

# STATEMENT BY ACTING DIRECTOR GENERAL



**Dear shareholders, investors and partners!**

In 2023, Rosseti Kuban continued to follow the Rosseti Group's development strategy, the main objectives of which are to secure high-quality electricity supply to consumers, promote sustainable development, and maintain stability and the status of a highly socially responsible company.

**26.86**  
bln kWh

of electricity delivered to the grid in 2023 (+3% vs. 2022)

**>600** MVA

of transformer capacity



In order to meet production and financial indicators and fulfil its obligations to the Company's customers — residents of the Krasnodar Territory, the Republic of Adygeya, and the federal territory of Sirius — the Company kept improving its business processes, which made it possible to close the reporting period in the black without compromising the quality of operations and confirm the status of Rosseti Kuban as the largest power grid company in the macro-region.

Ensuring reliable power supply to consumers and creating an affordable energy infrastructure for new industrial and investment sites in the region have traditionally been Rosseti Kuban's priorities, which were further promoted through the implementation of measures of the investment programme, as well as repair and maintenance of power grid facilities in the Company's area of responsibility.

At year-end 2023, more than 600 MVA of transformer capacity and over 1,000 kilometres of power transmission lines were commissioned as part of investment activities. Major investment projects include construction of Yuzhnaya Ozereyevka and Yasnaya 110/10 kV substations, renovation of Pasechnaya, Kudepsta and Adler 110 kV substations in the Sochi energy district.

Under the annual repair programme, the Company repaired almost 6,000 km of power transmission lines, over 770 transformer substations, replaced 7,700 poles, and cleared about 1,700 hectares of PTL routes.

The Company completed all scheduled actions pertaining to getting ready for the 2023–2024 heating season completely and on schedule. As a result, the Ministry of Energy of Russia granted a respective heating season readiness certificate.

In 2023, Rosseti Kuban secured reliable power supply to federal and regional resorts and infrastructure facilities (transport,

communications, sports and cultural facilities), including in Sochi during international and national events.

In addition, the Company dispatched a group of employees to help with the restoration of power supply facilities in the Donetsk People's Republic, involving the repair of the critical energy infrastructure.

Over 35,000 new consumers were connected to the Company's grid infrastructure and received 845 MW of capacity. These include household consumers, health care, education, sports, culture, tourism, agro-industrial enterprises, as well as small and medium-sized enterprises, and housing projects. The Company also continued to make grid connection of facilities within its remit under the national projects such as Demography, Health Care, Education, Housing and Urban Environment, and others.

As for grid connections, the strong focus was on satisfying the electricity needs of new production facilities and locations that are essential to the economy. For example, the Company makes arrangements for the grid connection of the facilities of Lagonaki, an all-season mountain eco-resort, and Yablonovsky, an industrial park in the Republic of Adygeya, as well as for the construction of Adler bypass highway, which will become a high-speed alternate route of the Dzhubga-Sochi highway.

The Company's delivery of electricity to the grid in 2023 totalled 26.86 billion kWh. The year-on-year increase in delivery stood at 3%.

To improve the energy efficiency of the equipment in use, the Company annually lays down a loss reduction plan. In 2023, the plan yielded the drop in electricity losses by 42 million kWh.

The Company put in place a series of steps in 2023 to eradicate workplace injuries, emphasising the protection of workers' lives and health as well as the promotion of complete adherence to workplace safety regulations.

**>1,000** km

of PTLs commissioned in 2023

The application of environmental laws is given special consideration in order to lessen the detrimental effects on the environment. Rosseti Kuban's environmental management system is compliant with the requirements of the international standard ISO 14001 Environmental Management System.

The Company continued to expand interactive customer services as part of its consumer care system, while maintaining its focus on providing comfortable conditions for face-to-face interaction with consumers. During 2023, over 112,000 applications and enquiries were received via online resources.

At year-end 2023, Rosseti Kuban delivered on its production plans to ensure reliable, high-quality power supply to consumers in the Krasnodar Territory, the Republic of Adygeya and the federal territory of Sirius. I am confident that commitment to the principles of sustainable development, high level of expertise of the Company's management and staff will contribute to the successful implementation of the plans, strengthening its image as a company with a high level of social responsibility.

**Boris Ebzeev**

Acting General Director  
Rosseti Kuban, PJSC