

# APPENDIX 4

RAS ANNUAL ACCOUNTING STATEMENTS  
OF PJSC ROSSETI KUBAN FOR 2021  
AND AUDITOR'S OPINION  
ON ITS RELIABILITY



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OKPO (Tax Registration Reason Code): 59002827  
OGRN (Primary State Registration Number): 1027739707203  
INN (Taxpayer Identification Number): 7709383532

### Independent Auditor's Report

To the Shareholders and the Board of Directors  
of Rosseti Kuban  
Public Joint Stock Company

#### Opinion

We have audited the accounting (financial) statements of Rosseti Kuban Public Joint-Stock Company (hereinafter referred to as the Company) consisting of the accounting balance sheet as of December 31, 2021, the statement of profit and loss for 2021 and appendices thereto.

In our opinion, the attached accounting (financial) statements accurately reflect the financial position of the Company in all material respects as of December 31, 2021, as well as its financial performance and cash flows in 2021 in compliance with the rules for preparation of accounting (financial) statements applicable in the Russian Federation.

#### Basis for Opinion

We have performed the audit as per the International Standards on Auditing (ISA). Our responsibilities under such standards are described below in the Auditor's Responsibilities for the Audit of Accounting (Financial) Statements section hereof. We are independent of the Company as per the Professional Accountants' Code of Ethics developed by the International Ethics Standards Board for Accountants (and international independence standards) (IESBA Code) and ethical requirements applicable to our audit of the accounting (financial) statements in the Russian Federation, and we have complied with other ethical obligations stipulated by such requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were the most significant to our audit of the accounting (financial) statements for the current period. These matters were addressed in the context of our audit of the accounting (financial) statements as a whole and in forming our opinion thereon, and we do not express a separate opinion on these issues. For each of the matters below, our description of how the relevant matter was addressed in our audit is set forth in this context.



We have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of Accounting (Financial) Statements section of our report, including with respect to these matters. Accordingly, our audit included the procedures designed in response to our assessment of the risks of material misstatement of the accounting (financial) statements. The results of our audit procedures, including the procedures performed in considering the matters below, provide the basis for our audit opinion on the attached accounting (financial) statements.

Key Audit Matter	How the Relevant Key Matter Was Addressed in Our Audit
<b>Recognition and Assessment of Revenue from Electricity Transmission Services</b>	
Recognition and assessment of revenue from electricity transmission services was one of the most significant matters in our audit due to certain specifics of electricity market mechanisms, which causes disagreements between power grid companies, power supply companies, and other companies regarding the volume and value of electricity transmitted. The amount of revenue disputed by the counterparties is material to the Company's accounting (financial) statements. Management's assessment of the likelihood of a dispute being resolved in its favor is largely subjective. Revenue is recognized when, subject to assumptions, the differences are resolved in favor of the Company.	We reviewed the accounting policy applied with respect to the recognition of the revenue from electricity transmission services, examined the system of internal controls over the recording of such revenue, reviewed the determination of appropriate amounts of revenue based on the existing electricity transmission contracts, obtained confirmation of selected balances of accounts receivable from counterparties, reviewed the results of litigations regarding disputed amounts of services provided, if any, and evaluated the procedures in place for confirmation of the transmitted volumes of electricity.
Information on the revenue from electricity transmission services is disclosed in clause 5.12 of the Notes to the balance sheet and the statement of profit and loss.	
<b>Impairment of Accounts Receivable</b>	
The issue of impairment of accounts receivable was one of the most significant to our audit due to the significant balances of accounts receivable on the Company's balance sheet as of December 31, 2021, and the fact that management's assessment of the recoverability of such receivables is based on assumptions, particularly the projected solvency of the Company's customers.	We reviewed the Company's accounting policy for testing the accounts receivable for impairment and also reviewed the evaluation procedures made by the Company's management, including an analysis of receivables payment, maturities and default on obligations, and a customer solvency analysis.
Information on impairment of accounts receivable is disclosed in clause 5.6 of the Notes to the balance sheet and the statement of profit and loss.	We performed the audit procedures with respect to the information used by the Company to determine impairment of accounts receivable and the aging and maturity structure of accounts receivable, and tested the calculation of the accrued provision.
<b>Recognition, Measurement and Disclosure of Provisions and Contingent Liabilities</b>	
Recognition, measurement and disclosure of provisions and contingent liabilities with respect to litigations and counterparty claims (including local power grid and power supply companies) were among our most significant audit issues due to the fact that they require significant management's judgment with respect to significant amounts of counterparty balances disputed in litigations or in the pre-trial settlement process.	The audit procedures included analysis of the decisions made by courts of different instances and consideration of management's judgments with respect to assessment of the probability of outflow of economic resources due to dispute resolution, examination of the existing documentation's conformity to the provisions of valid contracts and the legislation, analysis of disclosure of contingent and estimated liabilities in the Notes to the balance sheet and the statement of profit and loss.
Information on the provisions and contingent liabilities is disclosed in clause 5.15 of the Notes to the balance sheet and statement of profit and loss.	



### ***Other Information Included in the Annual Report for 2021***

Other information includes the information contained in the 2021 Annual Report, but does not include the accounting (financial) statements and our auditor's report thereon. Other information is the responsibility of the management. The 2021 Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the accounting (financial) statements does not cover other information, and we will not provide a conclusion expressing any form of assurance with respect to such information.

In connection with our audit of the accounting (financial) statements, our responsibility is to review other information identified above when it becomes available to us and consider whether other information is materially inconsistent with the accounting (financial) statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

### ***Responsibilities of Management and the Audit Committee of the Board of Directors for the Accounting (Financial) Statements***

The management shall be held liable for preparation and accurate presentation of the said accounting (financial) statements as per the rules for preparation of accounting (financial) statements applicable in the Russian Federation and the internal control system as the management determines is necessary to enable preparation of accounting (financial) statements that are free from material misstatements due to fraud or error.

In preparing the accounting (financial) statements, the management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, the matters related to going concern and using the going concern basis of accounting for reporting purposes unless the management either intends to liquidate the Company or to wind it up, or has no realistic alternative but to do so.

The Audit Committee of the Board of Directors is responsible for supervising the process of preparing the Company's accounting (financial) statements.

### ***Auditor's Responsibilities for the Audit of Accounting (Financial) Statements***

Our objectives are to obtain reasonable assurance that the accounting (financial) statements in general are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the International Standards on Auditing will always detect the material misstatements when they exist. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these accounting (financial) statements.



As part of an audit in accordance with the International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. Besides, we:

- ▶ identify and assess the risks of material misstatement of the accounting (financial) statements, whether due to fraud or error, design and perform audit procedures in response to such risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement due to error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or override of internal control;
- ▶ get an understanding of the internal control system that is relevant for the audit, in order to develop audit procedures appropriate to the circumstances, but not to express an opinion on the effectiveness of the internal control system of the Company;
- ▶ evaluate the appropriateness of the accounting policy used and the reasonableness of accounting estimates made by the management and related disclosures;
- ▶ conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the accounting (financial) statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- ▶ evaluate the overall presentation, structure and content of the accounting (financial) statements, including the disclosures, and whether the accounting (financial) statements represent the underlying transactions and events in a manner that achieves a true and fair view.

