24. Events after the reporting date

On January 24, 2025, the reference to the public status was removed from the name, the new name is Rosseti Kuban Joint Stock Company. From this date, the Company has been exempt from disclosure in accordance with Article 30 of Federal Law No. 39-FZ dated April 22, 1996 *"On the Securities Market"*.

Deputy General Director for
Economics and Finance of Rosseti Kuban PJSC _________________ K.A. Iordanidi

Chief Accountant of Rosseti Kuban PJSC __________________ L.V. Loskutova

Date March 17, 2025.

APPENDIX NO. 5

Independent Auditor's
Report
on Consolidated Financial Statements
of Public Joint-Stock Company
Rosseti Kuban
and its subsidiaries
for 2024

March 2025

Independent Auditor's
Report
on Consolidated Financial Statements
of Public Joint-Stock Company
Rosseti Kuban
and its subsidiaries

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НОВЫЕ ВЫЗОВЫ
НОВЫЕ РЕШЕНИЯ

TSATR - Audit Services Limited Liability Company
Russia, 115035, Moscow,
Sadovnicheskaya embankment, 75
Tel: +7 495 705 9700
+7 495 755 9700
Fax: +7 495 755 9701
OGRN: 1027739707203
INN: 7709383532
OKPO: 59002827
KPP: 770501001

TSATR – Audit Services LLC
Sadovnicheskaya Nab., 75
Moscow, 115035, Russia
Tel: +7 495 705 9700
+7 495 755 9700
Fax: +7 495 755 9701
www.b1.ru

Independent Auditor's Report

To the Shareholders and the Board of Directors
of the Joint Stock Company Rosseti Kuban

Opinion

We have audited the Consolidated Financial Statements of Rosseti Kuban Public Joint Stock Company (the "Company") and its subsidiaries (the "Group"), which comprise the Consolidated Statement of Profit or Loss and other comprehensive income for the year ended December 31, 2024, the Consolidated Statement of Financial Position as of December 31, 2024, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity, and Notes to the Consolidated Financial Statements, which include significant accounting policies and other explanatory information.

In our opinion, the accompanying Consolidated Financial Statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2024, and its consolidated financial performance and its consolidated cash flows for 2024 in accordance with IFRS.

Basis for our audit opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under these standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our opinion. We are independent of the Group in accordance with the ethical requirements of the Code of Professional Ethics for Auditors and the Rules on Independence of Auditors and Audit Organisations applicable to our audit of the consolidated financial statements in the Russian Federation and the International Code of Ethics for Professional Accountants (including International Standards on Independence) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is adequate and appropriate to provide a basis for our audit opinion.

Key audit issues

Key audit issues are issues that, according to our professional judgment, were the most significant to our audit of the consolidated financial statements for the current period. These issues were considered in the context of our audit of the Consolidated Financial Statements as a whole and in the formation of our opinion on these Statements, and we do not express a separate opinion on these issues. With respect to each of the issues below, our description of how the relevant matter was addressed in our audit is given in this context.

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We have fulfilled the responsibilities described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our opinion, including in relation to these issues. Accordingly, our audit included the implementation of procedures developed in response to our assessment of the risks of material misstatement of the Consolidated Financial Statements. The results of our audit procedures, including those conducted during the consideration of the following issues, serve as a basis for our audit opinion on the accompanying Consolidated Financial Statements.

Key audit issue	**How the relevant key issue was addressed in our audit**
Recognition and measurement of revenue from electricity transmission services	
Recognition and measurement of revenue from transmission services was one of the most significant issues of our audit due to the specific nature of the mechanisms of operation of the electricity market, which leads to disagreements between power grid, energy retail and other companies regarding the volume and cost of electricity transferred. The amount of revenue disputed by counterparties is material to the financial statements of the Group. Management's assessment of the probability of resolving disagreements in its favor is to a great degree subjective. Revenue is recognised when, subject to assumptions, disagreements are resolved in favour of the Group. Information on revenues from transmission services is disclosed in clause 6 of the Notes to the Consolidated Financial Statements.	We reviewed the accounting policy applied with respect to the recognition of revenue from electricity transmission services, studied the system of internal control over the recording of this revenue, checked the determination of the corresponding amounts of revenue based on the concluded contracts for the electricity transmission, on a sample basis received confirmations of accounts receivable balances from counterparties, conducted an analysis of the results of litigation settlements in relation to the disputed amounts of services rendered, if any, and assessment of the current procedures for confirming the volumes of electricity transmitted.
Provision for expected credit losses on trade receivables	
The issue of creating a provision for expected credit losses on trade receivables was one of greatest importance for our audit due to the material balances of trade receivables as of December 31, 2024, as well as the fact that the management's assessment of the possibility of recovering these receivables is based on assumptions, in particular, on the forecast of the solvency of the Group's customers. The provision for expected credit losses on trade receivables is disclosed in clause 20 and 32 of the Notes to the Consolidated Financial Statements.	We studied the Group's accounting policy in relation to trade receivables for provision for expected credit losses on trade receivables and reviewed the assessment procedures made by the Group's management, including analysis of the payment of trade receivables, analysis of dates of maturity and delinquency, and analysis of customer solvency. We conducted audit procedures with respect to the information used by the Group to determine the provision for expected credit losses on trade receivables, as well as the structure of receivables by terms of maturity, and tested the calculation of accrued provisions.

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Key audit issue	How the relevant key issue was addressed in our audit
Recognition, measurement and disclosure of provisions and contingent liabilities	
Recognition, measurement and disclosure of provisions and contingent liabilities in relation to litigation and claims of counterparties (including territorial electrical network and energy retail companies) were among the most significant issues of our audit due to the fact that they require significant judgments of the management in relation to material amounts of balances of payments with counterparties disputed in the framework of litigation or in the process of pre-trial settlement. Information on provisions and contingent liabilities is disclosed in clauses 31 and 34 of the Notes to the Consolidated Financial Statements.	Audit procedures, among others, included reviewing decisions made by courts at different levels and reviewing the management's judgements regarding the assessment of the probability of economic outflows as a consequence of the resolution of disputes, examining the compliance of the prepared documentation with the provisions of existing contracts and legislation, and reviewing the disclosures of provisions and contingent liabilities in the Notes to the Consolidated Financial Statements.
Impairment of capital assets	
Due to indicators of impairment of capital assets as of December 31, 2024, the Group conducted an impairment test. The value in use of property, plant and equipment representing a significant share of the Group's capital assets as of December 31, 2024 was determined using the method of forecasting cash flow. The issue of testing property, plant and equipment for impairment was one of the most material to our audit, as the balance of property, plant and equipment constitutes a significant part of all assets of the Group at the reporting date, and also because the process of management evaluating the value in use is complex, largely subjective and based on assumptions, in particular, on the forecast of the volumes of electricity transmission, transmission tariffs, as well as operating and capital expenditures, which depend on the expected future market and economic conditions in the Russian Federation. Information on the analysis of capital assets for impairment was disclosed by the Group in clause 14 of the Notes to the Consolidated Financial Statements.	As part of our audit procedures, we, among other things, analyzed the Group's assumptions and techniques, in particular those relating to projected electricity transmission revenues, tariff solutions, operating and capital costs, terminal growth rate of tariffs and discount rates. We tested on a sample basis the input data included in the model and tested the arithmetic accuracy of the model used to determine the recoverable amount in the impairment test of property, plant and equipment. We engaged internal valuation specialists to review the model used to determine the recoverable amount when testing non-current assets for impairment. We also reviewed the sensitivity of the model to changes in key measurement indicators and the disclosures of the Group about the assumptions on which impairment testing results are most dependent.

Important circumstances

We draw attention to clause 36 "Events after the reporting date" of the Notes to the Consolidated Financial Statements, namely that on January 24, 2025, the Company changed its name from Rosseti Kuban Public Joint Stock Company to Rosseti Kuban Joint Stock Company. We are not changing our opinion on this issue.

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Other information included in the annual report for 2024

The other information includes information contained in the annual report for 2024, but does not include the consolidated financial statements and our auditor's report thereon. The management is responsible for other information. The annual report for 2024 is expected to be submitted to us after the date of this auditor's report.

Our opinion on the Consolidated Financial Statements does not apply to other information and we will not provide a conclusion with confidence in any form with respect to this information.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to review the above-mentioned other information when it is provided to us, and to consider whether there are material inconsistencies between the other information and the Consolidated Financial Statements or our knowledge gained during the audit, or otherwise contains a material misstatement.

The responsibility of the management and Audit Committee of the Board of Directors for the Consolidated Financial Statements.

Management is responsible for the preparation and fair presentation of these Consolidated Financial Statements in accordance with IFRS, as well as for such internal control as management determines is necessary to enable the preparation of Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error.

In the preparation of the Consolidated Financial Statements, management is responsible for assessing the Group's ability to continue as a going concern, for disclosing information related to going concern, as appropriate, and for reporting on a going concern basis, unless the Management intends to liquidate the Group, cease its activities, or management has no realistic alternative to such activities.

The Audit Committee of the Board of Directors is responsible for overseeing the preparation of the Group's Consolidated Financial Statements.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance that the Consolidated Financial Statements are generally free from material misstatement due to fraud or error and to issue an audit opinion containing our opinion. Reasonable assurance represents a high degree of certainty, but is not a guarantee that an audit conducted in accordance with International Auditing Standards will always reveal a material misstatement if any. Misstatements may be the result of fraud or error and are considered material if it can reasonably be assumed that individually or collectively they could have an impact on users' economic decisions made on the basis of these consolidated financial statements.

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As part of an audit in accordance with International Standards on Auditing, we exercise professional judgment and we remain professional skeptics throughout the audit process. Besides, we perform the following:

- identify and assess the risks of material misstatement of the Consolidated Financial Statements due to fraud or errors; design and perform audit procedures in response to these risks; obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk that a fraud-induced material misstatement will not be detected is greater than the risk that an error-based material misstatement will not be detected, as fraud may include collusion, forgery, omission, misrepresentation of information or actions bypassing the system of internal control;
- an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- assess the appropriate nature of the accounting policies used and the reasonableness of the estimates calculated by management and the related disclosures;
- conclude about the lawfulness of the management in applying the going concern assumption and, based on the audit evidence obtained, whether there is any material uncertainty related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Audit Report. Future events or conditions may, however, cause the Group to be unable to continue as a going concern;
- evaluate the presentation of the Consolidated Financial Statements in general, and its structure and content in particular, including information disclosure, and we also evaluate whether the Consolidated Financial statements present underlying transactions and events in such a way that their fair presentation is ensured;
- plan and perform the audit of the Group to obtain sufficient appropriate audit evidence about the financial information of the Group entities or subdivisions to provide a basis for our opinion on the Consolidated Financial Statements of the Group. We are responsible for directing and supervising the audit and reviewing the audit work performed for the audit of the Group. We remain ultimately responsible for our audit opinion.

We contact the Audit Committee of the Board of Directors, informing it, among other things, about the planned scope and timing of the audit, as well as about significant comments on the audit results, including significant deficiencies in the internal control system, if we identify any during the audit process.

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We also provide the Audit Committee of the Board of Directors with a statement that we have complied with all relevant ethical requirements regarding independence and have informed these individuals of all relationships and other matters that could reasonably be expected to affect the auditor's independence, and, if necessary, of actions taken to address the threats or the precautions taken.

Of the issues that we have brought to the attention of the Audit Committee of the Board of Directors, we identify issues that were most relevant to the audit of the Consolidated Financial Statements for the current period and which are therefore key audit issues. We describe these issues in our Audit Report, except cases when public disclosure of these issues is prohibited by law or regulation, or when in extremely rare cases we conclude that, that information on any issue should not be reported in our opinion, since it can reasonably be assumed that the negative consequences of reporting such information will exceed the socially significant benefits of reporting it.

The head of the audit, based on the results of which this independent auditor's report was issued, - Okolotina Tatyana Leonidovna.

Tatyana Leonidovna Okolotina,
acting on the behalf of "Center for Audit Technologies and Solutions - Audit Services" Limited Liability Company
based on the power of attorney dated April 3, 2024,
head of audit, based on the results of which an audit report was drawn up (ORNZ 21906110171)

March 17, 2025.

Information about the auditor

Name: "Center for Audit Technologies and Solutions - Audit Services" Limited Liability Company
The entry was made in the Unified State Register of Legal Entities on December 5, 2002 and the state registration number assigned is 1027739707203.
Location: 115035, Russia, Moscow, Sadovnicheskaya embankment, 75.
The "Center for Audit Technologies and Solutions - Audit Services" Limited Liability Company is a member of the "Commonwealth" Self-Regulatory Organization of Auditors Association (SRO AAS). The "Center for Audit Technologies and Solutions - Audit Services" Limited Liability Company is included in the control copy of the register of auditors and audit organizations under the main registration number 12006020327.

Information about the auditee

Name: Rosseti Kuban Joint Stock Company (until January 24, 2025, Rosseti Kuban Public Joint Stock Company)
The entry was made in the Unified State Register of Legal Entities on September 17, 2002 with the assignment of the state registration number 1022301427268.
Location: 350033, Russia, Krasnodar Territory, Krasnodar, Stavropolskaya str., 2a.

Rosseti Kuban PJSC

Consolidated Statement of Profit or Loss and Other Comprehensive Income

(in thousands of Russian rubles, unless otherwise specified)

	Note	For the year ended December 31 2024	2023
Revenue	6	88,637,968	75,079,292
Operating expenses	9	(72,882,696)	(65,137,893)
Accrual of provision for expected credit losses		(253,771)	(321,817)
Net (impairment)/reversal of loss on property, plant and equipment, intangible assets and right-of-use assets	13, 14, 15	(13)	–
Other income	7	1,802,058	1,278,964
Other expenses	8	(201,803)	(91,951)
Operating profit		**17,101,743**	**10,806,595**
Financial income	11	2,804,327	691,823
Financial expenses	11	(3,882,705)	(2,166,920)
Total finance expenses		**(1,078,378)**	**(1,475,097)**
Profit before tax		**16,023,365**	**9,331,498**
Profit tax expense	12	(4,556,960)	(2,313,191)
Excess profit tax expense	12	–	(200,065)
Total profit tax expense	12	**(4,556,960)**	**(2,513,256)**
Profit for period		**11,466,405**	**6,818,242**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Changes in the fair value of equity investments at fair value through other comprehensive income		–	(1)
Revaluation of defined benefit pension plan liabilities	26	164,528	(93,769)
Profit tax on other comprehensive income	12	(9,581)	18,754
Total items that will not be reclassified to profit or loss		**154,947**	**(75,016)**
Other comprehensive income/(expense) for the period, net of income tax		**154,947**	**(75,016)**
Total comprehensive income for the period		**11,621,352**	**6,743,226**
Profit attributable to:			
Owners of the Company		11,466,405	6,818,242
Total cumulative income attributable to:			
Owners of the Company		11,621,352	6,743,226
Earning per share			
Basic and diluted earnings per share (rub.)	23	28.74	17.89

These Consolidated Financial Statements were approved by management on March 17, 2025 and signed on behalf of management by the following persons:

Deputy General Director
for Economics and Finance — K.A. Iordanidi

Chief Accountant - Head of the Department of
Accounting and Tax Management and Reporting — L.V. Loskutova

The accompanying notes form an integral part of these Consolidated Financial Statements.

Rosseti Kuban PJSC

Consolidated Statement of Financial Position

(in thousands of Russian rubles, unless otherwise specified)

	Note	December 31 2024	December 31 2023 *
Assets			
Fixed assets			
Property, plant and equipment	13	95,343,292	80,129,480
Intangible assets	14	443,840	433,208
Right-of-use assets	15	1,225,388	2,167,437
Trade and other receivables	19	390,078	59,027
Assets related to employee benefits	26	317,926	290,712
Other financial fixed assets		–	–
Deferred tax assets	16	90,703	75,478
Advances paid and other fixed assets	20	1,417,013	1,995,850
Total fixed assets		**99,228,240**	**85,151,192**
Current assets			
Inventories	18	3,775,181	3,813,295
Other financial current assets		–	–
Prepayment of current profit tax		322,155	848,704
Security payment for excess profit tax	12	–	203,106
Trade and other receivables	19	5,962,410	5,181,974
Cash and cash equivalents	21	17,361,897	13,116,681
Advances paid and other current assets	20	2,623,285	1,420,423
Total current assets		**30,044,928**	**24,584,183**
Assets classified as held for sale	17	23,748	28,255
Total current assets		**30,068,676**	**24,612,438**
Total assets		**129,296,916**	**109,763,630**
Equity and liabilities			
Equity			
Authorized capital	22	39,896,608	33 465 784
Share premium		6,481,916	6,481,916
Share issue provision	22	–	6,430,824
Treasury stock	22	(48,630)	–
Other provisions		(349,875)	(504,822)
Retained profit / (cumulative loss)		13,521,719	4,000,005
Total equity attributable to the owners of the Company		**59,501,738**	**49,873,707**
Non-controlling interests		–	–
Total equity		**59,501,738**	**49,873,707**
Long-term liabilities			
Long-term borrowings	24	10,632,529	16,740,873
Long-term trade and other payables	27	1,030,006	1,365,507
Long-term advances received	29	8,401,107	11,903,114
Employee benefit liabilities	26	665,005	762,865
Deferred tax liabilities	16	3,020,269	1,215,987
Total long-term liabilities		**23,748,916**	**31,988,346**
Short-term liabilities			
Short-term borrowings and current portion of long-term borrowings	24	15,359,007	6,033,261
Trade and other payables	27	12,585,462	10,373,874
Taxes payable other than profit tax	28	721,794	1,566,363
Advances received	29	16,537,023	8,565,055
Estimated liabilities	31	836,863	1,160,021
Current profit tax debt		6,113	2,938
Excess profit tax debt	12	–	200,065
Total short-term liabilities		**46,046,262**	**27,901,577**
Total liabilities		**69,795,178**	**59,889,923**
Total equity and liabilities		**129,296,916**	**109,763,630**

* *The consolidated statement of financial position of Rosseti Kuban PJSC as of December 31, 2023 has been revised (see note 2e).*

The accompanying notes form an integral part of these Consolidated Financial Statements.

