

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

**STATEMENT OF FINANCIAL POSITION  
AS OF 31 DECEMBER 2023**

*In Ukrainian Hryvnias and in thousands*

ASSET	Line code	31 December 2022	31 December 2023
1	2	4	5
<b>I. Non-current assets</b>			
Intangible assets	1000	911 892	1 078 648
Historical cost	1001	1 172 116	1 422 419
Accumulated amortization	1002	260 224	343 771
Construction in progress	1005	11 687 732	19 822 366
Property, plant and equipment	1010	37 274 302	37 022 607
Historical cost	1011	52 639 322	55 016 652
Accumulated depreciation	1012	15 365 020	17 994 045
Investment property	1015	-	-
Cost of investment property	1016	-	-
Accumulated depreciation of investment property	1017	-	-
Non-current financial investments:			
Accounted for under equity method of other entities	1030	35 823	31 525
Other financial investments	1035	-	-
Non-current accounts receivable	1040	7 994	7 739
Deferred tax assets	1045	3 482 715	3 463 779
Other non-current assets	1090	37 624	217 304
<b>Total on Section I</b>	<b>1095</b>	<b>53 438 082</b>	<b>61 643 968</b>
<b>II. Current assets</b>			
Inventories	1100	466 812	933 389
Production inventories	1101	424 676	885 759
Work in progress	1102	35 434	36 264
Finished goods	1103	6 324	10 940
Merchandise	1104	378	426
Current biological assets	1110	-	-
Trade accounts receivable	1125	33 106 441	50 089 850
Other accounts receivable:			
Advances given	1130	736 765	719 962
Taxes receivable	1135	2 926 866	2 813 269
Including income taxes	1136	22 903	22 916
Interest receivable	1140	34 119	61 476
Other current accounts receivable	1155	68 551	150 195
Current financial investments	1160	2 104 503	-
Cash and cash equivalents	1165	4 012 547	7 745 029
Cash on hand	1166	1	1
Accounts with banks	1167	4 012 546	7 745 028
Prepaid expenses	1170	68 033	139 833
Other current assets	1190	2 081 878	377 896
<b>Total on Section II</b>	<b>1195</b>	<b>45 606 515</b>	<b>63 030 899</b>
<b>III. Non-current assets held for sale and disposal groups</b>	<b>1200</b>	<b>-</b>	<b>-</b>
<b>TOTAL ASSETS</b>	<b>1300</b>	<b>99 044 597</b>	<b>124 674 867</b>

LIABILITY	Line code	31 December 2022	31 December 2023
1	2	4	5
<b>I. Equity</b>			
Share capital	1400	37 160 209	37 160 209
Revaluation reserve	1405	24 033 949	24 057 586
Additional capital	1410	- 35 933 854	- 35 933 854
Reserve capital	1415	100 262	100 262
Retained earnings	1420	- 22 754 949	- 23 046 539
<b>Total on Section I</b>	<b>1495</b>	<b>2 605 617</b>	<b>2 337 664</b>
<b>II. Non-current liabilities and provisions</b>			
Deferred tax liabilities	1500	-	-
Retirement benefit obligations	1505	510 725	279 923
Long-term borrowings from banks	1510	28 148 260	37 635 019
Other non-current liabilities	1515	6 405 872	9 492 749



Міністерство енергетики України  
№26/1.7-27.2-5624 від 06.03.2024  
КЕП: Демченко Я. С. 06.03.2024 11:22  
58E2D9E7F900307B040000005C432F002494A300  
Сертифікат дійсний з 25.05.2022 13:14 до 25.05.2024 13:14

Non-current provisions	1520	-	-
Special purpose funding	1525	1 509 634	5 046 387
<b>Total on Section II</b>	<b>1595</b>	<b>36 574 491</b>	<b>52 454 078</b>
<b>III. Current liabilities and provisions</b>			
Short-term borrowings from banks	1600	-	-
Current accounts payable:			
Current portion of non-current liabilities	1610	8 986 984	9 689 751
Trade accounts payable	1615	48 333 059	56 312 466
Settlements with the state budget	1620	13 582	27 664
Including income taxes	1621	-	-
Insurance	1625	20 462	23 593
Settlements with employees	1630	100 393	98 552
Advances received	1635	443 397	470 977
Current accounts payable on settlements with participants	1640	-	-
Current accounts payable on insurance activities	1650	-	-
Current provisions	1660	561 102	671 801
Deferred income	1665	54 243	57 320
Other current liabilities	1690	1 351 267	2 531 001
<b>Total on Section III</b>	<b>1695</b>	<b>59 864 489</b>	<b>69 883 125</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1900</b>	<b>99 044 597</b>	<b>124 674 867</b>

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

**INCOME STATEMENT (COMPREHENSIVE INCOME STATEMENT)  
FOR THE YEAR ENDED 31 DECEMBER 2023**

*In Ukrainian Hryvnias and in thousands*

**I. FINANCIAL RESULTS**

Item	Line code	For the reporting period	For the previous period
1	2	4	5
Revenue	2000	82 937 041	82 330 487
Cost of sales	2050	- 71 907 946	- 80 873 171
<b>Gross:</b>			
<b>Profit</b>	<b>2090</b>	<b>11 029 095</b>	<b>1 457 316</b>
<b>Loss</b>	<b>2095</b>	-	-
Other operating income	2120	1 509 435	623 348
Administrative expenses	2130	- 1 101 868	- 792 164
Distribution costs	2150	-	-
Other operating expenses	2180	- 2 395 931	- 16 547 017
<b>Financial results from operating activities:</b>			
<b>Profit</b>	<b>2190</b>	<b>9 040 731</b>	-
<b>Loss</b>	<b>2195</b>	-	- 15 258 517
Finance income	2220	652 684	25 822 156
Other income	2240	-	-
Finance expenses	2250	- 10 275 975	- 17 962 046
Other expenses	2270	-	-
<b>Financial results from ordinary activities before tax:</b>			
<b>Profit</b>	<b>2290</b>	-	-
<b>Loss</b>	<b>2295</b>	- 582 560	- 7 394 109
Income tax gain/(expenses)	2300	- 8 225	1 317 166
<b>Net financial result:</b>			
<b>Profit</b>	<b>2350</b>	-	-
<b>Loss</b>	<b>2355</b>	- 590 785	- 6 076 943