We communicate with the Audit Committee of the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in the internal control system that we identify during our audit, if any.

We also provide the Audit Committee of Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence and have communicated to it all relationships and other matters that may reasonably be thought to bear on the auditor's independence and, if applicable, the steps we have taken to address any threats or related safeguards.



Of those matters that we have brought to the attention of the Audit Committee of the Board of Directors, we have identified those matters that were most significant to the audit of the accounting (financial) statements for the current period and, therefore, were key audit matters. We describe these matters in our auditor's report unless the public disclosure of these matters is prohibited by a law or regulation, or, in extremely rare cases, we conclude that a matter should not be reported in our report because it could reasonably be expected that the adverse consequences of reporting such information would exceed the public benefit of reporting it.

Lead Auditor of the audit, on the results of which this independent auditor's report is based, A.B. Kalmykova.

/SIGNED/

A.B. Kalmykova,  
acting on behalf of Ernst & Young LLC  
under power of attorney dated December 21, 2021, unnumbered,  
Lead Auditor of the audit, on the results of which this independent auditor's report is based  
(Primary Registration Number of Entry 21906101970)

February 25, 2022

**Auditor's Profile**

Business name: Ernst & Young LLC  
Entry made into the Unified State Register of Legal Entities on December 5, 2002, under State Registration Number 1027739707203.  
Registered address: Sadovnicheskaya Nab., 77, bld. 1, Moscow, 115035, Russia.  
Ernst & Young LLC is a member of the Sodruzhestvo Self-Regulatory Organization of Auditors (SRO AAS).  
Ernst & Young LLC is entered into the check copy of the register of auditors and audit firms under the Primary Registration Number of Entry 12006020327.

**Audited Entity's Profile**

Business name: Rosseti Kuban Public Joint Stock Company  
Entry made into the Unified State Register of Legal Entities on September 17, 2002, under State Registration Number 1022301427268.  
Registered address: 2a Stavropolskaya St., Krasnodar, Krasnodar Territory, 350033, Russia.

Balance sheet					
as at December 31 20 21					
Note	Line item	Line code	As at December 31 2021	As at December 31 2020	As at December 31 2019
<b>ASSETS</b>					
<b>I. NON-CURRENT ASSETS</b>					
5.1.1.-5.2.2.	Intangible assets	1110	92 247	145 514	134 682
5.2.2.	including non-complete transactions on acquisition of intangible assets	1111	7 500	7 500	7 500
5.2.1.-5.2.2.	Research and development results	1120	21 578	17 603	33 756
5.2.2.	Including expenses for non-complete research and development	1121	21 578	17 603	33 756
	Intangible development assets	1130	-	-	-
	Tangible development assets	1140	-	-	-
5.3.1.-5.3.6.	Fixed assets	1150	66 287 667	63 827 345	63 343 130
	Lands and objects of nature management	1151	136 562	136 562	136 411
	Buildings, machinery, equipment, construction	1152	59 779 025	59 203 156	59 270 093
	Other fixed assets	1153	251 200	196 617	262 534
5.3.5.	Construction in progress	1154	4 052 784	3 391 998	3 069 476
5.3.6.	advances issued for investment building and purchase of fixed assets	1155	637 506	96 451	30 056
	raw materials intended to be used in case of fixed assets creation*	1156	1 430 590	802 561	574 560
5.3.1.	Income-bearing investments in tangible assets	1160	-	-	-
5.4.1.-5.4.3.	Financial investments	1170	39 840	31 579	39 050
	investments in subsidiary companies	1171	39 839	31 578	39 049
	investments in affiliates	1172	-	-	-
	investments in other companies	1173	1	1	1
	Loans given to companies for the period of more than 12 months	1174	-	-	-
	Financial investments	1175	-	-	-
5.7.2.	Deferred tax assets	1180	1 439 051	1 020 464	888 357
	Other non-current assets	1190	133 158	253 975	291 676
	Total non-current assets	1100	68 013 541	65 296 480	64 730 651
<b>II. CURRENT ASSETS</b>					
5.5.1-5.5.2.	Inventories	1210	2 048 888	1 910 048	1 835 632
	Raw materials and other equivalent supplies	1211	2 048 888	1 910 048	1 832 183
	Work-in-progress	1212	-	-	-
	Finished goods and goods for resale	1213	-	-	1 396
	Shipped goods	1214	-	-	2 053
	Other inventories and expenses	1215	-	-	-
	VAT on purchased assets	1220	5 007	19 601	2 558
5.6.1.-5.6.4.	Accounts receivable	1230	6 547 358	8 547 200	7 433 109
	Payments expected beyond 12 months of the reporting date	1231	19 042	23 124	25 601
	Buyers and customers	123101	1 819	445	462
	Notes receivable	123102	-	-	-
	Advances issued	123103	-	-	-
	Other accounts receivable	123104	17 223	22 679	25 139
	Payments expected within 12 months of the reporting date	1232	6 528 316	8 524 076	7 407 508
	Buyers and customers	123201	5 863 976	7 577 874	6 610 771
	Notes receivable	123202	-	-	-
	Receivables from subsidiaries and affiliates for dividends	123203	-	-	-
	Receivables from participants (shareholders) for contributions to charter capital	123204	-	-	-
	Advances issued	123205	43 534	47 518	32 700
	Other accounts receivable	123206	620 806	898 684	764 037
5.4.1-5.4.3.	Financial investments (except cash equivalents)	1240	-	-	-
	Loans given to companies for the period of less than 12 months	1241	-	-	-
	Other short-term financial investments	1242	-	-	-
Φ.4	Cash and cash equivalents	1250	1 964 719	718 034	1 699 590
	Cash in bank	1251	-	-	-
	Current accounts	1252	1 964 718	718 030	1 699 590
	Foreign currency accounts	1253	-	-	-
	Other cash	1254	1	4	-
	Other current assets	1260	974 558	888 881	625 747
	Total current assets	1200	11 540 530	12 083 764	11 596 636
	<b>BALANCE</b>	<b>1600</b>	<b>79 554 071</b>	<b>77 380 244</b>	<b>76 327 287</b>



**2.1. Cost of good sold, works, services according to elements of costs**

Indication		For 2021	For 2020
Line item	Line code		
1	2	3	4
Cost of production	6510	49 902 736	46 800 254
including			
Material costs	6511	10 991 767	9 887 083
Labour costs	6512	5 301 572	5 269 850
Compulsory insurance, insurance against accidents at work and work-related diseases	6513	1 563 013	1 534 377
Amortization	6514	4 627 784	4 546 509
Miscellaneous Expenditures	6515	27 418 600	25 562 435
For reference: Changes in inventories and reserves (increase [+], decrease [-]):	6520	-	-
including			
Work-in-progress	6521	-	-
Finished products	6522	-	-
Purchased goods	6523	-	-
Goods delivered	6524	-	-
Auxiliary materials	6525	-	-
<b>Total costs of sales</b>	<b>6500</b>	<b>49 902 736</b>	<b>46 800 254</b>
Selling expenses	6550	-	-
including			
Material cost	6551	-	-
Labour costs	6552	-	-
Compulsory insurance, insurance against accidents at work and work-related diseases	6553	-	-
Amortization	6554	-	-
Miscellaneous Expenditures	6555	-	-
Administrative expenses	6560	151 774	175 087
including			
Material cost	6561	-	-
Labour costs	6562	19 997	27 991
Compulsory insurance, insurance against accidents at work and work-related diseases	6563	5 686	7 120
Amortization	6564	-	-
Miscellaneous Expenditures	6565	126 091	139 976

