



KYIV 2025

ANNUAL REPORT

FINANCIAL INFORMATION



**Consolidated Special Purpose
Financial Information on
the Group of Companies,
Institutions and Organizations
of the Municipal Property of the
Territorial Community
of the City of Kyiv for 2025**

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DESCRIPTION OF THE APPROACH TO THE PREPARATION OF THE CONSOLIDATED SPECIAL PURPOSE FINANCIAL INFORMATION OF THE CITY OF KYIV FOR 2025

Consolidated Special Purpose Financial Information on the group of companies, institutions and organizations of municipal property of the territorial community as of December 31, 2025 (hereinafter referred to as the Consolidated Special Purpose Financial Information) includes 1 894 companies, institutions and organizations (as of December 31, 2024 included: 1 906 companies, institutions and organizations (Note No. 1). The main forms of the Consolidated Special Purpose Financial Information include data on all 1 894 companies, institutions and organizations.

Audit of the consolidated special purpose financial information as of December 31, 2025 and 2024 was not conducted.

Restrictions and Deviations from the International Public Sector Accounting Standards (IPSAS)

1. The major part of land of the City of Kyiv (hereinafter referred to as the City) in the Consolidated Special Purpose Financial Information is accounted for a value equal to zero, as there is no reliable evaluation of the fair value of the relevant land fund. The total area of the City's land fund and the existing limitations regarding land accounting are disclosed in the Note No. 7.
2. Some of the companies, institutions and organizations of the City did not perform revaluation of their property, plant and equipment as at December 31, 2025 and December 31, 2024; therefore, the value of property, plant and equipment, which should be represented at fair value according to the accounting policies, may differ significantly from the carrying amount disclosed in the Consolidated Statement of Financial Position. In addition, some companies of the City did not perform the analysis of available impairment signs and, in case of need, did not perform the impairment test of the construction in progress, property, plant and equipment, intangible assets and inventories as at December 31, 2025 and December 31, 2024.
3. Financial statements of associated enterprises were not available on the date of preparation of these consolidated financial statements, accordingly, these financial statements do not contain the results of participation in the capital of associated enterprises
4. The major part of the companies of the City as of December 31, 2025 and December 31, 2024, did not allocate investment property objects from the fixed assets and did not carry out their revaluation at fair value. Respectively, investment real estate in the consolidated financial statements is presented as part of fixed assets, and the fair value of investment real estate, which is accounted for at fair value in accordance with the accounting policy, may differ from its accounting value indicated in the Consolidated Statement of Financial Position.
5. Due to technical limitations, some intercompany balances and transactions were not rolled up during consolidation, not all non-cash income and expenses were identified and rolled up in full in the Consolidated Special Purpose Financial Information.
6. Some companies of the City do not calculate and do not recognize the following in full amount:
 - Provisions for litigation;
 - Provisions for unused vacation;
 - Bonus accruals;
 - Accruals for pension plans;
 - Provision for expected credit losses on receivables;
 - Provision for expected credit losses in monetary costs.
7. Due to the fact that some of the companies of the City did not prepare detailed final information for the disclosure of separate notes during 2024, the possibility of comparing of such indicators as of the abovementioned dates with the corresponding indicators for the previous period is limited.
8. Due to technical limitations, certain disclosures which are obligatory in compliance with the IPSAS were not prepared in full, namely:
 - Main accounting estimates and professional judgments used in applying accounting policies for valuation of fixed assets and investment real estate;
 - Reconciliation of net cash flows to the consolidated financial results;
 - Disclosure of trade receivables by non-repayment terms;
 - Concentration of credit risk;
 - Disclosure of information about liabilities under pension plans;
 - Operations with related parties, except operations with management personnel;
 - Information on construction contracts;
 - Information on contingent liabilities and commitments for acquisition and construction of property, plant and equipment;
 - Segment information according to the IPSAS.

Consolidated Statement of Financial Position as of December 31, 2025

Indicators, thousand UAH	Note	December 31, 2025	December 31, 2024
ASSETS			
Non-current assets			
Property, plant and equipment and Investment property	7	391 025 669	363 200 490
Intangible assets	8	934 777	874 713
Advance payments for property, plant and equipment	9	5 372 658	7 010 740
Long-term receivables		27 523	18 391
Non-current assets, total		397 360 627	371 104 334
Current assets			
Inventories	10	12 358 456	10 833 418
Receivables from exchange transactions	11	9 329 744	9 645 491
Cash and cash equivalents	12	27 490 292	35 935 149
Advances issued	13	5 960 872	5 466 675
Other financial assets	14	1 725 799	1 743 626
Other non-financial assets	15	5 358 374	5 741 060
Receivables for non-exchange transactions	16	986 000	884 650
Current assets, total		63 209 537	70 250 069
ASSETS, TOTAL		460 570 164	441 354 403
LIABILITIES			
Non-current liabilities			
Credits and loans	17	7 650 152	7 837 173
Provision for actuarial obligations to employees	18	1 324 935	1 153 202
Obligations under construction contracts	19	748 259	743 231
Other long-term liabilities	20	2 598 835	21 444
Non-current liabilities, total		12 322 181	9 755 050
Current liabilities			
Credits and loans	17	1 101 387	1 075 639
Payables for exchange transactions	20	16 771 661	24 598 418
Advance payments received	21	1 574 174	1 458 969
Liabilities for non-exchange transactions	22	936 252	793 583
Liabilities for social benefits	23	3 121 138	2 200 952
Deferred income		167 318	166 069
Current provisions	24	3 452 882	2 225 692
Other current non-financial liabilities	25	4 626 096	4 262 621
Current liabilities, total		31 750 908	36 781 943
LIABILITIES, TOTAL		44 073 089	46 536 993
Net assets		416 497 075	394 817 410
CAPITAL			
Accumulated surplus		176 548 991	166 854 629
Revaluation reserve		239 948 084	227 962 781
Capital total, owned by the City		416 497 075	394 817 410

The above Statement of Financial Position should be read together with the accompanying Notes.

Consolidated Statement of Financial Results and Comprehensive Income for the year ended on December 31, 2025

Indicators, thousand UAH	Note	2025	2024
Income			
Income from non-exchange transactions			
Taxes	26	88 379 166	86 659 500
State transfers	27	7 918 817	9 061 336
Grants and charitable contributions from third parties	28	3 757 980	4 227 179
Administrative fees and payments	29	796 390	676 509
Fines		718 172	643 392
Other income		270 586	42 593
Income from non-exchange transactions, total		101 841 111	101 310 509
Income from exchange transactions			
Income from the sale of goods, works and services	30	63 103 693	58 770 589
Income from rent		683 202	445 970
Income from the sale of non-current assets	31	263 268	615 635
Other operational income		238 483	646 635
Income from exchange transactions, total		64 288 646	60 478 829
Income, total		166 129 757	161 789 338
Expenses			
Housing and utilities	32.1	(45 017 194)	(39 463 918)
Education	32.2	(33 955 776)	(28 231 339)
Health Care	32.3	(20 234 475)	(20 190 909)
Transport, road facilities	32.4	(23 991 674)	(19 917 002)
Social care and social security	32.5	(12 609 301)	(11 252 213)
Mental and physical development	32.6	(4 206 544)	(3 657 126)
Governance	32.7	(4 256 939)	(3 664 431)
Ecology and protection of natural resources	32.8	(2 202 962)	(2 237 450)
Other economic activity	32.9	(1 440 878)	(1 235 853)
Communication, telecommunications and informatics	32.10	(2 289 583)	(1 755 758)
Security and defense	32.11	(900 338)	(1 066 757)
Construction	32.12	(566 477)	(441 215)
Transfers to others budgets	33	(11 229 888)	(5 397 986)
Other expenses		(528 723)	(180 501)
Expenses, total		(163 430 752)	(138 692 458)
Impairment of investment in Kyivmiskbud	39	(2 560 000)	-
Financial income	34	5 387 203	1 422 046
Financial expenses	35	(1 141 545)	(688 274)
Net financial income / (expenses)		4 245 658	733 772
Surplus for the year, owned by the City		4 384 663	23 830 652
Other comprehensive income and expenses			
Revaluation of fixed assets and intangible assets	7,8	14 210 971	16 638 906
Actuarial income / (loss)	18	(81 827)	(109 325)
Recognition of previously unrecorded land plots	7	3 165 858	7 956 997
Other comprehensive income, owned by the City, total		17 295 002	24 486 578
Comprehensive income for the year, total		21 679 665	48 317 230

The above Statement of Financial Results and Comprehensive Income should be read together with the accompanying Notes.

Consolidated Statement of Changes in Net Assets / Capital for the year ended on December 31, 2025

Indicators, thousand UAH	Accumulated comprehensive income and expenses	Revaluation reserve	Capital, total
As at January 01, 2024	133 112 067	213 388 113	346 500 180
Surplus for the year	23 830 652	-	23 830 652
Other comprehensive income / (expenses)	7 847 672	16 638 906	24 486 578
Comprehensive income / (expenses) for the year	31 678 324	16 638 906	48 317 230
Transfers between items of the capital	2 064 238	(2 064 238)	-
As at December 31, 2024	166 854 629	227 962 781	394 817 410
Surplus for the year	4 384 663	-	4 384 663
Other comprehensive income / (expenses)	3 084 031	14 210 971	17 295 002
Comprehensive income / (expenses) for the year	7 468 694	14 210 971	21 679 665
Transfers between items of the capital	2 225 668	(2 225 668)	-
As at December 31, 2025	176 548 991	239 948 084	416 497 075

The above Statement of Changes in Net Assets / Capital should be read together with the accompanying Notes.

Consolidated Cash Flow Statement for the year ended on December 31, 2025

Indicators, thousand UAH	Note	2025	2024
Cash flow from operating activities			
Proceeds from taxes and fees		88 379 167	86 659 500
including:			
<i>Personal income tax</i>		46 903 457	41 188 618
<i>Single tax</i>		15 945 863	14 783 882
<i>Corporate income tax</i>		10 742 769	18 703 562
<i>Property taxes</i>		9 045 992	7 590 212
<i>Excise tax</i>		5 475 435	4 127 324
<i>Other taxes and fees</i>		265 651	265 902
Proceeds from the sales of goods and services		72 058 878	63 900 637
Proceeds from state transfers		8 431 659	9 061 336
Interests received		2 513 442	1 409 749
Proceeds from administrative fees and payments		796 390	676 509
Proceeds from grants and charitable contributions		480 920	154 625
Proceeds from rent		692 825	494 095
Proceeds from fines		356 346	168 636
Other income		766 836	570 214
Proceeds from operating activities, total		174 476 463	163 095 301
Expenditures on payment for goods (works, services)		(70 080 593)	(59 185 185)
Labor costs (including relevant taxes and fees)		(57 697 201)	(51 093 640)
Payments for social security		(10 038 164)	(9 068 979)
Transfers to state administration bodies	33	(11 229 888)	(5 397 986)
Expenditures for payment of obligations on taxes and fees		(3 849 032)	(1 634 469)
Expenditures on individual measures for the implementation of state (regional) programs		(1 906 292)	(1 858 213)
Transfers to other parties		(988 985)	(995 868)
Other expenditures		(731 304)	(464 014)
Expenditures from operating activities, total		(156 521 459)	(129 698 354)
Net cash flow from operating activities		17 955 004	33 396 947

Indicators, thousand UAH	Note	2025	2024
■ Cash flow from investing activities			
Proceeds from the sale of non-current assets	31	263 268	615 679
Loans returned		1 333	40 777
Expenditures for acquisition of non-current assets		(23 393 530)	(21 326 397)
Contributions to the authorized capital of Kyivmiskbud	39	(2 560 000)	-
Loans issued		-	(255 494)
Net cash flows from investing activities		(25 688 929)	(20 925 435)
■ Cash flow from financing activities			
Proceeds from received loans	17	243 608	2 722 679
Repayment of loans, leasing	17	(931 122)	(1 117 450)
Interest paid	17	(340 506)	(369 762)
Net cash flow from financing activities		(1 028 020)	1 235 467
Net cash flow for the reporting period		(8 761 945)	13 706 979
Cash and cash equivalents at the beginning of the reporting period	12	35 935 149	22 221 817
Effect of exchange rate changes on cash and cash equivalent balances		317 088	6 353
Cash and cash equivalents at the end of the reporting period	12	27 490 292	35 935 149

The amounts of cash receipts and payments are presented including value-added tax (VAT)

The above Cash Flow Statement should be read together with the accompanying Notes.

