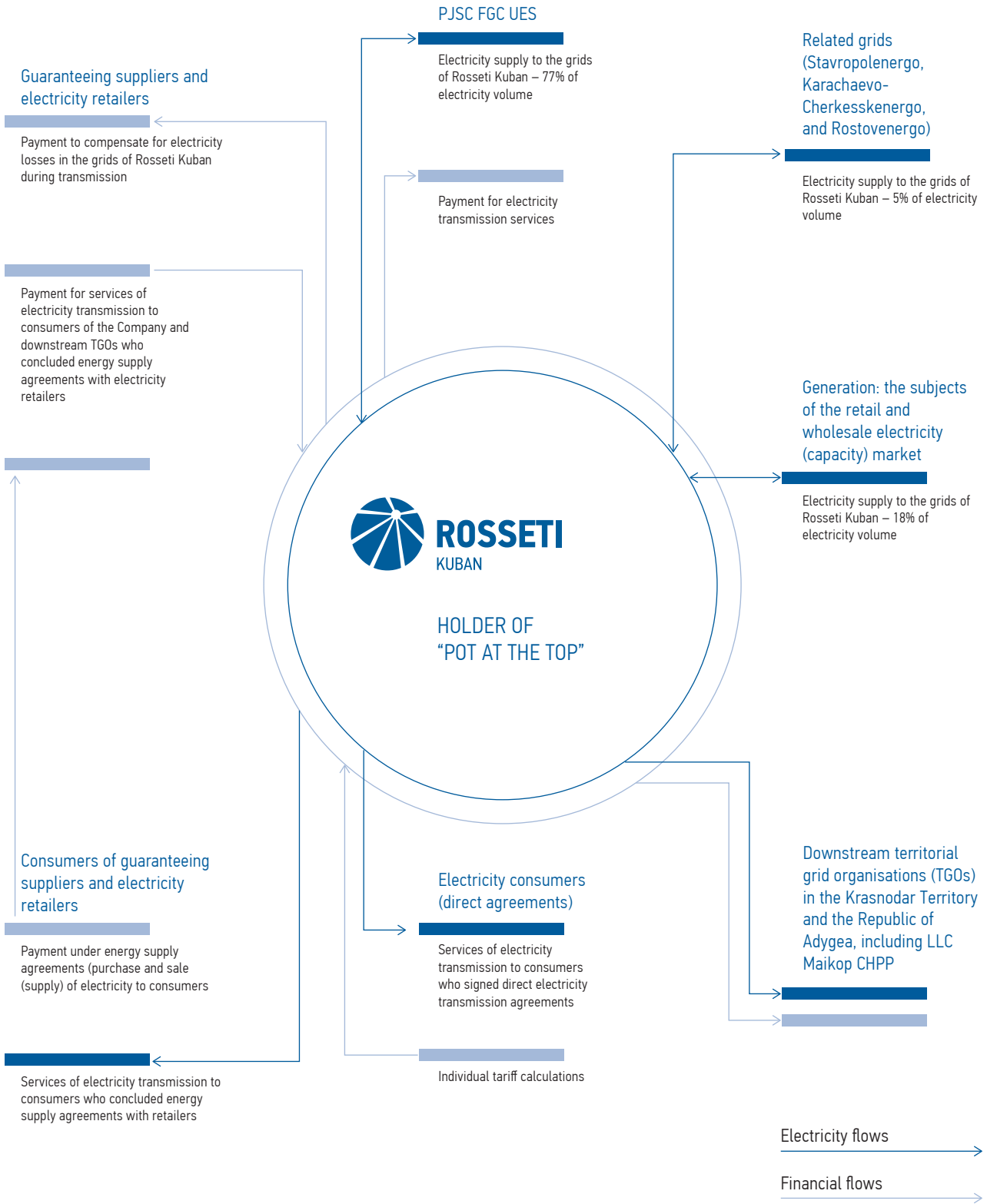


# SCHEME OF THE COMPANY'S ELECTRICITY TRANSMISSION OPERATING FLOWS



The Company's grids receive electricity:

- via the UNPG grids from PJSC FGC UES – 77% in the reporting year;
- directly from the generation facilities – 18% in the reporting year;
- from related grids (Stavropolenergo, a branch of Rosseti Northern Caucasus, PJSC; Karachaevo-Cherkesskenergo, JSC; Rostovenergo, a branch of Rosseti South, PJSC) – 5% in the reporting year.

Consumers of Rosseti Kuban's electricity transmission services are:

- guaranteeing suppliers (JSC NESK and TNS Energo Kuban in the reporting year), which are subjects of the wholesale and retail markets that sell electricity to end users connected to the grids of the Company and other grid organisations;
- electricity retailers (53 in the reporting year), which are subjects of the wholesale and retail markets that sell electricity to end users connected to the grids of the Company and other grid organisations;
- consumers (94 in the reporting year) that signed direct agreements to purchase electricity from Rosseti Kuban (JSC Novoroscement, OJSC Tamanneftegaz, LLC Eurochem-Belorechenskie Minudobrenia, LLC Ptitsefabrika Primorskaya, OJSC Agrofirma-Plemzavod Pobeda, JSC RAMO-M, FSBI Kubanmeliovodkhoz Administration, OJSC Sad-Gigant, OJSC Verkhnebakansky Cement Plant, CJSC Abrau-Durso, JSC Novoroslesexport, PJSC NMTP, LLC Formika-Yug, LLC Kanevskoy Gas Equipment Plant, OJSC IPP, etc.).

The Company receives payment for its electricity transmission services from electricity retailers and from direct consumers respectively.

To compensate for electricity losses occurred during transmission in the Company's grids, Rosseti Kuban buys the appropriate amount of electricity from guaranteeing suppliers such as PJSC TNS Energo Kuban and JSC NESK, as well as from LLC Renewable Energy Sources.

Since 2007, the region has had a common pot tariff for electricity transmission services in place, which applies to all consumers of electricity transmission services in Kuban and Adygea, regardless of which grid organisation they are connected to.

The main settlement model is the "Pot at the top": Rosseti Kuban is assigned the status of the backbone grid organisation – the "pot holder". Under this model, consumers' payments for electricity transmission services (regardless of which grid organisation they are connected to) are received by Rosseti Kuban, after which the Company makes settlements with downstream grid organisations, which grids consumer terminals are connected to, at individual tariffs.

The largest companies engaged in similar activities in the regional electricity transmission market include JSC NESK Electroseti, JSC Oboronenergo, OJSC RZD, and JSC Neftegaztekhнологia-Energia.

A competition risk for the Company could arise in case PJSC FGC UES concluded agreements for electricity transmission services with consumers located in the Issuer's area of responsibility, whose consumer terminals are connected to FGC UES's grids.

In order to retain its status as a "pot-holder", the Company makes every effort to maintain the current service provision and settlement model. For this purpose, the Company concludes agreements with FGC UES to lease its power grid facilities, where the power installations of the Company's customers are indirectly connected to.

The high rates of renovation and renewal of the Company's power grid facilities, as well as the steadily-growing number of grid connections, allow us to believe that the Company will retain its dominant position in the regional electricity transmission market in the future.

## ORGANISATIONAL STRUCTURE

The organisational structure of Rosseti Kuban, PJSC was altered in 2021 subject to the decisions of the Board of Directors. As of 31 December 2021, Rosseti Kuban has the organisational

structure in place that was approved by the Board of Directors of the Company on 30 November 2021 (Minutes No. 455/2021 dated 1 December 2021).