Chief Accountant \_\_\_\_\_ L.V. Loskutova  
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" 25 " February 20 22

**2.2. Earnings Per Share, diluted earnings per share**

Indication		For 2021	For 2020
Line item	Line code		
1	2	3	4
<b>Net profit (accumulated losses) of the reporting period</b>	6610	1 711 834	(1 501 278)
Preferred dividends	6611	-	-
Basic earnings (loss) of the reporting period	6612	1 711 834	(1 501 278)
Weighted average number of ordinary shares outstanding during the accounting period	6613	334 658	334 658
<b>Basic earnings (loss) per share</b>	6620	5,1150	-4,4860
Weighted average market value per ordinary share	6621	73	74
<b>Possible increment in profit and weighted average number of shares outstanding</b>	6630	X	X
As a result of conversion of preferred shares into ordinary shares	6631	X	X
possible increment in profit	66311	-	-
additional number of shares	66312	-	-
As a result of conversion of the bonds into ordinary shares	6632	X	X
possible increment in profit	66321	-	-
additional number of shares	66322	-	-
Agreements at a below-market price	6633	X	X
contract purchase price	66331	-	-
possible increment in profit	66332	-	-
additional number of shares	66333	-	-
<b>Diluted Earnings per Share</b>	6640	5,1150	-4,4860
adjusted value of basic earnings	6641	1 711 834	(1 501 278)
adjusted value of weighted average the number of shares outstanding	6642	334 658	334 658

Chief Accountant \_\_\_\_\_ L.V. Loskutova  
(signature) (signature)

" 25 " February 20 22

2.3. Profit taxation

Line item	Line code	For 2021	For 2020
1	2	3	4
<b>Profit (loss) before tax</b>	6710	2 698 754	(1 384 286)
as well as taxed at a rate:			
20%	67101	2 698 754	(1 384 286)
other rates	67102	-	-
untaxed	67103	-	-
Permanent difference	6711	2 792 727	2 713 257
Changes in temporary subtractive differences	6712	1 987 222	660 534
Changes in taxable temporary differences	6713	(1 730 442)	(1 304 700)
Income Tax Expense (Potential Tax Benefit)	6721	539 751	(276 857)
Permanent tax expense (permanent tax revenue)	6722	558 545	542 651
Deferred income tax, including:	6723	51 356	(128 833)
Changes in deferred tax asset	67231	397 444	132 107
Changes in deferred tax liability	67232	(346 088)	(260 940)
Current corporate income tax	6725	(1 149 652)	(136 961)
Income tax expense (income tax benefit)	67251	(1 098 296)	(265 794)
<b>Amounts of corporate income tax for prior tax periods (according to adjusted declarations, tax inspections)</b>	6726	52 041	132 328
<b>Other tax payments and penalties from income</b>	6727	59 335	16 474
<b>Write-off of deferred taxes on profit and loss</b>	6728	-	-
For reference: recognition (write-off) of deferred tax assets due to the change of probability that the company will receive taxable income in subsequent reporting periods	67281	-	-
<b>Net profit (loss)</b>	6729	1 711 834	(1 501 278)

Chief accountant

(signature)

L.V. Loskutova

(signature)

" 25" February 2022

Statement of Changes in Equity for 20 21

Company Rosseti Kuban PJSC  
Taxpayer Identification Number

Economic activity electric power transmission

Legal form/form of property

Public Joint Stock Company/ privately owned

Unit of measurement: thousands of RUB

Form of OKUD	Codes
31   12   2021	0710004
00104604	00104604
2309001660	2309001660
35.12	OKVED 2
12247   16	OKOPF/OKFS
384	OKEI

3.1. Capital flows

Line item	Line code	Charter capital	Capital (before the amendments are registered)	Treasury shares	Additional capital	Capital reserve	Retained Earnings (uncovered loss)	Total
Capital value as at December 31 20 19	3100	30 379 335	3 086 449	-	6 481 916	302 820	(283 379)	39 967 141
For 20 20								
Increase in capital - total:	3210	3 086 449	(3 086 449)	-	-	-	249	249
including:								
net profit	3211	x	x	x	x	x	-	-
revaluation of assets	3212	x	x	x	-	x	-	-
income directly related to increase in capital	3213	x	x	x	-	x	249	249
additional issue of shares	3214	3 086 449	(3 086 449)	-	-	x	x	-
increase in nominal value of shares	3215	-	-	x	x	x	-	x
reorganization of a legal entity	3216	-	-	-	-	-	-	-
Decrease in capital - total:	3220	-	-	-	-	-	(2 138 192)	(2 138 192)
including:								
loss	3221	x	x	x	x	x	(1 501 278)	(1 501 278)
revaluation of assets	3222	x	x	x	-	x	-	-
expenses directly related to decrease in capital	3223	x	x	x	-	x	-	-
decrease in nominal value of shares	3224	-	-	-	x	x	-	-
decrease in number of shares	3225	-	-	-	x	x	-	-
reorganization of a legal entity	3226	-	-	-	-	-	-	-
dividends	3227	x	x	x	x	x	(636 914)	(636 914)
Change in additional capital	3230	x	x	x	-	x	-	x
Change in capital reserve	3240	x	x	x	-	-	121 401	121 401
Capital value as at December 31 20 20	3200	33 465 784	-	-	6 481 916	424 221	(2 542 723)	37 829 198
For 20 21								
Increase in capital - total:	3310	-	716 784	-	-	-	1 711 961	2 428 745
including:								
net profit	3311	x	x	x	x	x	1 711 834	1 711 834
revaluation of assets	3312	x	x	x	-	x	-	-
income directly related to increase in capital	3313	x	x	x	-	x	127	127
additional issue of shares	3314	-	716 784	-	-	x	x	716 784
increase in nominal value of shares	3315	-	-	x	x	x	-	x
reorganization of a legal entity	3316	-	-	-	-	-	-	-
Decrease in capital - total:	3320	-	-	-	-	-	(84 572)	(84 572)
including:								
loss	3321	x	x	x	x	x	-	-
revaluation of assets	3322	x	x	x	-	x	-	-
expenses directly related to decrease in capital	3323	x	x	x	-	x	(84 572)	(84 572)
decrease in nominal value of shares	3324	-	-	x	x	x	-	-
decrease in number of shares	3325	-	-	-	x	x	-	-
reorganization of a legal entity	3326	-	-	-	-	-	-	-
dividends	3327	x	x	x	x	x	-	-
Change in additional capital	3330	x	x	x	-	x	-	x
Change in capital reserve	3340	x	x	x	-	-	-	x
Capital value as at December 31 20 21	3300	33 465 784	716 784	-	6 481 916	424 221	(915 334)	40 173 371