Rosseti Kuban PJSC
Consolidated Statement of Cash Flows
(in thousands of Russian rubles, unless otherwise specified)

	Note	For the year ended December 31 2024	2023 *
Cash flows from operating activities			
Profit for period		11,466,405	6,818,242
Adjustments:			
Impairment of property, plant and equipment, intangible assets and right-of-use assets	9	7,131,679	6,548,876
Net (impairment)/reversal of loss on property, plant and equipment, intangible assets and right-of-use assets	13, 14, 15	13	–
Accrual of provision for expected credit losses		253,771	321,817
Financial expenses	11	3,882,705	2,166,920
Financial income	11	(2,804,327)	(691,823)
Loss on disposal of property, plant and equipment	8	158,081	91,951
R&D write-off expenses		6,605	16,517
Loss from disposal of intangible assets	8	43,722	–
Recovery of provision for impairment of inventories		(34,625)	(1,452)
Write-off of bad debts		2 805	101,925
Write-off of payables	7	(28,015)	(11,546)
Non-monetary income from compensation of losses due to disposal/liquidation of electric grid assets		(15,183)	(4,866)
Change of estimated liabilities	30	176,434	(3,522)
Other non-cash transactions		(136,518)	(783,047)
Profit tax expense	12	4,556,960	2,513,256
Total effects of adjustments		**13,194,107**	**10,265,006**
Change in assets related to employee benefit liabilities		(27,214)	11,838
Change in employee benefit liabilities		(17,215)	(12,153)
Change in long-term trade and other receivables		(332,279)	40,454
Change in long-term advances paid and other fixed assets		578,837	(1,603,448)
Change in long-term trade and other payables		(668,827)	718,271
Change in long-term advances received		(3,502,007)	9,545,720
Cash flows from operating activities before changes in working capital and estimated liabilities		**20,691,807**	**25,783,930**
Changes in operating assets and liabilities			
Change in trade and other receivables		(786,908)	1,450,464
Change in advances paid and other assets		(1,202,152)	(303,942)
Inventory change		72,739	(1,778,257)
Change in trade and other payables		981,502	632,615
Change in advances received		7,990,129	2,377,302
Use of estimated liabilities	30	(549,412)	(383,552)
Cash flows from operating activities before profit tax and interest		**27,197,705**	**27,778,560**
Profit tax paid		(2,244,719)	(1,917,229)
Security payment for excess profit tax	12	–	(203,106)
Interest paid on leasing contracts	25	(208,984)	(259,924)
Interest paid	25	(4,084,927)	(2,090,271)
Net cash from operating activities		**20,659,075**	**23,308,030**

The accompanying notes form an integral part of these Consolidated Financial Statements.

Rosseti Kuban PJSC
Consolidated Statement of Cash Flows
(in thousands of Russian rubles, unless otherwise specified)

	Note	For the year ended December 31 2024	2023 *
Cash flows from investment activities			
Acquisition of property, plant and equipment and intangible assets		(19,839,288)	(15,198,527)
Proceeds from the sale of property, plant and equipment and intangible assets		11,570	692
Interest received		2,589,627	434,855
Net cash used in investment activities		**(17,238,091)**	**(14,762,980)**
Cash flows from financial activities			
Borrowing funds	25	10,119,930	8,618,064
Repayment of borrowed funds	25	(5,779,854)	(9,461,511)
Proceeds from issue of shares		–	3,566,562
Repurchase of own shares	22e	(48,630)	–
Dividends paid to the owners of the Company	25	(1,944,023)	(866,475)
Payments under lease obligations	25	(1,523,191)	(1,445,730)
Net cash from financing activities		**824,232**	**410,910**
Net increase in cash and cash equivalents		**4,245,216**	**8,955,960**
Cash and cash equivalents at the beginning of the reporting period		13,116,681	4,160,721
Cash and cash equivalents at the end of the reporting period	21	**17,361,897**	**13,116,681**

* *The consolidated statement of cash flows of Rosseti Kuban PJSC as of December 31, 2023 has been revised (see note 2e).*

The accompanying notes form an integral part of these Consolidated Financial Statements.

Rosseti Kuban PJSC
Consolidated Statement of Changes in Equity
(in thousands of Russian rubles, unless otherwise indicated)

	Equity attributable to the owners of the Company						
	Authorized capital	**Share premium**	**Share issue provision**	**Treasury stock**	**Other provisions**	**Retained profit / (uncovered loss)**	**Total equity**
Balance as of January 1, 2024	**33 465 784**	**6 481 916**	**6,430,824**	**–**	**(504,822)**	**4,000,005**	**49,873,707**
Profit for period	–	–	–	–	–	11,466,405	**11,466,405**
Other comprehensive income	–	–	–	–	164,528	–	**164,528**
Profit tax on other comprehensive income (Note 16b)	–	–	–	–	(9,581)	–	**(9,581)**
Total comprehensive income for the period	**–**	**–**	**–**	**–**	**154,947**	**11,466,405**	**11,621,352**
Repurchase of own shares from shareholders (Note 22e)	–	–		(48,630)	–	–	**(48,630)**
Declared dividends (Note 22c)	–	–	–	–	–	(1,944,691)	**(1,944,691)**
Change in authorized capital (Note 22d)	**6,430,824**	**–**	**(6,430,824)**	**–**	**–**	–	**–**
Balance as of December 31, 2024	**39,896,608**	**6,481,916**	**–**	**(48,630)**	**(349,875)**	**13,521,719**	**59,501,738**

The accompanying notes form an integral part of these Consolidated Financial Statements.

Rosseti Kuban PJSC
Consolidated Interim Condensed Statement of Changes in Equity
(in thousands of Russian rubles, unless otherwise indicated)

	Equity attributable to the owners of the Company						
	Authorized capital	**Share premium**	**Share issue provision**	**Treasury stock**	**Other provisions**	**Retained profit / (uncovered loss)**	**Total equity**
Balance as of January 1, 2023	**33,465,784**	**6,481,916**	**2,864,262**	–	**(429,806)**	**(2,051,982)**	**40,330,174**
Profit for period	–	–	–	–	–	6,818,242	**6,818,242**
Transfer of revaluation reserve on disposal of equity investment	–	–	–	–	(1)	–	**(1)**
Other comprehensive income	–	–	–	–	(93,769)	–	**(93,769)**
Profit tax on other comprehensive income (Note 126b)	–	–	–	–	18,754	–	**18,754**
Total comprehensive income/(expense) for the period	**–**	**–**	**–**	–	**(75,016)**	**6,818,242**	**6,743,226**
Share issue (Note 23e)	–	–	3,566,562	–	–	–	**3,566,562**
Declared dividends (Note 22c)	–	–	–	–	–	(766,500)	**(766,500)**
Write-off of unclaimed debt on previously declared dividends	–	–	–	–	–	245	**245**
Balance as of December 31, 2023	**33 465 784**	**6 481 916**	**6,430,824**	–	**(504,822)**	**4,000,005**	**49,873,707**

The accompanying notes form an integral part of these Consolidated Financial Statements.

1 General

(a) The Group and its activities

Main economic activities of Rosseti Kuban Public Joint Stock Company (hereinafter referred to as Rosseti Kuban PJSC or the Company) and its subsidiaries (hereinafter referred to as the Group or the Rosseti Kuban Group of Companies) are the provision of services for the transmission and distribution of electricity through electric networks, the provision of services for the technological connection of consumers to electric networks.

The Rosseti Kuban Group of Companies includes Rosseti Kuban PJSC and its subsidiaries with 100% participation in the authorized capital: Recreation centre "Energetik" JSC and Energoservice Kuban JSC.

The main shareholder of the Company as of December 31, 2024, December 31, 2023 and December 31, 2022 is Federal Grid Company-Rosseti Public Joint Stock Company (hereinafter referred to as Rosseti PJSC or the Parent Company).

As of December 31, 2024, the share of Rosseti PJSC in the authorized capital of the Company amounted to 99.72% (as of December 31, 2023 - 99.72%, as of December 31, 2022 - 93.96%).
In pursuance of the decision of the annual General Meeting of Shareholders of the Company (minutes dated June 17, 2024 No. 51), exchange circulation of shares was terminated from December 13, 2024.

Information on the Group's relationships with other related parties is presented in Note 34 "Related Party Transactions".

Location of "Rosseti Kuban" PJSC: 2A Stavropolskaya street, Krasnodar, Krasnodar Territory, Russia, 350033

(б) Relations with the state. Parent company

The Government of the Russian Federation represented by the Federal Agency for the Administration of State Property is the ultimate controlling party of the Company (hereinafter referred to as the Main Shareholder of the Company). The policy of the Government of the Russian Federation in the economic, social and other spheres may have a significant impact on the Group's operations.

The state has influence on the Group's activities through representation on the Board of Directors of the parent company, regulation of tariffs in the electric power industry, approval and control over the implementation of the investment program. The Group's counterparties (consumers of services, suppliers and contractors) include a significant number of companies associated with the parent company's major shareholder.

As a result of the reorganization carried out in 2023, the parent company of the Group is Federal Grid Company-Rosseti Public Joint Stock Company.

The abbreviated corporate name of the Group's parent company is ROSSETI PJSC.

Prior to the reorganization, the parent company of the Group was Russian Networks Public Joint Stock Company. The Extraordinary General Meeting of Shareholders of Russian Networks Public Joint Stock Company, held on September 16, 2022, decided to reorganize Russian Networks Public Joint Stock Company in the form of a merger with its subsidiary - Federal Grid Company-Rosseti Public Joint Stock Company in the manner and on the terms stipulated by the merger agreement.

On January 9, 2023, information was entered into the Unified State Register of Legal Entities on the termination of the activities of Russian Networks Public Joint Stock Company through reorganization in the form of merger with Federal Grid Company-Rosseti Public Joint Stock Company.

(в) Business environment in which the Group operates

The Group operates in the Russian Federation and is therefore exposed to risks related to the state of the economy and financial markets of the Russian Federation.

The economy of the Russian Federation manifests some characteristics typical of emerging markets. Legal, tax and regulatory systems continue to develop and are subject to frequent changes, as well as admit the possibility of different interpretations.

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Ongoing geopolitical tensions, as well as sanctions imposed by a number of countries on certain sectors of the Russian economy, Russian organizations and citizens, have led to increased economic uncertainty, including reduced liquidity and greater volatility in capital markets, volatility in the exchange rate of the Russian ruble and the key interest rate, as well as a significant decrease in the availability of debt financing sources. It is difficult to assess the long-term consequences of the imposed and possible additional sanctions, as sanctions can have a significant negative impact on the Russian economy.

The Group takes all necessary measures to assure the stability of its own activities.

These Consolidated Financial Statements reflect management's view of the impact that the business environment in the Russian Federation has on the Group's operations and financial position. The future effects of the current economic situation and the above measures are difficult to predict, and management's current expectations and estimates may differ from actual results.

2 Principles of the consolidated financial statements

(a) Declaration of compliance with IFRS

These Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

Each entity of the Group maintains individual records and prepares official financial statements in accordance with Russian Accounting Standards (RAS). These Consolidated Financial Statements have been prepared on the basis of RAS accounting data, adjusted and reclassified for the purposes of faithful representation in accordance with IFRS.

(б) Cost determining basis

These Consolidated Financial Statements have been prepared on the initial (historical) cost basis except for:

- financial assets at fair value through profit or loss;
- financial assets measured at fair value through other comprehensive income.

(в) Functional and presentation currency

The national currency of the Russian Federation is the Russian ruble (hereinafter referred to as the "ruble" or "rub."), which is designated by the Group entities as their functional currency and is the currency in which the Group presents its consolidated financial statements. All numerical indices in Russian rubles were rounded to the nearest thousand, unless otherwise specified.

(г) New standards, clarifications and amendments to effective standards

The Group has applied the amendments and modifications to standards that are mandatory and approved for application in the Russian Federation for annual periods beginning on or after 1 January 2024:

- Amendments to IAS 1 *Presentation of Financial Statements – Classification of Liabilities as Current or Non-Current* and *Non-Current Liabilities with Covenants*. The amendments clarify the requirements for classifying liabilities as current or non-current, including non-current liabilities with restrictive covenants. The amendments also clarify the requirements for an entity to provide additional disclosures about liabilities arising from a loan agreement.
- Amendments to IAS 7 *Statement of Cash Flows* and IFRS 7 *Financial Instruments: Disclosures – Supplier Financing Arrangements*. The amendment clarifies the characteristics of supplier financing arrangements (reverse factoring transactions) and additional disclosure requirements about such arrangements.
- Amendments to IFRS 16 *Leases – Lease Liabilities in a Sale and Leaseback Transaction*. The amendment clarifies the accounting requirements for lease liabilities that arise in a sale and leaseback transaction.
- Amendments to IAS 12 *Profit Tax – International Tax Reform – Pillar 2 Model Rules* (issued on 4 June 2024 and effective on 5 July 2024). The amendments clarify the disclosure rules and the application of exceptions.

The amendments to the standards did not have a significant impact on these consolidated financial statements.

New standards and interpretations have been published that are mandatory for annual reporting periods beginning on or after January 1, 2025, and the Group intends to adopt these standards and amendments for use after their entry into force.

It is not expected that this will have a significant impact on the Group's consolidated financial statements:

- Lack of currency exchange capability. Amendments to IAS 21 *The Effect of Changes in Foreign Exchange Rates* (introduced in the Russian Federation by Order No. 77n of the Ministry of Finance of the Russian Federation dated June 4, 2024) and effective for annual periods beginning on or after January 1, 2025.
- Amendments to IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments: Disclosures - Amendments to the Classification and Measurement of Financial Instruments*, effective from 1 January 2026 or after this date (issued on 30 May 2024).
- IFRS 19, *Non-Public Subsidiaries: Disclosures*, effective for annual periods beginning on or after 1 January 2027 (issued 9 May 2024).
- Annual Improvements to IFRS Reporting Standards – Volume 11:
    - Amendments to IAS 7 – *Historical Cost Accounting;*
    - Amendments to IFRS 9 – *Derecognition of Lease Liabilities;*
    - Amendments to IFRS 10 – *Definition of a "De Facto Agent";*
    - Amendments to the Guidance on the Application of IFRS 7 – *Disclosure of Deferred Fair Value Differences from the Transaction Price;*
    - Amendments to IFRS 7 – *Gain or Loss on Derecognition;*
    - Amendments to IFRS 1 – Hedge Accounting by a First-time Adopter;
    - Amendments to the Guidance on the Application of IFRS 7 – *Introduction*;
    - Amendments to the Guidance on the Application of IFRS 7 – *Credit Risk Disclosures*; Amendments to IFRS 9 – *Transaction Price*.

The Group is in the process of assessing the impact of the amendments on presentation and disclosure in its consolidated financial statements:

- IFRS 18 *Presentation and Disclosure in Financial Statements* (issued on 9 April 2024 and effective for annual periods beginning on or after 1 January 2027). IFRS 18 replaces IAS 1.

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(д) Changes in presentation. Reclassification of comparative data

Certain amounts in the comparatives for the previous period were reclassified in order to ensure their comparability with the procedure for reporting data in the current reporting period.

In the consolidated financial statements for 2023, accounts payable for advances received against future payments are reflected in the statement of financial position at the estimate net of the amount of value-added tax (VAT) deductible/accepted for deduction as of 31 December 2023.

In these consolidated financial statements, the Group changed the presentation of VAT on advances received due to the unification of such presentation with the accounting policy of the parent company, Rosseti PJSC. In these consolidated financial statements, VAT amounts on advances received are reflected in the line "Advances paid and other fixed assets" and in the line "Advances paid and other current assets" in detail.

Changes in the presentation of comparative indicators of the consolidated statement of financial position as of 31 December 2023 as a result of unification with the presentation in the accounting policy of the parent company, Rosseti PJSC, are shown in the following table:

	December 31 2023	Impact	December 31 2023 (recalculated)
Assets			
Fixed assets			
Advances paid and other fixed assets	12,674	1,983,176	1,995,850
Total fixed assets	**12,674**	**1,983,176**	**1,995,850**
Advances paid and other current assets	170,236	1,250,187	1,420,423
Total current assets	**170,236**	**1,250,187**	**1,420,423**
Total assets	**182,910**	**3,233,363**	**3,416,273**
Long-term liabilities			
Long-term advances received	9,919,938	1,983,176	11,903,114
Total long-term liabilities	**9,919,938**	**1,983,176**	**11,903,114**
Short-term liabilities			
Advances received	7,314,868	1,250,187	8,565,055
Total short-term liabilities	**7,314,868**	**1,250,187**	**8,565,055**
Total liabilities	**17,234,806**	**3,233,363**	**20,468,169**

The changes in comparative amounts in the consolidated statement of cash flows for the year ended December 31, 2023 as a result of the changes in presentation are shown in the following table:

	For the year ended December 31 2023	Impact	For the year ended December 31 2023 (recalculated)
Cash flows from operating activities			
Change in long-term advances paid and other fixed assets	(4,545)	(1,598,903)	(1,603,448)
Change in long-term advances received	7,946,817	1,598,903	9,545,720
Cash flows from operating activities before changes in working capital and reserves			
Changes in operating assets and liabilities			
Change in advances paid and other assets	(38,782)	(265,160)	(303,942)
Change in advances received	2,112,142	265,160	2,377,302

(e) Use of accounting estimates and professional judgments

The preparation of the consolidated financial statements in accordance with IFRS requires management to use professional judgments, assumptions and estimates that affect how accounting policies are applied and in what amounts assets, liabilities, income and expenses are reflected. Actual results may differ from these estimates.

Management continually reviews estimates and assumptions based on experience and other factors that have formed the basis for measuring the book value of assets and liabilities. Changes in estimates and assumptions are recognized in the period in which they were adopted, if the change affects only that period, or are recognized in the period to which the change relates and in subsequent periods if the change affects both that period and future periods.

Judgments that have the most significant impact on the performance reported in the consolidated financial statements, estimates and assumptions that may result in the need for a material adjustment to the carrying amount of assets and liabilities over the next year include:

Depreciation of property, plant and equipment, intangible assets and right-of-use assets

At each reporting date, the Group's Management determines whether there is indication of impairment of property, plant and equipment and right-of-use assets. Impairment indicators include changes in business plans, tariffs, and other factors leading to adverse effects on the Group's operations. In calculating value in use, the Group estimates the expected cash flows from cash-generating units and calculates a discount rate to calculate the present value of those cash flows. A cash-generating unit (hereinafter - a CGU) is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. The main criterion for determining a CGU is the indivisibility of the tariff and the impossibility of further detailed accounting and planning.

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Determination of the lease term under agreements with an extension option or a lease termination option - the Group as a lessee

The Group defines the term of the lease as not subject to early termination of the lease term together with periods in respect of which there is an option to extend the lease if there is adequate assurance that it will be exercised or periods in respect of which there is an option to terminate the lease if there is adequate assurance that it will not be exercised.

