GROUP OF COMPANIES «SEGEZHA» PUBLIC JOINT STOCK COMPANY

Interim Condensed Consolidated Financial Statements for the Six Months Ended 30 June 2025
(unaudited)

SEGEZHA GROUP PJSC

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REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

To the shareholders and the Board of Directors of Group of Companies "Segezha" Public Joint Stock Company

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Group of Companies "Segezha" Public Joint Stock Company and its subsidiaries as of 30 June 2025 and the related interim condensed consolidated statements of profit and loss and other comprehensive income, changes in equity and cash flows for the six months then ended, and selected explanatory notes. Management is responsible for the preparation and presentation of this interim condensed consolidated financial statements in accordance with International Accounting Standard ("IAS") 34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on this 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 the interim financial information 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 are not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting*.

Anton Kochetkov
Engagement partner
AO "Business Solutions and Technologies"
(ORNZ № 12006020384)

28 August 2025

SEGEZHA GROUP PJSC

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
(unaudited)
(in millions of Russian Rubles)

	Notes	For the six months ended 30 June 2025	For the six months ended 30 June 2024
Revenue	4	44,835	48,925
Operating expenses:			
Cost of goods sold		(36,629)	(36,495)
Selling and administrative expenses		(14,545)	(14,393)
Expenses recognised on reorganisation of 'Wood working' segment	5	(5,574)	-
Other operating income, net		1,625	746
Operating loss		**(10,288)**	**(1,217)**
Interest income	6	873	1,105
Interest expense	6	(15,834)	(11,661)
Other finance (expenses)/income, net	6	(1,560)	1,095
Foreign exchange differences, net		368	(588)
Loss before tax		**(26,441)**	**(11,266)**
Income tax	7	4,676	1,772
Net loss and total comprehensive loss for the period		**(21,765)**	**(9,494)**
Net loss and total comprehensive loss attributable to:			
Shareholders of Segezha Group PJSC		(21,731)	(9,473)
Non-controlling interests		(34)	(21)
		(21,765)	**(9,494)**
Loss per share for loss attributable to the ordinary equity holders of the Company (in Russian Rubles)	12	(0.94)	(0.61)

Kirill Arsentyev
President

Dmitry Muz
Vice-President for Finance and Investments

28 August 2025

The accompanying notes on pages 6 - 17 are an integral part of these interim condensed consolidated financial statements.

SEGEZHA GROUP PJSC

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(unaudited)

(in millions of Russian Rubles)

	Notes	30 June 2025	31 December 2024
ASSETS			
NON-CURRENT ASSETS:			
Property, plant and equipment	8	73,597	80,611
Right-of-use assets	17	44,103	46,649
Intangible assets		4,694	5,133
Goodwill		444	444
Investments in joint ventures and associates		414	414
Deferred tax assets	7	12,570	8,446
Prepayments for non-current assets		830	1,650
Other non-current assets	9	14,985	16,430
Total non-current assets		**151,637**	**159,777**
CURRENT ASSETS:			
Inventories		24,670	23,332
Trade and other receivables and deferred expenses on delivery of finished goods		10,544	12,444
VAT reimbursable and taxes receivable		2,367	2,937
Income tax receivable		108	123
Advances and other current assets		3,454	3,300
Cash and cash equivalents		3,923	4,641
Total current assets		**45,066**	**46,777**
Assets classified as held for sale	10	2,137	-
TOTAL ASSETS		**198,840**	**206,554**
EQUITY AND LIABILITIES			
EQUITY:			
Share capital	11	7,845	1,569
Additional paid-in capital	11	116,179	35,122
Accumulated deficit		(57,240)	(35,494)
Accumulated other comprehensive loss		(101)	(101)
Equity attributable to the shareholders of Segezha Group PJSC		**66,683**	**1,096**
Non-controlling interest		(42)	(12)
Total equity		**66,641**	**1,084**
NON-CURRENT LIABILITIES:			
Loans and borrowings	13	42,183	89,498
Lease liabilities	17	8,858	10,554
Deferred tax liabilities	7	4,813	5,659
Other non-current liabilities		2,464	3,712
Total non-current liabilities		**58,318**	**109,423**
CURRENT LIABILITIES:			
Loans and borrowings	13	19,793	62,923
Liabilities related to option agreements	11	26,060	-
Trade and other payables	14	17,453	24,076
Lease liabilities	17	2,897	2,779
Provisions		2,471	1,467
Taxes payable		2,422	2,112
Income tax payable		12	15
Dividends payable		229	229
Advances received		2,218	2,446
Total current liabilities		**73,555**	**96,047**
Liabilities associated with assets classified as held for sale	10	326	-
TOTAL EQUITY AND LIABILITIES		**198,840**	**206,554**

Kirill Arsentyev
President

Dmitry Muz
Vice-President for Finance and Investments

28 August 2025

The accompanying notes on pages 6 - 17 are an integral part of these interim condensed consolidated financial statements.

