

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

Unaudited Interim Condensed Consolidated
Financial Statements
for the Six Months Ended 30 June 2025

PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"

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REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholder and Management of the Private Joint Stock Company “National Power Company “Ukrenergo”

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of the Private Joint Stock Company “National Power Company “Ukrenergo” and its subsidiaries (hereinafter – the Group) as of 30 June 2025 and the related interim condensed consolidated statement of profit or loss and other comprehensive income, interim condensed statement of changes in equity and interim condensed statement of cash flows (under direct method) for the six-month period then ended, and selected explanatory notes (hereinafter – the interim condensed consolidated financial statements). Management is responsible for the preparation and fair presentation of these interim condensed consolidated financial statements in accordance with the requirements of International Accounting Standard 34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements as of 30 June 2025 and for the six months then ended, are not prepared, in all material respects, in accordance with International Accounting Standard 34 *Interim Financial Reporting*.

Material Uncertainty Related to Going Concern

These interim condensed 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 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 to the interim condensed consolidated financial statements, which states 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, in conjunction with the impact of the default on the Eurobonds 2028 and respective invocation of the cross-default provisions in relation to other loans of the Group, which occurred in 2024, as outlined in Notes 2 and 11, indicate the existence of material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern in the event of adverse developments related to the consequences of military aggression for the Group and the outcome of negotiations with the Group's creditors. Our conclusion is not modified in respect of this matter.

The review was performed under the supervision of the Key Audit Partner, Nikolaenko O.M.

Key Audit Partner

Registration number with the Register of auditors and audit entities: 101534

Kyiv, 09 October 2025

Limited Liability Company BDO. Identification code under EDRPOU: 20197074. Registration number with the Register of auditors and audit entities: 2868. Legal address: 4, Lazar Hloba Street, Dnipro, 49070. Tel. 044-393-26-87.

BDO LLC is included in the Register of auditors and audit entities in section 4 "Audit entities entitled to perform statutory audits of financial statements of public interest entities". Link to the Register: <https://www.apu.com.ua/subjekty-audytorskoi-dijalnosti-jaki-majut-pravo-provodyty-obovjazkovyj-audyt-finansovoi-zvitnosti-pidpryjemstv-shho-stanovljat-suspilnyj-interes/>



Nikolaenko O.M.

PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"

STATEMENT OF MANAGEMENT'S RESPONSIBILITIES FOR THE PREPARATION AND APPROVAL OF THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

Management is responsible for the preparation of the interim condensed 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 30 June 2025, and the results of its operations, cash flows, and changes in equity for the six months 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 interim condensed 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 interim condensed 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 unaudited interim condensed consolidated financial statements of the Group for the six months ended 30 June 2025 were approved by management on 09 October 2025.

On behalf of management:

V.B. Zaichenko,
Chairman of the Management Board

N.M. Serdiuk,
Chief Accountant

PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 30 JUNE 2025

In Ukrainian Hryvnias and in thousands

	Notes	30 June 2025 (unaudited)	31 December 2024 (audited)
ASSETS			
Non-current assets			
Property, plant and equipment	5	118,949,550	115,866,098
Intangible assets		1,306,514	1,287,549
Deferred tax assets	23	2,223,299	2,191,184
Other non-current assets		281,438	305,520
Total non-current assets		122,760,801	119,650,351
Current assets			
Inventories		1,104,468	1,066,914
Trade accounts receivable	6	27,961,131	31,602,370
Prepayments	7	714,014	715,460
Other accounts receivable		699,726	247,070
Prepaid income tax		1,891	-
Taxes receivable, other than income tax	8	1,086,871	1,922,838
Loans receivable		17,569	-
Prepaid expenses		189,323	192,255
Cash and cash equivalents	9	15,168,347	15,515,975
Other current assets	10	1,292,434	2,623,104
Total current assets		48,235,774	53,885,986
TOTAL ASSETS		170,996,575	173,536,337
EQUITY			
Share capital		37,160,209	37,160,209
Corporatization effect		(35,933,854)	(35,933,854)
Revaluation reserve		67,433,350	67,467,606
Reserve capital		139,111	139,111
Accumulated deficit		(60,834,860)	(60,357,071)
Translation reserve		17,430	12,573
TOTAL EQUITY		7,981,386	8,488,574
LIABILITIES			
Non-current liabilities			
Loans and borrowings	11	9,951,953	10,315,876
Retirement benefit obligations		227,427	211,925
Special purpose funding	12	13,104,157	11,079,519
Other non-current liabilities		434,801	289,048
Total non-current liabilities		23,718,338	21,896,368
Current liabilities			
Loans and borrowings	11	94,035,534	90,741,879
Trade accounts payable	13	39,425,153	47,195,409
Advances received	14	1,305,064	1,246,650
Other accounts payable		148,279	171,053
Income tax payable		412	1,361
Taxes payable, other than income tax		41,338	47,970
Provisions		1,365,858	1,419,180
Deferred income	12	55,525	54,303
Other current liabilities	15	2,919,688	2,273,590
Total current liabilities		139,296,851	143,151,395
TOTAL LIABILITIES		163,015,189	165,047,763
TOTAL LIABILITIES AND EQUITY		170,996,575	173,536,337

On behalf of management:

V.B. Zaichenko,
Chairman of the Management Board

N.M. Serdiuk,
Chief Accountant

PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2025

In Ukrainian Hryvnias and in thousands

	Notes	Six months ended 30 June 2025	Six months ended 30 June 2024
		(unaudited)	
Revenue	16	53,461,410	48,793,908
Cost of sales	17	(45,236,547)	(42,998,154)
Gross profit		8,224,863	5,795,754
Other operating income	18	3,260,986	2,061,478
Administrative expenses	19	(777,275)	(561,684)
Other operating expenses	20	(3,259,082)	(6,814,735)
Impairment of financial assets, net	6	(1,823,007)	(4,956,232)
Impairment of property, plant and equipment and intangible assets, net	5	(21,487)	(166,855)
Operating profit/(loss)		5,604,998	(4,642,274)
Finance income	21	734,104	726,568
Finance costs	22	(3,113,172)	(4,701,950)
Foreign exchange loss, net	27	(3,736,185)	(2,558,663)
Loss before tax		(510,255)	(11,176,319)
Income tax benefit	23	25,791	1,495,142
LOSS FOR THE PERIOD		(484,464)	(9,681,177)
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss, net of income tax:</i>			
Impairment of property, plant and equipment	5	(33,635)	(458,346)
Deferred tax on impairment of property, plant and equipment		6,054	82,535
<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		4,857	1,125
Other comprehensive loss for the period		(22,724)	(374,686)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		(507,188)	(10,055,863)

On behalf of management:

V.B. Zaichenko,
Chairman of the Management Board

N.M. Serdiuk,
Chief Accountant

PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 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>
Balance at 1 January 2025	37,160,209	(35,933,854)	67,467,606	139,111	(60,357,071)	12,573	8,488,574
Loss for the period	-	-	-	-	(484,464)	-	(484,464)
Other comprehensive loss for the period	-	-	(27,581)	-	-	4,857	(22,724)
Total comprehensive loss for the period	-	-	(27,581)	-	(484,464)	4,857	(507,188)
Realised revaluation reserve	-	-	(6,675)	-	6,675	-	-
Balance at 30 June 2025 (unaudited)	<u>37,160,209</u>	<u>(35,933,854)</u>	<u>67,433,350</u>	<u>139,111</u>	<u>(60,834,860)</u>	<u>17,430</u>	<u>7,981,386</u>

On behalf of management:

V.B. Zaichenko,
Chairman of the Management Board

N.M. Serdiuk,
Chief Accountant

PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2024**

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>
Balance at 1 January 2024	37,160,209	(35,933,854)	68,496,965	142,183	(22,361,221)	10,882	47,515,164
Loss for the period	-	-	-	-	(9,681,177)	-	(9,681,177)
Other comprehensive loss for the period	-	-	(375,811)	-	-	1,125	(374,686)
Total comprehensive loss for the period	-	-	(375,811)	-	(9,681,177)	1,125	(10,055,863)
Dividend payment (Note 24)	-	-	-	-	(131,091)	-	(131,091)
Reserve capital correction	-	-	-	(4,257)	4,257	-	-
Realised revaluation reserve	-	-	(3,972)	-	3,972	-	-
Balance at 30 June 2024 (unaudited)	<u>37,160,209</u>	<u>(35,933,854)</u>	<u>68,117,182</u>	<u>137,926</u>	<u>(32,165,260)</u>	<u>12,007</u>	<u>37,328,210</u>

On behalf of management:

V.B. Zaichenko,
Chairman of the Management Board

N.M. Serdiuk,
Chief Accountant

PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(UNDER DIRECT METHOD)
FOR THE SIX MONTHS ENDED 30 JUNE 2025
*In Ukrainian Hryvnias and in thousands***

	Notes	2025	2024
		(unaudited)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash inflows from:			
Revenue		56,112,663	50,996,055
Return of taxes and duties		34	87
Special purpose funding		819,066	22,670
Advances from buyers and customers		3,731,128	1,610,740
Prepayments returned		3,229	2,229
Interest on current accounts with banking institutions		704,020	688,200
Forfeits (fines, penalties) from counterparties		754,928	1,430,138
Operating leases		5,097	1,632
Other proceeds		392,175	804,956
Cash outflows to:			
Goods (works, services)		(48,596,011)	(44,687,527)
Staff costs		(1,701,922)	(1,563,129)
Social charges		(446,699)	(379,846)
Liabilities on taxes and duties:		(1,412,706)	(1,187,871)
Income taxes		(3,151)	(210,355)
Value added tax		(864,092)	(577,133)
Other taxes and duties		(545,463)	(400,383)
Prepayments		(1,089,050)	(676,320)
Return of advances		(14,122)	(158,705)
Other expenses		(1,790,379)	(3,925,536)
Net cash flows from operating activities		7,471,451	2,977,773
CASH FLOWS FROM INVESTING ACTIVITIES			
Loans provided		(17,569)	-
Purchases of property, plant and equipment and intangible assets		(3,414,966)	(3,474,876)
Net cash flows used in investing activities		(3,432,535)	(3,474,876)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from loans and borrowings	27	41,539	6,054,671
Repayment of loans and borrowings	27	(2,726,883)	(1,719,683)
Dividends paid	27	-	(338,974)
Interest paid	27	(2,127,460)	(2,127,625)
Other payments	27	(1,892)	(1,417)
Net cash flow (used in)/from financing activities		(4,814,696)	1,866,972
Net (decrease)/increase in cash and cash equivalents		(775,780)	1,369,869
Cash and cash equivalents at the beginning of the period	9	15,515,975	7,830,966
Effect of exchange rates change on cash and cash equivalents		428,152	36,701
Cash and cash equivalents at the end of the period	9	15,168,347	9,237,536
NON-CASH TRANSACTIONS			
	Notes	2025	2024
Payments to acquire property, plant, and equipment and intangible assets by a lending bank	27	698,073	1,339,207
Payments to acquire property, plant, and equipment and intangible assets by grants and international technical assistance		3,174,425	1,084,238

On behalf of management:

V.B. Zaichenko,
Chairman of the Management Board

N.M. Serdiuk,
Chief Accountant

PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 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 143 substations (110-750 kV) and over 22,000 km of main and interstate power lines (including 49 substations and over 4,000 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.

PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

In Ukrainian Hryvnias and in thousands, unless otherwise indicated

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").

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 25).

Starting from January 1, 2024, the Group becomes the 40th full member of the European network of operators of the electricity transmission system ENTSO-E.

On September 2, 2024, during Group's Supervisory Board meeting, the decision was made to terminate employment agreement between NPC "Ukrenergo" and Chairman of the Management Board, Volodymyr Kudrytskyi, and to appoint Oleksii Brekht, current member of the Management Board, as Group's acting Chairman of the Management Board effective as of the 5th of September 2024. In early 2025, the start of the selection process for a new Chairman of the Management Board was officially announced.

On February 5, 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 1, 2025. Additionally, see Note 28 for description of changes in the membership of the Supervisory Board and the Management Board of NPC "Ukrenergo" that occurred after the reporting date.

The unaudited interim condensed consolidated financial statements of the Group for the six months ended 30 June 2025 were approved by the Management Board on 09 October 2025.

2. OPERATING ENVIRONMENT

On February 24, 2022, Russian troops launched a full-scale invasion of the territory of Ukraine, which affected all fields of life and the country's economy. As a response, Ukraine declared martial law, which is still in place as of the date of signing of these interim condensed consolidated financial statements as the military actions are still ongoing in the Eastern and Southern parts of Ukraine along the frontline. Some towns and cities in these regions remain temporarily occupied while Russia conducts sporadic bombardments throughout the whole Ukrainian territory.

In 2025, energy system of Ukraine operated in a stable manner despite regular attacks by Russia. Thanks to the efforts of the Armed Forces of Ukraine, energy sector workers, and international partners, large-scale outages were avoided and the heating season was successfully maintained. Significant investments are being directed toward strengthening the resilience of the energy system, diversifying energy sources, and modernising infrastructure to mitigate the risks of future attacks.

In the first half of 2025, the economic environment in Ukraine remained challenging due to the ongoing war and its impact on infrastructure, primarily the energy system.

PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

In Ukrainian Hryvnias and in thousands, unless otherwise indicated

According to the estimates of the National Bank of Ukraine (the "NBU"), despite the significant challenges, the economy was expected to return to growth in the first quarter of 2025, with real GDP increasing by 0.9% year-on-year, following a slight contraction of 0.1% in the fourth quarter of 2024. In the second quarter of 2025, the NBU estimated that the pace of economic growth remained moderate at 1.1% year-on-year. This was due to the deterioration of the security situation, as well as further losses of production capacity, infrastructure, and housing stock. The NBU's forecast for 2025 predicts economic growth of 2.1%, driven by the recovery of domestic demand, an increase in investment activity, stable international financial support, improvements in the functioning of the energy infrastructure, and business adaptation to wartime conditions.

Inflation in the first half of 2025 remained moderately high with some fluctuations due to rising prices for energy carriers and food products. In June 2025, inflation was 14.3% year-on-year. The NBU's forecast suggests a gradual slowdown in inflation, with an expected decline to 8.7% by the end of the year and a return to the target level of 5% in 2026.

Monetary policy in 2025 remained balanced. The current discount rate of 15.5% ensures both control over inflation and support for economic activity. The NBU's ongoing strategy aims at stabilizing the hryvnia and forming balanced inflation expectations. As of mid-2025, Ukraine's international reserves remain at a sufficient level to ensure macrofinancial stability and support the country's balance of payments.

External support remains critically important for Ukraine during this difficult period. In addition to significant financial aid from the EU, the USA, the IMF, and other key partners, substantial technical assistance plays a vital role in restoring critical infrastructure, especially the country's energy system. Furthermore, international organizations and partner countries continue to actively contribute to implementing deep reforms in the financial sector, supporting Ukraine's integration into the European economic space, and strengthening the institutional capacity of government agencies to ensure stability and sustainable development.

The first half of 2025 is characterized by moderate economic growth amid ongoing war, balanced monetary policy, and controlled inflation. Further stabilization and development of the economy largely depend on the course of hostilities and the effectiveness of government measures to restore critical infrastructure and implement reforms. Active cooperation with international partners plays a crucial role in these processes, as they provide significant financial, technical, and institutional support to enhance Ukraine's 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.

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 interim condensed consolidated financial statements for the six months ended June 30, 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.

PRIVATE JOINT STOCK COMPANY "NATIONAL POWER COMPANY "UKRENERGO"

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

In Ukrainian Hryvnias and in thousands, unless otherwise indicated

Government regulation of electric power market

Tariff regulation of the Company'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 Company are set by the National Energy and Utilities Regulatory Commission (the "NEURC").

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

Year	Period	Tariff, UAH/MWh	Date and number of the NEURC resolution
2024	January - December	528.57	09.12.2023 No. 2322
2025	From 1 January 2025	686.23	19.12.2024 No. 2200

By the Resolution of the NEURC No. 1342 dated August 26, 2025, amendments were made to the structure of the electricity transmission service tariff for 2025 regarding the redistribution of costs without changing the tariff level.

In addition, for "green" electrometallurgy enterprises, the tariff for electricity transmission services in 2024 and 2025 was 364.70 UAH/MWh and 359.55 UAH/MWh, respectively.

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

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

By the Resolution of the NEURC No. 1343 dated August 26, 2025, amendments were made to the structure of the dispatch (operational and technological) control services tariff 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"s). Information on PSO RES costs is provided in Note 17.

In 2021, the electricity market transitioned from a commodity-based to a financial model of PSO implementation based on the Resolution of the Cabinet of Ministers of Ukraine dated June 5, 2019, No. 483 ("CMU Resolution No. 483"), with amendments and supplements. Under the new financial PSO model, household consumers pay suppliers of universal services a fixed price, which changed during 2024-2025 as follows:

- From June 1, 2023, to May 31, 2024 – UAH 2.64 per kWh incl. VAT.
- From June 1, 2024, to April 30, 2025 – UAH 4.32 per kWh incl. VAT.

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On April 29, 2025, the Cabinet of Ministers of Ukraine adopted Resolution No. 480, which amended CMU Resolution No. 483. The validity period of the previously established fixed electricity price of UAH 4.32 per kWh, VAT included, for household consumers was extended until October 31, 2025.

Other legislative changes in the electricity market

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

In accordance with the resolution of the NEURC No. 1976 dated November 25, 2024, and the resolution of NEURC No. 796 dated May 27, 2025, the following maximum prices applied in the electricity market in the first half of 2025:

- On the day-ahead market and intraday market:
 - maximum prices from 00:00 to 07:00, and from 11:00 to 17:00 - UAH 5,600.00/MWh;
 - from 07:00 to 11:00 and from 23:00 to 24:00 - UAH 6,900.00/MWh;
 - from 17:00 to 23:00 - UAH 9,000.00/MWh;
 - minimum price - UAH 10.00/MWh;
- On the balancing market:
 - maximum prices from 00:00 to 07:00 - UAH 6,600.00/MWh;
 - from 07:00 to 17:00 and from 23:00 to 24:00 - UAH 8,250.00/MWh;
 - from 17:00 to 23:00 - UAH 10,000.00/MWh;
 - minimum price - UAH 0.01/MWh.

On July 25, 2025, by Resolution No. 1133 of the NEURC, a decision was made to increase the maximum prices on the electricity market from July 31, 2025, namely:

- On the day-ahead market and intraday market from 17:00 to 23:00 - UAH 15,000.00/MWh;
- On the balancing market from 17:00 to 23:00 - UAH 16,000.00/MWh.

The objective of these changes is to raise the maximum prices during evening hours (17:00-23:00), which aims to more accurately reflect the balance of supply and demand during peak hours, stimulate market stability, and ensure the efficient functioning of the energy system.

ITC Mechanism

On March 25, 2025, ENTSO-E approved the results of the ITC mechanism audit and set the perimeter fee at EUR 1.50 per MWh. This fee applies to electricity transit flows between member countries and third countries (including Ukraine). The calculations are based on the annual volume of transit electricity passing through the TSO network.

Electricity export/import with ENTSO-E

Starting from May 1, 2025, the maximum export capacity of electricity from Ukraine and Moldova to EU countries was increased from 550 MW to 650 MW. This decision was made by the ENTSO-E expert group responsible for electricity commercial exchange calculations. The previous decision to set the maximum export capacity of electricity from Ukraine and Moldova at 550 MW had been in effect since March 2024.

For July 2025, the maximum capacity for electricity exports from Ukraine and Moldova to the EU was increased to 900 MW. From August 1, 2025, the maximum capacity was again 650 MW.

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

The Law of Ukraine dated 14 January 2025 No. 4213-IX "On Amendments to Certain Laws of Ukraine in the Fields of Energy and Heat Supply to Improve Certain Provisions Related to the Conduct of Business and the Effect of Martial Law in Ukraine", 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% - on the balancing market;
- 45% - for the PSO RES to SE "Guaranteed Buyer";
- 10% - for the PSO RES to the USPs.

For the six months ended June 30, 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 13).

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.

Impact on the Group's financial results

Based on the results of operations for the six months ended 30 June 2025, the Group received a loss in the amount of UAH 484 million (2024: loss of UAH 9.7 billion).

Key factors that positively impacted the change in the Group's financial results for the six months ended 30 June 2025, compared to the same period last year include:

- Increase in revenue from electricity transmission by UAH 6.8 billion or 26%, primarily due to a nearly 30% increase in the electricity transmission tariff from the beginning of 2025, from UAH 528.57/MWh to UAH 686.23/MWh. Additionally, the volume of electricity transmission during the first half of 2025 decreased by 3.8% compared to the same period last year, primarily due to the slower recovery of the Ukrainian economy, which affected electricity consumption, as well as enterprises relying on their own generation. At the same time, revenue from dispatch (operational-technological) control services decreased by UAH 0.8 billion or 8% mainly due to reduction of the tariff for dispatch (operational-technological) services for 2025 by 5% compared to the previous year, from UAH 104.57/MWh to UAH 98.97/MWh (Note 16).
- Reduction of PSO RES costs by UAH 1.1 billion or 7% mainly due to a 14% decrease in the volume of electricity generation from RES by industrial producers, along with a 15% increase in the weighted average selling price of electricity from RES by SE "Guaranteed Buyer". At the same time, the volume of electricity production from RES by private households increased by 16%, and the weighted average "green" tariff increased by 7% (Note 17).
- Reduction of expenses for accrual of expected credit losses on trade accounts receivable by UAH 3.1 billion or 63%, mainly due to the absence of a significant deterioration in the credit quality of receivables compared to the previous year (Note 6).

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- Decrease in regulatory expenses by UAH 2.3 billion or 64%, primarily explained by the difference in the regulatory asset amounts recognized as of 31 December 2024 and 2023, amounting to UAH 2.6 billion and UAH 6.8 billion, respectively, which were realized during the first half of 2025 and 2024 (Notes 10 and 20).
- Decrease in interest expenses on "green" sustainability-linked bonds ("Eurobonds 2028") by UAH 1.5 billion or 55%, which is related to the revision of estimated contractual cash flows and adjustments to the amortized cost of the financial obligation for Eurobonds 2028 to their full nominal value, including all accrued and unpaid interest as of the end of 2024, which is a result of the temporary suspension of payments on Eurobonds 2028 from November 9, 2024 (Notes 11 and 22).
- Increase in income from assets received free-of-charge through grants, international and humanitarian aid in the form of energy equipment, assets received free-of-charge by UAH 1.6 billion or 415% to eliminate the consequences of enemy shelling and destruction of energy infrastructure facilities and to maintain the IPS of Ukraine in a functioning state (Notes 12 and 18).

