

# FINANCIAL RESULTS

## Tariff Policy and Tariffs for the Company's Services

### Company's Tariff Policy

Prices (tariffs) for the Company's power transmission services and the grid connection fees are regulated by the state and set according to the State Tariff Regulation Department of the Krasnodar Territory (STRD-KT) orders. In the Krasnodar Territory, the Republic of Adygeya and the federal territory Sirius, where the Company operates, there are unified prices (tariffs) for each group of electricity consumers.

The main legal acts regulating relations in setting the controllable tariffs and the practice of their application are as follows:

- Federal Law No. 35-FZ "On Electric Power Industry" dated 26 March 2003 (as amended)
- Decree of the Government of the Russian Federation On Pricing in the Field of Regulated Prices (Tariffs) in the Electric Power Industry No. 1178 dated 29 December 2011 (as amended)

- Orders of the Federal Tariff Service (FTS of Russia):
  - On Approval of the Guidelines for the Calculation of Tariffs for Electricity Transmission Services Established Using the Required Gross Revenue Long-term Indexation Technique No. 98-e dated 17 February 2012
  - On Approval of the Guidelines for the Calculation of Regulated Tariffs and Prices for Electric (Thermal) Energy in the Retail (Consumer) Market No. 20-e/2 dated 6 August 2004
- Order of the FAS of Russia On Approval of the Guidelines for Determining the Grid Connection Fee No. 490/22 dated 30 June 2022

### Tariffs for electricity transmission services

Starting from 2023, Rosseti Kuban moved to another long-term tariff regulation period for electricity transmission services for a period of 5 years. Rosseti Kuban's power transmission tariffs and long-term regulatory parameters for 2023–2027 were set by the STRD-KT using the required gross revenue long-term indexation method.

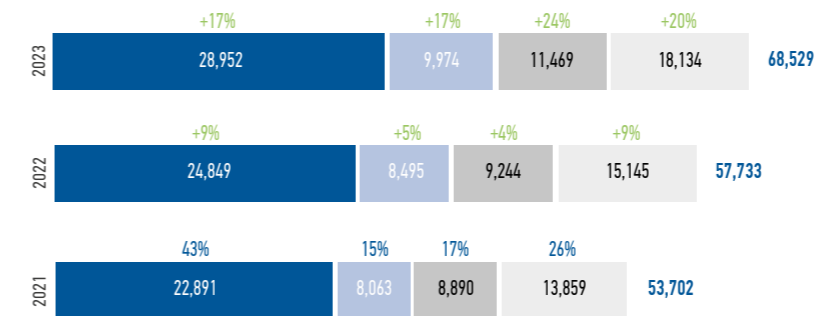
Tariffs for electricity transmission services on the grids of the Krasnodar Territory, the Republic of Adygeya and the Sirius federal territory for 2023 are set by Order of STRD-KT No. 40/2022-e dated 25 November 2022 (amended on 29 June 2023 No. 11/2023-e) with a reduction from 1 July 2023 by 0.1% for consumers of the "other" group to the approved tariffs for the first half of 2023.

Information on tariffs for electricity transmission services in 2023 is available on the Company's official website in the [To Consumers/Electricity Transmission/Tariffs for Electricity Transmission Services](#) section.

### Indicators on tariffs for electricity transmission services of the Company for 2021–2023

Indicator	2021	2022	2023	Change 2023/2022 (%)
<b>Required gross revenue (RGR) for electricity transmission approved as part of tariff balance solutions, including: (RUB mln)</b>	<b>53,702</b>	<b>57,733</b>	<b>68,529</b>	<b>+18.7</b>
Own RGR (RUB mln)	22,891	24,849	28,952	+16.5
Expenses for UNPG services (RUB mln)	8,063	8,495	9,974	+17.4
Expenditures on purchase of electricity to compensate for losses (RUB mln)	8,890	9,244	11,469	+24.1
Expenditures on TGO services (according to the effective contractual scheme) including: (RUB mln)	13,859	15,145	18,134	+19.7
• for payment of technological consumption (losses)	4,773	5,349	6,627	+23.9
• for upkeep of power grids of TGOs	9,085	9,797	11,508	+17.5
Common-pot net electricity delivery (mln kWh)	19,483	19,955	21,694	+8.7
Average tariff for electricity transmission services (RUB/kWh)	2.75633	2.89321	3.15887	+9.2

### Dynamic structure of RGR from electricity transmission by Rosseti Kuban, PJSC for 2021–2023 (RUB mln)

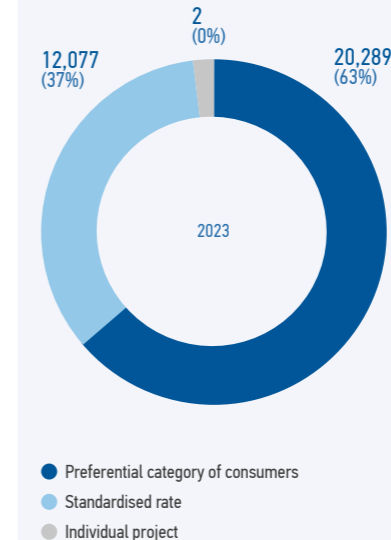


### Grid connection fee

By Order No. 38/2022-e of the STRD-KT dated 25 November 2022, standardised tariff rates, preferential rates per 1 kW of requested maximum capacity and formulas for calculating the amount of payment for grid connection of consumer terminals are established for 2023.

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 persons, as approved by Decree 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 STRD-KT separately for each applicant.

### Structure of grid connection contracts concluded in 2023, by type of payment for grid connection



The amount of the preferential rate for applicants of the Krasnodar Territory, the Republic of Adygeya and the Sirius federal territory established for 2023 by the decision of the STRD-KT No. 38/2022-e dated 25 November 2022, is RUB 4,256 (including VAT) per 1 kW of the requested maximum capacity. However, for individuals belonging to socially disadvantaged categories (low-income families, veterans, disabled people, Chernobyl victims and families with many children) the fee for grid connection of facilities with capacity of up to 15 kW is set at RUB 1,064 (including VAT) per 1 kW of the requested maximum capacity.

Rosseti Kuban's detailed information on the established standardised tariff rates and the fee rates per unit of maximum capacity for grid connection for 2023 is available on the Company's website in the [To Consumers / Grid Connection / Tariffs for Grid Connection](#) section.

### Indicators of grid connection fee of the Company for 2021–2023

Indicators	UoM	2021	2022	2023	Change 2023/2022 (%)
Standardised tariff rates to cover expenses for grid connection of consumer terminals, power grid facilities owned by grid organisations or other entities, for the measures specified in clause 16 of the Guidelines and fee rates per unit of maximum capacity (except subpara. b)	RUB/connection	11,486.68	12,522.51 / since 01.12.2022 — 14,305.13 <sup>1</sup>	14,305.13	+14.2 (since 01.12.2022)
	RUB/kW	636.62	638.66 <sup>2</sup>	–	–

<sup>1</sup> Based on the order of STRD-KT No. 38/2022-e dated 25 November 2022, a new rate of RUB 14,305.13 per connection was approved as of 1 December 2022.

<sup>2</sup> By STRD-KT Order No. 17/2022-e dated 12 September 2022, the rates determining the amount of grid connection fee of territorial grid organisations, per unit of maximum capacity, were abolished from 23 September 2022 as a result of amendments to the legislation.