**3.2. Adjustments in connection with a change in accounting policy and correction of errors\***

Line item	Line code	As at December 31 2019	Change in capital for 2020		As at December 31 2020
			out of net profit (loss)	out of other factors	
<b>Capital - total</b>					
before adjustments	3400	39 967 141	(1 501 278)	(636 665)	37 829 198
adjustment due to:					
change in Accounting Policy	3410	-	-	-	-
correction of errors	3420	-	-	-	-
after adjustments	3500	39 967 141	(1 501 278)	(636 665)	37 829 198
including:					
Retained Earnings (uncovered loss):					
before adjustments	3401	(283 379)	(1 501 278)	(758 066)	(2 542 723)
adjustment due to:					
change in Accounting Policy	3411	-	-	-	-
correction of errors	3421	-	-	-	-
after adjustments	3501	(283 379)	(1 501 278)	(758 066)	(2 542 723)
other items of capital where adjustments are made (within the line code)					
before adjustments	3402	40 250 520	-	121 401	40 371 921
Charter capital	34021	30 379 335	-	3 086 449	33 465 784
Capital (before the amendments are registered)	340211	3 086 449	-	(3 086 449)	-
Treasury shares	34022	-	-	-	-
Additional capital	34023	6 481 916	-	-	6 481 916
Capital reserve	34024	302 820	-	121 401	424 221
adjustment due to:					
change in Accounting Policy	3412	-	-	-	-
correction of errors	3422	-	-	-	-
after adjustments	3502	40 250 520	-	121 401	40 371 921

(1) - year, prior to preceding year is indicated  
(2) - preceding year is indicated

Equity after adjustments

3500	-	636 665	-
Retained earnings (loss)	-		-
Charter capital	-		-
Capital (before the emendments are registered)	-		-
Treasury shares	-		-
Additional paid-in capital	-		-
Capital reserve	-		-

\* - To be included in the financial statements if there are specified adjustments

**3.3. Net assets**

Line item	Line code	As at December 31 2021	As at December 31 2020	As at December 31 2019
Net assets	3600	40 465 541	37 989 052	40 105 415

Manager \_\_\_\_\_ K.A. Iordanidi  
(signature) (signature)

Chief Accountant \_\_\_\_\_ L.V. Loskutova  
(signature) (signature)

" 25 " February 20 22



Line item	Line code	For 2021	For 2020
<b>Cash Flows from Financing Activities</b>			
Receipts - total	4310	24 675 106	49 963 993
including:			
receiving loans and borrowings	4311	23 915 046	49 963 993
<i>including receiving loans and borrowings from parent, subsidiary and affiliated companies</i>	431101	4 200 000	6 800 000
monetary contributions of owners (participants)	4312	-	-
<i>including monetary contributions of owners (participants) of parent, subsidiary and affiliated companies</i>	431201	-	-
from issue of shares, increase in ownership interest	4313	760 060	-
<i>including issue of shares, increase in ownership interest of parent, subsidiary and affiliated companies</i>	431301	760 060	-
from bond issue, promissory notes and other debt securities, etc.	4314	-	-
<i>including bond issue, promissory notes and other debt securities, etc. of parent, subsidiary and affiliated companies</i>	431401	-	-
other receipts	4319	-	-
<i>including other receipts from parent, subsidiary and affiliated companies</i>	431901	-	-
Payments - total	4320	(26 403 321)	(50 350 805)
including:			
to owners (participants) due to stock buyback (ownership interest) of their entities or their cessation of membership	4321	-	-
<i>including to owners (participants) due to stock buyback (ownership interest) of their entities or their cessation of membership of parent, subsidiary and affiliated companies</i>	432101	-	-
for payment of dividends and other payments on distribution of profits to owners (participants)	4322	-	(636 822)
<i>including for payment of dividends and other payments on distribution of profits to owners (participants) of parent, subsidiary and affiliated companies</i>	432201	-	(595 146)
in connection with payment (buyback) of promissory notes and other debt securities, buyback of loans and borrowings	4323	(26 361 654)	(49 713 983)
<i>including due to payment (buyback) of promissory notes and other debt securities, buyback of loans to parent, subsidiary and affiliated companies</i>	432301	(5 400 000)	-
other payments	4329	(41 667)	-
<i>including other payments to parent, subsidiary and affiliated companies</i>	432901	-	-
Balance of cash flows from financing activities	4300	(1 728 215)	(386 812)
<b>Balance of cash flows for the reporting period</b>	<b>4400</b>	<b>1 246 688</b>	<b>(981 560)</b>
<b>Cash balance and cash equivalents as of the beginning of the reporting period</b>	<b>4450</b>	<b>718 030</b>	<b>1 699 590</b>
<b>Cash balance and cash equivalents at the end of the reporting period</b>	<b>4500</b>	<b>1 964 718</b>	<b>718 030</b>
Effect of exchange rate of foreign currency changes against the ruble	4490	-	-

Manager \_\_\_\_\_ (signature) K.A. Iordanidi \_\_\_\_\_ (signature) Chief Accountant \_\_\_\_\_ (signature) L.V. Loskutova \_\_\_\_\_ (signature)

" 25 " February 20 22

5.1. Intangible assets

5.1.1. The existence of intangible assets and intangible assets turnover

Indication	Line code	Period	At the start of the year				Changes for period				At the end of the period							
			Original/ current market value	Accumulated amortization	Impairment losses	Residual value	Increase	Decrease	Accumulated amortization	Impairment losses	Revaluation	Original/ current market value	Accumulated amortization	Impairment losses	Residual value			
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
	5100	for 2021	218 576	(80 562)	-	138 014	-	-	-	(53 267)	-	-	-	-	218 576	(133 829)	-	84 747
	5110	for 2020	164 510	(37 328)	-	127 182	55 836	(1 770)	1 770	(45 004)	-	-	-	-	218 576	(80 562)	-	138 014
<b>Intangible assets - total</b>																		
Intellectual property objects (exclusive rights for the results of intellectual property)	5101	for 2021	180 181	(60 216)	-	119 965	-	-	-	(43 833)	-	-	-	-	180 181	(104 049)	-	76 132
	5111	for 2020	124 345	(25 972)	-	98 373	55 836	-	-	(34 244)	-	-	-	-	180 181	(60 216)	-	119 965
including:																		
at patent owner for inventions, industrial sample, utility model	51011	for 2021	24 479	(7 719)	-	16 760	-	-	-	(4 139)	-	-	-	-	24 479	(11 858)	-	12 621
	51111	for 2020	24 479	(3 581)	-	20 898	-	-	-	(4 138)	-	-	-	-	24 479	(7 719)	-	16 760
at the right holder for the computer software, database	51012	for 2021	155 510	(52 327)	-	103 183	-	-	-	(39 672)	-	-	-	-	155 510	(91 999)	-	63 511
	51112	for 2020	99 674	(22 244)	-	77 430	55 836	-	-	(30 083)	-	-	-	-	155 510	(62 327)	-	103 183
at trademark owner, owner of a service mark, Protected Designation of Origin	51013	for 2021	192	(170)	-	22	-	-	-	(22)	-	-	-	-	192	(192)	-	-
	51113	for 2020	192	(147)	-	45	-	-	-	(23)	-	-	-	-	192	(170)	-	22
	5102	for 2021	38 395	(20 346)	-	18 049	-	-	-	(9 434)	-	-	-	-	38 395	(29 780)	-	8 615
	5112	for 2020	40 165	(11 356)	-	28 809	-	(1 770)	1 770	(10 760)	-	-	-	-	38 395	(20 346)	-	18 049
Other																		

