



# STRATEGIC REPORT

# MACROECONOMIC AND INDUSTRY REVIEW, MARKET SHARE

## MACROECONOMIC AND INDUSTRY REVIEW

According to the Russian Ministry of Economic Development, the global economic situation remained complex throughout 2024. Despite easing monetary policies by the central banks worldwide, interest rates remained relatively high, as inflation slowed more gradually than initially anticipated and remained above target levels. Looking ahead to 2027, there is no expectation of accelerated global economic growth, primarily due to the stagnation of growth in developing economies. Global economic growth is projected to stabilize at around 3% per year, with developed countries growing at 1.8% annually and developing countries at 4% annually.

The main drivers of Russia's economic growth in 2024 were the industries of the real sector, primarily the manufacturing industry, with the machine-building complex making the main

positive contribution. Consistent growth, as in the previous year, was observed in construction and agriculture. A stable situation in the labor market and an increase in real disposable income had a positive impact on the recovery of consumer activity.

According to the 2025-2027 socio-economic development outlook, the main driver of economic growth will be domestic demand, both consumer and investment, to be satisfied through the development of a supply-side economy and the consistent achievement of the targets stipulated by the President's Decree<sup>1</sup>. In 2025, taking into account the tight monetary conditions of 2024, inflation is expected to be at 4.5% YoY (at the end of 2025). From 2026, inflation will reach the target level of 4.0%.

### Updated forecast of the Bank of Russia on macroeconomic fundamentals for 2025-2027 (market consensus based on the December 2024 polling of market insiders)\*\*

Indicator	2023 actual	2024	2025	2026	2027
CPI, %, YoY	7.4	9.2	6.0	4.5	4.0
Key rate, % p.a., year average, non-working days included	9.9	17.5	21.3	14.6	10.4
GDP, %, YoY	3.6	3.8	1.5	1.7	1.9

## DEMAND OUTLOOK FOR 2025-2027

### Electricity demand outlook in the Company's areas of service for 2025-2027, billion kW-h

Energy system	2024E	2025F	2026F	2027F
Perm region	25,128.0	25,865.0	26,734.0	27,248.0
Sverdlovsk region	43,522.0	45,140.0	46,016.0	46,806.0
Chelyabinsk region	39,001.0	39,976.0	41,170.0	41,364.0
Total	107,651.0	110,981.0	113,920.0	115,418.0

Source: Scheme and program of the UES of Russia's development for 2025-2030<sup>2</sup>

Forecast changes of consumption in the Perm region are due to the following factors:

- development of current industrial consumers (the largest growth is expected in metallurgy, chemical and building components industries)
- increased consumption by railroad transportation
- increased residential construction and grown residential consumption

Forecast changes of consumption in the Sverdlovsk region are due to the following factors:

- development of current manufacturing enterprises (the largest growth is expected in metallurgy and machine-building industry)
- increased residential construction and grown residential consumption

Forecast changes of consumption in the Chelyabinsk region are due to the following factors:

- development of current manufacturing enterprises (the largest growth is expected in metallurgy)
- grown residential consumption

\* [https://economy.gov.ru/material/directions/makroec/prognozy\\_socialno\\_ekonomicheskogo\\_razvitiya/](https://economy.gov.ru/material/directions/makroec/prognozy_socialno_ekonomicheskogo_razvitiya/)

\*\* Source: [https://cbr.ru/statistics/ddkp/mo\\_br/](https://cbr.ru/statistics/ddkp/mo_br/)





## PRICING AND TARIFFS IN THE ENERGY SECTOR FOR 2025-2027

According to the 2025-2027 socio-economic development outlook, the mid-term indexation of transmission tariffs for consumers shall total 11.6% in 2025, 6.3% in 2026 and 4.1% in 2027. The indexation of regulated residential tariffs shall total 12.6% in 2025, 5.2% in 2026 and 4.0% in 2027. The above-mentioned indexation does not consider standalone decisions of the Government, made to eliminate local imbalances in standalone regions, decisions of the Russian Federal Antimonopoly Service on approval of agreements on regulated operations and decisions of the Russian Federal Antimonopoly Service on approval of regional regulators' statements on tariffs different from the ones, established by the Russian Federal Antimonopoly Service.

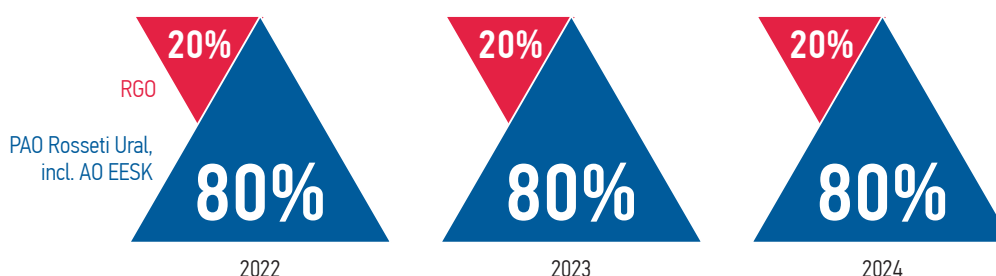
### Forecasts on changes of electricity tariffs in 2025-2027

Type of change	2024E	2025F	2026F	2027F
Indexation of tariffs for all consumer categories	9.1% 01 July	11.6% 01 July	6.3% 01 July	4.1% 01 July
Indexation of tariffs for residential sector	8.9% 01 July	12.6% 01 July	5.2% 01 July	4.0% 01 July

Source: Outlook of the socio-economic development of the Russian Federation for 2025 and 2026-2027 (Ministry of Economic Development), <https://economy.gov.ru/>

## COMPANY'S MARKET SHARE

PAO Rosseti Urals renders services to customers across the Perm, Sverdlovsk and Chelyabinsk regions. The Company is a natural monopoly with state-regulated electricity transmission and connection tariffs. The area of service is also abundant in other regional grid operators transmitting electricity mainly through low- and medium-voltage networks. In 2024, the Company's GRR-based share of the electricity transmission market totaled 80% (incl. AO EESK), RGOs' share being 20%.



In 2024, revisions to the Federal Law on Energy Sector and standalone regulatory documents introduced the notion of a systemically important regional grid operator. With the SIRGO status assigned, the Company actively implements clauses of the above-mentioned regulatory documents, thus increasing the GRR-based market share by 2% in the early 2025 to total 82%. The Company's GRR-based market share is expected to grow, as SIRGO activities are further implemented in the Company's area of presence.