**II. COMPREHENSIVE INCOME**

Item	Line code	For the reporting period	For the previous period
1	2	4	5
<i>Items that will not be reclassified subsequently to profit or loss, net of income tax:</i>			
Revaluation (loss)/surplus of non-current assets	2400	45 356	- 1 967 707
Accumulated exchange differences	2410	-	-
Other comprehensive loss	2445	288 187	311 376
<b>Other comprehensive (loss)/income before tax</b>	<b>2450</b>	<b>333 543</b>	<b>- 1 656 331</b>
Income taxes attributable to other comprehensive income	2455	- 10 711	343 800
<b>Other comprehensive (loss)/income after tax</b>	<b>2460</b>	<b>322 832</b>	<b>- 1 312 531</b>
<b>Comprehensive (loss)/income (sum of lines 2350, 2355 and 2460)</b>	<b>2465</b>	<b>- 267 953</b>	<b>- 7 389 474</b>

**III. ELEMENTS OF OPERATING EXPENSES\***

Item	Line code	For the reporting period	For the previous period
1	2	4	5
Material expenditures	2500	37 762 425	53 191 751
Staff costs	2505	3 263 102	3 166 477
Social charges	2510	663 403	641 901
Depreciation and amortization	2515	2 848 535	3 117 896
Other operating expenses	2520	30 868 280	38 094 327
<b>Total</b>	<b>2550</b>	<b>75 405 745</b>	<b>98 212 352</b>



Міністерство енергетики України  
№26/1.7-27.2-5624 від 06.03.2024  
КЕП: Демченко Я. С. 06.03.2024 11:22  
58E2D9E7F900307B040000005C432F002494A300  
Сертифікат дійсний з 25.05.2022 13:14 до 25.05.2024 13:14

#### IV. CALCULATION OF PROFITABILITY RATIOS PER SHARE

Item	Line code	For the reporting period	For the previous period
1	2	3	4
Average annual number of ordinary shares	2600	-	-
Adjusted average annual number of ordinary shares	2605	-	-
Net earnings per ordinary share	2610	-	-
Adjusted net earnings per ordinary share	2615	-	-
Dividends per ordinary share	2650	-	-

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

**STATEMENT OF CASH FLOWS (UNDER DIRECT METHOD)  
FOR THE YEAR ENDED 31 DECEMBER 2023**

*In Ukrainian Hryvnias and in thousands*

Item	Line code	For the reporting period	For the previous period
1	2	3	4
<b>I. Cash flows from operating activities</b>			
<b>Cash inflows from:</b>			
Sales of products (goods, works, services)	3000	69 907 405	61 883 101
Return of taxes and duties	3005	-	-
Including value added tax	3006	-	-
Special purpose funding	3010	11 853	18 914
Subsidies, grants received	3011	-	-
Advances from buyers and customers	3015	2 533 209	3 181 323
Advances returned	3020	5 022	1 332
Interest on current accounts with banking institutions	3025	498 836	496 294
Forfeits (fines, penalties) from counterparties	3035	388 554	116 702
Operating leases	3040	4 574	3 629
Other proceeds	3095	1 963 307	1 302 109
<b>Cash outflows to:</b>			
Goods (works, services)	3100	- 60 501 954	- 60 409 018
Staff costs	3105	- 2 599 571	- 2 472 738
Social charges	3110	- 656 879	- 629 101
Liabilities on taxes and duties:	3115	- 1 583 808	- 1 529 843
Income taxes	3116	-	22 867
Value added tax	3117	- 919 808	- 832 080
Other taxes and duties	3118	- 664 000	- 674 896
Advance payments	3135	- 1 537 035	- 2 085 657
Return of advances	3140	- 271 171	- 2 531 285
Other expenses	3190	- 2 706 876	- 1 260 755
<b>Net cash flow from operating activities</b>	<b>3195</b>	<b>5 455 466</b>	<b>- 3 914 993</b>
<b>II. Cash flows from investing activities</b>			
<b>Proceeds on received:</b>			
Interest	3215	-	-
Dividends	3220	4 298	3 175
Repayments of loans	3230	2 493 166	6 807
<b>Purchases of:</b>			
Financial investments	3255	-	-
Non-current assets	3260	- 4 248 823	- 1 616 940
Providing of loans	3275	-	- 2 499 974
Subsidiary or other entity	3280	-	- 31 321
Other payments	3290	-	-
<b>Net cash flow from investing activities</b>	<b>3295</b>	<b>- 1 751 359</b>	<b>- 4 138 253</b>
<b>III. Cash flows from financing activities</b>			
<b>Inflows on:</b>			
Borrowings received	3305	6 104 566	8 332 655
<b>Outflows to:</b>			
Borrowings repaid	3350	- 2 290 949	- 3 575 731
Dividends paid	3355	-	- 127 036
Interest paid	3360	- 3 849 330	- 3 337 615
Other payments	3390	- 3 081	- 4 617
<b>Net cash flow from financing activities</b>	<b>3395</b>	<b>- 38 794</b>	<b>1 287 656</b>
<b>Net cash flows for the reporting period</b>	<b>3400</b>	<b>3 665 313</b>	<b>- 6 765 590</b>
<b>Opening balance</b>	<b>3405</b>	<b>4 012 547</b>	<b>10 327 966</b>
Effect of changes in foreign exchange rates on cash balances	3410	67 169	450 171
<b>Closing balance</b>	<b>3415</b>	<b>7 745 029</b>	<b>4 012 547</b>



