these conditions or estimates may result in adjustments for future depreciation and amortization rates. Changes in estimated useful lives are accounted for on a prospective basis.

As of 01 October 2025, the Group reviewed the remaining useful lives of property, plant and equipment based on their assessment by professional independent appraisers when determining the fair value of property, plant and equipment (Note 7). As of 31 December 2025, there were no significant changes in the assumptions, and accordingly, the expected useful lives of such assets.

### **(v) Retirement benefit obligations**

In determining the ultimate cost of providing post-employment and other long-term employee benefits (hereinafter – "Retirement benefit obligations"), the Group's management performs the best estimate of the variables used to assess the liability at the end of each reporting period.

The present value of retirement benefit obligations depends on several factors that are determined on an actuarial basis using several assumptions. The main assumptions used in determining the present value of obligations include the discount rate, the expected level of wage growth in future periods, staff turnover. Any changes in these assumptions may affect the carrying amount of the liability in the statement of financial position and the corresponding accruals in the statement of profit or loss and other comprehensive income, as disclosed in the sensitivity analysis in Note 15.

The Group determines the appropriate discount rate at the end of each year, which is the interest rate that should be used to determine the present value of expected future cash outflows that are expected to be required to settle pension and other long-term employee benefits. In determining the appropriate discount rate, the Group considers the interest rates on government bonds denominated in the currency in which the payments will be made, and the maturity of which is close to the maturity of the relevant obligation.

As of 31 December 2025, the consolidated financial statements of the Group included a retirement benefit obligations in the amount of UAH 305,947 thousand (2024: UAH 256,561 thousand). More detailed information is provided in Note 15.

### **(vi) Recoverability of deferred tax assets**

Deferred tax assets, including those arising from carried forward tax losses and temporary differences, are recognized only when it is probable that they will be recovered, which depends on the sufficient future taxable income. Deviations between expected and actual future taxable income may have a negative impact on the recognized deferred taxes in the Group's consolidated financial statements.

As of 31 December 2025, based upon projections for future taxable income over the periods in which the taxable temporary differences are anticipated to reverse, management believes it is probable that the Group will realize the benefits of deferred tax assets of UAH 3,099,920 thousand (Note 28). The deferred tax assets include an amount of UAH 5,126,630 thousand which relates to carried-forward tax losses of the Group. These tax losses arose due to differences between actual expenses and the expenses included in the approved tariffs, and resulted in a temporary shortfall in cost recovery within the regulator-established tariffs.

# PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

*In Ukrainian Hryvnias and in thousands, unless otherwise indicated*

---

The Group operates as a 100% state-owned transmission system operator in Ukraine and is a natural monopoly. Its activities are strategically important for ensuring stable electricity transmission by main power grid. The Group operates within a regulated environment in which tariffs are designed to allow recovery of efficiently incurred costs and associated financing over time. Accordingly, the losses incurred represent timing differences in cost recovery rather than a deterioration in the underlying economic performance of the business.

Significant part of incurred costs that were unrecovered by previous tariffs were financed through external borrowings, including loans from state-owned banks, issuance of Eurobonds 2028, IFI loans used for liquidity purposes. Under the applicable tariff-setting methodology, expenditures for repaying loans and borrowings will be recovered through future tariff adjustments, that will increase the Group's profits and cover tax losses.

As described in Note 2, in 2025 situation with difference between revenue and costs on the balancing market was significantly deteriorated because of the increasing number of attacks by the aggressor on energy infrastructure facilities, which in turn leads to large volumes of forced consumption restrictions and system constraints in the power system. Given the need to balance inflows and outflows on the special account of the balancing market, which affects the performance of all balancing market participants, as well as to ensure an even distribution of the financial burden on transmission system operator tariff payers, the Group has developed and submitted proposals to the NEURC to eliminate the causes of the negative financial result on the balancing market (amendments to the Resolution of the NEURC No. 332 dated February 25, 2022). On March 24, 2026, these changes were approved by the regulator, which will allow, starting from April 01, 2026, to balance revenues and costs in the relevant market segment (Note 33).

In accordance with applicable laws and regulations, the financing of the negative financial result (the residual value of imbalance charges for electricity accounted for in sub-account UA-1), formed in 2025 and at the beginning of 2026, will be carried out through the tariff for dispatch (operational and technological) control services.

Importantly, tax losses incurred by the Group do not expire under Tax Code of Ukraine and may be carried forward indefinitely. This provides the Group with the ability to utilize such losses over an extended period, consistent with the timing of recovery through future tariffs.

Management's assessment of the recoverability of deferred tax assets is based on:

- the cost-recovery nature of the regulatory framework, including mechanisms to compensate for differences between planned and actual costs through tariffs on Group's services, including negative financial result on the balancing market;
- future tariffs will include amounts sufficient to recover previously under-recovered costs and related financing obligations (as an evidence, tariff for electricity transmission increased from 345.64 UAH/MWh in 2022 to 735.60 UAH/MWh in 2026);
- resolution of the main causes of the formation of a negative financial result in the balancing market by NEURC Resolution dated March 24, 2026 No. 416 (Note 33);
- the completion in 2026 of the restructuring process of the Eurobonds 2028, which will have a positive impact on the Group's financial results, ensure its long-term financial stability, and enable the unlocking of additional grant funding and international technical assistance;
- the increase in 2026 of revenue from providing access to cross-border transmission capacity (interstate electricity networks of Ukraine) as a result of the launch of monthly auctions for the long-term allocation of cross-border capacity in December 2025 and the increase of price caps in the electricity market;
- the Group's status as a regulated natural monopoly with a critical public service function;
- the implementation of measures aimed at reducing indebtedness within the electricity market, which are expected to decrease credit risk exposure and reduce expected credit losses, thereby positively affecting future taxable results;
- the expectation that the State, as the sole shareholder, will continue to support the financial stability of the Group, where necessary, to ensure continuity of operations; and
- the indefinite carryforward period of tax losses.

# PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

*In Ukrainian Hryvnias and in thousands, unless otherwise indicated*

---

Management also considered that an improvement in the economic environment following the end of the war may lead to an increase in the fair value of property, plant and equipment. This could result in the recognition of additional deferred tax liabilities (through the difference between tax and accounting base of property, plant and equipment), which would partially offset deferred tax assets.

The recognition and measurement of deferred tax assets are subject to estimation uncertainty as they depend on forecasts of future taxable profits. These forecasts are based on assumptions regarding the timing and extent of recovery of previously under-recovered costs through future tariffs, as determined by the regulator. However, the amount of the deferred tax asset considered realizable could be adjusted in the future if estimates of taxable income are revised. For more information, see Note 28.

### **(vii) Provision for litigation costs**

The Group acts as a plaintiff in several legal proceedings with its counterparties. A provision for litigation costs is management's estimate of possible losses that may be incurred as a result of negative court rulings (Notes 19 and 30).

## **6. SEGMENT INFORMATION**

The operating segments presented in these consolidated financial statements are consistent with the structure of financial information, which is regularly reviewed by the Group's management. The Management Board is the main body that makes operational decisions of the Group.

Segment information is analyzed on the basis of the types of goods supplied by the Group's operating divisions. The Group's reportable segments under IFRS 8 *Operating segments* are as follows:

- Transmission system operator ("TSO") – comprising the operation, maintenance and dispatch (operational and technological) control of the Integrated Power System of Ukraine, electricity transmission via high voltage lines from generation to distribution networks based on tariffs approved by the regulator NEURC. Additionally, it includes activities for connection to electricity transmission system and sales of reactive energy.
- Energy system balancing – comprising purchase/sale of electricity to ensure a real-time balance of production, import, export, consumption of electricity and settlement of imbalances, cross-border flows and provision of emergency assistance to neighbouring countries.
- Access to the transmission capacity of IPN (interstate power networks) – comprising activities of granting access to the transmission capacity of interstate power networks.
- Other – comprising activities for development of special purpose software for transmission system operator, administrative and corporate functions and other activities, whose individual share of the Group's revenue is immaterial.

The segment result represents operating profit or loss under IFRS before unallocated other operating expenses.

For the year ended 31 December 2025, the Group's revenue from one customer amounted to UAH 29,322,840 thousand (2024: UAH 25,109,107 thousand) and was included in first three operating segments. Information on revenue from customers under control of the State is disclosed in Note 29. Revenue from other customers does not exceed 10% of the total revenue.

**PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

*In Ukrainian Hryvnias and in thousands, unless otherwise indicated*

Segment information for the year ended 31 December 2025 was as follows:

	<u>TSO</u>	<u>Energy system balancing</u>	<u>Access to the transmission capacity of IPN</u>	<u>Other</u>	<u>Elimination</u>	<u>Total</u>
Revenue - external	81,449,212	23,756,170	2,533,789	-	-	<b>107,739,171</b>
Revenue - inter-segment	-	-	-	143,577	(143,577)	-
<b>Total revenue</b>	<b>81,449,212</b>	<b>23,756,170</b>	<b>2,533,789</b>	<b>143,577</b>	<b>(143,577)</b>	<b>107,739,171</b>
Segment operating expenses, net	(66,381,513)	(34,592,263)	-	(40,079)	-	<b>(101,013,855)</b>
Impairment of financial assets, net	(1,405,037)	(4,455,887)	-	-	-	<b>(5,860,924)</b>
Impairment of property, plant and equipment and intangible assets, net	(2,884,737)	-	-	-	-	<b>(2,884,737)</b>
<b>Segment result</b>	<b>10,777,925</b>	<b>(15,291,980)</b>	<b>2,533,789</b>	<b>103,498</b>	<b>(143,577)</b>	<b>(2,020,345)</b>
Unallocated other operating expenses, net						<b>(38,498)</b>
Finance income						<b>1,107,173</b>
Finance costs						<b>(6,367,055)</b>
Foreign exchange loss, net						<b>(5,587,375)</b>
<b>Loss before tax</b>						<b>(12,906,100)</b>
Income tax benefit						<b>2,239,581</b>
<b>LOSS FOR THE PERIOD</b>						<b>(10,666,519)</b>

**PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

*In Ukrainian Hryvnias and in thousands, unless otherwise indicated*

Segment information for the year ended 31 December 2024 was as follows:

	<u>TSO</u>	<u>Energy system balancing</u>	<u>Access to the transmission capacity of IPN</u>	<u>Other</u>	<u>Elimination</u>	<u>Total</u>
Revenue - external	69,912,744	29,324,582	1,901,797	-	-	<b>101,139,123</b>
Revenue - inter-segment	-	-	-	131,483	(131,483)	-
<b>Total revenue</b>	<b>69,912,744</b>	<b>29,324,582</b>	<b>1,901,797</b>	<b>131,483</b>	<b>(131,483)</b>	<b>101,139,123</b>
Segment operating expenses, net	(63,898,331)	(30,440,213)	-	(24,553)	-	<b>(94,363,097)</b>
Impairment of financial assets, net	(5,306,368)	(9,186,725)	-	-	-	<b>(14,493,093)</b>
Impairment of property, plant and equipment and intangible assets, net	(1,482,577)	-	-	-	-	<b>(1,482,577)</b>
<b>Segment result</b>	<b>(774,532)</b>	<b>(10,302,356)</b>	<b>1,901,797</b>	<b>106,930</b>	<b>(131,483)</b>	<b>(9,199,644)</b>
Unallocated other operating expenses, net						<b>(16,966)</b>
Finance income						<b>1,183,812</b>
Finance costs						<b>(33,733,419)</b>
Foreign exchange loss, net						<b>(4,451,201)</b>
<b>Loss before tax</b>						<b>(46,217,418)</b>
Income tax benefit						<b>8,230,517</b>
<b>LOSS FOR THE PERIOD</b>						<b>(37,986,901)</b>

**PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

*In Ukrainian Hryvnias and in thousands, unless otherwise indicated*

**7. PROPERTY, PLANT, AND EQUIPMENT**

The movement of property, plant and equipment for the year ended 31 December 2025 is presented as follows:

	<b>Transmission lines (OHL)</b>	<b>Buildings and structures</b>	<b>Plant and equipment</b>	<b>Vehicles and other</b>	<b>Construction in progress</b>	<b>Total</b>
<b>Cost/Revalued cost</b>						
<b>As of 31 December 2024</b>	<b>53,391,856</b>	<b>5,110,903</b>	<b>35,682,836</b>	<b>1,667,208</b>	<b>32,068,722</b>	<b>127,921,525</b>
Reclassification between groups	-	(19)	19	-	-	-
Additions	3	137	735	-	13,246,461	<b>13,247,336</b>
Internal transfers	7,087	113,347	3,192,249	1,609,352	(4,922,035)	-
Revaluation	4,384,721	708,342	1,000,605	133,540	-	<b>6,227,208</b>
Elimination upon revaluation	(6,047,491)	(613,681)	(7,050,757)	(689,458)	-	<b>(14,401,387)</b>
Transfer to inventories	-	-	-	-	(9,836)	<b>(9,836)</b>
Disposals	(712)	(70)	(11,750)	(4,380)	(1,825)	<b>(18,737)</b>
Other changes	-	-	(1,791)	(390)	(3,532)	<b>(5,713)</b>
<b>As of 31 December 2025</b>	<b>51,735,464</b>	<b>5,318,959</b>	<b>32,812,146</b>	<b>2,715,872</b>	<b>40,377,955</b>	<b>132,960,396</b>
<b>Accumulated depreciation and impairment losses</b>						
<b>As of 31 December 2024</b>	<b>3,461,419</b>	<b>352,541</b>	<b>4,638,381</b>	<b>369,437</b>	<b>3,233,649</b>	<b>12,055,427</b>
Reclassification between groups	-	(8)	8	-	-	-
Depreciation expenses	3,456,446	372,693	3,146,675	490,203	-	<b>7,466,017</b>
Disposals	-	(33)	(9,159)	(2,591)	-	<b>(11,783)</b>
Elimination upon revaluation	(6,047,491)	(613,681)	(7,050,757)	(689,458)	-	<b>(14,401,387)</b>
Reversal of impairment losses as a result of revaluation	-	(19)	(1,882)	(2)	-	<b>(1,903)</b>
Charge of impairment losses	-	70,461	689,058	6,418	909,661	<b>1,675,598</b>
Other changes	-	-	(1,001)	13	-	<b>(988)</b>
<b>As of 31 December 2025</b>	<b>870,374</b>	<b>181,954</b>	<b>1,411,323</b>	<b>174,020</b>	<b>4,143,310</b>	<b>6,780,981</b>
<b>Net book value</b>						
<b>As of 31 December 2024</b>	<b>49,930,437</b>	<b>4,758,362</b>	<b>31,044,455</b>	<b>1,297,771</b>	<b>28,835,073</b>	<b>115,866,098</b>
<b>As of 31 December 2025</b>	<b>50,865,090</b>	<b>5,137,005</b>	<b>31,400,823</b>	<b>2,541,852</b>	<b>36,234,645</b>	<b>126,179,415</b>

**PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

*In Ukrainian Hryvnias and in thousands, unless otherwise indicated*

The movement of property, plant and equipment for the year ended 31 December 2024 is presented as follows:

	<u>Transmission lines (OHL)</u>	<u>Buildings and structures</u>	<u>Plant and equipment</u>	<u>Vehicles and other</u>	<u>Construction in progress</u>	<u>Total</u>
<b>Cost/Revalued cost</b>						
<b>As of 31 December 2023</b>	<b>53,338,026</b>	<b>4,744,871</b>	<b>30,432,767</b>	<b>807,300</b>	<b>21,125,868</b>	<b>110,448,832</b>
Reclassification between groups	-	(126)	(13)	139	-	-
Additions	-	2,751	58	-	17,469,853	<b>17,472,662</b>
Internal transfers	41,560	364,240	5,251,319	862,835	(6,519,954)	-
Transfer to inventories	-	-	-	-	(5,730)	<b>(5,730)</b>
Disposals	-	(833)	(1,295)	(3,066)	(1,315)	<b>(6,509)</b>
Other changes	12,270	-	-	-	-	<b>12,270</b>
<b>As of 31 December 2024</b>	<b>53,391,856</b>	<b>5,110,903</b>	<b>35,682,836</b>	<b>1,667,208</b>	<b>32,068,722</b>	<b>127,921,525</b>
<b>Accumulated depreciation and impairment losses</b>						
<b>As of 31 December 2023</b>	-	-	-	<b>1,816</b>	<b>2,227,034</b>	<b>2,228,850</b>
Depreciation expenses	3,443,704	339,137	2,970,401	356,952	-	<b>7,110,194</b>
Disposals	-	(173)	(131)	(2,204)	-	<b>(2,508)</b>
Charge of impairment losses	17,715	13,577	1,668,111	12,873	1,006,615	<b>2,718,891</b>
<b>As of 31 December 2024</b>	<b>3,461,419</b>	<b>352,541</b>	<b>4,638,381</b>	<b>369,437</b>	<b>3,233,649</b>	<b>12,055,427</b>
<b>Net book value</b>						
<b>As of 31 December 2023</b>	<b>53,338,026</b>	<b>4,744,871</b>	<b>30,432,767</b>	<b>805,484</b>	<b>18,898,834</b>	<b>108,219,982</b>
<b>As of 31 December 2024</b>	<b>49,930,437</b>	<b>4,758,362</b>	<b>31,044,455</b>	<b>1,297,771</b>	<b>28,835,073</b>	<b>115,866,098</b>

# PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

*In Ukrainian Hryvnias and in thousands, unless otherwise indicated*

### Revaluation and impairment

The Group engaged independent professional appraisers to determine the fair values of its property, plant, and equipment as of 01 October 2025. The fair value was determined in accordance with International Valuation Standards. The previous appraisal of the fair value of the Group's property, plant and equipment was carried out as of 31 December 2023. The methodology and main assumptions of revaluation are disclosed in Note 5 and 31.

As a result of the revaluation of property, plant and equipment as of 01 October 2025 the increase in value of property, plant and equipment in the amount UAH 7,890,900 thousand was recognized in other comprehensive income and impairment losses in amount of UAH 1,661,789 thousand was recognized in profit or loss.

Based on an analysis of changes in internal and external factors during the period from 01 October to 31 December 2025, the Group's management concluded that the carrying amount of property, plant and equipment as at 31 December 2025, measured at revalued amounts, does not differ materially from their fair value (Note 5).

As disclosed in Note 5, during 2025, as a result of the destruction of and damage to part of the Group's energy infrastructure, the Group recognized impairment losses of property, plant and equipment and construction in progress in the amount of UAH 1,675,623 thousand (2024: UAH 2,718,974 thousand), including impairment losses in the amount of UAH 452,117 thousand (2024: UAH 1,236,683 thousand) recognized as decrease in the revaluation reserve in other comprehensive income and impairment losses of UAH 1,223,506 thousand (2024: UAH 1,482,291 thousand) recognized in profit or loss.

Had the Group's property plant and equipment been measured on a historical cost basis, their carrying amount would have been as follows:

	Net book value under revaluation model		Net book value if carried at cost	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
Transmission lines (OHL)	50,865,090	49,930,437	5,698,085	5,850,371
Buildings and structures	5,137,005	4,758,362	1,845,846	1,821,089
Plant and equipment	31,400,823	31,044,455	16,617,327	14,874,969
Vehicles and other	2,541,852	1,297,771	2,377,038	1,199,306
<b>Total</b>	<b>89,944,770</b>	<b>87,031,025</b>	<b>26,538,296</b>	<b>23,745,735</b>

### Depreciation expenses

In 2025, the depreciation expenses of UAH 7,423,428 thousand (2024: UAH 7,067,729 thousand) were included in cost of sales, UAH 37,461 thousand (2024: UAH 37,499 thousand) in administrative expenses, UAH 4,431 thousand (2024: UAH 4,824 thousand) in other operating expenses, UAH 697 thousand (2024: UAH 142 thousand) were capitalised.

### Capitalized borrowing costs

In 2025 additions to construction in progress included capitalized interests in the amount of UAH 545,985 thousand (2024: 498,186 thousand). During 2025 and 2024, interests were capitalized only for loans obtained exclusively for the implementation of construction of qualifying assets projects.

### Prepayments for property, plant and equipment

Construction in progress as of 31 December 2025 included prepayments for property, plant and equipment with carrying amount UAH 6,906,944 thousand, excluding accumulated impairment losses in amount of UAH 160,038 thousand (2024: carrying amount – UAH 9,531,275 thousand, accumulated impairment losses – UAH 159,111 thousand).

**PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

*In Ukrainian Hryvnias and in thousands, unless otherwise indicated*

---

**Fully depreciated assets**

As of 31 December 2025 the cost of fully depreciated property, plant and equipment that are still in use by the Group amounted to UAH 75,034 thousand (2024: UAH 43,345 thousand).

**PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

*In Ukrainian Hryvnias and in thousands, unless otherwise indicated*

**8. INTANGIBLE ASSETS**

	<u>Computer software</u>	<u>Right-of-use asset</u>	<u>Other intangible assets</u>	<u>Capital investment in intangible assets</u>	<u>Total</u>
<b>Cost</b>					
<b>As of 31 December 2023</b>	<b>1,048,854</b>	<b>10,231</b>	<b>1,343</b>	<b>231,469</b>	<b>1,291,897</b>
Additions	117	5,693	-	458,691	<b>464,501</b>
Internal transfers	370,081	-	102	(370,183)	-
Disposals	(10,929)	-	(31)	(18,465)	<b>(29,425)</b>
<b>As of 31 December 2024</b>	<b>1,408,123</b>	<b>15,924</b>	<b>1,414</b>	<b>301,512</b>	<b>1,726,973</b>
Additions	-	205	-	226,993	<b>227,198</b>
Internal transfers	255,193	-	45	(255,238)	-
Disposals	(12,782)	(5,282)	(92)	(913)	<b>(19,069)</b>
Other changes	4,771	-	-	-	<b>4,771</b>
<b>As of 31 December 2025</b>	<b>1,655,305</b>	<b>10,847</b>	<b>1,367</b>	<b>272,354</b>	<b>1,939,873</b>
<b>Accumulated amortization and impairment losses</b>					
<b>As of 31 December 2023</b>	<b>325,740</b>	<b>6,889</b>	<b>428</b>	<b>29,874</b>	<b>362,931</b>
Amortization expenses	103,147	2,479	15	-	<b>105,641</b>
Disposals	(10,928)	-	(31)	-	<b>(10,959)</b>
Reversal of impairment losses	-	-	-	(18,189)	<b>(18,189)</b>
<b>As of 31 December 2024</b>	<b>417,959</b>	<b>9,368</b>	<b>412</b>	<b>11,685</b>	<b>439,424</b>
Amortization expenses	148,985	2,734	95	-	<b>151,814</b>
Disposals	(12,681)	(5,275)	(90)	-	<b>(18,046)</b>
Impairment losses	102	-	5	136	<b>243</b>
Other changes	1,001	-	-	-	<b>1,001</b>
<b>As of 31 December 2025</b>	<b>555,366</b>	<b>6,827</b>	<b>422</b>	<b>11,821</b>	<b>574,436</b>
<b>Net book value</b>					
<b>As of 31 December 2024</b>	<b>990,164</b>	<b>6,556</b>	<b>1,002</b>	<b>289,827</b>	<b>1,287,549</b>
<b>As of 31 December 2025</b>	<b>1,099,939</b>	<b>4,020</b>	<b>945</b>	<b>260,533</b>	<b>1,365,437</b>

# PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

*In Ukrainian Hryvnias and in thousands, unless otherwise indicated*

### Impairment of intangible assets

During 2025 the Group recognized losses on impairment of intangible assets in the amount of UAH 243 thousand (2024: UAH 286 thousand) in profit or loss. At the same time, in 2024, there was a reversal of impairment losses on capital investment in intangible assets in the amount of UAH 18,465 thousand as a result of their disposal.

### Amortization expenses

In 2025, the amortization expenses of UAH 129,279 thousand (2024: UAH 95,624 thousand) were included in cost of sales, UAH 22,380 thousand (2024: UAH 9,726 thousand) in administrative expenses, UAH 1 thousand (2024: UAH 1 thousand) in other operating expenses, UAH 154 thousand (2024: UAH 290 thousand) were capitalised.

### Capitalized borrowing costs

In 2025 additions to capital investment in intangible assets included capitalized interests in the amount of UAH 13,660 thousand (2024: UAH 22,316 thousand). During 2025 and 2024 interests were capitalized only for loans obtained exclusively for the implementation of construction of qualifying assets projects.

### Prepayments for intangible assets

Capital investment in intangible assets as of 31 December 2025 included prepayments for intangible assets with carrying amount UAH 8,499 thousand, excluding accumulated impairment losses in amount of UAH 1,330 thousand (2024: carrying amount – UAH 15,716 thousand, accumulated impairment losses – UAH 1,456 thousand).

## 9. TRADE ACCOUNTS RECEIVABLE

	<b>31 December 2025</b>	<b>31 December 2024</b>
Electricity to settle imbalances	41,686,946	38,252,975
Electricity transmission services	17,318,399	17,101,678
Dispatch (operational and technological) control services	9,534,778	8,988,765
Electricity from cross-border flows	748,593	653,346
Granting access to the transmission capacity of interstate power networks	667,445	312,772
Balancing electricity	581,271	1,220,068
Electricity in the framework of providing emergency assistance	96,646	-
Reactive energy	10,450	10,828
Other goods, works, services	6,613	6,613
<b>Total gross amount</b>	<b>70,651,141</b>	<b>66,547,045</b>
<i>Less: Expected credit losses on trade accounts receivable</i>	<i>(40,735,467)</i>	<i>(34,944,675)</i>
<b>Total carrying amount</b>	<b>29,915,674</b>	<b>31,602,370</b>

No credit limits are applied to the Group's customers. The average credit period for the Group's customers did not exceed 30 days. No interest is charged on trade accounts receivable that are not repaid within credit limits.

## PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

*In Ukrainian Hryvnias and in thousands, unless otherwise indicated*

#### Expected credit losses on trade accounts receivable

With the onset of military aggression, the solvency of many consumers has deteriorated or lost. The level of settlements in the electricity market has significantly deteriorated. Since the beginning of the military aggression on the electricity market, there has been a shortage of funds due to deteriorating solvency, bankruptcy of end customers, and destruction of their infrastructure, which also resulted in significant increase of gross accounts receivables to the Group during 2022-2025.

At the same time, the Group in cooperation with the regulator and state authorities aimed to improve settlements in the electricity market, reducing regulatory influence on market pricing, and increasing the liquidity of market participants. Such measures include, but are not limited to, increasing of price caps, improving the interaction of the supplier of last resort with consumers, including protected consumers or consumers whose facilities are designated as critical infrastructure facilities, and agreeing on other sources of debt repayment.

In 2025, due to an increase in the level of overdue accounts receivables, the Group accrued expected credit losses on trade accounts receivables in the amount of UAH 5,814,003 thousand (2024: UAH 14,494,153 thousand).

The movements in expected credit losses on trade accounts receivable for the years ended 31 December 2025 and 2024 were as follows:

	<b>Portfolio assessment</b>	<b>Individual assessment</b>	<b>Total</b>
<b>Balance at 1 January 2024</b>	<b>6,853,976</b>	<b>13,596,546</b>	<b>20,450,522</b>
Charge	986,639	13,507,514	<b>14,494,153</b>
<b>Balance at 31 December 2024</b>	<b>7,840,615</b>	<b>27,104,060</b>	<b>34,944,675</b>
Charge	734,255	5,079,748	<b>5,814,003</b>
Written off as a bad debt	(23,211)	-	<b>(23,211)</b>
<b>Balance at 31 December 2025</b>	<b>8,551,659</b>	<b>32,183,808</b>	<b>40,735,467</b>

**PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

*In Ukrainian Hryvnias and in thousands, unless otherwise indicated*

Analysis of credit quality of trade accounts receivable for the years ended 31 December 2025 is as follows:

<b>31 December 2025</b>	<b><u>Not past due</u></b>	<b><u>Past due from 1 to 30 days</u></b>	<b><u>Past due from 31 to 90 days</u></b>	<b><u>Past due from 91 to 120 days</u></b>	<b><u>Past due from 121 to 180 days</u></b>	<b><u>Past due from 181 to 365 days</u></b>	<b><u>Past due for more than 365 days</u></b>	<b><u>Total</u></b>
<b>Portfolio assessment</b>								
Gross amount	4,925,552	1,748,107	2,237,897	390,197	442,891	1,931,090	9,134,919	<b>20,810,653</b>
Expected credit losses	-	(3)	(71,416)	(19,919)	(31,092)	(233,090)	(8,196,139)	<b>(8,551,659)</b>
<i>Ratio of expected credit losses, %</i>	<i>0.00%</i>	<i>0.00%</i>	<i>3.19%</i>	<i>5.10%</i>	<i>7.02%</i>	<i>12.07%</i>	<i>89.72%</i>	
<b>Individual assessment</b>								
Gross amount	1,610,005	1,696,314	2,551,346	942,306	1,582,237	7,228,550	34,229,730	<b>49,840,488</b>
Expected credit losses	(31,077)	(83,668)	(195,259)	(121,478)	(287,780)	(2,649,538)	(28,815,008)	<b>(32,183,808)</b>
<i>Ratio of expected credit losses, %</i>	<i>1.93%</i>	<i>4.93%</i>	<i>7.65%</i>	<i>12.89%</i>	<i>18.19%</i>	<i>36.65%</i>	<i>84.18%</i>	
						<b>Total gross amount</b>		<b>70,651,141</b>
						<b>Total expected credit losses</b>		<b>(40,735,467)</b>

**PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

*In Ukrainian Hryvnias and in thousands, unless otherwise indicated*

Analysis of credit quality of trade accounts receivable for the years ended 31 December 2024 is as follows:

<b>31 December 2024</b>	<b>Not past due</b>	<b>Past due from 1 to 30 days</b>	<b>Past due from 31 to 90 days</b>	<b>Past due from 91 to 120 days</b>	<b>Past due from 121 to 180 days</b>	<b>Past due from 181 to 365 days</b>	<b>Past due for more than 365 days</b>	<b>Total</b>
<b>Portfolio assessment</b>								
Gross amount	5,154,191	1,776,606	2,148,610	863,987	1,128,110	3,591,890	8,141,775	<b>22,805,169</b>
Expected credit losses	-	(74)	(70,600)	(42,883)	(54,193)	(320,813)	(7,352,052)	<b>(7,840,615)</b>
<i>Ratio of expected credit losses, %</i>	<i>0.00%</i>	<i>0.00%</i>	<i>3.29%</i>	<i>4.96%</i>	<i>4.80%</i>	<i>8.93%</i>	<i>90.30%</i>	
<b>Individual assessment</b>								
Gross amount	2,180,463	1,513,089	1,319,996	1,193,879	3,441,349	5,636,913	28,456,187	<b>43,741,876</b>
Expected credit losses	(64,640)	(109,817)	(169,375)	(148,746)	(399,939)	(1,945,038)	(24,266,505)	<b>(27,104,060)</b>
<i>Ratio of expected credit losses, %</i>	<i>2.96%</i>	<i>7.26%</i>	<i>12.83%</i>	<i>12.46%</i>	<i>11.62%</i>	<i>34.51%</i>	<i>85.28%</i>	
						<b>Total gross amount</b>		<b>66,547,045</b>
						<b>Total expected credit losses</b>		<b>(34,944,675)</b>

## PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

*In Ukrainian Hryvnias and in thousands, unless otherwise indicated*

The reconciliation of expected credit losses on trade accounts receivables for the years ended 31 December 2025 and 2024 with the balance at the beginning of the year was as follows:

	<u>Portfolio assessment</u>	<u>Individual assessment</u>	<u>Total</u>
<b>Balance at 1 January 2024</b>	<b>6,853,976</b>	<b>13,596,546</b>	<b>20,450,522</b>
Increase in gross value of trade accounts receivable	3,570,147	8,025,536	<b>11,595,683</b>
Change in assumptions, estimates and risk parameters	192,293	2,706,177	<b>2,898,470</b>
Transfer of separate financial assets between types of assessment	<u>(2,775,801)</u>	<u>2,775,801</u>	<u>-</u>
<b>Balance at 31 December 2024</b>	<b>7,840,615</b>	<b>27,104,060</b>	<b>34,944,675</b>
Increase in gross value of trade accounts receivable	757,978	4,679,394	<b>5,437,372</b>
Change in assumptions, estimates and risk parameters	(11,887)	388,518	<b>376,631</b>
Transfer of separate financial assets between types of assessment	<u>(23,211)</u>	<u>-</u>	<u>(23,211)</u>
Increase in gross value of trade accounts receivable	<u>(11,836)</u>	<u>11,836</u>	<u>-</u>
<b>3 Balance at 31 December 2025</b>	<b><u>8,551,659</u></b>	<b><u>32,183,808</u></b>	<b><u>40,735,467</u></b>

The Group, assessing expected credit losses on trade accounts receivables, takes into account the cash flows expected from credit enhancements, which are an integral part of the contract. Such credit enhancements are accounts payable of the counterparties owed to the Group, which are usually settled on a net basis together with accounts receivable, but does not meet the offsetting criteria, and financial guarantees received by the Group from the customers for electricity to settle imbalances and balancing electricity arising under of the same contract (Notes 17 and 20).

As of 31 December 2025, 2% of gross trade accounts receivable are covered by credit enhancements that are an integral part of contracts (2024: 6%). As of 31 December 2025 these credit enhancements resulted in a decrease in the expected credit losses on trade accounts receivable in the amount of UAH 896,263 thousand (2024: UAH 1,704,052 thousand).

#### 10. TAXES RECEIVABLE, OTHER THAN INCOME TAX

As of 31 December 2025 and 2024 taxes receivable, other than income tax consisted mainly of VAT receivable in amount of UAH 1,143,161 and 1,907,256 thousand, respectively.

#### 11. CASH AND CASH EQUIVALENTS

	<u>31 December 2025</u>	<u>31 December 2024</u>
Cash on current bank accounts	7,983,590	11,322,807
Cash on special purpose accounts	3,752,796	4,193,167
Cash on hand	<u>-</u>	<u>1</u>
<b>Total</b>	<b><u>11,736,386</u></b>	<b><u>15,515,975</u></b>

Special purpose accounts are accounts with a special use regime, in particular for receiving funds under loan agreements with international financial institutions, settlements on the purchase and sale of electricity on the balancing market and others.

## PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

*In Ukrainian Hryvnias and in thousands, unless otherwise indicated*

In accordance with the international rating agencies of Moody's or Fitch, the credit ratings of the banks with which the Group had cash and cash equivalents accounts opened as of 31 December 2025 and 2024 were as follows:

	<b>31 December 2025</b>	<b>31 December 2024</b>
Ukrainian state banks with CCC rating	11,417,591	15,311,844
Ukrainian commercial banks with CCC rating	-	1
Subsidiaries of international banks with AA rating	299,951	185,274
Other banks without ratings	18,844	18,856
<b>Total</b>	<b>11,736,386</b>	<b>15,515,975</b>

#### 12. OTHER CURRENT ASSETS

	<b>31 December 2025</b>	<b>31 December 2024</b>
Regulatory asset	2,546,522	2,603,276
One-time commission on loans from banks	19,770	19,257
VAT amounts for which deadline or right to declare is not due	36	283
Other	393	288
<b>Total</b>	<b>2,566,721</b>	<b>2,623,104</b>

The regulator NEURC based on the results of the inspection of the Group's licensed activities, provided in tariffs for electricity transmission and dispatch (operational and technological) control services for 2026 and 2025 for costs in the total amount of UAH 2,680,549 and 2,740,290 thousand respectively, as compensation for the costs incurred in previous periods, but not fully covered by tariffs for those periods. Thus, the regulator increased the future tariffs for the services of the Group due to the difference between economically justified actual and planned (approved in the tariffs of past periods) costs, which indicates about existence of regulatory asset as of 31 December 2025 and 2024 and its probable full recover in future.

Having applied the accounting policy for reflecting the impact of tariff regulation on financial statements, and having adjusted the expected cash flows from the recovery of the regulatory asset for credit risk (the expected level of non-receipt of cash for the services provided), since the regulations does not treat uncollected amounts as allowable in determining tariffs for a later future period, as of 31 December 2025 and 2024, the Group recognized a regulatory asset and respective regulatory income in the amount of UAH 2,546,522 and 2,603,276 thousand respectively (Note 23).

In 2025 and 2024, the Group received revenue from electricity transmission and dispatch (operational and technological) control services, offsetting part of the costs incurred in previous periods that were not financed by the tariffs of those periods. Accordingly, during 2025 and 2024, the Group recognized regulatory expenses in the amount of UAH 2,603,276 and 6,817,939 thousand respectively, fully recovering the regulatory asset that was recognized as of 31 December 2024 and 2023 (Note 25).

# PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

*In Ukrainian Hryvnias and in thousands, unless otherwise indicated*

---

### 13. EQUITY

#### Share capital

In July 2019, NPC "Ukrenergo" was registered as a private joint stock company with 100% of its shares owned by the state of Ukraine. The private joint stock company NPC "Ukrenergo" is the legal successor of the State Enterprise "National Power Company "Ukrenergo".

As of 31 December 2025 and 2024 the nominal value of registered, issued and fully repaid share capital of the Company amounted to UAH 37,160,209 thousand, consisting of 37,160,209 ordinary registered shares with nominal value of UAH 1,000 per share.

The shares of the Company are not subject to dispossession, they are not registered on a stock exchange and are not traded in the market. The Decree of the Cabinet of Ministers of Ukraine dated July 28, 2021 No.833-r "Certain issues of management of state property" approved the transfer of management of corporate rights owned by the state in share capital of the Company from the Ministry of Finance of Ukraine to the Ministry of Energy of Ukraine. On September 16, 2021, the state, represented by the Ministry of Energy of Ukraine, became the owner of 100% of the Company's shares.

#### Corporatization effect

The value of shares of Company during corporatization was assessed by engaging an independent appraiser who assessed the fair values of the Company's assets and liabilities in accordance with the rules developed for valuation of shares by the State Property Fund of Ukraine. The fair value measurement of non-current assets is required by corporatization rules so that the Government could determine the share capital value of a new business entity. Since the new entity, Private Joint Stock Company NPC "Ukrenergo", is the continuation of the existing business, as well as assets and liabilities of the previous legal entity, the above fair value of assets and liabilities could not be reflected in the financial statements.

Through the reorganization ("corporatization") the Company's share capital was increased in the amount of UAH 35,933,854 thousand which has been reflected as increase in share capital, consistent with the legal form of the shares. However, as the shareholder of the Company did not contribute additional capital through the reorganization, the increase in equity has been reflected as a corporatization in the amount of UAH 35,933,854 thousand, as separate reserve in equity.

	<u>Number of ordinary shares</u>	<u>Share capital</u>	<u>Corporatization effect</u>	<u>Total</u>
<b>31 December 2025</b>	<u>37,160,209</u>	<u>37,160,209</u>	<u>(35,933,854)</u>	<u>1,226,355</u>
<b>31 December 2024</b>	<u>37,160,209</u>	<u>37,160,209</u>	<u>(35,933,854)</u>	<u>1,226,355</u>

#### Revaluation reserve

Based on revaluation of property, plant and equipment as of 01 October 2025 the increase in the value of property, plant and equipment in the amount of UAH 6,475,788 thousand was recognized in other comprehensive income, net of income tax benefit in the amount of UAH 1,415,112 thousand (Notes 5 and 7).

During 2025, as a result of the destruction and damage of the Group's energy infrastructure, impairment losses on property, plant and equipment were recognized in the amount of UAH 370,740 thousand (2024: UAH 1,014,063 thousand) as a decrease in the revaluation reserve in other comprehensive income, net of income tax benefit in the amount of UAH 81,377 thousand (2024: UAH 222,620 thousand).

As of 31 December 2025 and 2024 revaluation reserve amounted to UAH 73,551,844 and 67,467,606 thousand respectively.

# PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

*In Ukrainian Hryvnias and in thousands, unless otherwise indicated*

---

### **Reserve capital**

In accordance with the Company's Charter, the Company shall form a reserve capital in the amount of 15% of the registered authorized/share capital of the Company to cover losses from its business activities. To achieve this amount of reserve capital, the amount of annual charges should be not less than 5% of the net Company's profits for the year.

During 2025, the Group's reserve capital increased by UAH 311 thousand, as a result of charges made from the profits of its subsidiaries, which is required by the statutory documents and legislation. During 2024, the Group's reserve capital decreased by UAH 3,072 thousand, which includes an adjustment (decrease) to reserve capital based on the decision of the Group's general meeting in the amount of UAH 4,257 thousand, and a charge to the reserve capital of subsidiaries in the amount of UAH 1,185 thousand.

As of 31 December 2025 and 2024 reserve capital amounted to UAH 139,422 thousand and UAH 139,111 thousand respectively.

### **Dividends**

The decision on payment of dividends and their amount is made by the shareholders meeting of the Company taking into account the requirements stipulated by the legislation of Ukraine, the indicators of financial statements and the structure of the tariffs for electricity transmission and dispatch (operational and technological) control services. Profit of each reporting period available for distribution to owners is determined on the basis of consolidated financial statements prepared in accordance with IFRS. The Group pays dividends exclusively in cash.

According to Part 5, Article 11 of the Law of Ukraine "On Management of State-Owned Properties" No 185-V dated September 21, 2006, in its effective version, it is determined that the general meeting of shareholders (participants) of state-owned company, approve the amount of the part of the net profit, which is directed to the payment of dividends based on the results of the company's financial and economic activity in the relevant year, in accordance with the State Dividend Policy approved by the Cabinet of Ministers of Ukraine.