SEGEZHA GROUP PJSC

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(unaudited)
(in millions of Russian Rubles)

	Notes	Share capital	Additional paid-in capital	Accumulated deficit	Accumulated other comprehensive loss	Equity attributable to shareholders of PJSC Segezha Group	Non-controlling interests	Total equity
31 December 2023		**1,569**	**35,122**	**(13,245)**	**(101)**	**23,345**	**19**	**23,364**
Net loss and total comprehensive loss for the period		-	-	(9,473)	-	**(9,473)**	(21)	**(9,494)**
30 June 2024		**1,569**	**35,122**	**(22,718)**	**(101)**	**13,872**	**(2)**	**13,870**
31 December 2024		**1,569**	**35,122**	(35,494)	(101)	**1,096**	(12)	**1,084**
Net loss and total comprehensive loss for the period		-	-	(21,731)	-	**(21,731)**	(34)	**(21,765)**
Issue of shares	11	6,276	81,057	-	-	**87,333**	-	**87,333**
Buy-back of non-controlling interest		-	-	(15)	-	**(15)**	4	**(11)**
30 June 2025		**7,845**	**116,179**	**(57,240)**	**(101)**	**66,683**	**(42)**	**66,641**

The accompanying notes on pages 6 - 17 are an integral part of these consolidated financial statements.

SEGEZHA GROUP PJSC

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(unaudited)
(in millions of Russian Rubles)

	Notes	For the six months ended 30 June 2025	For the six months ended 30 June 2024*
Cash flows from operating activities:			
Net loss for the period		**(21,765)**	**(9,494)**
Adjustments for:			
Depreciation and amortisation		7,332	6,955
Interest income recognised in profit and loss	6	(873)	(1,105)
Interest expense recognised in profit and loss	6	15,834	11,661
Other finance expenses/(income), net	6	1,560	(1,095)
Income tax recognised in profit and loss		(4,676)	(1,772)
Change in allowance for expected credit losses		181	231
Foreign exchange differences, net		(368)	588
Expenses recognised on reorganisation of 'Wood working' segment	5	5,574	-
Other adjustments		(1,374)	23
		1,425	**5,992**
Movements in working capital:			
Decrease/(increase) in trade and other receivables		19	(9,299)
Increase in inventories		(3,473)	(3,100)
Increase in other assets		(707)	(844)
(Decrease)/increase in trade and other payables		(1,928)	701
Increase/(decrease) in other liabilities		409	(1,136)
Cash used in operating activities		**(4,255)**	**(7,686)**
Interest paid		(14,565)	(8,042)
Income taxes paid		(229)	(181)
Net cash used in operating activities		**(19,049)**	**(15,909)**
Cash flows from investing activities			
Payments for property, plant and equipment and intangible assets		(2,863)	(4,374)
Loans issued to joint venture	16	-	(565)
Repayment of loans issued to related parties	16	-	4,489
Interest received		274	467
Advance received on disposal of subsidiary	10	500	-
Other movements		-	9
Net cash (used in)/generated from investing activities		**(2,089)**	**26**
Cash flows from financing activities			
Proceeds from issue of shares	11	51,012	-
Proceeds from loans and borrowings		49,459	32,821
Proceeds from bonds and digital financial assets		10,000	12,200
Repayment of principal of loans and borrowings		(64,223)	(12,887)
Repayment of bonds and digital financial assets		(25,545)	(23,202)
Lease liability payments		(107)	(428)
Net cash generated from financing activities		**20,596**	**8,504**
Net decrease in cash and cash equivalents		(542)	(7,379)
Cash and cash equivalents at the beginning of the period		**4,641**	**10,656**
Effect of exchange rate changes on cash held in foreign currencies		(176)	14
Cash and cash equivalents at the end of the period		**3,923**	**3,291**

** Comparative information for the six months ended 30 June 2024 has been re-presented to disclose reclassification of RUB 526 million of capital expenditures from operating to investing activities.*

1. GENERAL INFORMATION

Group of Companies «Segezha» Public Joint Stock Company (hereinafter, PJSC "Segezha Group" or the "Company" or jointly with its subsidiaries – «Segezha Group» or the «Group») is a vertically integrated timber holding company with full-cycle logging and value-added wood conversion. The Group operates timber, woodworking, pulp and paper companies, as well as paper packaging producers.

Group of Companies «Segezha» Public Joint Stock Company was incorporated in the Russian Federation ("RF") on 28 December 2020 (before 7 April 2021 Group of Companies "Segezha" Joint Stock Company). The Company is a legal successor of Group of Companies Segezha LLC (before 12 May 2016 – LesInvest LLC). The Company has a registered office 15, level 45, at 10 Presnenskaya Naberezhnaya, Moscow.