Report on the Fulfilment of the Budget of the City of Kyiv for 2025

Indicators, thousand UAH	Amounts of funds according to the initial budget	Adjustments	Amounts according to the final budget*	Actual amounts on a comparative basis	Deviations from the final budget
INCOME					
■ General Fund					
Personal and corporate income taxes	54 927 678	6 755 519	61 683 197	60 235 352	(1 447 845)
Subventions and grants	6 489 147	1 831 570	8 320 717	8 325 909	5 192
Local taxes and charges	20 938 085	8 297 544	29 235 629	25 062 453	(4 173 176)
Excise taxes	3 557 465	1 524 435	5 081 900	5 475 435	393 535
Administrative fees and charges, revenue from non-commercial economic activities	668 866	124 505	793 371	871 916	78 545
Duties and fees for the special use of natural resources	50 767	4 420	55 187	76 433	21 246
Funds from the sale of land, intangible assets and from privatization	-	422	422	534	112
Other non-tax proceeds	4 000	491 135	495 135	674 638	179 503
■ Special Fund					
Own revenue proceeds of budget institutions	2 531 109	-	2 531 109	3 329 966	798 857
Subventions and dotation	-	118 798	118 798	110 354	(8 444)
Special purpose funds	419 500	-	419 500	338 215	(81 285)
Funds from the sale of land, intangible assets and from privatization	530 000	500 000	1 030 000	263 268	(766 732)
Environmental tax	88 300	-	88 300	118 620	30 320
Grants from international organizations	-	250 000	250 000	226 071	(23 929)
Other non-tax proceeds	-	-	-	59 672	59 672
Income, total	90 204 917	19 898 348	110 103 265	105 168 836	(4 934 429)

Indicators, thousand UAH	Amounts of funds according to the initial budget	Adjustments	Amounts according to the final budget*	Actual amounts on a comparative basis	Deviations from the final budget
EXPENDITURES					
Education	(32 346 627)	(5 427 200)	(37 773 827)	(36 058 091)	1 715 736
Health care	(6 466 269)	(1 380 747)	(7 847 016)	(7 110 099)	736 917
Social care and social security	(9 989 660)	(2 041 960)	(12 031 620)	(11 408 771)	622 849
Construction	(63 983)	(32 383)	(96 366)	(40 804)	55 562
Housing and utilities	(7 020 649)	(5 878 260)	(12 898 909)	(11 109 127)	1 789 782
Transport, road facilities, communication, telecommunications and informational technologies	(21 396 833)	(6 778 025)	(28 174 858)	(25 463 267)	2 711 591
Culture and arts	(2 124 966)	(206 052)	(2 331 018)	(2 324 178)	6 840
Governance	(5 402 425)	251 009	(5 151 416)	(4 748 986)	402 430
Other services related to economic activities	(1 582 640)	(3 204 781)	(4 787 421)	(4 287 568)	499 853
Special Purpose Funds	(507 800)	(187 382)	(695 182)	(311 391)	383 791
Physical culture and sports	(1 670 012)	(65 057)	(1 735 069)	(1 616 303)	118 766
Debt servicing	(751 177)	454 661	(296 516)	(288 817)	7 699
Transfers to the State Budget and others budgets	(10 000)	(11 245 853)	(11 255 853)	(11 229 888)	25 965
Other expenditures	(219 594)	(52 515)	(272 109)	(209 073)	63 036
Expenditures, total	(89 552 635)	(35 794 545)	(125 347 180)	(116 206 363)	9 140 817
Governance	652 282	(15 896 197)	(15 243 915)	(11 037 527)	4 206 388

*Approved by the Kyiv City Council for the reporting year considering changes

Report on the Fulfilment of the Budget of the City of Kyiv for 2024

Indicators, thousand UAH	Amounts of funds according to the initial budget	Adjustments	Amounts according to the final budget*	Actual amounts on a comparative basis	Deviations from the final budget
INCOME					
■ General Fund					
Personal and corporate income taxes	39 527 736	16 422 095	55 949 831	60 173 185	4 223 354
Subventions and grants	6 509 710	2 419 406	8 929 116	8 798 075	(131 041)
Local taxes and charges	16 811 800	4 299 881	21 111 681	22 424 925	1 313 244
Excise taxes	2 789 600	650 401	3 440 001	4 127 324	687 323
Administrative fees and charges, revenue from non-commercial economic activities	631 866	11 000	642 866	729 921	87 055
Duties and fees for the special use of natural resources	48 716	26 300	75 016	83 529	8 513
Funds from the sale of land, intangible assets and from privatization	-	-	-	1 331	1 331
Other non-tax proceeds	4 000	1 100 724	1 104 724	1 155 473	50 749
■ Special Fund					
Own revenue proceeds of budget institutions	2 143 562	192 296	2 335 858	2 887 469	551 611
Subventions and dotation	-	263 261	263 261	263 261	-
Special purpose funds	278 050	10 343	288 393	231 491	(56 902)
Funds from the sale of land, intangible assets and from privatization	3 000 000	(1 430 639)	1 569 361	615 635	(953 726)
Environmental tax	17 500	50 910	68 410	131 541	63 131
Grants from international organizations	-	11 313	11 313	11 313	-
Other non-tax proceeds	170	-	170	43 138	42 968
Income, total	71 762 710	24 027 291	95 790 001	101 677 611	5 887 610

Indicators, thousand UAH	Amounts of funds according to the initial budget	Adjustments	Amounts according to the final budget*	Actual amounts on a comparative basis	Deviations from the final budget
EXPENDITURES					
Education	(27 167 797)	(1 993 127)	(29 160 924)	(27 699 093)	1 461 831
Health care	(5 971 472)	(1 551 132)	(7 522 604)	(6 815 010)	707 594
Social care and social security	(7 752 023)	(3 267 705)	(11 019 728)	(10 439 992)	579 736
Construction	(5 165 141)	(1 704 094)	(6 869 235)	(5 289 209)	1 580 026
Housing and utilities	(4 592 293)	(1 246 152)	(5 838 445)	(5 325 457)	512 988
Transport, road facilities, communication, telecommunications and informational technologies	(24 029 155)	(814 601)	(24 843 756)	(19 668 984)	5 174 772
Culture and arts	(1 661 014)	(275 273)	(1 936 287)	(1 895 000)	41 287
Governance	(3 792 059)	(497 148)	(4 289 207)	(3 702 686)	586 521
Other services related to economic activities	(2 466 796)	(5 300 580)	(7 767 376)	(7 165 784)	601 592
Special Purpose Funds	(295 550)	(167 067)	(462 617)	(289 889)	172 728
Physical culture and sports	(1 460 114)	(30 246)	(1 490 360)	(1 390 963)	99 397
Debt servicing	(672 886)	(106 950)	(565 936)	(348 189)	217 747
Transfers to the State Budget and others budgets	(10 000)	(5 500 698)	(5 510 698)	(5 397 986)	112 712
Other expenditures	(206 679)	(605 355)	(812 034)	(782 366)	29 668
Expenditures, total	(85 242 979)	(22 846 228)	(108 089 207)	(96 210 608)	11 878 599
Governance	(13 480 269)	1 181 063	(12 299 206)	5 467 003	17 766 209

*Approved by the Kyiv City Council for the reporting year considering changes

Reconciliation of the Consolidated Financial Result to the Result of the Fulfilment of the Budget of the City of Kyiv for 2025

Indicators, thousand UAH	2025	2024
Result of budget fulfilment	(10 829 291)	5 467 003
(i) Transfers to municipal enterprises	39 459 742	37 981 154
(ii) Financial result of municipal enterprises excluding the impact of transfers	(26 541 245)	(21 727 245)
(iii) Impact of differences between the cash basis and accrual basis in budgetary institutions	2 085 285	1 951 203
(iv) Eliminations between municipal enterprises and budgetary institutions	210 172	158 537
Surplus for the year, attributable to the City	4 384 663	23 830 652

- i. As the budget execution report is prepared on a cash basis, the reported budgetary performance has been adjusted for the amount of transfers paid to municipal enterprises.
- ii. The budget execution report does not include the profit or loss of municipal enterprises and budgetary institutions for the reporting period. Accordingly, in the course of consolidation, the financial results of these entities (net of transfers recognized as income) have been included in the special purpose consolidated financial information.
- iii. Given that the budget execution report is prepared on a cash basis, adjustments have been made for certain expenditures that were capitalized by budgetary institutions under the accrual basis of accounting (such as purchases of property, plant and equipment, inventories, and advances paid). Conversely, depreciation charges for the year on property, plant and equipment held by budgetary institutions have been recognized as expenses.
- iv. The budget execution report includes income tax payments made by municipal enterprises that fall within the scope of consolidation. Accordingly, such tax revenues have been eliminated against the corresponding income tax expenses of the municipal enterprises as part of the consolidation process

NOTES TO THE CONSOLIDATED SPECIAL PURPOSE FINANCIAL INFORMATION

1. General Information

Consolidated special purpose financial information of the City includes information on the Kyiv City Council (secretariat of the Kyiv City Council), the executive body of the Kyiv City Council (Kyiv City State Administration) (hereinafter referred to as the executive body of the KCC (KCSA)), including: Executive Office of the executive body of the KCC (KCSA), 25 departments of the executive body of the KCC (KCSA) (2024 - 25), 2 administrations of the executive body of the KCC (KCSA) (2024 - 2), the Services for Children and Families of the executive body of the KCC (KCSA), the State Archives of the city of Kyiv, 10 district state administrations in the city of Kyiv (hereinafter referred to as the DSA) (2024 - 10 DSAs) and 1 853 (2024 - 1 864) companies, institutions, organizations based on the municipal property of the territorial community of the City directly or indirectly subordinated to them, of which 413 self-supporting and 1 440 budget institutions (2024 - 421 self-supporting and 1 443 budget institutions), taking into account the companies of the City, which were in the state of reorganization or liquidation (Note No. 4). As of December 31, 2025 and 2024, the City had a share of corporate rights and control over 6 joint stock companies.

The main purpose of the City's activity is to provide services for the development of infrastructure, health care, communication, education, transport, sports and cultural development, social protection, waste disposal, emergency assistance, electricity and water supply and other communal services to the population of the City, as well as services for complex construction, improvement and maintenance of the territory.

Legal address of the Kyiv City State Administration is as follows: 36 Khreshchatyk Street, Kyiv, 01001, Ukraine. Budget organizations, municipal entities, and corporate companies are registered and operate in the territory of the City.

2. Economic Environment

The prolonged armed aggression of Russia has strengthened the City's economy. The year 2025 convincingly demonstrated that the City chose not survival, but development. Massive missile and drone attacks on critical infrastructure reached an unprecedented scale. Despite this, the capital retained its status as the country's most powerful business, financial and industrial centre and demonstrated its ability to adapt to increasingly challenging conditions.

The City's economic model in 2025 represented a deliberate strategy rather than a forced reaction. The resilience of the urban economy was evidenced by the preservation of business activity, growth in investment flows and consumer demand, expansion of construction activity and improvement in residents' welfare. This marked a transition from crisis management to sustainable development.

The capital confidently maintained its leading position within the national economic environment. The City generated more than 26.3% of the country's gross domestic product, remaining the principal generator of economic value added. The growth rate of gross regional product in 2025 amounted to **102.6%**.

The capital's industrial complex operated in 2025 under intensified energy and security threats. Efforts of businesses and authorities were focused on strengthening energy resilience and diversifying production chains. According to preliminary data, the industrial production index for January–October 2025 amounted to **94.2%** of the corresponding period of 2024, reflecting targeted attacks on industrial and energy infrastructure rather than systemic weakness. At the same time, the **volume of industrial sales** during the same period reached nearly **UAH 544,9 billion** (compared to UAH 450,2 billion in the corresponding period of the previous year), accounting for **16.5%** of the nationwide total. Structural changes in industry reflected a trend toward increased importance of higher value-added economic activities, with growth recorded in metallurgy (+15.1%), textile manufacturing (+14.3%), electricity supply (+2.8%), and the production of rubber and plastic products (+1.5%).

The investment attractiveness of the capital was driven by the scale of recovery and infrastructure needs, as well as the sustainable reputation of the capital as a reliable partner, which created preconditions for intensified investment activity in 2025. **The volume of capital investments utilised** in 2025 reached **UAH 264,6 billion**, representing **39.5%** of the total volume across Ukraine and exceeding the corresponding prior-year period **by 3%** in nominal terms. For domestic and foreign investors, the capital remained the most attractive platform for capital investment, maintaining leading positions in the concentration of foreign direct investment.

The largest shares of capital investments were allocated to the following economic activities: **industry** – 33.9% of all investments; **transportation, warehousing, postal and courier activities** – 22.0%; **information and**

telecommunications – 11.9%; **wholesale and retail trade** – 8.8%; **financial and insurance activities** – 7.7%. Despite wartime risks, the share of investments in technology and telecommunications sectors remained consistently high.

The year 2025 proved more challenging for the country's macroeconomic dynamics than initially forecast. **Ukraine's real GDP increased by 1.8%** (according to preliminary data from the State Statistics Service), which was below the 2024 result (3.2%) and the 2023 result (5.5%). The slowdown was caused by massive attacks on energy infrastructure, significantly constraining production activity, as well as structural labour market shortages and slower investment decision-making amid heightened uncertainty. For comparison, the IMF estimated global GDP growth in 2025 at 3.3%, while Ukraine, under conditions of active hostilities, achieved real GDP growth of 1.8%.

At the same time, most key sectors of the urban economy – transport, finance, trade and construction – maintained positive operating results. The implementation of recovery programmes financed through international financial assistance supported business activity and employment. The digital economy, IT sector and financial services shaped a new economic profile for the capital – less dependent on physical infrastructure and more resilient to external shocks.

Based on the results of January–November 2025, taxpayers in the capital transferred **UAH 206,9 billion** to the State Budget, which was **28% higher** than the corresponding prior-year figure, confirming the capital's continued leadership in generating State Budget revenues even during wartime. Total revenues from Kyiv taxpayers to budgets of all levels during the same period amounted to UAH 260,2 billion (+24% compared to the corresponding period of 2024).

Price dynamics in 2025 indicated a slowdown in inflationary processes compared with the previous year: **the consumer price index in the capital in December 2025 amounted to 109.8%** compared to December 2024, which was 3.7 percentage points lower than the 2024 level (113.5%). However, certain categories of goods and services demonstrated significant price increases: miscellaneous goods and services – 20.4%; alcoholic beverages and tobacco products – 17.8%; restaurant and hotel services – 17.0%. Price pressures persisted due to energy-related challenges, logistical constraints and exchange rate fluctuations; however, the overall trend toward slowing inflation remained stable.

The capital's construction industry achieved the highest growth rates since the beginning of the full-scale invasion in 2025. **The volume of construction output** in January–October

2025 reached **UAH 38,5 billion**, which was **21.5% higher** than in the corresponding prior-year period. Within the structure of construction works, 36.9% related to new construction, 33.6% to capital and current repairs, and 29.5% to reconstruction. Growth in the non-residential segment amounted to 32.2% compared with the previous year, indicating not only recovery but also accelerated development of the commercial and industrial base.

The intensification of trade with international partners aimed at meeting the country's needs under martial law and expanding export markets contributed to the growth in foreign trade turnover. **The volume of foreign trade in goods** in January–September 2025 amounted to **USD 35,0 billion**, which was almost **USD 2,8 billion higher** than the corresponding prior-year figure.