UB  
 Міністерство енергетики України  
 №26/1.7-27.2-5624 від 06.03.2024  
 КЕП: Демченко Я. С. 06.03.2024 11:22  
 58E2D9E7F900307B040000005C432F002494A300  
 Сертифікат дійсний з 25.05.2022 13:14 до 25.05.2024 13:14

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

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2023**

*In Ukrainian Hryvnias and in thousands*

Items	Line code	Share capital	Revaluation reserve	Additional capital	Reserve capital	Retained earnings / (Accumulated deficit)	Total
1	2	3	4	5	6	7	9
<b>Balance at the beginning of the year</b>	<b>4000</b>	<b>37 160 209</b>	<b>24 033 949</b>	<b>- 35 933 854</b>	<b>100 262</b>	<b>- 22 754 949</b>	<b>2 605 617</b>
<b>Adjustments for:</b>							
Changes in accounting policies	4005	-	-	-	-	-	-
Correction of errors	4010	-	-	-	-	-	-
Other changes	4090	-	-	-	-	-	-
<b>Adjusted balance at the beginning of the year</b>	<b>4095</b>	<b>37 160 209</b>	<b>24 033 949</b>	<b>- 35 933 854</b>	<b>100 262</b>	<b>- 22 754 949</b>	<b>2 605 617</b>
<b>Net loss for the reporting period</b>	<b>4100</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>- 590 785</b>	<b>- 590 785</b>
<b>Other comprehensive loss for the reporting period</b>	<b>4110</b>	<b>-</b>	<b>37 192</b>	<b>-</b>	<b>-</b>	<b>285 640</b>	<b>322 832</b>
Revaluation surplus/(loss) of non-current assets	4111	-	37 192	-	-	-	37 192
Revaluation surplus/(loss) of financial instruments	4112	-	-	-	-	-	-
Accumulated exchange differences	4113	-	-	-	-	-	-
Share of other comprehensive income in associates and joint ventures	4114	-	-	-	-	-	-
Other comprehensive loss	4116	-	-	-	-	285 640	285 640
<b>Distribution of profits:</b>							
Payments to equity holders (dividends)	4200	-	-	-	-	-	-
Allocation of profit to share capital	4205	-	-	-	-	-	-
Charges to reserve capital	4210	-	-	-	-	-	-
Net profits distributable to the state budget in accordance with the legislation	4215	-	-	-	-	-	-
<b>Contributions by equity holders:</b>							
Contributions to equity	4240	-	-	-	-	-	-
Repayment of equity liabilities	4245	-	-	-	-	-	-
<b>Capital withdrawal:</b>							
Redemption of shares (stakes)	4260	-	-	-	-	-	-
Resale of treasury shares (stakes)	4265	-	-	-	-	-	-
Cancellation of treasury shares (stakes)	4270	-	-	-	-	-	-
Withdrawal of stakes in equity	4275	-	-	-	-	-	-
Other changes in capital	4290	-	13 555	-	-	13 555	-
<b>Total changes in equity</b>	<b>4295</b>	<b>-</b>	<b>23 637</b>	<b>-</b>	<b>-</b>	<b>- 291 590</b>	<b>- 267 953</b>
<b>Balance at the end of the year</b>	<b>4300</b>	<b>37 160 209</b>	<b>24 057 586</b>	<b>- 35 933 854</b>	<b>100 262</b>	<b>- 23 046 539</b>	<b>2 337 664</b>



UB  
Міністерство енергетики України  
№26/1.7-27.2-5624 від 06.03.2024  
КЕП: Демченко Я. С. 06.03.2024 11:22  
58E2D9E7F900307B040000005C432F002494A300  
Сертифікат дійсний з 25.05.2022 13:14 до 25.05.2024 13:14

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

Notes to the Unaudited Annual Separate Financial  
Statements for the Year Ended 31 December 2023



UB  
Міністерство енергетики України  
№26/1.7-27.2-5624 від 06.03.2024  
КЕП: Демченко Я. С. 06.03.2024 11:22  
58E2D9E7F900307B040000005C432F002494A300  
Сертифікат дійсний з 25.05.2022 13:14 до 25.05.2024 13:14

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

## **NOTES TO THE ANNUAL SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023**

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

---

### **1. THE ORGANISATION AND ITS OPERATIONS**

#### **Creation and change of the Company's shareholder**

State Enterprise "National Energy Company "Ukrenergo" was established by the order of the Ministry of Energy of Ukraine dated 15 April 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" (hereinafter - 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 22 November 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 14 November 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 29 July 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 28 July 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 16 September 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 Company**

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 for the settlement of cross-border electricity flows with neighboring European countries and to represent the Company in ENTSO-E and other European institutions on a regular basis.