At the same time, the following factors negatively impacted the Group's financial results for the six months ended 30 June 2025, compared to the same period last year:

- Increase in procurement of electricity to compensate technological losses by UAH 2.3 billion or 48%, due to a rise in the market price of electricity (Note 17).
- Deterioration of the financial result from operations in the balancing market by UAH 1.9 billion, mainly due to an increase in the price of electricity on the balancing segment of the market and higher costs from system restrictions caused by the technological capabilities of balancing the IPS of Ukraine (Notes 16 and 17).
- Foreign exchange losses arising on loans and borrowings denominated in foreign currencies amounted to UAH 3.7 billion, which is UAH 1.2 billion or 46% higher than in the corresponding period of the previous year. The main reason for this is the devaluation of the Ukrainian Hryvnia against the Euro by UAH 4.9, or 11%, amid macroeconomic challenges. At the same time, the Ukrainian Hryvnia strengthened against the US dollar by UAH 0.4, or 1%.
- Decrease in deferred income tax benefit by UAH 1.5 billion mainly due to the decrease in the temporary difference arising from the accrual of expected credit losses on trade accounts receivable and the partial use of accumulated tax losses during the six months ended 30 June 2025.

Despite significant challenges and the unpredictability of the course of military actions, the Group fully ensures its current operations, continues and plans in the future to provide sustainable services for electricity transmission, dispatch (operational and technological) control services, carry out power system balancing activities, and implement measures related to the most efficient use of existing capacity and capacity building of the Group, including integration into ENTSO-E and expansion of Ukraine's export and import opportunities.

Impact on the condition of the Group's assets

In 2022-2025, Ukrainian energy sector faced an extreme test of strength due to attacks by Russian missiles, drones and artillery. According to the Ministry of Energy of Ukraine, from 2022 and 2025, the Russian Federation carried out over 30 massive attacks on Ukraine's energy infrastructure, which included combined missile and drone strikes on thermal, hydro, and solar power plants, substations, and electricity transmission networks. The total capacity of occupied or destroyed generation facilities amounted to approximately 18 GW.

There were no significant and massive attacks on the Group's energy infrastructure in the six months ended 30 June 2025. At the same time, the Ministry of Energy of Ukraine notes that from March to August 2025, more than 2,900 attacks were recorded on energy facilities, mainly the gas transportation system. The state of Ukraine's energy system in 2025 is characterized as controlled, but with numerous challenges due to military aggression and the destruction of critical infrastructure.

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Despite the scale of the damage, Ukraine's energy system has demonstrated high flexibility, resilience, and adaptability. Thanks to the efforts of energy workers, the government, and international support, the energy system remains functional and is gradually recovering. The Group, in collaboration with other companies and the state, continues to develop and implement measures aimed at strengthening the energy system. At the same time, support for renewable energy is being enhanced, infrastructure is being modernized, and backup capacities are being developed to ensure the stability and reliability of energy supply in wartime conditions. Meanwhile, it is crucial to increase the capabilities of Ukrainian air defense and to improve the physical protection of the energy infrastructure to strengthen the security of power capacities.

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

- As a result of numerous missiles strikes, starting in October 2022, a part of the Group's energy infrastructure, especially high-voltage substations, was damaged. Additionally, as of 30 June 2025 part of Group's assets were located on temporary uncontrolled territory. The Group does not disclose the total carrying value of the destroyed or damaged assets of the Group because of missile strikes and information about assets on temporary uncontrolled territory, as this information is sensitive and may be classified as information with limited access, including regarding critical infrastructure facilities.
- Electricity is not supplied to the temporarily occupied territory of Ukraine, except for powering the Zaporizhzhia NPP for the purpose of preventing emergency situations at the nuclear generation facility. It is impossible to assess the condition of power transmission lines and substations located in the temporarily uncontrolled territory due to the lack of access to them.
- The Group's repair crews and contractors continue to promptly restore damaged equipment. Reserve power grids are used, and new power schemes are created. Repairs of damaged equipment were accelerated 3-4 times compared to peacetime due to consolidation of efforts, concentration of repair personnel on key facilities and availability of sufficient financial and material resources for restoration.
- In cases of electricity deficits in the system, its import is prioritized. From December 1, 2024, the import capacity from continental Europe to Ukraine and Moldova was increased from 1,700 MW to 2,100 MW. Starting from March 2025, import limits became subject to monthly review by transmission system operators in order to promptly respond to changes in the system situation and supply conditions. The Group and the government are actively working to further increase the import capacity. Additionally, the Group (as a transmission system operator) engages emergency assistance from the transmission system operators of neighboring countries, as well as applies emergency disconnections of consumers in the most critical situations.
- The Group is actively working to create attractive conditions for investors in the electricity market. The aim is to develop own generation and energy storage systems, which will enhance the security and resilience of the Ukrainian energy system. Securing the system from such missile terror involves decentralization of generating capacities, which would be more resilient to these attacks due to their dispersed nature. These capacities should also consist of a combination of different types of generation. In addition to solar and wind power plants, which heavily rely on weather conditions, technologies for balancing are needed - highly maneuverable gas power plants, energy storage systems, and modern thermal generation using biogas and other renewable fuels.
- In 2025, the Group held a series of long-term special auctions for the procurement of ancillary services on the electricity market, including automatic frequency recovery reserves and frequency support reserves. As a result of four special auctions, up to 788 MW of fast reserves were contracted, including new generation facilities, which are expected to help balance the energy system. The auction winners will have a fixed contract in euros with the Group for 5 years, with a one-year delay in the start of service provision. This will strengthen the power system and reduce electricity shortages during peak hours, which will reduce the volume of emergency assistance and reduce number of consumption restrictions.
- During 2023-2025, the Group implemented projects to construct physical protection of energy facilities, i.e., engineering fortifications. This can significantly improve resilience to missile and drone strikes. The consequences of attacks on substations of the Group were reduced by at least two times due to the creation of two levels of protection.

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- The Ukrainian energy sector has received and continues to receive humanitarian and technical aid in the form of energy equipment from international partners. Strong grant support is provided by partners from the United Nations Development Program, the Energy Community, and the Japan International Cooperation Agency (JICA), which finances the purchase of the most important equipment for the restoration of networks.
- During 2022-2025, the Group cooperated with international financial institutions to effectively use previously raised funds to restore damaged networks and facilities and support the Group's liquidity, through repurposing the existing loan agreements, as well as through attracting additional financial resources for the rapid restoration of the network and for enhancing the stability of the power system. The total amount of loan and grant funds raised, together with repurposed existing loans, in 2022-2025 reached approximately EUR 1.3 billion, and mainly were used for the purchase of equipment for the restoration and modernization of the power system (Notes 11 and 12).
- The Group records all damage to fixed assets and assesses the damage because of military aggression. The Group is developing a legal mechanism through which the Group will be able to protect its interests in compensation for damages. One of the most influential international energy organizations in Europe - the Energy Community, of which Ukraine has been a member since 2010 - will help sue Russia and demand compensation for damages caused to the Group's main networks. The relevant Memorandum on this was signed between the Group and the Secretariat of the Energy Community.

Impact on the financial condition of the Group

Trade accounts receivable

With the beginning of the full-scale war, the solvency of many consumers has deteriorated or lost. The level of settlements in the electricity market deteriorated significantly. There was a shortage of funds in the electricity market due to the deterioration of solvency, bankruptcy of end consumers, and the destruction of their infrastructure.

For the six months ended 30 June 2025, the Group's gross accounts receivable decreased by UAH 1.8 billion, or 3% (from UAH 66.5 billion to UAH 64.7 billion) due to repayment by market participants.

At the same time, during martial law, the Group has limited instruments to stimulate the collection of receivables from market participants. This has significantly affected the deterioration of the level of settlements and led to the increase in Group's accounts receivable during 2022-2025. During the reporting period, an expected credit losses on trade accounts receivable were accrued in the amount of UAH 1.8 billion, mainly due to an increase in overdue receivables and delayed payments on the balancing market from different categories of market participants (Note 6).

To resolve the settlement crisis and reduce debt between electricity market participants, the Group, market participants, and government agencies are implementing the following measures:

- Active work with the NEURC to set tariffs for 2026 and future years at the level that will allow to fully cover all economically justified costs, including residual deficit amounts subject to compensation based on the results of revisions in 2023-2024 and not taken into account in the tariffs for 2024-2025, which will allow the Group to fully pay for goods and services to market participants, increasing overall liquidity in the electricity market.
- Implementation by the Law of Ukraine No. 4213-IX dated January 14, 2025 the possibility for the Group to use the total amount of excess income received from dispatch (operational and technological) control services in 2023 and 2024 to repay its trade accounts payables, which in turn will increase liquidity in the electricity market and increase settlements between market participants.
- Development and implementation of debt reduction mechanisms on the balancing market by implementing a mechanism for interaction between "protected" consumers/critical infrastructure facilities and electricity suppliers and determining the source of financing for their electricity procurement expenditures, as well as resolving the problem of unregulated unauthorized electricity consumption.

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The Group continues to assess and manage its credit risks, analyze the condition of 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 constant volatility of the course of military aggression, changes in the economic environment, international support and other factors.

Trade accounts payable

For the six months ended 30 June 2025, the Group's accounts payable decreased by UAH 7.8 billion, or 16% (from UAH 47.2 billion to UAH 39.4 billion), mainly due to the reduction of debt for PSO RES by UAH 4.1 billion and for electricity procurement on the balancing market by UAH 4.3 billion.

This decrease in accounts payable is primarily a result of the mechanism introduced by Law of Ukraine No. 4213, which, among other provisions, allowed the Group to use the excess income received from dispatch (operational-technological) control activities in 2023 and 2024 to settle outstanding debts with the following allocation:

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

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 11, on November 9, 2024, the Group was legally unable to make a payment for the next and deferred coupons on its debt obligations for the Eurobonds 2028, which is an event of non-fulfillment of obligations (technical default). As a result of the technical default on the Eurobonds 2028, as of 30 June 2025, part of the long-term liabilities of loans and borrowings was reclassified from non-current to current liabilities, namely:
 - UAH 32.2 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 43.6 billion of obligations on some loans from IFIs and state-owned banks due to the application of cross-default provisions.

As of 30 June 2025, the total carrying amount of loans and borrowings in technical default or cross-default, which fully classified as current liabilities, is UAH 92.6 billion.

As of the date of approval of these interim condensed consolidated financial statements, the Group has not received any notice from creditors regarding the immediate payment of any debt 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.

- As a result of technical default on the Eurobonds 2028, the cash flows under this financial instrument were reviewed, and reflected in the consolidated statement of profit or loss and other comprehensive income additional finance costs in the amount of UAH 25.0 billion. The Group is focusing its efforts on reaching an agreement with the bondholders of the Eurobonds 2028 to successfully complete its restructuring, which will contribute to the long-term financial stability of the Group.
- With the beginning of the war, in March 2022 the Group suspended the payment of the principal debt on UAH-denominated loans from state banks in connection with force majeure circumstances and agreed credit holidays with creditor banks. During 2023-2025, the Group's management agreed with the state banks on the terms of postponing the payment of the residual value of the principal debt on the loans for a later period.
- During the six months ended 30 June 2025, the Group made timely and full repayment of principal and interest on loans with IFIs and state-owned banks in accordance with the agreed terms of loan agreements.