The capital maintained its status as the country's leading exporting region. **The volume of goods exports** amounted to nearly **USD 8,0 billion**, representing **26.9%** of total national exports. The export structure was dominated by products of plant origin (39.4%), fats and oils (23.0%), prepared food products (14.2%), chemical products (5.0%), as well as machinery and equipment (4.8%). **Imports** of goods increased by **13.4%**, reflecting growing demand for equipment and technologies required for infrastructure recovery, with machinery and electrical equipment (28.5%), chemical products (14.6%) and transport equipment (11.9%) accounting for the largest shares. The growing share of technology imports reflected the course toward industrial modernisation.

The capital's consumer market maintained an upward trajectory. **Retail trade turnover** in January–November 2025 **increased by 5%** in nominal terms compared to the corresponding prior-year period, exceeding **UAH 435,3 billion** (18.4% of the nationwide total). The preservation of consumer activity amid the ongoing armed conflict confirmed the fundamental resilience of the urban economy.

The capital's labour market demonstrated improvement in key indicators in 2025. According to the Pension Fund of Ukraine, **the average monthly salary** in the capital in 2025 amounted to UAH 38 38, which was **23.2%** higher than the corresponding figure for 2024 and **1.9 times higher** than the national average (UAH 20 077). Leadership in wage levels was maintained due to the concentration in the capital of financial, IT, administrative and business structures. This reflected the concentration of the country's highest-qualified human capital in the capital.

According to the Kyiv City Employment Centre, **the number of registered unemployed persons in 2025 decreased to 10,2 thousand people**, representing 86.8% of the 2024 level. During the reporting year, **more than 7 thousand**

people were employed through the employment service, while 1 503 individuals participated in **vocational training programmes**, which was 2.2 times higher than the previous year's figure. The reduction in unemployment alongside the expansion of retraining programmes indicates that the City is already preparing the workforce for the recovery economy.

An important factor influencing labour market dynamics remained the presence of internally displaced persons ("IDPs"). As of the beginning of 2026, nearly **255,4 thousand IDPs** were registered in the capital, actively participating in the city labour market and helping to address labour shortages in priority sectors. Their integration into the labour market had both social and economic significance for the city's productive potential.

Under conditions where defence priorities and budget resource constraints prevailed, the City relied on international partnership as a strategic development instrument. The capital actively cooperated with partner governments, international financial institutions and partner municipalities, attracting resources for projects aimed at restoring and modernising energy infrastructure, water supply and wastewater systems, renewing urban transport rolling stock, and developing medical and rehabilitation services. The capital's network of partner and sister cities covered more than 70 cities, providing real channels for attracting resources, technologies and managerial expertise for recovery purposes. In 2025, the City established itself as a recognised international platform for exchanging experience in urban resilience.

In December 2025, the international rating agency **Fitch Ratings upgraded Ukraine's long-term foreign-currency issuer default rating to CCC**. The decision was associated with the successful completion of GDP warrant restructuring and the normalisation of relations with the overwhelming majority of external commercial creditors. The new debt obligations received a rating from Fitch one notch above the sovereign level, reflecting enhanced creditor protection mechanisms. Despite wartime conditions, the City continued to meet its debt obligations, confirming the reliability of the capital as a partner in recovery projects.

Today, the City is **a capital of resilience and development**. In a world where war usually means economic collapse, the City offers an alternative model: a city that simultaneously defends and grows, is destroyed and rebuilt, experiences losses and multiplies its potential. The City not only withstood the most intensive attacks on its infrastructure during the years of the full-scale invasion, but also preserved its ability to expand its potential by attracting investment, developing the economy and improving the welfare of residents. The unprecedented resilience

of the City proves that under systemic pressure it does not lose direction, but instead builds a foundation for sustainable growth.

The City authorities are concentrating efforts on addressing two strategic objectives: ensuring security and resilience during the prolonged war and implementing systemic transformation – transitioning from a wartime survival model to a model of sustainable growth. The capital's development priorities include strengthening defence capability, modernising life-support systems, developing human capital and digitalising the economy. This is not an anti-crisis agenda; it is an ambitious programme for building the city of the future that is already living in the future. These vectors are shaping a fundamentally new development architecture – a city where security, comfort and opportunities become the standard rather than the exception. **The City's focus is on innovation, human capital and openness to partnership. For those prepared to invest in a city with proven resilience, this represents a unique window of opportunity.**

3. Basic Principles of the Accounting Policy

Basis of preparation. Consolidated Special Purpose Financial Information of the City (hereinafter referred to as the Consolidated Financial Information) has been prepared in compliance with the main principles of the accounting policy described in this Note in accordance to the requirements of the International Public Sector Accounting Standards (IPSAS) issued by the International Public Sector Accounting Standards Board (IPSASB). This Consolidated Financial Information is not fully consistent with the IPSAS due to the limitations and deviations outlined in the Description of the approach to the preparation of the consolidated special purpose financial information.

This consolidated financial information is prepared on the basis of the City's accounting policies in accordance to the historical cost basis, except for property, plant and equipment that were accounted for at revaluation cost respectively, and taking into account the list of limitations and approach to the preparation of the consolidated financial information of the City.

Consolidation of controlled companies. Controlled companies are all economic entities concerning which the City has the authority to manage their financial and operating activities. Controlled companies are to be fully consolidated since the date the City begin to control them. Their consolidation shall be stopped since the date of loss of control of the City over these companies. Operations between the City's companies and balances of their transactions, as well as unrealized profits and losses on transactions between them, should be rolled up during the consolidation. If controlled companies use accounting

policies that are different from the City's accounting policies, the financial information about these companies has been the subject to appropriate adjustments for the purpose of preparing the consolidated financial information of the City.

Associated companies. Investments of the City in associated companies are accounted for using the equity method. In accordance with the equity method, an investment in an associated company is reflected in the statement of financial position at initial cost plus changes in the City's share in the financial result after taxation of the associated company after the acquisition.

Statement of financial results reflects a share in the results of the activities of the associated company. In the case of changes recognized directly in the net assets of an associated company, the City recognizes its share in these changes and discloses the relevant information in all necessary cases in the consolidated statement of changes in net assets. Unrealized profits and losses on transactions between the City and its associated companies are excluded in the amount of the City's share in these associated companies.

The City determines the need for recognition of additional impairment losses on the investments of the City in its associated companies after applying the equity method.

If there are signs of impairment of investments, the City calculates the amount of the impairment as the difference between the cost of reimbursement of the associated company and its carrying amount and recognizes the corresponding amount in the consolidated statement of financial results. However, if the City's share in the loss of an associated company is equal or exceeds its share in that associated company, including any other unsecured amounts receivable, the City does not recognize future losses, except of the cases when it undertook the liability or made payments on behalf of associated company.

Foreign currency translation. The functional currency of the City and consolidated companies is Ukrainian hryvnia. Monetary assets and liabilities are translated into the functional currency of each company at the official exchange rate established by the National Bank of Ukraine (hereinafter referred to as the NBU) at the end of the reporting period. Profits and losses on foreign exchange differences are reflected in the surplus or deficit for the reporting period.

The exchange rates of the main world currencies to the Ukrainian hryvnia, established by the NBU as at December 31, 2025 and December 31, 2024 are indicated below:

	As of December 31, 2025	As of December 31, 2024
UAH / USD	42,3878	42,0390
UAH / EUR	49,8565	43,9266

Profits and losses from the exchange rates related to borrowings are presented in the consolidated statement of financial results in the structure of financial income or expenses. All other profits and losses from the exchange differences are presented in the consolidated statement of financial results in the structure of other expenses.

Property, plant and equipment. Property, plant and equipment are accounted for revalued amounts, less accumulated depreciation and impairment provision, if it is required. Fair value is determined by the valuation of external independent appraisers or internal experts with relevant knowledge and experience. An increase of book value of property, plant and equipment, resulting from a future revaluation, is credited to other comprehensive income and leads to an increase in the revaluation provision. A decrease of book value of an asset that offsets the previous increase in the book value of the same asset is recognized in other comprehensive income and results in a decrease in the previously recognized revaluation provision. All other cases of decrease of the book value are recorded in the surplus or deficit for the reporting period. The revaluation provision of property, plant and equipment is transferred directly to retained earnings in case if revaluation amount is realized, i.e., when the asset is sold or written off, or when the City does not continue to use it. In the case of a revaluation of an item of property, plant and equipment, accumulated depreciation at the date of the revaluation is excluded from the gross carrying amount of the asset, and the net value is adjusted to the revalued asset amount.

The cost of replacing those components of property, plant and equipment that are recognized separately is capitalized, and the carrying amount of the replaced components is written-off. Other subsequent expenses are capitalized only in those cases, if they lead to increase of future economic benefits from the fixed asset. All other expenses are recognized in profit or loss during the period in which they were incurred.

Current and capital repair and maintenance costs that do not lead to an increase in the originally expected benefits from the use of the asset belong to the expenses of the period in which they were incurred.

Recognition of property, plant and equipment is terminated after their disposal or if the continued use of the asset is not expected to bring future economic benefits or will not lead to the implementation of operating capacity. Profits and losses from

disposals are reflected in the consolidated statement of profit or loss.

At the end of each reporting period, the City evaluates property, plant and equipment for their possible impairment. If such signs exist, the City shall determine the cost of reimbursing an asset as its fair value excluding sales costs or the cost of using an asset, whichever is bigger. The book value is reduced to the value of the reimbursement or to the value of service reimbursement and the impairment loss is recognized in profit or loss in an amount that exceeds the amount of the previous positive revaluation. Impairment losses recognized in prior periods should be reversed if the estimates used to determine the recoverable amount of the asset since the date of recognition of the last impairment loss have changed.

Depreciation. Depreciation of items of property, plant and equipment is calculated using the straight-line method in order to evenly reduce the initial value to the liquidation value during the estimated term of their useful lives according to the following norms:

Buildings and constructions	up to 100 years
Machinery and equipment	5-30 years
Vehicles	10-40 years
Tools, fixtures, and fittings	3-25 years
Other property, plant and equipment	2-15 years

Liquidation value of assets and the terms of their useful life are reviewed and adjusted prospectively, if necessary, at the end of each reporting period.

Investment property. Investment property includes objects held for the purpose of obtaining lease payments and/or increase of the capital. Investment property objects are initially measured at their initial cost, including acquisition costs. In case if investment property is acquired in non-exchange transactions, the investment property objects is valued at fair value as of the acquisition date. After initial recognition, investment property objects are estimated at fair value. Profits and losses arising from changes in the fair value of investment property are included in profit or loss of the period in which they occur.

Investment property ceases to be recognized after its disposal or final decommissioning when no future economic benefits associated with it are expected. Any profit or loss arising from the cessation of recognition of a property (calculated as the difference between net proceeds from disposal and the carrying amount of an asset) is included in the surplus or deficit of the period in which investment property ceases to be recognized

Intangible assets. Acquired separately intangible assets are initially recognized at their initial cost. The value of intangible assets acquired under a non-exchange transaction is their fair value at the date of exchange. After initial recognition, intangible assets are accounted for at initial cost less accumulated depreciation and impairment, which is reflected in surplus or deficit.

Intangible assets with a limited useful life are depreciated over their useful life:

- Software – 10 years;
- Other intangible assets in accordance with the useful life – no more than 20 years.

Intangible assets with a limited useful life are evaluated for impairment if there are signs of asset impairment.

Terms and methods of depreciation of intangible assets with a limited useful life are reviewed at the end of each reporting period. Changes in expected useful lives or in the expected pattern of obtaining future economic benefits associated with an asset are considered in case of change of the depreciation period or method, where applicable and are accounted in the accounting records as changes in accounting estimates. Expenses for depreciation of intangible assets with a limited useful life are recognized in surplus or deficit in the expenses category, which corresponds to the nature of the intangible asset.

Profits and losses arising from the cessation of recognition of an intangible asset are measured as the difference between net proceeds from the disposal of an asset and its carrying amount and recognized in the surplus or deficit in the period in which the asset was derecognized.

Financial Instruments

(i) Financial assets. The City's financial assets include cash and cash equivalents, cash received as guarantee under tender contracts and funds in escrow accounts, trade receivables and outstanding loans, all of which are classified at amortized cost.

Trade receivables. Trade receivables are initially accounted at fair value and subsequently estimated at amortized cost using the effective interest rate method less provisions for impairment under IPSAS 41. Trade receivables are debts owed to customers for finished products and services that have been rendered in the ordinary course of activity or for inventory that has been sold.

Estimated provision for expected credit losses on trade receivables.

Municipal companies, which according to the legislation of Ukraine belong to the category of enterprises of public interest, determine the provision for expected credit losses, applying the simplified approach provided by IFRS 9, which allows the

use the provision for expected losses for the entire term of the instrument for all assets in the category Trade receivables and which meets the requirements of IPSAS 41. In order to estimate the expected credit loss, trade receivables are grouped into categories according to common credit risk characteristics and the number of days overdue. Provision for credit risks of trade receivables is determined by the simplified method as a % of the gross value according to the reserve matrix, which is based on the number of days of payment delay.

Other companies determine a provision for impairment of receivables when there is objective evidence that the City will not be able to collect the entire amount owed in accordance with the original terms.

Cash and cash equivalents. Cash and cash equivalents consist of cash on hand, bank deposits on demand, balances on the Treasury accounts, funds in local budget accounts, deposits on demand in financial institutions, with an initial maturity of up to three months (92 days), which can be easily convertible into known amounts of cash and the risk of changes in the fair value of which is insignificant. Cash and cash equivalents are initially recognized at fair value and subsequently evaluated at amortized cost less impairment losses.

Financial assets - write-off. Financial assets are written off on the whole or in part when the City is out of all practical possibilities for their recovery and has come to the conclusion that expectations regarding the recovery of such assets are unreasonable. Write-off is a derecognition event.