NPC "Ukrenergo", which is a natural monopoly in electricity transmitting via high voltage lines, operates 108 substations (110-750 kV) and over 21,800 km of main and interstate power lines (excluding 34 substations and a number of power lines located on temporarily occupied territories of Donbass and Crimea).

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

The principal activities of the Company are dispatch (operational and technological) control of the Integrated Power System of Ukraine (hereinafter – 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 (energy sales and purchases on the balancing market), and others. In addition, the Company 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 ANNUAL SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023**

***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").

On 11 March 2022 ENTSO-E decided to fully synchronize the power systems of Ukraine and Moldova with the energy network of continental Europe ENTSO-E. Physical operations to connect power systems were conducted on 16 March 2022.

On 26 April 2022 NPC "Ukrenergo" received the status of an "observer-member" in ENTSO-E.

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 Company 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 Company 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 Company's infrastructure facilities on territory of Autonomous Republic of Crimea.

As a result of Russia's full-scale military invasion of Ukraine, which began on 24 February 2022, an additional part of the Company's assets is located in temporarily uncontrolled territory.

On 1 January 2023, Ukraine began importing electricity from the EU. Initially, the permitted volume of imports was 700 MW to Ukraine and Moldova. On 27 March 2023, the transmission system operators (TSOs) of continental Europe agreed to increase the maximum capacity for the exchange of electricity in the direction of imports from continental Europe to Ukraine/Moldova from 700 MW to 850 MW at any time.

From 11 April 2023, in accordance with the decision of the Ministry of Energy of Ukraine, Ukraine resumes the export of electricity in conditions of surplus of generating capacity. This became possible due to the fact that from the mid of February 2023, the Ukrainian energy system works without consumer restrictions, with a capacity reserve. The opening of electricity export will allow to attract additional financial resources for the necessary reconstruction of the destroyed and damaged energy infrastructure. The maximum capacity for electricity export to Europe is 400 MW.

At the same time, from 29 March 2023, a new agreement on multilateral emergency assistance to the Company from ENTSO-E in the event of significant disruptions in electricity production or transmission will enter into force. The new voluntary agreement allows the Company to request multilateral emergency assistance from the relevant TSOs of continental Europe ENTSO-E in the event of serious problems in the production or transmission of electricity, or in the event of sudden significant imbalances between production and consumption in Ukraine. Although emergency assistance under this Agreement does not provide ongoing support, it allows the Company to request assistance in unforeseen situations, such as attacks on the Company's energy infrastructure.

### **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").

In December 2022, the NEURC approved an increase in tariffs for electricity transmission services and the tariff for dispatch (operational and technological) control services in three stages: in January, April and July 2023. The expediency of a gradual, rather than one-time, sharp increase in tariffs was argued by the possible negative consequences for consumers in wartime conditions.

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

## NOTES TO THE ANNUAL SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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

---

Tariffs for electricity transmission services in 2022-2023 were as follows:

<b>Year</b>	<b>Period</b>	<b>Tariff, UAH/MWh</b>	<b>Date and number of the NEURC resolution</b>
2022	January - December	345.64	01.12.2021 No.2454
2023	January - March	380.28	21.12.2022 No.1788
2023	April - June	430.25	21.12.2022 No.1788
2023	July - December	485.10	21.12.2022 No.1788
2024	From 1 January 2024	528.57	09.12.2023 No.2322

Additionally, the NEURC established a separate tariff for electricity transmission services for 2023 for "green" electrometallurgy enterprises, approved by NEURC Resolution No. 1788 dated 21 December 2022, in the amount of 209.42 UAH/MWh.

Tariffs for dispatch (operational and technological) control services in 2022-2023 were as follows:

<b>Year</b>	<b>Period</b>	<b>Tariff, UAH/MWh</b>	<b>Date and number of the NEURC resolution</b>
2022	January - December	62.13	01.12.2021 No.2455
2023	January - March	68.28	21.12.2022 No.1789
2023	April - June	80.87	21.12.2022 No.1789
2023	July - December	95.54	21.12.2022 No.1789
2024	From 1 January 2024	104.57	09.12.2023 No.2323

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

According to Article 62 of 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 (hereinafter - public service obligation, PSO). The Law also stipulates that the Cabinet of Ministers of Ukraine may impose other PSO on market participants.

On 11 August 2021 the Resolution of the Cabinet of Ministers of Ukraine №859 amended the Resolution of the Cabinet of Ministers of Ukraine No.483 dated 5 June 2019 (hereinafter – CMU Resolution No.483), providing for the transition from commodity to financial model of PSO. According to the new PSO financial model:

- From 1 October 2021 to at least 30 April 2022, household consumers (population) will pay universal service providers (USP) UAH 1.44 per kWh with VAT, if their monthly consumption does not exceed 250 kWh. (including). Tariff for consumers who consume more than 250 kWh per month remains at the previous level - 1.68 UAH per kWh with VAT for the entire volume of consumption.
- USPs should buy electricity for supply to household consumers in organized market segments at market prices.
- SE "Guaranteed Buyer" will compensate USPs for the difference between the market price of electricity and the fixed price for household consumers at the expense of funds received from SE "NAEC "Energoatom" and PJSC "Ukrhydroenergo".

During 2022-2023, the Cabinet of Ministers of Ukraine extended the validity of this PSO mechanism several times. In April 2023, the validity of this PSO mechanism was extended until 31 May 2023.