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- During 2022-2025, the Group concluded several grant agreements for a total amount of about EUR 540 million in order to attract additional financial resources for the rapid reconstruction of the network and the stability of the power system.
- The Group continues to cooperate and communicate with IFIs regarding the attraction of credits and loans for the needs of working capital and for the restoration of equipment that was damaged or destroyed by missile attacks. The Group actively uses its own status as a transmission system operator, who today is a full member of the European ENTSO-E community, and has unprecedented trust from foreign partners, is successfully engaged in attracting financing, which are primarily aimed at restoring equipment that was damaged or destroyed by missile attacks and for repayment debts of the Group to market participants.
- Part of loans and Eurobonds 2028 are denominated in foreign currencies, and changes in exchange rates may have significant effect on the Group's financial performance (Note 27). However, as the Group's foreign currency loans and borrowings are long-term, the impact of changes in exchange rates on the Group's cash flows in the next twelve months from the date of approval of these interim condensed consolidated financial statements is limited.
- As of 30 June 2025, the Group did not comply with certain financial covenants on IFI loans (Note 11). The Group will take all possible measures to improve its financial condition and, accordingly, financial covenants, however, it is predicted that some financial covenants may not be fulfilled in future periods because of the impact of the war on the Group's activities. The Group intends to proactively obtain similar waivers for further periods, should the need arise, to avoid potential non-compliance with financial covenants under the loans and borrowings of the Group.
- 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 11). 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. In order to resolve the above issue, the Ministry of Energy of Ukraine held consultations with the EBRD and on July 1, 2025, amendments were made to the charter of NPC "Ukrenergo", which were previously sent to the EBRD to inform the bank in accordance with the requirements of the loan agreements.

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 September 2026 based on the following key assumptions:

- no further significant progression of Russian troops into the territory of Ukraine and no further escalation of military actions that could severely affect the Group's assets;
- the Group expects to be able to resume electricity transmission on temporarily non-controlled territories after control over the respective territory is restored by Ukraine and the damaged transmission grids are repaired;
- the absence of a significant further deterioration in electricity consumption and transmission in Ukraine as a result of the war;
- an increase in the transmission capacity of interconnectors, which would partially offset the reduced capacity of Ukrainian generation, as well as the transformation of the electricity transmission network, which would contribute to improved power supply in specific nodes and support the development of decentralized generation;
- strengthening of the physical protection of the Group's assets, enhancement of air defense systems, and a reduction in the effectiveness of missile attacks on energy infrastructure by the aggressor;
- as required by law, all economically justified expenses of the Group will be covered by tariffs for the electricity transmission and dispatch (operational and technological) control services, which are regulated and approved NEURC. Any differences between the actual and planned expenses of the current periods must be reflected in the tariffs of the following years;

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- restoration of damaged and destroyed objects using credit and grant funds from the IFIs and humanitarian aid from international partners;
- implementation of mechanisms to suspend the growth and gradually reduce debt in the balancing market;
- completion in 2025 of the transaction related to the restructuring of the Eurobonds 2028, which would contribute to the Group's long-term financial stability;
- agreement with state banks on the further postponement of the loan principal.

Under this scenario, management expects to have sufficient liquidity to settle the external debts according to the agreed schedules during the full projection period. However, it is uncertain how the military situation will further develop and the impact thereof on operations and physical safety of Group's assets, electricity transmission and tariffs. In case the military situation worsens, management still will be able to use mitigating liquidity measures for further uninterrupted operational activities.

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

The Group also considers a negative scenario of the development of events, which may include a significant increase in the activity of hostilities with the expansion of the hostilities zone on the territory of Ukraine, significant damage to the energy infrastructure, a significant reduction in international support for Ukraine, the easing of sanctions against the Russian Federation, and an intensive outflow of labor force abroad. Given the high degree of uncertainty related to (i) the development of hostilities, their results, intensity, impact on the population and activities of enterprises in areas of hostilities, their intensification and transfer to other regions of Ukraine; or (ii) the possible political and socio-economic consequences of military aggression and a significant reduction in international support for Ukraine, the Group's management is unable to assess and calculate all significant consequences for its operations as a result of a negative scenario.

Given the stabilization of hostilities starting from the second half of 2022 and their territorial location at South and East of Ukraine, the unprecedented political, economic, and military support of Ukraine from foreign partners, the political and economic stability of Ukraine as of the date of approval of these interim condensed consolidated financial statements, management of the Group believes that the realization of a negative scenario is unlikely.

The results of modelling based on the above scenarios indicate that, taking into account the approved tariffs for the Group's services for 2025, the successful further deferral of repayments on certain UAH-denominated loans from state banks, the potential achievement of agreements with current investors regarding the restructuring of obligations under the Eurobonds 2028, and the coordination of new recovery and asset modernization projects with IFIs using loans and grants, management believes that the Group has sufficient economic resources to continue its operations in the foreseeable future.

The full extent of the impact of the further development of military aggression on the Group's activities is unknown, but its scale may be significant. However, management notes that the development, duration and consequences of military aggression are subject to significant uncertainty. In addition to hostilities, the Group's performance may be significantly affected by factors beyond the Group's control and has limited tools to mitigate such risks (approval of tariffs for the Group's services, bankruptcy and insolvency of market participants, changes in exchange rates, changes in electricity consumption energy, changes in the value of goods and services because of inflation, etc.). Therefore, estimates and assumptions made by management to predict the impact of military aggression on the Group's financial condition and operations may change materially in the future due to possible changes in circumstances.

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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 of the following years.

Management recognizes that the future development of military aggression and its duration is a major source of significant 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 realize its assets and settle its liabilities in the ordinary course of operating activities. Despite the significant uncertainty surrounding the military aggression in Ukraine, management continues to take steps to minimize its impact on the Group and therefore considers it is appropriate to apply the Group's going concern assumption to these interim condensed consolidated financial statements.

In addition, the state, as the owner of the Group, takes into account 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.

3. BASIS FOR PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis for preparation

The interim condensed consolidated financial statements for the six months ended 30 June 2025 have been prepared in accordance with IAS 34 *Interim Financial Reporting*. It does not include all of the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2024 prepared in accordance with IFRS.

Significant accounting policies and adoption of new and revised International Financial Reporting Standards

The accounting policies and methods of computation adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2024 except for the adoption of the new standards, interpretations and amendments to IFRSs that became effective as of 1 January 2025, which are described below. The Group has not early adopted any standards, interpretations, or amendments that have been issued but are not yet effective.

Effective from 1 January 2025, the Group has adopted for the first time the Amendments to IAS 21 *The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability*, which became effective and mandatory for application from the beginning of the year.

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

Functional currency and presentation currency

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

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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.

The presentation currency of these interim condensed 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.

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

Currency	As of 30 June 2025	Average currency exchange rate for six months ended 30 June 2025	As of 31 December 2024	Average currency exchange rate for six months ended 30 June 2024
UAH / US Dollar	41.64	41.63	42.04	39.01
UAH / Euro	48.78	45.47	43.93	42.19

4. SEGMENT INFORMATION

The operating segments presented in these interim condensed 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 analysed 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 six months ended 30 June 2025, the Group's revenue from one customer amounted to UAH 14,832,053 thousand (2024: UAH 12,067,028 thousand) and was included into the first three operating segments. Information on revenue from customers under control of the State is disclosed in Note 24. Revenue from other customers does not exceed 10% of the total revenue.

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Segment information for the six months ended 30 June 2025 was as follows:

	TSO	Energy system balancing	Access to the transmission capacity of IPN	Other	Elimination	Total
Revenue - external	42,231,926	10,525,941	703,543	-	-	53,461,410
Revenue - inter-segment	-	-	-	49,871	(49,871)	-
Total revenue	42,231,926	10,525,941	703,543	49,871	(49,871)	53,461,410
Segment operating expenses	(32,927,027)	(13,330,215)	-	(9,776)	-	(46,267,018)
Impairment of financial assets, net	(541,990)	(1,281,017)	-	-	-	(1,823,007)
Impairment of property, plant and equipment and intangible assets, net	(21,487)	-	-	-	-	(21,487)
Segment result	8,741,422	(4,085,291)	703,543	40,095	(49,871)	5,349,898
Unallocated other operating income, net						255,100
Finance income						734,104
Finance costs						(3,113,172)
Foreign exchange loss, net						(3,736,185)
Loss before tax						(510,255)
Income tax benefit						25,791
LOSS FOR THE PERIOD						(484,464)

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Segment information for the six months ended 30 June 2024 was as follows:

	TSO	Energy system balancing	Access to the transmission capacity of IPN	Other	Elimination	Total
Revenue - external	36,284,806	11,686,880	822,222	-	-	48,793,908
Revenue - inter-segment	-	-	-	52,675	(52,675)	-
Total revenue	36,284,806	11,686,880	822,222	52,675	(52,675)	48,793,908
Segment operating expenses	(37,488,843)	(10,825,707)	-	(11,623)	-	(48,326,173)
Impairment of financial assets, net	(660,795)	(4,295,437)	-	-	-	(4,956,232)
Impairment of property, plant and equipment and intangible assets, net	(166,855)	-	-	-	-	(166,855)
Segment result	(2,031,687)	(3,434,264)	822,222	41,052	(52,675)	(4,655,352)
Unallocated other operating income, net						13,078
Finance income						726,568
Finance costs						(4,701,950)
Foreign exchange loss, net						(2,558,663)
Loss before tax						(11,176,319)
Income tax benefit						1,495,142
LOSS FOR THE PERIOD						(9,681,177)

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5. PROPERTY, PLANT, AND EQUIPMENT

The movement of property, plant and equipment for the six months ended 30 June 2025 is presented as follows:

	Transmission lines (OHL)	Buildings and structures	Plant and equipment	Vehicles and other	Construction in progress	Total
<i>Cost/Revalued cost</i>						
As of 1 January 2025	53,391,856	5,110,903	35,682,836	1,667,208	32,068,722	127,921,525
Additions	3	170	903	-	6,758,802	6,759,878
Internal transfers	7,087	95,792	1,499,597	761,952	(2,364,428)	-
Transfer to inventories	-	-	-	-	(5,851)	(5,851)
Disposals	-	(15)	(3,787)	(1,489)	(1,235)	(6,526)
Other changes	-	-	-	-	(3,342)	(3,342)
As of 30 June 2025	53,398,946	5,206,850	37,179,549	2,427,671	36,452,668	134,665,684
<i>Accumulated depreciation and impairment losses</i>						
As of 1 January 2025	3,461,419	352,541	4,638,381	369,437	3,233,649	12,055,427
Depreciation expenses	1,723,906	173,600	1,524,066	187,608	-	3,609,180
Disposals	-	(15)	(2,922)	(635)	-	(3,572)
Impairment losses	-	-	37,937	2,181	14,981	55,099
As of 30 June 2025	5,185,325	526,126	6,197,462	558,591	3,248,630	15,716,134
<i>Net book value</i>						
As of 1 January 2025	49,930,437	4,758,362	31,044,455	1,297,771	28,835,073	115,866,098
As of 30 June 2025	48,213,621	4,680,724	30,982,087	1,869,080	33,204,038	118,949,550