(1) - the reporting year is indicated  
(2) - the prior year is indicated

5.2. Results of research, development and technological works and intangible assets

5.2.1. The existence and turnover of R&D deliverables

Line item	Line code	Period	At the start of the year		Increase	Changes for period			At the end of the year	
			Historical cost	Part of value written-off as expenses		Historical cost	Decrease		Historical cost	Part of value written-off as expenses
							Part of value written-off as expenses	Part of value written-off as expenses for period		
1	2	3	4	5	6	7	8	9	10	11
Research and development (R&D) - total	5140	for 20 21	-	-	-	-	-	-	-	-
	5150	for 20 20	-	-	-	-	-	-	-	-
where:										
Patentable results of performed R&D	5141	for 20 21	-	-	-	-	-	-	-	-
Other	5151	for 20 20	-	-	-	-	-	-	-	-
	5142	for 20 21	-	-	-	-	-	-	-	-
	5152	for 20 20	-	-	-	-	-	-	-	-
<b>For reference: out of the total amount of R&amp;D:</b>										
Research and development expenses made by own efforts	5143	for 20 21	-	-	-	-	-	-	-	-
Research and development expenses made by efforts of external companies	5144	for 20 21	-	-	-	-	-	-	-	-
	5154	for 20 20	-	-	-	-	-	-	-	-

(1) - the reporting year is indicated  
(2) - the prior year is indicated

5.2.2. Incomplete and unexecuted R&D and incomplete operations on purchase of intangible assets

Line item	Line code	Period	At the start of the year		Expenses for period	Changes for period		At the end of the year	
			Historical cost	Part of value written-off as expenses		Costs written-off that had not given positive results	Accepted for recording as intangible assets	Historical cost	Part of value written-off as expenses
1	2	3	4	5	6	7	8		
Expenses for non-complete research and development - total	5160	for 20 21	17 603	-	20 875	(16 900)	-	21 578	
including:	5170	for 20 20	33 756	-	39 683	-	(55 836)	17 603	
Patentable results of performed R&D	5161	for 20 21	17 603	-	20 875	(16 900)	-	21 578	
	5171	for 20 20	33 756	-	39 683	-	(55 836)	17 603	
Other	5162	for 20 21	-	-	-	-	-	-	
	5172	for 20 20	-	-	-	-	-	-	
Incomplete operations on purchase of intangible assets - total	5180	for 20 21	7 500	-	-	-	-	7 500	
including:	5190	for 20 20	7 500	-	-	-	-	7 500	
at patent owner of inventions, industrial sample, utility model	5181	for 20 21	-	-	-	-	-	-	
	5191	for 20 20	-	-	-	-	-	-	
at the right holder for the computer software, database	5182	for 20 21	-	-	-	-	-	-	
	5192	for 20 20	-	-	-	-	-	-	
at trademark owner, owner of a service mark, Protected Designation of Origin	5183	for 20 21	-	-	-	-	-	-	
	5193	for 20 20	-	-	-	-	-	-	
Other	5184	for 20 21	7 500	-	-	-	-	7 500	
	5194	aa 20 20 r.	7 500	-	-	-	-	7 500	

(1) - the reporting year is indicated  
(2) - the prior year is indicated

5.3. Fixed assets

5.3.1. The existence and movement of fixed assets

Line item	Line code	Period	At the start of the year			Changes for period						At the end of the year			
			Historical cost	Accumulated amortization	Residual value	Increase		Decrease		Amortization charged	Revaluation		Historical cost	Accumulated amortization	Residual value
						Historical cost	Accumulated amortization of received objects	Historical cost	Accumulated amortization		Historical cost	Accumulated amortization			
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Fixed assets (excluding interest-bearing investments in material valuables) - total															
including:															
Depreciable fixed assets - total:															
including:															
Industrial buildings	52011	for 2021	11 971 008	(5 711 619)	6 259 389	18 587	(753)	(70 845)	61 659	(229 148)	-	-	11 918 750	(5 879 861)	6 038 889
constructions, except transmission lines	52111	for 2020	11 846 747	(5 506 083)	6 340 664	144 729	-	(20 468)	18 765	(224 301)	-	-	11 971 008	(5 711 619)	6 259 389
transmission lines and its devices	52112	for 2020	3 940 313	(1 673 609)	2 266 704	81 603	-	(5 961)	4 171	(195 446)	-	-	4 015 955	(1 864 884)	2 151 071
machinery and equipment for production of electrical energy, electrical substations, equipment for electrical energy transformation	52013	for 2021	55 182 759	(20 831 806)	34 350 953	2 419 716	(395)	(167 963)	118 953	(2 125 966)	-	-	57 434 512	(22 839 214)	34 595 298
production and household inventory	52113	for 2020	52 969 962	(18 837 516)	34 132 446	2 248 456	-	(35 659)	27 148	(2 021 438)	-	-	55 182 759	(20 831 806)	34 350 953
other	52014	for 2021	45 835 054	(32 173 074)	13 661 980	1 260 827	(797)	(60 830)	59 298	(1 441 953)	-	-	47 035 051	(33 556 526)	13 478 525
	52114	for 2020	44 638 454	(30 820 430)	13 818 024	1 278 316	-	(81 716)	79 160	(1 431 804)	-	-	45 835 054	(32 173 074)	13 661 980
	52015	for 2021	46 802	(42 903)	3 899	2 588	-	(1 082)	1 082	(966)	-	-	48 308	(42 787)	5 521
	52115	3a 2020 r.	47 110	(41 833)	5 277	-	-	(308)	308	(1 378)	-	-	46 802	(42 903)	3 899
	52016	for 2021	9 606 888	(6 750 040)	2 856 848	1 511 751	-	(32 598)	31 920	(607 000)	-	-	11 086 041	(7 325 120)	3 760 921
	52116	for 2020	9 124 864	(6 125 806)	2 999 058	517 679	(80)	(35 655)	32 805	(656 959)	-	-	9 606 888	(6 750 040)	2 856 848

Line item	Line code	Period	At the start of the year			Changes for period						At the end of the year			
			Historical cost	Accumulated amortization	Residual value	Increase		Decrease		Amortization charged	Revaluation		Historical cost	Accumulated amortization	Residual value
						Historical cost	Accumulated amortization of received objects	Historical cost	Accumulated amortization		Historical cost	Accumulated amortization			
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
unlimited useful life of fixed assets that are not subject to depreciation - total															
including:															
0 Lands	52021	for 2021	136 562	-	136 562	-	-	-	-	-	-	-	136 562	-	136 562
0 objects of nature management	52122	for 2020	136 411	-	136 411	151	-	-	-	-	-	-	136 562	-	136 562
Capital investments in fundamental improvement of lands	5203	for 2021	-	-	-	-	-	-	-	-	-	-	-	-	-
Accounted as a part of interest-bearing investments in material valuables - total	5230	for 2020	-	-	-	-	-	-	-	-	-	-	-	-	-
including:															
0 Property for lease	5221	for 2021	-	-	-	-	-	-	-	-	-	-	-	-	-
0 Property provided under lease agreement	5222	for 2021	-	-	-	-	-	-	-	-	-	-	-	-	-
	5232	for 2020	-	-	-	-	-	-	-	-	-	-	-	-	-