On 30 May 2023, Resolution of the Cabinet of Ministers of Ukraine No.544 (hereinafter - CMU Resolution No.544) amended CMU Resolution No.483. In particular, with the aim of ensuring the sustainable operation of the IPS, CMU Resolution No.544 approved the proposal of the Ministry of Energy of Ukraine regarding the application of new fixed electricity prices for household consumers from 1 June 2023. During the period from 1 June 2023 to 31 December 2023, consumers will pay USPs 2.64 UAH per kWh with VAT.

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

### **NOTES TO THE ANNUAL SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023**

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

---

On 27 June 2023, the NEURC adopted the Resolution "On establishing limit prices on the day-ahead market, intraday market, and balancing market," which established three levels of price caps for time slots during the day from 30 June 2023:

- For nighttime hours, from 00:00 a.m. to 7:00 a.m. and from 11:00 p.m. to 00:00 a.m., the upper limit of the price of electricity for business increased by 50% from 2,000 to 3,000 UAH/MWh.
- For daytime hours, from 7:00 a.m. to 7:00 p.m., a 40% increase from 4,000 to 5,600 UAH/MWh.
- For the evening peak of electricity consumption, from 7:00 p.m. to 11:00 p.m., an increase of 80% to 7,200 UAH/MWh.

Until 30 June 2023, the maximum prices on the electricity market, which were established in February 2022, were in effect on the market - a maximum price cap of UAH 2,000/MWh for hours of minimum load and UAH 4,000/MWh for hours of maximum load.

On 9 November 2023, NEURC Resolution No. 2099 dated 30 November 2023 changed the levels of price caps for time slots during the day:

- From 00:00 to 7:00 and from 23:00 to 00:00 - UAH 3,000/MWh.
- From 07:00 to 08:00 and from 11:00 to 17:00 - UAH 5,600/MWh.
- From 08:00 to 11:00 - UAH 6,900.00/MWh.
- From 17:00 to 23:00 - UAH 7,500.00/MWh.

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

##### *Implementation of the REMIT regulation in Ukraine*

In accordance with the Protocol on the Accession of Ukraine to the Treaty on the Establishment of the Energy Community dated 15 December 2010, Ukraine assumed international obligations regarding the implementation into national legislation of the Regulation (EU) No. 1227/2011 dated 25 October 2011 on wholesale energy market integrity and transparency (Regulation on Wholesale Energy Market Integrity and Transparency - hereinafter "REMIT").

With the aim of fulfilling European integration obligations, on 10 June 2023 Parliament adopted the Law of Ukraine "On Amendments to Certain Laws of Ukraine on Prevention of Abuse in Wholesale Energy Markets" №3141-IX (hereinafter - the "Law on REMIT").

The Law on REMIT sets out a number of key elements to improve transparency in wholesale energy markets, namely:

- introduction of anti-abuse tools on wholesale energy markets;
- establishment of prohibition of manipulations;
- determination of requirements for disclosure of insider information by market participants;
- obligation of companies that organize trade operations to report suspicious operations;
- strengthening the powers of the NEURC to conduct investigations of abuses and establish tough sanctions for manipulation in the energy markets, as well as for trading based on insider information.

The introduced Law on REMIT will contribute to the fulfillment of obligations to bring Ukraine's energy legislation closer to European legislation, increase the level of integration of the energy markets of Ukraine and the EU, and deepen the trust of foreign participants in the Ukrainian energy markets.

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

## NOTES TO THE ANNUAL SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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

---

### *Legislative changes for the "green" transformation of the energy system of Ukraine*

On 30 June 2023, the Verkhovna Rada of Ukraine adopted Law of Ukraine No. 3220-IX "On Amendments to Certain Laws of Ukraine Regarding the Restoration and "Green" Transformation of the Energy System of Ukraine" (hereinafter – "Law No. 3220-IX"), which provides for comprehensive changes in the functioning of the electric energy market, solving existing problems on the market and implementing tools of the European electric energy market.

As a result of the adopted Law No. 3220-IX, it is expected that changes aimed at solving problematic issues in the RES sector will have a positive effect on the industry, namely: improvement of the calculation of imbalances and the share of their compensation in the balancing group of the Guaranteed buyer, as well as the continuation of the possibility completion of RES projects started prior to 24 February 2022.

### *Export/import of electricity from ENTSO-E*

Massive missile attacks on the energy infrastructure of Ukraine in October 2022 forced Ukraine to suspend electricity exports from 11 October 2022 in order to stabilize its own energy system.

In order to cover the shortage of electrical energy that arose in the energy system of Ukraine due to significant damage to the infrastructure as a result of Russian missile attacks, the Cabinet of Ministers of Ukraine by Resolution No. 1 dated 3 January 2023 approved the Regulation on the peculiarities of the import of electrical energy during the autumn-winter period of 2022/23 in the conditions of the legal regime of martial law in Ukraine.

From 29 March 2023, a new agreement on multilateral emergency assistance to the Company from ENTSO-E in the event of significant disruptions in electricity production or transmission will enter into force. The new voluntary agreement allows the Company to request multilateral emergency assistance from the relevant TSOs of continental Europe ENTSO-E in the event of serious problems in the production or transmission of electricity, or in the event of sudden significant imbalances between production and consumption in Ukraine. Although emergency assistance under this Agreement does not provide ongoing support, it allows the Company to request assistance in unforeseen situations, such as attacks on the Company's energy infrastructure.

It is worth noting that the synchronization of the energy system of Ukraine with the power grid of continental Europe ENTSO-E significantly increases the reliability of the energy system of Ukraine due to the ability to receive timely help from Europe in case of emergency shutdowns of power plants, import European electricity and reduce the number of disconnected consumers. And if necessary and if there is a surplus of generating capacity, Ukraine can provide emergency assistance to European energy systems and export electricity.