(ii) Financial liabilities. The City's financial liabilities include trade payables and borrowings (credits, loans, leasing), all of which are classified in the estimate category under the amortized cost in accordance with IPSAS 41.

Trade payables. These amounts represent liabilities for goods and services that were provided to the City before the end of the reporting period and were not paid for. Trade payables are presented as current liabilities, except cases when the debt is not payable within 12 months after the end of the reporting period. It is initially recognized at fair value and subsequently evaluated at amortized cost using the effective interest method.

Loan funds. Loan funds are initially recognized at fair value less transaction costs incurred. In the future, loan funds are evaluated at amortized cost. Any difference between the proceeds, less transaction costs, and the redemption value is recognized in profit or loss during the period for which the loan funds were borrowed, using the effective interest rate method. Fees paid for issuing a loan are recognized as part of the costs of conducting a loan transaction to the extent that there is a

probability that the loan funds will be partially or fully received. Loan funds are removed from the statement of financial position when the liability specified in the contract is fulfilled, terminated or the term of its fulfilment expires.

Modification of financial liabilities. If the contractual terms of the liabilities are revised or changed, the Company takes them into account as cancellation of the original financial liability and recognition of a new financial liability, if the change in terms is significant. A change in terms is considered significant if the discounted present value of the cash flows under the new terms, including any duties paid less payments received and discounted at the original effective interest rate, differs by at least 10 percent from the present value of the remaining cash flows of the original financial liability.

(iii) Offsetting of financial assets and liabilities. The offsetting of financial assets and liabilities with the following inclusion in the consolidated statement of financial position only of their net amount may be made only if there is a legally determined right to offset the recognized amounts when there is an intention to make a settlement based on the net amount or at the same time sell an asset and pay off liabilities.

Inventories. Inventories are measured at the lower of initial cost and net realizable value. The cost of raw materials, spare parts and goods should be accounted for using the First In, First Out method (FIFO); the cost of goods and materials that do not replace each other, at an identified prime cost.

Receivables from non-exchange transactions. Accounts receivable for non-exchange transactions consist of taxes and fees payable to the City budget and valued at the nominal value.

Advances received from non-exchange transactions. Advances received from non-exchange transactions include taxes and charges received by the City before the occurrence of a tax event and are accounted for as the City's liabilities.

Provisions. Provisions are recognized when the City has a current obligation (legal or constructive) as a result of a past event and there is a possibility that the repayment of the debt will require the disposal of resources embodying economic benefits and the amount of the obligation can be measured reliably.

Employee benefits. The cost for all short-term employee benefits are recognized in the period in which the employee is provided with appropriate services. The City recognizes relevant expenses for the payment of performance bonuses only when the City has a current legal or constructive obligation to make such a payment, and its amount can be estimated reliably.

Some municipal companies of the City are obliged to compensate the State Pension Fund of Ukraine for pensions

paid by the state to employees who worked for a certain time in harmful conditions, and because of this, have the right to retire and receive a pension earlier than the retirement age established by law. The net amount of this liability is calculated by estimating the amount of future benefits belonging to employees for services rendered by them in the current and prior periods. The amount of benefits is then discounted to determine the present value of the liability, which is reflected in the statement of financial position. The discount rate is estimated using the yield on government securities that have a high rating and the same maturity as the corresponding pension liability and is adjusted for the average expected rate of inflation.

The defined benefit pension plan expense categories are presented as follows:

- the cost of services (including the cost of current services, the cost of previously provided services, as well as profits and losses from the reduction and repayment of the plan) is recognized as part of the initial cost
- net interest income / (expenses) – recognized as part of financial income / (expenses)
- revaluation - is recognized in other comprehensive income and relates directly to retained earnings and is not subject to reclassification to profit or loss.

Net assets. Net assets represent a residual part in the City's assets after deduction of all of its liabilities. Net assets may be either positive, or negative.

Contingent assets. Contingent assets are not recognized in the financial statements. The City values an asset when it is highly probable that economic benefits or potential benefits will flow and the value of the asset can be reliably estimated.

Contingent liabilities. Contingent liabilities are not recognized in the financial statements by the City. In cases when a liability will require disposal of resources embodying economic benefits is negligible, such contingent liabilities are not recognized in the Consolidated Financial Information components.

Income from non-exchange transactions

Taxes and charges. Starting from 1 January 2024, the City revised its approach to the recognition of tax revenue in accordance with IPSAS 23 Revenue from Non-Exchange Transactions. While the accounting policy regarding the application of the accrual basis remains unchanged, modifications were made to the procedures for estimating the amounts of tax revenue to be recognised as of the reporting date.

Given that the relevant authorities of the State Tax Service officially assess tax obligations significantly later than the financial

reporting date, the City faces limitations in the availability and reliability of data on the amounts of taxes to be recognised as at December 31 of the reporting year. As a result, for the financial statements as at December 31, 2024 the City adopted a conservative approach to the estimation of tax revenue: only those tax amounts for which reliable information is available and that have actually been received into the City's budget are recognised.

Transfers from other government entities. Income from non-exchange transactions with other government entities are measured at fair value and recognized when the asset (cash, goods, services and property) is controlled and if the transfers are not burdened with conditions and when it is probable that future economic benefits or realization of the operating potential associated with the asset will flow to the City, and its value can be measured reliably.

Income from exchange transactions

Provision of services. The City recognizes revenue from the provision of services, given the degree of completion of services, when the outcome of a particular operation can be estimated reliably. The degree of completion is estimated taking into account the volume of actually rendered services as a percentage of the total estimated volume of services to be provided under the contract. If the results of the contract cannot be estimated reliably, the revenue is recognized only in an amount that enables it to recover the incurred expenses.

Sales of products. Income from the sale of products (goods, other assets) is recognized if all of the following conditions are executed: risks and benefits of ownership of the product (goods, other assets) are transferred to the buyer; the company does not carry out further management and control over the sold products (goods, other assets); the amount of revenue (revenue) can be reliably determined; there is confidence that the transaction will increase the economic benefits of the company or the realization of economic potential, and the costs associated with this operation can be accurately determined.

Rental income. Rental income is recognized in the accounting period in which the services are provided, to the extent of the services actually provided.

Income from construction contracts. If the final result of a construction contract can be estimated reliably, the contract income and expenses associated with the construction contract are recognized as income and expenses with reference to the stage of completion of the contract at the end of the reporting period. The expected loss under a construction contract is immediately recognized as expenses.

Taxes

Income tax. In this Consolidated Financial Information, income tax expenses are eliminated because the tax is paid to the local budget, which is considered as an intragroup transaction.

Deferred income tax. Deferred income tax is not recognized in the consolidated financial statements, as it arises from income tax paid to the local budget, which is considered as an intragroup transaction.

Value added tax (VAT). VAT is levied at two rates: 20% is charged on the supply of goods or services where the supply takes place in Ukraine, including supplies without direct payment, and the import of goods to Ukraine (unless such supplies are expressly exempt from VAT by the legislation); 7% applies to the supply and import operations in the customs territory of Ukraine of all medical devices that are included in the State Register of Medical Equipment and Medical Devices or meet the requirements of the relevant technical regulations, as evidenced by the document of conformity, and are allowed to be placed on the market and / or commissioning and use in Ukraine. Input VAT for companies which are registered as VAT payers is accounted for as follows: the right to credit on input VAT on purchase arises at the time of receipt of the VAT invoice issued at the time of payment to the supplier or at the time of receipt of the goods or services, in dependence what event has occurred before, or the right to credit on input VAT on the import of goods or services arises at the moment of tax payment. For companies that are not registered as VAT payers, the input VAT is included in the cost of goods, works, services purchased, and is included into the expenses of the period or capitalized accordingly. Some enterprises account for VAT using the cash method, according to which a tax credit or liability arises at the time of payment.

Prepayments to suppliers and advances from customers are shown including VAT.

Related parties. Parties are generally considered to be related if one party has the ability to control the other party or can exercise a significant influence on the other's financial and operational decisions, or if the business entity of the related party and the other entity are under joint control.

Related parties include:

- Entities that directly or indirectly through one or more intermediaries control or are under the control of the entity;
- Associated companies;
- Individuals who, directly or indirectly, own a part of reporting entity, that provides them the significant influence on that

entity, as well as close family members of any of such individuals;

- Key management staff and family members of key management staff;
- Entities in which a substantial part of the property belongs directly or indirectly to the individual referred to in the third or fourth paragraphs, or those to which such individual is capable of exercising significant influence.

Correction of Errors. During the preparation of these consolidated financial statements, the City corrected errors in the disclosures relating to the extent of exposure to foreign currency risk as at the beginning of the reporting year (Note 35).

Budget information. The City's annual budget is prepared in compliance with the cash method. The reconciliation of planned expenses and revenues is presented in the Report on the Fulfillment of the Budget of the City. Due to the application of the cash method for budgeting purposes, there are differences related to the use of different accounting methods, terms or business entities, that require reconciliation of the actual comparative amounts and amounts presented as a separate additional financial report.

General Fund. The General Fund of the budget provides financing of main functions and tasks of the state and local communities. The components of the General Fund of the budget are:

- All budget revenues, except those referring to the budget's Special Fund;
- All budget expenditures made at the cost of the General Fund proceeds;
- Crediting the budget (repayment loans to the budget without the determination of the target direction and provision of loans from the budget, which is carried out at the expense of revenues from the General Fund of the budget);
- Financing of the General Fund of the budget.

Special Fund. The Special Fund of the budget provides for special purpose use of budget funds according to budget purpose. In the Special Fund, specific proceeds correspond to specific expenditures. Capital expenditures may be incurred only within the limits of the Special Fund. The components of the Special Fund of the budget are:

- Special purpose budget revenues (including own revenue proceeds of budget institutions);
- Budget expenditures made at the cost of specifically determined revenues of the Special Fund of the budget (including own revenue proceeds of budget institutions);
- Crediting the budget (repayment loans to the budget with the determination of the target direction and provision of

loans from the budget, which is carried out at the expense of specifically determined revenues of the special budget fund);

- Financing of the Special Fund of the budget.

4. New and Revised Standards and Interpretations

The following new standards and amendments to standards became effective from 1 January 2025:

Standards	Date of Entry into Force
IPSAS 43 Leases	January 01, 2025
IPSAS 44 Non-current Assets Held for Sale and Discontinued Operations	January 01, 2025
IPSAS 45 Property, Plant and Equipment	January 01, 2025
IPSAS 46 Measurement	January 01, 2025

The following new standards and amendments to standards had been issued but were not yet effective as at December 31, 2025 and were not applied in the preparation of these financial statements. The City intends to apply these pronouncements in the reporting period in which they become effective.

Standards	Date of Entry into Force
IPSAS 47 Revenue	January 01, 2026
IPSAS 48 Transfer Expenses	January 01, 2026
IPSAS 49 Retirement Benefit Plans	January 01, 2026

The City does not expect the above standards and amendments to have a material impact on its financial statements.

5. Significant Accounting Estimates and Judgments

In applying of accounting policies the City applies professional judgments and estimates. The accounting estimates and judgments are constantly analyzed based on its Management's experience and other factors, including expectations about future events that the Management believes are justified in the light of current circumstances. Professional judgments that have the most significant impact on the amounts are reflected in the Consolidated Financial Information, as well as estimates that may result in significant adjustments to the carrying amounts of assets and liabilities during the next reporting period include:

Estimation of receivables from exchange transactions.

Receivables from exchange transactions including receivables from people for utilities, are reviewed for impairment on an ongoing basis. In determining the need to reflect the impairment loss as a part of the surplus / (deficit) for the reporting period, the City analyzes the receivables from exchange transactions

by maturity. Depending on the overdue period, the City applies the following provisioning rates:

- Less than 179 days overdue - 0%;
- From 180 to 365 days overdue - 50%;
- More than 365 days overdue - 100%.

During formation of the provisions the City applies professional judgment regarding the appropriateness of the formation of the provision and assesses the credit rating of counterparties on an ongoing basis.

Valuation of investments in associated companies and subsidiaries

Of the total number of self-supporting utility companies (institutions, organizations) (413) as of 31.12.2025 (2024 - 421), 175 – legal entities are in the process of termination (liquidation, reorganization) (2024 - 163), 1 company is on the territory Crimea (2024 - 1), 8 – do not carry out financial and economic activities (2024 - 7) and are not in the process of termination by decision of the owner.

Of the total number of budget institutions (1 481) as of December 31, 2025 (2024 - 1 485), 45 legal entities are in the process of termination (liquidation, reorganization) (2024 - 46).

As at 31 December 2025, the City held investments in 23 entities (2024: 30 entities) with ownership interests ranging from 1% to 100%. At the end of 2025 year the City had no control or significant influence over 21 companies (2024 - 23 companies), of which 2 are in the process of liquidation and 13 do not carry out economic activities. Investments in such companies were not classified as associated companies or subsidiaries. Assets, liabilities and financial results of companies in the process of liquidation and companies, that do not carry out economic activities, were not included in the Consolidated Financial Information as of December 31, 2025 and 2024.

Investment property. The City considers that the assets held for the provision of social services, for example, for leasing to public organizations, creative unions, budget institutions of municipal and state property at lower than market rental rates, shall not be treated as investment property, but be classified as property, plant and equipment. The City considers that, in such a situation, assets are not held for rental income or increase of capital value, and the income received is related to the purposes for which such assets are held. Such assets do not belong to the category of investment property and are accounted for in accordance with the requirements of the IPSAS No. 45 Property, Plant and Equipment.