(1) - the reporting year is indicated  
(2) - the prior year is indicated

**5.3.3. Change in fixed assets value as a result of further construction, further equipping, reconstruction and partial liquidation**

Line item	Line code	For 2021	For 2020
1	2	3	4
Increase in fixed assets value as a result of further construction, further equipping, reconstruction - total	5260	1 163 450	1 439 482
including:			
industrial buildings	5261	1 792	1 767
constructions except transmission	5262	2 338	4 397
transmission lines and its devices	5263	805 140	1 408 693
machinery and equipment for production of electrical energy, electrical substations, equipment for electrical energy transformation	5264	50 519	19 640
production and household inventory	5265	-	-
other	5266	303 661	4 985
Decrease in fixed assets value as a result of partial liquidation- total:	5270	(99 320)	(30 916)
including:			
industrial buildings	5271	-	-
constructions except transmission	5272	(5 559)	-
transmission lines and its devices	5273	(93 358)	(30 640)
machinery and equipment for production of electrical energy, electrical substations, equipment for electrical energy transformation	5274	(403)	(195)
production and household inventory	5275	-	-
other	5276	-	(81)

**5.3.4. Other usage of fixed assets**

Line item	Line code	As at December 31 2021	As at December 31 2020	As at December 31 2019
1	2	3	4	5
Leased out fixed assets that are recorded on the balance sheet	5280	101 182	105 041	173 122
Leased out fixed assets that are not recorded on the balance sheet	5281	-	-	-
Fixed asset acquired by leasing that are recorded on the balance sheet	5282	-	-	-
Fixed assets acquired by leasing that are not recorded on the balance sheet	5283	20 411 149	20 181 738	3 820 737
Real estate accepted for operation and in use undergoing the state registration	5284	3 339 062	3 385 515	5 945 647
Preparing Fixed Assets for Mothballing	5285	10 115	10 115	20 125
Other usage of fixed assets (pawn and others)	5286	-	-	-

- (1) - reporting date of the reporting period is indicated
- (2) - prior-year period is indicated
- (3) - year, prior to preceding year is indicated

5.3.5. Capital investments in progress

Line item	Line code	Period	Changes for period				At the end of the period
			At the start of the year	Expenses for period	Written off	Accepted for recording as fixed assets or increase in the value of capital investments	
			4	5	6	7	8
Construction in progress and incomplete operations on purchase, modernization, etc. of fixed assets - total	5240	for 20 21	3 391 998	6 880 426	(930 430)	(5 289 210)	4 052 784
including:	5250	for 20 20	3 069 476	5 669 150	(939 130)	(4 407 498)	3 391 998
Construction in progress	5241	for 20 21	2 536 652	5 447 314	(159 732)	(4 713 382)	3 110 852
purchase of fixed assets	5251	for 20 20	2 349 789	4 643 360	(168 305)	(4 288 192)	2 536 652
equipment to be installed	5243	for 20 21	855 292	857 338	(770 698)	(119 306)	941 932
Other	5254	for 20 21	-	-	-	-	855 292

5.3.6. Advances issued for investment building and purchase of fixed assets

Line item	Line code	Period	Changes for period				At the end of the period						
			At the start of the period	As a result of business transactions (amount of financial result)	Inflow	Reserve accrual	Write-off to financial result	Provision for recovery	Reserve amount for doubtful debts				
			4	5	6	7	8	9	10	11	12	13	14
Advances issued for investment building	5291	for 20 21	116 533	(1 127)	709 060	-	(1 055)	(59 991)	(149)	-	-	765 453	(2 033)
including:	5292	for 20 20	44 717	(8 677)	114 351	-	(21)	(38 673)	(3 862)	-	3 709	116 533	(1 127)
investment building	5291	for 20 21	97 477	(957)	691 778	-	(1 055)	(42 762)	-	-	-	746 493	(2 012)
purchase of fixed assets	5292	for 20 21	41 937	(6 528)	95 485	-	-	(36 063)	(3 862)	-	3 709	97 477	(957)
other	5293	for 20 21	21	(21)	2 969	-	(21)	-	-	-	-	2 990	(21)
	5293	for 20 20	19 035	(149)	14 313	-	-	(17 229)	(149)	-	-	15 970	-
	5293	for 20 20	2 759	(149)	18 886	-	-	(2 610)	-	-	-	19 035	(149)

5.4. Financial investments

5.4.1. The existence and turnover of financial investments

Line item	Line code	Period	At the start of the year		Increase	Changes for period		Accrual of interests (including bringing historical value to nominal value)	Current market value (losses from impairment)	At the end of the period	
			Historical cost	Accumulated adjustment		Historical cost	Accumulated adjustment			Historical cost	Accumulated adjustment
			4	5	6	7	8	9	10	11	12
Long-term financial investments - total	5301	for 20 21	45 690	(14 111)	-	-	-	-	8 261	45 690	(5 850)
Contributions to the charter (share) capitals of other companies - total	5302	for 20 21	45 690	(14 111)	-	-	-	-	8 261	45 690	(5 850)
including:	5312	for 20 20	45 690	(6 640)	-	-	-	-	(7 471)	45 690	(14 111)
Subsidiary Business Entities	530211	for 20 21	45 687	(14 109)	-	-	-	-	8 261	45 687	(5 848)
Dependent Business Companies	531211	for 20 20	45 687	(6 638)	-	-	-	-	(7 471)	45 687	(14 109)
other	530212	for 20 21	-	-	-	-	-	-	-	-	-
Federal and municipal securities	531212	for 20 20	-	-	-	-	-	-	-	-	-
Securities of other organizations - total	530213	for 20 21	3	(2)	-	-	-	-	-	3	(2)
including:	531213	for 20 20	3	(2)	-	-	-	-	-	3	(2)
debt securities (bonds, promissory notes)	53022	for 20 21	-	-	-	-	-	-	-	-	-
Loans given	53122	for 20 20	-	-	-	-	-	-	-	-	-
Certificates of deposit	53023	for 20 21	-	-	-	-	-	-	-	-	-
Other	53123	for 20 20	-	-	-	-	-	-	-	-	-
Long-term financial investments, having current market value - total	530231	for 20 21	-	-	-	-	-	-	-	-	-
Contributions to the charter (share) capitals of other companies - total	531231	for 20 20	-	-	-	-	-	-	-	-	-
including:	530231	for 20 21	-	-	-	-	-	-	-	-	-
Subsidiary Business Entities	531231	for 20 20	-	-	-	-	-	-	-	-	-
Dependent Business Companies	530232	for 20 21	-	-	-	-	-	-	-	-	-
Other	531232	for 20 20	-	-	-	-	-	-	-	-	-
Federal and municipal securities	5303	for 20 21	-	-	-	-	-	-	-	-	-
Securities of other organizations - total	5313	for 20 20	-	-	-	-	-	-	-	-	-
including:	53031	for 20 21	-	-	-	-	-	-	-	-	-
Subsidiary Business Entities	53131	for 20 20	-	-	-	-	-	-	-	-	-
Dependent Business Companies	53032	for 20 21	-	-	-	-	-	-	-	-	-
Other	53132	for 20 20	-	-	-	-	-	-	-	-	-
Long-term financial investments, where the current market value is not determined - total	53033	for 20 21	-	-	-	-	-	-	-	-	-
including:	53133	for 20 20	-	-	-	-	-	-	-	-	-
debt securities (bonds, promissory notes)	530331	for 20 21	-	-	-	-	-	-	-	-	-
Other	531331	for 20 20	-	-	-	-	-	-	-	-	-
Long-term financial investments, where the current market value is not determined - total	53034	for 20 21	-	-	-	-	-	-	-	-	-
including:	53134	for 20 20	-	-	-	-	-	-	-	-	-
Long-term financial investments, where the current market value is not determined - total	5303	for 20 21	45 690	(14 111)	-	-	-	-	8 261	45 690	(5 850)
including:	5313	for 20 20	45 690	(6 640)	-	-	-	-	(7 471)	45 690	(14 111)