In accordance with the State Dividend Policy, approved by the Resolution of the Cabinet of Ministers of Ukraine dated November 29, 2024 No. 1369, the highest management body of the enterprise shall make a decision on the payment of dividends (deduction of part of net profit) in the amount of not less than 75% of the net profit of the company for the relevant reporting period. Special laws or decisions of the Cabinet of Ministers of Ukraine may determine another amount of dividend payment of part of the net profit of the company in favor of the state, but not less than 30%.

As of 31 December 2025 and 2024, no provision for dividend payment was accrued due to the loss on the results of the Group's activities for 2025-2024.

In June 2024, the Group made payment of dividends in amount of 90% of the consolidated profit for 2023 in amount of UAH 338,974 thousand. The payment of dividends was made partly using a provision in the amount of UAH 207,883 thousand, and through retained earnings in the amount of UAH 131,091 thousand.

**PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

*In Ukrainian Hryvnias and in thousands, unless otherwise indicated*

**14. LOANS AND BORROWINGS**

	<b>31 December 2025</b>	<b>31 December 2024</b>
<b>Non-current</b>		
Loans	15,334,064	10,315,876
Eurobonds 2028	-	-
<b>Total non-current loans and borrowings</b>	<b>15,334,064</b>	<b>10,315,876</b>
<b>Current</b>		
Loans*	45,193,397	48,821,727
Eurobonds 2028**	44,863,045	41,920,152
<b>Total current loans and borrowings</b>	<b>90,056,442</b>	<b>90,741,879</b>
<b>Total loans and borrowings</b>	<b>105,390,506</b>	<b>101,057,755</b>

\* As of 31 December 2025 and 2024, long-term part of loans in the amount of UAH 37,019,057 and 41,225,327 thousand respectively, was reclassified to current liabilities due to technical default on Eurobonds 2028, and the corresponding application of cross-default provisions, and non-fulfilment of financial covenants under certain loan agreements.

\*\* As of 31 December 2025 and 2024, the long-term part of Eurobonds 2028 in the amount of UAH 34,969,935 and 34,689,518 thousand respectively, was reclassified to current liabilities due to technical default.

**PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

*In Ukrainian Hryvnias and in thousands, unless otherwise indicated*

As of 31 December 2025 and 2024, the weighted average effective interest rates and balances on loans and borrowings were presented as follows:

	Creditor	Currency	31 December 2025		31 December 2024	
			% annual	Balance	% annual	Balance
European Bank for Reconstruction and Development, No. 54138	EBRD	EUR	3.69%	12,865,607	5.34%	9,987,484
European Bank for Reconstruction and Development, No. 54649	EBRD	EUR	3.61%	7,475,015	5.35%	6,585,698
European Investment Bank, No. 87.554	EIB	EUR	2.95%	6,780,484	4.34%	5,974,018
Ministry of Finance of Ukraine, No. 8462-UA	IBRD	USD	5.93%	6,020,349	6.42%	6,473,810
Oshchadbank, No. 1372/31/2	Oshchadbank	UAH	21.51%	4,583,333	20.71%	4,583,333
European Bank for Reconstruction and Development, No. 49235	EBRD	EUR	3.21%	3,910,772	4.32%	5,300,163
Ukreximbank, No. 20-1KV0016	Ukreximbank	UAH	19.91%	3,666,000	24.25%	3,666,000
Ministry of Finance of Ukraine, No. 27406	KfW	EUR	4.46%	2,959,587	4.42%	2,607,576
Ministry of Finance of Ukraine, No. FIN 31.143						
SEPARIS No.20090117	EIB	EUR	5.00%	2,597,357	4.32%	2,501,327
Ministry of Finance of Ukraine, No. 24668-UA	EIB	EUR	4.96%	2,576,023	3.86%	2,681,261
Ministry of Finance of Ukraine, No. TF017661	IBRD	USD	2.75%	1,746,947	2.81%	1,886,646
KfW, № 2016.6520.7	KfW	EUR	2.51%	1,565,908	2.43%	1,378,473
Ministry of Finance of Ukraine, No. 4868-UA	IBRD	USD	5.87%	1,509,472	3.83%	2,192,151
Ukrigasbank, No. 20-K/20-VIP	Ukrigasbank	UAH	21.51%	865,885	20.69%	865,885
Ministry of Finance of Ukraine, No. 2006 66 537	KfW	EUR	3.18%	719,099	2.77%	633,569
Oshchadbank, No. 1427/31/2	Oshchadbank	USD	5.87%	685,623	5.50%	1,019,971
Ministry of Finance of Ukraine, No. 40147-UA	EBRD	EUR	-	-	3.57%	800,238
<b>Total loans</b>				<b>60,527,461</b>		<b>59,137,603</b>
Eurobonds 2028	-	USD	7.30%	44,863,045	7.34%	41,920,152
<b>Total loans and borrowings</b>				<b>105,390,506</b>		<b>101,057,755</b>

As of 31 December 2025, accrued interests on loans amounted to UAH 1,329,237 thousand (2024: UAH 1,180,157 thousand), of which UAH 534,321 thousand are long-term as a result of changes in the terms of certain loan agreements (2024: UAH 284,488 thousand), as described below, and UAH 794,916 thousand are current (2024: UAH 895,669 thousand) (Note 20).

# PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

*In Ukrainian Hryvnias and in thousands, unless otherwise indicated*

---

### Loans from international financial organizations

#### Ministry of Finance of Ukraine, loan No. 4868-UA

**Creditor:** International Bank for Reconstruction and Development

In 2007, the long-term loan agreement No.4868-UA for the total amount of USD 200,000 thousand was concluded between the Government of Ukraine and the International Bank for Reconstruction and Development (hereinafter – "IBRD") to implement the Power Transmission Project. The sub-loan agreement between the Group and the Ministry of Finance of Ukraine was concluded on 23 August 2007. The interest rate of the loan is a floating interest rate based on SOFR<sup>1</sup> plus a variable spread, plus a margin of 2.00% payable to the Ministry of Finance of Ukraine. The loan is repayable in accordance with the settlement schedule specified in the agreement, starting from 15 March 2013 to 15 September 2027.

As of 31 December 2025 and 2024, there was no undrawn balance under the loan.

#### Ministry of Finance of Ukraine, loan No. 8462-UA

**Creditor:** International Bank for Reconstruction and Development

In 2015, long-term loan agreement No.8462-UA for the total amount of USD 330,000 thousand was concluded between the Government of Ukraine and the IBRD to implement the Second Power Transmission Project. In accordance with the sub-loan agreement between the Group and the Ministry of Finance of Ukraine concluded on 25 May 2015, the sub-lender re-credited a portion of funds in the amount of USD 327,494 thousand. The interest rate of the loan is a floating interest rate based on SOFR plus a variable spread. In addition, the Group is charged a commission of 0.25% for the undrawn loan amount and a margin of 2.00% payable to the Ministry of Finance of Ukraine. In May 2019, amendments were made to Loan Agreement No.8462-UA, according to which was agreed to reduce the amount of borrowing funds by USD 60,000 thousand. The project completion date – 31 December 2026. The loan is repayable in accordance with the settlement schedule specified in the agreement, starting from 15 January 2020 to 15 July 2032.

As of 31 December 2025, the undrawn balance under the loan amounted to USD 47,103 thousand (2024: USD 54,620 thousand).

#### Ministry of Finance of Ukraine, loan No. TF017661

**Creditor:** International Bank for Reconstruction and Development

In 2015, long-term loan agreement No.TF017661 for the total amount of USD 48,425 thousand was concluded between the Government of Ukraine and the IBRD to implement the Second Power Transmission Project. The sub-loan agreement between the Group and the Ministry of Finance of Ukraine was concluded on 25 May 2015. The interest rate of the loan is a fixed interest rate of 0.75%. In addition, the Group is charged a margin of 2.00% payable to the Ministry of Finance of Ukraine. The project completion date – 31 December 2026. The loan is repayable in accordance with the settlement schedule specified in the agreement, starting from 15 January 2025 to 15 July 2034.

In addition, as part of additional financing for the implementation of this Project, grant agreement No. TF0C819 for the total amount of EUR 37,739 thousand was concluded between the Group, the IBRD and the International Development Association (Note 16).

As of 31 December 2025, the undrawn balance under the loan amounted to USD 2,370 thousand (2024: USD 3,547 thousand).

---

<sup>1</sup> The Secured Overnight Financing Rate (SOFR) is a benchmark interest rate for dollar-denominated financial instruments based on transactions in the Treasury repurchase market. SOFR replaced LIBOR in all loan agreements.

# PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

*In Ukrainian Hryvnias and in thousands, unless otherwise indicated*

---

### **Ministry of Finance of Ukraine, loan No. 40147-UA**

**Creditor:** European Bank for Reconstruction and Development

In 2010, long-term loan agreement No.40147 for the total amount of EUR 175,000 thousand was concluded between the Government of Ukraine and the EBRD to implement Zaporizka NPP - Kakhovska high voltage line construction project. The sub-loan agreement between the Group and the Ministry of Finance of Ukraine was concluded on 18 November 2010. The interest rate of this loan is a floating interest rate based on EURIBOR + 1.00%, plus a margin of 2.00% payable to the Ministry of Finance of Ukraine. In addition, the Group is charged a commission of 0.50% applied to the undrawn balance of the loan. The loan is repayable in accordance with the settlement schedule specified in the agreement in equal semi-annual instalments starting from 20 April 2014 to 20 October 2025.

The loan was fully repaid in accordance with the settlement schedule specified in the agreement in October 2025.

### **Ministry of Finance of Ukraine, loan No. FIN 31.143 SEPARIS No.20090117**

**Creditor:** European Investment Bank

In 2011, long-term loan agreement No. FIN 31.143 SEPARIS No.20090117 for the total amount of EUR 175,000 thousand was concluded between the Government of Ukraine and the EIB to implement Zaporizka NPP - Kakhovska high voltage line construction project. The sub-loan agreement between the Group and the Ministry of Finance of Ukraine was concluded on 2 July 2012. The interest rate of this loan is a floating interest rate based on EURIBOR + 0.70%, plus a margin of 2.00% payable to the Ministry of Finance of Ukraine. In addition, the Group is charged a commission of 0.10% applied to the undrawn balance of the loan. The loan is repayable in accordance with the settlement schedule specified for each tranche in semi-annual instalments starting from 20 October 2019. The average period of tranche repayments is 20 years from the date of funds receiving.

As of 31 December 2025 and 2024, the undrawn balance under the loan amounted to EUR 102,300 thousand.

### **Ministry of Finance of Ukraine, loan No. 24668-UA**

**Creditor:** European Investment Bank

In 2008, long-term loan agreement No.24668-UA for the total amount of EUR 150,000 thousand was concluded between the Government of Ukraine and European Investment Bank (hereinafter – the "EIB") to implement Rivnenska NPP - Kyivska high voltage line construction project. The sub-loan agreement between the Group and the Ministry of Finance of Ukraine was concluded on 8 October 2008. The interest rate of this loan is a floating interest rate based on EURIBOR + 0.787%, plus a margin of 2.00% payable to the Ministry of Finance of Ukraine. In addition, the Group is charged a commission of 0.10% applied to the undrawn balance of the loan. The loan is repayable in accordance with the settlement schedule specified for each tranche in semi-annual instalments starting from 20 February 2016. The average period of tranche repayments is 15 years from the date of funds receiving.

As of 31 December 2025 and 2024, the undrawn balance under the loan amounted to EUR 37,550 thousand.

## **PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025**

***In Ukrainian Hryvnias and in thousands, unless otherwise indicated***

---

#### **Ministry of Finance of Ukraine, loan No. 2006 66 537**

**Creditor:** Kreditanstalt für Wiederaufbau (KfW)

In 2011, long-term loan agreement No.2006 66 537 for the total amount of EUR 65,500 thousand was concluded between the Government of Ukraine and Kreditanstalt für Wiederaufbau Bank (Germany) to implement the Electricity Transmission Efficiency Improvement Project (substation modernization). The sub-loan agreement between the Group and the Ministry of Finance of Ukraine was concluded on 10 July 2012. In 2015, pursuant to the additional letter to the loan agreement, the total amount of the loan was reduced to EUR 40,500 thousand. The loan has a fixed interest rate 0.75%, plus a margin of 2.00% payable to the Ministry of Finance of Ukraine. In addition, the Group is charged a commission of 0.25% applied to the undrawn balance of the loan. The loan is repayable in equal semi-annual installments starting from 30 December 2021 until 30 December 2051.

In 2024, the government of Ukraine and KfW concluded an additional agreement regarding loan No. 2006 66 537 within the framework of the implementation of the Electricity Transmission Efficiency Improvement Project (substation modernization). The parties agreed to amend the repayment schedule, which provide for the postponement of the payment of the outstanding balance of the principal debt - repayments will be made semi-annually starting from 30 June 2027 until 30 December 2051. In addition, KfW has agreed to defer the repayment of principal debt and interest due and unpaid for the period from 01 January 2024 to 31 March 2027 - to be repaid in equal instalments every six months from 15 June 2032 to 15 December 2036.

As of 31 December 2025 and 2024, the undrawn balance under the loan amounted to EUR 24,751 thousand.

#### **Ministry of Finance of Ukraine, loan No. 27406**

**Creditor:** Kreditanstalt für Wiederaufbau (KfW)

In 2016, long-term loan agreement No.27406 for the amount not higher than totally EUR 150,000 thousand was concluded between the Government of Ukraine and Kreditanstalt für Wiederaufbau Bank (Germany) to implement the Rehabilitation of Substations in the Eastern Part of Ukraine Project. The sub-loan agreement between the Group and the Ministry of Finance of Ukraine was concluded on 21 March 2017. The interest rate of the loan is a fixed interest rate of 3.97%. In addition, the Group is charged a margin of 2.00% payable to the Ministry of Finance of Ukraine and a commission of 0.25% for the undrawn loan amount.

In October 2023, the Group and KfW concluded grant agreement No. BMZ-No. 2023 68 652 under the Project "Increasing the efficiency of electricity transmission (integration of the Ukrainian IPS into the European integrated energy system) V" in the amount of EUR 76,352 thousand (Note 16). The German government has agreed that the planned financing will replace loan No. 27406, intended for the implementation of the Rehabilitation of Substations in the Eastern Part of Ukraine. Accordingly, unselected funds under loan No. 27406 in the amount of EUR 76,352 thousand will be provided as grant funds in accordance with the terms of the grant agreement.

In May 2024, the government of Ukraine and the Kreditanstalt für Wiederaufbau (KfW) concluded an additional agreement regarding loan No.27406 as part of the implementation of the Project "Increasing the efficiency of electricity transmission (integration of the Ukrainian IPS into the European integrated energy system) V", and which a new repayment schedule was approved, which provides for the postponement of the payment of the outstanding balance of the principal debt - repayments will be made in equal parts semi-annually starting from 15 June 2032 to 15 December 2036. KfW also agreed to postpone the payment of principal debt and interests, in particular: (i) accrued and unpaid for the period from 30 June 2022 to 31 December 2023 - payment in equal instalments every six months starting from 15 June 2027 until 15 December 2032; (ii) accrued and unpaid for the period from 01 January 2024 to 31 March 2027 - repayment in equal instalments every six months starting from 15 June 2032 to 15 December 2036.

# PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

*In Ukrainian Hryvnias and in thousands, unless otherwise indicated*

---

As of 31 December 2025 and 2024, taking into account the redistribution of the unused loan balance into the grant, there is no such undrawn balance under the loan.

### **European Bank for Reconstruction and Development, loan No. 49235**

**Creditor:** European Bank for Reconstruction and Development

In July 2019, long-term loan agreement for the total amount of EUR 149,000 thousand was concluded between the Group and the European Bank for Reconstruction and Development to implement the Project on Modernization of Transmission Network (purchase of new transformers and modernization of twelve substations in key regions of Ukraine). The interest rate of this loan is a floating interest rate based on EURIBOR + 1.00%, plus a margin of 1.00% payable to the Ministry of Finance of Ukraine for the government guarantee granted for the total loan amount. In addition, the Group is charged a commission of 0.50% applied to the undrawn balance of the loan. The loan is repayable in accordance with the repayment schedule defined in the agreement in equal semi-annual installments starting from 20 April 2024 until 20 April 2034.

In May 2022, the Group and the EBRD signed an Amendment to Loan agreement No.49235 (Amendment #1). In particular, the parties agreed to partially change the purpose of the loan, namely: the use of EUR 50,000 thousand (Loan A) for the liquidity needs of the Group and EUR 99,000 thousand (Loan B) - for the implementation of the Project, provided that this amount includes already received loans and already paid a one-time fee in the amount of EUR 1,500 thousand. Loans are repayable in accordance with the settlement schedule specified in the agreement in semi-annual instalments: Loan A - until 20 October 2026 and Loan B - until 20 April 2034.

In August 2022, the EBRD and the Group concluded an Amendment to Loan agreement No.49235 (Amendment #2), which provided for a change in the purpose of credit funds included in Loan B as defined in Amendment #1. In particular, credit funds in the amount of EUR 97,150 thousand (Loan B as defined in Amendment #2) may be disbursed to finance the critical operational costs of the Group, and EUR 1,850 thousand (Loan C) should include a one-time fee paid and the costs of a consultant for the preparation of the Project. The loans are repayable according to the schedule every six months: Loan A - until 20 April 2027, Loan B as defined in Amendment #2 - until 20 April 2028, and Loan C - until 20 April 2034.

As of 31 December 2025 and 2024, there was no undrawn balance under the loan.

### **European Investment Bank, loan No. FIN 87.554 SEPARIS No.2017-0155**

**Creditor:** European Investment Bank

In 2018, a long-term loan agreement No. FIN 87.554 Separis No.2017-0155 in the amount of EUR 136,000 thousand was concluded between the Group and the EIB for the implementation of the Substation Reliability Project. The EIB provides loans in 13 tranches, each of which is set at a floating interest rate based on the EURIBOR rate or a fixed rate. For each tranche, the EIB and the Group agree on the amount of the tranche, receiving date, repayment terms, and the interest rate. In addition, the Group must pay a margin of 0.20% to the Ministry of Finance of Ukraine for the provided state guarantee for the total loan amount. The loan is repayable in accordance with the settlement schedule specified for each tranche in semi-annual instalments starting from March 2027. The average period of tranche repayments is 15 years from the date of funds receiving.

In August 2022, the Group and the EIB agreed on the reassignment of part of the loan funds under the loan agreement No. FIN 87.554 Separis No. 2017-0155 in the amount of EUR 50,000 thousand to be used to support the financial condition of the Group. During 2022, these funds were received to repay the Group's payables to market participants for ancillary services.

## **PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025**

***In Ukrainian Hryvnias and in thousands, unless otherwise indicated***

---

In October 2024, the Group and the EIB signed an agreement to review and amend loan agreement No. FIN 87.554 Separis No. 2017-0155 to allocate EUR 86,000 thousand of loan funds for the construction of infrastructure to protect high-voltage substations from shelling in the territory controlled by the Government of Ukraine. At the end of 2024, the Group made a withdrawal of these funds.

As of 31 December 2025 and 2024, there was no undrawn balance under the loan.

#### **Kreditanstalt für Wiederaufbau (KfW), loan No. BMZ-No 2016.6520.7**

**Creditor:** Kreditanstalt für Wiederaufbau (KfW)

In 2022, the Group and KfW signed a long-term loan agreement No. BMZ-No. 2016.6520.7 in the amount of EUR 32,500 thousand for the implementation of the Project to improve the efficiency of electricity transmission. The interest rate on the loan is fixed and amounts to 2.00% per annum. In addition, the Group must pay a margin of 0.50% to the Ministry of Finance of Ukraine for the provided state guarantee for the total loan amount, and a commission of 0.25% applied to the undrawn balance of the loan. The loan is repayable in equal semi-annual installments starting from 15 November 2032 until 15 May 2052.

In October 2024, the Group and KfW signed an agreement amending the loan agreement No. BMZ-No. 2016.6520.7. The parties agreed to amend the repayment schedule, which provides for the deferral of interest payments on the principal amount of the debt in the period from 01 January 2024 to 31 March 2027 - repayment is expected in equal instalments every six months starting from 15 June 2032 to 15 December 2036. The principal debt will then be repaid in equal instalments every six months starting from 15 November 2032 to 15 May 2052, as provided for under the original terms.

As of 31 December 2025, the undrawn balance under the loan amounted to EUR 1,092 thousand (2024: EUR 1,119 thousand).