When making a judgment to assess whether the Group has adequate confidence in the exercise of an extension option or a termination option when determining the lease term, the Group considers the following factors:

- whether the leased object is a specialized object;
- location of the object;
- whether the Group and the lessor have the practical option to select an alternative counterparty (selection of an alternative asset);
- costs associated with the termination of the lease and the conclusion of a new (replacement) contract;
- presence of major improvements of leased objects.

Impairment of receivables

A provision for expected credit losses on receivables is created based on management's assessment of the probability of recovery of specific debts of specific debtors. For the purpose of assessing credit losses, the Group consistently takes into account all reasonable and verifiable information about past events, current and forecasted events, which is available without excessive forces and is appropriate for assessing receivables. Past experience is adjusted based on current data to reflect current conditions that have no impact on prior periods and to exclude the impact of past conditions that no longer exist.

Obligations under defined benefit plans, including non-state pension provision

The cost of defined benefit plans and the related expenses under these plans are determined using actuarial calculations. Actuarial valuations envisage use of assumptions regarding demographic and financial data. Since these plans are long-term, there is considerable uncertainty about such estimates.

Recognition of deferred tax assets

Management estimates deferred tax assets at each reporting date and determines the amount to be reflected to the extent that tax deductions are likely to be used. In determining future taxable profits and sum of tax deductions, management uses estimates and judgments based on previous years taxable profits and expectations for future profits that are reasonable under present circumstances.

3 Material information on accounting policies

The accounting policies described below have been applied consistently in all reporting periods presented in these Consolidated Financial Statements.

The amendments to existing standards, effective for annual periods beginning on or after 1 January 2024, did not have a material impact on these consolidated financial statements of the Group.

(a) Consolidation principles

i. Subsidiaries

Subsidiaries are companies controlled by the Group. The Group controls a subsidiary when the Group is exposed to risk relating to variable income from investment project or entitled to receive such income and has the ability to exercise its authority over that subsidiary to influence that income. The financial statements of subsidiaries are recorded in the consolidated financial statements from the date of receipt of control to the date of termination.

The accounting policies of the subsidiaries underwent changes where they need to be aligned with the accounting policies adopted by the Group. Losses attributable to a non-controlling interest in a subsidiary are allocated in full to the non-controlling interest even if this results in a debit balance (deficit) in that account.

ii. Transactions excluded during consolidation

Intercompany balances and transactions, as well as unrealized income and expenses from intercompany operations, are eliminated in the preparation of the consolidated financial statements. Unrealized income on operations with equity-accounted investees are eliminated by reducing the value of the investment within the Group's interest in the investee. Unrealized losses are eliminated in the same order as unrealized income, but only to the extent that they are not evidence of impairment.

(б) Financial instruments

i. Financial assets

The Group classifies financial assets into the following measurement categories: subsequently measured at amortised cost, measured at fair value through other comprehensive income and measured at fair value through profit or loss. The classification depends on the business model for managing financial assets and contract-stipulated cash flow characteristics.

Financial assets are classified as measured at amortised cost if the following conditions are fulfilled: the asset is kept within a business model, the purpose of which is to retain assets to receive contractual cash flows, and the terms of the contract determine the receipt on the specified dates of cash flows that are only payments to the principal and interest on the outstanding portion of the principal.

The Group includes the following financial assets in the category of financial assets measured at amortised cost:

- trade and other receivables that satisfy the definition of financial assets in the event that the Group has no intention to sell it immediately or in the near future;
- bank deposits that do not satisfy the definition of cash equivalents;
- promissory notes and bonds not intended for trading;
- loans issued;
- cash and cash equivalents.

For financial assets classified as measured at amortised cost, a provision is created for expected credit losses (hereinafter referred to as ECL).

When the Group derecognises financial assets at amortised cost and fair value through profit or loss, the Group reflects in the consolidated statement of profit or loss and other comprehensive income (through profit or loss) the financial result of their disposal equal to the difference between the fair value of the consideration received and the book value of an asset.

The Group includes in the category of financial assets measured at fair value through profit or loss:

- assets held for trading (acquired by the Group primarily for the purpose of selling in the near future and profiting from favourable changes in market prices);
- assets that are derivative financial instruments;
- other financial assets not classified by the Group in any of the above categories.

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ii. Impairment of financial assets

Impairment provisions are assessed either on the basis of 12-month ECL that are the result of possible default within 12 months of the reporting date or lifetime ECL that are the result of all possible default events within the expected life of the financial instrument.

For trade receivables or contract assets arising from transactions relating to the scope of IFRS 15 *"Revenue from Contracts with Buyers"* (including those containing a significant financing component) and lease receivables, the Group applies a simplified approach to estimating the provision for expected credit losses - an estimate of the amount equal to the expected credit losses over the period.

Provisions for impairment of other financial assets classified as measured at amortised cost are measured based on 12-month ECL unless there has been a significant increase in credit risk since recognition. The credit loss provision for expected credit losses on a financial instrument is measured at each reporting date at an amount equal to the expected credit losses for the entire period if the credit risk on that financial instrument has increased significantly since initial recognition, taking in consideration all reasonable and verifiable information, including forecasting information.

As indicators of a significant increase in credit risk, the Group considers the actual or expected difficulties of the issuer or debtor on the asset, the actual or expected violation of the terms of the contract, the expected revision of the terms of the contract because of financial difficulties of the debtor on conditions unfavorable for the Group and would not have agreed to under other circumstances.

Based on common credit risk management practices, the Group defines default as the failure of the counterparty (issuer) to fulfil its obligations (including repayment of money under the contract) due to a material deterioration in its financial position.

An impairment credit loss on a financial asset is carried out by recognition of the valuation provisions for its impairment. For a financial asset carried at amortised cost, the amount of the impairment loss is calculated as the difference between the carrying amount of the asset and the present value of the expected future cash flows discounted at the original effective interest rate.

If, in subsequent periods, the credit risk of a financial asset is reduced as a result of an event that occurred after the loss was recognized, the previously recognised impairment loss is reversed by reducing the corresponding valuation provision.

iii. Financial obligations

The Group classifies financial obligations into the following measurement categories: financial obligations at fair value through profit or loss; financial obligations measured at amortised cost.

The Group includes the following financial obligations in the category of financial liabilities measured at amortised cost:

- borrowed funds;
- trade and other payables.

Borrowed funds (loans and borrowings) are initially recognized at fair value, taking into account transaction costs directly related to raising these funds. Fair value is determined taking into account the prevailing market interest rates on similar instruments in case of its material difference from the transaction price. In subsequent periods, borrowings are carried at amortised cost using the effective interest method; any difference between the fair value of the funds received (net of transaction costs) and the amount payable is recognised in profit or loss as interest cost for the duration of the borrowing repayment obligations.

Borrowing costs relate to expenses in the reporting period in which they were incurred if they were not related to the acquisition or construction of qualified assets. Borrowing costs relating to the acquisition or construction of assets that take considerable time to got prepared for use (qualifying assets) are capitalized as part of the asset value. Capitalization is carried out when the Group:

- bears costs on qualifying assets;
- bears costs on borrowings; and
- conducts activities related to the preparation of assets for use or sale.

Capitalization of borrowing costs continues until the date of readiness of assets for their use or sale. The Group capitalizes borrowing costs that could have been avoided had it not borne the costs of qualifying assets. Borrowing costs are capitalized on the basis of the average cost of financing of the Group (weighted average interest expense related to costs incurred on qualifying assets), except for loans that were directly received for the purpose of acquiring a qualifying asset. Actual costs of special-purpose loans, reduced by the amount of investment income from temporary placement of loans, are capitalized.

Accounts payable are accrued from the moment the counterparty fulfills its obligations under the contract. Accounts payable are recognised at fair value and are then carried at amortised cost through the effective interest method.

(в) Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment are carried at cost less accumulated depreciation and impairment losses. The initial cost of property, plant and equipment as of January 1, 2007 (i.e. at the date of transition to IFRS) was determined based on their fair value (notional cost) at that date.

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The initial cost includes all expenses directly attributable to the acquisition of the related asset. The initial cost of self-constructed (built) assets includes material costs, direct labor costs, all other costs directly related to bringing the assets into operating conditions for their intended use, the costs of dismantling and moving the assets and restoring the site occupied by them, and capitalized interest on loans. The cost of purchasing software that is inextricably bound up with the functionality of the equipment concerned is capitalized in the cost of the equipment.

If an item of property, plant and equipment is made up of material separate components that have different useful lives, each of them is recognized as a separate item (material component) of property, plant and equipment.

Any profit or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds of its disposal with its book value and is recognised net as part of profit or loss for the period under "Other income", "Other costs".

ii. Subsequent costs

Costs associated with the replacement of a part (a significant component) of an item of property, plant and equipment increase the book value of that item if the probability that the Group will receive future economic benefits associated with that part is high and its value can be reliably determined. The carrying amount of the replaced part is written off. The costs associated with maintenance and repair of property, plant and equipment are recognized in the consolidated statement of profit or loss and other comprehensive income at the time of their occurrence.

iii. Depreciation

Each component of an item of property, plant and equipment is depreciated from the moment of readiness for use on a straight-line method over its expected useful life, since this method most accurately reflects the nature of the expected consumption of the future economic benefits of the asset. Leased assets are depreciated over the shorter of the lease term and the useful life of the asset. Land plots are not depreciated.

Useful lives, expressed in years by type of property, plant and equipment, are detailed below:

- buildings 7-50 years;
- transmission networks 5-40 years;
- equipment for power transmission 5-40 years;
- other assets 2-50 years.

iv. Impairment

At each reporting date, management determines the presence of indications of impairment of property, plant and equipment.

An impairment loss is recognised if the book value of an asset or its cash-generating unit exceeds its estimated (recoverable) value. The recoverable amount of an asset or cash-generating unit is the greater of the value in use of that asset (that unit) and its fair value minus costs to sell.

For the purposes of impairment testing, assets that cannot be tested individually are grouped into the smallest group in which cash inflows are generated as a result of the continuing use of the related assets, and these inflows are largely independent of cash inflows generated by other assets or groups of assets (hereinafter - "cash-generating unit").

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The Group's total (corporate) assets do not generate independent cash flows and are used by more than one cash-generating unit. The value of a corporate asset is apportioned among the units on a reasonable and consistent basis and tested for impairment as part of a test of the unit to which the corporate asset was allocated.

Impairment losses are recognised as part of profit and loss. Impairment losses on cash-generating units are first attributable to a decrease in the book value of goodwill apportioned among those units and then proportionally to a decrease in the book value of other assets within the relevant unit (group of units).

Amounts written off as impairment losses are reversed if the valuation factors used to calculate the corresponding recoverable amount change. An impairment loss is reversed only to the extent that it is possible to recover the value of assets to their book value, in which they would have been recognised (less accumulated depreciation) if no impairment loss had been recognised.

(г) Intangible assets

Intangible assets include for the most part capitalized computer software and licenses. Acquired software and licenses are capitalized on the basis of expenses incurred to acquire and bring them into operative condition.

Research costs are recognized as expenses as they arise. Development costs are recognised in intangible assets only when the Group can demonstrate the following: the technical feasibility of creating an intangible asset so that it is available for use or sale; its intention to create an intangible asset and use or sell it; how the intangible asset will generate future economic benefits; availability of resources to complete development, as well as the ability to reliably estimate costs incurred in course of development. Other development costs recognized as expenses. Development costs previously charged to expenses are not recognised in subsequent assets. The carrying amount of development costs is subject to annual impairment testing.

After initial recognition, intangible assets are recognised at historical cost less accumulated depreciation and accumulated impairment losses. Depreciation of intangible assets is allocated on a straight-line basis over the useful life. At each reporting date, management assesses whether there are indications of impairment of intangible assets. In the event of impairment, the carrying amount of intangible assets is written down to the largest of asset's value in use and the asset's fair value less costs to sell.

(д) Lease

At the time of concluding the contract, the Group assesses whether the contract as a whole or its individual components is a lease. A contract as a whole or its individual components is a lease contract if the right to control the use of an identified asset for a certain period in exchange for a payment is transferred under this contract.

Right-of-use assets are initially measured at cost and depreciated to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The initial cost of the right-of-use asset includes the amount of the initial measurement of the leasing obligation, lease payments made before or at the start of the lease, and initial direct costs. Upon recognition, right-of-use assets are recorded at historical cost less accumulated depreciation and accumulated impairment losses. Right-of-use assets are presented as a separate item in the consolidated statement of financial position.

The leasing obligation is initially measured at the present value of lease payments that have not yet been made at the start date of the lease and are subsequently measured at depreciable amount with the recognition of expenses as interest in the financial expenses of the consolidated profit and loss statement. Leasing obligations are presented in the consolidated statement of financial position as long-term and short-term borrowings.

The Group recognises lease payments for short-term leases as a straight-line expense over the lease term.

In respect of a particular lease contract, the Group may decide to qualify the contract as a lease in which the basic asset has a low value and recognize the lease payments under that contract as a straight-line expense over the lease term.

For lease agreements for land plots under electrical network facilities with an indefinite term, or with a term under the agreement not exceeding 1 year with an annual renewal option, the Group determines the term of the agreement using the useful life of property, plant and equipment located on the leased land plots as the base criterion.

For lease agreements of electrical network facilities with an indefinite term, or with a contractual term of not more than 1 year with an annual renewal option, the Group determines the term of the agreement using the useful life of its own property, plant and equipment with similar technical characteristics as the base criterion.

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(е) Advances paid

Advances paid are classified as capital assets if the advance is related to the acquisition of an asset that will be classified as capital at its initial recognition. Advances to the acquisition of an asset are included in its carrying amount when the Group gains control over the asset and there is a high probability that the Group will benefit from its use.

(ж) Inventories

Inventories are presented at the lower of the cost of sales or net realisable value. The prime cost is determined using the weighted average cost method and includes the cost of acquisition of inventory, production or processing costs and other costs of delivering inventory to its present location and bringing it to an appropriate condition.

The net realisable value is the estimated selling price of an item of inventory in the ordinary course of the Group's business less the estimated costs of completing the work on the item and selling it.

Inventories intended to support emergency response actions (emergency situations) at electrical network facilities (emergency provision) are reflected in the item "Inventories".

(з) Value added tax

Value added tax arising upon realization of products is subject to transfer to the state budget at the earlier of the following two dates: (a) the moment of receipt of payment from buyers or (b) the moment of delivery of goods or services to the buyer. Incoming VAT is refundable by set-off against the amount of output VAT on receipt of the invoice. Advances paid and other assets include (on a net basis) VAT amounts accrued on advances received and advances paid, as well as VAT to be refunded and VAT prepaid. The amounts of VAT payable to the budget are disclosed separately as part of short-term liabilities. When creating a provision for expected credit losses on receivables, the entire amount of doubtful debt, including VAT, is reserved.

(и) Employee benefits

i. Defined contribution plans

The defined contribution program is considered as an employee retirement program, under the terms of which the Group makes fixed contributions to a separate (independent) fund and at the same time does not assume any additional obligations (either legal or due to established practice) to pay additional benefits. Liabilities to make contributions to defined contribution pension plans, including the State Pension Fund of the Russian Federation, are recognised as an employee benefit expense in profit or loss in the periods in which the employees render the related services as part of their employment contracts. Contributions paid in advance are recognised as an asset when the entity has a right to a refund of the contributions it has paid or a reduction in future contribution payments.

ii. Defined benefit plans

A defined benefit plan is a post-employment benefit plan that is different from a defined contribution plan. The liability recognised in the consolidated statement of financial position in respect of defined benefit pension plans represents the discounted amount of liabilities at the reporting date.

The discount rate represents the end-of-year rate of return on government bonds that have a period to maturity of approximately the same as that of the Group's relevant obligations and are denominated in the same currency as the benefits expected to be paid. These calculations are made by a qualified actuary using the projected unit credit method of accumulation of future payments.

Revaluations of net obligations of a defined benefit plan, including actuarial gains and losses, and the effect of applying the asset limit (excluding interest if any) are recognised immediately in other comprehensive income. The Group determines the net interest cost of the net plan obligation for the period by applying the discount rate used to estimate the obligations of a defined benefit plan at the beginning of the annual period to the net plan obligation at that date, taking into account any changes in the net plan obligation for the period as a result of contributions and payments. Net interest and other expenses related to defined benefit plans are recognised in profit or loss. Actuarial gains or losses resulting from changes in actuarial assumptions are recognised in other comprehensive income/expense.

In the event of a change in payments within the plan or its sequestration, the resulting change in payments relating to past services or the profit or loss from the sequestration is recognised immediately in profit or loss. The Group recognises profit or loss on settlement of plan obligations when this settlement occurs.

iii. Other long-term employee benefits

The Group's long-term employee benefit obligations, other than defined benefit plans, represent the amount of future benefits to which employees were entitled in the current and prior periods. These future benefits are discounted to determine their present value. The discount rate is the market yield at the reporting date on government bonds that have a period to maturity of approximately equal to the period to maturity of the Group's respective obligations and are denominated in the same currency in which these benefits are expected to be paid. Liabilities are estimated using the projected unit credit method. Revaluations are recognised in profit or loss for the period in which they arise.

iv. Short-term benefits

In determining the amount of liability in respect of short-term employee benefits, discounting does not apply and the corresponding expenses are recognized as employees perform their duties.

In respect of amounts expected to be paid under the short-term bonus or profit sharing plan, an obligation is recognised if the Group has an existing legal or practice-based obligation to pay the corresponding amount arising from the employee's past employment and the amount of this obligation can be reliably estimated and there is a high probability of outflow of economic benefits.

(к) Current profit tax

Current profit tax is the amount of tax payable in respect of taxable profit for the year calculated on the basis of effective tax rates or substantially enacted at the reporting date, as well as all adjustments to the amount of income tax liability for previous years.

Deferred profit tax

Deferred tax is recognised in respect of temporary differences arising between the carrying value of assets and liabilities determined for the purposes of their reflection in the Consolidated Financial Statements and their tax base. Deferred tax is not recognised in respect of:

- taxable temporary differences arising from the initial recognition of goodwill;
- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting nor taxable profit or loss nor gives rise to equal taxable and deductible temporary differences;
- taxable temporary differences associated with investments in subsidiaries, associates, branches and interests in joint ventures to the extent that the Group can control the timing of the reversal of those temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future;
- deductible temporary differences associated with investments in subsidiaries, associates, branches and interests in joint ventures to the extent that it is not probable that taxable profit will be available against which the temporary differences can be utilised and it is not probable that the temporary differences will reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group intends to recover or settle the carrying amount of its assets or settle liabilities at the end of this reporting period.