6. Related Party Transactions

Information about remuneration of the key management staff for 2025 is presented below

Remuneration of the key management staff*, thousand UAH	2025	2024
Head of the Kyiv City State Administration	1 445	1 233
First Deputy Head of the Kyiv City State Administration	1 498	2 644
Deputies of the Head of the Kyiv City State Administration (12 persons)	16 380	17 305
Head of the Executive Office of the Kyiv City State Administration	1 140	1 151
Director of the Department of Construction and Housing Provision	1 127	1 083
Director of the Department of Internal Financial Control and Audit	1 222	1 116
Director of the Department of Economy and Investments	1 309	1 218
Director of the Department of Housing and Municipal Infrastructure	1 134	1 024
Director of the Department for State Architectural and Construction Control	1 277	1 176
Director of the Department of Prevention and Detection of Corruption	1 278	1 186
Director of the Department for Registration	1 206	1 115
Director of the Department of Environmental Protection and Adaptation to Climate Change	920	936
Director of the Department of Land Resources	1 356	1 243
Director of the Department of Information and Communication Technologies	837	890
Director of the Department of Municipal Property of the City of Kyiv	1 210	1 127
Director of the Department of Culture	1 159	1 073
Director of the Department of Urban Planning and Architecture	1 144	1 026
Director of the Department of Youth and Sports	1 030	657
Director of the Department of Municipal Security	1 061	1 317
Director of the Department of Education and Science	1 049	975
Director of the Department of Health Care	1 604	1 257
Director of the Department of Cultural Legacy Protection	1 023	933
Director of the Department of Industry and Entrepreneurship Development	977	951
Director of the Department of Social and Veterans Policy	870	959
Director of the Department of Social Communications	1 087	864
Director of the Department of Territorial Control of the City of Kyiv	1 051	972
Director of the Department of Transport Infrastructure	943	1 149
Director of the Department of Finance	1 290	1 179
Director of the Department (Centre) of Administrative Services	1 257	1 179
Director of the State Archive of the City of Kyiv	1 236	1 182
Head of the Service for Children and Family	1 121	1 040
Head of the Department for Advertisement	1 196	1 039
Head of the Department of Tourism and Promotions	1 017	1 081
Total	53 454	53 280

*Amount of accrued wages (including the amounts of withheld taxes).

The outstanding balances with a related party whose ultimate beneficiary is a member of the Kyiv City Council were as follows:

	December 31, 2025	December 31, 2024
Advances (Property Rights) for Housing for Certain Categories of the Population (Note 22)	2 789 187	1 869 001

Transactions with a related party whose ultimate beneficiary is a member of the Kyiv City Council were as follows:

Profit-impacting transactions, thousand UAH	2025	2024
Acquisition of property rights for certain categories of the population	1 202 544	769 051

7. Property, Plant and Equipment and Investment Property

Indicators, thousand UAH.	Land plots	Buildings and constructions	Machinery and equipment	Vehicles	Construction in progress	Other fixed assets	Total
As of January 01, 2024:							
Initial value	21 688 570	395 555 959	29 117 843	30 230 136	47 851 458	10 672 516	535 116 482
Accumulated depreciation	(3 146)	(182 027 615)	(11 433 569)	(7 543 654)	-	(4 885 391)	(205 893 375)
Residual value	21 685 424	213 528 344	17 684 274	22 686 482	47 851 458	5 787 125	329 223 107
Additions, disposals, and other transfers	7 879 255	2 922 646	5 369 808	506 627	12 746 354	1 916 084	31 340 774
Revaluation	205 015	9 573 248	265	6 851 604	-	21	16 630 153
Depreciation for the year	(147)	(6 885 242)	(3 050 543)	(3 101 490)	-	(956 122)	(13 993 544)
As of December 31, 2024:							
Initial value	29 772 840	409 519 360	34 368 679	36 112 984	60 597 812	12 340 186	582 711 861
Accumulated depreciation	(3 293)	(190 380 364)	(14 364 875)	(9 169 761)	-	(5 593 078)	(219 511 371)
Residual value	29 769 547	219 138 996	20 003 804	26 943 223	60 597 812	6 747 108	363 200 490
As of January 01, 2025:							
Initial value	29 772 840	409 519 360	34 368 679	36 112 984	60 597 812	12 340 186	582 711 861
Accumulated depreciation	(3 293)	(190 380 364)	(14 364 875)	(9 169 761)	-	(5 593 078)	(219 511 371)
Residual value	29 769 547	219 138 996	20 003 804	26 943 223	60 597 812	6 747 108	363 200 490
Additions, disposals, and other transfers	3 300 850	3 011 560	6 429 779	1 971 176	13 810 545	1 073 588	29 597 498
Revaluation	904 840	5 699 469	(37 356)	7 461 895	-	(2 335)	14 026 513
Depreciation for the year	(119)	(7 061 399)	(3 669 046)	(4 115 655)	-	(952 613)	(15 798 832)
As of December 31, 2025:							
Initial value	33 978 530	430 397 693	40 646 535	43 023 579	74 408 357	13 211 898	635 666 592
Accumulated depreciation	(3 412)	(209 609 067)	(17 919 354)	(10 762 940)	-	(6 346 150)	(244 640 923)
Residual value	33 975 118	220 788 626	22 727 181	32 260 639	74 408 357	6 865 748	391 025 669

As at 31 December 2025, the total area of land plots in the city of Kyiv amounted to 62.4 thousand hectares, of which ownership / use rights for 26.0 thousand hectares (41.0%) had been formally registered, while ownership / use rights for 36.4 thousand hectares (58.0%) had not been formally registered (2024: the total area of land plots in the city of Kyiv amounted to 62.4 thousand hectares, of which ownership / use rights for 20.9 thousand hectares (33.5%) had been formally registered, while ownership / use rights for 41.5 thousand hectares (66.5%) had not been formally registered).

Revaluation. In 2025, the revaluation primarily related to property, plant and equipment of MC Kyiv Metropolitan, certain healthcare institutions and educational institutions in various districts (in 2024, the revaluation primarily related to property, plant and equipment of MC Kyivpastrans, MC Kyiv Metropolitan and educational institutions in various districts)

8. Intangible Assets

Intangible assets are represented mainly by software, their movement is presented as follows:

Indicators, thousand UAH	2025	2024
As of January 1		
Initial value	1 565 583	1 138 423
Accumulated depreciation	(690 870)	(562 902)
Residual value	874 713	575 521
Additions, disposals, and other transfers	217 083	431 245
Depreciation for the year	(157 019)	(132 053)
As of December 31		
Initial value	1 764 955	1 565 583
Accumulated depreciation	(830 178)	(690 870)
Residual value	934 777	874 713

9. Advances for Fixed Assets

Advances for fixed assets related to the following:

Indicators, thousand UAH	December 31, 2025	December 31, 2024
Development of the metropolitan	4 271 004	4 323 440
Construction of utility tunnels	598 308	638 162
Reconstruction of traffic junctions	324 573	1 151 184
Development of surface transport	80 933	560 635
Reconstruction of the aeration station	-	170 000
Reconstruction of the combined heat and power (CHP) plant	-	153 478
Others	97 840	13 841
Advances for fixed assets , total	5 372 658	7 010 740

10. Inventories

Inventories were presented as follows:

Indicators, thousand UAH	December 31, 2025	December 31, 2024
Production inventories	8 808 393	7 625 110
Apartments and non-residential premises	1 933 265	1 517 285
Construction in progress under construction contracts	1 063 291	965 219
Goods	250 374	294 702
Finished products	154 067	126 741
Assets held for transfer	122 684	271 449
Work in progress	26 382	32 912
Inventories, total	12 358 456	10 833 418

As at 31 December 2025, approximately 33% of inventories related to the Healthcare segment (As at 31 December 2024: 33%), 27% related to the Housing and utilities segment, and 24% related to the Transport and road infrastructure segment.

11. Receivables from Exchange Transactions

Indicators, thousand UAH	December 31, 2025			December 31, 2024		
	Gross balance cost	Impairment provision	Net balance cost	Gross balance cost	Impairment provision	Net balance cost
Housing and utilities	19 913 961	(11 188 541)	8 725 420	19 050 014	(9 975 831)	9 074 183
Transport	235 180	(37 235)	197 945	201 650	(25 211)	176 439
Construction	130 091	(10 130)	119 961	137 215	(13 443)	123 772
Other segments	288 070	(1 652)	286 418	276 412	(5 315)	271 097
Total	20 567 302	(11 237 558)	9 329 744	19 665 291	(10 019 800)	9 645 491

Accounts receivable, after deducting the estimated provision for expected credit losses, is denominated in hryvnias, is interest-free and unsecured.

Changes in the provision for impairment of trade receivables:

Indicators, thousand UAH	2025	2024
As of January, 1	10 019 800	7 649 135
Change of provision in the current period	1 217 758	2 370 665
As of December, 31	11 237 558	10 019 800

12. Cash and Cash Equivalents

Indicators, thousand UAH	December 31, 2025	December 31, 2024
Cash funds at the budget accounts of Kyiv	3 657 387	15 304 551
Treasury accounts	2 878 913	5 534 675
Current bank accounts	20 823 006	14 970 076
Short-term deposits	82 982	99 825
Cash on hand and in transit	48 004	26 022
Cash and cash equivalents, total	27 490 292	35 935 149

Analysis of cash and cash equivalents by credit quality is presented below based on the ratings of the international rating agency Fitch, if available, or ratings assigned by other international rating agencies converted to the closest equivalent on the Fitch rating scale:

as of December 31, 2025:

Indicators, thousand UAH	Bank accounts	Treasury accounts	Short-term deposits	Cash funds at the budget accounts of Kyiv	Other cash	Total
CCC-	13 610 078	2 878 913	82 982	3 657 387	-	20 229 360
without rating	7 212 928	-	-	-	48 004	7 260 932
Total	20 823 006	2 878 913	82 982	3 657 387	48 004	27 490 292

as of December 31, 2024:

Indicators, thousand UAH	Bank accounts	Treasury accounts	Short-term deposits	Cash funds at the budget accounts of Kyiv	Other cash	Total
CCC-	7 213 644	5 534 675	99 825	15 304 551	-	28 152 695
without rating	7 756 432	-	-	-	26 022	7 782 454
Total	14 970 076	5 534 675	99 825	15 304 551	26 022	35 935 149

In September 2025, Fitch Ratings affirmed the City of Kyiv's long-term foreign- and local-currency issuer default ratings at "CCC" (2024: CCC).

At the end of 2025, Fitch Ratings upgraded Ukraine's long-term foreign-currency rating from "Restricted Default" ("RD") to "CCC" (substantial credit risk). This upgrade followed the completion of the restructuring of 94% of Ukraine's commercial external debt and the normalisation of relations with creditors.

13. Advances Issued

Accounts receivable for issued advances related to the following:

Indicators, thousand UAH	December 31, 2025	December 31, 2024
Advances (property rights) for housing for certain categories of the population (Note 23)	3 121 138	2 200 952
Advances (property rights) of the Construction segment	2 040 108	2 203 273
Advances for energy resources, etc.	138 149	671 360
Other advances	661 477	391 090
Advances, total	5 960 872	5 466 675

14. Other Financial Assets

Other financial assets were presented as follows:

Indicators, thousand UAH	December 31, 2025	December 31, 2024
Cash funds, the use of which is limited	866 701	906 672
Borrowings issued	683 230	728 624
Accrued interest on deposits and cash balances	175 868	108 330
Other financial assets, total	1 725 799	1 743 626

Borrowings issued are represented mainly by loans issued to JSC AK Kyivvodokanal for implementation of measures related to the prevention of an emergency situation of a man-made nature, for the purchase of materials to ensure the uninterrupted provision of centralized water supply and drainage services. The borrowings are interest-free, unsecured, repayment period – December 2025.

Restricted cash mainly comprises funds received as tender security, funds held in escrow accounts, and similar items.

15. Other Non-financial Assets

Indicators, thousand UAH	December 31, 2025	December 31, 2024
VAT on issued advances and tax credit	4 757 617	5 158 714
Other receivables	437 138	423 061
Deferred expenses	154 100	149 471
Non-current assets held for sale	9 519	9 814
Other non-financial assets, total	5 358 374	5 741 060

Other receivables as of December 31, 2025 include receivables of the Transport segment in the amount of UAH 1 445 936 thousand recognized by a court decision, for which a 100% provision for expected credit losses was recognized at the same time (as of December 31, 2024: similar amounts).

16. Receivables from Non-exchange Transactions

Indicators, thousand UAH	December 31, 2025	December 31, 2024
Overpayments to the budgets of municipal companies	986 000	884 650
Receivables from non-exchange transactions, total	986 000	884 650

17. Loans and Borrowings

This note provides information on the terms of debt obligations accounted for at amortized cost. Additional information on interest rate risk is presented in Note 36.

Indicators, thousand UAH	December 31, 2025	December 31, 2024
Long-term part	7 650 152	7 837 173
Current part	1 101 387	1 075 639
Total	8 751 539	8 912 812

The conditions and terms of the debt obligations were as follows:

Indicators, thousand UAH	Currency	Interest rate type	Payment period	Interest rate (% per year)	December 31, 2025	December 31, 2024
Loan from the Ministry of Finance of Ukraine (i)	UAH	interest free	not defined	-	3 688 454	3 688 454
EBRD loan (EUR 50 million) – working capital financing to ensure the uninterrupted provision of municipal services	EUR	floating	2027-2029	Euribor+2,5%	2 543 520	2 196 330
Domestic local loan bonds	UAH	floating	2025-2026	Main rate of NBU +5%	400 000	800 000
Loan from the Ukrainian State Bank (ii)	UAH	floating	2025-2028	Main rate of NBU +4,5%, but not more than 18%	257 100	599 901
Credit of the European Investment Bank (trams 20 units, buses 145 units)	EUR	floating	2025-2038	1,2%-4,6%	1 552 078	1 316 799
Credit of the Northern Environmental Finance Corporation (NEFCO) (iii)	EUR	floating	2025-2026	Euribor 6m +5,85%	71 223	72 164
Other	UAH	-	overdue	-	239 164	239 164
Total					8 751 539	8 912 812

(i) The loan from the Ministry of Finance of Ukraine was granted in 2009-2014 at the expense of the funds of the single treasury account on the terms of its return without accrual of interest for the use of these funds. Currently, the law (Budget Code of Ukraine) provides that the repayment of debt for medium-term loans (except the debt of the budgets of the Autonomous Republic of Crimea) to the state budget, which is registered in the Treasury of Ukraine, is not carried out until the legislative settlement of this issue.