#### **European Bank for Reconstruction and Development, loan No. 54138**

**Creditor:** European Bank for Reconstruction and Development

In December 2022, the Group and the EBRD signed a long-term loan agreement in the amount of EUR 300,000 thousand with which the parties agreed to direct loan funds in the amount of EUR 150,000 thousand (Loan A) for the implementation of the Project for emergency restoration of the electricity transmission network and EUR 150,000 thousand (Loan B) - to support the Group's capital structure. Amounts of Loans A and B include a one-time fee, which is calculated as 1.00% of the total amount of the loan according to the contract. The interest rate on the loan is floating and is calculated based on the EURIBOR rate. In addition, the Group must pay the Ministry of Finance of Ukraine a margin of 0.10% for the provided state guarantee for the total amount of the loan. In addition, the Group must pay a fee of 0.50% of the unused credit balance. The loans are repayable according to the schedule in semi-annual installments starting from 20 January 2026: Loan A - until 20 January 2038 and Loan B - until 20 January 2033.

In April 2024, the directions for using loan funds under Loan A within the framework of the Project implementation were supplemented, namely, EUR 95,000 thousand out of EUR 150,000 thousand under Loan A were allocated to finance the construction of protective shelters for autotransformers at substations and the purchase of audit services.

Additionally, for this Project, grant agreement No. 54138 for the total amount of EUR 122,660 thousand was concluded between the Group and the EBRD (Note 16).

As of 31 December 2025, the undrawn balance under the loan amounted to EUR 41,947 thousand (2024: EUR 72,628 thousand).

## **PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025**

***In Ukrainian Hryvnias and in thousands, unless otherwise indicated***

---

#### **Kreditanstalt für Wiederaufbau (KfW), loan No. BMZ-No. 2019.6512.8**

**Creditor:** Kreditanstalt für Wiederaufbau (KfW)

In December 2023, long-term loan agreement No. BMZ-No. 2019.6512.8 in the amount of EUR 24,000 thousand was concluded between the Group and KfW for the implementation of the Project on increasing the efficiency of electricity transmission (integration of the Ukrainian IPS into the European integrated energy system) III. The interest rate on the loan is fixed and amounts to 2.00% per annum. In addition, the Group must pay a margin of 0.50% to the Ministry of Finance of Ukraine for the provided state guarantee for the total loan amount, and a commission of 0.25% applied to the undrawn balance of the loan. The loan is repayable in equal semi-annual installments starting from 15 May 2034 until 15 November 2053.

In October 2024, the Group and KfW signed an agreement amending the loan agreement No. BMZ-No. 2019.6512.8. The parties agreed to amend the repayment schedule, which provides for the deferral of interest payments on the principal amount of the debt in the period from 01 January 2024 to 31 March 2027 - repayment is expected in equal instalments every six months starting from 15 June 2032 to 15 December 2036. The principal debt will then be repaid in equal instalments every six months starting from 15 May 2034 to 15 November 2053, as provided for in the original terms.

Additionally, for this Project, grant agreement No. BMZ-No. 2019.7031.8 for EUR 500 thousand was concluded between the Group and KfW (Note 16). Loan funds will be used to finance the restoration of the Group's substation in the western region of Ukraine, whose energy infrastructure was severely damaged by the military aggression of the Russian Federation. The grant funds will be used to increase the institutional capacity of the Group to implement the project. Combined with other recovery measures, this will contribute to the expansion of the export and import of electricity from the IPS of Ukraine to Europe, as well as its full synchronous work with ENTSO-E.

As of 31 December 2025 and 2024, the withdrawal of funds for this loan did not take place and the unused balance of the loan amounted to EUR 24,000 thousand.

#### **European Bank for Reconstruction and Development, loan No. 54649**

**Creditor:** European Bank for Reconstruction and Development

In 2023, the Group and the EBRD signed a long-term loan agreement in the amount of EUR 150,000 thousand for the implementation of the Project of special capital support of NPC "Ukrenergo". Funds under the Project will be directed to cover the Group's key costs for balancing the energy system and fulfilling the special obligations assigned to the Group by the state. The loan includes a one-time commission calculated as 1% of the total amount of the loan according to the agreement. The interest rate on the loan is floating and is calculated on the basis of EURIBOR 6M + 1.00%. In addition, the Group must pay a margin of 0.50% to the Ministry of Finance of Ukraine for the provided state guarantee for the total amount of the loan. In addition, the Group must pay a commission of 0.50% of the undrawn loan balance. The loan is repayable according to the schedule every six months starting from 20 November 2026 until 20 November 2032.

At the beginning of 2024, the Group made a withdrawal of loan funds in the amount of EUR 149,925 thousand, of which EUR 1,500 thousand was a one-time commission of 1% of the total loan amount, and directed them to repay the Group's debts for PSO RES to the SE "Guaranteed Buyer" and universal service providers.

Additionally, under this Project, Grant Agreement No. 54649 for EUR 10,000 thousand was concluded between the Group and the EBRD (Note 16).

As of 31 December 2025, the undrawn balance under the loan amounted to EUR 69 thousand (2024: EUR 75,000 thousand).

# PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

*In Ukrainian Hryvnias and in thousands, unless otherwise indicated*

---

### **Kreditanstalt für Wiederaufbau (KfW), loan No. BMZ-No.2021.6508.2**

**Creditor:** Kreditanstalt für Wiederaufbau (KfW)

In June 2024, the Group and KfW concluded a long-term loan agreement No. BMZ-No. 2021.6508.2 in the amount of EUR 30,400 thousand for the implementation of the Project "Increasing the efficiency of electricity transmission (integration of the Ukrainian IPS into the European integrated energy system) IV". These funds will be aimed at increasing the stability of the Ukrainian energy system and ensuring the stable operation of the Group's main high-voltage network. The interest rate on the loan is fixed and amounts to 2.00% per annum. In addition, the Group must pay a margin of 0.50% payable to the Ministry of Finance of Ukraine and a commission of 0.25% of the unused amount of the loan. The loan is repayable according to the schedule in equal instalments every six months starting from 15 November 2034 to 15 November 2054.

As of 31 December 2025 and 2024, the withdrawal of funds under this loan did not take place and the unused balance of the loan amounted to EUR 30,400 thousand.

### **Loans from state-owned banks**

With the beginning of the war, the Group suspended the payment of the principal amount on loans from state-owned banks due to force majeure circumstances and agreed credit holidays with creditor banks. During 2023-2026, the Group's management agreed with state-owned banks on the terms of deferring the payment of the outstanding principal debt on loans to a later period.

### **Oschadbank, loan No. 1372/31/2**

On 30 December 2020, the Group and JSC "Oschadbank" signed a credit line agreement No.1372/31/2 in the amount of UAH 5,000,000 thousand for the purpose of repaying the debt to SE "Guaranteed Buyer". The loan has a floating interest rate linked to NBU key policy rate. Additionally, the Group has to pay a margin of 0.10% to the Ministry of Finance of Ukraine for the provided state guarantee for the total loan amount. The loan is repayable in equal installments on a monthly basis, starting from January 2022 until December 2023.

During 2022-2024, the Group and JSC "Oschadbank" agreed on a new loan repayment schedule and interest rate. In February 2024, the Group and JSC "Oschadbank" agreed on a new loan repayment schedule - repayment of the remaining loan debt in equal monthly instalments over two years - from January 2026 to December 2027. The final loan repayment date is 27 December 2027.

In February 2026, the parties again postponed the repayment of the principal debt under the loan - repayment is made in monthly instalments according to the repayment schedule - from January 2028 to December 2029. The final loan repayment date is 27 December 2029. The parties agreed to amend the interest rate based on UIRD<sup>2</sup> in hryvnia + 5%.

As of 31 December 2025 and 2024, there is no undrawn balance within the current credit limit.

### **Ukreximbank, loan No. 20-1KV0016**

The loan was provided by opening a revolving credit line with a sample of credit funds in tranches and a limit of UAH 4,000,000 thousand. The loan has a floating interest rate linked to NBU key policy rate. Additionally, the Group has to pay a margin of 0.10% to the Ministry of Finance of Ukraine for the provided state guarantee for the total loan amount. The loan is repayable in equal installments on a monthly basis, starting from January 2022. The final repayment date of this loan is 29 December 2023.

---

<sup>2</sup> UIRD (Ukrainian Index of Retail Deposit Rates) is a weighted average annual rate calculated on the basis of nominal rates on term deposits of individuals in the currency corresponding to the loan currency for a period of three months with interest payment in the end of agreement, published on the website [www.bank.gov.ua](http://www.bank.gov.ua), as well as in Thomson Reuters information systems.

## **PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025**

***In Ukrainian Hryvnias and in thousands, unless otherwise indicated***

---

During 2022-2025, the Group and JSC "Ukreximbank" agreed on a new loan repayment schedule. In January 2025, the parties again postponed the repayment of the principal debt under the loan for one year - repayment is made in equal monthly instalments for two years - from January 2026 to December 2027. The final loan repayment date is 27 December 2027.

In December 2025, the parties again postponed the repayment of the principal debt under the loan - repayment is made in equal monthly instalments for one year - from January 2028 to December 2028. The final loan repayment date is 25 December 2028. The parties agreed to amend the interest rate based on UIRD3m in hryvnia + 6%.

As of 31 December 2025 and 2024, there is no undrawn balance within the credit limit.

#### **Ukrasbank, loan No.20-K/20-VIP**

The loan was provided in the form of a non-revolving revocable credit line with a total limit of UAH 1,250,000 thousand. The loan has a floating interest rate linked to NBU key policy rate. Additionally, the Group has to pay a margin of 0.10% to the Ministry of Finance of Ukraine for the provided state guarantee for the total loan amount. Repayment of the loan is performed in accordance with the repayment schedule specified in the agreement in installments on a monthly basis, starting from January 2022. The final repayment date of this loan is 30 December 2023.

During 2022-2025, the Group and JSB "Ukrasbank" agreed on a new loan repayment schedule, calculation and amount of interest rate. In February 2025, the parties again postponed the repayment of the principal debt under the loan - repayment is made in equal monthly instalments for two years - from January 2026 to December 2027. The final loan repayment date is 30 December 2027.

In February 2026, the parties again postponed the repayment of the principal debt under the loan - repayment is made in monthly instalments according to the repayment schedule - from January 2027 to December 2028. The final loan repayment date is 30 December 2028. The parties agreed to amend the interest rate based on UIRD3m in hryvnia + 5%.

As of 31 December 2025 and 2024, there is no undrawn balance within the credit limit.

#### **Oschadbank, loan No.1427/31/2**

On 30 December 2021, a credit line agreement No.1427/31/2 in the amount of USD 40 million was signed between the Group and JSC "Oschadbank" for the purpose of repaying the debt to SE "Guaranteed Buyer". The loan has a floating interest rate linked to UIRD index. In addition, the Group must pay the Ministry of Finance of Ukraine a margin of 0.50% for the state guarantee provided for the total loan amount. The loan is repayable in equal installments on a monthly basis, starting from January 2023 until December 2026.

In July 2022, the Group and JSC "Oschadbank" signed an Additional agreement to the Credit line Agreement No.1427/31/2, by which agreed to reduce the maximum credit limit from USD 40 to USD 32.35 million due to the devaluation of the hryvnia. The withdrawal of funds was carried out in September 2022, which were immediately transferred to SE "Guaranteed Buyer" for repayment of the debt for PSO RES. The loan is repaid in equal monthly installments starting from January 2023 to December 2026.

In April 2023, the Group and JSC "Oschadbank" signed an Additional agreement #2 to the Credit line Agreement No.1427/31/2, which agreed on a new loan repayment schedule with a postponement of the initial repayment date of the remaining debt to January 2024. Accordingly, the loan is repaid in equal monthly installments starting from January 2024 to December 2027.

As of 31 December 2025 and 2024, there is no undrawn balance within the credit limit.

# PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

*In Ukrainian Hryvnias and in thousands, unless otherwise indicated*

---

### **Eurobonds 2028**

In November 2021, the Group issued USD 825 million 6.875% Sustainability-Linked Green Bonds due 2026 on the London Stock Exchange (hereinafter - Eurobonds 2028). The maturity date of Eurobonds 2026 is 09 November 2026. The coupon on Eurobonds 2028 is payable every six months in May and November. Eurobonds 2028 have an unconditional and irrevocable state guarantee of Ukraine, for which the Group must pay a margin of 0.5%. The effective interest rate on Eurobonds 2028 is 7.58% per annum, which includes the cost of the state guarantee and direct costs of its issuance. The credit rating of the issue was assessed by rating agencies Moody's and Fitch as B3 and B, respectively, and it was linked to the sovereign credit rating of Ukraine. At the beginning of 2022, the credit rating of Ukraine, and respectively, of Eurobonds 2028, was declined due to the beginning of the war.

The funds received from the Eurobonds 2028 issuance were used to solve settlement problems in the domestic electricity market by repaying the Group's debt to SE "Guaranteed Buyer" for PSO RES costs, which was accumulated during 2020-2021.

The terms of Eurobonds 2028 also contain two Sustainability Performance Targets. Failure to meet one or both may increase the coupon interest rate by 0.35% per annum for the period from May 2025:

- a) SPT 1a - Installed capacity of wind and solar power plants connected to the power systems of Ukraine to achieve 8,900 MW by the end of 2024 from the 2020 baseline of 6,474 MW;
- b) SPT 1b - Share of connected wind and solar energy production capacity of total connected energy production capacity to reach 16.1% by the end of 2024 from the 2020 baseline of 11.8%.

### **Amendment of terms of Eurobonds 2028**

In view of the unprecedented crisis situation caused by the full-scale war between Russian Federation and Ukraine, in order to maintain liquidity and prioritise expenses that are vital for the security of the Ukrainian energy system, the uninterrupted performance of the functions of the Transmission System Operator, the Group's operating performance in general as well as the integration of the Ukraine's energy system into ENTSO-E, on behalf of the Cabinet of Ministers of Ukraine, in July 2022, the Ministry of Finance of Ukraine and the Group addressed investors with a proposal to change the terms of all state Eurobonds and state derivatives of Ukraine, as well as Eurobonds guaranteed by the state, including Eurobonds 2028.

On 11 August 2022, investors consented to the proposal of the Group to amend certain terms of Eurobonds 2028. The main agreed amendments to the terms of Eurobonds 2028 are as follows:

- Push-back of the maturity of Eurobonds 2028 by 24 months - from November 2026 to November 2028;
- Coupon interest payments have been suspended for 24 months starting from next coupon payment date - during the period from November 2022 to November 2024 (hereinafter referred to as the Support Period);
- Coupons that are not paid during the Support Period are capitalized at the coupon rate of Eurobonds 2028 - 6.875%;
- The Group will be able to pay coupon interests accrued during the Support Period earlier;
- Coupons accrued during the Support Period are envisaged to be reaggregate with the bond principal and paid out at the bond's deferred maturity with the capitalization before that date (November 2028).

# PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

*In Ukrainian Hryvnias and in thousands, unless otherwise indicated*

---

Amendments to the terms of Eurobonds 2028 related to sustainability-linked elements were also changed, failure to comply with which may increase the interest rate of the coupon:

- Deferral of the Sustainability Performance Targets (SPTs) testing date by 24 months deadlines for verification and reporting on by 24 months;
- The war event is added for the qualification of Adjustment Event so that the Group could adjust its SPTs as of the earlier of:
  - date when the volume of electricity transmission of the Group for the previous 12 months ending on 30 June or 31 December of a certain year is equal to or exceeds 90% of the volume of electricity transmission for 2021 (pre-war level);
  - 30 September 2026 (three months before the delayed testing date of Sustainability Performance Targets (SPTs).

Considering both quantitative and qualitative factors, including a change of maturity, covenants, operating environment risk, the management considers the change in the terms of Eurobonds 2028, which was agreed on 11 August 2022, as a substantial modification of the financial liability. Such a substantial change in the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability at fair value on the date of modification. As a result of a substantial modification, the effective interest rate for Eurobonds 2028 changed from 7.58% to 50.44%.

### ***Temporary suspension of payments on Eurobonds 2028***

In August-September 2024, Ukraine restructured its government Eurobonds. In the process of such restructuring, the following regulatory legal acts were adopted, among others:

- Law of Ukraine No. 3880-IX of 18.07.2024, which amended Article 1 of the Law of Ukraine "On Peculiarities of Transactions with State, State-Guaranteed Debt and Local Debt and Government Derivatives" and granted the Cabinet of Ministers of Ukraine (hereinafter - the "CMU") the right to make decisions on temporary suspension of payments on all or some of the relevant debt obligations or state guarantee obligations in respect of the relevant debt obligations by October 01, 2024.
- Resolution of the CMU dated July 31, 2024 No. 865 "On the implementation of transactions with state debt and state-guaranteed debt in 2024" and Resolution of the CMU dated August 27, 2024 No. 977 "On Amendments to the Resolution of the Cabinet of Ministers of Ukraine dated July 31, 2024 No. 865", according to which the CMU decided to temporarily suspend payments from November 09, 2024 under the state's guarantee obligations for Eurobonds 2028 issued under a state guarantee in 2021, for a period until the conclusion of such transaction(s) and changes in the terms of the relevant borrowing for all creditors.

It should be noted that in accordance with the second paragraph of Article 1 of the Law of Ukraine "On Peculiarities of Transactions with State, State-Guaranteed Debt and Local Debt", in the event that the CMU adopts a decision to temporarily suspend payments under the state's guarantee obligations for Eurobonds 2028, the Ministry of Energy of Ukraine, as the shareholder of the Group, has the right to make a decision to temporarily suspend payments under such obligations of the Group.

Accordingly, the Ministry of Energy of Ukraine adopted Order No. 421 dated November 04, 2024 "On Certain Debt Obligations of NPC "Ukrenergo" regarding the temporary suspension of payments from November 09, 2024 under Eurobonds 2028, issued under a state guarantee in 2021, for the period until the transaction(s) and changes in the terms of issue of Eurobonds 2028 are concluded with respect to all creditors.

In turn, on November 06, 2024, the Group officially announced the temporary suspension of payments from November 09, 2024 under Eurobonds 2028 on the website of the London Stock Exchange (RNS) and on the official website of the Group. Accordingly, on November 09, 2024, the Group did not have the legal ability to make the payment of the next and deferred coupons on the Eurobonds 2028, which is an event of default (technical default).

# PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

*In Ukrainian Hryvnias and in thousands, unless otherwise indicated*

---

Event of default under the Eurobonds 2028 application of cross-default provisions gives creditors a right to demand early repayment of the full amount of the debt and the Group has not a right to defer the repayment of these liabilities for at least twelve months after the reporting period. As a result, as of 31 December 2025 and 2024, the long-term portion of the Eurobonds 2028 in the amounts of UAH 34,969,935 and 34,689,518 thousand, respectively, was reclassified to current liabilities. Due to the application of cross-default provisions, the long-term portion of certain loans from IFIs and state-owned banks in the amounts of UAH 37,019,057 and 41,225,327 thousand as of 31 December 2025 and 2024, respectively, was reclassified to current liabilities.

Additionally, in 2024 the Group revised the estimated contractual cash flows and adjusted the amortized cost of the Eurobonds 2028 financial liability to their full nominal value with all accrued and unpaid interest. The adjustment was recognized in profit or loss in finance costs as the effect of cash flows revision on the Eurobonds 2028 as a result of the technical default in the amount of UAH 24,975,279 thousand.

As of 31 December 2025 and 2024, the total carrying amount of loans and borrowings in technical default or cross-default, which fully classified as current liabilities, amounted to UAH 87,230,587 and 89,968,948 thousand, respectively.

As of the date of approval of these consolidated financial statements, the Group has not received any notice from creditors regarding the immediate payment of any outstanding loans and borrowings.

### ***Reaching a preliminary agreement on the terms of the liability management transaction for Eurobonds 2028***

In April 2025, the Group reached a preliminary agreement on the terms for a liability management exercise in relation to Eurobonds 2028 with an Ad Hoc group representing approximately 40% of the outstanding Eurobonds 2028 and holders outside the Ad Hoc group who, together with the Ad Hoc group, represent in excess of 45% of the outstanding nominal value of Eurobonds 2028. The liability management exercise consists of the following:

- Tender Offer through an unmodified reverse Dutch auction process with a ceiling price equivalent to 65.125% of principal and accrued and past due interest as at closing financed by USD 430 million;
- Exchange Offer for new unguaranteed bonds of the Group with 8.5% coupon and a semi-annual amortization schedule from 2028 to 2031.

In July 2025 the Group announced a delay in the implementation of a liability management exercise, which is related to the resolution of certain requirements of the financing. The Group is focusing its efforts on the implementation of the agreement reached with the Ad Hoc group as soon as practicable, which will contribute to the long-term financial stability of the Group.

### **Covenants**

Loan agreements and Eurobonds 2028 contain financial and non-financial covenants. As of 31 December 2025 and 2024, the Group was in compliance with all terms of the loan agreements and the Eurobonds 2028 except for the event of default on the Eurobonds 2028 described above and certain financial covenants under the agreements with IFIs.

### ***International Bank for Reconstruction and Development (IBRD)***

In accordance with the terms and conditions of loan agreements with the IBRD No.8462-UA and No.TF017661, the Group, inter alia, should comply with the following financial covenants:

- a) Debt Service Ratio should be not less than 1.20; and
- b) Self-financing Ratio should be not less than 25%.