During the six months ended 30 June 2025, no significant changes in the ownership structure occurred as a result of the additional issue of shares of the Company (Note 11).

Significant companies of the Group, their shares of ownership, location and principal activities presented in the annual consolidated financial statements for 2024 remained unchanged.

2. BASIS OF PREPARATION

These interim condensed consolidated financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting* and should be read in conjunction with the Group's last audited annual consolidated financial statements as at and for the year ended 31 December 2024 ('annual consolidated financial statements for 2024').

These financial statements do not include the information and explanatory notes which are to be disclosed in the annual consolidated financial statements. The Group omitted disclosures which would substantially duplicate the information contained in its audited annual consolidated financial statements for 2024 prepared in accordance with International Financial Reporting Standards ("IFRS"), such as accounting policies and details of accounts, which remain significantly unchanged in their amount or structure.

These interim condensed consolidated financial statements of the Group for six months ended 30 June 2025 were approved by management on 28 August 2025.

Going concern assumption

Management has prepared these interim condensed consolidated financial statements on a going concern basis. This judgment has been made by management based on the Group's financial position, current plans, profitability of operations and availability of financial resources, as well as the impact of recent macroeconomic factors and management's actions on the future operations of the Group.

As at 30 June 2025, current liabilities exceeded the Group's current assets by RUB 28,489 million (31 December 2024: current liabilities exceeded current assets by RUB 49,270 million), net loss for the six months ended 30 June 2025 amounted to RUB 21,765 million (2024: RUB 9,494 million) and negative cash flow from operating activities amounted to RUB 19,049 million (2024: RUB 15,909 million). The Group's net assets increased from RUB 1,084 to RUB 66,949 during the six months ended 30 June 2025. As at 30 June 2025, the Group's Net debt (loans and borrowings less cash and cash equivalents) amounted to RUB 58,053 million. In order to assess the Group's ability to continue on a going concern basis, the Group's management reviewed the financial position and future cash flows and profitability of the Group, and also assessed available sources of refinancing of the current credit portfolio. Following the additional share issue conducted as part of the credit portfolio restructuring (Note 11), the Group expects a significant reduction in the amount of future interest expenses and payments, which will result in a positive impact on the Group's financial results and its operating cash flow.

At the same time, as at 30 June 2025, current liabilities include RUB 26,060 million of liabilities related to option agreements concluded with a number of external investors who participated in the additional issue of shares as part of the Group's loan portfolio restructuring. Management expects that these liabilities will be reclassified to non-current liabilities before the end of 2025, following the finalisation of the documentary execution of the agreements concluded with investors since the options will not expire before 2028. However, if external investors are able to sell securities at a minimum yield, these options will not be exercised (obligations will not need to be fulfilled).

As at 30 June 2025, the Group has unused credit facilities for a total amount of RUB 5,000 million. In addition, on 8 August 2025 the Group issued corporate bonds for a total amount of RUB 7,000 million with fixed coupon rate of 23.5% p.a. and maturity date on 25 January 2028 and on 27 August 2025 the Group issued currency denominated corporate bonds for a total amount of CNY 650 million with fixed coupon rate of 13.0% p.a. and maturity date on 18 February 2027.

Based on the results of the analysis, management believes that the Group will continue as a going concern for the foreseeable future.

3. SIGNIFICANT ACCOUNTING POLICIES, JUDGMENTS, ESTIMATES AND ASSUMPTIONS

In preparing these interim condensed consolidated financial statements, the Group applied the same accounting principles and method of computation used in preparing the annual consolidated financial statements for 2024 except for judgements related to the estimated annual income tax rate used for income tax calculation and accounting for compound financial instruments according to IAS 32 'Financial instruments: Presentation' and IFRS 9 'Financial instruments'. None of the amendments and interpretations of the standards effective from 1 January 2025 had a material effect on these interim condensed consolidated financial statements of the Group.

4. OPERATING SEGMENTS

Operating segments are components that engage in business activities from which they may earn revenues and incur expenses. The Chief Operating Decision Maker (CODM) is responsible for the regular analysis of segment performance, with financial information provided for operating segments. The CODM function is the responsibility of the Management Board, led by the President of the Group.

In the second half of 2024, the Group changed its management structure and separated assets that provide wood raw materials to other segments into a separate operating segment 'Forestry management'. In addition, 'Plywood and boards' segment and 'Laminated wood products' segment were merged and formed a combined segment 'Plywood, boards and laminated wood products'. The presentation structure for operating segments' financial information was changed accordingly.