(ii) The loan from the Ukrainian State Bank was received for the following purposes: reconstruction of the zoo, tram line, waste landfill, construction and major repair of roads, major repair of the sports complex.

(iii) Credit of the Northern Environmental Finance Corporation (NEFCO) was received for major repairs of heating stations and heating systems in public buildings.

The table below presents an analysis of movements in borrowings as at the reporting dates:

Indicators, thousand UAH	2025	2024
As of January 1	8 912 812	7 242 049
Receipts	243 608	2 722 679
Repayment	(931 122)	(1 117 450)
Accrued interests	392 712	371 154
Paid interests	(340 506)	(369 762)
Exchange rate differences	474 035	64 142
As of December 31	8 751 539	8 912 812

18. Provision for Actuarial Liabilities to Employees

Indicators, thousand UAH	
As of January 1, 2024	936 523
The cost of current services recognized in the statement of financial results	43 514
Interest expenses recognized in the statement of financial results	167 693
Actuarial losses / (profit) recognized in other comprehensive income	109 325
Payments during the year	(103 853)
As of December 31, 2024	1 153 202
The cost of current services recognized in the statement of financial results	27 466
Interest expenses recognized in the statement of financial results	180 270
Actuarial losses / (profit) recognized in other comprehensive income	81 827
Payments during the year	(117 830)
As of December 31, 2025	1 324 935

19. Liabilities under Construction Contracts

Liabilities under construction contracts are represented mainly by obligations to external investors for construction works on construction of residential buildings, as well as on the reconstruction of Poshtova Square and European Square.

20. Accounts Payable for Exchange Transactions

Indicators, thousand UAH	December 31, 2025	December 31, 2024
Housing and utilities (for energy resources and others)	15 459 801	23 689 785
Transport and transport infrastructure (for fixed assets and services)	811 943	534 855
Accounts payable of other segments	499 917	373 778
Accounts payable for goods, work, services, total	16 771 661	24 598 418

As of December 31, 2025 and December 31, 2024 trade payables are interest-free and are repaid in the course of the City's normal operations, denominated in hryvnias. The fair value of trade payables is approximately equal to its balance cost.

Restructuring of liabilities to Naftogaz of Ukraine

On 5 February 2025, Kyivteploenergo and Naftogaz of Ukraine entered into debt restructuring agreements in respect of natural gas liabilities in the total amount of UAH 6 161 687 thousand through the extension of repayment over 120 calendar months with equal monthly instalments. The City determined that the restructuring terms represented a substantial modification of the contractual terms and, accordingly, recognised finance income from the initial recognition of the financial liability at fair value in the amount of UAH 2 805 051 thousand at the restructuring date (Note 34). The fair value at the restructuring date was determined at UAH 3 356 636 thousand using a discount rate of 14.5%.

As at 31 December 2025, the carrying amount of the restructured natural gas liability measured at amortised cost amounted to UAH 3 202 241 thousand, including a non-current portion of UAH 2 586 072 thousand UAH and a current portion of UAH 616 169 thousand.

21. Advances Received

Payable for advances received was related to the following:

Indicators, thousand UAH	December 31, 2025	December 31, 2024
Construction (for the construction of residential buildings)	835 685	685 367
Housing and utilities (for communal services)	625 510	647 234
Prepayments of other segments	112 979	126 368
Advances received, total	1 574 174	1 458 969

22. Liabilities for Non-exchange Transactions

Indicators, thousand UAH	December 31, 2025	December 31, 2024
Remaining unused state subventions	277 840	-
Accounts payable of the City companies to the budget	658 412	793 583
Liabilities for non-exchange transactions, total	936 252	793 583

23. Liabilities for Social Benefits

The liabilities represent obligations related to the transfer of housing to certain categories of the population. In order to acquire housing, during 2025 the City entered into contracts and advanced payments were made for the purchase of 95 apartments (property rights) for orphans and children deprived of parental care (2024: 111 apartments; 2023: 54 apartments), as well as 352 apartments

(property rights) for combatants and their family members, families of deceased participants of the Anti-Terrorist Operation (“ATO”), and defenders of Ukraine (2024: 219 apartments; 2023: 624 apartments). In 2025, 132 apartments were transferred to the respective categories of the population (2024: 19 apartments). The related receivable balance arising from advances paid is presented within “Advances issued” in the Statement of Financial Position.

24. Current Provisions

Structure, movement and balance cost of current assets:

Indicators, thousand UAH	Provisions for execution of court decisions	Provision for unused vacations	Other	Total
Balance value as of January 01, 2024	1 084 171	1 393 097	43 760	2 521 028
Accrued in the current year	1 943	1 887 608	128 718	2 018 269
Reversal of provision	(491 828)	-	-	(491 828)
Utilisation of provision	(11 673)	(1 672 255)	(137 849)	(1 821 777)
Balance value as of December 31, 2024	582 613	1 608 450	34 629	2 225 692
Accrued in the current year	826 020	2 184 431	130 615	3 141 066
Reversal of provision	(748)	(1 811 733)	(101 395)	(1 913 876)
Balance value as of December 31, 2025	1 407 885	1 981 148	63 849	3 452 882

Provisions for legal claims

Provisions for litigation claims as at 31 December 2025 primarily comprise balances relating to the Housing and Communal Services segment (as at 31 December 2024: the Housing and Communal Services segment) and mainly relate to one counterparty that is not a related party.

As at 31 December 2025, Kyivteploenergo was a party to litigation with Euro-Reconstruction LLC concerning mutual claims related to the transportation of thermal energy and compensation for thermal energy losses. Pursuant to the decision of the Commercial Court of the City of Kyiv dated 2 December 2025, Kyivteploenergo was awarded monetary compensation in the total amount of UAH 1 138 048 thousand, including principal debt, three percent annual interest, inflation compensation, penalties and court costs. At the same time, under the counterclaim, the court ordered Kyivteploenergo to pay Euro-Reconstruction LLC monetary compensation in the total amount of UAH 859 184 thousand, including compensation for thermal energy losses, damages, three percent annual interest, inflation compensation and court costs. This court decision has not yet become legally effective as it is currently under appeal.

Due to the existence of the court decision giving rise to a present obligation, Kyivteploenergo recognised a provision for litigation claims in the amount of UAH 859 184 thousand. Separately, as at 31 December 2025, Kyivteploenergo had trade receivables related to the transportation of thermal energy arising from transactions with Euro-Reconstruction LLC, for which an allowance for expected credit losses had been recognised. As at the reporting date, the Entity had not adjusted (reversed) the allowance for expected credit losses in connection with the court decision, due to uncertainty regarding the timing and extent of the actual settlement of the outstanding receivables.

25. Other Current Non-financial Liabilities

Indicators, thousand UAH	December 31, 2025	December 31, 2024
VAT according to the cash method, according to advances issued	4 010 687	3 762 561
Accounts payable for payment of labour	522 780	422 454
Other current non-financial liabilities	92 629	77 606
Other current non-financial liabilities, total	4 626 096	4 262 621

INCOME

26. Taxes

Indicators, thousand UAH	2025	2024
Personal income tax	46 903 457	41 188 618
Single tax	15 945 863	14 783 882
Corporate income tax	10 742 769	18 703 562
Property taxes	9 045 992	7 590 212
Excise tax	5 475 435	4 127 324
Other taxes and fees	265 650	265 902
Income from taxes, total	88 379 166	86 659 500

27. State Transfers

Indicators, thousand UAH	2025	2024
General fund		
Educational subvention	6 171 773	6 475 150
Subvention for additional payments to teaching staff of general secondary education institutions	670 607	-
Subvention for the payment of monetary compensation for suitable living quarters for the families of fallen (dead) Defenders of Ukraine, for persons with disabilities of groups I - II as a result of the war and who need to improve living conditions	522 648	601 861
Subvention for providing meals to students of secondary education institutions	172 190	-
Subvention for ensuring quality, modern, and accessible general secondary education under the "New Ukrainian School" programme	101 010	74 351
Additional subvention from the state budget to local budgets to compensate for the loss of income of local budgets as a result of the tax benefits provided by the state for the payment of land tax to subjects of space activities and aircraft construction	78 298	74 938
Subvention from the state budget to local budgets to support individual institutions and activities in the health care system	74 165	76 796
Subvention from the state budget to local budgets for the implementation of a public investment project to modernize workshops and laboratories of vocational and specialized pre-higher education institutions, ensuring energy efficiency, safety and inclusiveness of the educational space	17 302	-
Subvention from the state budget to local budgets for the provision of state support to persons with special educational needs	13 449	18 112
Subvention to support the work of specialists providing assistance to war veterans and demobilized persons, as well as for specific measures aimed at supporting individuals who defended the independence, sovereignty, and territorial integrity of Ukraine	9 295	17
Subvention for provision of safe conditions in institutions of general secondary education	3 353	-
Subvention from the state budget to local budgets for design, construction and repair works, purchase of housing and premises for the development of family and other forms of education close to family, support of small group homes and provision of housing for orphans, children deprived of parental care, persons from their numbers	1 358	8 518
Subvention on the implementation of certain measures for the implementation of the social project Active parks - locations of a healthy Ukraine	343	2 318

Indicators, thousand UAH	2025	2024
Additional grant to compensate municipal institutions, state educational institutions transferred to local budget financing, and institutions of joint ownership of territorial communities of the region and district under the management of regional and district councils	309	3 140
Subvention for the payment of monetary compensation for adequate living quarters for internally displaced persons who defended the independence, sovereignty and territorial integrity of Ukraine and who need to improve living conditions	-	1 311 590
Subvention for the payment of monetary compensation for suitable living quarters for the families of deceased (dead) war veterans on the territory of other states, for persons with disabilities of groups I - II from among the participants in hostilities on the territory of other states and who need improvement of living conditions	-	93 526
Subvention for creation of a network of specialized support services for persons who have suffered from domestic violence and / or gender-based violence	-	2 158
Subvention for providing meals to primary school students of general secondary education institutions	(5)	55 600
Special fund		
Educational subvention	95 889	-
Subvention from the state budget to local budgets for the provision of state support to persons with special educational needs	14 465	-
Subvention for providing meals to primary school students of general secondary education institutions	-	263 261
Subvention from the state budget to local budgets for financial support of construction, reconstruction, repair, and maintenance of local common roads, municipal streets and roads in settlements	(50)	-
Subvention for design, restoration, construction, modernization, arrangement, repair of construction objects of public purpose, social sphere, cultural heritage, housing and utilities, other objects that have an impact on the life of the population	(27 582)	-
State subventions and dotation, total	7 918 817	9 061 336

28. Grants and Charitable Contributions of Third Parties

Indicators, thousand UAH	2025	2024
International technical assistance received by a municipal sector enterprise	2 065 120	1 928 299
Charitable contributions in cash and in natural form to municipal companies from other parties	946 616	1 302 214
Charitable contributions, grants and gifts to budget institutions	520 173	985 353
Grants (gifts) received by the budget from the European Union, foreign governments, international organizations, donor institutions	226 071	11 313
Grants and charitable contributions, total	3 757 980	4 227 179

29. Administrative Fees and Charges

Indicators, thousand UAH	2025	2024
Other administrative service fees	345 760	384 032
Fees for licenses for other types of activities	272 700	224 299
Fees for licenses in the field of gambling, lotteries	124 505	21 178
State custom duties	53 425	47 000
Administrative fees and charges, total	796 390	676 509

30. Income from Sale of Goods, Works and Services

Indicators, thousand UAH	2025	2024
Income of municipal companies	61 305 384	57 125 519
Income of budget institutions	1 798 309	1 645 070
Total	63 103 693	58 770 589

Revenue from sales of municipal companies by segments is presented as follows:

Indicators, thousand UAH	2025	2024
Housing and utilities	42 355 463	39 114 637
Health Care	13 225 258	12 321 325
Transport, road facilities	3 145 218	3 455 457
Other economic activity	1 023 261	864 218
Construction	346 167	442 124
Mental and physical development	635 644	511 607
Ecology and other natural resources	155 869	152 632
Education	241 040	189 615
Communication, telecommunications and informational technologies	133 090	26 200
Revenue of other segments	44 374	47 704
Income from sales of municipal companies, total	61 305 384	57 125 519

Revenue from sales of budget institutions by types is presented as follows:

Indicators, thousand UAH	2025	2024
Proceeds from fees for services provided by budget institutions in accordance with their main activity	1 379 094	1 335 792
Proceeds to the trust funds established by the local council	338 215	231 491
Proceeds of budget institutions from additional (economic) activity	75 653	73 257
Other income from exchange transactions of budget institutions	5 347	4 530
Income from sales of budget institutions, total	1 798 309	1 645 070

31. Income from Sale of Non-current Assets

Indicators, thousand UAH	2025	2024
Sales of land plots	145 678	366 418
Sales of other property	117 590	249 217
Income from the sale of non-current assets, total	263 268	615 635

EXPENSES

32. Operating Expenses

Operating expenses of the City by segments are disclosed as follows:

Indicators, thousand UAH	2025	2024
Payroll and salary related charges	58 862 616	50 830 505
Material expenses	34 917 754	34 386 323
Depreciation	15 867 721	14 120 634
Current and capital repair and maintenance expenses	10 456 348	6 583 973
Water, heating, electricity and other utilities	8 219 613	6 826 062
Social security benefits	7 575 814	7 537 444
Services of the third parties (apart from repair)	7 188 691	5 645 380
Maintenance of constituency offices and implementation of pre-election programs	1 431 152	899 267
Provision for doubtful debts	1 271 369	2 429 654
Purchase of housing for certain segments of the population	1 202 544	783 391
Financial support	941 104	771 198
Provision for court cases	860 872	40 373
Expenses for facilities of PRJSC KYIVVODOKANAL	647 842	-
Taxes and fees (except related to salary)	616 313	597 777
Landfill reclamation costs	363 584	625 690
Other expenses	1 248 804	1 036 300
Total	151 672 141	133 113 971

Notes 32.1-32.12 present the disclosure of the City's operating expenses by business segments and by elements.