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

On 24 February 2022 Russia initiated a full-scale military invasion of Ukraine (hereinafter – military aggression). The government immediately imposed martial law throughout the country. The Russian invasion is causing severe economic and humanitarian damage to the country, resulting in financial pressure on the budget, trade disruptions, the displacement of millions of people, and extensive damage to infrastructure with potentially long-term macroeconomic and social consequences. So far, the government has prioritized spending on defense and social resources and continues to meet its foreign debt obligations. Companies pay taxes, and money feeds the financial system.

From the very beginning of the military aggression, the Company focused on the following key areas: security of its employees, security of IPS of Ukraine, uninterrupted performance of the functions of the transmission system operator and integration into ENTSO-E.

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

## NOTES TO THE ANNUAL SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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

---

The Company coordinates, as far as possible, the evacuation of workers from regions where active hostilities are taking place. Business processes have been reorganized, the protection of assets and critical facilities has been strengthened to adapt to existing problems and ensure the continuity of the Company's activities. The key personnel and management of the Company continue to work and fully perform their duties. The Company constantly analyzes changes in the regulatory environment and their impact on its operations, responds effectively and, if necessary, implements changes in business processes.

The Company continues and plans in the future to provide sustainable services for electricity transmission, dispatch (operational and technological) control services, to balance the energy system, and implement measures related to the most efficient use of existing capacity and capacity building of the Company, including integration into ENTSO-E and expansion of Ukraine's export and import opportunities.

It is worth noting that in accordance with the legislation and regulatory acts, all economically reasonable costs of the Company 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 Company's ability to continue as a going concern and, therefore, the Company 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 Company and therefore considers it is appropriate to apply the Company's going concern assumption to these annual financial statements.

In addition, the state, as the owner of the Company, 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 Company and will, if necessary, support the activities of the Company in the future.

## 2. BASIS FOR PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

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

## NOTES TO THE ANNUAL SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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

---

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

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

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

### Functional currency and presentation currency

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

### Foreign currency transactions

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

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

Currency	As of 31 December 2023	Average currency exchange rate for 2023	As of 31 December 2022	Average currency exchange rate for 2022
UAH / US Dollar	37.98	36.58	36.57	32.37
UAH / Euro	42.21	39.56	38.95	34.00

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

**NOTES TO THE ANNUAL SEPARATE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

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

**3. PROPERTY, PLANT, AND EQUIPMENT**

	<b>Transmission lines (OHL)</b>	<b>Buildings and structures</b>	<b>Plant and equipment</b>	<b>Vehicles and other</b>	<b>Construction in progress</b>	<b>Total</b>
<b><i>Cost/Revalued cost</i></b>						
<b>As of 1 January 2022</b>	<b>21,770,043</b>	<b>4,020,372</b>	<b>26,069,545</b>	<b>779,362</b>	<b>12,986,300</b>	<b>65,625,622</b>
Reclassification between groups	-	372	(850)	478	-	-
Additions	-	-	2,423	-	10,620,251	<b>10,622,674</b>
Internal transfers	387,219	318,482	1,487,848	223,333	(2,416,882)	-
Transfer to inventories	-	-	-	-	(37,001)	<b>(37,001)</b>
Transfer of equipment as a returnable commodity loan	-	-	-	-	(24,839)	<b>(24,839)</b>
Disposals	-	(1,121)	(19,492)	(21,362)	(9,764)	<b>(51,739)</b>
<b>As of 31 December 2023</b>	<b>22,157,262</b>	<b>4,338,105</b>	<b>27,539,474</b>	<b>981,811</b>	<b>21,118,065</b>	<b>76,134,717</b>
<b><i>Accumulated depreciation and impairment losses</i></b>						
<b>As of 1 January 2022</b>	<b>4,567,070</b>	<b>1,203,115</b>	<b>9,197,881</b>	<b>396,954</b>	<b>1,298,568</b>	<b>16,663,588</b>
Reclassification between groups	-	26	(615)	589	-	-
Depreciation expenses	558,385	215,675	1,917,643	69,559	-	<b>2,761,262</b>
Disposals	-	(599)	(18,502)	(17,403)	-	<b>(36,504)</b>
Impairment (gains) / losses	-	(188)	(96,650)	1,105	(2,869)	<b>(98,602)</b>
<b>As of 31 December 2023</b>	<b>5,125,455</b>	<b>1,418,029</b>	<b>10,999,757</b>	<b>450,804</b>	<b>1,295,699</b>	<b>19,289,744</b>
<b><i>Net book value</i></b>						
<b>As of 1 January 2022</b>	<b>17,202,973</b>	<b>2,817,257</b>	<b>16,871,664</b>	<b>382,408</b>	<b>11,687,732</b>	<b>48,962,034</b>
<b>As of 31 December 2023</b>	<b>17,031,807</b>	<b>2,920,076</b>	<b>16,539,717</b>	<b>531,007</b>	<b>19,822,366</b>	<b>56,844,973</b>

