

## 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).

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

**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](http://b1.ru).

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

Key financial and economic indicators of the Company for 2022–2024 (RUB million)

Sl.No.	Indicator	2022	2023	2024	Δ 2024/2023 (%)
Indicators from the Company's RAS accounting (financial) statements <sup>1</sup>					
1	Revenue from sales of products (services)	63,739	74,557	88,072	+18.1
	Including:				
1.1	• from electricity transmission	61,453	71,207	80,126	+12.5
1.2	• from grid connection	1,282	2,438	6,662	+2x
1.3	• from electricity sales	0	0	0	0
1.4	• from other activities	1,004	912	1,283	+40.6
2	Cost of products (services)	–52,991	–62,057	–69,794	+12.5
3	Gross profit	10,748	12,501	18,278	+46.2
4	Administrative expenses	–163	–61	–70	+14.9
5	Selling and marketing expenses	0	0	0	0
6	Profit (loss) from sales	10,585	12,440	18,208	+46.4
7	Interest receivable	109	439	2,574	+5x
8	Interest payable	–2,663	–2,346	–4,158	+77.3
9	Income from shareholdings	0	4	8	+91.6
10	Other income, total	3,558	2,960	3,245	+9.6
11	Other expenses, total	–4,409	–4,950	–4,616	–6.8
12	Profit (loss) before tax	7,180	8,547	15,260	+78.5
13	Income tax and other charges	–1,936	–2,381	–4,383	+84.1
14	Financial result	5,244	6,167	10,878	+76.4
15	EBITDA <sup>2</sup>	16,141	17,574	26,688	+51.9
Indicators calculated on the basis of the Company's IFRS consolidated financial statements					
16	Net debt/EBITDA (units)	1.28	0.54	0.32	–40.7
17	Current liquidity ratio (units)	0.57	0.88	0.65	–26.1
18	Financial leverage (units) <sup>3</sup>	1.16	1.20	1.17	–2.5
Indicators from the RAS accounting (financial) statements of the Company <sup>1</sup>					
19	Share of non-current borrowings (%)	77.57	73.51	40.91	–32.6 p.p.
20	Net cash flow (RUB million)	4,109	8,544	3,409	–2.5x

<sup>1</sup> The following data were used to calculate the indicators:

- for 2022 — Profit and loss statement for January — December 2023 (in 2022 column)
- for 2023 — Profit and loss statement for January — December 2023 (in 2023 column)
- for 2024 — Profit and loss statement for January — December 2024 (in 2024 column)

<sup>2</sup> EBITDA was calculated as follows: pre-tax profit before interest expense, depreciation, amortisation and net charge/(reversal of) impairment loss on fixed assets and rights-of-use assets.

<sup>3</sup> The following data were used to calculate the indicator:

- For 2022 — Consolidated statement of cash flows for 2023 (For the year ended 31.12.2022 column).
- For 2023 — Consolidated statement of cash flows for 2024 (For the year ended 31.12.2023 column).
- For 2024 — Consolidated statement of cash flows for 2024 (For the year ended 31.12.2024 column).

The year-on-year decrease in the Net Debt/EBITDA ratio for 2024 was driven by higher EBITDA and lower net debt.

The lower current liquidity ratio in 2024 as compared with 2023 is caused by an increase in current liabilities, including the transfer from long-term to short-term debt on loans maturing in less than 12 months under the terms of the agreement.

The year-on-year decrease in financial leverage is spurred by the outstripping growth rate of long-term liabilities over the growth rate of equity.

The decrease in the share of long-term borrowings in 2024 is attributed to partial conversion of debt from long-term to short-term, with a maturity of less than 12 months as at 31 December 2024.

The lower net cash flow in 2024 as compared to 2023 is explained by a decrease in net cash generated from operating activities, as well as higher purchases of fixed assets and intangible assets.

## SETTLEMENTS FOR ELECTRICITY TRANSMISSION SERVICES

In order to reduce accounts receivable, the Company takes the following measures:

- Claim-related work is ongoing, including the collection of penalties for untimely payments
- Reciprocal liabilities are offset
- Restricted energy delivery regime is introduced, including upon requests from electricity retailers
- Dispute resolutions are handled through pre-trial and court proceedings

At year-end 2024, accounts receivable for electricity transmission services rose by RUB 0.1 billion and amounted to RUB 6.5 billion as at 31 December 2024.

The accounts receivable for electricity transmission services was driven up higher current debt at the end of the period as a result of the increase in revenue from electricity transmission services.

The rate of payment for electricity transmission services in 2024 fell by 2.0 p.p. year-on-year, as some customers failed to pay for the services they received.

Changes in the rate of cash collection for electricity transmission services in 2021–2023 (%)

Year	Rate of cash collection (%)
2021	99.1
2022	101.3
2023	99.3

The Company maintains a high level of settlements with TGOs for electric power transmission services by offsetting homogeneous counterclaims.

Changes in the level of settlements with grid organisations for 2022–2024 (%)

Year	Level of settlements (%)
2022	103.4
2023	104.6
2024	99.9