5.4. Financial investments  
5.4.1. The existence and turnover of financial investments (continuation)

Line item	Line code	Period	At the start of the year		Changes for period						At the end of the year	
			Historical cost	Accumulated adjustment	Increase	Decrease (redeemed)		Accrual of interests (including bringing historical value to nominal value)	Current market value (losses from impairment)	Historical cost	Accumulated adjustment	
						Historical cost	Accumulated adjustment					
1	2	3	4	5	6	7	8	9	10	11	12	
<b>Short-term financial investments - total</b>			-	-	-	-	-	-	-	-	-	
Contributions to the charter (share) capitals of other companies - total	5305 5315 53061 53161	for 20 21 for 20 20 for 20 21 for 20 20	-	-	-	-	-	-	-	-	-	
Federal and municipal securities	53062 53162	for 20 21 for 20 20	-	-	-	-	-	-	-	-	-	
Securities of other organizations - total	53063 53163	for 20 21 for 20 20	-	-	-	-	-	-	-	-	-	
including:												
debt securities (bonds, promissory notes)	530631 531631	for 20 21 for 20 20	-	-	-	-	-	-	-	-	-	
Loans given	53064 53164	for 20 21 for 20 20	-	-	-	-	-	-	-	-	-	
Certificates of deposit	53065 53165	for 20 21 for 20 20	-	-	-	-	-	-	-	-	-	
Other	53066 53166	for 20 21 for 20 20	-	-	-	-	-	-	-	-	-	

Line item	Line code	Period	At the start of the year		Changes for period						At the end of the year	
			Historical cost	Accumulated adjustment	Increase	Decrease (redeemed)		Accrual of interests (including bringing historical value to nominal value)	Current market value (losses from impairment)	Historical cost	Accumulated adjustment	
						Historical cost	Accumulated adjustment					
1	2	3	4	5	6	7	8	9	10	11	12	
<b>Short-term financial investments, having current market value - total</b>			-	-	-	-	-	-	-	-	-	
Contributions to the charter (share) capitals of other companies - total	53071 53171	for 20 21 for 20 20	-	-	-	-	-	-	-	-	-	
Federal and municipal securities	53072 53172	for 20 21 for 20 20	-	-	-	-	-	-	-	-	-	
Securities of other organizations - total	53073 53173	for 20 21 for 20 20	-	-	-	-	-	-	-	-	-	
including:												
debt securities (bonds, promissory notes)	530731 531731	for 20 21 for 20 20	-	-	-	-	-	-	-	-	-	
Other	53074 53174	for 20 21 for 20 20	-	-	-	-	-	-	-	-	-	
<b>Short-term financial investments, where the current market value is not determined - total</b>			-	-	-	-	-	-	-	-	-	
<b>Financial investments - total</b>			45 690	(14 111)	-	-	-	-	8 261	45 690	(5 850)	
			45 690	(6 640)	-	-	-	-	(7 471)	45 690	(14 111)	

(1) - reporting date of the reporting period is indicated  
(2) - prior-year period is indicated

5.4.2. Adjustments of estimates of financial investments

5.4.3. Use of financial investments for other purposes\*

Line item	line code	As at December 31	As at December 31	As at December 31
		2021	2020	2019
1	2	3	4	5
Pledged financial investments - total	5320	-	-	-
including:				
bonds	5321	-	-	-
bills of exchange	5322	-	-	-
shares	5323	-	-	-
Financial investments pass on to a third party (except for the sell) - bcero	5325			
including:				
bonds	5326	-	-	-
bills of exchange	5327	-	-	-
shares	5328	-	-	-
use of financial investments for other purposes	5329	-	-	-

- (1) - reporting date of the reporting period is indicated
- (2) - prior-year period is indicated
- (3) - year, prior to preceding year is indicated

\* - include in the financial statements if data is available

Indication	line code	At the start of the year	Changes for period			At the end of the period
			Increase	Decrease	Retirement of financial investments	
1	2	3	4	5	6	7
<b>Long-term financial investments</b>	7100	(14 111)	8 261	-	-	(5 850)
Difference between the current market value of financial investments and their initial estimate	7110	-	-	-	-	-
including:						
Contributions to the charter (share) capitals of other companies - total	7111	-	-	-	-	-
including:						
Subsidiary Business Entities	71111	-	-	-	-	-
Dependent Business Companies	71112	-	-	-	-	-
other	71113	-	-	-	-	-
Federal and municipal securities	7112	-	-	-	-	-
Securities of other organizations - total	7113	-	-	-	-	-
including:						
debt securities (bonds, promissory notes)	71131	-	-	-	-	-
Other	7114	-	-	-	-	-
Difference between the current value of debt securities and their original cost	7120	-	-	-	-	-
including:						
Securities of other organizations - total	7121	-	-	-	-	-
including:						
debt securities (bonds, promissory notes)	71211	-	-	-	-	-
Other	7122	-	-	-	-	-
Provision for impairment of financial investments, where the market value is not determined	7130	(14 111)	8 261	-	-	(5 850)
including:						
Contributions to the charter (share) capitals of other companies - total	7131	(14 111)	8 261	-	-	(5 850)
including:						
Subsidiary Business Entities	71311	(14 109)	8 261	-	-	(5 848)
Dependent Business Companies	71312	-	-	-	-	-
other	71313	(2)	-	-	-	(2)
Federal and municipal securities	7132	-	-	-	-	-
Securities of other organizations - total	7133	-	-	-	-	-
including:						
debt securities (bonds, promissory notes)	71331	-	-	-	-	-
Loans given	7134	-	-	-	-	-
Certificate of deposit	7135	-	-	-	-	-
Other	7136	-	-	-	-	-



5.5.2.Pledged inventory

Line item	line cod	as at December 31 2021	as at December 31 2020	as at December 31 2019
1	2	3	4	5
Unpaid inventory as of reporting date - total	5440	-	-	-
including:				
raw materials	5441	-	-	-
work in progress	5442	-	-	-
shipped goods	5443	-	-	-
finished goods and goods for resale	54441	-	-	-
Other inventory and expenses	54442	-	-	-
pledged inventory under the contract - total	5445	-	-	-
including:				
raw materials	5446	-	-	-
shipped goods	5447	-	-	-
finished goods and goods for resale	5448	-	-	-
Other inventory and expenses	5449	-	-	-

