

The readiness of watercraft and water pumping equipment was checked. Available watercraft ( four small vessels) and 27 motor pumps are ready to be used in case of a flood situation

The Company's Grid Control Centre every day communicated with the regional centres for hydrometeorology and environmental monitoring of the Krasnodar Territory and the Republic of Adygeya and the Sochi Hydrometeorological Centre, as well as crisis management centres of the Chief Directorates of the Ministry of Emergency Situations of Russia in the Krasnodar Territory and the Republic of Adygeya to obtain operative information on weather conditions and flood situation at the water bodies of the Krasnodar Territory and the Republic of Adygeya.

During the flood period from 1 May 2023 to 30 September 2023, 153 daily hydrometeorological bulletins and 20 storm warnings on adverse meteorological phenomena or a set of adverse meteorological phenomena were received, including information on threats of water level rise in the rivers of the Krasnodar Territory and the Republic of Adygeya, which is 62.5% less than in 2022.

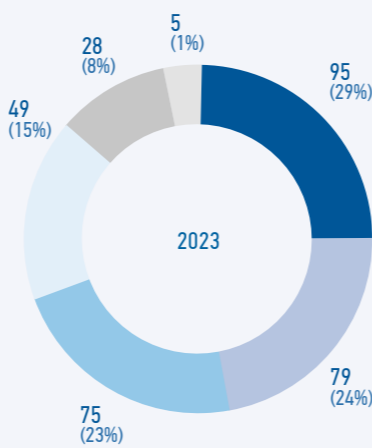


All activities dictated by the Federal Service for Ecological, Technological, and Nuclear Supervision with a deadline in 2023 were fulfilled and decontrolled.

The Headquarters of the Company operate continuously, and its representatives regularly take part in works to ensure the security of power supply in the Krasnodar Territory and the Republic of Adygeya. This is done to provide the reliable operation of the power grid complex under conditions of power supply interruptions and other abnormal situations involving power supply interruptions.

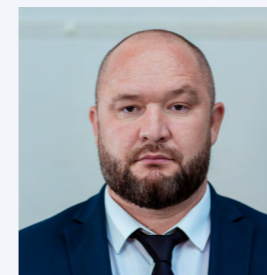
In the reporting year, there was one fire at the Company's substation, resulting in damage to the main equipment. Based on the results of the investigation into the causes of this accident, emergency response measures were developed and implemented. In 2020–2022, no fires and spontaneous combustion at the Company's facilities and emergency shutdowns of power grid equipment caused by fire were recorded.

### Main causes of accidents in power grids of Rosseti Kuban, PJSC in the 110 kV and above grid in 2023 (accidents/%)



- Exposure to unauthorised persons and organisations not involved in the technological process
- Impact of recurrent natural phenomena
- Unsatisfactory technical condition (ageing of insulation, loss of mechanical strength of wire, change of material properties, etc.)
- Impact of animals and birds
- Defects in design, construction, workmanship
- Impact of organisations involved in the technological process

# SALE OF ADDITIONAL (NON-TARIFF) SERVICES



Business diversification and development of additional (non-tariff) services is a strategically important area of Rosseti Kuban's focus.

The main goals of Rosseti Kuban in this field are to increase the share of non-tariff revenue in the Company's total revenue and to increase the profitability of non-tariff activities. Rosseti Kuban, PJSC provides a wide range of additional services, including maintenance of consumers' power grid facilities, arrangement of outdoor lighting, placement of telecommunications equipment, and many others.

**ANATOLY ABUSALIMOV**  
Head of the Department for Development of Non-Tariff Services

In an effort to diversify its business, Rosseti Kuban offers a variety of extra (non-tariff) services in addition to tariff-regulated power transmission and grid connection services.

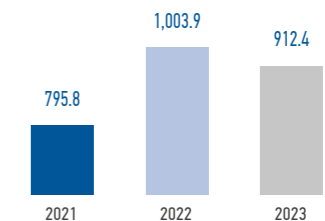
- Equipment leasing and placement services
- Repair and maintenance
- Construction and installation
- Consulting, organisational and technical services
- Other services

In 2023, Rosseti Kuban's revenue from the sale of additional services totalled RUB 912.4 million, which is 8% more than the target value.

**912.4** RUB mln

revenue from the sale of additional services in 2023 (+8% vs. the plan)

Dynamic profile of revenue from additional services in 2020–2022 (RUB mln)

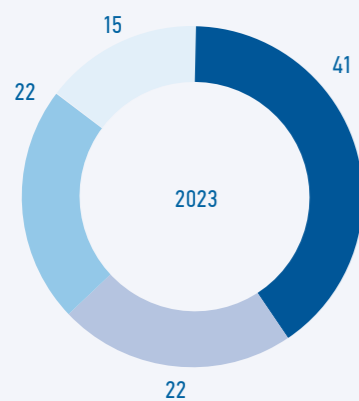


### Structure of revenue from additional services in 2021–2023

Indicator	2021	2022	2023	Change 2023/2022 (%)
<b>Revenue from sales of additional (non-tariff) services related to other activities — total, RUB mln</b>	<b>795.8</b>	<b>1,003.9</b>	<b>912.4</b>	<b>-9.1</b>
including:				
Equipment leasing and placement services, RUB mln	162.6	148.9	199.5	+34.0
Repair and maintenance services, RUB mln	103.9	344.2	200.1	-41.9
Construction and installation, RUB mln	357.4	399.0	375.5	-5.9
Consultancy and organisational & technical services, RUB mln	169.2	108.3	116.0	+7.1
Agency services, RUB mln	0	0	0	0
Communication and information technology services, RUB mln	0.003	0.001	0	-100
Other activity services, RUB mln	2.7	3.5	21.3	6x growth
Other miscellaneous services, RUB mln	0.035	0	0.098	-
Volume (share) of non-tariff revenue in total revenue of Rosseti Kuban, %	3.1	3.4	2.6	-0.8 p.p.