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The movement of property, plant and equipment for the six months ended 30 June 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>
Cost/Revalued cost						
As of 1 January 2024	53,338,026	4,744,871	30,432,767	807,300	21,125,868	110,448,832
Reclassification between groups	-	33	(33)	-	-	-
Additions	-	811	-	-	7,405,340	7,406,151
Internal transfers	4,745	143,417	1,283,181	251,721	(1,683,064)	-
Transfer to inventories	-	-	-	-	(5,541)	(5,541)
Disposals	-	(72)	(201)	(570)	(569)	(1,412)
Other changes	3,815	-	-	1,592	-	5,407
As of 30 June 2024	53,346,586	4,889,060	31,715,714	1,060,043	26,842,034	117,853,437
Accumulated depreciation and impairment losses						
As of 1 January 2024	-	-	-	1,816	2,227,034	2,228,850
Depreciation expenses	1,722,033	168,983	1,481,372	137,339	-	3,509,727
Disposals	-	(2)	(8)	(4)	-	(14)
Impairment losses	-	37	542,983	2,953	79,539	625,512
Other changes	-	-	-	1,198	-	1,198
As of 30 June 2024	1,722,033	169,018	2,024,347	143,302	2,306,573	6,365,273
Net book value						
As of 1 January 2024	53,338,026	4,744,871	30,432,767	805,484	18,898,834	108,219,982
As of 30 June 2024	51,624,553	4,720,042	29,691,367	916,741	24,535,461	111,488,164

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Revaluation and impairment

The Group engaged independent professional appraisers to determine the fair values of its property, plant, and equipment as of 31 December 2023. The fair value was determined in accordance with International Valuation Standards. The Group did not revalue property, plant and equipment as of 30 June 2025 as there have been no significant changes since the last annual reporting date that would indicate that the fair value of property, plant and equipment differs significantly from their carrying amount.

As of 30 June 2025, the Group did not identify indications that the recoverable amount of property, plant and equipment might fall lower than their carrying amounts.

Additionally, on individual basis, for the six months ended 30 June 2025 the Group recognized impairment losses of property, plant and equipment and construction in progress in the amount of UAH 55,099 thousand (2024: UAH 625,201 thousand), including impairment losses in the amount of UAH 33,635 thousand recognized as decrease in the revaluation reserve in other comprehensive income (2024: UAH 458,346 thousand) and impairment losses of UAH 21,464 thousand recognized in profit or loss (2024: UAH 166,855 thousand). For the six month ended 30 June 2025, an impairment loss reversal of UAH 23 thousand was recognized in relation to construction in progress due to disposal (2024: nil).

Depreciation expenses

During the six months ended 30 June 2025 the depreciation expenses of UAH 3,590,165 thousand (2024: UAH 3,488,178 thousand) were included in cost of sales, UAH 16,966 thousand (2024: UAH 18,923 thousand) in administrative expenses, UAH 2,036 thousand (2024: UAH 2,466 thousand) in other operating expenses, UAH 13 thousand (2024: UAH 160 thousand) were capitalised.

Capitalized borrowing costs

During the six months ended 30 June 2025 additions to construction in progress included capitalized interests in the amount of UAH 288,512 thousand (2024: UAH 250,235 thousand).

Prepayments for property, plant and equipment

Construction in progress as of 30 June 2025 included prepayments for property, plant and equipment with carrying amount UAH 7,190,180 thousand, excluding accumulated impairment losses in amount of UAH 159,111 thousand (31 December 2024: carrying amount – UAH 9,531,275 thousand, accumulated impairment losses – UAH 159,111 thousand).

Fully depreciated assets

As of 30 June 2025 the cost of fully depreciated property, plant and equipment that are still in use by the Group amounted to UAH 48,000 thousand (31 December 2024: UAH 43,345 thousand).

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6. TRADE ACCOUNTS RECEIVABLE

	30 June 2025	31 December 2024
Electricity to settle imbalances	37,888,618	38,252,975
Electricity transmission services	15,969,485	17,101,678
Dispatch (operational and technological) control services	9,201,103	8,988,765
Balancing electricity	809,613	1,220,068
Electricity from cross-border flows	512,207	653,346
Services on granting access to the transmission capacity of interstate power networks	272,515	312,772
Electricity in the framework of providing emergency assistance	34,565	-
Reactive energy	10,926	10,828
Other goods and services	6,613	6,613
Total gross amount	64,705,645	66,547,045
Less: Expected credit losses on trade accounts receivable	(36,744,514)	(34,944,675)
Total carrying amount	27,961,131	31,602,370

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.

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, 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. This allowed to reduce the gross accounts receivables of market participants to the Group during the six months ended 30 June 2025.

During the six months ended 30 June 2025, the Group made an accrual of expected credit losses on trade accounts receivables in the amount of UAH 1,823,050 thousand (2024: UAH 4,956,322 thousand).

The movements in expected credit losses on trade accounts receivable for the six months ended 30 June 2025 were as follows:

	Portfolio assessment	Individual assessment	Total
Balance at 1 January 2025	7,840,615	27,104,060	34,944,675
Charge	314,106	1,508,944	1,823,050
Written off as a bad debt	(23,211)	-	(23,211)
Balance at 30 June 2025	8,131,510	28,613,004	36,744,514

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The movements in expected credit losses on trade accounts receivable for the six months ended 30 June 2024 were as follows:

	Portfolio assessment	Individual assessment	Total
Balance at 1 January 2024	6,853,976	13,596,546	20,450,522
(Reversal)/charge	(1,369,507)	6,325,829	4,956,322
Balance at 30 June 2024	5,484,469	19,922,375	25,406,844

The reconciliation of expected credit losses on trade accounts receivables as of 30 June 2025 with the balance at the beginning of the year was as follows:

	Portfolio assessment	Individual assessment	Total
Balance at 1 January 2025	7,840,615	27,104,060	34,944,675
Increase in gross value/past due period of trade accounts receivable	390,309	1,320,606	1,710,915
Change in assumptions, estimates and risk parameters	(76,203)	188,338	112,135
Write-off of bad debt	(23,211)	-	(23,211)
Balance at 30 June 2025	8,131,510	28,613,004	36,744,514

The reconciliation of expected credit losses on trade accounts receivables as of 30 June 2024 with the balance at the beginning of the year was as follows:

	Portfolio assessment	Individual assessment	Total
Balance at 1 January 2024	6,853,976	13,596,546	20,450,522
Increase in gross value of trade accounts receivable	(342,156)	4,157,205	3,815,049
Change in assumptions, estimates and risk parameters	(82,350)	1,223,623	1,141,273
Transfer of separate financial assets between types of assessment	(945,001)	945,001	-
Balance at 30 June 2024	5,484,469	19,922,375	25,406,844

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 13 and 15).

As of 30 June 2025, 3% of gross trade accounts receivables are covered by credit enhancements that are an integral part of contracts (31 December 2024: 6%). These credit enhancements resulted in a decrease in the expected credit losses on trade accounts receivable in the amount of UAH 1,360,848 thousand as of 30 June 2025 (31 December 2024: UAH 1,704,052 thousand).

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Analysis of credit quality of trade accounts receivable as of 30 June 2025 is as follows:

30 June 2025	<u>Not past due</u>	<u>Past due from 1 to 30 days</u>	<u>Past due from 31 to 90 days</u>	<u>Past due from 91 to 120 days</u>	<u>Past due from 121 to 180 days</u>	<u>Past due from 181 to 365 days</u>	<u>Past due for more than 365 days</u>	<u>Total</u>
Portfolio assessment								
Gross amount	3,496,464	1,573,027	2,147,053	1,223,977	718,042	1,280,084	8,994,105	19,432,752
Expected credit losses	-	(4)	(70,841)	(63,777)	(51,881)	(94,755)	(7,850,252)	(8,131,510)
<i>Ratio of expected credit losses, %</i>	<i>0.00%</i>	<i>0.00%</i>	<i>3.30%</i>	<i>5.21%</i>	<i>7.23%</i>	<i>7.40%</i>	<i>87.28%</i>	
Individual assessment								
Gross amount	1,065,844	1,464,447	2,875,660	2,180,678	2,525,914	5,151,297	30,009,053	45,272,893
Expected credit losses	(47,251)	(97,796)	(471,561)	(485,782)	(586,302)	(1,826,210)	(25,098,102)	(28,613,004)
<i>Ratio of expected credit losses, %</i>	<i>4.43%</i>	<i>6.68%</i>	<i>16.40%</i>	<i>22.28%</i>	<i>23.21%</i>	<i>35.45%</i>	<i>83.64%</i>	
Total gross amount								64,705,645
Total expected credit losses								(36,744,514)

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

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

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7. PREPAYMENTS

	30 June 2025	31 December 2024
Electricity for compensation of technical losses	572,488	591,498
Goods, works and services	90,484	84,464
Electricity to settle imbalances	51,516	32,545
Electricity in the framework of providing emergency assistance	5	7,506
Total gross amount	714,493	716,013
Less: Allowance for impairment of prepayments	(479)	(553)
Total carrying amount	714,014	715,460

8. TAXES RECEIVABLE, OTHER THAN INCOME TAX

As of 30 June 2025 and 31 December 2024 taxes receivable, other than income tax consisted mainly of VAT receivable in amount of UAH 1,072,482 thousand and UAH 1,907,256 thousand respectively.

9. CASH AND CASH EQUIVALENTS

	30 June 2025	31 December 2024
Cash on current bank accounts	11,697,552	11,322,807
Cash on special purpose accounts	3,470,791	4,193,167
Cash on hand	4	1
Total	15,168,347	15,515,975

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.

In accordance with the international rating agencies of Moody's or Fitch, credit ratings of the banks with which the Group had cash and cash equivalents accounts opened as of 30 June 2025 and 31 December 2024 were as follows:

	30 June 2025	31 December 2024
Ukrainian state banks with CCC rating	15,137,887	15,311,844
Subsidiaries of international banks with AA rating	12,283	185,274
Ukrainian commercial banks with CCC rating	1	1
Other banks without ratings	18,176	18,856
Total	15,168,347	15,515,975

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10. OTHER CURRENT ASSETS

	30 June 2025	31 December 2024
Regulatory asset	1,272,264	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	45	283
Other	355	288
Total	1,292,434	2,623,104

Applying the accounting policy about reflecting the impact of tariff regulation on the financial statements as of 31 December 2024, the Group recognized regulatory assets in the amount of UAH 2,603,276 thousand, which relate to the temporary difference between the period of incurring of actual costs and their reimbursement in the tariff. During the six months that ended 30 June 2025, the Group received revenue on the sales of electricity transmission services and dispatch (operational and technological) control services, compensating part of the actual costs that were incurred during previous periods. Accordingly, during the six months ended 30 June 2025, the Group recognized regulatory expenses in the amount of UAH 1,331,012 thousand, which resulted in a decrease of regulatory assets as of 30 June 2025 (Note 20).

