

Changes in the structure of Rosseti Kuban's RGR for electricity transmission for 2022–2024 (RUB million)

	+10%	+18%	+8%	+7%	
2024	31,944	11,803	12,350	19,477	75,574
2023	28,952	9,974	11,469	18,134	68,529
2022	24,849	8,495	9,244	15,145	57,733

● Own RGR
● Electricity transmission services via the UNPG

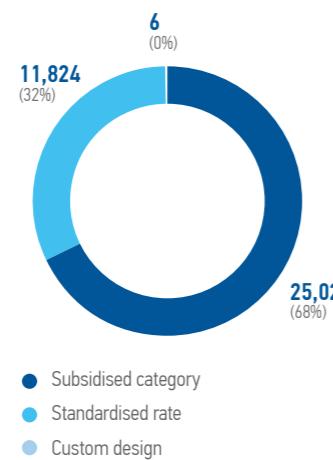
● Expenses for purchase of electricity to compensate losses
● TGO services including expenses for payment of losses

Grid connection fee

For 2024, in accordance with the methodological guidelines for determining the grid connection fee approved by Order of the FAS of Russia No. 490/22 dated 30 June 2022 (hereinafter – Guidelines No. 490/22), Order of the KKSTRD No. 33/2023-e dated 6 December 2023 established standardised tariff rates, discounted rates per 1 kW of requested maximum capacity and fee formulae for the grid connection of consumer terminals.

In addition, if there is no technical capacity for grid connection as specified by the Rules of grid connection of consumer terminals, power generation facilities, as well as power grid facilities owned by grid organisations and other entities, as approved by Resolution of the Government of the Russian Federation No. 861 dated 27 December 2004, a fee for grid connection under an individual project is set by orders of the KKSTRD on a case-by-case basis.

Structure of grid connection contracts concluded in 2024, by grid connection fee



● Subsidised category
● Standardised rate
● Custom design

Effective 1 January 2024, the discounted rate for applicants from Krasnodar Krai, the Republic of Adygeya, and the Sirius Federal Territory, established for 2024 by Decision of the KKSTRD No. 33/2023-e dated 6 December 2023, is RUB 4,456.27 (including VAT) per 1 kW of requested maximum capacity, and effective 1 July 2024 – RUB 5,570.34 (including VAT) per 1 kW. However, for socially disadvantaged categories (low-income families, veterans, disabled people, citizens exposed to radiation as a result of the Chernobyl nuclear power plant disaster, and large families) the fee for grid connection of facilities with up to 15 kW capacity is set at RUB 1,114.07 (including VAT) per 1 kW of the requested maximum capacity.

Rosseti Kuban's detailed information on the established standardised tariff rates and the grid connection fee rates per unit of maximum capacity in 2024 is available on the Company's website in the [To Consumers / Grid Connection / Tariffs for Grid Connection](#) section.

Fees for connection to the Company's power grids for 2022–2024

Indicator	UoM	2022	2023	2024	Δ 2024/2023 (%)
Standardised tariff rates to cover the costs of grid connection of consumer terminals, power grid facilities owned by grid organisations or other entities, with regard to the measures specified in para. 16a and para. 16c of Guidelines No. 490/22	RUB/connection	12,522.51 / effective 01.12.2022 — 14,305.13 ¹	14,305.13	15,325.45	+7.1
	RUB/kW	638.66	–	–	–

¹ Based on KKSTRD Order No. 38/2022-e dated 25 November 2022, a new rate of RUB 14,305.13 per connection was approved, effective 1 December 2022.

FINANCIAL (ACCOUNTING) STATEMENTS OF THE COMPANY

Accounting (financial) statements of Rosseti Kuban PJSC for 2024 was prepared in accordance with the laws of the Russian Federation. The Company received the auditor's opinion that the statements present fairly, in all material respects, the financial position of the Company as at 31 December 2024, as well as its financial performance and cash flows in 2024, in compliance with the accounting (financial) reporting standards set in the Russian Federation.

Ludmila Loskutova

Chief Accountant — Head of the Department for Financial and Tax Accounting and Reporting

Summary of significant accounting policies of the Company

The financial statements are compiled on the basis of the accounting and reporting rules in force in the Russian Federation, established by Federal Law No. 402-FZ 'On Accounting' dated 6 December 2011, federal accounting standards and other accounting regulations approved by the Ministry of Finance of the Russian Federation.