- ***Paper and packaging*** segment is engaged in the production and sale of sack kraft paper and artificial parchment produced from northern unbleached softwood kraft. The segment also offers the whole range of brown sack paper, as well as industrial paper sacks for a wide range of industries, such as cement, building, food, agriculture and chemicals, and retail paper bags;
- ***Wood working*** segment is engaged in the production of high-quality northern softwood sawn timber and wood chips. Sawn timber is used in construction, manufacturing of furniture blanks, glued timber structures, as well as wooden containers and packaging;
- ***Plywood, boards and laminated wood products*** segment includes two subdivisions, each of which is not individually identified as separate operating segment:
  - ***Plywood and boards*** subdivision is engaged in the production of high-tech birch plywood of various types, dry process wood fibreboards ("fibreboards") and RUF fuel briquettes. Plywood is then used in construction, furniture manufacturing, transportation and packaging. Fibreboards are used in the manufacture of doors, wall coverings and floorings, moldings and furniture;

(in millions of Russian Rubles, unless otherwise indicated)

  - ***Laminated wood products*** subdivision is engaged in the production of glued laminated timber, glulam-based home kits and cross-laminated timber (CLT panels) that are used in the construction of wooden houses and multi-story buildings;
- ***Forestry management*** segment is engaged in the procurement of wood raw materials to ensure the continuous operation of the Group's production segments.

For the purpose of presentation, operating segments are reported without aggregation. The '*Other*' group includes companies that are not operating segments, i.e. management and holding companies.

The CODM analyses IFRS financial information, adjusted based on the internal reporting requirements. Segment operation results are assessed based on adjusted OIBDA (operating profit before depreciation and amortisation and impairment) indicator. Assets and liabilities by segment are not reported to the CODM on a regular basis.

The Group's financial transactions (including finance costs, finance income, and other income) and income taxes are treated with regards to the Group as a whole, without allocation to operating segments.

The following is an analysis of revenue and OIBDA by reportable segments for the six months ended 30 June 2025:

	Revenue			
	Total	**Elimination of intersegment operations**	**From external customers**	**OIBDA**
Paper and packaging	17,432	(8)	17,424	2,929
Wood working	19,026	(206)	18,820	(1,271)
Plywood, boards and laminated wood products, including:	6,576	(111)	6,465	942
Plywood and boards	*4,030*	-	*4,030*	*449*
Laminated wood products	*2,546*	*(111)*	*2,435*	*493*
Forestry management	15,101	(13,020)	2,081	677
Other	3,104	(3,059)	45	(659)
Total	**61,239**	**(16,404)**	**44,835**	**2,618**

The following is an analysis of revenue and OIBDA by reportable segments for the six months ended 30 June 2024 (comparative information has been re-presented for comparable disclosure of segments structure):

	Revenue			
	Total	**Elimination of intersegment operations**	**From external customers**	**OIBDA**
Paper and packaging	18,216	(3)	18,213	4,917
Wood working	21,118	(196)	20,922	1,328
Plywood, boards and laminated wood products, including:	8,099	(111)	7,988	2,091
Plywood and boards	*5,339*	-	*5,339*	*1,172*
Laminated wood products	*2,760*	*(111)*	*2,649*	*919*
Forestry management	14,996	(13,373)	1,623	(326)
Other	2,911	(2,732)	179	(2,272)
Total	**65,340**	**(16,415)**	**48,925**	**5,738**

(in millions of Russian Rubles, unless otherwise indicated)

Below is the reconciliation of segment OIBDA and consolidated operating loss and the Group's loss before tax for the six months ended 30 June 2025 and 2024:

	2025	2024
OIBDA, adjusted for one-off effect of reorganisation	**2,618**	**5,738**
Depreciation and amortisation	(7,332)	(6,955)
Expenses recognised on reorganisation of 'Wood working' segment (Note 5)	(5,574)	-
Operating loss	**(10,288)**	**(1,217)**
Interest income	873	1,105
Interest expense	(15,834)	(11,661)
Other finance (expenses)/income, net	(1,560)	1,095
Foreign exchange differences, net	368	(588)
Loss before tax	**(26,441)**	**(11,266)**

The consolidated financial results of the Group historically were not exposed to material seasonal fluctuations.

5. EXPENSES RECOGNISED ON REORGANISATION OF 'WOOD WORKING' SEGMENT

During the six months ended 30 June 2025, the Group's management performed reorganisation of 'Wood working' segment's operations, as a result of which, among other actions, a decision was made for temporary closing-down of one of the Group's timber processing plants. As result of reorganisation, the Group recognised impairment in respect of current and non-current assets and accrued provision for employee compensations:

	2025	2024
Impairment of non-current assets	3,581	-
Impairment of current assets	1,740	-
Recognition of employee compensations provisions	253	-
Total	**5,574**	**-**

6. FINANCE INCOME AND EXPENSES, NET

Below is the analysis of finance income and expenses for the six months ended 30 June 2025 and 2024:

	2025	2024
Interest income	873	1,105
Interest expense		
Interest expense on loans and borrowings	(13,917)	(10,298)
Interest expense on lease liabilities	(1,376)	(1,222)
Interest expense on other liabilities	(541)	(141)
	(15,834)	**(11,661)**
Other finance (expenses)/income		
Adjustment to carrying value of financial instruments accounted at amortised cost on modification of terms	(474)	-
Recognition/change of financial liabilities accounted at fair value	(298)	(725)
Income on early repayment of loans issued	-	1,761
Other finance expenses, net	(788)	59
	(1,560)	**1,095**
Finance expenses, net	**(16,521)**	**(9,461)**

(in millions of Russian Rubles, unless otherwise indicated)

7. INCOME TAX

The Group calculates income tax expense for the period using the annual tax rate applicable to the expected comprehensive income for the year. The major components of income tax expense in the interim condensed consolidated statement of profit and loss and other comprehensive income for the six months ended 30 June 2025 and 2024 are as follows:

	2025	2024
Income tax		
Current income tax expense	(274)	(328)
Prior period adjustments	34	20
	(240)	**(308)**
Deferred tax	4,916	2,080
Total income tax	**4,676**	**1,772**

The effective tax rate reconciliation for the six months ended 30 June 2025 and 2024 is presented below:

	2025	2024
Loss before tax	**(26,441)**	**(11,266)**
Theoretical income tax at the rate of 25% (2024: 20%)	6,610	2,253
Tax effect of expenses recognised on reorganisation of 'Wood working' segment (Note 5)	(1,349)	-
Non-deductible expenses, net	(93)	(277)
Effect of tax rate other than the rate of 25% (2024: 20%)	19	17
Prior period adjustments	34	20
Change in unrecognized deferred tax assets	(545)	(241)
Total income tax recognised in the current period	**4,676**	**1,772**

The Russian statutory income tax common rate for year 2024 was 20%. On 12 July 2024, Federal Law 176-FZ was issued which provides an increase in the income tax common rate from 20% to 25% since 1 January 2025.

Deferred tax

As at 30 June 2025 and 31 December 2024, deferred tax assets and liabilities recognised by the Group in the interim condensed consolidated statement of financial position comprised:

	30 June 2025	31 December 2024
Deferred tax assets	12,570	8,446
Deferred tax liabilities	(4,813)	(5,659)
Total, net	**7,757**	**2,787**

The Group does not recognise deferred tax assets related to the tax losses of subsidiaries which do not have sufficient taxable temporary differences and there is no convincing evidence that sufficient taxable profit will be received against which the tax losses can be utilised. At each reporting date, the Group performs a recoverability analysis in respect of deferred tax assets based on estimated future cash flows. The approaches and assumptions used to assess estimated future cash flows are consistent with those used for impairment test of non-current assets (Note 8). The Group expects that future operating results will be sufficient to recover deferred tax assets within period of 3-8 years.

8. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2025, the Group acquired assets with total initial cost of RUB 2,661 million (six months ended 30 June 2024: RUB 6,715 million, including acquisition of 100% stakes in companies owning a fleet of imported logging and timber transport equipment for the amount of RUB 3,461 million accounted as an acquisition of assets).

(in millions of Russian Rubles, unless otherwise indicated)

In 2025, due to geopolitical and economic factors affecting the Group's active markets and high level of the Central Bank of Russia key rate, the Group identified impairment indicators in relation to non-current assets of 'Forestry management' and 'Wood working' segments located in Siberian part of Russia and forming CGU 'Forestry management and wood working – Siberia'; CGU 'Paper' representing non-current assets of 'Paper and packaging' segment engaged in paper production; and CGUs 'Plywood' and 'Laminated wood products' representing non-current assets of subdivisions of 'Plywood, boards and laminated wood products' segment. Production capacities of the closed-down timber processing plant located were excluded from CGU 'Forestry management and wood working – Siberia' for the purpose of the impairment test as carrying value of its non-current assets had been impaired in full amount (Note 5).

The methodology and key assumption used for cash flow forecast for periods after 30 June 2025 do not differ materially from those used for impairment test performed as at 31 December 2024 except for the following:

- terminal growth rate used for valuation was 4.10%;
- post-tax discount rate was 19.33%;
- average Russian Ruble to US dollar exchange rate for 2026 – 97.5 RUB/USD, average Russian Ruble to Chinese yuan exchange rate for 2026 – 13.7 RUB/CNY with subsequent annual growth in the range of 2-5%.

The recoverable value assessed during impairment test for abovementioned CGUs exceeded their net book value as at 30 June 2025 by less than 5% for CGU 'Forestry management and wood working – Siberia', more than 100% for CGUs 'Paper' and 'Plywood' and more than 80% for CGU 'Laminated wood products'. It should be noted that discount rate used for calculation of the recoverable value is at a high level and the management expects it to decrease in future periods as evidenced by the Central Bank of Russia decisions to lower the key rate during June and July 2025. Thus, no impairment was identified during the impairment test performed.

No impairment indicators were identified in relation to other CGUs, fixed assets and properties in the course of construction.