These financial covenants are calculated in accordance with the procedure specified in the loan and project agreements.

# PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

*In Ukrainian Hryvnias and in thousands, unless otherwise indicated*

As of 31 December 2025 and 2024, the values of these financial covenants were as follows:

	<b>31 December 2025</b>	<b>31 December 2024</b>
Debt Service Ratio	1.77	1.87
Self-financing Ratio	56%	634%

As of 31 December 2025 and 2024, the Group complied with the abovementioned financial covenants.

Despite compliance with financial covenants, as of 31 December 2025 and 2024, the liabilities under the IBRD loans were reclassified to current liabilities in the consolidated statement of financial position due to the application of cross-default provisions as a result of the technical default on the Eurobonds 2028.

### **European Bank for Reconstruction and Development (EBRD)**

According to the terms of the loan agreements with EBRD No. 49235, No. 54138 and No. 54649, the Group, inter alia, should comply with the following financial covenants:

- a) Debt Service Coverage Ratio should be not less than 1.20;
- b) Debt to EBITDA Ratio should be not more than 3.00.

These financial covenants are calculated in accordance with the procedure specified in the loan and project agreements.

As of 31 December 2025 and 2024, the values of these financial covenants were as follows:

	<b>31 December 2025</b>	<b>31 December 2024</b>
Debt Service Coverage Ratio	0.48	0.52
Liquidity Ratio	0.33	0.38
Debt to EBITDA Ratio	-1151.51	-3.25

The low Debt to EBITDA ratio as of 31 December 2025 is explained by the low negative EBITDA for 2025.

As of 31 December 2025 and 2024, the Group failed to comply with the above mentioned ratios. According to the terms and conditions of the loan agreements with the EBRD, in the event of the failure to comply with financial covenants thereunder, the EBRD may suspend further disbursements of the loan and/or require that the Group repay in full the outstanding amounts.

As of 31 December 2025 and 2024, the EBRD loans were reclassified to current liabilities in the consolidated statement of financial position due to non-compliance with financial covenants and the application of cross-default provisions as a result of the technical default on the Eurobonds 2028.

Additionally, as a result of the amendments to the charter of NPC "Ukrenergo", which were made by the Ministry of Energy of Ukraine in May 2025 without prior notification to the EBRD, the requirements of the loan agreements with the EBRD were violated. Consequently, in June 2025, the Bank notified the Ministry of Energy of Ukraine, the Ministry of Finance of Ukraine and the Group about the reservation of its rights to terminate further financing and the possible demand of early repayment of the Group's and the state's obligations under the loan agreements with the EBRD. In order to resolve the above issue, the Ministry of Energy of Ukraine held consultations with the EBRD and on July 01, 2025 and February 13, 2026, amendments to the charter of NPC "Ukrenergo", which were previously agreed with the EBRD and other stakeholders in accordance with the requirements of the loan agreements (Note 33).

# PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

*In Ukrainian Hryvnias and in thousands, unless otherwise indicated*

---

### **European Investment Bank (EIB)**

According to the terms of the loan agreements with EIB No. FIN 87.554 Separis No.2017-0155, the Group, inter alia, should comply with the following financial covenants:

- a) EBITDA to Debt Service Ratio should be not less than 1.20;
- b) Cashflow to Capital Expenditures Ratio should be not less than 25%.

These financial covenants are calculated in accordance with the procedure specified in the loan and project agreements.

As of 31 December 2025 and 2024, the values of these financial covenants were as follows:

	<u>31 December 2025</u>	<u>31 December 2024</u>
EBITDA to Debt Service Ratio	1.23	1.12
Cashflow to Capital Expenditures Ratio	132%	605%

As of 31 December 2025, the Group complied with the abovementioned financial covenants. As of 31 December 2024, the Group did not comply with the EBITDA to Debt Service Ratio.

According to the terms and conditions of the loan agreement with the EIB, in the event of the failure to comply with financial covenants thereunder, the EIB may suspend further disbursements of the loan and/or require that the Group repay in full the outstanding amounts. As of 31 December 2024, the EIB loans were reclassified to current liabilities in the consolidated statement of financial position due to non-compliance with financial covenants and the application of cross-default provisions as a result of the technical default on the Eurobonds 2028.

On July 04, 2025, the Group received a waiver letter from the EIB regarding the right to demand early repayment of the loan No. FIN 87.554 Separis No. 2017-0155, which arose due to non-compliance with financial covenants as of 31 December 2024 and temporary suspension of payments under the Eurobonds 2028 (technical default). Therefore, as of 31 December 2025, the Group classified this loan as non-current in the consolidated statement of financial position.

As of 31 December 2025 and 2024 and prior to the date these consolidated financial statements were authorized for issuance, the Group had not received any notice of cessation of further financing or notice requesting immediate repayment of any of the abovementioned loans.

## **15. RETIREMENT BENEFIT OBLIGATIONS**

### **Defined contribution pension plans**

Employees of the Group's companies in Ukraine are eligible for obtaining pension benefits from the Government in accordance with the pension legislation of Ukraine. The Group's companies in Ukraine pays contributions to the State Pension Fund, which are recognized in the statement of profit or loss and other comprehensive income under accrual basis. Total amount of contributions to the State Pension Fund of Ukraine recognized in the statement of profit or loss and other comprehensive income for the year ended 31 December 2025 amounted to UAH 948,289 thousand (2024: UAH 811,197 thousand).

# PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

*In Ukrainian Hryvnias and in thousands, unless otherwise indicated*

### Defined benefit pension plans

The Group's companies in Ukraine is also obliged to compensate to the State Pension Fund of Ukraine the amounts of additional pensions provided to certain categories of its current and former employees who worked in hazardous environment as defined by the statutory regulations and, therefore, are eligible for early retirement and pensions before the normal retirement age. These additional contributions are reimbursed by the Group in accordance with monthly calculations of actual compensations provided by the State Pension Fund of Ukraine.

In addition, in accordance with the collective employment agreement, the Group has a legal obligation to make cash bonus payments to employees in connection with jubilee dates, regular payments to retired employees in the form of financial aid, non-regular financial aid to close relatives in connection with the death of non-working pensioner and one-time payments upon retirement (in connection with retirement). These programs meet the definition and are included in the defined benefit pension plans.

As of 31 December 2025 and 2024, the present value of defined benefit obligations was UAH 305,947 thousand and UAH 256,561 thousand, respectively.

Reconciliation of the present value of defined benefit obligations for the years ended 31 December 2025 and 2024 was as follows:

	<u>2025</u>	<u>2024</u>
<b>Balance at 1 January</b>	<b>256,561</b>	<b>321,719</b>
Current service cost	7,018	6,730
Interest costs	37,535	49,545
Actuarial loss/(gain) recognized in other comprehensive income	42,703	(103,170)
Actuarial gain recognized in profit or loss	(501)	(1,604)
Benefits paid during the year	(37,369)	(16,659)
<b>Balance at 31 December</b>	<b><u>305,947</u></b>	<b><u>256,561</u></b>

The present value of defined benefit obligations as of 31 December 2025 and 2024 were presented in the consolidated statement of financial position as follows:

	<u>31 December 2025</u>	<u>31 December 2024</u>
Non-current obligations	275,060	211,925
Current obligations (Note 19)	30,887	44,636
<b>Total</b>	<b><u>305,947</u></b>	<b><u>256,561</u></b>

Amounts recognized in the consolidated statement of profit or loss for defined benefit obligations were as follows:

	<u>2025</u>	<u>2024</u>
Interest costs (Note 27)	37,535	49,545
Current service cost	7,018	6,730
Actuarial gain recognized in profit or loss	(501)	(1,604)
<b>Total</b>	<b><u>44,052</u></b>	<b><u>54,671</u></b>

During the year ended 31 December 2025, the Group included in other comprehensive income that will not be reclassified subsequently to profit or loss, actuarial loss in the amount of UAH 42,311 thousand, including income tax benefit of UAH 392 thousand (2024: actuarial gain of UAH 103,774 thousand, including income tax benefit of UAH 604 thousand). These actuarial losses / gains were primarily driven by changes in actuarial assumptions.

# PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

*In Ukrainian Hryvnias and in thousands, unless otherwise indicated*

Key assumptions used for actuarial assessment as of 31 December 2025 and 2024 were as follows:

	<b>31 December 2025</b>	<b>31 December 2024</b>
Discount rate	15.1%	14.6%
Expected salary growth rate	10.0%	10.0%
Staff turnover	10.0%	9.0%

Information on the sensitivity of defined benefit obligations to changes in the underlying assumptions is as follows:

<b>31 December 2025</b>	<b>Change in assumptions</b>	<b>Increase/ (decrease) of obligation</b>
Discount rate	+1%	(17,227)
Discount rate	-1%	18,512
Expected salary growth rate	+1%	13,543
Expected salary growth rate	-1%	(12,892)
Staff turnover	+1%	(15,671)
Staff turnover	-1%	16,644

  

<b>31 December 2024</b>	<b>Change in assumptions</b>	<b>Increase/ (decrease) of obligation</b>
Discount rate	+1%	(11,640)
Discount rate	-1%	12,868
Expected salary growth rate	+1%	10,212
Expected salary growth rate	-1%	(9,342)
Staff turnover	+1%	(11,205)
Staff turnover	-1%	12,476

The sensitivity analysis presented above may not represent the actual changes in post-employment and other long-term employee benefit obligation because it is unlikely that changes in assumptions would occur in isolation of one another, as some assumptions may be interrelated. In addition, in the sensitivity analysis presented above, the present value of the defined benefit obligation was calculated using the projected unit credit method at the end of the reporting period, consistent with that used to calculate the benefit recognized in the consolidated statement of financial position.

## 16. SPECIAL PURPOSE FUNDING AND DEFERRED INCOME

Special purpose funding and deferred income include the following:

- Grants, assets received free of charge and similar financing of capital expenditures for the construction, modernization or reconstruction of certain assets received from the state, government organizations, companies or other participants;
- Funds or fair value of non-monetary assets received from customers under agreements for connection services to the electricity transmission system;
- Non-current assets received free of charge in the form of humanitarian aid;
- Resources and financing provided by international partners on a free and non-refundable basis as part of the implementation of projects and programs aimed at supporting Ukraine in accordance with international agreements (hereinafter - international technical assistance).

As of 31 December 2025 and 2024 the Group does not have any unfulfilled conditions and other contingencies attaching to special purpose funding and deferred income that has been recognised.

## PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

*In Ukrainian Hryvnias and in thousands, unless otherwise indicated*

Special purpose funding and deferred income as of 31 December 2025 and 2024 were as follows:

	<b>31 December 2025</b>	<b>31 December 2024</b>
International technical assistance	10,909,851	7,809,501
Grants, assets received free of charge and similar financing	1,425,914	1,731,770
Connection to the electricity transmission system	2,449,085	1,071,642
Humanitarian aid	532,936	520,909
<b>Total</b>	<b>15,317,786</b>	<b>11,133,822</b>

*Including:*

Special purpose funding (non-current liabilities)	15,257,428	11,079,519
Deferred income (current liabilities)	60,358	54,303
<b>Total</b>	<b>15,317,786</b>	<b>11,133,822</b>

#### International technical assistance

Information about the movement in international technical assistance for the years ended 31 December 2025 and 2024 was as follows:

	<b>2025</b>	<b>2024</b>
<b>Balance at 1 January</b>	<b>7,809,501</b>	<b>2,884,102</b>
Received international technical assistance	5,883,598	7,560,413
International technical assistance received for operating expenses	82,493	68,461
International technical assistance used for operating expenses	(82,493)	(68,461)
International technical assistance recognized as income	(2,783,248)	(2,635,014)
<b>Balance at 31 December</b>	<b>10,909,851</b>	<b>7,809,501</b>

International technical assistance as of 31 December 2025 and 2024 were presented in the consolidated statement of financial position as follows:

	<b>31 December 2025</b>	<b>31 December 2024</b>
Special purpose funding (non-current liabilities)	10,907,611	7,807,556
Deferred income (current liabilities)	2,240	1,945
<b>Total</b>	<b>10,909,851</b>	<b>7,809,501</b>

#### Grants, assets received free of charge and similar financing

Information about the movement in grants, assets received free of charge and similar financing (hereinafter – grants) for the years ended 31 December 2025 and 2024 were as follows:

	<b>2025</b>	<b>2024</b>
<b>Balance at 1 January</b>	<b>1,731,770</b>	<b>1,028,612</b>
Grants received for modernization of property, plant and equipment	369,326	982,296
Grants recognized as other operating income	(675,182)	(279,138)
<b>Balance at 31 December</b>	<b>1,425,914</b>	<b>1,731,770</b>

## PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

*In Ukrainian Hryvnias and in thousands, unless otherwise indicated*

Grants, assets received free of charge and similar funding as of 31 December 2025 and 2024 were presented in the consolidated statement of financial position as follows:

	<b>31 December 2025</b>	<b>31 December 2024</b>
Special purpose funding (non-current liabilities)	1,409,823	1,718,059
Deferred income (current liabilities)	16,091	13,711
<b>Total</b>	<b>1,425,914</b>	<b>1,731,770</b>

#### Connection to the electricity transmission system

Information about the movements in funding received from customers under agreements for connection services to the electricity transmission system for the years ended 31 December 2025 and 2024 was as follows:

	<b>2025</b>	<b>2024</b>
<b>Balance at 1 January</b>	<b>1,071,642</b>	<b>612,276</b>
Funding received	1,417,599	501,670
Funding recognized as revenue from services rendered	(40,156)	(42,304)
<b>Balance at 31 December</b>	<b>2,449,085</b>	<b>1,071,642</b>

Financing received from customers under agreements for connection services to the electricity transmission system as of 31 December 2025 and 2024 were presented in the consolidated statement of financial position as follows:

	<b>31 December 2025</b>	<b>31 December 2024</b>
Special purpose funding (non-current liabilities)	2,407,385	1,033,370
Deferred income (current liabilities)	41,700	38,272
<b>Total</b>	<b>2,449,085</b>	<b>1,071,642</b>

#### Humanitarian aid

Information about the movements in non-current assets received free of charge in the form of humanitarian aid (hereinafter - humanitarian aid) for the years ended 31 December 2025 and 2024 was as follows:

	<b>2025</b>	<b>2024</b>
<b>Balance at 1 January</b>	<b>520,909</b>	<b>376,108</b>
Humanitarian aid received	117,569	260,231
Humanitarian aid recognized as income	(105,542)	(115,430)
<b>Balance at 31 December</b>	<b>532,936</b>	<b>520,909</b>

# PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

*In Ukrainian Hryvnias and in thousands, unless otherwise indicated*

Non-current assets received free of charge in the form of humanitarian aid as of 31 December 2025 and 2024 were presented in the consolidated statement of financial position as follows:

	<u>31 December 2025</u>	<u>31 December 2024</u>
Special purpose funding (non-current liabilities)	532,609	520,534
Deferred income (current liabilities)	327	375
<b>Total</b>	<b><u>532,936</u></b>	<b><u>520,909</u></b>

### Grants from international financial organizations

#### European Bank for Reconstruction and Development, grant No. 54138

**Donor:** European Bank for Reconstruction and Development

In December 2022, the Group and the European Bank for Reconstruction and Development (hereinafter – the EBRD) concluded grant agreement No. 54138 for the total amount of EUR 70,560 thousand for the implementation of the Project for emergency restoration of the electricity transmission network and will be directed to the purchase of equipment that is urgently needed for substations that suffered massive rocket attacks. As part of the Project, a credit agreement in the amount of EUR 300,000 thousand was also concluded in December 2022 (Note 14). The last date of availability of grant funding is 30 June 2024. In February 2025, the EBRD agreed to extend the funding period and set 31 December 2025 as the end date. In early February 2026, the EBRD extended the funding period until 28 February 2026.

During 2025, the Group disbursed grant funds in the amount of EUR 24 thousand (2024: EUR 33,669 thousand). As of 31 December 2025, the undrawn grant amount was EUR 98 thousand (2024: EUR 122 thousand).

#### International Bank for Reconstruction and Development, grant No. TF0C0424

**Donor:** International Bank for Reconstruction and Development

In April 2023, Ukraine, the International Bank for Reconstruction and Development (hereinafter - the IBRD) and the International Development Association (hereinafter - the IDA) concluded a grant agreement for the implementation of the Project for the capacity recovery for passing the winter period and energy resources in the amount of USD 200,000 thousand. The agreement on the irrevocable transfer of grant funds between the Group, the Ministry of Finance of Ukraine and the Ministry of Energy of Ukraine was concluded on 20 July 2023. In the grant agreement, the end date of the period for grant funding was agreed to be 30 April 2025. In April 2025, the IBRD agreed to extend the financing period until 30 June 2026. In February 2026, the IBRD agreed to increase the grant amount by an additional contribution of USD 40,000 thousand.

During 2025, the Group disbursed grant funds in the amount of USD 49,095 thousand (2024: USD 32,118 thousand). As of 31 December 2025, the undrawn grant amount was USD 118,787 thousand, excluding the additional contribution agreed after the reporting date (2024: USD 167,882 thousand).

## PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

*In Ukrainian Hryvnias and in thousands, unless otherwise indicated*

---

#### **International Bank for Reconstruction and Development, grant No. TF0C819**

**Donor:** International Bank for Reconstruction and Development

In July 2023, Ukraine, IBRD and IDA signed a grant agreement as part of additional financing for the implementation of the Second Power Transmission Project in the amount of EUR 37,739 thousand. The initial financing of the Project was carried out at the expense of borrowed loan funds in the total amount of USD 318,000 thousand in accordance with the current loan agreements with the International Bank for Reconstruction and Development signed in 2015 (Note 14). The agreement on the irrevocable transfer of grant funds between the Group, the Ministry of Finance of Ukraine and the Ministry of Energy of Ukraine was concluded on October 26, 2023. In the grant agreement, the end date of the period for grant funding was agreed to be 30 June 2025. In April 2025, the IBRD agreed to extend the financing period until 31 December 2026.

During 2025, the Group disbursed grant funds in the amount of EUR 21,340 thousand (2024: EUR 7,058 thousand). As of 31 December 2024, the undrawn grant amount is EUR 2,551 thousand (2024: EUR 23,891 thousand).

#### **Kreditanstalt für Wiederaufbau (KfW), grant No. BMZ-No. 2023 68 652**

**Donor:** Kreditanstalt für Wiederaufbau (KfW)

In October 2023, the Group and KfW signed a grant agreement under the Project "Increasing the efficiency of electricity transmission (integration of the Ukrainian UES into the European unified energy system) V" in the amount of EUR 76,352 thousand (Note 14). The German government agreed that the planned financing will replace loan No. 27406, intended for the implementation of the Substation Reconstruction Project in the Eastern part of Ukraine. Accordingly, unselected funds under loan No. 27406 in the amount of EUR 76,352 thousand will be provided as grant funds in accordance with the terms of the grant agreement. The bank agreed that the last date of availability of grant funding is 31 December 2028.

During 2025, the Group disbursed grant funds in the amount of EUR 17,999 thousand (2024: EUR 15,500 thousand). As of 31 December 2025, the undrawn grant amount is EUR 31,432 thousand (2024: EUR 49,431 thousand).

#### **Kreditanstalt für Wiederaufbau (KfW), grant No. BMZ-No. 2019.7031.8**

**Donor:** Kreditanstalt für Wiederaufbau (KfW)

In December 2023, a grant agreement was concluded between the Group and KfW as part of the implementation of the Project "Improving the efficiency of electricity transmission (integration of the Ukrainian UES into the European unified energy system) III" in the amount of EUR 500 thousand. As part of the Project, a credit agreement in the amount of EUR 24,000 thousand was also concluded in December 2023 (Note 14). Loan funds will be used to finance the restoration of the Group's substation in the western region of Ukraine, whose energy infrastructure was severely damaged by the military aggression of the Russian Federation. The grant funds will be used to increase the institutional capacity of the Group to implement the project. Combined with other recovery measures, this will contribute to the expansion of the export and import of electricity from the IPS of Ukraine to Europe, as well as its full synchronous work with ENTSO-E. The bank agreed that the last date of availability of grant funding is 31 December 2029.

During 2025, the Group made disbursements of grant funds in the amount of EUR 19 thousand (2024: nil). As of 31 December 2025, the undrawn grant amount is EUR 481 thousand (2024: EUR 500 thousand).

## **PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025**

*In Ukrainian Hryvnias and in thousands, unless otherwise indicated*

---

#### **Kreditanstalt für Wiederaufbau (KfW), grant No. BMZ-No.2023 68 785**

**Donor:** Kreditanstalt für Wiederaufbau (KfW)

In May 2024, the Group and KfW concluded a grant agreement for the Project "Improving the Efficiency of Electricity Transmission (Integration of the Ukrainian IPS into the European Integrated Power System) VI" in the amount of EUR 45,000 thousand. The Bank agreed that the last date for the availability of grant funding is 31 December 2028.