The annual accounting (financial) statements of Rosseti Kuban PJSC for 2024 prepared under RAS include (please see [Appendix 4](#)):

- Balance Sheet
- Profit and Loss Statement
- Statement of Changes in Equity
- Statement of Cash Flows
- Explanatory Notes to the Balance Sheet and Statement of Financial Results
- Auditor's opinion

Borrowing costs related to the formation of an investment asset (items of fixed assets, property complexes and other similar assets that require a large amount of time and expense to acquire and/or build) are included in the value of the depreciable asset.

Items of fixed assets are depreciated on a straight-line basis over their useful lives.

Profit or loss from the disposal, write-off and gratuitous transfer of fixed assets is recorded in the profit and loss statement under other income and expenses.

Fixed assets include the lease rights in accordance with the Federal Accounting Standard on Lease Accounting (FAS 25/2018), taking into account exemptions for leases with a term of less than 12 months or lease items

with a market value of no more than RUB 300,000. The useful lives of the lease rights are determined on the basis of the lease terms.

The Company's stock accounting follows the Federal Accounting Standard on Stocks FAS 5/2019 approved by Order of the Ministry of Finance of the Russian Federation No. 180n dated 15 November 2019.

The accounting of revenue and other earnings is aligned with Accounting Regulations (PBU 9/99) Income of the Organisation, approved by the Order of the Ministry of Finance of Russia No. 32n dated 6 May 1999.

The Company has provisions resulted from potential compensation payments for carry-over vacations, unsettled claims from power suppliers to compensate for losses and electricity transmission services, judicial proceedings and other payments to employees in accordance with PBU 8/2010 Provisions, Contingent Liabilities and Contingent Assets, approved by Order of the Ministry of Finance of Russia No. 167n dated 13 December 2010.

The Company makes provisions for doubtful accounts receivable that are outstanding or highly unlikely to be repaid when due under the contract and are not secured by relevant guarantees.

The Company holds reserves against the devaluation of financial investments in case of their sustained material reduction in their value.

Prior adjustments

No prior adjustments were made to the accounting (financial) statements.

The Company prepared consolidated financial statements in compliance with the requirements of Federal Law No. 208-FZ 'On Consolidated Financial Statements' dated 27 July 2010 (Appendix No. 5).

The consolidated financial statements of Rosseti Kuban PJSC and its subsidiaries for the year ended 31 December 2024 were prepared in accordance with Federal Law No. 208-FZ dated 27 October 2010 'On Consolidated Financial Statements' and in accordance with International Financial Reporting Standards IAS 1 'Presentation of Financial Statements' and IFRS 10 'Consolidated Financial Statements' and include:

- Consolidated statement of profit or loss and other comprehensive income
- Consolidated statement of financial position
- Consolidated statement of cash flows
- Consolidated statement of changes in equity
- Notes to the consolidated financial statements, comprising a summary of significant accounting policies and other explanatory information
- Independent auditor's report

The consolidated financial statements include two purchased subsidiaries with 100% participation of Rosseti Kuban PJSC in their authorised capital:

- Energoservis Kubani JSC
- Energetik Health Resort JSC

Auditor's details

Rosseti PJSC conducted centralised procurement procedures for the right to conclude a contract for the provision of services for the mandatory annual audit of RAS reporting and IFRS reporting of Rosseti's subsidiaries and affiliates for 2024–2026. Based on the results of these procedures, a decision was made to conclude a contract with the leader of the collective participant — TSATR – Audit Services Limited Liability Company (TIN: 7709383532) (legal address: 77 Sadovnicheskaya Nab., bld. 1, Moscow, Russian Federation, 115035). Member of the collective participant — Intercom-Audit LLC (TIN: 7729744770) (legal address: 2 3rd Yamskogo Polya UL, bld. 13, floor 7, premise XV, room 6, Moscow, 125124, Russian Federation (Minutes of the Procurement Commission Meeting dated 14 March). The leader of the collective participant — TSATR – Audit Services LLC, member of the collective participant — Intercom-Audit LLC, is a member of Sodruzhestvo Self-Regulatory Organisation of Auditors Association (SSRO AA), included in the register of auditors and audit organisations of the SSRO AA under the main registration number 12006020327. The Auditor was approved by the resolution of the Annual General Meeting of Shareholders of Rosseti Kuban PJSC (Minutes No. 51 dated 17 June 2024).

