

STATEMENT BY THE CHAIRMAN OF THE BOARD OF DIRECTORS



Daniil Krainskiy

Chairman of the Board
of Directors, Rosseti
Kuban JSC

Respected colleagues,

In 2024, the Company showed excellent performance across the board. The Company joined federal and regional projects aimed at the social and economic development of the territories where it operates. Being granted status as a territorial grid organisation with systemic importance in the territories of operation was the year's milestone event, which is extremely crucial both in terms of providing consumers with consistent and high-quality supply of energy and addressing long-standing issues, such as the status of ownerless grids.

>24

RUB BILLION

amount of capital
investment financing

10.8

RUB BILLION

Company's profit

6.43

RUB BILLION

received by the Company
following the placement
of shares

38

MEETINGS

held by the Board
of Directors

The Company's management effectively co-operates with regional authorities. As a result, a regulatory agreement was signed with the administration of the Krasnodar Krai, which will enable additional investment in the development of the region's electricity distribution grid infrastructure.

Operational and financial results

The Company's investment activities remained focused on the unconditional execution of plans for the renovation and construction of new power facilities. The Company kept funding the development of energy capabilities to support the Krasnodar Krai and Adygeya's social and economic advancement.

The volume of capital investment amounted to over RUB 24 billion.

The Company generated a profit of RUB 10.8 billion and allocated RUB 1.9 billion was for dividend payments.

With the follow-on offering, the Company raised RUB 6.43 billion in investments. The purpose of the follow-on offering was to finance the construction of energy infrastructure of the Republic of Adygeya, the renovation of the power supply centres in the energy district of Sochi, as well as to strengthen the Company's financial position through lowering its debt load.

Effective management

The Board of Directors of the Company placed their focus on safeguarding shareholder interests, enhancing the financial and economic performance of the Company, and boosting confidence of creditors and investors in the business. The Board of Directors held 38 meetings and addressed 144 issues.

Among the most significant decisions made by the Board of Directors were the approval of a digital transformation programme, a plan for developing the production asset management system, an environmental policy, and a long-term investment programme.

In accordance with the decision of the General Meeting of Shareholders, trading of the Company's shares on the stock exchange was halted with the view to change the organisational and legal status. These steps were taken in line with the law and with respect for the rights of shareholders.

Key tasks

The Company will continue to implement its investment and repair programmes, upgrade the power grid infrastructure, and ensure affordable grid connection.

The Company's priorities include participation in projects to expand road and port infrastructure in the Krasnodar Krai, the mining cluster of the Republic

of Adygeya, and the development of the Sochi energy district and the Sirius federal territory.

The social policy focuses on maintaining and developing human capital, creating opportunities for professional growth for employees, promoting mentoring, and providing career guidance for young people.

Special attention will be given to social programmes and staff support, training and advanced vocational training, advancement of professional and personal skills, and preservation of social guarantees and benefits.

The traditional priorities of the Board of Directors will remain unchanged: making decisions aimed at sustainable development, effective interaction with government authorities, and boosting the Company's investment appeal.

Strong technical capabilities, consistent economic and financial performance, and first-rate managerial qualities will, in my opinion, allow the Company to maintain its dynamic and well-balanced growth.