Deferred tax is determined on the basis of tax rates that will apply in the future, at the time of reversal of temporary differences, based on the current or substantively enacted legislation at the reporting date.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertainty regarding the tax position, as well as whether additional taxes, penalties and fines may be accrued. The Group assesses tax based on many factors, including tax legislation interpretations and previous experience. Such an assessment is based on restrictions and assumptions and may include a number of judgments about future events. If new information becomes available, the Group may revise its judgement regarding the amount of tax liabilities for prior periods; such changes in tax liabilities will impact the profit tax expense in the period in which the judgement is made.

Deferred tax assets and liabilities are offset if there is a legal right to offset against each other the amounts of assets and liabilities under current income tax, and they relate to the income tax levied by the same tax authority on the same taxable entity, or from different taxable entities, but these entities intend to settle current tax liabilities and assets on a net basis, or the realization of their tax assets will be carried out simultaneously with the settlement of their tax liabilities.

Deferred tax assets are recognised in respect of unused tax losses, tax credits and deductible temporary differences only to the extent that there is a high probability of taxable profit against which the associated deductible temporary differences can be realized. Deferred tax assets are analysed at each reporting date and reduced to the extent that the realisation of the related tax benefits is no longer probable.

(л) Estimated liabilities

An estimated liability is recognised if a past event results in a legal or constructive obligation that can be reliably estimated and there is a high probability that an outflow of economic benefits will be required to settle the obligation. The value of the estimated liability is determined by discounting the expected cash flows at the pre-tax rate, which reflects current market estimates of the impact of changes in the value of money over time and the risks inherent in the liability. Any increase in the provision due to the passage of time is recognised as finance costs.

(м) Equity

Authorised (share) capital

Common stocks and irredeemable stocks are classified as equity.

Share premium

Share premium is defined as the cumulative amount received since the beginning of the Group's operations from the placement of shares, net of the nominal value of the shares placed.

Reserves within equity comprise:

- revaluation reserve for financial assets;
- revaluation reserve for the net defined benefit plan liability.

Revaluation reserve for financial assets

The valuation procedure for financial assets at fair value through other comprehensive income and the derecognition of these financial assets are described in section (c) of this Note.

Revaluation reserve for the net defined benefit plan liability

Actuarial gains and losses recognised in the revaluation reserve for the net defined benefit plan liability are calculated by a qualified independent actuary in accordance with the requirements of IAS 19 *"Employee Benefits"* (see also section (l) of this Note).

Retained profit. Dividends

Retained profit (uncovered loss) reflects net profit (loss) on an accrual basis since the beginning of the Group's operations that has not been distributed to shareholders or otherwise utilised.

Dividends are recognized as a liability and excluded from equity at the reporting date only if they are declared (approved by shareholders) at the reporting date or earlier. Dividends are subject to disclosure if they are declared after the reporting date, but before the signing of the consolidated financial statements.

(н) Revenue from contracts with customers

The Group recognises revenue when (or as) a performance obligation is fulfilled by transferring the promised goods or services (i.e. assets) to the customer. The asset is transferred when (or as) the customer gains control of such asset.

When (or as) the obligation is fulfilled, the Group recognises the proceeds in the amount that the Group expects to receive in exchange for the transfer of the promised assets to the customer, excluding VAT.

Electricity transmission

Revenue from electricity transmission is recognized during the period (estimated month) and is measured using the results method (cost of transferred volumes of electricity).

Tariffs for electricity transmission services are approved by the federal executive authority in the field of state regulation of tariffs (Federal Antimonopoly Service) and the executive bodies of the constituent entities of the Russian Federation in the field of state regulation of tariffs.

Services for utility connection to electrical networks

Revenue from the provision of services for technological connection to electrical networks is a fee for connecting consumers to electrical networks. The Group transfers control of the service at a point in time (on the fact that the consumer is connected to electrical networks or, for certain categories of consumers − while ensuring that the Group is able to connect to the power network through the activities of the consumer) and, therefore, fulfills the performance obligation at a point in time.

Payment for technological connection according to an individual project, standardized tariff rates, preferential rates for 1 kW of the requested maximum capacity and formulas for payment for technological connection are approved by the executive bodies of the constituent entities of the Russian Federation in the field of state regulation of tariffs and do not depend on revenue from the provision of electricity transmission services. The fee for technological connection to the unified national (all-Russian) electric network is approved by the Federal Antimonopoly Service, including in the form of a formula.

The Group has applied the judgment that technological connection is a separate performance obligation that is recognised when the appropriate services are provided. The technological connection agreement does not contain any further obligations after the provision of the connection service. According to standing practice and laws governing the electricity market, technological connection and electricity transmission are the subject of separate negotiations with different consumers as different services with different commercial purposes without connection in pricing, intentions, recognition or types of services.

Other revenue

Revenue from the provision of other services (technical and maintenance services, consulting, organizational and technical services, communication and information technology services, other services), as well as revenue from other sales are recognized at the time the consumer gains control over the asset.

Trade receivables

Receivables represent the Group's right to compensation, which is unconditional (i.e., the moment when such compensation becomes payable is due only to the passage of time). The accounting policy for trade and other receivables is provided in the section "Financial Assets".

Contract liabilities

A contract liability is an obligation to transfer to a consumer goods or services for which the Group has received a compensation (or a compensation payable) from the consumer. If the consumer pays a compensation before the Group transfers the goods or services to the consumer, the contract liability is recognised, at the time the payment is made or at the time when the payment becomes payable (whichever happens earlier). Contract liabilities are recognised as revenue when the Group fulfills its contractual obligations. The Group carries out liabilities under agreements with consumers in the item "Advances received" including value added tax (VAT).

Advances received mainly represent deferred income under utility connection agreements.

Advances received are reviewed by the Group for the financial component. If there is a period of more than 1 year between the receipt of advances and the transfer of goods and services promised for reasons other than the provision of financing to the counterparty (under agreements for technological connection to electrical networks), interest expense is not recognized for advances received. Such advances are recognized at fair value of assets received by the Group from consumers and customers as prepayments.

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(о) Financial income and expenses

Financial income includes interest income on invested funds, dividend income, profit from disposal of financial assets measured at fair value and measured at depreciable value, and the effect of discounting financial instruments. Interest income is recognized in profit and loss at the time of occurrence and its amount is calculated using the effective interest method. Dividend income is recognized in profit or loss when the Group has the right to receive the relevant payment.

Financial expenses include interest expense on borrowings, leasing obligations, loss on disposal of financial assets measured at fair value and measured at depreciable value, and the effect of discounting financial instruments. Borrowing costs that are not directly related to the acquisition, construction or production of a qualifying asset are recognized in profit or loss for the period using the effective interest method.

(п) Social payments

When the Group's contributions to social plans are for the benefit of the Company as a whole and are not limited to payments to the Group's employees, they are recognized in profit or loss as they are incurred. The Group's expenses associated with the financing of social programs, without incurring obligations regarding such financing in the future, are recorded in the consolidated statement of profit or loss and other comprehensive income as incurred.

(р) Earnings per share

The Group presents basic and diluted earnings per share for ordinary shares. Basic earnings per share are calculated by dividing the profit or loss attributable to the owners of the Company's ordinary shares by the weighted average number of ordinary shares outstanding during the reporting period.

4 Fair value measurement

Certain provisions of the Group's accounting policies and a number of disclosures require fair value measurement of both financial and non-financial assets and liabilities.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements assume that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability; or, if there is no principal market, in the most advantageous market for the asset or liability.

In measuring the fair value of an asset or liability, the Group applies, as far as possible, the observable market. Fair value measurements relate to different levels of the fair value hierarchy, depending on the inputs used in the relevant valuation methods:

- Level 1: quoted (unadjusted) prices for identical assets and liabilities in active markets.
- Level 2: inputs other than quoted prices used for Level 1 measurements that are observable either directly (i.e., such as prices) or indirectly (i.e., price-based).
- Level 3: inputs for assets and liabilities that are not based on observable market (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability can be assigned to different levels of the fair value hierarchy, the fair value measurement as a whole refers to the level of the hierarchy to which the lowest-level inputs are relevant to the overall measurement.

The Group discloses transfers between levels of the fair value hierarchy in the reporting period during which the change occurred.

The point of time at which transfers to and from certain levels are recognized, the Group considers the date of occurrence of the event or change in the circumstances that caused the transfer.

5 Segment Information

The Management Board of "Rosseti Kuban" PJSC is the supreme body making decisions on business operations.

The main activity of the Group is the provision of services for the electricity transmission and distribution, technological connection to electrical networks in a number of regions of the Russian Federation.

The internal management reporting system is based on segments (branches formed according to the territorial principle) related to the electricity transmission and distribution, technological connection to electrical networks in the regions of the Russian Federation: Krasnodar Territory and the Republic of Adygea.

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The Management Board of "Rosseti Kuban" PJSC evaluates the results of operations, assets and liabilities of operating segments on the basis of internal management reports prepared on the basis of data generated according to Russian accounting standards.

EBITDA is used to reflect the performance of each reporting segment: profit or loss before interest expense, taxation, depreciation, and net accrual/(recovery) of impairment losses on property, plan and equipment, intangible assets and assets in the form of right of use. This procedure for determining EBITDA may differ from the procedure used by other companies. The Management believes that the EBITDA calculated in this way is the most indicative measure for assessing the performance of the Group's operating segments.

In accordance with the requirements of IFRS 8 *"Operating Segments"*, based on data on segment revenue, EBITDA and total assets submitted to the Management Board, the Group has identified the following reportable segments:

- one reportable segment, which represents the strategic business unit of the Group. The strategic business unit provides electricity transmission services, including technological connection services in the geographical regions of the Russian Federation (Krasnodar Territory and the Republic of Adygea); these services are managed as a whole.
- The second segment "Other" includes several operating segments, which are mainly focused on the provision of repair services, rental and recreation services.

Unallocated indicators include the overall performance of the Company's executive office, which is not an operating segment as required by IFRS 8 *"Operating Segments"*.

(a) Information on the reportable segments

As of and for the year ended December 31, 2024:

	Rosseti Kuban	**Other**	**Total**
Revenue from external consumers	88,064,482	657,055	88,721,537
Sales proceeds between segments	7,071	1,642,060	1,649,131
Segment revenue	**88,071,553**	**2,299,115**	**90,370,668**
Including			
Electric power transmission	*80,126,368*	*–*	*80,126,368*
Technological connection to networks	*6,661,902*	*–*	*6,661,902*
Other revenue	*652,620*	*2,285,019*	*2,937,639*
Revenue from lease agreements	*630,663*	*14,096*	*644,759*
Prime cost of the technological connection to networks	(988,581)	–	(988,581)
Financial income	2,573,660	27,044	2,600,704
Financial expenses	(4,158,418)	(3,796)	(4,162,214)
Depreciation	(7,295,759)	(24,106)	(7,319,865)
Segment's profit before taxation	**15,260,284**	**44,769**	**15,305,053**
EBITDA	**26,714,461**	**72,671**	**26,787,132**
Assets of segments	**135,508,322**	**1,556,835**	**137,065,157**
Including property, plant and equipment and construction in progress	*100,270,726*	*131,250*	*100,401,976*
Capital investments	20,668,676	24,180	20,692,856
Segment liabilities	**72,437,298**	**1,406,087**	**73,843,385**

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As of and for the year ended December 31, 2023:

	Rosseti Kuban	**Other**	**Total**
Revenue from external consumers	74,536,361	662,020	75,198,381
Sales proceeds between segments	21,121	1,179,184	1,200,305
Segment revenue	**74,557,482**	**1,841,204**	**76,398,686**
Including			
Electric power transmission	*71,207,120*	*–*	*71,207,120*
Technological connection to networks	*2,437,913*	*–*	*2,437,913*
Other revenue	*712,964*	*1,824,682*	*2,537,646*
Revenue from lease agreements	*199,485*	*16,522*	*216,007*
Prime cost of the technological connection to networks	(720,031)	–	(720,031)
Financial income	438,913	4,724	443,637
Financial expenses	(2,346,000)	(4,336)	(2,350,336)
Depreciation	(6,716,949)	(29,622)	(6,746,571)
Segment's profit before taxation	**8,547,417**	**27,989**	**8,575,406**
EBITDA	**17,610,366**	**61,947**	**17,672,313**
Assets of segments	**116,380,456**	**1,031,918**	**117,412,374**
Including property, plant and equipment and construction in progress	*87,123,570*	*109,405*	*87,232,975*
Capital investments	15,528,856	67,618	15,596,474
Segment liabilities	**62,160,030**	**898,865**	**63,058,895**

(б) Reconciliation of key reportable segment indices presented to the Management Board with similar indicators in these consolidated financial statements

Reportable segment revenue reconciliation:

	For the year ended December 31	
	2024	**2023**
Reportable segment revenue	**90,370,668**	**76,398,686**
Exclusion of sales revenue between segments	(1,649,131)	(1,200,305)
Revenue adjustment for other reasons	(83,569)	(119,089)
Revenue in the consolidated statement of profit or loss and other comprehensive income	**88,637,968**	**75,079,292**

Reconciliation of EBITDA of reportable segments:

	For the year ended December 31	
	2024	**2023**
EBITDA of reportable segments	**26,787,132**	**17,672,313**
Adjustment for provision for expected credit losses	115,598	152,445
Recognition of pension and other long-term liabilities to employees	44,429	314
Adjustment of the cost of property, plant and equipment	(351,742)	(50,413)
Adjustment for estimated liabilities	(200,065)	200,065
Adjustment of the value of intangible assets	(11,396)	80,550
Discounting of payables	181,622	225,644
Adjustment for payables	220,457	180,310
Discounting of receivables	2,332	1,897
Adjustment for disputed receivables	(92,941)	(76,474)
Adjustment for lease	115,076	121,619
Adjustment for accrued provisions for unused vacations and bonuses	–	(26,628)
Adjustment for taxes	127,366	(201,803)
Adjustment for intragroup transactions	(97,403)	(81,628)
Other adjustments	197,284	(150,917)
EBITDA	**27,037,749**	**18,047,294**
Depreciation of property, plant and equipment, right-of-use assets and intangible assets	(7,131,679)	(6,548,876)
Interest expense on financial liabilities carried at depreciable cost	(3,607,911)	(1,870,183)
Interest expenses on lease liabilities	(274,794)	(296,737)
Profit tax expense and excess profit tax expense	(4,556,960)	(2,513,256)
Consolidated profit/(loss) for the period in the Consolidated Statement of Profit or Loss and Other Comprehensive Income	**11,466,405**	**6,818,242**

Reconciliation of the total assets of the reportable segments:

	For the year ended December 31	
	2024	2023 *
Total segment assets	**137,065,157**	**117,412,374**
Settlements between segments	(742,735)	(538,776)
Intragroup financial assets	(45,687)	(45,687)
Adjustment of the cost of property, plant and equipment	(4,709,997)	(5,173,470)
Adjustment of right-of-use assets	506,477	527,469
Recognition of assets related to employee benefit liabilities	317,926	290,712
Adjustment of provision for expected credit losses	107,954	85,297
Adjustment of deferred tax assets	(2,221,426)	(1,952,636)
Discounting of receivables	(3,599)	(2,361)
Adjustment of advance rent payments	(14,033)	(13,832)
Write-off of receivables	(115,377)	(115,377)
Adjustment of the value of intangible assets	(62,770)	(74,805)
Reduction of the amount of VAT recoverable by the amount of VAT on advances received	(453,646)	(304,548)
Exclusion of current RP from capital expenditures	(273,763)	(225,838)
Write-off of current assets	–	(11,471)
Other adjustments	(57,565)	(93,421)
Total assets in the Consolidated Statement of Financial Position	**129,296,916**	**109,763,630**

*The comparative period has been restated (see note 2e)

Reconciliation of total liabilities of reportable segments:

	For the year ended December 31	
	2024	2023 *
Total segment liabilities	**73,843,385**	**63,058,895**
Settlements between segments	(740,301)	(554,553)
Setoff of payables and receivables	–	–
Adjustment of deferred liabilities	(3,212,044)	(3,001,357)
Recognition of pension and other long-term liabilities to employees	665,005	762,865
Recognition of lease liabilities	653,128	811,541
Estimated liabilities and other accruals	–	(200,065)
Discounting of payables	(192,275)	(225,644)
Adjustment of rent arrears	(26,608)	(141,027)
Adjustment for accrued provisions for unused vacations and bonuses	225,763	225,763
Write-off of prepaid income	(950,401)	(729,944)
Reduction of spayable on advances received by the amount of VAT on advances received	(453,646)	(304,548)
Other adjustments	(16,828)	187,997
Total liabilities in the Consolidated Statement of Financial Position	**69,795,178**	**59,889,923**

* *The comparative period has been restated (see note 2e)*The comparative period has been restated (see note 2e)*

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(в) Significant buyer

For the year ended 31 December 2024 and 31 December 2023, the Group had 2 major counterparties, each of which accounted for more than 10% of the Group's total revenue. Revenue received from these counterparties is reflected in the financial statements of the Rosseti Kuban Operating Segment.

The total revenue received from Counterparty 1 for 2024 amounted to 37,012,101 thousand rubles, or 41.76% of the Group's total revenue (in 2023: 33,223,931 thousand rubles, or 44.25%).

The total amount of revenue received from Counterparty 2 for 2024 amounted to 24,955,676 thousand rubles, or 28.15% of the Group's total revenue (in 2023: 22,014,240 thousand rubles, or 29.32%).

6 Revenue

	For the year ended December 31	
	2024	2023
Electricity transmission	80,124,702	71,114,954
Technological connection to electrical networks	6,661,902	2,437,913
Other revenue	1,219,827	1,327,802
Revenue from contracts with customers	**88,006,431**	**74,880,669**
Revenue from lease agreements	631,537	198,623
	88,637,968	**75,079,292**

Other revenue includes revenue from the sale of additional (non-tariff) services provided by the Group and not related to the main types of activities.