11. LOANS AND BORROWINGS

	30 June 2025	31 December 2024
Non-current		
Loans	9,951,953	10,315,876
Eurobonds 2028	-	-
Total non-current loans and borrowings	9,951,953	10,315,876
Current		
Loans*	51,301,968	48,821,727
Eurobonds 2028**	42,733,566	41,920,152
Total current loans and borrowings	94,035,534	90,741,879
Total loans and borrowings	103,987,487	101,057,755

* As of 30 June 2025 and 31 December 2024, long-term part of loans in the amount of UAH 43,610,632 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 30 June 2025 and 31 December 2024, the long-term part of Eurobonds 2028 in the amount of UAH 32,179,079 and 34,689,518 thousand, respectively, was reclassified to current liabilities due to technical default.

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As of 30 June 2025 and 31 December 2024, the weighted average effective interest rates and balances on loans and borrowings were presented as follows:

	Creditor	Currency	30 June 2025		31 December 2024	
			% annual	Balance	% annual	Balance
European Bank for Reconstruction and Development, No. 54138	EBRD	EUR	4.99%	11,733,232	5.34%	9,987,484
European Bank for Reconstruction and Development, No. 54649	EBRD	EUR	3.55%	7,313,959	5.35%	6,585,698
European Investment Bank, No. 87.554	EIB	EUR	3.59%	6,634,393	4.34%	5,974,018
Ministry of Finance of Ukraine, No. 8462-UA	IBRD	USD	6.52%	6,110,585	6.42%	6,473,810
European Bank for Reconstruction and Development, No. 49235	EBRD	EUR	3.15%	4,856,280	4.32%	5,300,163
Oshchadbank, No. 1372/31/2	Oshchadbank	UAH	21.51%	4,583,333	20.71%	4,583,333
Ukreximbank, No. 20-1KV0016	Ukreximbank	UAH	20.51%	3,666,000	24.25%	3,666,000
Ministry of Finance of Ukraine, No. 27406	KfW	EUR	5.02%	2,895,821	4.42%	2,607,576
Ministry of Finance of Ukraine, No. FIN 31.143		EUR				
SEPARIS No.20090117	EIB		4.94%	2,659,611	4.32%	2,501,327
Ministry of Finance of Ukraine, No. 24668-UA	EIB	EUR	4.90%	2,749,086	3.86%	2,681,261
Ministry of Finance of Ukraine, No. 4868-UA	IBRD	USD	6.45%	1,831,939	3.83%	2,192,151
Ministry of Finance of Ukraine, No. TF017661	IBRD	USD	2.75%	1,810,552	2.81%	1,886,646
KfW, No. 2016.6520.7	KfW	EUR	2.51%	1,531,291	2.43%	1,378,473
Oshchadbank, No. 1427/31/2	Oshchadbank	USD	5.08%	841,927	5.50%	1,019,971
Ukrgasbank, No. 20-K/20-VIP	Ukrgasbank	UAH	21.51%	865,885	20.69%	865,885
Ministry of Finance of Ukraine, No. 40147-UA	EBRD	EUR	5.84%	466,422	3.57%	800,238
Ministry of Finance of Ukraine, No. 2006 66 537	KfW	EUR	3.18%	703,605	2.77%	633,569
Total loans				61,253,921		59,137,603
Eurobonds 2028	-	USD	7.38%	42,733,566	7.34%	41,920,152
Total loans and borrowings				103,987,487		101,057,755

As of 30 June 2025 and 31 December 2024 accounts payable for interests accrued on loans amounted to UAH 1,254,438 and UAH 1,180,157 thousand respectively (Note 15).

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Loans from state-owned banks

During January-February 2025, the Group agreed with JSC "Ukreximbank" and JSC "Ukrgazbank" additional changes to the repayment schedule of the principal on loans from state-owned banks.

In January 2025, the Group and JSC "Ukreximbank" signed an Additional Agreement to the Loan Agreement No. 20-1KV0016, by which the parties agreed on a new loan repayment schedule, in which the initial principal repayment date was postponed to January 2026. The loan is repaid in monthly installments, starting from January 2026 until December 26, 2027.

In February 2025, the Group and JSB "Ukrgasbank" signed an Additional Agreement to the Loan Agreement No. 20-K/20-VIP, by which the parties agreed on a new loan repayment schedule with the postponement of the initial repayment date of the remaining debt under the loan to January 2026. The loan is repaid in monthly installments, starting from January 2026 until December 30, 2027.

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 1, 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 9, 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 4, 2024 "On Certain Debt Obligations of NPC "Ukrenergo" regarding the temporary suspension of payments from November 9, 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 6, 2024, the Group officially announced the temporary suspension of payments from November 9, 2024 under Eurobonds 2028 on the website of the London Stock Exchange (RNS) and on the official website of the Group. Accordingly, on November 9, 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).

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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 30 June 2025 the long-term part of Eurobonds 2028 in the amount of UAH 32,179,079 thousand was reclassified to current liabilities (31 December 2024: UAH 34,689,518 thousand). Due to the application of cross-default provisions long-term part of certain loans from IFIs and state-owned banks as of 30 June 2025 in the amount of UAH 43,610,632 thousand additionally was reclassified to current liabilities (31 December 2024: UAH 41,225,327 thousand).

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 30 June 2025, the carrying amount of Eurobonds 2028 was UAH 42,733,566 thousand (31 December 2024: UAH 41,920,152 thousand).

As of 30 June 2025, the total carrying amount of loans and borrowings in technical default or cross-default, which fully classified as current liabilities, is UAH 92,565,625 thousand (31 December 2024: UAH 89,968,948 thousand).

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 of an agreement on the terms of the liability management transaction for Eurobonds 2028

In April 2025 the Group agreed 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 in April 2025 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 30 June 2025 and 31 December 2024, the Group was not in compliance with certain covenants of the loan agreements and Eurobonds 2028 described in these condensed interim consolidated financial statements.

International Bank for Reconstruction and Development (IBRD)

In accordance with 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%.

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In accordance with the terms of the loan and project agreements with the IBRD, the calculation of these financial covenants should be based on the latest annual financial statements. Accordingly, on interim dates and, in particular, as of 30 June 2025, the calculation of these financial covenants was not performed.

As of 31 December 2024, the Group complied with the abovementioned financial covenants.

Despite compliance with financial covenants, as of 30 June 2025 and 31 December 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 agreement with EBRD No. 40147-UA, the Group, inter alia, should comply with the following financial covenants:

- a) Debt Service Coverage Ratio should be not less than 1.20;
- b) Liquidity Ratio should be not less than 1.10; and
- c) Debt to EBITDA Ratio should be not more than 3.00.

According to the terms of the loan agreements with EBRD No. 49235, No. 54138 та 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 30 June 2025 and 31 December 2024, the values of these financial covenants were as follows:

	30 June 2025	31 December 2024
Debt Service Coverage Ratio	0.87	0.52
Liquidity Ratio	0.35	0.38
Debt to EBITDA Ratio	-4.72	-3.25

As of 30 June 2025 and 31 December 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 30 June 2025 and 31 December 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 1, 2025, amendments were made to the charter of NPC "Ukrenergo", which were previously sent to the EBRD for information to the bank in accordance with the requirements of the loan agreements.

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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.

In accordance with the terms of the loan and project agreements with EIB No. FIN 87.554 Separis No. 2017-0155, the calculation of these financial covenants should be based on the latest annual financial statements. Accordingly, on interim dates and, in particular, as of 30 June 2025, the calculation of these financial covenants was not performed.

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.

On July 4, 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). However, as this letter was received after the reporting date, as of 30 June 2025 and 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.

As of 30 June 2025 and 31 December 2024 and prior to the date these interim condensed 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.

12. SPECIAL PURPOSE FUNDING AND DEFERRED INCOME

Special purpose funding and deferred income include the following:

- 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);
- 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.

As of 30 June 2025 and 31 December 2024 the Group does not have any unfulfilled conditions and other contingencies attaching to special purpose funding and deferred income that has been recognised.

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Special purpose funding and deferred income as of 30 June 2025 and 31 December 2024 were as follows:

	30 June 2025	31 December 2024
International technical assistance	9,304,887	7,809,501
Grants, assets received free of charge and similar financing	1,588,453	1,731,770
Connection to the electricity transmission system	1,735,020	1,071,642
Humanitarian aid	531,322	520,909
Total	13,159,682	11,133,822

Including:

Special purpose funding (non-current liabilities)	13,104,157	11,079,519
Deferred income (current liabilities)	55,525	54,303
Total	13,159,682	11,133,822

International technical assistance

Information about the movement in international technical assistance for the six months ended 30 June 2025 and 2024 were as follows:

	For the six months ended 30 June 2025	For the six months ended 30 June 2024
Balance at 1 January	7,809,501	2,884,102
Received international technical assistance	2,917,242	1,769,589
International technical assistance received for operating expenses	46,234	-
International technical assistance used for operating expenses	(46,234)	-
International technical assistance recognized as income (Note 18)	(1,421,856)	(125,604)
Balance at 30 June	9,304,887	4,528,087

International technical assistance as of 30 June 2025 and 31 December 2024 were presented in the consolidated statement of financial position as follows:

	30 June 2025	31 December 2024
Special purpose funding (non-current liabilities)	9,301,671	7,807,556
Deferred income (current liabilities)	3,216	1,945
Total	9,304,887	7,809,501

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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 six months ended 30 June 2025 and 2024 were as follows:

	For the six months ended 30 June 2025	For the six months ended 30 June 2024
Balance at 1 January	1,731,770	1,028,612
Grants received for modernization of property, plant and equipment	163,974	601,898
Grants received for operating expenses	-	30,165
Grants used for operating expenses	-	(30,165)
Grants recognized as other operating income (Note 18)	(307,291)	(71,410)
Balance at 30 June	1,588,453	1,559,100

Grants, assets received free of charge and similar funding as of 30 June 2025 and 31 December 2024 were presented in the consolidated statement of financial position as follows:

	30 June 2025	31 December 2024
Special purpose funding (non-current liabilities)	1,574,604	1,718,059
Deferred income (current liabilities)	13,849	13,711
Total	1,588,453	1,731,770

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 six months ended 30 June 2025 and 2024 were as follows:

	For the six months ended 30 June 2025	For the six months ended 30 June 2024
Balance at 1 January	1,071,642	612,276
Funding received	682,554	444,660
Funding recognized as revenue from services rendered	(19,176)	(12,312)
Balance at 30 June	1,735,020	1,044,624

Financing received from customers under agreements for connection services to the electricity transmission system as of 30 June 2025 and 31 December 2024 were presented in the consolidated statement of financial position as follows:

	30 June 2025	31 December 2024
Special purpose funding (non-current liabilities)	1,696,935	1,033,370
Deferred income (current liabilities)	38,085	38,272
Total	1,735,020	1,071,642

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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 six months ended 30 June 2025 and 2024 were as follows:

	For the six months ended 30 June 2025	For the six months ended 30 June 2024
Balance at 1 January	520,909	376,108
Humanitarian aid received	78,751	157,315
Humanitarian aid recognized as income	(68,338)	(19,764)
Balance at 30 June	531,322	513,659

Non-current assets received free of charge in the form of humanitarian aid as of 30 June 2025 and 31 December 2024 were presented in the consolidated statement of financial position as follows:

	30 June 2025	31 December 2024
Humanitarian aid received	530,947	520,534
Humanitarian aid recognized as income	375	375
Balance at 30 June	531,322	520,909

Grants from international financial organizations

European Bank for Reconstruction and Development, grant No. 17775-146127-55539

Donor: European Bank for Reconstruction and Development

In February 2025, the Group and the EBRD signed a grant agreement No. 17775-146127-55539 for a total amount of EUR 242 thousand for the implementation of the Ukrenergo Program in the field of training and support for psychological resilience. The agreement is valid until the Group fully fulfills all obligations in accordance with the terms and conditions set forth therein.