Full name of the audit firm:
TSATR – Audit Services Limited Liability Company.

Abbreviated name of the audit firm:
TSATR – Audit Services LLC.

Location and postal address:
75 Sadovnicheskaya Nab., Moscow, 115035, Russia.

Tel./fax: +7 (495) 755-97-00.

Website: b1.ru.

The cost of the services provided by the Company's audit organisation — an association of auditors (collective participant) comprising TSATR – Audit Services LLC (leader of the collective participant) (TIN: 7709383532) and Intercom-Audit LLC (member of the collective participant) (TIN: 7729744770) in 2024 for the audit of the accounting (financial) statements under RAS and the audit of the consolidated financial statements of the Company under IFRS shall be RUB 7,055,739 (Seven million fifty-five thousand seven hundred thirty-nine) 10 kopecks, including VAT at 20% — RUB 1,175,956 (One million one hundred and seventy-five thousand nine hundred and fifty-six) 52 kopecks. There are no deferred and overdue payments for services rendered by the auditor.

In 2024, B1 — Consult LLC provided external independent assessment services for the Company's internal audit activities in the amount of RUB 1,010,000. TSATR – Audit Services LLC and B1 — Consult LLC are members of B1 Group, an international network of audit organisations.

RESULTS OF FINANCIAL AND ECONOMIC ACTIVITIES

According to the year-end results, the Company managed to maintain an upward trend in net profit. The financial result for 2024 amounted to RUB 10,877.6 million (up RUB 4,711.1 million year-on-year). The main drivers were higher revenue from grid connection and electricity transmission, as well as growth in other income.

The Company's management took exhaustive measures to contain cost escalation, optimise interest expenses, improve the efficiency of the procurement management system, reduce the unit cost of energy equipment operation, reduce grid losses and enhance energy efficiency.

In 2024, the Company did not receive any state support funds (subsidies).

Kirill Iordanidi

Deputy General Director
for Economics and Finance

Revenue from services (total)

for the reporting period amounted to RUB 88,071.6 million, up RUB 13,514.1 million year-on-year (RUB 74,557.5 million), including:

- Revenue from electricity transmission services totalled RUB 80,126.4 million, up RUB 8,919.2 million year-on-year (RUB 71,207.1 million). The increase can be attributed to a 7% rise in the volume of electricity transmission services provided, amounting to 1,567.9 million kWh, as well as the impact of electricity transmission tariffs for 2024 approved by the KKSTRD.
- Revenue from grid connection was RUB 6,661.9 million, up RUB 4,224.0 million year-on-year (RUB 2,437.9 million). This is related to fulfilling grid connection contracts with major applicants, including Upravtodor Taman (revenue of RUB 2,227 million), Stroizakazchik, a state budgetary institution of the Republic of Adygea

(revenue of RUB 693 million), Bastion LLC (revenue of RUB 249 million), etc.

- Revenue from other activities amounted to RUB 1,283.3 million, up RUB 370.8 million year-on-year (RUB 912.4 million). This mainly stems from the conclusion of a lease agreement for the power grid assets of Port 220 kV substation with the Taman-Port 220 kV OTL (first circuit) and the Taman-Port 220 kV OTL (second circuit).

The cost of production (including administrative expenses)

for 2024 amounted to RUB 69,863.9 million, up RUB 7,746.4 million year-on-year (RUB 62,117.5 million). The growth was driven by an increased cost of purchased electricity to compensate for losses, transmission services provided by Rosseti PJSC (as a UNPG management organisation), services provided by distribution grid companies, maintenance and repair services,

as well as an increase in depreciation and amortisation, other material expenses and personnel expenses.

Profit before tax amounted
to RUB 15,260.3 million, up RUB 6,712.9 million year-on-year.

The Company's financial result (profit) for 2024 exceeded last year's figure and totalled RUB 10,877.6 million.

The key drivers behind the financial results were as follows:

- ⊕ Increase in revenue by RUB 13,514.1 million
- ⊖ Year-on-year increase in the cost of production including administrative expenses by RUB 7,746.4 million
- ⊕ Year-on-year improvement in other income and expenses from profit by RUB 945.2 million
- ⊖ Year-on-year increase in income tax by RUB 2,001.8 million