7 Other income

	For the year ended December 31	
	2024	2023
Income from detected non-contractual electricity consumption	103,898	92,572
Income in the form of fines and penalties under business contracts	305,192	366,902
Income from compensation for losses in connection with disposal/liquidation of electrical network property	665,738	354,824
Insurance indemnity	648,074	188,762
Write-off of payables	28,015	11,546
Income from the termination of lease agreement	23,292	40,798
Other income	21,519	222,868
Income from the disposal of property, plant and equipment from sale operations	6,330	692
	1,802,058	**1,278,964**

Income from compensation for losses in connection with the liquidation of electric grid property includes income in the form of property and cash received under loss compensation agreements.

Income in the form of the value of property received for the year ended 31 December 2024 amounted to 15,183 thousand rubles (for the year ended 31 December 2023: 4,866 thousand rubles).

Income in the form of cash received for the year ended 31 December 2024 amounted to 650,555 thousand rubles (for the year ended 31 December 2023: 349,958 thousand rubles).

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8 Other expenses

	For the year ended December 31	
	2024	2023
Loss on disposal of property, plant and equipment	158,081	91,951
Loss on disposal of intangible assets	43,722	–
	201,803	**91,951**

9 Operating expenses

	For the year ended December 31	
	2024	2023
Employee benefits expenses	11,156,214	9,979,213
Depreciation of property, plant and equipment	5,608,535	5,049,415
Depreciation of intangible assets	91,844	93,787
Depreciation of right-of-use assets	1,431,300	1,405,674
Tangible expenses, incl.		
Electricity to compensate for technological losses	12,359,678	10,768,903
Purchased electricity and heat for own needs	119,344	120,097
Other tangible expenses	3,735,232	2,915,358
Works and services of production nature, incl.		
Electricity transmission services	31,577,750	28,571,199
Repair and maintenance services	2,095,319	1,888,724
Other works and services of production nature	785,497	474,571
Taxes and charges other than profit tax	677,296	588,513
Short-term lease	69,151	17,088
Insurance	274,365	141,139
Other services of third parties, incl.:		
Communication services	145,595	110,523
Security services	304,027	293,696
Consulting, legal and audit services	22,024	164,605
Software and maintenance costs	383,481	201,855
Transport services	42,848	30,533
Other services of third parties	679,076	1 375 682
Other expenses, incl.:		
Business trip expenses	157,303	156,959
Estimated liabilities	176,434	(3,522)
Expenses associated with property upkeep	111,796	97,986
Costs for services related to the organization, operation and development of the UES	9,677	8,678
Expenses recognized in the form of fines, penalties, forfeits for breach of contract	74,579	135,082
Other operating expenses	794,331	552,135
	72,882,696	**65,137,893**

10 Employee benefits expenses

	For the year ended December 31	
	2024	2023
Salary	8,061,207	7,098,042
Social security contributions	2,496,063	2,242,681
Expenses related to defined benefit plans	34,776	27,600
Other	564,168	610,890
	11,156,214	**9,979,213**

For the year ended December 31, 2024, the amount of contributions under defined contribution plans amounted to 51,991 thousand rubles (for the year ended December 31, 2023: 39,752 thousand rubles).

The amounts of benefit to key management personnel are disclosed in Note 34 "Related Party Operations".

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11 Financial income and expenses

	For the year ended December 31	
	2024	2023
Financial income		
Interest income on bank deposits and bank account balances	2,597,582	439,448
Depreciation of discount on financial assets	2,332	1,897
Effect of discounting financial liabilities at initial recognition	181,622	225,644
Interest income on assets related to employee benefit liabilities	19,669	20,645
Other financial income	3,122	4,189
	2,804,327	**691,823**

	For the year ended December 31	
	2024	2023
Finance expenses		
Interest expense on financial liabilities carried at depreciable cost	3,305,405	1,804,517
Interest expenses on lease liabilities	274,794	296,737
Effect of discounting financial assets at initial recognition	3,570	1,205
Interest expense on long-term employee benefit liabilities	83,883	59,904
Depreciation of discount on financial liabilities	214,991	2
Other financial expenses	62	4,555
	3,882,705	**2,166,920**

12 Profit tax

Increase in the income tax rate

On July 12, 2024, Federal Law No. 176-FZ *"On Amendments to Parts One and Two of the Tax Code of the Russian Federation, Certain Legislative Acts of the Russian Federation and Recognition of Certain Provisions of Legislative Acts of the Russian Federation as Invalid"* was adopted, providing for an increase in the income tax rate from 20% to 25% from January 1, 2025.

In connection with the adoption of this law, these consolidated financial statements reflect an additional deferred tax expense associated with the recalculation of deferred tax assets and liabilities at new rates that will be effective in the periods of recovery of such assets and liabilities after January 1, 2025, in the amount of (585,915) thousand rubles, including:

- income tax expense in profit or loss - (609,240) thousand rubles;
- income in other comprehensive income - 23,325 thousand rubles.

This change in legislation did not affect the amounts of current income tax for 2024 and deferred assets and liabilities of the Group as of December 31, 2023:

- the current income tax rate for 2024 was 20%;
- deferred tax assets and liabilities as of December 31, 2023 were calculated at a rate of 20 percent.

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The impact of the increase in the income tax rate on deferred tax assets and liabilities as of December 31, 2024 by types of differences (items) is provided in Note 16.

	For the year ended December 31	
	2024	**2023**
Current profit tax		
Current tax accrual	(2,842,702)	(1,721,429)
Tax adjustment for prior periods	65,218	50,096
Total	**(2,777,484)**	**(1,671,333)**
Deferred profit tax		
Accrual of deferred tax at the current rate for 2024	(1,170,236)	(841,923)
Recognition of additional deferred tax expenses due to an increase in the income tax rate	(609,240)	–
Total profit tax expense	**(4,556,960)**	**(2,513,256)**

For the year ended December 31, 2024, the Group recalculated profit tax for previous periods in connection with the identification of income and expenses of previous years, representing, for the most part, disputes settled in pre-trial and judicial proceedings regarding electricity transmission services, as well as the volume of electricity purchased to compensate for losses. As a result, according to the amended tax returns submitted to the tax authorities, the amount of overpayment of profit tax for previous periods amounted to 65,218 thousand rubles.

Excess profit tax expense

On August 4, 2023, the President of the Russian Federation signed Federal Law No. 414-FZ *"On Excess Profit Tax"* (published on August 4, 2023, hereinafter referred to as the Law).

In accordance with the provisions of the Law, "Rosseti Kuban" PJSC is a payer of excess profit tax. The amount of excess profit tax liability and expense, calculated at a rate of 10%, as of December 31, 2023 is 400,130 thousand rubles. The Group made a security payment for excess profit tax in the amount of 203,106 thousand rubles to the budget, which is reflected in a separate line item "Security payment for excess profit tax" in the consolidated statement of cash flows for the year ended December 31, 2023. As a result of making a security payment, the Group was entitled to a tax deduction in the amount of a security payment of 200,065 thousand rubles. Accordingly, the applicable excess profit tax rate was 5%.

Profit tax recognized in other comprehensive income:

	For the year ended December 31, 2024				For the year ended December 31, 2023		
	Before taxation	**Profit tax at the applicable rate 2024**	**Effect of increasing the income tax rate**	**After tax**	**Before taxation**	**Profit tax**	**After tax**
Financial assets measured at fair value through other comprehensive income	–	–	–	–	(1)	–	(1)
Revaluation of defined benefit plan liabilities	164,528	(32,906)	23,325	154,947	(93,769)	18,754	(75 015)
	164,528	**(32,906)**	**23,325**	**154,947**	**(93 770)**	**18,754**	**(75,016)**

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Before-tax profit relates to profit tax expense as follows:

	For the year ended December 31	
	2024	**2023**
Profit before tax	**16,023,365**	**9,331,498**
Theoretical amount of profit tax expense at the rate of 20%	**(3,204,673)**	**(1,866,300)**
Tax effect of items not taxable or deductible for tax purposes	(808,265)	(697,052)
Adjustments for prior periods	65,218	50,096
Recognition of additional deferred tax expenses due to an increase in the income tax rate	(609,240)	–
	(4,556,960)	**(2,513,256)**

13 Property, plant and equipment

	Land plots and buildings	Electricity transmission networks	Equipment for electricity transmission	Other	Construction in progress	Total
Initial / deemed cost						
As of January 1, 2024	**12,207,409**	**59,922,234**	**31,501,047**	**11,602,648**	**13,765,792**	**128,999,130**
Reclassification between groups	(22,805)	(1 296)	9,684	14,417	–	–
Proceeds	4,045	100	228,955	1,146,445	19,880,425	**21,259,970**
Commissioning	583,812	10,800,771	4,550,867	2,116,570	(18,052,020)	–
Disposals	(1,603)	(72,985)	(17,257)	(475)	(388,079)	**(480,399)**
Reclassification to assets held for sale	–	–	–	–	(1,823)	**(1,823)**
As of December 31, 2024	**12,770,858**	**70,648,824**	**36,273,296**	**14,879,605**	**15,204,295**	**149,776,878**
Depreciation accumulated						
As of January 1, 2024	**(4,498,360)**	**(20,655,620)**	**(13,677,916)**	**(6,469,020)**	–	**(45,300,916)**
Reclassification between groups	12,901	562	(2,048)	(11,415)	–	–
Depreciation accrued	(431,635)	(2,743,375)	(1,557,123)	(1,147,916)	–	**(5,880,049)**
Disposals	1,235	24,460	16,633	465	–	**42,793**
Reclassification to assets held for sale	–	–	–	–	–	–
As of December 31, 2024	**(4,915,859)**	**(23,373,973)**	**(15,220,454)**	**(7,627,886)**	–	**(51,138,172)**
Impairment accumulated						
As of January 1, 2024	**(564,162)**	**(2,487,400)**	**(483,309)**	**(4,730)**	**(29,133)**	**(3,568,734)**
Reclassification between groups	363	68	(413)	(18)	–	–
Introduction into property, plant and equipment (carry forward of impairment losses)	–	(143)	(2,599)	–	2,742	–
Depreciation of impairment	30,631	150,308	88,596	1,979	–	**271,514**
Recognition of impairment losses/ recovery of previously recognized impairment losses	–	–	(13)	–	–	**(13)**
Disposals	28	820	36	–	935	**1,819**
Reclassification to assets held for sale	–	–	–	–	–	–
As of December 31, 2024	**(533,140)**	**(2,336,347)**	**(397,702)**	**(2,769)**	**(25,456)**	**(3,295,414)**
Depreciation (with depreciation of impairment)	*(401,004)*	*(2,593,067)*	*(1,468,527)*	*(1,145,937)*	–	***(5,608,535)***
Residual value						
As of January 1, 2024	**7,144,887**	**36,779,214**	**17,339,822**	**5,128,898**	**13,736,659**	**80 ,129,480**
As of December 31, 2024	**7,321,859**	**44,938,504**	**20,655,140**	**7,248,950**	**15,178,839**	**95,343,292**
Initial / deemed cost						
As of January 1, 2023	**12,192,321**	**53,491,561**	**27,641,086**	**9,525,108**	**10,444,944**	**113,295,020**
Reclassification between groups	(756,322)	1,037,335	(274,629)	(6,384)	–	–
Proceeds	5,526	148,909	151,805	168,675	15,658,792	**16,133,707**
Commissioning	800,494	5,285,593	4,072,168	1,930,548	(12,088,803)	–
Disposals	(23,855)	(41,164)	(89,383)	(15,299)	(247,619)	**(417,320)**
Reclassification to assets held for sale	(10,755)	–	–	–	(1,522)	**(12,277)**
As of December 31, 2023	**12,207,409**	**59,922,234**	**31,501,047**	**11,602,648**	**13,765,792**	**128,999,130**
Depreciation accumulated						
As of January 1, 2023	**(4,425,881)**	**(17,662,759)**	**(12,482,565)**	**(5,492,730)**	–	**(40,063,935)**
Reclassification between groups	408,081	(519,958)	214,468	(102,591)	–	–
Depreciation accrued	(488,863)	(2,487,016)	(1,484,351)	(888,719)	–	**(5,348,949)**
Disposals	3,878	14,113	74,532	15,020	–	**107,543**
Reclassification to assets held for sale	4,425	–	–	–	–	**4,425**
As of December 31, 2023	**(4,498,360)**	**(20,655,620)**	**(13,677,916)**	**(6,469,020)**	–	**(45,300,916)**
Impairment accumulated						
As of January 1, 2023	**(639,516)**	**(2,592,356)**	**(593,544)**	**(14,893)**	**(32,217)**	**(3,872,526)**
Reclassification between groups	38,351	(51,371)	6,067	6,953	–	–
Introduction into property, plant and equipment (carry forward of impairment losses)	–	(143)	(2,891)	(3)	3,037	–
Depreciation of impairment	36,859	155,325	104,145	3,205	–	**299,534**
Recognition of impairment losses/ recovery of previously recognized impairment losses	–	–	–	–	–	–
Disposals	144	1,145	2,914	8	47	**4,258**
Reclassification to assets held for sale	–	–	–	–	–	–
As of December 31, 2023	**(564,162)**	**(2,487,400)**	**(483,309)**	**(4,730)**	**(29,133)**	**(3,568,734)**
Depreciation (with depreciation of impairment)	*(452,004)*	*(2,331,691)*	*(1,380,206)*	*(885,514)*	–	***(5,049,415)***
Residual value						
As of January 1, 2023	**7,126,924**	**33,236,446**	**14,564,977**	**4,017,485**	**10,412,727**	**69,358,559**
As of December 31, 2023	**7,144,887**	**36,779,214**	**17,339,822**	**5,128,898**	**13,736,659**	**80 ,129,480**

As of December 31, 2024, construction in progress includes advances for the acquisition of property, plant and equipment in the amount of 2,254,599 thousand rubles (as of December 31, 2023: 1,388,903 thousand rubles), as well as materials for the construction of property, plant and equipment in the amount of 3,846,244 thousand rubles (as of December 31, 2023: 3,939,555 thousand rubles).

For the year ended 31 December 2024, capitalized interest amounted to 789,723 thousand rubles (for the year ended 31 December 2023: 297,349 thousand rubles), the capitalization rate was 18.30% (for the year ended 31 December 2023: 10.96%).

For the year ended December 31, 2024, depreciation charges in the amount of 47 thousand rubles were capitalized in the cost of capital construction projects (including depreciation charges on fixed assets 0 thousand rubles, intangible assets 0 thousand rubles, right-of-use assets 47 thousand rubles).

For the year ended December 31, 2023, depreciation charges in the amount of 2,107 thousand rubles were capitalized in the cost of capital construction projects (including depreciation charges on fixed assets 0 thousand rubles, intangible assets 2,024 thousand rubles, right-of-use assets 83 thousand rubles).

As of December 31, 2024, the initial cost of fully depreciated property, plant and equipment amounted to 9,941,834 thousand rubles (as of December 31, 2023: 9,426,064 thousand rubles).

As of December 31, 2024 and December 31, 2023, there were no property, plant and equipment acting as collateral for loans and borrowings.

Disclosure of information on impairment testing

The Group considered the current economic conditions in the regions where the Group operates: the Krasnodar Territory and the Republic of Adygea, as an indicator (sign) of a possible impairment of property, plant and equipment.

The majority of the Group's property, plant and equipment are specialised assets that are rarely purchased and sold on the open market, unless they are sold to existing entities. The market for such property, plant and equipment is not active in the Russian Federation and does not provide sufficient purchase and sale examples to enable a market approach to determine the fair value of these property, plant and equipment. As a consequence, the recoverable amount of specialised property is determined as the value in use using the projected cash flow method. His method takes into account future net cash flows that will generate these property, plant and equipment in the course of business operations as well as disposal in order to determine the recoverable amount of these assets.

Cash generating units are determined by the Group based on the geographical location of branches and represent the smallest identifiable groups of assets that generate cash inflows irrespective of other Group assets.

Future cash flows in the forecast period for the Group's tested CGU were determined based on the management's best estimate of electricity transmission volumes, operating costs and capital investments, as well as tariffs approved by regulatory authorities, taking into account the business plan indicators, which are based on tariff models formed taking into account the average annual growth rate of the tariff for electricity transmission services in accordance with the Forecast of the Socioeconomic Development of the Russian Federation for 2025 and for the planning period of 2026 and 2027 (as of September 30, 2024), in 2023 - for 2024 and for the planning period of 2025 and 2026 dated September 28, 2023.

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The Group tested property, plant and equipment for impairment as of December 31, 2024 in relation to a generating unit of Rosseti Kuban.

The following basic assumptions were used in assessing the recoverable amount of assets of generating units:

Basic assumption	As of as of december 31, 2024	As of as of december 31, 2023
Forecast period	Forecast cash flows were determined for the 2025-2029 period for all generating units based on the Management's best estimate of electricity transmission volumes, operating and capital expenditures, and tariffs approved by regulatory authorities for 2025.	Forecast cash flows were determined for the 2024-2028 period for all generating units based on the Management's best estimate of electricity transmission volumes, operating and capital expenditures, and tariffs approved by regulatory authorities for 2024.
Interest rate of net cash flow growth in the post-forecast period	4.0%	4.0%
Forecast of electricity transmission tariffs	Based on the tariff calculation methodology adopted by the regulatory authorities	Based on the tariff calculation methodology adopted by the regulatory authorities
Forecast of sales volume	In accordance with the approved business plan. Outside of business planning - a fixed amount (at the level of the last year of the business planning period).	In accordance with the approved business plan. Outside of business planning - a fixed amount (at the level of the last year of the business planning period).
Discount rate (nominal discount rate determined for the purposes of the test based on the weighted average cost of capital after income tax)	13.71%	11.97%

Based on the results of impairment testing, the recoverable amount of non-current assets tested under the CGU as of December 31, 2024 was 100,440,479 thousand rubles.

Based on the results of testing as of December 31, 2024 and December 31, 2023, no impairment of non-current assets tested under the CGU was identified.