During 2024-2025, the Group did not make any disbursements of grant funds under this agreement. As of 31 December 2025, the undrawn grant amount is EUR 45,000 thousand.

#### **Kreditanstalt für Wiederaufbau (KfW), grant No. 59708**

**Donor:** Kreditanstalt für Wiederaufbau (KfW)

In June 2024, the Group and KfW signed a grant agreement for the Project "Reconstruction and Rehabilitation of the Electricity Transmission System of Ukraine" in the amount of EUR 15,000 thousand. These funds will be used to purchase critical equipment and restore the high-voltage network after the massive Russian attacks. The Bank agreed that the last date for the availability of grant funding is 22 March 2027.

During 2024-2025, the Group did not make any disbursements of grant funds under this agreement. As of 31 December 2025 and 2024, the undrawn grant amount is EUR 15,000 thousand.

#### **Kreditanstalt für Wiederaufbau (KfW), No. BMZ-No. grant: 64019/5150 00 930**

**Donor:** Kreditanstalt für Wiederaufbau (KfW)

In June 2024, the Group and KfW signed a grant agreement for the Project "Reconstruction and Rehabilitation of Ukraine's Electricity Transmission Infrastructure II" in the amount of EUR 100,000 thousand. The European Commission authorized KfW to allocate funds from the EU's special budget program "Ukraine Investment Facility" to the Group and to ensure the financing and implementation of a number of priority energy projects, such as:

- Modernization of high-voltage substations in the western regions of Ukraine and the development of interstate interconnectors connecting Ukraine to the power system of continental Europe;
- Repair and restoration of equipment at high-voltage substations destroyed or damaged by Russian shelling, as well as the purchase and supply of new equipment;
- Measures to strengthen the physical protection of substations.

The Bank has agreed that the last date for the availability of grant funding is 16 April 2027.

During 2025, the Group made disbursements of grant funds in the amount of EUR 18,862 thousand (2024: nil). As of 31 December 2025, the undrawn grant amount is EUR 81,138 thousand (2024: EUR 100,000 thousand).

#### **European Bank for Reconstruction and Development, grant No. 54649**

**Donor:** European Bank for Reconstruction and Development

In October 2024, the Group and the EBRD signed Grant Agreement No. 54649 for a total amount of EUR 10,000 thousand for the implementation of the Special Capital Support Project for NPC "Ukrenergo". A loan agreement for the amount of EUR 150,000 thousand was also signed within the framework of the Project in December 2023 (Note 14). The last date of availability of grant funding is 31 December 2024. During 2024, the grant funds were disbursed by the Group in full.

## **PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025**

*In Ukrainian Hryvnias and in thousands, unless otherwise indicated*

---

#### **European Bank for Reconstruction and Development, grant № 17775-146127-55539**

**Donor:** European Bank for Reconstruction and Development

In February 2025, the Group and the EBRD signed Grant Agreement № 17775-146127-55539 for a total amount of EUR 242 thousand for the implementation of NPC «Ukrenergo Psychological Resilience Training and Support Programme». The availability period of the grant financing is limited by the term of the Consultancy Services Agreement entered into between the Group and the Consultant, who is a local provider of psychological support services.

During 2025, the Group made disbursements of grant funds in the amount of EUR 157 thousand. As of 31 December 2025, the undrawn grant amount is EUR 84 thousand.

#### **European Bank for Reconstruction and Development, grant № 19838-146142-55539**

**Donor:** European Bank for Reconstruction and Development

In December 2025, the Group and the EBRD signed Grant Agreement № 19838-146142-55539 for a total amount of EUR 420 thousand for the Project: «RLF Ukrenergo Resilience Support (Northern Region Enhancement – Update of Design Documentation)». The availability period of the grant financing is determined in accordance with the term and full performance of the Consultancy Services Agreement entered into between the Group and the Consultant, who is responsible for the analysis and update of the project documentation.

During 2025, the Group did not make any disbursements of grant funds under this agreement. As of 31 December 2025, the undrawn grant amount is EUR 420 thousand.

#### **European Bank for Reconstruction and Development, grant № 54138**

**Donor:** European Bank for Reconstruction and Development

In December 2025, the Group and the EBRD signed Grant Agreement № 54138 for a total amount of EUR 21,000 thousand for the Project: «Ukrenergo Transmission Network Emergency Restoration)». The funds will be provided from the Netherlands–Ukraine Response Individual Sub-Account of the Fund. The last date of availability of grant funding is 03 June 2028.

During 2025, the Group did not make any disbursements of grant funds under this agreement. As of 31 December 2025, the undrawn grant amount is EUR 21,000 thousand.

#### **European Bank for Reconstruction and Development, grant № 54138**

**Donor:** European Bank for Reconstruction and Development

In December 2025, the Group and the EBRD signed Grant Agreement № 54138 for a total amount of EUR 31,100 thousand for the Project: «UkrenergTransmission Network Emergency Restoration)». The portion of grant in the amount of EUR 15,500 thousand will be provided through the United States Ukraine Response Individual Sub-Account of the Fund and while the remaining portion of grant in the amount of EUR 16,100 thousand will be provided through Norway Ukraine Response Individual Sub-Account of the Fund. The last date of availability of grant funding under the United States–Ukraine platform is 03 June 2027, and under the Norway–Ukraine platform is 03 June 2028.

During 2025, the Group did not make any disbursements of grant funds under this agreement. As of 31 December 2025, the undrawn grant amount is EUR 31,100 thousand.

**PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

*In Ukrainian Hryvnias and in thousands, unless otherwise indicated*

**17. TRADE ACCOUNTS PAYABLE**

	<b>31 December 2025</b>	<b>31 December 2024</b>
Balancing electricity	23,265,624	16,381,967
Services to increase share of electricity production from alternative sources (PSO RES)	17,626,371	24,397,858
Electricity to settle imbalances	3,075,912	4,344,454
Curtailment of RES production	1,097,243	79,885
Acquisition, construction, modernization, reconstruction of non-current assets	883,276	910,957
Electricity from cross-border flows	527,527	554,680
Auxiliary services (frequency and active power management)	459,120	299,670
Electricity in the framework of providing emergency assistance	110,171	5
Services on granting access to the transmission capacity of interstate power networks	97,321	16,951
Other goods, works, services	254,827	208,982
<b>Total</b>	<b><u>47,397,392</u></b>	<b><u>47,195,409</u></b>

**18. ADVANCES RECEIVED**

	<b>31 December 2025</b>	<b>31 December 2024</b>
Electricity transmission services	594,245	350,696
Electricity to settle imbalances	165,146	692,825
Dispatch (operational and technological) control services	136,255	199,085
Granting access to the transmission capacity of interstate power networks	166	209
Other goods, works, services	1,606	3,835
<b>Total</b>	<b><u>897,418</u></b>	<b><u>1,246,650</u></b>

During 2025 the Group recognized UAH 577,196 thousand as revenue on account of advances received as of 31 December 2024 (2024: UAH 136,123 thousand).

**PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

*In Ukrainian Hryvnias and in thousands, unless otherwise indicated*

**19. PROVISIONS**

	<b>Unused vacations</b>	<b>Additional pension and other benefits</b>	<b>Financial incentives</b>	<b>Provision for dividends</b>	<b>Litigation costs</b>	<b>Other</b>	<b>Total</b>
<b>As of 31 December 2023</b>	<b>328,538</b>	<b>41,796</b>	<b>237,246</b>	<b>207,883</b>	<b>563,758</b>	<b>8,424</b>	<b>1,387,645</b>
Dividends payment	-	-	-	(207,883)	-	-	<b>(207,883)</b>
Charged	381,785	19,500	540,797	-	760,497	6,332	<b>1,708,911</b>
Used or paid	(300,717)	(16,660)	(521,727)	-	(616,502)	(13,887)	<b>(1,469,493)</b>
<b>As of 31 December 2024</b>	<b>409,606</b>	<b>44,636</b>	<b>256,316</b>	<b>-</b>	<b>707,753</b>	<b>869</b>	<b>1,419,180</b>
Charged	444,391	23,620	609,439	-	1,882,381	12,046	<b>2,971,877</b>
Used or paid	(430,824)	(37,369)	(607,894)	-	(736,750)	(11,306)	<b>(1,824,143)</b>
<b>As of 31 December 2025</b>	<b>423,173</b>	<b>30,887</b>	<b>257,861</b>	<b>-</b>	<b>1,853,384</b>	<b>1,609</b>	<b>2,566,914</b>

**Provision for unused vacations**

The Group creates provisions for short-term cumulative reimbursable absences bonuses.

**Provision for additional pension and other benefits**

Provisions for additional pension and other benefits relate to the current part of the defined benefit obligation (Note 15).

**Provision for financial incentives**

The Group creates provisions for the annual remuneration based on the terms of the collective employment agreement, in respect of which the Group has a constructive obligation to pay such benefits as a result of past events. Costs on provisions for financial incentives for the year are included in staff costs and related social charges.

# PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

*In Ukrainian Hryvnias and in thousands, unless otherwise indicated*

### Provision for dividends

As described in Note 13, as of 31 December 2025 and 2024, no provision for dividend payment was accrued due to the loss on the results of the Group's activities for 2024-2025.

In June 2024, the Group made payment of dividends in amount of 90% of the consolidated profit for 2023 in amount of UAH 338,974 thousand. The payment of dividends was made partly using a provision in the amount of UAH 207,883 thousand, and through retained earnings in the amount of UAH 131,091 thousand.

### Provision for litigation costs

The Group acts as a plaintiff in several legal proceedings. A provision for litigation costs is management's estimate of probable losses that may be incurred as a result of negative court rulings.

As stated in Note 30, as of 31 December 2025, the Group has accrued provision for litigation costs that could be incurred as a result of legal cases with market participants regarding delayed payments by the Group on the electricity market in the amount of UAH 1,789,228 thousand (2024: UAH 643,817 thousand), and for other lawsuits in the amount of UAH 64,156 thousand (2024: UAH 63,936 thousand).

## 20. OTHER CURRENT LIABILITIES

	31 December 2025	31 December 2024
VAT amounts for which deadline or right to declare is not due	1,161,518	596,883
Accrued interest on loans	794,916	895,669
Financial guarantees of electricity market participants	517,699	741,516
Guarantee of participation in the competition for the construction of generating capacity	84,204	-
Other liabilities	40,333	39,522
<b>Total</b>	<b>2,598,670</b>	<b>2,273,590</b>

## 21. REVENUE

	<u>2025</u>	<u>2024</u>
Revenue from electricity transmission services and connection to electricity transmission system	63,373,802	50,372,440
Revenue from electricity sales on the balancing market	20,471,614	26,818,288
Revenue from dispatch (operational and technological) control services	18,030,533	19,511,103
Revenue from electricity sales during cross-border flows	2,630,022	2,302,387
Revenue from granting access to the transmission capacity of interstate power networks	2,533,789	1,901,797
Revenue from electricity sales in the framework of providing emergency assistance	600,010	203,907
Revenue under the ITC Agreement	54,524	-
Revenue from sales of reactive energy	44,271	28,603
Revenue from providing services of data transfer administrator (DTA) and insider information platform administrator (IIPA)	606	598
<b>Total</b>	<b><u>107,739,171</u></b>	<b><u>101,139,123</u></b>

**PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

*In Ukrainian Hryvnias and in thousands, unless otherwise indicated*

**22. COST OF SALES**

	<u>2025</u>	<u>2024</u>
Procurement of services to increase share of electricity production from alternative sources (PSO RES)	31,511,165	27,862,257
Procurement of electricity on the balancing market	29,334,362	26,394,040
Procurement of electricity to compensate technological losses	15,330,913	12,269,189
Depreciation and amortization	7,552,707	7,163,353
Procurement of auxiliary services (frequency and active power management)	6,179,508	5,192,700
Staff costs	3,719,762	3,265,997
Procurement of electricity from cross-border flows	2,815,510	2,595,164
Curtailement of RES production	1,784,078	1,436,606
Social charges	771,463	662,207
Repairs and maintenance	564,885	629,610
Purchase of electricity in the framework of providing emergency assistance	426,138	1,914,144
Information and consulting services	421,021	270,930
Security expenses	407,876	425,420
Procurement of services to ensure the uninterrupted functioning of "last resort" supplier	117,680	92,867
Expenses under the ITC Agreement	112,693	-
Energy and utilities	105,056	89,500
Other expense	441,410	343,798
<b>Total</b>	<b><u>101,596,227</u></b>	<b><u>90,607,782</u></b>

**23. OTHER OPERATING INCOME**

	<u>2025</u>	<u>2024</u>
Income from grants and free-of-charge received property, plant and equipment (Note 16)	3,563,972	3,029,582
Regulatory income (Note 12)	2,546,522	2,603,276
Fines, penalties, forfeits received	993,700	2,133,306
Current assets received free-of-charge	604,470	134,571
Operating foreign exchange gain, net	521,837	110,263
Income from financial security enforcement for a future ancillary services agreement	190,419	3,374
Recovery of earlier written-off debt	120,915	73,905
Received grants to cover consulting services (Note 16)	82,493	68,461
Income from other sales of works, services	50,919	29,803
Capitalization of materials after write-offs and repairs	36,697	22,485
Stock-count results	13,763	163,469
Income on sale of inventories and scrap	13,136	22,962
Change in allowance for impairment of prepayments, net	-	90
Other income	10,677	18,977
<b>Total</b>	<b><u>8,749,520</u></b>	<b><u>8,414,524</u></b>

**PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

*In Ukrainian Hryvnias and in thousands, unless otherwise indicated*

**24. ADMINISTRATIVE EXPENSES**

	<u>2025</u>	<u>2024</u>
Staff costs	790,871	711,007
Court fees	304,915	190,233
Information and consulting services	216,995	27,938
Social charges	139,399	116,511
Depreciation and amortization	59,841	47,225
Expenses for maintenance of NEURC	33,261	37,524
Legal, audit and other expert services	12,011	15,013
Other costs	62,373	71,182
<b>Total</b>	<b><u>1,619,666</u></b>	<b><u>1,216,633</u></b>

In addition to the audit fees related to the compulsory audit as included in the legal, audit and other expert services are fees for other services performed by the Group's auditor in 2025 amounting to UAH 3,240 thousand (2024: UAH 4,449 thousand).

**25. OTHER OPERATING EXPENSES**

	<u>2025</u>	<u>2024</u>
Regulatory expenses (Note 12)	2,603,276	6,817,939
Change in allowance for litigation provision, net (Note 19)	1,882,381	760,497
Fines, penalties, forfeitures recognized	1,221,801	2,157,719
Contributions to labor union	289,112	356,546
Membership fees	106,496	95,707
Staff costs	88,449	79,142
Consulting services at the expense of grant funds	82,493	68,461
Insurance expenses	61,267	42,498
Social charges	38,642	32,885
Liquidation of non-current assets	9,451	5,608
Depreciation and amortization	4,432	4,825
Change in allowance for impairment of prepayments, net	723	-
Charity	-	409,010
Other costs	197,457	139,335
<b>Total</b>	<b><u>6,585,980</u></b>	<b><u>10,970,172</u></b>

**26. FINANCE INCOME**

	<u>2025</u>	<u>2024</u>
Income from interest on current bank accounts	1,105,508	1,183,714
Income from amortization of discount on financial instruments	1,665	98
<b>Total</b>	<b><u>1,107,173</u></b>	<b><u>1,183,812</u></b>

# PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

*In Ukrainian Hryvnias and in thousands, unless otherwise indicated*

### 27. FINANCE COSTS

	<u>2025</u>	<u>2024</u>
Interest expense on loans	4,280,136	4,409,601
Capitalized borrowing costs	(559,645)	(520,502)
Interest expense on bonds	2,554,809	4,796,156
Interest expense on defined benefit obligations (Note 15)	37,535	49,545
Discount costs on initial recognition	31,406	-
Interest expense on lease obligations	1,148	1,069
Effect of cash flows revision on the Eurobonds 2028 as a result of the technical default (Note 14)	-	24,975,279
Other finance costs	21,666	22,271
<b>Total</b>	<b><u>6,367,055</u></b>	<b><u>33,733,419</u></b>

### 28. INCOME TAX

Profits of Group companies are subject to corporate income tax. For the years ended 31 December 2025 and 2024 the Group's companies in Ukraine was subject to corporate income tax in Ukraine at the rate of 18%.

The components of income tax expense for the year ended 31 December 2025 and 2024 were as follows:

	<u>2025</u>	<u>2024</u>
Current income tax expense	2,498	1,885
Deferred income tax benefit	(2,242,079)	(8,232,402)
<b>Total income tax benefit</b>	<b><u>(2,239,581)</u></b>	<b><u>(8,230,517)</u></b>

The reconciliation of profit before tax, multiplied by the statutory income tax rate and income tax expense for the years ended 31 December 2025 and 2024 was as follows:

	<u>2025</u>	<u>2024</u>
<b>Loss before tax</b>	<b>(12,906,100)</b>	<b>(46,217,418)</b>
Income tax benefit at the statutory tax rate of 18%	(2,323,098)	(8,319,135)
Assets transferred as humanitarian aid or to non-profit organizations	77,196	78,966
Effect of expenses not deductible for tax purposes	6,321	9,652
<b>Total income tax benefit</b>	<b><u>(2,239,581)</u></b>	<b><u>(8,230,517)</u></b>

# PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

*In Ukrainian Hryvnias and in thousands, unless otherwise indicated*

As of 31 December 2025 and 2024, deferred tax assets and liabilities related to the following:

	<b>31 December 2025</b>	<b>31 December 2024</b>
Trade and other accounts receivable	7,385,616	6,334,989
Defined benefit obligation	10,048	9,387
Provision for litigation costs	333,609	127,395
Provision for accrued expenses	866	1,816
Impairment allowance of inventories and construction in progress	723,401	559,832
Deferred tax asset from tax losses	5,126,630	5,745,340
<b>Deferred tax assets</b>	<b>13,580,170</b>	<b>12,778,759</b>
Property, plant and equipment and intangible assets	(10,480,250)	(10,587,575)
<b>Deferred tax liability</b>	<b>(10,480,250)</b>	<b>(10,587,575)</b>
<b>Net deferred tax assets</b>	<b>3,099,920</b>	<b>2,191,184</b>

Deferred tax movements for the years ended 31 December 2025 and 2024 were as follows:

	<b>2025</b>	<b>2024</b>
<b>Net deferred tax assets/(liabilities) as of the beginning of the year</b>	<b>2,191,184</b>	<b>(6,264,442)</b>
Deferred income tax benefit for the year recognized in profit or loss	2,242,079	8,232,402
Deferred income tax (expense)/benefit for the year related to revaluation and/or impairment of property, plant and equipment, recognized in other comprehensive income	(1,333,735)	222,620
Deferred income tax benefit for the year related to remeasurement of defined benefit obligation recognized in other comprehensive income	392	604
<b>Net deferred tax assets at the end of the year</b>	<b>3,099,920</b>	<b>2,191,184</b>

As of 31 December 2025, based on forecasts of future taxable profits during the periods in which the taxable temporary differences are expected to reverse, management considers it probable that the Group will realize the benefits of deferred tax assets (Note 5).

## 29. RELATED PARTIES

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 operating decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely the legal form.

Related parties may enter into transactions which unrelated parties might not, and transactions between related parties may not be effected on the same terms, conditions, and amounts as transactions between unrelated parties.

As disclosed in Note 1, the party with ultimate control over the Group is the Government of Ukraine represented by the Ministry of Energy of Ukraine (shareholder of the Company), accordingly, all entities controlled by the State are considered to be related parties under common control. During 2020 and until 16 September 2021 a shareholder of the Company was the Ministry of Finance of Ukraine.

# PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

*In Ukrainian Hryvnias and in thousands, unless otherwise indicated*

### Key management remuneration

As of 31 December 2025 and 2024, the Group's key management consisted of 6 and 4 members of the Management Board respectively. Compensation to key management included in administrative expenses consists of cash payments, contractual salaries, bonuses and other payments provided for in the collective employment agreement. Payments to the Group's key management amounted to UAH 43,747 thousand in 2025 (2024: UAH 70,117 thousand).

During 2025 the Group also incurred UAH 38,321 thousand (2024: UAH 24,233 thousand) of compensation to the members of the Supervisory Board. As of 31 December 2025 and 2024, the Supervisory Board consisted of 6 and 7 members respectively.

### Transactions with state-controlled entities and institutions

Such related parties include SE "Guaranteed Buyer", SE "Ukrinterenergo", Private Joint Stock Company "Ukrhydroenergo", SE "Market Operator", SE "NAEC Energoatom", JSC "State Savings Bank of Ukraine", JSC "State Export-Import Bank of Ukraine", JSB "Ukrghazbank" and other entities.