During 2025, the Group did not make any withdrawals of grant funds under this agreement. As of 30 June 2025, the unused grant amount is EUR 242 thousand.

Extension of grant funding terms

In February 2025, under grant agreement No. 54138 for the implementation of the Project for emergency restoration of the electricity transmission network, the EBRD agreed to extend the funding period until December 31, 2025.

In May 2025, under grant agreements No. TF0C819 and No. TF0C0424, the IBRD agreed to change the terms of availability of grant funding until December 31, 2025 and until June 30, 2026, respectively.

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13. TRADE ACCOUNTS PAYABLE

	30 June 2025	31 December 2024
Services to increase share of electricity production from alternative sources (PSO RES)	20,282,259	24,397,858
Balancing electricity	15,441,222	16,381,967
Electricity to settle imbalances	1,017,527	4,344,454
Auxiliary services (frequency and active power management)	833,744	299,670
Acquisition, construction, modernization, reconstruction of non-current assets	597,556	910,957
Electricity from cross-border flows	519,689	554,680
Curtailment of RES production	488,580	79,885
Services on granting access to the transmission capacity of interstate power networks	25,852	16,951
Electricity in the framework of providing emergency assistance	-	5
Other goods, works, services	218,724	208,982
Total	39,425,153	47,195,409

14. ADVANCES RECEIVED

	30 June 2025	31 December 2024
Electricity transmission services	930,003	350,696
Dispatch (operational and technological) control services	245,855	199,085
Electricity to settle imbalances	124,838	692,825
Services on granting access to the transmission capacity of interstate power networks	209	209
Other goods, works, services	4,159	3,835
Total	1,305,064	1,246,650

15. OTHER CURRENT LIABILITIES

	30 June 2025	31 December 2024
VAT amounts for which deadline or right to declare is not due	1,515,749	596,883
Accrued interest on loans	822,735	895,669
Financial guarantees of electricity market participants	462,135	741,516
Guarantee of participation in the competition for the construction of generating capacity	84,204	-
Other liabilities	34,865	39,522
Total	2,919,688	2,273,590

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16. REVENUE

	For the six months ended 30 June 2025	For the six months ended 30 June 2024
Revenue on rendering of electricity transmission services and connection to electricity transmission system	32,895,116	26,120,222
Revenue on the sales of dispatch (operational and technological) control services	9,310,316	10,154,446
Revenue on electricity sales on the balancing market	9,239,998	10,828,647
Revenue on granting access to the transmission capacity of interstate power networks	1,081,229	822,222
Revenue on electricity sales from cross-border flows	703,543	757,667
Revenue on electricity sales in the framework of providing emergency assistance	200,332	100,566
Revenue on sales of reactive energy	26,102	10,138
Revenue under the ITC Agreement	4,382	-
Revenue from the provision of data transmission administrator (DTA) services and insider information platform administrator (IIPA) services	392	-
Total	53,461,410	48,793,908

17. COST OF SALES

	For the six months ended 30 June 2025	For the six months ended 30 June 2024
Procurement of services to increase share of electricity production from alternative sources (PSO RES)	14,707,285	15,825,935
Procurement of electricity on the balancing market	10,886,407	9,498,851
Procurement of electricity to compensate technological losses	7,116,980	4,820,989
Depreciation and amortization	3,652,776	3,533,968
Procurement of auxiliary services (frequency and active power management)	3,132,311	3,501,231
Staff costs	1,687,182	1,567,556
Procurement of electricity from cross-border flows	1,436,564	950,976
Curtailment of RES production	1,143,190	940,553
Social charges	353,153	314,646
Repairs and maintenance	263,178	291,360
Security expenses	203,408	210,535
Information and consulting services	184,607	100,268
Purchase of electricity in the framework of receiving emergency assistance	97,427	1,196,028
Expenses under the ITC Agreement	66,076	-
Procurement of services to ensure the uninterrupted functioning of "last resort" supplier	57,777	44,552
Energy and utilities	57,502	46,000
Other cost	190,724	154,706
Total	45,236,547	42,998,154

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18. OTHER OPERATING INCOME

	For the six months ended 30 June 2025	For the six months ended 30 June 2024
Income from grants and free-of-charge received property, plant and equipment (Note 12)	1,797,485	216,778
Fines, penalties, forfeits received	765,825	1,431,248
Operating foreign exchange gain, net	377,090	16,305
Current assets received free-of-charge	157,449	162,664
Recovery of earlier written-off assets	47,884	31,224
Received grants to cover consulting services	46,234	30,165
Income from other sales of works, services	24,360	8,840
Capitalization of materials after write-offs and repairs	20,870	9,952
Stock-count results	12,397	130,159
Income on sale of inventories and scrap	5,043	15,105
Change in allowance for impairment of prepayments, net	74	88
Other income	6,275	8,950
Total	3,260,986	2,061,478

19. ADMINISTRATIVE EXPENSES

	For the six months ended 30 June 2025	For the six months ended 30 June 2024
Staff costs	355,217	341,600
Court fees	146,534	77,988
Information and consulting services	129,874	9,844
Social charges	65,677	55,811
Depreciation and amortization	27,937	22,797
Expenses for maintenance of NEURC	15,725	18,030
Legal, audit and other expert services	7,288	7,397
Other costs	29,023	28,217
Total	777,275	561,684

20. OTHER OPERATING EXPENSES

	For the six months ended 30 June 2025	For the six months ended 30 June 2024
Regulatory expense (Note 10)	1,331,012	3,662,565
Fines, penalties, forfeitures recognized	979,643	2,047,475
Change in allowance for litigation provision, net	354,743	197,368
Contributions to labor union	244,663	232,479
Membership fees	104,585	93,869
Consulting services at the expense of grant funds	46,234	30,165
Staff costs	41,304	38,362
Insurance expenses	25,361	20,093
Social charges	18,844	15,589
Liquidation of non-current assets	8,749	3,152
Depreciation and amortization	2,037	2,467
Charity	-	409,010
Other costs	101,907	62,141
Total	3,259,082	6,814,735

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21. FINANCE INCOME

	For the six months ended 30 June 2025	For the six months ended 30 June 2024
Income from interest on current bank accounts	734,095	726,568
Income from amortization of discount of financial instruments	9	-
Total	734,104	726,568

22. FINANCE COSTS

	For the six months ended 30 June 2025	For the six months ended 30 June 2024
Interest expense on bonds	1,209,397	2,704,388
Interest expense on loans	2,173,162	2,223,818
Capitalized borrowing costs	(296,850)	(260,022)
Interest expense on defined benefit obligations	15,502	21,554
Interest expense on lease obligations	634	328
Other finance expenses	11,327	11,884
Total	3,113,172	4,701,950

23. INCOME TAX

Profits of Group's companies are subject to corporate income tax. For the six months ended 30 June 2025 and 2024 the Group's companies was subject to corporate income tax in Ukraine at the rate of 18%.

The components of income tax expense for the six months ended 30 June 2025 and 2024 were as follows:

	For the six months ended 30 June 2025	For the six months ended 30 June 2024
Current income tax expense	(270)	-
Deferred income tax benefit	26,061	1,495,142
Total income tax benefit	25,791	1,495,142

The reconciliation of profit before tax, multiplied by the statutory income tax rate and income tax expense for the six months ended 30 June 2025 and 2024 was as follows:

	For the six months ended 30 June 2025	For the six months ended 30 June 2024
Loss before tax	(510,255)	(11,176,319)
Income tax benefit at the statutory tax rate of 18%	91,846	2,011,737
Increase in accumulated tax losses that are not recognized at the interim reporting date	-	(461,774)
Assets transferred as humanitarian aid or to non-profit organizations	(65,695)	(52,663)
Effect of expenses not deductible for tax purposes	(360)	(2,158)
Total income tax benefit	25,791	1,495,142

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As of 30 June 2025 and 31 December 2024, deferred tax assets and liabilities related to the following:

	30 June 2025	31 December 2024
Trade and other accounts receivable	6,658,694	6,334,989
Defined benefit obligation	9,896	9,387
Provision for litigation costs	122,900	127,395
Provision for accrued expenses	866	1,816
Impairment allowance of inventories and construction in progress	562,530	559,832
Deferred tax asset from tax losses	4,916,492	5,745,340
Deferred tax assets	12,271,378	12,778,759
Property, plant and equipment and intangible assets	(10,048,079)	(10,587,575)
Deferred tax liability	(10,048,079)	(10,587,575)
Net deferred tax assets	2,223,299	2,191,184

24. 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.

Key management remuneration

As of 30 June 2025 and 31 December 2024, the Group's key management consisted of 4 members of the Management Board. 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. During the six months ended 30 June 2025 payments to the Group's key management amounted to UAH 18,690 thousand (2024: UAH 25,581 thousand).

During the six months ended 30 June 2025 the Group also incurred UAH 21,352 thousand (2024: UAH 13,700 thousand) of compensation to the members of Supervisory Board. The Supervisory Board consisted of 7 members as of 30 June 2025 and 31 December 2024.

Payment of dividends to the state budget

During the six months ended 30 June 2025, the Group did not pay dividends due to the Group's operating loss 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. 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.

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Transactions with state-controlled entities and institutions

Balances with state-controlled entities and institutions as of 30 June 2025 and 31 December 2024, were as follows:

	30 June 2025	31 December 2024
ASSETS		
Other non-current assets	50	6,803
Trade accounts receivable	16,396,474	18,630,189
Prepayments	577,484	603,874
Other accounts receivable	610,781	209,662
Loans given	17,569	-
Cash and cash equivalents	15,156,059	15,330,698
Total assets from related parties	32,758,417	34,781,226
LIABILITIES		
Trade accounts payable	27,276,499	33,208,398
Advances received	91,935	41,961
Loans received from the Ministry of Finance of Ukraine	19,227,621	19,776,578
Loans received from state-owned banks	9,957,145	10,135,189
Accrued interests on loans	928,339	858,123
Provision for litigation costs	220,360	203,325
Other current liabilities, except accrued interests on loans	20,722	10,950
Total liabilities to related parties	57,722,621	64,234,524

Transactions with state-controlled entities and institutions for the six months ended 30 June 2025 and 2024 were as follows:

	For the six months ended 30 June 2025	For the six months ended 30 June 2024
Revenue	16,124,085	17,469,343
Purchases of services to increase the share of electricity production from alternative sources (PSO RES)	(11,217,641)	(12,884,323)
Purchases of electricity and related services in the electricity market	(15,561,249)	(11,446,705)
Purchases of other goods, works, and services	(181,883)	(1,008,879)
Impairment of financial assets, net	(1,029,267)	(2,932,071)
Fines, penalties, forfeits received	589,354	1,253,112
Fines, penalties, forfeitures recognized	(936,653)	(1,880,361)
Change in allowance for litigation provision, net	(95,501)	(172,032)
Income from interest on current bank accounts	734,020	726,569
Interest expense on loans (including capitalized borrowing costs)	(1,617,174)	(1,681,840)

As of 30 June 2025, expected credit losses on trade accounts receivable, which were accrued on receivables from related parties, amount to UAH 20,810,551 thousand (31 December 2024: UAH 19,787,045 thousand).