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14 Intangible assets

	Software	Certificates, licenses and patents	R&D	Other	Total
Initial cost					
As of January 1, 2024	**1,130,015**	**140,060**	**9,234**	**16,536**	**1,295,845**
Reclassification between groups	141,362	(119,671)	(55,643)	33,952	–
Proceeds	–	–	152,751	–	**152,751**
Disposals	(790,655)	(20,389)	(6,553)	(56)	**(817,653)**
As of December 31, 2024	**480,722**	**–**	**99,789**	**50,432**	**630,943**
Depreciation accumulated					
As of January 1, 2024	**(832,862)**	**(14,487)**	**–**	**(15,288)**	**(862,637)**
Reclassification between groups	11,825	1,391	–	(13,216)	–
Depreciation accrued	(87,509)	–	–	(4,335)	**(91,844)**
Disposals	754,227	13,096	–	55	**767,378**
As of December 31, 2024	**(154,319)**	**–**	**–**	**(32,784)**	**(187,103)**
Impairment accumulated					
As of January 1, 2024	**–**	**–**	**–**	**–**	**–**
Reclassification between groups	–	–	–	–	–
Depreciation of impairment	–	–	–	–	–
Recognition of impairment losses/ recovery of previously recognized impairment losses	–	–	–	–	–
Disposals	–	–	–	–	–
As of December 31, 2024	**–**	**–**	**–**	**–**	**–**
Depreciation (with depreciation of impairment)	(87,509)	–	–	(4,335)	**(91,844)**
Residual value					
As of January 1, 2024	**297,153**	**125,573**	**9,234**	**1,248**	**433,208**
As of December 31, 2024	**326,403**	**–**	**99,789**	**17,648**	**443,840**

	Software	Certificates, licenses and patents	R&D	Other	Total
Initial cost					
As of January 1, 2023	**919,623**	**12,775**	**20,530**	**78,195**	**1,031,123**
Reclassification between groups	13,030	–	(13,030)	–	–
Proceeds	197,362	127,285	11,918	–	**336,565**
Disposals	–	–	(10,184)	(61,659)	**(71,843)**
As of December 31, 2023	**1,130,015**	**140,060**	**9,234**	**16,536**	**1,295,845**
Depreciation accumulated					
As of January 1, 2023	**(742 015)**	**(12,160)**	**–**	**(74 310)**	**(828,485)**
Reclassification between groups	–	–	–	–	–
Depreciation accrued	(90,847)	(2,327)	–	(2,637)	**(95,811)**
Disposals	–	–	–	61,659	**61,659**
As of December 31, 2023	**(832,862)**	**(14,487)**	**–**	**(15,288)**	**(862,637)**
Impairment accumulated					
As of January 1, 2023	**–**	**–**	**–**	**–**	**–**
Reclassification between groups	–	–	–	–	–
Depreciation of impairment	–	–	–	–	–
Recognition of impairment losses/ recovery of previously recognized impairment losses	–	–	–	–	–
Disposals	–	–	–	–	–
As of December 31, 2023	**–**	**–**	**–**	**–**	**–**
Depreciation (with depreciation of impairment)	*(90,847)*	*(2,327)*	–	*(2,637)*	***(95,811)***
Residual value					
As of January 1, 2023	**177,608**	**615**	**20 530**	**3,885**	**202 638**
As of December 31, 2023	**297,153**	**125,573**	**9,234**	**1,248**	**433,208**

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The amount of depreciation of intangible assets included in operating expenses in the consolidated statement of profit or loss and other comprehensive income amounted to 91,844 thousand rubles (for the year ended December 31, 2023: 93,787 thousand rubles).

Intangible assets are depreciated on a straight-line basis.

For the year ended December 31, 2024, capitalized depreciation amounted to 0 thousand rubles (for the year ended December 31, 2023: 2,024 thousand rubles).

15 Right-of-use assets

	Land and buildings	Electricity transmission networks	Equipment for electricity transmission	Other	Total
Initial cost					
As of January 1, 2024	**2,719,522**	**2,983,728**	**1,215,574**	**385,280**	**7,304,104**
Reclassification between groups	5,289	–	(5,235)	(54)	–
Proceeds	86,182	67,438	112,101	579	**266,300**
Changes in the terms of lease agreements	279,258	11,468	5,053	22,653	**318,432**
Disposal or termination of lease agreements	(1,790,663)	(2,901,484)	(1,044,679)	(302,076)	**(6,038,902)**
As of December 31, 2024	**1,299,588**	**161,150**	**282,814**	**106,382**	**1,849,934**
Depreciation accumulated					
As of January 1, 2024	**(1,648,147)**	**(2,319,729)**	**(869,345)**	**(299,446)**	**(5,136,667)**
Reclassification between groups	(2,746)	–	2,726	20	–
Depreciation accrued	(467,683)	(632,710)	(260,149)	(70,805)	**(1,431,347)**
Changes in the terms of lease agreements	11,544	210	2,970	6,272	**20,996**
Disposal or termination of lease agreements	1,715,686	2,874,445	1,031,133	301,208	**5,922,472**
As of December 31, 2024	**(391,346)**	**(77,784)**	**(92,665)**	**(62,751)**	**(624,546)**
Impairment accumulated					
As of January 1, 2024	**–**	**–**	**–**	**–**	**–**
Reclassification between groups	–	–	–	–	–
Depreciation of impairment	–	–	–	–	–
Recognition of impairment losses/recovery of previously recognized impairment losses	–	–	–	–	–
Disposal or termination of lease agreements	–	–	–	–	–
As of December 31, 2024	**–**	**–**	**–**	**–**	**–**
Depreciation (with depreciation of impairment)	(467,683)	(632,710)	(260,149)	(70,805)	**(1,431,347)**
Residual value					
As of January 1, 2024	**1,071,375**	**663,999**	**346,229**	**85,834**	**2,167,437**
As of December 31, 2024	**908,242**	**83,366**	**190,149**	**43,631**	**1,225,388**

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	Land and buildings	Electricity transmission networks	Equipment for electricity transmission	Other	Total
Initial cost					
As of January 1, 2023	**2,675,613**	**2,958,344**	**1,181,395**	**415 648**	**7,231,000**
Reclassification between groups	–	–	–	–	–
Proceeds	95,449	46,353	112,171	890	**254,863**
Changes in the terms of lease agreements	86,214	2,200	(764)	869	**88,519**
Disposal or termination of lease agreements	(137,754)	(23,169)	(77,228)	(32,127)	**(270,278)**
As of December 31, 2023	**2,719,522**	**2,983,728**	**1,215,574**	**385,280**	**7,304,104**
Depreciation accumulated					
As of January 1, 2023	**(1,228,116)**	**(1,712,996)**	**(649,812)**	**(242,677)**	**(3,833,601)**
Reclassification between groups	–	–	–	–	–
Depreciation accrued	(467,088)	(611,946)	(251,341)	(75,382)	**(1,405,757)**
Changes in the terms of lease agreements	9,376	1	4,329	–	**13,706**
Disposal or termination of lease agreements	37,681	5,212	27,479	18,613	**88,985**
As of December 31, 2023	**(1,648,147)**	**(2,319,729)**	**(869,345)**	**(299,446)**	**(5,136,667)**
Impairment accumulated					
As of January 1, 2023	**–**	**–**	**–**	**–**	**–**
Reclassification between groups	–	–	–	–	–
Depreciation of impairment	–	–	–	–	–
Recognition of impairment losses/recovery of previously recognized impairment losses	–	–	–	–	–
Disposal or termination of lease agreements	–	–	–	–	–
As of December 31, 2023	**–**	**–**	**–**	**–**	**–**
Depreciation (with depreciation of impairment)	*(467,088)*	*(611,946)*	*(251,341)*	*(75,382)*	***(1,405,757)***
Residual value					
As of January 1, 2023	**1,447,497**	**1,245,348**	**531 583**	**172 971**	**3 397 399**
As of December 31, 2023	**1,071,375**	**663,999**	**346,229**	**85,834**	**2,167,437**

For the purpose of the impairment testing, right-of-use specialized assets (including leased land plots under own and leased specialized facilities) are classified as CGU assets similarly to own fixed assets - based on the geographical location of the Group.

The value of use of right-of-use assets is determined using the discounted cash flow method. Information on the impairment testing conducted as of December 31, 2024 is disclosed in Note 13 "Property, Plant and Equipment".

16 Deferred tax assets and liabilities

Differences between IFRS and Russian tax legislation result in temporary differences between the carrying value of certain assets and liabilities for financial reporting purposes, on the one hand, and for profit tax purposes, on the other.

As of December 31, 2024, deferred tax assets and liabilities are calculated taking into account the increase in the income tax rate from 20% to 25% from January 1, 2025 (Note 12).

(a) Deferred tax assets and liabilities recognized

Deferred tax assets and liabilities relate to the following items:

	Assets		Liabilities		Net	
	December 31, 2024	**December 31, 2023**	**December 31, 2024**	**December 31, 2023**	**December 31, 2024**	**December 31, 2023**
Property, plant and equipment	90,693	73,641	(4,222,902)	(2,393,373)	(4,132,209)	(2,319,732)
Intangible assets	–	9,224	(82,113)	–	(82,113)	9,224
Right-of-use assets	–	–	(310,090)	(435,521)	(310,090)	(435,521)
Financial assets measured at fair value through other comprehensive income	–	–	(11,422)	(9,137)	(11,422)	(9,137)
Financial assets measured at fair value through other profit or loss	–	–	–	–	–	–
Inventories	21,513	45,157	5,937	–	27,450	45,157
Trade and other receivables	591,901	576,436	(630)	(17,206)	591,271	559,230
Advances paid and other assets	–	4	(1,665)	(1,238)	(1,665)	(1,234)
Lease liabilities	163,282	162,308	–	–	163,282	162,308
Loans and borrowings	–	–	–	–	–	–
Estimated liabilities	209,216	232,004	(7,759)	(5,670)	201,457	226,334
Employee benefit liabilities	52,619	60,681	–	–	52,619	60,681
Trade and other payables	427,972	568,176	–	–	427,972	568,176
Advances received	–	–	–	–	–	–
Tax losses to be carried forward	26	152	–	–	26	152
Assets held for sale	–	–	(5,937)	(5,651)	(5,937)	(5,651)
Other	149,793	9,858	–	(10,354)	149,793	(496)
Tax assets/(liabilities)	**1,707,015**	**1,737,641**	**(4,636,581)**	**(2,878,150)**	**(2,929,566)**	**(1,140,509)**
Credit for tax	(1,616,312)	(1,662,163)	1,616,312	1,662,163	–	–
Deferred tax assets not recognized	–	–	–	–	–	–
Net tax assets/(liabilities)	**90,703**	**75,478**	**(3,020,269)**	**(1,215,987)**	**(2,929,566)**	**(1,140,509)**

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(б) Movement of deferred tax assets and liabilities during the year

	January 1, 2024	Recognized in profit or loss	Recognized in other comprehensive income	Effect of an increase in the income tax rate on profit or loss (Note 12)	Effect of an increase in the income tax rate on other comprehensive income (Note 12)	December 31, 2024
Property, plant and equipment	(2,319,732)	(986,034)	–	(826,443)	–	(4,132,209)
Intangible assets	9,224	(74,915)	–	(16,422)	–	(82,113)
Right-of-use assets	(435,521)	187,448	–	(62,017)	–	(310,090)
Financial assets measured at depreciated value	–	–	–	–	–	–
Financial assets measured at fair value through other comprehensive income	(9,137)	–	–	(2,285)	–	(11,422)
Financial assets measured at fair value through other profit or loss	–	–	–	–	–	–
Inventories	45,157	(23,196)	–	5,489	–	27,450
Trade and other receivables	559,230	(86,213)	–	118,254	–	591,271
Advances paid and other assets	(1,234)	(98)	–	(333)	–	(1,665)
Lease liabilities	162,308	(31,682)	–	32,656	–	163,282
Loans and borrowings	–	–	–	–	–	–
Estimated liabilities	226,334	(65,168)	–	40,291	–	201,457
Employee benefit liabilities	60,681	14,320	(32,906)	(12,801)	23,325	52,619
Trade and other payables	568,176	(225,798)	–	85,594	–	427,972
Advances received	–	–	–	–	–	
Tax losses to be carried forward	152	(131)	–	5	–	26
Assets held for sale	(5,651)	901	–	(1,187)	–	(5,937)
Other	(496)	120,330	–	29,959	–	149,793
Deferred tax assets not recognized	–	–	–	–	–	
	(1,140,509)	**(1,170,236)**	**(32,906)**	**(609,240)**	**23,325**	**(2,929,566)**

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	January 1, 2023	Recognized in profit or loss	Recognized in other comprehensive income	December 31, 2023
Property, plant and equipment	(1,494,800)	(824,932)	–	(2,319,732)
Intangible assets	9,295	(71)	–	9,224
Right-of-use assets	(679,480)	243,959	–	(435,521)
Financial assets measured at depreciated value	–	–	–	–
Financial assets measured at fair value through other comprehensive income	(9,138)	1	–	(9,137)
Financial assets measured at fair value through other profit or loss	–	–	–	–
Inventories	52,591	(7,434)	–	45,157
Trade and other receivables	513,996	45,234	–	559,230
Advances paid and other assets	2,129	(3,363)	–	(1,234)
Lease liabilities	155,965	6,343	–	162,308
Loans and borrowings	–	–	–	–
Estimated liabilities	291,218	(64,884)	–	226,334
Employee benefit liabilities	26,320	15,607	18,754	60,681
Trade and other payables	491,560	76,616	–	568,176
Advances received	–	–	–	–
Tax losses to be carried forward	1,231	(1,079)	–	152
Assets held for sale	(4,081)	(1,570)	–	(5,651)
Other	325,854	(326,350)	–	(496)
Deferred tax assets not recognized	–	–	–	–
	(317,340)	**(841,923)**	**18,754**	**(1,140,509)**

17 Assets qualified as held for sale

	December 31, 2024	December 31, 2023
As part of current assets		
Assets classified as held for sale - short-term	23,748	28,255
	23,748	**28,255**

Immediately before classifying the objects as assets for sale, an estimate of the recoverable amount was made. As of December 31, 2024, there was no write-down as the carrying amount of assets held for sale has not decreased below its fair value less costs to sell.

18 Inventories

	December 31, 2024	December 31, 2023
Raw and other materials	1,656,411	1,459,748
Provision for impairment of raw and other materials	(2,177)	(49 327)
Other inventories	2,134,284	2,403,686
Provision for impairment of other inventories	(13,337)	(812)
	3,775,181	**3,813,295**

As of 31 December 2024, inventories intended to ensure work on the prevention and elimination of accidents (emergency situations) at electric grid facilities (emergency stock) amount to 681,484 thousand rubles (as of 31 December 2023: 631,162 thousand rubles).

As of 31 December 2024 and 31 December 2023, the Group does not have inventories pledged under loan and other agreements.

For the year ended December 31, 2024, operating expenses included in the item "Other material expenses" include inventories in the amount of 3,735,232 thousand rubles (for the year ended December 31, 2023: 2,915,358 thousand rubles).

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19 Trade and other receivables

	December 31, 2024	December 31, 2023
Long-term trade and other receivables		
Trade receivables	309,739	395
Provision for expected credit losses on trade receivables	–	–
Other receivables	80,339	58,632
Provision for expected credit losses on other receivables	–	–
	390,078	**59,027**
Short-term trade and other receivables		
Trade receivables	6,660,063	6,611,360
Provision for expected credit losses on trade receivables	(1,091,338)	(1,549,243)
Other receivables	1,482,772	1,263,035
Provision for expected credit losses on other receivables	(1,089,087)	(1,143,178)
	5,962,410	**5,181,974**
	6,352,488	**5,241,001**

20 Advances paid and other assets

	December 31, 2024	December 31, 2023*
Fixed		
Advances issued	16,421	12,267
Provision for impairment of advances paid	–	–
VAT on advances received	1,400,592	1,983,583
	1,417,013	**1,995,850**
Current		
Advances issued	315,158	101,795
Provision for impairment of advances paid	(3,903)	(4 613)
VAT recoverable	23,131	5,753
VAT on advances received and VAT on advances paid for the purchase of property, plant and equipment	2,282,739	1,307,854
Prepayment for taxes other than profit tax	6,160	9,634
	2,623,285	**1,420,423**
	4,040,298	**3,416,273**

* *The data as of December 31, 2023 has been revised (see note 2e).*

21 Cash and cash equivalents

	December 31, 2024	December 31, 2023
Cash in bank accounts and cash on hand	7,745,514	5,578,347
Cash equivalents	9,616,383	7 538 334
	17,361,897	**13 116 681**

As of December 31, 2024 and December 31, 2023, all balances and cash equivalents are nominated in rubles.

Cash equivalents as of December 31, 2024 and December 31, 2023 include short-term investments in bank deposits. In 2024, deposits were placed at interest rates from 24.80% to 24.80% per annum (in 2023: from 16.15 to 16.40% per annum).

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22 Equity

(a) Authorized capital

	Ordinary shares	
	December 31, 2024	**December 31, 2023**
Nominal value per one share	100 rubles	100 rubles
In circulation as of January 1, pieces	398,966,076	363,300,457
In circulation at the end of the year and fully paid, pieces	398,966,076	398,966,076

(б) Ordinary shares

In 2024, state registration of amendments to the charter of Rosseti Kuban PJSC was carried out in terms of increasing the authorized capital by the volume of additional shares placed.

In accordance with the Charter, as of December 31, 2024, the authorized capital of the Company is 39,896,607,600 rubles, it is divided into 398,966,076 ordinary registered uncertified shares with a par value of 100 rubles 00 kopecks each.

The total number of shares of the Company in circulation and fully paid as of December 31, 2024 amounted to 398,966,076 pieces.

(в) Dividends

At the Annual General Meeting of Shareholders held on June 16, 2024, it was decided to pay dividends on ordinary shares of the Company based on the financial and economic activities of Rosseti Kuban PJSC for 2023 in the amount of 1,944,691 thousand rubles (minutes of the Annual General Meeting of Shareholders dated June 17, 2024, No. 51). The amount of dividends was 4,874,327 rubles per ordinary share of the Company. At the Annual General Meeting of Shareholders held on June 16, 2023, it was decided to pay dividends on ordinary shares of the Company based on the financial and economic activities of Rosseti Kuban PJSC for 2022 in the amount of 766,500 thousand rubles (minutes of the Annual General Meeting of Shareholders dated June 21, 2023, No. 50). The amount of dividends was 2.0022935 rubles per ordinary share of the Company.

For the year ended December 31, 2024, dividends due to the Company's shareholders for 2023 amounted to 1,944,641 thousand rubles, including 1,939,239 thousand rubles to the parent company Rosseti PJSC (for the year ended December 31, 2023: dividends for 2022 - 766,500 thousand rubles, including 764,260 thousand rubles to the parent company Rosseti PJSC).

As of December 31, 2024, the dividend payment debt to owners amounted to 2,126 thousand rubles, while the dividend payment debt to the parent company Rosseti PJSC was repaid (as of December 31, 2023: dividend payment debt to owners - 1,458 thousand rubles, while the dividend payment debt to the parent company Rosseti PJSC was repaid).