32.1 Housing and Utilities

Indicators, thousand UAH	2025	2024
Material expenses	23 931 046	23 253 414
Payroll and salary related charges	7 044 699	5 726 026
Current and capital repair and maintenance expenses	4 347 027	2 482 730
Services of the third parties (apart from repair)	2 232 816	1 411 979
Water, heating, electricity and other utilities	1 983 110	1 450 733
Depreciation	1 707 661	1 466 049
Provision for doubtful debts	1 239 483	2 397 088
Provision for court cases (Note 24)	838 165	12 719
Reconstruction of the PRJSC KYIVVODOKANAL assets and acquisition of alternative energy supply sources	647 842	-
Landfill reclamation costs	363 584	625 690
Taxes and fees (except related to salary)	228 702	266 891
Financial support to condominium associations, homeowners' associations, and housing cooperatives	176 810	110 490
Other expenses	276 249	260 109
Total	45 017 194	39 463 918

The landfill reclamation costs were incurred under the project "Reconstruction and technical upgrade of Municipal Solid Waste Landfill No. 5 in the village of Pidhirtsi, Obukhiv District, Kyiv Region, Reclamation of Section No. 1."

32.2 Education

Indicators, thousand UAH	2025	2024
Payroll and salary related charges	21 738 418	17 930 430
Current and capital repair and maintenance expenses	3 792 480	3 272 906
Material expenses	2 221 064	1 410 017
Water, heating, electricity and other utilities	2 213 281	1 958 793
Services of the third parties (apart from repair)	1 703 677	1 635 694
Depreciation	1 451 084	1 351 169
Financial support to private educational establishments	548 122	463 070
Social security benefits	184 726	185 995
Other expenses	102 924	23 265
Total	33 955 776	28 231 339

32.3 Health Care

Indicators, thousand UAH	2025	2024
Payroll and salary related charges	11 390 801	11 256 753
Material expenses	4 248 376	4 853 190
Depreciation	2 113 520	1 879 057
Water, heating, electricity and other utilities	1 115 543	971 563
Services of the third parties (apart from repair)	696 125	729 111
Current and capital repair and maintenance expenses	432 778	290 888
Taxes and fees (except related to salary)	9 868	5 843
Social security benefits	3 186	593
Other expenses	224 278	203 911
Total	20 234 475	20 190 909

32.4 Transport, Road Facilities

Indicators, thousand UAH	2025	2024
Depreciation	8 902 850	7 868 393
Payroll and salary related charges	7 580 339	6 336 675
Material expenses	2 950 170	2 694 695
Water, heating, electricity and other utilities	2 338 514	1 939 457
Current and capital repair and maintenance expenses	1 350 411	412 828
Services of the third parties (apart from repair)	632 150	454 977
Taxes and fees (except related to salary)	84 393	53 810
Provision for doubtful debts	22 700	26 665
Provision for court cases	11 672	24 476
Other expenses	118 475	105 026
Total	23 991 674	19 917 002

32.5 Social Care and Social Benefits

Indicators, thousand UAH	2025	2024
Social security benefits	6 602 800	5 284 984
Payroll and salary related charges	1 774 659	1 492 973
Implementation of pre-election programs	1 240 120	748 297
Purchase of housing for certain segments of the population	1 202 544	783 391
Capital transfers to the population	739 833	2 006 977
Services of the third parties (apart from repair)	372 050	428 131
Material expenses	297 302	291 055
Current and capital repair and maintenance expenses	145 564	-
Water, heating, electricity and other utilities	131 577	125 642

Indicators, thousand UAH	2025	2024
Depreciation	93 240	86 681
Other expenses	9 612	4 082
Total	12 609 301	11 252 213

32.6 Mental and Physical Development

Indicators, thousand UAH	2025	2024
Payroll and salary related charges	2 766 722	2 267 039
Depreciation	295 376	264 927
Services of the third parties (apart from repair)	273 043	371 194
Material expenses	246 594	184 748
Financial support to youth sports schools and sports organisations not subordinated to the City	216 173	197 638
Water, heating, electricity and other utilities	210 608	171 312
Current and capital repair and maintenance expenses	58 663	31 665
Social security benefits	45 715	55 120
Taxes and fees (except related to salary)	16 823	24 912
Social security benefits	1 621	163
Other expenses	75 206	88 408
Total	4 206 544	3 657 126

32.7 Governance

Indicators, thousand UAH	2025	2024
Payroll and salary related charges	3 395 097	2 911 375
Services of the third parties (apart from repair)	319 816	264 927
Maintenance of public constituency offices	171 372	150 970
Material expenses	111 025	94 664
Water, heating, electricity and other utilities	93 814	84 334
Depreciation	52 704	48 667
Current and capital repair and maintenance expenses	33 211	-
Financial support to community-based self-governing bodies	-	44 016
Other expenses	79 900	65 478
Total	4 256 939	3 664 431

32.8 Ecology and Natural Resources Protection

Indicators, thousand UAH	2025	2024
Payroll and salary related charges	1 312 178	1 254 413
Depreciation	399 967	500 517
Material expenses	276 421	291 797
Services of the third parties (apart from repair)	87 679	77 037
Water, heating, electricity and other utilities	48 505	46 924
Current and capital repair and maintenance expenses	33 293	34 371
Taxes and fees (except related to salary)	17 939	9 253
Provision for doubtful debts	4 295	2 739
Other expenses	22 685	20 399
Total	2 202 962	2 237 450

32.9 Other Economic Activity

Indicators, thousand UAH	2025	2024
Material expenses	560 629	463 376
Payroll and salary related charges	507 917	431 475
Services of the third parties (apart from repair)	124 601	119 099
Water, heating, electricity and other utilities	59 497	59 399
Depreciation	33 553	34 829
Taxes and fees (except related to salary)	25 657	15 457
Current and capital repair and maintenance expenses	2 639	41 562
Other expenses	126 385	70 656
Total	1 440 878	1 235 853

The category of material expenses of this segment mainly consists of the initial cost of pharmaceutical products sold through the network of municipal pharmacies.

32.10 Communication, Telecommunications and Informational Technologies

Indicators, thousand UAH	2025	2024
Depreciation	737 598	544 601
Services of the third parties (apart from repair)	713 456	502 241
Payroll and salary related charges	518 158	435 283
Taxes and fees (except related to salary)	226 683	206 916
Current and capital repair and maintenance expenses	46 304	4 818
Expenses for other materials	29 058	15 040
Water, heating, electricity and other utilities	16 155	15 040
Provision for doubtful debts	240	2 219
Other expenses	1 931	29 600
Total	2 289 583	1 755 758

32.11 Security and Defence

Indicators, thousand UAH	2025	2024
Payroll and salary related charges	777 940	722 618
Depreciation	59 776	60 815
Material expenses	33 819	145 886
Current and capital repair and maintenance expenses	10 574	10 389
Services of the third parties (apart from repair)	10 175	5 182
Water, heating, electricity and other utilities	6 920	1 446
Support to the Armed Forces of Ukraine	766	120 049
Other expenses	368	372
Total	900 338	1 066 757

32.12 Construction

Indicators, thousand UAH	2025	2024
Services of the third parties (apart from repair)	23 104	247 801
Material expenses	224 573	86 448
Payroll and salary related charges	55 687	65 446
Depreciation	20 391	14 927
Taxes and fees (except related to salary)	5 022	10 400
Water, heating, electricity and other utilities	2 089	1 419
Current and capital repair and maintenance expenses	203 404	1 060
Other expenses	32 207	13 714
Total	566 477	441 215

33. Transfers to Other Budgets

Indicators, thousand UAH	2025	2024
Subvention from the local budget to the state budget for the implementation of regional socio-economic development programs (Support to the Armed Forces of Ukraine)	11 183 146	5 315 891
Subvention from the local budget to the state budget for the transfer of funds in conditions of martial law or for the implementation of general mobilization measures in accordance with the law and with the aim of repelling the armed aggression of the Russian Federation against Ukraine and ensuring national security, eliminating the threat of danger to the state independence of Ukraine, its territorial integrity	10 000	52 940
Other dotation from the local budget	36 742	29 155
Total	11 229 888	5 397 986

34. Financial Income

Indicators, thousand UAH	2025	2024
Income from restructuring of accounts payable (Note 20)	2 805 051	-
Interest income on cash balances and deposits	2 582 152	1 422 046
Total	5 387 203	1 422 046

35. Financial Expenses

Indicators, thousand UAH	2025	2024
Interest expenses	392 712	371 154
Losses from exchange rate differences on debt liabilities	158 137	64 144
Expenses for discounting liabilities under actuary plans	180 270	167 693
Depreciation of discount on long-term debt	410 426	85 283
Total	1 141 545	688 274

36. Financial Instruments and Financial Risk Management

Financial instruments of the City as of the reporting dates were presented as follows (all at amortized cost):

Indicators, thousand UAH	December 31, 2025	December 31, 2024
Financial assets (current and non-current)		
Cash and cash equivalent	27 490 292	35 935 149
Accounts receivable for exchange transactions	9 329 744	9 645 491
Other financial assets	1 753 322	1 762 017
Financial assets, total	38 573 358	47 342 657
Financial liabilities (current and non-current)		
Credits and loans	8 751 539	8 912 812
Accounts payable for exchange transactions	19 370 496	24 598 418
Financial liabilities, total	28 122 035	33 511 230

The City's policy does not provide for trading of financial instruments. The City did not participate in transactions using derivative financial instruments.

The City is characterized by credit risk, liquidity risk and market risk. The overall risk management program is focused on unpredictability and inefficiency of the financial market of Ukraine and is aimed at reducing its potential negative impact on the City's financial condition.

Market risk. Market risk is the risk that the fair value of a financial instrument's future cash flows will fluctuate due to changes in market prices. Market risk consists of three types of risks: interest rate risk, currency risk and other price risks. The City is mainly exposed to currency risk and liquidity risk.

Foreign currency risk – is the risk that the cost of a financial instrument will fluctuate due to changes in exchange rates. The City's risk related to exchange rate changes primarily is related to the City's financial activity (when debt obligations are denominated in foreign currencies). Financial liabilities denominated in foreign currencies are represented by the credits received from the European Investment Bank, European Bank for Reconstruction and Development and the Nordic Environment Finance Corporation (Note No. 17).

The table below presents the sensitivity of the City's surplus to a likely change in exchange rates, with all other variables held constant. The sensitivity analysis was prepared based on the assumption that the share of financial instruments in foreign currency is a constant value on the reporting dates:

Indicators, thousand UAH	Increase / (decrease) of profit	
	December 31, 2025	December 31, 2024
USD strengthening by 30%	23 988	16 162
USD weakening by 10%	(7 996)	(5 387)
EUR strengthening by 30%	(737 673)	(347 984)
EUR weakening by 10%	245 891	115 995

Interest rate risk - is a probability of losses or additional expenses due to the influence of adverse changes in interest rates. The change in interest rates has an impact on the financial and economic condition of the City due to the corresponding variable cost of borrowing. Interest rates on most debt obligations are floating (Note 17).

The following table presents an analysis of sensitivity to the risk of changes in interest rates. The used level of changes in interest rates, multiplied by the value of financial liabilities, represents the expected level of impact on profit / (loss) and capital.

Indicators, thousand UAH	As of December 31, 2025		As of December 31, 2024	
	Interest rate +5%	Interest rate -5%	Interest rate +5%	Interest rate -5%
Net impact on profit / (loss) and capital	(241 196)	241 196	(249 260)	249 260

Liquidity risk is the risk that the City will not be able to fulfill its obligations as they fall due. Approach of the City to the management of liquidity risk involves ensuring the availability of sufficient liquidity to meet liabilities when their maturity is due by avoiding unacceptable losses.

The following tables show the liabilities of the city as at December 31, 2025 and 2024 by their remaining contractual maturity. The amounts disclosed in the table are the contractual undiscounted cash flows. Such undiscounted cash flows differ from the amounts recognized in the consolidated statement of financial position because the amounts in the consolidated statement of financial position are based on discounted cash flows.

The table below provides undiscounted financial liabilities as of December 31, 2025:

Indicators, thousand UAH	Up to 1 year	From 1 to 5 years	More than 5 years	Undefines term	Total
Loans and borrowings	1 316 366	3 616 866	1 344 169	3 688 454	9 965 855
Payables for exchange transactions	14 906 906	2 597 091	2 519 464	-	20 023 461
Total	16 223 272	6 213 957	3 863 633	3 688 454	29 989 316

The table below provides undiscounted financial liabilities as of December 31, 2024::

Indicators, thousand UAH	Up to 1 year	From 1 to 5 years	More than 5 years	Undefines term	Total
Loans and borrowings	1 409 202	4 007 757	1 098 053	3 688 454	10 203 466
Payables for exchange transactions	24 395 263	203 155	-	-	24 598 418
Total	25 804 465	4 210 912	1 098 053	3 688 454	34 801 884

Credit risk

Credit risk is the risk of financial loss of the City in case of non-performance by customers or parties of financial instruments of their obligations under the contract. This risk is mainly related to investments, receivables, cash and cash equivalents of the City. The maximum amount of credit risk is represented by the carrying amount of financial assets. The total maximum amount of credit risk is given below:

Indicators, thousand UAH	December 31, 2025	December 31, 2024
Cash and cash equivalents	27 490 292	35 935 149
Receivables for exchange transactions	9 329 744	9 645 491
Other financial assets	1 725 799	1 743 626
Long-term receivables	27 523	18 391
Maximum exposure to credit risk	38 573 358	47 342 657

37. Fair Value of Financial Instruments

As of December 31, 2025 and December 31, 2024 the Management estimated that the fair value of cash and deposits with terms, trade and other receivables, other current financial assets, other non-current financial liabilities, trade and other payables was approximately equal to their fair value due to the short maturity of these instruments.

