

DEVELOPMENT STRATEGY

Strategic planning in PAO Rosseti Ural is focused on the implementation of industry strategic planning documents, incl. Energy Strategy of the Russian Federation³, Low-Carbon Social Economic Development Strategy of the Russian Federation to 2050⁴, forecasts of social economic development of the Russian Federation for 2025 and 2026-2027 and other documents regarding state strategic planning in the energy sector.

PAO Rosseti Ural's mission:

We create comfort and coziness for millions, driving the economic growth of the Urals and Kama region. We deliver reliable, accessible, and high-quality electricity using the industry's most advanced technologies. Our efficiency and accountability are at the heart of everything we do. We are constantly evolving to provide exceptional service to our customers, with a strong focus on environmental and industrial safety, as well as the well-being of our employees.

PAO Rosseti Ural's Policy is focused on strict compliance with statutory and other requirements in service delivery, holistic change and improvement of business by implementing digital technologies, developing innovations and expanding service areas as well as creating safe and comfortable labor conditions for the personnel.

To achieve the strategic goals the following program documents on the key lines of business were developed and approved by the Company:

- The Digital Transformation Program until 2030
- The 2020-2024 Innovation Development Program to be potentially extended till 2030 and mid-term implementation roadmap for 2024-2028
- The 2024-2028 Investment Development Program
- The 2024-2028 Enhanced Operating Efficiency and Cost-Cutting Program
- The Development of Smart Metering Program

PAO Rosseti Ural's Goals for 2024 were set for a short-term period with consideration of unattainable goal risks (risks of business operations and functional risks), to comply with:

1. Strategic priorities of industry development, as stated in the Strategy for the Development of the Electric Grid Sector of the Russian Federation
2. Figures of the Company's business plan for 2024-2028
3. C-level KPI system of the Company
4. RK ISM-MRSK-01 "Integrated Management System Guidelines"



PAO Rosseti Ural's Goals for 2024:

1. Zero rate of injuries among the personnel and outsiders due to the Company's fault and mistakes and wrongful actions of the personnel. Implementation of the Reduction of Injury Risk and Development of Safety Culture Program.
2. Enforcement of reliability and quality of service indicators, approved by regional tariff regulators.
3. Provision of connection for customers in a timely manner.
4. Achievement of grid observability.
5. Improvement of the customer service level.
6. Implementation of the strategy to consolidate grid assets owned by RGOs and other owners.
7. Execution of the Innovative Development Program and achievement of "Efficiency of Innovative Activities" KPI at 98% or above.
8. Increase of FY2024 revenues against FY2023 figures.
9. 3% increase of FY2024 revenues from additional services against FY2023 figures.
10. Target execution of the investment program at least by 95% of the volume approved in compliance with terms and procedures stipulated by the laws.
11. Provision of the effective transition to the use of domestic software.
12. Provision of efficient use of energy resources by:
 - securing in-process energy consumption at a maximum of 6.28% of total supply
 - cutting consumption for economic needs by at least 3% against FY2023 base numbers (electricity, thermal power and gas); non-exceedance of 2023 water consumption
 - Non-exceedance of the average specific fuel consumption by motor transport and special-purpose vehicles over the past three years (20.9 liters per 100 kilometers)
13. Keeping staffing levels for production personnel at or above 95%.
14. Prevention of negative environmental impact in the course of operations through 100% execution of the environmental strategy.

2024 accomplishments:

- No accidents involving outsiders due to the Company's fault
- Reliability indicators achieved
- Customer service level increased (through development of interactive channels and achievement of annual satisfaction indicator related to F2F and in-absentia customer service)
- Customers, ready to be connected to the Company's networks, were connected in a timely manner
- FY2024 revenues increased by 8% against FY2023 figures, driven in part by a 20.5% growth of additional (non-tariff) services
- Investment program executed by 105%
- Efficiency of the transition to domestic software reached 89.8% (the minimum target is 84.3%)
- In-process energy consumption is 6.14% (\leq 6.28%) of total supply

To achieve the Company's goals for 2025 we intend to:

- Enforce zero rate of injuries among the personnel due to the officials' faults and outsiders arising from the unsatisfactory condition of the Company's grid assets
- Enforce fulfilment of reliability and quality of service indicators, adopted by regional regulators
- Enforce connection of consumers to the Company's network in a timely manner
- Achieve grid observability level
- Enforce increase of QoS indicators
- Implement the strategy to consolidate grid assets owned by RGOs and other owners
- Execute the Innovative Development Program and achieve "Efficiency of Innovative Activities" KPI at 98% or above;
- Increase FY2025 revenues against FY2024 figures
- Increase FY2025 revenues from additional (non-tariff) services by 5% on FY2024 figures
- Execute the investment program by at least 95%
- Enforce the efficiency of transition to domestic software
- Promote efficient consumption of energy resources by:
 - securing in-process energy consumption at or below 5.92% of total supply
 - reducing consumption for economic needs at or above 1.8% on 2024 (electricity, thermal power, gas); non-exceedance of water consumption against 2024 figures
 - non-exceedance of a 5-year average fuel consumption by motor transport and special-purpose vehicles of 20.9 l per 100 km in comparable conditions, adjusted for vehicle fleet renewal
- Keep staffing levels for production personnel at or above 95%



The Company's target benchmark: build-up of a unified network area in the areas of the Company's presence through consolidation of municipal grids, extensive renovation of networks, higher energy saving, application of energy-efficient technologies, set up of the smart electricity distribution system, establishment of efficient asset management and optimal environment for reliable and safe energy supply, transition to the networks of new technological patterns with completely new characteristics of reliability, efficiency, accessibility, controllability and customer-friendliness.

2029 performance targets

Indicator	2024 actual value	2029 target value
SAIDI	1.3890	1.53
SAIFI	0.8503	0.78
Losses	6.14%	5.49%
R&D expenses / Own revenues	0.17%	0.2%
Increase of labor productivity	39.3%	≥31% (against FY2022 base numbers)
Reduction of unit opex against previous year's figures, net of expenses on repairs and maintenance and wages. The increase of expenses on R&M and wages shall not exceed the consumer price index	2.3%	No growth compared to the previous year
Share of non-tariff revenues from other lines of business	5.07%	-
Increase of revenues from additional services in other lines of business	-	≥ 21%

* Starting with the 2025–2029 business plan, the target indicator is to ensure that specific operating expenses do not exceed those of the previous year

** To own GRR

*** In the scenario framework for 2025–2029, a new indicator has been introduced to replace the one, specified in item

In the new strategic planning period of 2025–2030, Company will develop in line with the Development Strategy of PAO Federal Grid Company - Rosseti and its subsidiaries and affiliates through 2030⁶, as well as implementation plan developed by the Company to ensure the execution of the Strategy.