Transactions with related parties are performed on terms equivalent to those that prevail in arm's length transactions. The amount of outstanding balances is unsecured and will be settled in cash.

Balances with state-controlled entities and institutions as of 31 December 2025 and 2024 were as follows:

	<b>31 December 2025</b>	<b>31 December 2024</b>
<b>ASSETS</b>		
Other non-current assets	57,317	6,803
Trade accounts receivable	17,239,291	18,630,189
Prepayments	510,491	603,874
Other accounts receivable	305,751	209,662
Loans given	141,005	-
Cash and cash equivalents	11,436,435	15,330,698
<b>Total assets from related parties</b>	<b>29,690,290</b>	<b>34,781,226</b>
<b>LIABILITIES</b>		
Trade accounts payable	31,044,048	33,208,398
Advances received	94,393	41,961
Loans received from the Ministry of Finance of Ukraine	18,128,834	19,776,578
Loans received from state-owned banks	9,800,841	10,135,189
Accrued interests on loans	1,000,307	858,123
Provisions for dividends	-	-
Provision for litigation costs	1,019,767	203,325
Other current liabilities, except accrued interests on loans	15,284	10,950
<b>Total liabilities to related parties</b>	<b>61,103,474</b>	<b>64,234,524</b>

# PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

*In Ukrainian Hryvnias and in thousands, unless otherwise indicated*

Transactions with state-controlled entities and institutions in 2025 and 2024 were as follows:

	<u>2025</u>	<u>2024</u>
Revenue	32,840,617	37,606,622
Purchases of services to increase the share of electricity production from alternative sources (PSO RES)	(24,469,250)	(22,645,741)
Purchases of electricity and related services in the electricity market	(34,168,103)	(29,089,762)
Purchases of other goods, works, and services	(3,359,110)	(2,765,435)
Change in expected credit losses on financial assets, net	(3,436,920)	(6,648,590)
Fines, penalties, forfeits received	650,670	1,480,127
Fines, penalties, forfeitures recognized	(309,521)	(2,132,848)
Change in allowance for litigation provision, net	(954,385)	(297,026)
Income from interest on current bank accounts	1,105,283	1,183,409
Interest expense on loans (including capitalized borrowing costs)	(3,233,581)	(3,284,734)
Income from amortization of discount of loans given	1,591	-
Discount costs on initial recognition	(31,406)	-

As of 31 December 2025, expected credit losses on trade accounts receivable, which were accrued on receivables from related parties, amount to UAH 23,177,620 thousand (2024: UAH 19,787,045 thousand).

### Payment of dividends to the state budget

As of 31 December 2025, no provision for dividend payment was accrued due to the loss on the results of the Group's activities for 2024.

In June 2024, the Group made payment of dividends in amount of 90% of the consolidated profit for 2023 in amount of UAH 338,974 thousand (Note 13). The payment of dividends was made partly using a provision in the amount of UAH 207,883 thousand, and through retained earnings in the amount of UAH 131,091 thousand.

### State guarantees on loans and borrowings

As of 31 December 2025 the amount of state guarantees received from the Government of Ukraine on loans from IFIs and state-owned banks amounted to UAH 60,527,461 thousand (2024: UAH 59,137,603 thousand).

As described in Note 14, according to the Resolution of the Cabinet of Ministers of Ukraine dated July 31, 2024 No. 865 and Resolution of the Cabinet of Ministers of Ukraine dated August 27, 2024 No. 977, the Cabinet of Ministers of Ukraine decided to temporarily suspend payments from November 09, 2024 under the state's guarantee obligations for Eurobonds 2028 issued under a state guarantee in 2021, for a period until the conclusion of such transaction(s) and changes in the terms of the relevant borrowing for all creditors. During 2025 and until the date of adoption of the above-described decisions by the Cabinet of Ministers of Ukraine, the state guarantee for the Eurobonds 2028 was fully valid.

As of 31 December 2025, the carrying amount of Eurobonds 2028 was UAH 44,863,045 thousand (2024: UAH 41,920,152 thousand).

# PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

*In Ukrainian Hryvnias and in thousands, unless otherwise indicated*

---

### 30. CONTINGENCIES AND CONTRACTUAL COMMITMENTS

#### **Taxation**

The tax environment in Ukraine is characterized by complex tax administration, inconsistent interpretation of tax legislation and regulations by the tax authorities, which, inter alia, can increase financial pressure on taxpayers. Inconsistent application, interpretation and implementation of tax laws may lead to litigation, which may ultimately result in the assessment of additional taxes, penalties and interest, and these amounts could be significant.

The Group has complied with all regulations and all taxes have been paid or accrued. Management believes it has adequately provided for any potential difficulties and does not consider the risk to be greater than that faced by similar enterprises in Ukraine. Unless it is deemed probable that significant claims will arise, no provision has been made in these consolidated financial statements.

#### **Legal issues**

##### ***Legal proceedings***

In the normal course of business, the Group is subject to legal claims. Where the risk of outflow of financial resources associated with such claims is assumed as probable, a respective liability is recognized as the provision for litigation costs (Note 19). Where management estimates the risk of outflow of financial resources associated with such claims as possible, or amount of outflow cannot be measured reliably, no provision is recognised, and respective amount is disclosed in the consolidated financial statements.

##### ***Claims of SE "Guaranteed Buyer" regarding delayed payments by the Group***

Since the beginning of 2020 crisis signs began to appear on the electricity market: delays in the Group's payments to SE "Guaranteed Buyer" for services to increase the share of electricity production from alternative sources (hereinafter – "PSO RES") and accordingly delays in payments of SE "Guaranteed Buyer" in favor of renewable energy producers. The reason for the delay in the Group's payments for PSO is the insufficiency of funds provided for in the tariff for electricity transmission to cover this type of expenses.

During 2020-2025, SE "Guaranteed Buyer" initiated lawsuits on payment by the Group of fines and penalties for breach of debt repayment terms between the Group and SE "Guaranteed Buyer" regarding PSO RES. As of 31 December 2025, the total amount of claims in such cases amounted to UAH 13,931,210 thousand of main debt and UAH 6,017,251 thousand of fines and penalties (2024: UAH 15,736,985 thousand of main debt and UAH 16,646,464 thousand of fines and penalties).

It should be noted that the legal relationship between the Group and SE "Guaranteed Buyer" for the payment of PSO RES, establishment of the regulator's tariff for electricity transmission services, which should cover these costs in full, is subject to state regulation and does not depend on the Group's decisions. Also, in accordance with NEURC Resolution No. 332 dated 25 February 2022 "On ensuring the stable functioning of the electricity market, including the financial condition of participants in the electricity market during the period of martial law in Ukraine" in order to ensure the operational security of the functioning of the main part of the IPS of Ukraine, with among other things, during the period of martial law in Ukraine and within 30 days after its termination or cancellation the accrual and collection of fines provided for by contracts concluded were stopped in accordance with the Law of Ukraine "On the Electric Energy Market" between the participants of the electric energy market. Thus, the amount of claims in the above-mentioned court cases will be significantly reduced in the process of their judicial resolution.

Management believes that, given the nature of the legal relationship between the Group, SE "Guaranteed Buyer", the regulator, the state, reasons of debt accumulation, inability to repay it in time, the impact of court decisions on the net cash flow between the Group and SE "Guaranteed Buyer" is remote and, therefore, and no provision should be made in the Group's consolidated financial statements as of the reporting date.

# PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

*In Ukrainian Hryvnias and in thousands, unless otherwise indicated*

---

### ***Claims of other market participants regarding delayed payments in the electricity market***

Participants in the electricity market have initiated a number of lawsuits regarding the collection of the Group's debts, the calculation and payment of fines and penalties for breaching the terms of the contracts on the balancing market and ancillary services.

The delay in payments on the balancing market arose as a result of a deterioration in the level of payments made by counterparties on the balancing market to the Group, which accordingly affected the Group's payments to providers of balancing services, since all payments in this market segment go through a separate special account of the Group and it cannot be financed by cash inflows from other types of activities, unless it is provided for by other normative legal acts.

As described in Note 2, the significant deterioration of the situation in charges on the balancing market is a consequence of the increasing number of attacks by the aggressor on energy infrastructure, which in turn results in substantial volumes of forced load curtailment and system-wide constraints in the power system. The updated approaches to calculating the system state within the real-time unit (RTU) and the settlement period (SP), as well as the formation of imbalance prices and balancing energy prices, which became effective in 2025 following amendments to the Market Rules, do not operate correctly under non-market conditions caused by the consequences of the aggressor's attacks.

As of 31 December 2025, the Group created provision for litigation costs that could be incurred as a result of legal cases with market participants regarding delayed payments by the Group on the electricity market in the amount of UAH 1,853,384 thousand (2024: UAH 707,753 thousand).

### ***Claim against the Russian Federation regarding assets in Crimea***

In April 2018, senior officials of the Russian Federation were served with the Group's official written communications on the investment dispute under the 1998 Agreement between the Cabinet of Ministers of Ukraine and the Government of the Russian Federation on the Promotion and Mutual Protection of Investments. Their purpose was to consult and negotiate with representatives of the Russian Federation to resolve the dispute through negotiations. The Russian side did not provide a response.

Having received no response, on 27 August 2019, the Group referred the dispute to arbitration (ad hoc) in accordance with the Arbitration Rules of the United Nations Commission on International Trade Law of 15 December 1976 (UNCITRAL). The Group seeks compensation for the Russian Federation's violation of the 1998 Agreement between the Cabinet of Ministers of Ukraine and the Government of the Russian Federation on the Promotion and Reciprocal Protection of Investments.

The claims also include compensation for damages caused by the illegal expropriation of the Group's investments in the Crimea, and the violation of the obligation to guarantee full and unconditional legal protection.

The Group's claims arose after the Russian Federation seized the Group's assets, property and business as a result of the illegal occupation and attempted annexation of Crimea in 2014.

On 27 March 2020, the composition of the arbitral tribunal was determined. The place of arbitration was determined to be in Paris. On 16 July 2020 the arbitral tribunal began to consider the case of the illegal seizure by the Russian Federation of the Group's infrastructure facilities in Crimea. In October 2020 the value of the assets on which the claim is based was assessed and amounted to EUR 528 mln including interest (EUR 95 mln as of 20 October 2020).

## **PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025**

***In Ukrainian Hryvnias and in thousands, unless otherwise indicated***

---

After the start of Russia's military aggression against Ukraine, the proceedings in this case were suspended. After the appointment of a new arbitrator in November 2022, the proceedings were continued. The court held a jurisdictional hearing in Paris on 06-08 September 2023. On 04 August 2024, a decision was made in favor of the Group. Most of the Russian Federation's objections to the jurisdiction of the arbitral tribunal were rejected. Ultimately, the arbitration court will hear and rule on the Group's lawsuits filed in 2019 against the Russian Federation, in which Ukrenergo demands compensation for illegally expropriated energy assets and investments in Crimea.

#### **Capital commitments**

As of 31 December 2025, the Group had contractual capital commitments for the purchase of property, plant, and equipment in the amount of UAH 13,801,377 thousand (2024: UAH 14,990,385 thousand).

#### **Investment program**

In accordance with Resolutions of the NEURC dated April 22, 2019 No.585 and No.586 (as amended), a part of the tariff calculated by the Group for its electricity transmission and dispatch (operational and technological) control services includes a component allocated to fund the Group's investment program for replacement and modernization of its property, plant, and equipment. In 2025, for the purposes intended by the investment program, the Group effectively used UAH 1,932,527 thousand (2024: UAH 3,930,520 thousand).

In the event of failure to implement the investment program in full, the NEURC has the right to make deductions from the Group's future earnings by reducing the investment component in the tariff applied by the Group in subsequent periods by the total amount for which the program has not been previously fulfilled.

On an annual basis, based on the actual data, the NEURC adjusts income of the planned year (withdrawals and compensations) which considers actual volumes of the investment program fulfilled. In accordance with the Resolution of NEURC No. 318 dated March 03, 2026, the Investment Program of NPC "Ukrenergo" for 2026 was approved in the amount of UAH 2,590,600 thousand.

#### **Insurance**

The Group does not have full coverage for its plant facilities, business interruption, or third party liability for property or environmental damage arising from accidents on the Group's property or relating to its operations. In the absence of insurance coverage, there is a risk that the loss or destruction of certain assets could have a material adverse effect on the Group's operations and financial position.

#### **Environmental contingencies**

The Group has been operating in the energy industry of Ukraine in strict compliance with the requirements of environmental legislation for many years. The normal activities of the Group may result in damage to the environment. The enforcement of environmental regulation in Ukraine is evolving and the enforcement stance of government authorities is continually being reconsidered. The Group periodically evaluates its liabilities under environmental regulations. Expenditures which extend the life of the related property or mitigate or prevent future environmental contamination would be capitalized. Potential liabilities, which might arise as a result of stricter enforcement of the existing regulations, civil litigation, or changes in the legislation or regulation, cannot be reliably estimated.

In the current enforcement climate under the existing legislation, management believes that there are no significant liabilities for environmental damage that require accrual in the consolidated financial statements.

# PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

*In Ukrainian Hryvnias and in thousands, unless otherwise indicated*

---

### 31. FAIR VALUE

IFRS determine fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent they are available and relevant valuation techniques. However, in determining the estimated fair value, it is required to apply judgments to interpret market information. Management has used all available market information to measure fair value. The estimates presented herein are not necessarily indicative of the amounts the Group could realize in a market exchange from the sale of its full holdings of a particular instrument or pay in the course of transfer of liabilities.

#### **Fair value of the Group's property, plant, and equipment**

The Group engaged independent professional appraisers to determine the fair values of its property, plant, and equipment as of 01 October 2025. Previously, the Group determined the fair value of its property as of 31 December 2023.

The methodology and results of the revaluation are disclosed in Notes 5 and 7.

The following table summarizes information about property, plant and equipment recognized at fair value upon initial recognition using the fair value hierarchy:

<b>31 December 2025</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Property, plant and equipment*	1,909,027	88,035,743	<b>89,944,770</b>
<b>Всього</b>	<b>1,909,027</b>	<b>88,035,743</b>	<b>89,944,770</b>
<b>31 December 2024</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Property, plant and equipment*	1,750,305	85,280,720	<b>87,031,025</b>
<b>Total</b>	<b>1,750,305</b>	<b>85,280,720</b>	<b>87,031,025</b>

\* Property, plant and equipment do not include construction in progress that is carried at historical cost.

There were no transfers between fair value measurements during the reporting period.

**PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

*In Ukrainian Hryvnias and in thousands, unless otherwise indicated*

Information about the inputs used to measure the Group's property, plant and equipment as of 01 October 2025 is as follows:

<b>Valuation technique</b>	<b>Unobservable inputs</b>	<b>Range of unobservable inputs</b>	<b>Interrelationship between key unobservable inputs and fair value measurement</b>
Depreciated replacement cost method with the use of income approach to determine economic impairment	Optimisation coefficient which represents the effectiveness of utilisation of equipment	As of 01 October 2025 the optimisation coefficient was 73.5%.	The higher is coefficient, the higher is the fair value
	Rate of return under RAB	The required level of return on the regulatory asset base in the post-forecast period will be equal to the weighted average cost of capital of the Group - 14.1%	The higher is the rate of return, the lower is the fair value
	Average producer price index in Ukraine	The estimated average value of the producer price index in Ukraine was taken in the range from 4.7% to 9.1%	The higher the inflation, the higher the fair value
	Nominal weighted average cost of capital for cash flows	The weighted average cost of capital for cash flows is 14.1 - 22.8%	The higher is the weighted average cost of capital, the lower is the fair value

Information about the inputs used to measure the Group's property, plant and equipment as of 31 December 2023 is as follows:

<b>Valuation technique</b>	<b>Unobservable inputs</b>	<b>Range of unobservable inputs</b>	<b>Interrelationship between key unobservable inputs and fair value measurement</b>
Depreciated replacement cost method with the use of income approach to determine economic impairment	Optimisation coefficient which represents the effectiveness of utilisation of equipment	As of 31 December 2023 the optimisation coefficient was 78.3%	The higher is coefficient, the higher is the fair value
	Rate of return under RAB	The required level of return on the regulatory asset base in the post-forecast period will be equal to the weighted average cost of capital of the Group - 14.6%	The higher is the rate of return, the lower is the fair value
	Average producer price index in Ukraine	The estimated average value of the producer price index in Ukraine was taken in the range from 7.3% to 13.7%	The higher the inflation, the higher the fair value
	Nominal weighted average cost of capital for cash flows	The weighted average cost of capital for cash flows is 14.6 - 23.1%	The higher is the weighted average cost of capital, the lower is the fair value

# PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

*In Ukrainian Hryvnias and in thousands, unless otherwise indicated*

### Financial instruments

Fair values of financial instruments are determined and disclosed in accordance with the requirements of IFRS 7 *Financial Instruments: Disclosures* and IFRS 13 *Fair Value Measurement*. As no readily available market exists for a large part of the Group's financial instruments, judgment is necessary to be applied to identify their fair value, based on current economic conditions and the specific risks attributable to the instrument. The estimates presented in these consolidated financial statements are not necessarily indicative of the amounts the Group could realize in a market exchange from the sale of its full package of a particular instrument.

	<u>31 December 2025</u>	<u>31 December 2024</u>
<b>Financial assets</b>		
Trade accounts receivable	29,915,674	31,602,370
Loans given	141,005	-
Cash and cash equivalents	11,736,386	15,515,975
Other accounts receivable	652,429	247,070
Long-term accounts receivables*	57,610	7,458
<b>Total financial assets</b>	<b><u>42,503,104</u></b>	<b><u>47,372,873</u></b>
<b>Financial liabilities</b>		
Trade accounts payable	47,397,392	47,195,409
Loans	60,527,461	59,137,603
Eurobonds 2028	38,460,876	28,979,045
Other accounts payables	208,539	171,053
Other non-current liabilities	535,958	289,048
Other current liabilities**	1,315,736	1,639,821
<b>Total financial liabilities</b>	<b><u>148,445,962</u></b>	<b><u>137,411,979</u></b>

\* Long-term accounts receivable are included in Other non-current assets in the consolidated statement of financial position as of 31 December 2025 and 2024.

\*\* Financial instruments include the value only of those Other current liabilities that meet the definition of financial liabilities. The carrying amount of these financial liabilities corresponds to their fair value. As of 31 December 2025 and 2024 Other current liabilities amounted to UAH 2,598,670 and 2,273,590 thousand, respectively.

All of the Group's financial assets and liabilities are carried at amortized cost. The fair value of all financial instruments relates to Level 3 of the fair value hierarchy, except for Eurobonds 2028, the fair value of which relates to Level 1. The fair value of Eurobonds 2028 is measured according to quotations in active markets using interest rates equal to yields at maturity.

	<u>31 December 2025</u>		<u>31 December 2024</u>	
	<u>Carrying amount</u>	<u>Fair value</u>	<u>Carrying amount</u>	<u>Fair value</u>
Eurobonds 2028	44,863,045	38,460,876	41,920,152	28,979,045

As of 31 December 2025 and 2024, the Group used the following assumptions in assessing the fair value of each class of its financial instruments related to the Level 3 of the hierarchy of fair value:

- the fair value of trade and other accounts receivable, loans given, cash and cash equivalents, trade accounts payable, other current liabilities correspond to their book value due to the short-term nature of such instruments;
- the fair value of other non-current liabilities approximates their carrying amounts determined under the effective interest rate method;
- the fair value of financial investments does not differ materially from their market value;

# PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

*In Ukrainian Hryvnias and in thousands, unless otherwise indicated*

- the fair value of long-term loans corresponds to their carrying value in accordance with the calculation of effective interest rates on loans, taking into account changes in prime rates and the expected terms of use and repayment of loans. Calculated effective interest rates as of the reporting dates were consistent with market rates for similar instruments. Also, some long-term loans have a floating interest rate tied to market indicators that reflect the market value of such instruments.

### 32. RISK MANAGEMENT

The financial instruments that the Group is using in the course of its business are subject to certain risks, the main ones being credit risk, liquidity risk and market risk, including currency risk and interest rate risk. The Group does not engage in significant transactions involving derivative financial instruments. The Group's overall risk management program focuses on the unpredictability and inefficiency of the Ukrainian financial market and is aimed to minimize potential adverse effects on the Group's financial performance.

During the years ended 31 December 2025 and 2024, there were no significant changes in the objectives, policies and process of managing the following risks.

#### Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge its obligation. Credit risk arises from the Group's provision of services and sales on loan terms and other transactions with counterparties giving rise to financial assets. The Group requires bank and financial guarantees from its counterparties.