As at 30 June 2025, the Group had contractual obligations to suppliers of machinery and equipment for the acquisition of assets in the total amount of RUB 6,679 million (31 December 2024: RUB 7,250 million).

9. OTHER NON-CURRENT ASSETS

Below is the analysis of other non-current assets as at 30 June 2025 and 31 December 2024:

	30 June 2025	**31 December 2024**
Loans issued	11,210	11,402
Interest receivable on loans issued	1,970	3,085
Other receivables	1,805	1,943
Total other non-current assets	**14,985**	**16,430**

10. ASSETS CLASSIFIED AS HELD FOR SALE AND ASOCIATED LIABILITIES

On 30 May 2025, the Group entered into agreement to sell 100% ownership in the subsidiary engaged in cargo transportation by river transport to a related party. The sale was completed on 9 July 2025 when control over the entity passed to the acquirer. Sale price amounted to RUB 646 million, advance payment of RUB 500 million was received by the Group in June 2025.
The proceeds of disposal exceeds the carrying amount of the related net assets and accordingly no impairment losses have been recognised on the classification of these operations as held for sale.

(in millions of Russian Rubles, unless otherwise indicated)

As at 30 June 2025, assets and liabilities of the entity being disposed of are disclosed separately within the interim condensed consolidated statement of financial position and include the following major categories:

	30 June 2025
Assets	
Property, plant and equipment	1,267
Inventories	550
Trade and other receivables	317
Other assets	87
Total assets	**2,221**
Less: intra-group balances	(84)
Total assets classified as held for sale	**2,137**
Liabilities	
Loans and borrowings	655
Trade and other payables	806
Other liabilities	203
Total liabilities	**1,664**
Less: intra-group balances	(1,338)
Total liabilities associated with assets classified as held for sale	**326**

11. SHARE CAPITAL AND ADDITIONAL PAID-IN CAPITAL

As at 30 June 2025 and 31 December 2024, the Company's share capital comprised:

	30 June 2025	**31 December 2024**
Registered and paid ordinary shares (million shares)	15,690	15,690
Unregistered and paid ordinary shares (million shares)	62,760	-
	78,450	**15,690**

All ordinary shares have a par value of RUB 0.1 and provide voting rights but do not guarantee dividend returns.

On 26 December 2024, a decision to increase the Company's share capital through issue of 62,760 million of ordinary shares with a placement value of RUB 1.8 per ordinary share was approved by the general shareholders' meeting. The share issue was executed through closed subscription between the Company's key shareholder and a number of external investors. Additional share issue was registered by the Central bank of Russia on 27 February 2025, the placement started on 4 March and ended on 2 June 2025. All issued shares were distributed among shareholders with corresponding changes made to the depository accounts. State registration of the results of the placement of the additional issue has been completed on 14 July 2025.

Total capital increase of RUB 87,333 million was settled in cash for the amount of RUB 51,012 million and by offsetting counterclaims for the amount of RUB 36,321 million.

In addition, during the processes of additional shares issue and restructuring of the debt portfolio the Group concluded a number of option agreements providing a compensation of credit risk for a full placement value of shares acquired by an external investors. However, if external investors are able to sell securities at a minimum yield, these options will not be exercised. These option agreements were accounted for as equivalent to compound financial instruments in accordance with the requirements of IAS 32 and IFRS 9. Initial recognition of the liability component was assessed based on estimated cash flows using discount rate of 25% and subsequent measurement at amortised cost. As at 30 June 2025, these financial liabilities were recognised within non-current liabilities and amounted to RUB 26,060 million. There is no equity component in option agreements that is subject to classification as equity.

(in millions of Russian Rubles, unless otherwise indicated)

Documentation of the agreements reached with a number of external investors in respect of additional shares issue and debt portfolio restructuring was not finalised as at date of these financial statement. The Group expects that all procedures will be completed before the end of 2025.

Option agreements are secured with interests in three significant subsidiaries of the Group. In addition, a number of loans received by the Group from the key shareholder and its related party for a total face value of RUB 15,549 million as at 30 June 2025 are subordinated to the liabilities associated with option agreements and are due no earlier than 2033, including interests accrued.

12. LOSS PER SHARE

The calculation of the loss per share is based on the net income for the reporting period and a weighted average number of ordinary shares in circulation during the reporting period. The Group has no instruments with potential dilutive effect.