In 2023, the price list for additional (non-tariff) services was updated, according to which the Company provides a full range of services that customers need in order to receive electricity. To date, the price list includes 474 services.

### Structure of revenue received by the Company from the sale of non-tariff services in 2023 (%)



- Construction and installation works
- Repair and maintenance services
- Equipment rental and placement services
- Other services

### The largest agreements for additional (non-tariff) services implemented in 2023

Sr. No.	Name	Non-tariff services of the Company	Volume of revenues (RUB mln)
1	Rosseti, PJSC (as the legal successor of DEUK-ENES, JSC)	Repair and maintenance	120.7
2	Kubstroy-15, LLC	construction and installation works, reconstruction and retrofitting of the customer's power grid facilities	49.2
3	Talent and Success Educational Foundation	Operational and technical upkeep of power grid equipment	33.3
4	Betagran Kuban, LLC	Design & survey and construction & installation works	19.7
5	Krasnaya Polyana, NJSC	Construction and installation works	17.6
6	Transstroyemkhanisatsiya, LLC	Construction and installation works	16.4
7	Energoservice Kuban, JSC	Repairs	16.3
8	Construction Holding Tezis, LLC		15.2
9	Abrau-Durso Wine Tourism Centre, LLC	Construction and installation works	10.0
10	Basalt Designated Developer, LLC		8.0

The Company was involved in two socially significant projects during the reporting year as part of non-tariff activities:

- Grid connection of an apartment block in Primorsko-Akhtarsk
- Construction of two modular packaged transformer substations and a cable line on a land plot for capital construction of a polyclinic and a hospital in Mostovskiy District

In 2023, the Company carried out construction and installation works, renovation, repair and maintenance of 13 outdoor lighting network facilities.

### Key projects and major agreements scheduled for 2024

Sr. No.	Name	Non-tariff services of the Company	Volume of revenues (RUB mln)
1	Slavyansk ECO, LLC	construction and installation works	34.2
2	Kubstroy-15, LLC	construction and installation works, reconstruction and retrofitting of the customer's power grid facilities	19.4
3	StroyResource Designated Developer, LLC	construction and installation works	13.1
4	Rostelecom, PJSC	pre-project inspection and design and survey work	11.0
5	Kubanoptprodorg, CJSC	construction and installation works	10.0
6	Budmar-Invest Designated Developer, LLC	design & survey and construction & installation works	8.6
7	ERSO HOLDING, JSC	construction and installation works, reconstruction and retrofitting of the customer's power grid facilities	7.9

### Targets for sale of additional services (RUB mln):

Indicators	Plans for 2024	Forecast for 2025	Forecast for 2026	Forecast for 2027	Forecast for 2028
Revenue	895.5	1,780.9	2,866.3	3,704.7	4,592.7
Expenditures	806.0	1,602.8	2,579.6	3,334.2	4,133.4
Gross profit	89.5	178.1	286.6	370.5	459.3

# INVESTMENT ACTIVITIES



Investments are the basis of reliable power supply and the most important component of the Company's performance.

The investment programmes of Rosseti Kuban are drafted in line with the prospective development roadmaps for national electric power industry, technical condition of power grids and available financing sources generated from the tariff-and-balance solutions.

Approval and control over the implementation of the Company's investment programmes are with the remit of the Ministry of Energy of Russia.

In the reporting year, investment activities of Rosseti Kuban, PJSC were pursued in line with the Investment Programme for 2023 approved by Order No. 5@ of the Ministry of Energy of Russia dated 16 November 2023.

### Progress of the Investment Programme in 2021–2023

Indicator	2021	2022	2023	Change 2023/2022 (%)
Amount of financing <sup>1</sup> (RUB mln)	7,215	12,076	18,235	+51.0
Capital investment utilisation (RUB mln)	5,871	11,469	12,579	+9.7
Commissioning as a part of fixed assets (RUB mln)	5,128	8,634	11,960	+38.5
Commissioning as a part of transformer capacities (MVA)	220	579	606	+4.7
Commissioning as a part of power transmission lines (km)	612	1,069	1,052	-1.6

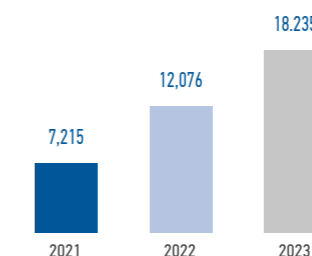


In 2023, the Company commissioned 606 MVA of transformer capacities and 1,052 km of power transmission lines within the framework of investment activities.

In 2023, the renovation of seven priority facilities was completed. The work was done in compliance with the directives of the Government of the Russian Federation in order to create an affordable energy infrastructure for power supply to industrial and investment sites in the Republic of Adygeya and the Krasnodar Territory.

**VIKTOR KORZHANEVSKIY**  
Deputy General Director  
for Investment Activities

### Changes in funding of the Company's capital investments in 2021–2023 (RUB mln)



As the 2023 funding covered the bulk of investment operations in the reporting period for the completion of grid connection agreement, and due to some items of the Company's Development Plan, 2023 funding across Rosseti Kuban as a whole increased by 51% year-on-year.

## 11.96 RUB bln

commissioning as fixed assets in 2023  
+38.5% growth vs. 2022

<sup>1</sup> Hereinafter, in the "Investing Activities" section, the amount of capital funding is shown without capitalised interest on loans.