State guarantees on loans and borrowings

As of 30 June 2025 the amount of state guarantees received from the Government of Ukraine on loans from IFIs and state-owned banks amounted to UAH 61,253,921 thousand (31 December 2024: UAH 59,137,603 thousand).

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As described in Note 11, 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 9, 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 the six months ended 30 June 2024 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 30 June 2025, the carrying amount of Eurobonds 2028 was UAH 42,733,566 thousand (31 December 2024: UAH 41,920,152 thousand).

25. 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 interim condensed 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 recognised as the provision for litigation costs. 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 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 30 June 2025, the total amount of outstanding claims (taking into account existing decisions of previous instances) in such cases amounted to UAH 7,851,708 thousand of main debt and UAH 5,480,748 thousand of fines and penalties (31 December 2024: UAH 15,736,985 thousand of main debt and UAH 16,646,464 thousand of fines and penalties).

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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 interim condensed consolidated financial statements as of the reporting date.

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 of 30 June 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 622,048 thousand (31 December 2024: UAH 643,817 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 August 27, 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 March 27, 2020, the composition of the arbitral tribunal was determined. The place of arbitration was determined to be in Paris. On July 16, 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).

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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 6-8 September 2023. On August 5, 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 30 June 2025, the Group had contractual capital commitments for the purchase of property, plant, and equipment in the amount of UAH 14,710,694 thousand (31 December 2024: UAH 14,990,385 thousand).

26. 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 31 December 2023.

The Group did not conduct a revaluation of property, plant and equipment as of 30 June 2025 because it concluded that the carrying value of property, plant and equipment, carried at revalued cost, at the reporting date does not differ significantly from their fair value.

The following table summarizes information about property, plant and equipment recognized at fair value upon initial recognition using the fair value hierarchy:

30 June 2025	Level 2	Level 3	Total
Property, plant and equipment*	1,678,684	84,066,828	85,745,512
Всього	1,678,684	84,066,828	85,745,512
31 December 2024	Level 2	Level 3	Total
Property, plant and equipment*	1,750,305	85,280,720	87,031,025
Total	1,750,305	85,280,720	87,031,025

* 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.

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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 interim condensed 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.

As of 30 June 2025 and 31 December 2024, the fair value of the Group's financial instruments were as follows:

	30 June 2025	31 December 2024
Financial assets		
Trade accounts receivable	27,961,131	31,602,370
Cash and cash equivalents	15,168,347	15,515,975
Other accounts receivable	699,726	247,070
Loans receivable	17,569	-
Other non-current assets*	7,400	7,458
Всього фінансових активів	43,854,173	47,372,873
Financial liabilities		
Trade accounts payable	39,425,153	47,195,409
Loans	61,253,921	59,137,603
Eurobonds 2028	35,054,272	28,979,045
Other accounts payable	148,279	171,053
Other non-current liabilities	434,801	289,048
Other current liabilities**	1,287,709	1,639,821
Total financial liabilities	137,604,135	137,411,979

* Non-current accounts receivable are included in Other non-current assets in the consolidated statement of financial position as of 30 June 2025 and 31 December 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 30 June 2025 and 31 December 2024 Other current liabilities amounted to UAH 2,919,688 thousand and UAH 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.

	30 June 2025		31 December 2024	
	Carrying amount	Fair value	Carrying amount	Fair value
Eurobonds 2028	42,733,566	35,054,272	41,920,152	28,979,045

As of 30 June 2025 and 31 December 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 receivable, cash and cash equivalents, trade accounts payable, other current liabilities correspond to their book value due to the short-term nature of such instruments;

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- 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;
- 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.

27. 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 six months ended 30 June 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 30 June 2025 and 31 December 2024, the maximum exposure to credit risk is represented by the carrying amount of financial assets, net of impairment losses on such assets, was:

	30 June 2025	31 December 2024
Trade accounts receivable	27,961,131	31,602,370
Cash and cash equivalents	15,168,347	15,515,975
Other accounts receivable	699,726	247,070
Loans receivable	17,569	-
Non-current accounts receivable	7,400	7,458
Total	43,854,173	47,372,873

For the six months ended 30 June 2025, the Group made an accrual of expected credit losses on financial assets in the amount of UAH 1,823,007 thousand (2024: UAH 4,956,232 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 6.

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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 30 June 2025 and 31 December 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.

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30 June 2025	Carrying amount	Contractual amounts	Up to 6 months***	6-12 months	1-5 years	More than 5 years
Loans*	62,508,359	66,241,330	51,264,059	1,665,025	8,672,354	4,639,892
Eurobonds 2028	42,733,566	42,733,566	42,733,566	-	-	-
Trade accounts payable**	39,425,153	39,425,153	39,424,767	386	-	-
Other accounts payable	148,279	148,279	148,279	-	-	-
Finance lease liabilities	5,937	7,244	1,892	1,848	3,504	-
Financial guarantees of electricity market participants	462,135	462,135	462,135	-	-	-
Total	145,283,429	149,017,707	134,034,698	1,667,259	8,675,858	4,639,892
31 December 2024	Carrying amount	Contractual amounts	Up to 6 months***	6-12 months	1-5 years	More than 5 years
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	-	-	-
Total	150,353,086	154,107,130	139,597,377	1,213,745	8,959,417	4,336,591

* 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 11, 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 30 June 2025 and 31 December 2024, loans and borrowings in the amount of UAH 92,565,625 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.

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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.

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 30 June 2025 and 31 December 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 six months ended 30 June 2025 and for the year ended 31 December 2024, the sensitivity of the Group's pretax earnings to a probable change in interest rates with all other variables held constant:

30 June 2025	Increase "+" / decrease "-" of percentage points	Increase / (decrease) in profit before tax	Increase / (decrease) in equity
SOFR	+0,50%	(24,586)	(24,586)
SOFR	-0,50%	24,586	24,586
EURIBOR	+0,25%	(86,501)	(86,501)
EURIBOR	-0,25%	86,501	86,501
NBU discount rate	+1,00%	(44,382)	(44,382)
NBU discount rate	-1,00%	44,382	44,382
UIRD	+0,1%	(470)	(470)
UIRD	-0,1%	470	470
31 December 2024	Increase "+" / decrease "-" of percentage points	Increase / (decrease) in profit before tax	Increase / (decrease) in equity
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

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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 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	
	30 June 2025	31 December 2024	30 June 2025	31 December 2024
Assets				
Cash and cash equivalents	177,891	195,792	3,847,768	4,405,639
Trade accounts receivable	-	-	680,730	846,686
Other accounts receivable	-	-	93,641	88,320
Liabilities				
Loans	(10,595,003)	(11,572,578)	(41,543,700)	(38,449,807)
Eurobonds 2028	(42,733,566)	(41,920,152)	-	-
Trade accounts payable	(144,923)	(161,233)	(901,653)	(989,640)
Other accounts payable	-	-	(398)	(2,520)
Income tax payable	-	-	(412)	(371)
Accrued interests on loans	(3,857)	(4,526)	(326,100)	(322,033)
Net position	(53,299,458)	(53,462,697)	(38,150,124)	(34,423,726)

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%	5,329,946	3,815,012	5,346,270	3,442,373
Loss at weakening by 10%	(5,329,946)	(3,815,012)	(5,346,270)	(3,442,373)

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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.

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.

	30 June 2025	31 December 2024
Loans	61,253,921	59,137,603
Eurobonds 2028	42,733,566	41,920,152
Accrued interests on loans	1,254,438	1,180,157
Less: Cash and cash equivalents	(15,168,347)	(15,515,975)
Net liability	90,073,578	86,721,937
Equity	7,981,386	8,488,574
Equity and net liability	98,054,964	95,210,511
Gearing ratio	0.92	0.91

Reconciliation of liabilities arising from financing activities

The tables below detail 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.

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Reconciliation of liabilities arising from financing activities for the six months ended 30 June 2025 was the following:

2025	Loans	Accrued interests on loans	Eurobonds 2028	Dividends	Lease and other liabilities	Total
As at 1 January	59,137,603	1,180,157	41,920,152	-	7,196	102,245,108
Cash inflow from loans and borrowings	41,539	-	-	-	-	41,539
Cash repayments	(2,726,883)	(2,127,460)	-	-	(1,892)	(4,856,235)
Direct payments of bank to counterparties	698,073	-	-	-	-	698,073
Interest expense	-	2,173,162	1,209,397	-	634	3,383,193
Foreign currency exchange differences, net	4,103,589	28,579	(395,983)	-	-	3,736,185
As at 30 June	61,253,921	1,254,438	42,733,566	-	5,938	105,247,863

Reconciliation of liabilities arising from financing activities for the six months ended 30 June 2024 was the following:

2024	Loans	Accrued interests on loans	Eurobonds 2028	Dividends	Lease and other liabilities	Total
As at 1 January	46,440,688	1,005,627	10,374,481	-	3,743	57,824,539
Cash inflow from loans and borrowings	6,054,671	-	-	-	-	6,054,671
Cash repayments	(1,719,683)	(2,127,625)	-	(338,974)	(1,417)	(4,187,699)
Direct payments of bank to counterparties	1,339,207	-	-	-	-	1,339,207
Recognition of accounts payable	-	-	-	338,974	5,684	344,658
Interest expense	-	2,223,818	2,704,388	-	328	4,928,534
Foreign currency exchange differences, net	1,777,836	2,532	778,295	-	-	2,558,663
As at 30 June	53,892,719	1,104,352	13,857,164	-	8,338	68,862,573

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28. EVENTS AFTER THE REPORTING PERIOD

Military aggression of the Russian Federation against Ukraine

Since July 2025, the Russian Federation has intensified its attacks on Ukraine's energy infrastructure, including the Group's assets, as part of a systematic campaign to destabilize the energy system ahead of the winter season. As of the date of approval of these condensed interim consolidated financial statements, the attacks on the Group's assets are non-systematic, targeted, and localized in regions close to the front line or the border with the Russian Federation. At the same time, the intensity of attacks may increase closer to the winter heating season.

Changes in the membership of the Supervisory Board and the Management Board

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

In execution of the Resolution of the National Securities and Stock Market Commission (NSSMC) on eliminating certain procedural violations related to the preliminary approval of candidates for the Management Board by the Nomination and Remuneration Committee of the Supervisory Board of NPC "Ukrenergo", on September 26, 2025, the Supervisory Board decided to terminate the powers of Chairman of the Management Board Zaichenko V.B., and Members of the Management Board Yuryk I.I., Skrypnyk O.I. and Pavlenko O.Y. Temporarily acting Chairman of the Management Board was elected Member of the Management Board Brekht O.O.

After holding consultations between Supervisory Board and Ministry of Energy of Ukraine on October 01, 2025, Supervisory Board decided to cancel its decision from September 26, 2025 regarding the change of the Group's management. Additionally, the Supervisory Board decided to appoint a sixth member of the Management Board as Chief Risk Officer. Additionally, the Group expects confirmation from the NSSMC within a short period of time regarding the full elimination of procedural violations outlined in its resolution. As of the date of approval of these condensed interim financial statements, the Chairman and members of the Management Board of NPC "Ukrenergo" are fully performing their duties to ensure the stable operations of NPC "Ukrenergo" as the operator of the IPS of Ukraine.