As of 31 December 2025 and 2024, the maximum exposure to credit risk is represented by the carrying amount of financial assets, net of impairment losses on such assets, was:

	<b>31 December 2025</b>	<b>31 December 2024</b>
Trade accounts receivable	29,915,674	31,602,370
Loans given	141,005	-
Cash and cash equivalents	11,736,386	15,515,975
Other accounts receivable	652,429	247,070
Long-term accounts receivable	57,610	7,458
<b>Total</b>	<b>42,503,104</b>	<b>47,372,873</b>

For the year ended 31 December 2025, the Group made an accrual of expected credit losses on financial assets in the amount of UAH 5,860,924 thousand (2024: UAH 14,493,093 thousand). The Group, assessing expected credit losses on trade accounts receivables, takes into account the cash flows expected from credit enhancements, which are an integral part of the contract. Information about its influence on credit risk is described in Note 9.

# PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

*In Ukrainian Hryvnias and in thousands, unless otherwise indicated*

---

### Liquidity risk

Liquidity risk is the risk that the Group will not be able to settle all liabilities as they fall due. The Group's liquidity is carefully monitored and managed by management. The Group has a detailed budgeting and forecasting process in place to ensure that it has sufficient cash to meet its liabilities.

The Group manages liquidity risk by complying with the financial discipline in accordance with a financial plan that is approved annually. The Group's key sources of funding are its operating cash flows and borrowings. Funds are used to finance the Group's investment in property, plant and equipment and its working capital needs. In case of any liquidity problems, the level of cash inflows is regulated by increasing tariffs for electricity transmission and dispatch (operational and technological) control services, which are set by NEURC with appropriate amendments to the Group's financial plan.

The table below provides the maturity analysis of financial liabilities based on contractual undiscounted repayment liabilities. The table contains both accrued interest and the principal amount of cash flow arrears as of 31 December 2025 and 2024. The amounts in the table may not be equal to the carrying amount of the related liabilities, as the table includes all cash outflows on a non-discounted basis.

**PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

*In Ukrainian Hryvnias and in thousands, unless otherwise indicated*

<b>31 December 2025</b>	<b>Carrying amount</b>	<b>Contractual amounts</b>	<b>Up to 6 months***</b>	<b>6-12 months</b>	<b>1-5 years</b>	<b>More than 5 years</b>
Loans*	61,856,698	66,519,860	45,080,364	1,931,940	9,402,230	10,105,326
Eurobonds 2028	44,863,045	45,288,601	45,288,601	-	-	-
Trade accounts payable**	47,397,392	47,397,392	47,316,838	80,554	-	-
Other accounts payable	208,539	208,539	208,539	-	-	-
Finance lease liabilities	4,758	5,608	1,891	1,891	1,826	-
Financial guarantees of electricity market participants	517,699	517,699	517,699	-	-	-
<b>Total</b>	<b>154,848,131</b>	<b>159,937,699</b>	<b>138,413,932</b>	<b>2,014,385</b>	<b>9,404,056</b>	<b>10,105,326</b>
<b>31 December 2024</b>	<b>Carrying amount</b>	<b>Contractual amounts</b>	<b>Up to 6 months***</b>	<b>6-12 months</b>	<b>1-5 years</b>	<b>More than 5 years</b>
Loans*	60,317,760	64,069,864	49,804,729	974,479	8,954,065	4,336,591
Eurobonds 2028	41,920,152	41,920,152	41,920,152	-	-	-
Trade accounts payable**	47,195,409	47,195,409	46,958,035	237,374	-	-
Other accounts payable	171,053	171,053	171,053	-	-	-
Finance lease liabilities	7,196	9,136	1,892	1,892	5,352	-
Financial guarantees of electricity market participants	741,516	741,516	741,516	-	-	-
<b>Total</b>	<b>150,353,086</b>	<b>154,107,130</b>	<b>139,597,377</b>	<b>1,213,745</b>	<b>8,959,417</b>	<b>4,336,591</b>

\* Including accrued interests on loans.

\*\* Including long-term trade accounts payable presented in Other long-term liabilities in the consolidated statement of financial position.

\*\*\* As described in Note 14, event of default under the Eurobonds 2028 application of cross-default provisions gives creditors a right to demand early repayment of the full amount of the debt and the Group has not a right to defer the repayment of these liabilities for at least twelve months after the reporting period. As a result, as of 31 December 2025 and 2024, loans and borrowings in the amount of UAH 87,230,587 thousand and UAH 89,968,948 thousand, respectively, were fully classified as current liabilities. These loans and Eurobonds 2028 were presented in the table above with a maturity up to 6 months.

# PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

*In Ukrainian Hryvnias and in thousands, unless otherwise indicated*

### **Deferral of debt payments for loans from state-owned banks**

As described in Note 14, with the beginning of the war between the Russian Federation and Ukraine in February 2022, the Group suspended the payment of the principal amount on loans from state-owned banks due to force majeure circumstances and agreed credit holidays with creditor banks. During 2022-2025, the Group's management agreed with state-owned banks on the terms of deferring the payment of the outstanding principal debt on loans to a later period. The process of agreeing with state-owned banks on the deferral of payment continued, and in January-February 2025 and 2026, the Group agreed with JSC "Oschadbank" and JSB "Ukrigasbank" additional changes to the repayment schedule of the principal debt on loans.

The table above provides an analysis of maturity of financial liabilities based on the contractual terms effective as of 31 December 2025 and 2024, not including the deferral of payments for loans from state-owned banks agreed after that date.

Information on the impact of the deferral of payments of the remaining debt on loans from state-owned banks, which existed as of 31 December 2025, on the future cash outflow of the Group (including accrued interest) is presented as follows:

	<b>31 December 2025</b>	
	<b>Initial contractual terms</b>	<b>Amended contractual terms</b>
<b>Loans from state-owned banks</b>		
Up to 6 months	1,650,990	436,556
6-12 months	1,538,338	506,292
1-5 years	3,541,492	7,422,246
More than 5 years	-	-
<b>Total contractual amounts</b>	<b>6,730,820</b>	<b>8,365,094</b>

Information on the impact of the deferral of payments of the remaining debt on loans from state-owned banks, which existed as of 31 December 2024, on the future cash outflow of the Group (including accrued interest) is presented as follows:

	<b>31 December 2024</b>	
	<b>Initial contractual terms</b>	<b>Amended contractual terms</b>
<b>Loans from state-owned banks</b>		
Up to 6 months	1,535,982	450,947
6-12 months	1,436,633	469,811
1-5 years	2,516,934	5,500,207
More than 5 years	-	-
<b>Total contractual amounts</b>	<b>5,489,549</b>	<b>6,420,965</b>

### **Market risks**

#### **Risk of changes in tariffs**

Tariff risk is the risk that the Group's current or future revenues may be adversely affected by a reduction or non-approval, to the extent necessary to cover costs, of NEURC tariffs for electricity transmission and dispatch (operational and technological) control services. NEURC has the authority to revise tariffs on an annual basis in cases where the Group fails to comply with licensing activities, regulatory requirements of NEURC or other regulatory requirements; and in cases where the Group fails to implement its investment program to an extent that ensures the use of all funds that have been accumulated through the investment component of the tariff.

The Group manages this risk by carrying out its activities in full compliance with all regulatory requirements and full compliance with them, as well as by taking adequate measures to implement the investment program and comply with the approved tariff structures.

**PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

*In Ukrainian Hryvnias and in thousands, unless otherwise indicated*

**Interest rate risk**

The Group normally has no significant interest bearing assets and its income and operating cash flows are substantially independent of changes in market interest rates. The Group's interest rate risk arises from loans at floating rates. The primary objective of interest rate risk management is to obtain financing at minimal cost and to match liquidity to the loan proceeds schedule.

As of 31 December 2025 and 2024, the Group had loan liabilities with a floating interest rate pegged to SOFR, EURIBOR, the NBU discount rate, UIRD.

The following table includes information for the year ended 31 December 2025 and 2024, the sensitivity of the Group's pretax earnings to a probable change in interest rates with all other variables held constant:

<b>31 December 2025</b>	<b>Increase "+" / decrease "-" of percentage points</b>	<b>Increase / (decrease) in profit before tax</b>	<b>Increase / (decrease) in equity</b>
SOFR	+0,50%	(35,943)	(35,943)
SOFR	-0,50%	35,943	35,943
EURIBOR	+0,25%	(66,149)	(66,149)
EURIBOR	-0,25%	66,149	66,149
NBU discount rate	+1,00%	(55,447)	(55,447)
NBU discount rate	-1,00%	55,447	55,447
UIRD	+0,1%	(4,205)	(4,205)
UIRD	-0,1%	4,205	4,205
<b>31 December 2024</b>	<b>Increase "+" / decrease "-" of percentage points</b>	<b>Increase / (decrease) in profit before tax</b>	<b>Increase / (decrease) in equity</b>
SOFR	+0,50%	(41,042)	(41,042)
SOFR	-0,50%	41,042	41,042
EURIBOR	+0,25%	(73,171)	(73,171)
EURIBOR	-0,25%	73,171	73,171
NBU discount rate	+1,00%	(91,523)	(91,523)
NBU discount rate	-1,00%	91,523	91,523
UIRD	+0,1%	(1,153)	(1,153)
UIRD	-0,1%	1,153	1,153

# PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

*In Ukrainian Hryvnias and in thousands, unless otherwise indicated*

### Foreign currency risk

Foreign currency risk is the risk that the financial performance of the Group will be adversely impacted by changes in foreign exchange rates to which the Group is exposed. The Group sells goods and services in the domestic market of Ukraine at prices denominated in hryvnia.

Most of the Group's loans and borrowings are denominated in foreign currencies, as well as certain agreements on the import of equipment for the modernization and construction of property, plant and equipment. The Group does not use any derivatives to manage its foreign currency risk exposure. Carrying amounts of the Group's foreign currency denominated monetary assets and liabilities as of the reporting dates were as follows:

	USD		EUR	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
<b>Assets</b>				
Cash and cash equivalents	136,268	195,792	4,776,500	4,405,639
Trade accounts receivable	-	-	1,218,399	846,686
Other accounts receivable	-	-	347,179	88,320
<b>Liabilities</b>				
Loans	(9,962,391)	(11,572,578)	(41,449,852)	(38,449,807)
Eurobonds 2028	(44,863,045)	(41,920,152)	-	-
Trade accounts payable	(171,086)	(161,233)	(1,163,566)	(989,640)
Other accounts payable	-	-	(1,141)	(2,520)
Income tax payable	-	-	(476)	(371)
Accrued interests on loans	(3,208)	(4,526)	(328,930)	(322,033)
<b>Net position</b>	<b>(54,863,462)</b>	<b>(53,462,697)</b>	<b>(36,601,887)</b>	<b>(34,423,726)</b>

The table below provides details of the sensitivity of the Group's profit or loss and equity to a reasonably possible change in foreign exchange rates applied at the reporting date, with all other variables held constant. These sensitivities represent management's assessment at the reporting dates of reasonably possible changes in foreign exchange rates.

	2025		2024	
	USD – impact	EUR – impact	USD – impact	EUR – impact
Profit at strengthening by 10%	5,486,346	3,660,189	5,346,270	3,442,373
Loss at weakening by 10%	(5,486,346)	(3,660,189)	(5,346,270)	(3,442,373)

### Capital management

The Group's principal sources of funding are borrowings and equity. The primary objective of the Group's capital management is to ensure that it maintains an adequate credit rating and sufficiency of capital ratios to support its business. The Group monitors its capital using a gearing ratio, which is calculated as net liabilities divided by equity and net liabilities. In calculating net liability, the Group considers loans and borrowings, net of cash and short-term deposits.

## PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

*In Ukrainian Hryvnias and in thousands, unless otherwise indicated*

The Group's capital management policy aims to ensure and maintain an optimal capital structure in order to reduce the overall cost of capital and provide the flexibility necessary for the Group to access capital markets.

	<b>31 December 2025</b>	<b>31 December 2024</b>
Loans	60,527,461	59,137,603
Eurobonds 2028	44,863,045	41,920,152
Accrued interests on loans	1,329,237	1,180,157
Less: Cash and cash equivalents	<u>(11,736,386)</u>	<u>(15,515,975)</u>
<b>Net liability</b>	<b><u>94,983,357</u></b>	<b><u>86,721,937</u></b>
Equity	<u>3,890,718</u>	<u>8,488,574</u>
<b>Equity and net liability</b>	<b><u>98,874,075</u></b>	<b><u>95,210,511</u></b>
<b>Gearing ratio</b>	<b><u>0.96</u></b>	<b><u>0.91</u></b>

#### Reconciliation of liabilities arising from financing activities

The table below details the main changes in the Group's liabilities arising from financing activities, including cash and non-cash changes. Liabilities arising from financing activities are liabilities in respect of which cash flows were or future cash flows will be classified in the Group's consolidated statement of cash flows (under direct method) as cash flows from financing activities.

**PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

*In Ukrainian Hryvnias and in thousands, unless otherwise indicated*

Reconciliation of liabilities arising from financing activities for the year ended 31 December 2025 was the following:

<b>2025</b>	<b>Loans</b>	<b>Accrued interests on loans</b>	<b>Eurobonds 2028</b>	<b>Dividends</b>	<b>Lease and other liabilities</b>	<b>Total</b>
<b>As at 1 January</b>	<b>59,137,603</b>	<b>1,180,157</b>	<b>41,920,152</b>	-	<b>7,196</b>	<b>102,245,108</b>
Cash inflow from loans and borrowings	859,185	-	-	-	-	<b>859,185</b>
Cash repayments	(5,588,144)	(4,166,656)	-	-	(3,783)	<b>(9,758,583)</b>
Direct payments of bank to counterparties	955,126	-	-	-	-	<b>955,126</b>
Recognition of accounts payable	-	-	-	-	198	<b>198</b>
Interest expense	-	4,280,136	2,554,809	-	1,148	<b>6,836,093</b>
Foreign currency exchange differences, net	5,163,691	35,600	388,084	-	-	<b>5,587,375</b>
<b>As of 31 December</b>	<b>60,527,461</b>	<b>1,329,237</b>	<b>44,863,045</b>	-	<b>4,759</b>	<b>106,724,502</b>

Reconciliation of liabilities arising from financing activities for the year ended 31 December 2024 was the following:

<b>2024</b>	<b>Loans</b>	<b>Accrued interests on loans</b>	<b>Eurobonds 2028</b>	<b>Dividends</b>	<b>Lease and other liabilities</b>	<b>Total</b>
<b>As at 1 January</b>	<b>46,440,688</b>	<b>1,005,627</b>	<b>10,374,481</b>	-	<b>3,743</b>	<b>57,824,539</b>
Cash inflow from loans and borrowings	11,884,483	-	-	-	-	<b>11,884,483</b>
Cash repayments	(4,278,629)	(4,239,608)	-	(338,974)	(3,308)	<b>(8,860,519)</b>
Effect of cash flows revision as a result of the technical default	-	-	24,975,279	-	-	<b>24,975,279</b>
Direct payments of bank to counterparties	2,418,633	-	-	-	-	<b>2,418,633</b>
Recognition of accounts payable	-	-	-	338,974	5,692	<b>344,666</b>
Interest expense	-	4,409,601	4,796,156	-	1,069	<b>9,206,826</b>
Foreign currency exchange differences, net	2,672,428	4,537	1,774,236	-	-	<b>4,451,201</b>
<b>As of 31 December</b>	<b>59,137,603</b>	<b>1,180,157</b>	<b>41,920,152</b>	-	<b>7,196</b>	<b>102,245,108</b>

# PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

*In Ukrainian Hryvnias and in thousands, unless otherwise indicated*

---

### 33. EVENTS AFTER THE REPORTING PERIOD

#### **Military aggression of the Russian Federation against Ukraine**

Military aggression of the Russian Federation against Ukraine remains ongoing, and its duration and consequences cannot be reliably assessed. During the period from the reporting date to the date of approval of these consolidated financial statements, no significant changes in the front line or areas of hostilities were observed. However, in 2026, attacks on Ukraine's energy infrastructure using combined weapons have continued, having resumed on a regular basis since October 2025. These attacks are carried out across various regions of Ukraine, targeting thermal and hydroelectric power plants, as well as high-voltage substations operated by the Group. The purpose of these attacks is to disrupt the operation of the country's power system.

The main consequences of such attacks for the Group's operations in 2026 include:

- destruction and damage to substation equipment of the Group, preliminarily estimated at approximately UAH 250 million;
- a decrease in electricity transmission volumes in January–February 2026 by 11% compared to planned levels and by 9% compared to the same period of the previous year. As a result, the Group's management is preparing proposals to revise tariffs for 2026, which were set at 735.60 UAH/MWh for electricity transmission services (7.2% higher than in 2025) and 110.03 UAH/MWh for dispatch (operational and technological) control services (11.2% higher than in 2025).

A description of the consequences of military aggression on the Group's operations in 2025 is described in details in Note 2.

Despite these attacks, the power system continues to operate in a stable and balanced manner. The Group, in cooperation with other companies and the state, is developing and implementing measures aimed at restoring and increasing capacity. Repair works are actively carried out, cross-border transmission capacity for electricity imports has been increased, and monthly auctions for the long-term allocation of cross-border capacity have been introduced. In addition, projects aimed at increasing and scaling flexible generation and distributed generation are planned to enhance the resilience of the power system. At the same time, strengthening Ukraine's air defence capabilities and improving the physical protection of energy infrastructure remain critical for enhancing the security of energy facilities.

#### **Increase in cross-border transmission capacity for electricity imports**

In January 2026, the maximum cross-border transmission capacity for electricity imports from the European Union to the Ukraine–Moldova control block increased to 2,450 MW, providing additional volumes of electricity to cover domestic shortages, additional balancing opportunities and enhancing the resilience of the power system. The previous level of the maximum agreed import capacity for the Ukraine–Moldova block was 2,150 MW.

#### **Changes in maximum prices in the electricity market in 2026**

Pursuant to the NEURC Resolution No. 70 dated January 16, 2026, two stages of application of maximum prices in the electricity market were introduced. From January 17, 2026, uniform maximum prices were temporarily set for each hour of delivery:

- on the "day-ahead" and intraday markets: 15,000 UAH/MWh;
- on the balancing market: 16,000 UAH/MWh.

From March 31, 2026, maximum prices were differentiated by time intervals:

- on the "day-ahead" and intraday markets: from 5,600 UAH/MWh to UAH 15,000 UAH/MWh;
- on the balancing market: from 6,600 UAH/MWh to UAH 16,000 UAH/MWh.

## **PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025**

***In Ukrainian Hryvnias and in thousands, unless otherwise indicated***

---

The purpose of these changes is to adapt maximum prices to current market conditions, strengthen their role as indicators of supply and demand during peak hours, and support the stable operation of the power system under variable load conditions.

The increase in electricity market prices may lead to higher expenses for electricity purchases to cover technical losses, which, in turn, will be partially offset by the introduction of special auctions described below.

#### **Resolving the imbalance in the accrual of revenues and costs in the balancing market**

By Resolution of the NEURC dated March 24, 2026, No. 416, amendments were introduced to Resolution of the NEURC No. 332 of February 25, 2022. These amendments will allow, starting from April 01, 2026, the TSO not to take into account the volume of forced reduction of electricity consumption carried out in response to an operational command or instruction (including volumes disconnected by special automatic load shedding) (REC) when determining the system state. They also oblige the transmission system operator and distribution system operators to inform consumers about the forecast volumes of restrictions on electricity consumption and capacity. These changes will help balance revenues and costs in the respective market segment.

#### **Participation of the Group in special electricity procurement auctions**

The Cabinet of Ministers of Ukraine adopted the Resolution No. 1597 dated December 05, 2025, amending the procedure for electronic auctions for electricity sales under bilateral contracts. In accordance with paragraph 50 of this procedure, the Group is allowed to participate in special sessions for the sale of lot packages under bilateral contracts at a price not lower than the weighted average market price for bilateral contracts over the previous three months, taking into account a discount of up to 30%. These changes enable the Group to reduce expenses for electricity purchases to cover technical losses in 2026.

#### **Deferral of repayments on loans from state-owned banks**

In February 2026, the Group agreed with certain state-owned banks on amendments to repayment schedules and interest rates, as follows:

- JSC "UkrGasbank" – deferral of principal repayment for one year, with repayments in equal monthly instalments from January 2027 to December 2028; interest rate based on UIRD3m (UAH) + 5%;
- JSC "Oschadbank" – deferral of principal repayment for two years, with monthly repayments from January 2028 to December 2029; interest rate based on UIRD3m (UAH) + 5%.

As described in Note 14, in December 2025 the Group also agreed with JSC "Ukreximbank" on a two-year deferral of principal repayment, with monthly repayments during 2028 (January–December), and a final maturity date of 25 December 2028; interest rate based on UIRD6m (UAH) + 6%.

#### **Amendments to the Charter of NPC "Ukrenergo"**

On February 13, 2026, Ministry of Energy of Ukraine introduced amendments to the Charter of NPC "Ukrenergo", which had been agreed in advance with the international financial institutions and other stakeholders in accordance with the requirements of legislation and loan agreements. The main changes are some updates to the competencies and decision-making procedures of the bodies of NPC "Ukrenergo".