(г) Additional issue of securities

In February 2021, the Extraordinary General Meeting of Shareholders of Rosseti Kuban PJSC decided to increase the Company's authorized capital by placing additional ordinary shares in the amount of 69,583,132 shares with a par value of 100 rubles each, for a total amount of 6,958,313,200 rubles at par value (Minutes dated February 26, 2021, No.44).

On March 17, 2021, the Board of Directors of Rosseti Kuban PJSC approved the securities prospectus containing the terms of the placement of additional shares.

On April 1, 2021, the Bank of Russia carried out the state registration of this additional issue and the registration of the prospectus of securities of Rosseti Kuban PJSC. The additional issue of securities was assigned state registration number 1 02 00063-A. The initial period for the placement of additional shares: one year from the date of state registration of the additional issue. On April 25, 2022, the Bank of Russia registered the prospectus of the Company's securities, which provides for an extension of the period for the placement of additional shares until April 1, 2023 by extending the period for collecting offers until March 2, 2023. On May 25, 2023, the Bank of Russia registered the prospectus of the Company's securities, which provides for an extension of the period for the placement of additional shares until April 1, 2024 by extending the period for collecting offers until March 1, 2024.

In the period from April 10, 2021 to February 3, 2022, shareholders exercised their preemptive right to purchase additional shares. The Company offered to purchase 60,579,604 shares remaining for placement after the shareholders exercised their preemptive right on February 10, 2022, to an unlimited number of persons through an open subscription. On March 1, 2024, the deadline for accepting offers to purchase shares of the additional issue registered by the Bank of Russia on April 1, 2021 under registration number 1-02-00063-A ended.

On April 1, 2024, the placement of shares of the additional issue was completed. On April 22, 2024, the Bank of Russia sent Rosseti Kuban PJSC an extract from the register of emission securities, according to which the additional shares being placed are part of the main issue.

Payment for the additional shares was made in cash in the amount of 6,430,824 thousand rubles for 64,308,239 shares of the additional issue.

On May 17, 2024, state registration of amendments to the charter of Rosseti Kuban PJSC was carried out in terms of increasing the authorized capital by the volume of additional shares placed.

(д) Own shares repurchased from shareholders

On June 17, 2024, the annual General Meeting of Shareholders decided to apply to the court with an application for delisting of shares of Rosseti Kuban PJSC. The number of shares, the owners of which had the right to demand a buyback, amounted to 1,116,973 shares. The repurchase price of one ordinary share of Rosseti Kuban PJSC at the request of shareholders was determined by the decision of the Board of Directors of the Company (minutes dated April 27, 2024 No. 555/2024) in the amount of 393.8 rubles.

123,488 shares of the Company were put up for repurchase. In fact, for 123,488 shares of Rosseti Kuban PJSC, shareholders were paid 48,630 thousand rubles.

On August 23, 2024, 123,488 shares of the Company were credited to the treasury account of Rosseti Kuban PJSC in the register of registered securities holders.

Information on own repurchased shares:

December 31, 2024		December 31, 2023	
Number of shares, pcs. Ordinary	**Cost, thous. rub.**	**Number of shares, pcs. Ordinary**	**Cost, thous. rub.**
123,488	48,630	–	–

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23 Earnings per share

The calculation of earnings per share for the year ended December 31, 2024 and December 31, 2023 is based on profit attributable to common shareholders and the weighted average number of common shares outstanding. The Company does not have dilutive financial instruments.

In thousands of shares	2024	2023
Ordinary shares as of January 1	**398,966**	**363,300**
Effect of the share placing	–	35,666
Weighted average number of shares for the period ended December 31	**398,918**	**381,034**

	For the year ended December 31	
	2024	**2023**
Weighted average number of outstanding shares for the period (in thousand pieces)	398,918	381,034
Profit for the period, which is attributable to the owners of the Company	11,466,405	6,818,242
Basic and diluted earnings per share (in Russian rubles)	**28.74**	**17.89**

24 Borrowed funds

	December 31, 2024	December 31, 2023
Long-term liabilities		
Unsecured loans and borrowings	22,182,604	20,159,853
Lease liabilities	1,452,424	2,585,294
Less: current portion of long-term lease liabilities	(286,067)	(1,724,421)
Less: current portion of long-term loan liabilities	(12,716,432)	(4,279,853)
	10,632,529	**16 740 873**
Short-term liabilities		
Unsecured loans and borrowings	2,356,508	28,987
Current portion of long-term lease liabilities	286,067	1 724 421
Current portion of long-term loan liabilities	12,716,432	4,279,853
	15,359,007	**6 033 261**
Including:		
Interest payable on loans and borrowings	39,183	28,987
	39,183	**28,987**

As of December 31, 2024 and December 31, 2023, all loan and borrowing balances are denominated in rubles, respectively.

Long-term and current liabilities on loans and borrowings, including interest, as of December 31, 2024 and December 31, 2023 amounted to 24,539,112 thousand rubles and 20,188,840 thousand rubles (excluding long-term and current lease liabilities).

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	Maturity	Effective interest rate		Carrying amount	
		December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Loans and borrowings unsecured					
Unsecured loans	2025-2027	Key rate+1.65% - Key rate+7.30%	Key rate+1.25% - Key rate+1.55%	10,870,291	12,979,853
Unsecured loans	2025-2027	Key rate+1.65% - Key rate+7.30%	Key rate+1.20% - Key rate+2.10%	11,799,839	5,340,547
Borrowings unsecured	2025-2025	8.95%-8.95%	8.95-8.95%	1,868,982	1,868,440
				24,539,112	**20,188,840**
Lease liabilities	2025-2073	13.80%-23.74%	8.99-16.41%	1,452,424	2,585,294
Total liabilities				**25,991,536**	**22,774,134**

The Group does not use hedging instruments to manage interest rate risk.

Information on the Group's exposure to interest rate risk is disclosed in the Note 31 "Financial Risk and Capital Management".

25 Changes in liabilities caused by financial activities

	Borrowed funds		Interest payable on borrowed funds (excluding% under lease agreements)	Lease liabilities	Dividends payable
	Long-term	Short-term			
As of January 1, 2024	**15,880,000**	**4,279,853**	**28,987**	**2,585,294**	**1,458**
Changes due to cash flows from financial activities					
Borrowing funds	9,652,605	467,325	–	–	–
Repayment of borrowed funds	(1,500,001)	(4,279,853)	–	–	–
Lease payments	–	–	–	(1,523,191)	–
Interest paid (operating activities, for reference)	–	–	(4,084,927)	(208,984)	–
Dividends paid	–	–	–	–	(1,944,023)
Total	**8,152,604**	**(3,812,528)**	**(4,084,927)**	**(1,732,175)**	**(1,944,023)**
Non-cash changes					
Reclassification	(14,566,432)	14,566,432	–	–	–
Capitalized interests	–	–	789,718	5	–
Interest expenses	–	–	3,305,405	274,794	–
Proceeds from lease agreements	–	–	–	266,299	–
Dividends accrued	–	–	–	–	1,944,691
Discounting	–	–	–	–	–
Other changes, net	–	–	–	58,207	–
Total	**(14,566,432)**	**14,566,432**	**4,095,123**	**599,305**	**1,944,691**
As of December 31, 2024	**9,466,172**	**15,033,757**	**39,183**	**1,452,424**	**2,126**

		Interest payable on	**Lease liabilities**	**Dividends payable**

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	Borrowed funds		borrowed funds (excluding % under lease agreements)		
	Long-term	Short-term			
As of January 1, 2023	**16,931,543**	**4,071,757**	**18,523**	**3,866,469**	**101,678**
Changes due to cash flows from financial activities					
Borrowing funds	8,618,064	–	–	–	–
Repayment of borrowed funds	(5,389,754)	(4,071,757)	–	–	–
Lease payments	–	–	–	(1,445,730)	–
Interest paid (operating activities, for reference)	–	–	(2,090,271)	(259,924)	–
Dividends paid	–	–	–	–	(866,475)
Total	**3,228,310**	**(4,071,757)**	**(2,090,271)**	**(1,705,654)**	**(866,475)**
Non-cash changes					
Reclassification	(4,279,853)	4,279,853	–	–	–
Capitalized interests	–	–	296,218	1,131	–
Interest expenses	–	–	1 804 517	296,737	–
Proceeds from lease agreements	–	–	–	254,864	–
Dividends accrued	–	–	–	–	766,500
Discounting	–	–	–	–	–
Other changes, net	–	–	–	(128,253)	(245)
Total	**(4,279,853)**	**4,279,853**	**2,100,735**	**424,479**	**766,255**
As of December 31, 2023	**15,880,000**	**4,279,853**	**28,987**	**2,585,294**	**1,458**

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26 Employee benefits

The Group has pension liabilities and other long-term defined benefit plan liabilities that apply to most employees and retirees. Defined benefit plan liabilities consist of several unsecured plans providing lump sum payments upon retirement, financial support to retirees, employee death benefits, and anniversary payments.

The amounts of defined benefit liabilities recognized in the Consolidated Statement of Financial Position are as follows:

	December 31, 2024	December 31, 2023
Net cost of liabilities regarding post-employment benefit plans	665,005	762,865
Net cost of liabilities regarding other long-term employee benefit plans	–	–
Total net value of liabilities	**665,005**	**762,865**

Change of value of assets related to employee benefit liabilities:

	2024	2023
Value of assets as of January 1	**290,712**	**302,550**
Income on plan assets	19,669	20,645
Employer's contributions	48,879	–
Other account movements	1,865	1,056
Payment of benefits	(43,199)	(33,539)
Value of assets as of December 31	**317,926**	**290,712**

The assets of pension plans with defined benefits are managed by the non-state pension fund NPF VTB Pension Fund JSC. These assets are not assets of defined benefit pension plans, since under the terms of existing agreements with the fund, the Group has the opportunity to use contributions transferred under defined benefit pension plans to finance its defined contribution pension plans or transfer to another fund on its own initiative.

Changes in present value of defined benefit plan liabilities:

	2024		2023	
	Post-employment benefits	Other long-term benefits	Post-employment benefits	Other long-term benefits
Defined benefit plan liabilities as of January 1	**762,865**	**–**	**621,344**	**–**
Cost of current services	34,776	–	27,600	–
Cost of past services and sequestration	–	–	–	–
Interest expense on liabilities	83,883	–	59,904	–
Effect of revaluation:				
- loss from changes in demographic actuarial assumptions	–	–	102,021	–
- profit from change in financial actuarial assumptions	(154,387)	–	(88,633)	–
- loss from experience adjustment	(10,141)	–	80,381	–
Plan contributions	(51,991)	–	(39,752)	–
Defined benefit plan liabilities as of December 31	**665,005**	**–**	**762,865**	**–**

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Expenses recognized in profit or loss for the period:

	For the year ended December 31	
	2024	2023
Cost of employee services	34,776	27,600
Revaluation of liabilities for other long-term employee benefits	–	–
Interest expenses	83,883	59,904
Total expenses recognized in profit or loss	**118,659**	**87,504**

(Profit)/loss recognised in other comprehensive income for the period:

	For the year ended December 31	
	2024	2023
Loss from changes in demographic actuarial assumptions	–	102,021
Profit from change in financial actuarial assumptions	(154,387)	(88,633)
Loss from experience adjustment	(10,141)	80,381
Total expenses recognized in other comprehensive income	**(164,528)**	**93,769**

Change in the reserve for revaluation of liabilities in other comprehensive income during the reporting period:

	2024	2023
Revaluation as of January 1	**631,024**	**537,255**
Revaluation change	(164,528)	93,769
Revaluation as of December 31	**466,496**	**631,024**

Main actuarial assumptions:

	December 31, 2024	December 31, 2023
Financial assumptions		
Discount rate	15.4%	11.8%
Future salary increase	6.3%	6.1%
Inflation rate	5.8%	5.6%
Demographic assumptions		
Expected retirement age		
• Men	65	65
• Women	60	60
Average employee turnover rate	7.2%	7.2%

The sensitivity of the total value of pension liabilities to changes in basic actuarial assumptions is as follows:

	Changes in assumptions	Impact on liabilities
Discount rate	Growth/decrease by 0.5%	Change by (2.6%)
Future salary growth	Growth/decrease by 0.5%	Change by 2.6%
Future benefit growth (inflation)	Growth/decrease by 0.5%	Change by 0.4%
Employee turnover rate	Growth/decrease by 10%	Change by (0.9%)
Mortality rate	Growth/decrease by 10%	Change by (0.7%)

The amount of expected payments under long-term employee benefit plans for 2025 is 210,661 thousand rubles, including: under defined benefit programs, including non-state pension provision for employees, 210,661 thousand rubles.

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The risks associated with pension and other long-term employee benefit plans reflect the fact that the actual development of the situation may differ from the long-term assumptions used in calculating liabilities. The Group's plans are exposed to risks of mortality and survival, risks of falling investment returns, while there is no significant concentration of risks.

The weighted average duration of the defined benefit obligation is 6 years as of December 31, 2024 (8 years as of December 31, 2023).

27 Trade and other payables

	December 31, 2024	December 31, 2023
Long-term debt		
Trade payable	1,030,004	1,365,506
Other payables	2	1
	1,030,006	**1,365,507**
Short term debt		
Trade payables	10,649,914	8,619,522
Other payables and expenses accrued	370,008	187,960
Payables to employees	1,563,414	1,564,934
Dividends payable	2,126	1,458
	12,585,462	**10,373,874**
	13,615,468	**11,739,381**

The Group's exposure to liquidity risk in respect of accounts payable is disclosed in Note 31"Financial Risk and Capital Management".

28 Taxes payable other than profit tax

	December 31, 2024	December 31, 2023
VAT	237,442	998,920
Property tax	155,679	159,026
Social security contributions	276,722	358,226
Other taxes payable	51,951	50,191
	721,794	**1,566,363**

29 Advances received

	December 31, 2024	December 31, 2023*
Long-term		
Advances for technological connection to electrical networks	8,399,161	11,900,011
Other advances received	1,946	3,103
	8,401,107	**11,903,114**
Short-term		
Advance payments for power grid technological connection	12,871,941	7,130,810
Other advances received	3,665,082	1,434,245
	16,537,023	**8,565,055**
	24,938,130	**20,468,169**

* *The data as of December 31, 2023 has been revised (see note 2e).*

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30 Estimated liabilities

	2024	2023
Balance as of January 1	**1,160,021**	**1,460,893**
Accrual (increase) for the period	576,766	449,521
Recovery (decrease) for the period	(400,332)	(453,043)
Use of estimated liabilities	(549,412)	(383,552)
Capitalized	49,820	86,202
Balance as of December 31	**836,863**	**1,160,021**

Primarily, estimated liabilities relate to lawsuits and claims brought against the Group in its ordinary activities.

The lawsuits reserve is provided to cover the costs of claims in which the Group is a defendant in the course of business and provision of electricity transmission services. It is expected that the balance of the reserve as of 31 December 2024 will be used within 12 months after the reporting date and that the outcome of current litigation will not result in material losses beyond the amounts already accrued.

31 Financial Risk and Capital Management

In the course of its ordinary financial and business operations, the Group is exposed to a variety of financial risks, including but not limited to: market risk (risk of exchange losses, interest rate risk and price risk), credit risk and liquidity risk.

This note contains information on the Group's exposure to each of these risks, discusses the objectives, policies and procedures of risk assessment and management, and information on capital management. More detailed quantitative data are disclosed in the relevant sections of these consolidated financial statements.

The Company may change the amount of dividends paid to shareholders, return capital to shareholders or issue new shares in order to maintain or change the capital structure.

(a) Credit risk

Credit risk is the risk that the Group will incur a financial loss caused by the buyer or counterparty to a financial instrument not fulfilling its contractual obligations in full and on time. Credit risk relates mainly to the Group's receivables, bank deposits, cash and cash equivalents.

Deposits with an initial maturity period of more than three months, cash and cash equivalents are placed in financial institutions that have a minimum risk of default, are considered reliable counterparties with a stable financial position in the financial market of the Russian Federation. Concentration risk is managed by placing funds in banks with minimal risk of default. Information on the balances of deposits with an initial placement period of more than three months, balances of cash and cash equivalents placed with banks associated with the principal shareholder of the Company is provided in Note 34 "Related Party Operations".

In terms of the structure of the Group's debtors, the Group's exposure to credit risk mainly depends on the individual characteristics of each counterparty. The Group creates a provision for expected credit losses on trade and other receivables, the estimated amount of which is determined on the basis of a model of expected credit losses weighted by the probability of default occurrence, and can be adjusted both upward and downward. For that, the Group analyzes the borrowing capacity of the counterparties, debt repayment dynamics, takes into account changes in payment terms, the availability of third-party guarantees, bank guarantees, and current economic conditions.

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The carrying amount of receivables, net of expected credit loss provisions, represents the maximum amount exposed to credit risk. While the collection of receivables may be affected by economic and other factors, the Group believes that there is no material risk of losses exceeding the provision created.

If possible, the Group uses a prepayment system in its relationships with counterparties. As a rule, the prepayment for utility connection of consumers to the networks is provided for by the contract. The Group does not require collateral security for receivables.

For effective management of receivables, the Group monitors changes in the volume of receivables and its structure by allocating current and overdue accounts. In order to minimize credit risk, the Group implements measures aimed at timely fulfillment of contractual obligations by counterparties, reducing and preventing the creation of overdue accounts. Such measures, in particular, include: conducting negotiations with service consumers, increasing the efficiency of the process of forming the volume of electricity transmission services, ensuring the implementation of schedules for monitoring readings and technical verification of electricity metering tools agreed with guaranteed supply companies, limiting the electricity consumption regime (implemented in accordance with the norms of the legislation of the Russian Federation), claims work, presentation of claims for the provision of financial security in the form of independent (bank) guarantees, collateral and other forms of security for the fulfillment of obligations.

i. Credit risk level

The carrying amount of financial assets reflects the maximum credit risk of the Group. As of the balance sheet date, the maximum level of credit risk was:

	Book value	
	December 31, 2024	**December 31, 2023**
Trade and other receivables (net of expected credit loss provisions)	6,352,488	5,241,001
Cash and cash equivalents	17,361,897	13,116,681
	23,714,385	**18,357,682**

As of the balance sheet date, the maximum level of credit risk in terms of trade receivables by groups of buyers was:

	December 31, 2024			December 31, 2023		
	Total nominal value	**Expected credit loss provision**	**Carrying value**	**Total nominal value**	**Expected credit loss provision**	**Carrying value**
Buyers of electricity transmission services	6,363,214	(983,899)	5,379,315	6,236,163	(1,419,407)	4,816,756
Buyers of services of technological connection to networks	35,258	(14,252)	21,006	38,922	(24,783)	14,139
Other buyers	571,330	(93,187)	478,143	336,670	(105,053)	231,617
	6,969,802	**(1,091,338)**	**5,878,464**	**6,611,755**	**(1,549,243)**	**5,062,512**

The residual value of accounts receivable of the Group's ten largest debtors as of 31 December 2024 was 4,754,976 thousand rubles (as of 31 December 2023: 4,280,884 thousand rubles).