Loss per share for the six months ended 30 June 2025 and 2024 are presented below:

	2025	**2024**
Net loss attributable to shareholders of Segezha Group PJSC	(21,765)	(9,494)
Weighted average number of ordinary shares in circulation (million shares)	23,206	15,690
Loss per share for loss attributable to the ordinary equity holders of the Company (in Russian Rubles)	(0.94)	(0.61)

13. LOANS AND BORROWINGS

As at 30 June 2025 and 31 December 2024, loans and borrowings comprised:

		30 June 2025		**31 December 2024**	
	Currency	**Effective interest rate**	**Carrying amount**	**Effective interest rate**	**Carrying amount**
Short-term loans and borrowings					
Secured loans and borrowings	RUB	-	**-**	15.48%	**2,249**
Unsecured loans					
Short-term bank loans	RUB	23.00%	1,000	24.46%	39,044
Short-term bank loans	EUR	2.93%	2,436	3.55%	3,083
			3,436		**42,127**
Short-term portion of long-term corporate bonds and DFA					
Short-term portion of long-term corporate bonds and DFA	RUB	11.53%	10,885	11.01%	11,833
Short-term portion of long-term corporate bonds and DFA	CNY	4.16%	5,472	4.16%	6,714
			16,357		**18,547**
Long-term loans and borrowings					
Unsecured loans	RUB	18.88%	**20,363**	22.78%	**52,638**
Long-term corporate bonds and DFA	RUB	17.57%	**21,820**	16.58%	**36,860**
Total loans and borrowings			**61,976**		**152,421**

Assets pledged as security

As at 30 June 2025, the Group has no assets pledged under loan agreements and overdrafts. As at 31 December 2024, the Group pledged its stakes in three subsidiaries engaged in woodworking and forestry management and property, plant and equipment with the carrying value of RUB 2,173 million.

(in millions of Russian Rubles, unless otherwise indicated)

Covenants – as part of loan agreements, the Companies of the Group are subject to certain restrictive covenants, including the consolidated net debt to adjusted consolidated EBITDA ratio (profit before interest, foreign exchange differences, rental expenses, taxes and depreciation and amortisation, which is equivalent to OIBDA adjusted for IFRS 16 'Leases' lease payments) for the last twelve months, compliance with the limits to ownership interest by the Group's ultimate shareholder, with forestry regulations, and with the requirements for the maintenance of licenses and restrictions on making new borrowings (in excess of the set consolidated net debt to the adjusted consolidated EBITDA ratio), providing loans, guarantees, sureties to third parties, assets management (disposing of material assets), increasing of collateral.

If the Group fails to meet these covenants, creditors may request that debt become immediately due and payable. Certain loan agreements also impose controls with respect to cross defaults by the Group.

As at 30 June 2025, the Group has reclassified RUB 1,781 million (31 December 2024: RUB 2,048 million) of debt to a creditor from the unfriendly countries list (as defined by the Russian Government Directive No. 430-r dated 5 March 2022) from Long-term loans and borrowings to Short-term loans and borrowings due to the breach of covenants. As of the date of the issue of these financial statements the bank has not exercised its rights to impose penalties or to demand immediate repayment of the loan. The Group has no other breaches of covenants under bank credit agreements.

14. TRADE AND OTHER PAYABLES

Below is the analysis of trade and other payables as at 30 June 2025 and 31 December 2024:

	30 June 2025	31 December 2024
Trade payables	10,633	12,400
Wages and salaries	2,156	1,926
Interest payable	689	2,707
Other payables	3,975	7,043
Total trade and other payables	**17,453**	**24,076**

15. FAIR VALUE

The carrying amount of the Group's main financial assets and liabilities approximates their fair values, except for the following financial assets and liabilities:

	30 June 2025		31 December 2024	
	Carrying amount	Fair value	Carrying amount	Fair value
Loans issued and interest accrued(Level 3)	13,180	6,397	14,487	7,348
Long-term corporate bonds and DFA (Level 1)	21,820	19,722	36,860	29,380
Long-term loans and borrowings (Level 3)	20,363	11,299	52,638	48,131
Short-term corporate bonds and DFA (Level 1)	16,357	15,327	18,547	15,521

Fair value of financial assets and liabilities related to Level 3 of fair value hierarchy was measured using discounted cash flows applying historical interest rates for the funds borrowed close to the reporting date. As at 30 June 2025 and 31 December 2024, the Group used the following discount rates:

	30 June 2025	31 December 2024
RUB denominated loans issued	19.66%	23.35%
Currency denominated loans issued	0.57%	0.77%
Long-term loans and borrowings	26.00%	24.00%

(in millions of Russian Rubles, unless otherwise indicated)

16. RELATED PARTY TRANSACTIONS

Information on transactions between the Group and its related parties, which also includes shareholders of the Group, parties related to shareholders of the Group (companies under common control), joint ventures and associates of the Group, as well as members of the Board of Directors and key management personnel is given below.

During the six months ended 30 June 2025 and 2024, the companies in the Group entered into the following related party transactions recognised within the interim condensed consolidated statement of profit and loss and other comprehensive income:

	Six months ended			
	30 June 2025		30 June 2024	
	Income	Expenses	Income	Expenses
Parent company and its subsidiaries	769	3,049	2,038	1,391
Joint ventures and associates	783	2,442	612	1,466

Transactions with parent company and its subsidiaries are represented by finance income and expenses and purchases of electric power. Transactions with joint ventures and associates are represented by purchase of goods and services.