38. Segment Information

Operating segments are components of an organizations that engage in commercial activities from which the organization may receive revenue or incur costs, whose operating results are regularly reviewed by the person responsible for making operational decisions, and for which separate financial information is available. The main person responsible for making operational decisions is the person or group of people who allocate resources and evaluate the activities of the City. For management purposes, within the City, separate segments are allocated according to the services provided by the controlled companies.

The City monitors the performance of its units separately for decision-making purposes on resource allocation and evaluation of their effectiveness. Segment performance is measured on the basis of non-financial quantitative indicators and the operating surplus or deficit of the segment, which is measured in accordance with accounting policies. At the same time, the management of financing and tax revenues of the City is carried out on a group basis and does not apply to individual operating segments.

Segments are managed by the Management of the Kyiv City State Administration.

Information by segments for 2025 is represented below:

Indicators, thousand UAH	Total for the City	Budget of the city of Kyiv	Housing and Utilities	Education	Healthcare
INCOME AND EXPENCES					
Revenues from external sources	166 129 757	99 142 370	44 458 843	1 460 016	14 637 512
Operating expenses	(163 430 752)	(11 742 729)	(45 017 194)	(33 955 776)	(20 250 357)
Investment expenses	(2 560 000)	(2 560 000)	-	-	-
Finance income / (expenses)	4 245 658	(315 223)	4 313 258	118	161 856
■ Surplus / (deficit) before inter-segment allocation	4 384 663	84 524 418	3 754 907	(32 495 642)	(5 450 989)
Budget appropriations	-	(59 377 781)	3 681 890	34 082 074	1 818 038
Transfers to the municipal companies	-	(39 459 742)	4 038 527	182 326	4 647 279
Income tax	-	2 589 127	(2 129 999)	-	-
■ Surplus / (deficit) after inter-segment allocation	4 384 663	11 723 978)	9 345 325	1 768 758	1 014 328
Depreciation for the year	15 867 720	-	1 701 422	1 451 085	2 102 082
Decrease / (increase) in working capital	(3 734 479)	277 840	(3 856 484)	(218 669)	(70 175)
Acquisition of PPE	(23 393 531)	-	(4 687 402)	(2 711 697)	(2 891 904)
Other non-monetary changes	(1 407 960)	194 586	(1 733 092)	(189 518)	162
Net movement in loans	(161 273)	(395 611)	(941)	-	-
■ Net cash flow	(8 444 860)	(11 647 163)	768 828	99 959	154 493
ASSETS, LIABILITIES AND EQUITY					
Assets as at December 31, 2025	460 570 164	3 657 386	66 829 838	49 933 876	36 759 692
Capital fund	397 333 104	-	35 491 933	48 388 491	32 056 237
Operating assets	63 237 060	3 657 386	31 337 905	1 545 385	4 703 455
Liabilities as at December 31, 2025	(44 073 089)	(7 406 078)	(25 383 218)	(48 844)	(923 799)
Operating liabilities	(35 321 550)	(277 840)	(25 311 995)	(48 844)	(923 799)
Borrowings / Debt liabilities	(8 751 539)	(7 128 238)	(71 223)	-	-
Equity as at December 31, 2025	416 497 075	(3 748 692)	41 446 620	49 885 032	35 835 893
Revaluation reserve	239 948 084	-	19 513 063	23 220 521	7 536 865
Capital fund before revaluation	157 385 021	-	15 978 870	25 167 970	24 519 371
Accumulated surplus	19 163 970	(3 748 692)	5 954 687	1 496 541	3 779 657

Transport, Road Facilities	Social Care and Social Benefits	Mental and Physical Development	Ecology and Natural Resources Protection	Tele-communications and informatics	Construction	Other segments
3 145 790	343 535	863 844	156 621	143 596	384 522	1 393 108
(23 991 674)	(12 609 301)	(4 206 544)	(2 202 962)	(2 289 583)	(566 477)	(6 598 155)
-	-	-	-	-	-	-
(12 857)	-	6 279	1 472	18 305	68 208	4 242
(20 858 741)	(12 265 766)	(3 336 421)	(2 044 869)	(2 127 682)	(113 747)	(5 200 805)
-	12 607 353	2 423 043	13 125	(9 434)	440 391	4 321 301
23 001 199	3 722	1 087 093	1 902 474	3 003 693	342 165	1 251 264
(362 464)	-	-	-	-	-	(96 664)
1 779 994	345 309	173 715	(129 270)	866 577	668 809	275 096
8 915 720	93 240	295 469	403 185	737 825	21 504	146 188
329 256	(28 199)	(15 517)	(12 692)	(171 494)	(163 149)	194 804
(9 449 273)	(220 693)	(471 434)	(243 321)	(1 636 638)	(467 082)	(614 087)
348 622	(173 006)	34 142	(10 996)	209 124	(104 157)	16 173
235 279	-	-	-	-	-	-
2 159 598	16 651	16 375	6 906	5 394	(44 075)	18 174
253 183 331	5 669 942	10 483 685	10 722 299	6 793 892	12 343 586	4 192 637
244 156 932	2 230 040	10 055 141	10 239 710	5 860 974	5 589 664	3 263 982
9 026 399	3 439 902	428 544	482 589	932 918	6 753 922	928 655
(5 483 441)	(3 121 713)	(110 697)	(135 113)	(242 149)	(976 294)	(241 743)
(3 931 363)	(3 121 713)	(110 697)	(135 113)	(242 149)	(976 294)	(241 743)
(1 552 078)	-	-	-	-	-	-
247 699 890	2 548 229	10 372 988	10 587 186	6 551 743	11 367 292	3 950 894
186 854 048	410 074	1 156 946	278 140	-	39 659	938 768
57 302 884	1 819 966	8 898 195	9 961 570	5 860 974	5 550 004	2 325 217
3 542 958	318 189	317 847	347 476	690 769	5 777 629	686 909

Information by segments for 2024 is represented below:

Indicators, thousand UAH	Total for the City	Budget of the city of Kyiv	Housing and Utilities	Education	Healthcare
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INCOME AND EXPENCES

Revenues from external sources	161 789 338	97 224 424	42 084 279	2 443 180	13 441 052
Operating expenses	(138 692 485)	(5 397 986)	(39 493 065)	(28 231 339)	(20 289 916)
Finance income / (expenses)	733 772	(355 516)	907 022	-	150 095
■ Surplus / (deficit) before inter-segment allocation	23 830 652	91 470 922	3 498 236	(25 788 159)	(6 698 769)
Budget appropriations	-	(47 874 487)	2 352 527	26 551 197	1 861 775
Transfers to the municipal companies	-	(37 981 154)	6 704 228	123 310	4 618 867
■ Surplus / (deficit) after inter-segment allocation	23 830 652	5 615 281	12 554 991	886 348	(218 127)
Depreciation for the year	14 120 634	-	1 466 049	1 351 169	1 879 057
Decrease / (increase) in working capital	(4 409 770)	148 500	(3 395 142)	(324 507)	847 029
Acquisition of PPE	(21 433 413)	-	(4 856 528)	(1 833 786)	(2 575 527)
Net movement in loans	1 605 229	1 248 454	22 632	-	-
■ Net cash flow	13 713 332	7 012 235	5 792 002	79 224	(67 568)

ASSETS, LIABILITIES AND EQUITY

Assets as at December 31, 2024	441 354 403	15 304 551	62 313 739	41 132 608	33 800 068
Capital fund	371 085 943	-	30 963 313	39 901 130	29 485 111
Operating assets	70 268 460	15 304 551	31 350 426	1 231 478	4 314 957
Liabilities as at December 31, 2024	(46 536 993)	(7 523 849)	(30 021 991)	(53 566)	(759 969)
Operating liabilities	(37 624 181)	-	(29 949 827)	(53 566)	(759 969)
Borrowings / Debt liabilities	(8 912 812)	(7 523 849)	(72 164)	-	-
Equity as at December 31, 2024	394 817 410	7 780 702	32 291 748	41 079 042	33 040 100
Revaluation reserve	227 962 781	-	19 496 541	19 123 979	6 231 380
Capital fund before revaluation	143 123 161	-	11 466 772	20 777 151	23 253 731
Accumulated surplus	23 731 468	7 780 702	1 328 435	1 177 912	3 554 989

Transport, Road Facilities	Social Care and Social Benefits	Mental and Physical Development	Ecology and Natural Resources Protection	Telecommunications and informatics	Construction	Other segments
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4 089 768	170 724	725 201	159 562	27 466	463 512	960 170
(19 950 794)	(11 252 213)	(3 657 173)	(2 237 734)	(1 762 588)	(441 845)	(5 977 805)
(58 861)	-	4 211	725	22 308	59 192	4 596
(15 919 887)	(11 081 489)	(2 927 761)	(2 077 447)	(1 712 814)	80 859	(5 013 039)
-	11 165 531	2 098 376	10 583	(4 343)	-	3 838 841
17 427 069	-	866 077	2 240 792	3 004 824	2 032 933	963 054
1 507 182	84 042	36 692	173 928	1 287 667	2 113 792	(211 144)
7 868 393	86 681	264 927	500 517	544 601	14 927	144 313
(574 231)	(1 785)	26 898	(51 000)	(65 077)	(1 443 121)	367 734
(8 698 244)	(160 813)	(303 415)	(614 170)	(1 791 204)	(195 403)	(404 323)
334 143	-	-	-	-	-	-
437 243	8 125	25 102	9 275	(24 013)	490 195	(48 488)

241 935 238	4 191 536	10 013 042	10 505 358	5 588 463	12 446 382	4 123 418
235 547 055	1 712 322	9 611 524	10 039 763	4 847 732	5 985 296	2 992 697
6 388 183	2 479 214	401 518	465 595	740 731	6 461 086	1 130 721
(4 440 289)	(2 205 874)	(115 564)	(137 718)	(226 851)	(802 531)	(248 791)
(3 123 490)	(2 205 874)	(115 564)	(137 718)	(226 851)	(802 531)	(248 791)
(1 316 799)	-	-	-	-	-	-
237 494 949	1 985 662	9 897 477	10 367 641	5 361 612	11 643 851	3 874 626
180 540 958	241 085	954 176	278 144	-	144 478	952 040
55 006 097	1 471 237	8 657 348	9 761 619	4 847 732	5 840 818	2 040 656
1 947 894	273 340	285 953	327 878	513 880	5 658 555	881 930

39. Investment in Kyivmiskbud JSC

On 23 December 2025, the City made a cash contribution to increase the share capital of Kyivmiskbud Holding Company in the amount of 2 560 000 thousand UAH, as a result of which the ownership interest of the territorial community of the city of Kyiv in the share capital of the company increased from 80% to 99.87%. The recapitalisation was carried out in order to stabilise the financial position of Kyivmiskbud Holding Company under conditions of the company's critical financial situation caused by a number of objective factors.

Despite formally holding more than 50% of the shares, the City's management concluded that, as at the reporting date, control over the investee did not exist due to the following factors:

- **Lack of practical ability to exercise power:** despite the formal majority of voting rights, management decisions relating to the operational and financial activities of the company are not fully controlled by the investor and are limited by existing governance and legal mechanisms.
- **Absence of a link between power and benefits:** the investor does not have the practical ability to obtain economic benefits from the activities of the company or to affect the amount of such benefits.
- **The recapitalisation has the nature of financial support:** the transaction is considered to be a measure to support a strategically important enterprise rather than an investment made for the purpose of obtaining economic benefits.

Based on the above, the control criteria defined by IPSAS 35 Consolidated Financial Statements were determined not to be met and, accordingly, the investment is accounted for as an investment in an associate.

As at the reporting date, the City identified indicators of impairment of the investment in accordance with the requirements of IPSAS 36 Impairment of Cash-Generating Assets, including consideration of the impact of military actions and related risks affecting the investee's operations. Based on the assessment of the recoverable amount, it was determined that the recoverable amount was zero or close to zero and, accordingly, an impairment loss equal to the full carrying amount of the investment was recognised. As at 31 December 2025, the carrying amount of the investment amounted to nil. The recognised impairment loss was presented within investment activity expenses for the reporting period.

On 12 March 2026, Kyivmiskbud Holding Company resumed its operating activities.

40. Events After the Reporting Date

During 2026, the City continues to operate under conditions of the ongoing war. In January and February, Russia intensified its terror attacks, resulting in damage to critical and municipal infrastructure facilities, additional expenditures for emergency repairs and restoration, periodic disruptions in the operation of transport, energy and housing and communal services, blackouts and interruptions in heating supply in certain districts.

The City's approved budget for 2026 amounts to UAH 106 billion, which is UAH 16 billion higher than the initial 2025 budget. The budget includes significant recovery and capital investment programmes, including reconstruction of damaged residential buildings, restoration of transport infrastructure (bridges, metro and roads), and investments in energy resilience (backup power supply and network modernisation).

On 10 March 2026, the Kyiv City Council adopted a resolution supporting measures under the Comprehensive Resilience Plan of the territorial community of the city of Kyiv. In particular, on 26 March 2026, the Kyiv City Council adopted a resolution to increase the share capital of Kyivteploenergo by UAH 2.7 billion.

In 2026, the National Bank reduced the key policy rate (from 15.5% to 15.0% in January), while the euro and US dollar exchange rates increased by 3%.

During the period from 1 January 2026 to the date of approval of these consolidated financial statements, the following repayments were made:

- repayment of obligations under a loan from a Ukrainian state-owned bank in accordance with the repayment schedule in the amount of UAH 171 400 thousand;
- repayment of obligations under an European Bank for Reconstruction and Development loan in accordance with the repayment schedule in respect of interest in the amount of UAH 60 430 thousand (equivalent to EUR 1 233 thousand);
- repayment of obligations under domestic municipal bonds in accordance with the repayment schedule in respect of interest in the amount of UAH 20 444 thousand.

No events requiring adjustment of the financial statement amounts in accordance with IPSAS were identified.

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