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

**NOTES TO THE ANNUAL SEPARATE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

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

**4. TRADE ACCOUNTS RECEIVABLE**

	<b>31 December 2023</b>	<b>31 December 2022</b>
Electricity to settle imbalances	32,778,454	23,335,015
Electricity transmission services	24,611,286	14,134,803
Dispatch (operational and technological) control services	9,099,466	7,321,003
Balancing electricity	741,475	1,715,047
Electricity from cross-border flows	700,545	3,248,751
Services on granting access to the transmission capacity of interstate power networks	125,014	80,325
Electricity to provide emergency assistance	9,280	-
Reactive energy	7,060	8,801
Other goods and services	6,613	6,613
<b>Total gross amount</b>	<b>68,079,193</b>	<b>49,850,358</b>
Less: Expected credit losses on trade accounts receivable	(17,989,343)	(16,743,917)
<b>Total carrying amount</b>	<b>50,089,850</b>	<b>33,106,441</b>

**5. PREPAYMENTS**

	<b>31 December 2023</b>	<b>31 December 2022</b>
Electricity for compensation of technical losses	583,320	612,238
Goods, works and services	104,443	75,310
Electricity to settle imbalances	32,765	49,784
<b>Total gross amount</b>	<b>720,528</b>	<b>737,332</b>
Less: Allowance for impairment of prepayments	(566)	(567)
<b>Total carrying amount</b>	<b>719,962</b>	<b>736,765</b>

**6. CASH AND CASH EQUIVALENTS**

	<b>31 December 2023</b>	<b>31 December 2022</b>
Cash on current bank accounts	7,231,895	3,005,570
Cash on special purpose accounts	513,133	1,006,976
Cash on hand	1	1
<b>Total</b>	<b>7,745,029</b>	<b>4,012,547</b>

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

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

## NOTES TO THE ANNUAL SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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

### 7. OTHER CURRENT ASSETS

	<u>31 December 2023</u>	<u>31 December 2022</u>
VAT amounts for which deadline or right to declare is not due	364,685	2,077,682
One-time commission on loans from banks	13,010	4,112
Other	201	84
<b>Total</b>	<b><u>377,896</u></b>	<b><u>2,081,878</u></b>

### 8. LOANS AND BORROWINGS

	<u>31 December 2023</u>	<u>31 December 2022</u>
<b>Non-current</b>		
Loans	37,635,019	28,148,260
Eurobonds 2028	9,490,399	6,370,082
<b>Total non-current loans and borrowings</b>	<b><u>47,125,418</u></b>	<b><u>34,518,342</u></b>
<b>Current</b>		
Loans	8,805,669	8,986,984
Eurobonds 2028	884,082	-
<b>Total current loans and borrowings</b>	<b><u>9,689,751</u></b>	<b><u>8,986,984</u></b>
<b>Total loans and borrowings</b>	<b><u>56,815,169</u></b>	<b><u>43,505,326</u></b>

As of 31 December 2023 and 2022, the weighted average effective interest rates and balances on loans and borrowings were presented as follows:

	<u>Currency</u>	<u>31 December 2023</u>	<u>31 December 2022</u>
European Bank for Reconstruction and Development, No.54138	EUR	6,840,579	-
European Bank for Reconstruction and Development, No.49235	EUR	6,288,978	5,802,904
Ministry of Finance of Ukraine, No.8462-UA	USD	5,441,122	5,470,339
Oshchadbank, No.1372/31/2	UAH	4,583,333	4,583,333
Ukreximbank, No.20-1KV0016	UAH	3,666,000	3,666,000
Ministry of Finance of Ukraine, No.24668-UA	EUR	2,971,876	3,075,100
Ministry of Finance of Ukraine, No.FIN 31.143 SEPARIS No.20090117	EUR	2,590,158	2,546,097
Ministry of Finance of Ukraine, No.4868-UA	USD	2,573,936	3,017,880
Ministry of Finance of Ukraine, No.27406	EUR	2,505,550	2,133,703
European Investment Bank, № 87.554	EUR	2,110,395	1,947,550
Ministry of Finance of Ukraine, No.40147-UA	EUR	1,523,496	1,707,146
Ministry of Finance of Ukraine, No.TF017661	USD	1,516,764	453,936
Oshchadbank, No.1427/31/2	USD	1,228,731	1,182,994
KfW, No.2016.6520.7	EUR	1,128,492	-
Ukrigasbank, No.20-K/20-VIP	UAH	865,885	989,583
Ministry of Finance of Ukraine, No.2006 66 537	EUR	605,393	558,679
<b>Total loans</b>		<b><u>46,440,688</u></b>	<b><u>37,135,244</u></b>
Eurobonds 2028	USD	10,374,481	6,370,082
<b>Total loans and borrowings</b>		<b><u>56,815,169</u></b>	<b><u>43,505,326</u></b>

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

## NOTES TO THE ANNUAL SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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

As of 31 December 2023 and 2022 accounts payable for interests accrued on loans amounted to UAH 1,005,627 and UAH 591,769 thousand respectively.

### 9. TRADE ACCOUNTS PAYABLE

	<b>31 December 2023</b>	<b>31 December 2022</b>
Services to increase share of electricity production from alternative sources (PSO RES)	32,314,603	14,999,496
Balancing electricity	15,778,497	12,234,913
Electricity to settle imbalances	5,741,754	4,694,941
Acquisition, construction, modernization, reconstruction of non-current assets	832,800	1,158,102
Electricity from cross-border flows	744,511	2,971,603
Auxiliary services (frequency and active power management)	471,155	9,523,368
Curtailment of RES production	118,294	2,591,691
Electricity to obtain emergency assistance	71,726	-
Other goods, works, services	239,126	158,945
<b>Total</b>	<b><u>56,312,466</u></b>	<b><u>48,333,059</u></b>