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The distribution of trade and other receivables by limitation term is presented below:

	December 31, 2024			December 31, 2023		
	Total nominal value	**Expected credit loss provision**	**Carrying value**	**Total nominal value**	**Expected credit loss provision**	**Carrying value**
Undue debt	5,735,039	(43,763)	5,691,276	4,776,040	(91,285)	4,684,755
Overdue by less than 3 months	483,309	(136,635)	346,674	275,746	(26,624)	249,122
Overdue for more than 3 months and less than 6 months	218,409	(50,162)	168,247	273,391	(60,486)	212,905
Overdue for more than 6 months and less than a year	181,517	(121,185)	60,332	481,860	(417,933)	63,927
Overdue for more than a year	1,914,639	(1,828,680)	85,959	2,126,385	(2,096,093)	30,292
	8,532,913	**(2,180,425)**	**6,352,488**	**7,933,422**	**(2,692,421)**	**5,241,001**

The Group believes that past due unimpaired receivables are likely to be reimbursed at the reporting date.

The flow of the expected credit loss provisions on trade and other receivables is presented below:

	2024	**2023**
Balance as of January 1	**2,692,421**	**2 559 020**
Increase in provision for the period	386,346	705,949
Recovery of provision amounts for the period	(132,575)	(384,132)
Amounts of trade and other receivables written off from provision previously accrued	(765,767)	(188,416)
Balance as of December 31	**2,180,425**	**2,692,421**

As of December 31, 2024 and December 31, 2023, the Group does not have a contractual basis for offsetting financial assets and financial liabilities, and the Group's management does not expect that offsetting will occur in the future based on additional agreements.

(б) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations at maturity.

Liquidity risk management involves the maintenance of sufficient funds and the availability of financial resources by attracting credit facilities. The Group follows a balanced model of working capital financing through the use of both short-term and long-term sources. Temporarily available funds are placed in the form of short-term financial instruments, mainly bank deposits.

The Group's approach to liquidity management is to ensure that the Group has sufficient liquidity to meet its obligations on time without incurring illegible losses or exposing to risk the Group's reputation. This approach is used to analyze payment due dates related to financial assets and forecast cash flows from operating activities.

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As of December 31, 2024, the amount of free limit on open but unused credit lines of the Group amounted to 80,962,571 thousand rubles (as of December 31, 2023: 77,202,647 thousand rubles). The Group has a chance to raise additional funding within the relevant limits, including to ensure the fulfillment of its short-term obligations.

Below is information on the contractual maturity of financial liabilities, taking into account expected interest payments and excluding the effect of offsets. With respect to cash flows included in the analysis of the payment due dates, it is not assumed that they may occur much earlier in time or in significantly different amounts:

December 31, 2024	Carrying value	Cash flows under the agreement	Up to 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years
Non-derivative financial liabilities								
Loans and borrowings	24,539,112	31,706,422	19,757,856	5,944,885	6,003,681	–	–	–
Financial lease liabilities	1,452,424	4,006,114	431,411	351,751	341,734	308,548	284,805	2,287,865
Trade and other payables	13,615,468	14,758,144	13,728,138	1,030,006	–	–	–	–
	39,607,004	**50,470,680**	**33,917,405**	**7,326,642**	**6,345,415**	**308,548**	**284,805**	**2,287,865**

December 31, 2023	Carrying value	Cash flows under the agreement	Up to 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years
Non-derivative financial liabilities								
Loans and borrowings	20,188,840	26 386 225	7 480 965	15 970 510	2 934 750	–	–	–
Financial lease liabilities	2,585,294	4 345 618	1 726 354	327,956	154,275	135,827	89,942	1 911 264
Trade and other payables	11 739 381	12 694 969	11 329 462	1 365 507	–	–	–	–
	34 513 515	**43 426 812**	**20 536 781**	**17 663 973**	**3,089,025**	**135,827**	**89,942**	**1 911 264**

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(в) Market risk

Market risk is the risk of changes in market prices, such as foreign exchange rates, interest rates, commodity prices and cost of capital, which will affect the Group's financial performance or the value of the financial instruments held. The purpose of market risk management is to control market risk exposure and keep it within acceptable limits, while optimizing the return on investment.

i. Risk of exchange losses

Income and expenses and monetary assets and liabilities of the Group are nominated in Russian rubles. Changes in exchange rates do not directly affect the Group's income and expenses.

ii. Interest rate risk

The purpose of interest rate risk management is to prevent losses due to adverse changes in the level of market interest rates. Changes in interest rates primarily affect loans and borrowings because they change either their fair value (for fixed-rate loans and borrowings) or future cash flows (for floating-rate loans and borrowings). The Group does not adhere to any established rules in determining the ratio between loans and borrowings at fixed and floating rates. At the same time, at the time of raising new loans and borrowings, on the basis of judgment, it is decided which rate - fixed or floating - will be most beneficial for the Groupy for the entire settlement period until maturity. The Group analyzes the exposure to interest rate risks in dynamics.

Sensitivity analysis of fair value of fixed-rate financial instruments

The Group does not recognize any financial assets and liabilities at fixed rates as instruments at fair value through profit or loss. Accordingly, the change in interest rates at the reporting date would not have affected profit or loss.

Cash flow sensitivity analysis for floating rate financial instruments

As of December 31, 2024, the Group's financial liabilities with floating interest rates amounted to 23,099,929 thousand rubles (as of 31 December 2023: 16,380,000 thousand rubles).

A possible increase in the interest rate by 100 basis points would result in a decrease in profit before tax for 2024 by 217,473 thousand rubles (as of December 31, 2023: 192,416 thousand rubles).

A possible decrease in the interest rate by 100 basis points would result in an increase in profit before tax for 2024 by 217,473 thousand rubles (as of December 31, 2023: 192,416 thousand rubles).

This analysis was conducted on the assumption that all other variables remain unchanged and interest expenses are not capitalized.

(г) Fair and carrying value

A comparison of the fair values and carrying values of the Group's financial instruments is set out below:

		December 31, 2024		Level of the fair value hierarchy		
Financial instruments	**Note**	**Carrying value**	**Fair value**	**1**	**2**	**3**
Financial assets measured at depreciated value						
Long-term receivables	20	390,078	390,078	–	–	390,078
Financial assets measured at fair value through other comprehensive income						
Investments in equity instruments (unquoted)	16	–	–	–	–	–
Financial liabilities measured at depreciated value						
Loans and borrowings	25	24,499,929	24,499,929	–	24,499,929	–
Long-term payables	28	1,030,006	1,030,006	–	–	1,030,006
		25,920,013	**25,920,013**	**–**	**24,499,929**	**1,420,084**

		December 31, 2023		Level of the fair value hierarchy		
Financial instruments	**Note**	**Carrying value**	**Fair value**	**1**	**2**	**3**
Financial assets measured at depreciated value						
Long-term receivables	20	59,027	59,027	–	–	59,027
Financial assets measured at fair value through other comprehensive income						
Investments in equity instruments (unquoted)	16	–	–	–	–	–
Financial liabilities measured at depreciated value						
Loans and borrowings	25	20,159,853	20,159,853	–	20,159,853	–
Long-term payables	28	1,365,507	1,365,507	–	–	1,365,507
		21 584 387	**21 584 387**	**–**	**20,159,853**	**1 424 534**

The fair value of short-term receivables and payables and other current financial assets approximates their carrying values.

The interest rate used to discount the expected future cash flows of long-term receivables for the purpose of determining the disclosed fair value as of December 31, 2024 was 14.34% - 15.81% (as of December 31, 2023: 8.23% - 12.48%).

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The interest rate used to discount the expected future cash flows of long-term payables for the purpose of determining the disclosed fair value as of December 31, 2024 was 14.34% - 15.81% (as of December 31, 2023: 8.23% - 12.48%).

The interest rate used to discount the expected future cash flows from long-term and short-term borrowings for the purpose of determining the disclosed fair value as of December 31, 2024 was Key rate+1.65% - Key rate+7.30% (as of December 31, 2023: Key rate+1.20% - Key rate+2.10%).

There were no transfers between levels of the fair value hierarchy for the year ended December 31, 2024.

(д) Capital Management

The capital under management of the Group is the amount of capital owed to the owners of the Company as presented in the Consolidated Statement of Financial Position.

The main objective of capital management for the Group is to maintain a stable high level of capital to maintain the confidence of investors, creditors and market participants and to ensure sustainable business development in the future.

The Group monitors the structure and return on equity using coefficients calculated on the basis of consolidated financial statements in accordance with IFRS, management statements and RAS statements. The Group analyzes the dynamics of the indicators of total debt and net debt, the structure of debt, as well as the ratio of equity and borrowed capital.

The Group manages its debt position by implementing credit policies aimed at improving financial stability, optimizing its debt portfolio and building long lasting relationships with participants in the debt capital market. To manage the debt position, the Group applies limits, including the categories of capital leverage, debt coverage, and debt servicing coverage. The initial data for the calculation of limits are RAS reporting indicators.

32 Capital commitments

The Group's total commitments for capital expenditures under contracts for the acquisition and construction of property, plant and equipment as of 31 December 2024 amount to 7,608,800 thousand rubles, including VAT (as of 31 December 2023: 3,484,156 thousand rubles, including VAT).

33 Contingent liabilities

(a) Insurance

The Group applies uniform requirements regarding the amount of insurance coverage, the reliability of insurance companies and the procedure for organizing insurance protection. The Group maintains insurance of assets, liability and other insured risks. The Group's principal operating assets have insurance coverage, including coverage for damage to or loss of property, plant and equipment. There are risks, however, that adversely affect the operations and financial position of the Group in the event of damage to third parties and loss or damage to assets that are not or not fully insured.

(б) Contingent tax liabilities

The tax legislation of the Russian Federation, in force or effective at the end of the reporting period, allows for the possibility of different interpretations of certain facts of the Group's economic life. In this regard, the position of the Group's Management on taxes and the documents justifying this position may be contested by the tax authorities.

Tax control in the Russian Federation is being tightened, which increases the risk of tax authorities checking the impact on the tax base of operations that do not have a clear financial and economic purpose or operations with counterparties that do not comply with the requirements of tax legislation. Tax audits may cover three calendar years preceding the year in which the decision to conduct the audit was made. Under certain circumstances, earlier periods may also be checked.

The Group's Management currently believes that its position on taxes and the interpretations of legislation applied by the Group can be confirmed, however, there is a risk that the Group will incur additional costs if the Management's position on taxes and the interpretations of legislation applied by the Group are contested by the tax authorities. The impact of such a development of events cannot be assessed with a sufficient degree of reliability, however, it may be significant from the point of view of the financial position and results of the Group's activities.

With the further development of the practice of applying property tax rules, tax authorities and courts may challenge the criteria for classifying property as movable or immovable items used by the Group. The Group's Management does not exclude the risk of an outflow of resources, while the risk of such a development is not assessed as probable.

(в) Legal Proceedings

The Group is a participant in a number of legal proceedings (both as plaintiff and defendant) arising in the ordinary course of business.

According to management's assessment, the probability of an unfavourable outcome for the Group and the corresponding outflow of financial resources is low in relation to legal claims in the amount of 1,230,971 thousand rubles as of December 31, 2024 (as of December 31, 2023: 725,971 thousand rubles).

In the opinion of the Management, there are currently no other unresolved claims or lawsuits that could have a significant impact on the results of operations or the financial position of the Group and would not be recognized or disclosed in the Consolidated Financial Statements.

(г) Environmental Commitments

The Group has been operating in the electric power industry in the Russian Federation for many years. The legislation on environmental protection in the Russian Federation continues to develop, the duties of competent government bodies for monitoring its compliance are being revised. Contingent commitments related to environmental protection arising from changes in interpretations of existing legislation, lawsuits or changes in legislation cannot be assessed. Management believes that there are no contingent commitments under the existing control system and current legislation that could have a material adverse impact on the Group's financial position, results of operations or cash flows.

34 Related Party Operations

(a) Control Relationships

Parties are generally considered to be related if they are under common control or one of the parties has the ability to control the other party or may exert significant influence over its decisions on financial and business matters or exercise joint control over it. When considering relationships with each of the possible related parties, the economic content of such relationships is taken into account, and not just their legal form.

The Group's primary related parties for the year ended December 31, 2024 and December 31, 2023 and as of December 31, 2024 and December 31, 2023 were the parent company, its subsidiaries, key management personnel and entities related to the parent company's major shareholder.

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(б) Operations with the parent company, its subsidiaries

	Transaction amount for the year ended December 31		Carrying value	
	2024	**2023**	**December 31, 2024**	**December 31, 2023**
Revenue, other income, financial income				
Parent company				
Other revenue	1,196	101,780	29,026	5,289
Lease	257,174	43	308,562	–
Enterprises under common control of the parent company				
Other revenue	248,182	339,803	19,501	60,012
Lease	5,214	4,935	14	–
Other income	73,766	11,842	35,986	18,005
Interest income	3,122	4,189	14,328	11,205
Income from the sale of FA	–	2,834	–	3,401
	588,654	**465,426**	**407,417**	**97,912**
Provision for expected credit losses on trade receivables and other receivables	29,529	19,308	(19,587)	(49,116)
Receivables less provision for expected credit losses	–	–	387,830	48,796

	Transaction amount for the year ended December 31		Carrying value	
	2024	**2023**	**December 31, 2024**	**December 31, 2023**
Operating expenses, financial expenses				
Parent company				
Electricity transmission services	11,564,306	10,144,719	1,036,414	1,012,700
Services for technological connection to electrical networks	4,932	3,382	18,182	12,800
Other works and services of production nature	26,823	26,820	–	–
Expenses for services for the organization and development of the UES	9,677	8,678	–	–
Software and maintenance costs	14,884	11,026	4,219	10,163
Other services, expenses	345	1,077	1,748	1,958
Interest expense on financial liabilities carried at depreciable cost	99,251	98,980	18,982	18,440
Interest expense on lease	53,975	173,132	–	–
Capitalized expenses for works and services	–	1,187	3,706	12,185
Enterprises under common control of the parent company				
Services for technological connection to electrical networks	–	8	–	–
Software and maintenance costs	225,014	79,710	13,914	9,444
Repair and maintenance services	2058	1,979	–	–
Interest expense on lease	77,966	11,058	–	–
Other expenses	92,136	54,274	148,705	29,423
Interest expense on financial liabilities carried at depreciable cost	85,214	41,684	–	–
Capitalized expenses for works and services	50,843	162,881	114,933	106,165
	12,307,424	**10,820,595**	**1,360,803**	**1,213,278**

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	Carrying value	
	December 31, 2024	**December 31, 2023**
Parent company		
Advances paid	26,910	22,756
Borrowed funds	1,400,000	1 400 000
Advances received	–	31
Lease liabilities	492,778	169,861
Enterprises under common control of the parent company		
Advances issued	3,685	12,536
Borrowed funds	450,000	450,000
Advances received	408,936	37,293
Lease liabilities	–	1 508 559

As of December 31, 2024, there is no debt to the parent company for the payment of dividends.

(в) Operations with key management personnel

For the purposes of preparing these Consolidated Financial Statements, key management personnel include members of the Board of Directors, the Management Board and key management personnel.

Benefit of key management personnel is composed of salary stipulated by the labor agreement, non-monetary benefits, as well as bonuses determined by the results for the period and other payments. Benefits or compensation are not paid to those members of the Board of Directors who are government employees.

The amounts of benefits to key management personnel disclosed in the table represent the costs of the current period for key management personnel recorded in the employee benefit expenses.

	For the year ended December 31	
	2024	**2023**
Short-term employee benefits	221,210	134,072
	221,072	**134,072**

As of December 31, 2024 and December 31, 2023, the consolidated statement of financial position does not reflect the present value of defined benefit and defined contribution plan obligations and other post-employment benefits.

(г) Operations with companies associated with the parent company's major shareholder

As part of its operating performance, the Group enters into operations with other companies associated with the parent company's major shareholder. These operations are carried out at regulated rates or at market prices. Raising and investing funds in financial institutions associated with the parent company's major shareholder is carried out at market interest rates. Taxes are assessed and paid in accordance with Russian tax law.

Revenue from companies associated with the parent company's major shareholder was:

- 5.72% of the Group's total revenue for the year ended December 31, 2024 (for the year ended December 31, 2023: 1.88%);
- 1.43% of the Group's revenue from electricity transmission for the year ended December 31, 2024 (for the year ended December 31, 2022: 1.27%).

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Electricity transmission expenses and expenses for the purchase of electricity to compensate for technological losses for companies related to the parent company's major shareholder amounted to 4.44% of total electricity transmission expenses and compensation for technological losses for the year ended December 31, 2024 (for the year ended December 31, 2023: 4.66%).

The amount of interest accrued on loans and borrowings from banks related to the parent company's major shareholder for the year ended December 31, 2024 amounted to 1,990,516 thousand rubles (for the year ended December 31, 2023: 1,757,249 thousand rubles).

As of December 31, 2024, loans and borrowings received from banks related to the parent company's major shareholder amounted to 10,869,930 thousand rubles (as of December 31, 2023: 12,979,853 thousand rubles).

As of December 31, 2024, the balance of cash and cash equivalents placed with banks related to the parent company's major shareholder amounted to 17,163,297 thousand rubles (as of December 31, 2023: 13,043,725 thousand rubles).

As of December 31, 2024, lease liabilities of companies related to the parent company's major shareholder amounted to 498,398 thousand rubles (as of December 31, 2023: 514,065 thousand rubles).

35 Events after the reporting date

On January 24, 2025, the reference to the public status was removed from the name, the new name is Rosseti Kuban Joint Stock Company. From this date, the Company has been exempt from disclosure in accordance with Article 30 of Federal Law No. 39-FZ dated April 22, 1996 *"On the Securities Market"*.