As at 30 June 2025 and 31 December 2024, the Group recognised the following outstanding balances with related parties within the interim condensed consolidated statement of financial position:

	30 June 2025		31 December 2024	
	Accounts receivable from related parties	Accounts payable to related parties	Accounts receivable from related parties	Accounts payable to related parties
Parent company and its subsidiaries	2,385	21,649	177	19,273
Joint ventures and associates	13,269	182	14,034	56

All related party balances are unsecured and will be settled in cash under normal terms except for the subordinated loan (Note 11). No guarantees have been given or received in relation to any related party balance.

Remuneration paid to members of the Board of Directors for the six months ended 30 June 2025 was RUB 16 million (six months ended 30 June 2024: RUB 18 million). Remuneration paid to key management personnel for the six months ended 30 June 2025 was RUB 179 million (six months ended 30 June 2024: RUB 260 million).

17. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The Group as lessee

As at 30 June 2025 and 2024, right-of-use assets comprised:

	Forest plots	Other	Total
At 31 December 2023	**50,292**	**2,394**	**52,686**
Additions/modification of lease agreements	(3,517)	444	**(3,073)**
Other additions	1,146	-	**1,146**
Depreciation	(1,235)	(508)	**(1,743)**
Disposals	(209)	(85)	**(294)**
At 30 June 2024	**46,477**	**2,245**	**48,722**

(in millions of Russian Rubles, unless otherwise indicated)

	Forest plots	Other	Total
At 31 December 2024	**45,083**	**1,566**	**46,649**
Additions/modification of lease agreements	(1,588)	210	**(1,378)**
Other additions	644	-	**644**
Depreciation	(1,308)	(377)	**(1,685)**
Impairment	-	(69)	**(69)**
Reclassified to assets classified as held for sale	-	(18)	**(18)**
Disposals	-	(40)	**(40)**
At 30 June 2025	**42,831**	**1,272**	**44,103**

The table below shows expenses recognised in the statement of profit and loss for the six months ended 30 June 2025 and 2024:

	2025	2024
Depreciation of right-of-use assets	1,685	1,743
Short-term lease expenses	4	30
Interest on lease liabilities	1,376	1,222
	3,065	**2,995**

The table below details changes in the liabilities arising from financial activities for the six months ended 30 June 2025 and 2024, including changes related to cash flows and other changes:

	2025	2024
Balance, beginning of the period	**13,333**	**17,938**
Lease liability payments	(1,483)	(1,651)
Non-cash changes, including:		
Conclusion/(disposal) and modification of lease agreements	(1,446)	(3,286)
Interest expense	1,376	1,222
Reclassified to liabilities associated with assets classified as held for sale	(25)	-
Foreign exchange differences	-	(3)
Balance, end of the period	**11,755**	**14,220**

18. CONTINGENT ASSETS AND LIABILITIES

No significant changes in contingent liabilities occurred during the six months ended 30 June 2025.

Operating environment

Emerging markets such as Russia are subject to different risks than more developed markets, including economic, political and social, and legal and legislative risks. Laws and regulations affecting businesses in Russia continue to change rapidly, tax and regulatory frameworks are subject to varying interpretations. The future economic direction of Russia is heavily influenced by the fiscal and monetary policies adopted by the government, together with developments in the legal, regulatory, and political environment. Because Russia produces and exports large volumes of oil and gas, its economy is particularly sensitive to the price of oil and gas on the world market.

Potential adverse effect of economic volatility and sanctions in Russia – In February 2022, the EU, US and UK and certain other counties have imposed significant new sanctions and export control on Russian and Belarus persons and entities. These sanctions resulted in reduced access of the Russian business to international capital and some export markets, volatility of the Russian Ruble, rise of inflation, decline in capital markets, restrictions targeting several major Russian financial institutions and Central Bank of Russian Federation, a number of companies and individuals, technology export controls and other negative economic consequences.

The risk that any Group member, or individuals holding positions within the Group as well as its counterparties, may be affected by future sanctions designations cannot be excluded. Current and future risks to the Group include, among others, the risk of reduced or blocked access to capital markets and ability to obtain financing on commercially viable terms, the risk of restrictions on the import of certain equipment and software, the risk of fluctuations of the conversion rate of Russian ruble against other currencies, and risk related to high cost of capital. However, it should be noted that the Central Bank of Russia lowered the key rate from 21% to 18% during June-July 2025.

Management of the Group takes all the necessary steps to ensure stable operations of the Group. However, the future impact of the current economic developments on the Group’s activities is difficult to determine at this stage, the current expectations and estimates of the management may differ from the actual results.

19. EVENTS AFTER THE REPORTING PERIOD

Except for events disclosed in other notes, no other events occurred after 30 June 2025 that require disclosure in these interim condensed consolidated financial statements.