### 10. ADVANCES RECEIVED

	<b>31 December 2023</b>	<b>31 December 2022</b>
Electricity transmission services	212,619	344,469
Electricity to settle imbalances	162,092	50,891
Dispatch (operational and technological) control services	94,573	44,294
Services on granting access to the transmission capacity of interstate power networks	208	208
Other goods, works, services	1,485	3,535
<b>Total</b>	<b><u>470,977</u></b>	<b><u>443,397</u></b>

### 11. OTHER CURRENT LIABILITIES

	<b>31 December 2023</b>	<b>31 December 2022</b>
Financial guarantees of electricity market participants	1,485,587	723,450
Accrued interest on loans	1,005,627	591,769
Other liabilities	39,787	36,048
<b>Total</b>	<b><u>2,531,001</u></b>	<b><u>1,351,267</u></b>

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

**NOTES TO THE ANNUAL SEPARATE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

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

**12. REVENUE**

	<u>2023</u>	<u>2022</u>
Revenue on rendering of electricity transmission services and connection to electricity transmission system	42,543,839	34,911,208
Revenue on electricity sales on the balancing market	21,699,751	25,414,761
Revenue on the sales of dispatch (operational and technological) control services	16,318,563	12,767,592
Revenue on electricity sales from cross-border flows	2,198,312	3,029,359
Revenue on granting access to the transmission capacity of interstate power networks	131,091	6,044,874
Revenue on sales of reactive energy	35,002	41,264
Revenue on electricity sales to provide emergency assistance	10,483	121,429
<b>Total</b>	<b><u>82,937,041</u></b>	<b><u>82,330,487</u></b>

**13. COST OF SALES**

	<u>2023</u>	<u>2022</u>
Procurement of services to increase share of electricity production from alternative sources (PSO RES)	25,430,018	15,838,123
Procurement of electricity on the balancing market	18,754,634	22,344,169
Procurement of electricity to compensate technological losses	9,252,977	8,261,094
Procurement of auxiliary services (frequency and active power management)	6,144,249	18,955,685
Depreciation and amortization	2,820,631	3,094,689
Staff costs	2,609,573	2,580,285
Procurement of electricity from cross-border flows	2,312,358	3,005,728
Curtailement of RES production	2,004,001	5,066,700
Repairs and maintenance	807,310	430,207
Social charges	537,230	524,549
Procurement of electricity to obtain emergency assistance	375,844	82,606
Security expenses	311,330	310,608
Information and consulting services	165,699	110,340
Energy expenses for own consumption	77,287	74,026
Procurement of services to ensure the uninterrupted functioning of "last hope" supplier	53,620	32,726
Other expense	251,185	161,636
<b>Total</b>	<b><u>71,907,946</u></b>	<b><u>80,873,171</u></b>

**14. ADMINISTRATIVE EXPENSES**

	<u>2023</u>	<u>2022</u>
Staff costs	587,312	518,763
Court fees	229,028	85,003
Social charges	99,810	83,225
Legal, audit and other expert services	72,979	23,421
Expenses for maintenance of NEURC	35,261	34,182
Depreciation and amortization	25,976	21,117
Information and consulting services	12,552	10,334
Other costs	38,950	16,119
<b>Total</b>	<b><u>1,101,868</u></b>	<b><u>792,164</u></b>

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

**NOTES TO THE ANNUAL SEPARATE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

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

**15. OTHER OPERATING EXPENSES**

	<u>2023</u>	<u>2022</u>
Impairment of financial assets, net	982,571	10,509,598
Fines, penalties, forfeitures recognized	832,970	135,082
Contributions to labor union	249,884	19,910
Staff costs	66,217	67,428
Membership fees	54,785	32,228
Consulting services at the expense of grant funds	37,308	34,661
Insurance expenses	33,201	27,330
Liquidation of non-current assets	28,446	-
Social charges	26,363	34,127
Depreciation and amortization	1,928	2,090
Impairment of inventories	90	25,276
Impairment of property, plant and equipment and intangible assets, net	-	4,093,998
Changes in regulatory assets and regulatory liabilities, net	-	1,385,109
Change in allowance for impairment of prepayments, net	-	32,933
Assets transferred free of charge as humanitarian aid	-	24,074
Change in allowance for litigation provision, net	-	(2,558)
Other costs	82,168	125,731
<b>Total</b>	<b><u>2,395,931</u></b>	<b><u>16,547,017</u></b>

**16. FINANCE INCOME**

	<u>2023</u>	<u>2022</u>
Income from interest on current bank accounts	526,193	491,742
Income from amortization of discount	126,225	113,834
Income from discount on long-term liabilities	141	3,027
Income from amortization of long-term debt discount	125	149
Gain from the modification of issued bonds	-	25,213,404
<b>Total</b>	<b><u>652,684</u></b>	<b><u>25,822,156</u></b>

**17. FINANCE COSTS**

	<u>2023</u>	<u>2022</u>
Interest expense on bonds	3,629,140	2,243,734
Interest expense on loans	4,250,028	2,787,626
Capitalized borrowing costs	(394,658)	(285,438)
Foreign exchange loss, net	2,683,932	12,875,076
Interest expense on defined benefit obligations	88,703	80,994
Interest on discount amortization of non-current liabilities	1,846	15,077
Interest expense on lease obligations	502	977
Discount costs on initial recognition of loans provided	-	240,059
Other finance expenses	16,482	3,941
<b>Total</b>	<b><u>10,275,975</u></b>	<b><u>17,962,046</u></b>

\_\_\_\_\_  
O.I. Skrypnyk  
Acting CFO

\_\_\_\_\_  
N.M. Serdiuk,  
Chief Accountant