- (1) - reporting date of the reporting period is indicated
- (2) - prior-year period is indicated
- (3) - year, prior to preceding year is indicated

5.6 Accounts Receivable and Accounts Payable

5.6.1. The existence and turnover of accounts receivable

Line item	Line code	Period	At the start of the year		Changes for period						At the end of the period			
			Accounted under the terms and conditions of the contract	Reserve amount for doubtful debts	As a result of business transactions (amount of debt under the deal of operation)	Inflow	Reserve accrual	Repayment	Written-off out of the previous accrued reserve	Retirement	Write-off to financial result	Provision recovery	Transferring from long-term debt to short-term debt	Accounted under the terms and conditions of the contract
			4	5	6	7	8	9	10	11	12	13	14	15
<b>Non-current accounts receivable - total</b>			23 124	-	8 314	-	-	(1 923)	-	-	-	(10 473)	19 042	-
including:			25 601	-	13 465	-	-	(910)	-	-	-	(15 032)	23 124	-
Settlements with buyers and customers	5602	for 20 21	445	-	2 852	-	-	-	-	-	-	(1 478)	1 819	-
including:			462	-	1 111	-	-	-	-	-	-	(1 128)	445	-
on electric power transmission	56021	for 20 21	-	-	-	-	-	-	-	-	-	-	-	-
on technological connection	56022	for 20 21	-	-	2 852	-	-	-	-	-	-	(1 033)	1 819	-
on organization of the functioning and development of unified energy system (UES) of Russia relating to integrated distribution power grid	56023	for 20 21	-	-	-	-	-	-	-	-	-	(462)	-	-
on resale of electric power and capacity	56024	for 20 21	-	-	-	-	-	-	-	-	-	-	-	-
on rental income	56025	for 20 21	-	-	-	-	-	-	-	-	-	-	-	-
on others	56026	for 20 21	445	-	1 111	-	-	-	-	-	-	(445)	-	-
	56226	for 20 20	-	-	-	-	-	-	-	-	-	(606)	445	-



Line item	Line code	Period	At the start of the year		Changes for period						At the end of the period			
			Accounted under the terms and conditions of the contract	Reserve amount for doubtful debts	As a result of business transactions (amount of debt under the deal of operation)	Inflow	Reserve accrual	Repayment	Written-off out of the previous accrued reserve	Retirement	Write-off to financial result	Provision recovery	Transferring from long-term debt to short-term debt	Accounted under the terms and conditions of the contract
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Receivables from participants (shareholders) for contributions to charter capital	5514	for 20 21	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from subsidiaries and affiliates for dividends	5534	for 20 20	-	-	-	-	-	-	-	-	-	-	-	-
Other accounts receivable	5515	for 20 21	-	-	-	-	-	-	-	-	-	-	-	-
including:	5516	for 20 21	1 603 892	(705 208)	306 961	-	(124 208)	(500 800)	(19 982)	(271)	31 445	8 995	1 398 795	(777 989)
non-interest promissory notes	5536	for 20 20	1 404 022	(639 985)	625 880	-	(137 076)	(423 637)	(15 882)	(395)	55 971	13 904	1 603 892	(705 208)
overpayment on taxes and dues	55161	for 20 21	-	-	-	-	-	-	-	-	-	-	-	-
	55361	for 20 20	-	-	13 205	-	-	(99 233)	-	(200)	-	-	269 726	-
	55362	for 20 21	355 954	-	127 744	-	-	(6 280)	-	(141)	-	-	355 954	-
disposal of property	55163	for 20 21	234 631	-	(57)	-	(2 106)	(7 113)	-	-	2 158	2 603	36 290	(35 442)
other	55363	for 20 20	44 028	-	3 352	-	(35 494)	(10 203)	-	-	-	3 660	40 857	(35 494)
Out of the total amount of short-term accounts receivable	55164	for 20 21	1 207 081	(669 714)	293 813	-	(122 102)	(394 454)	(19 982)	(71)	29 287	6 392	1 092 779	(742 547)
receivables from subsidiaries	55364	for 20 20	1 125 363	(639 985)	494 784	-	(101 582)	(407 154)	(15 882)	(254)	55 971	10 224	1 207 081	(669 714)
receivables from affiliates	5517	for 20 21	12 215	-	5 758	-	-	(10 405)	-	-	-	-	7 568	-
	5537	for 20 20	38	-	12 215	-	-	(38)	-	-	-	-	12 215	-
receivables from subsidiaries	55171	for 20 21	12 215	-	5 758	-	-	(10 405)	-	-	-	-	7 568	-
receivables from affiliates	55371	for 20 20	38	-	12 215	-	-	(38)	-	-	-	-	12 215	-
	55172	for 20 21	-	-	-	-	-	-	-	-	-	-	-	-
	55372	for 20 20	-	-	-	-	-	-	-	-	-	-	-	-
Total	5500	for 20 21	10 537 879	(1 990 679)	1 104 208	-	(607 842)	(2 578 202)	(25 955)	(271)	82 265	-	9 037 659	(2 490 301)
	5520	for 20 20	9 150 427	(1 717 318)	2 658 184	-	(533 789)	(1 238 756)	(31 582)	(395)	228 846	-	10 537 879	(1 990 679)

5.6.3. Overdue accounts receivable

Line item	Line code	As at December 31 2021		As at December 31 2020		As at December 31 2019	
		Accounted under the terms and conditions of the contract	Carrying value (less the reserve for doubtful debts)	Accounted under the terms and conditions of the contract	Carrying value (less the reserve for doubtful debts)	Accounted under the terms and conditions of the contract	Carrying value (less the reserve for doubtful debts)
1	2	3	4	5	6	7	8
Payments expected within 12 months of the reporting date	564	2 776 407	1 061 557	4 310 833	2 645 352	3 167 474	1 673 160
including:							
buyers and customers, including	5641	1 807 509	872 191	3 205 125	2 248 711	2 347 946	1 497 998
on electric power transmission	56411	1 609 132	799 827	3 044 095	2 209 092	2 257 021	1 446 811
on technological connection	56412	29 444	7 985	36 480	9 014	47 937	10 390
on organization of the functioning and development of unified energy system (UES) of Russia relating to integrated distribution power grid	56413	-	-	-	-	-	-
on resale of electric power and capacity	56414	-	-	-	-	-	-
on rental income	56415	54 583	19 851	44 425	19 215	763	546
on other issues	56416	114 350	44 528	80 125	11 390	42 225	40 251
notes receivable	5642	-	-	-	-	-	-
Receivables from subsidiaries and affiliates for dividends	5643	-	-	-	-	-	-
Receivables from participants (shareholders) for contributions to charter capital	5644	-	-	-	-	-	-
Advances issued	5645	5 832	2 179	12 392	8 386	4 552	170
Other accounts receivable	5646	963 066	187 187	1 093 316	388 255	814 976	174 992

(3) - year, prior to preceding year is indicated



5.6.6. Overdue accounts payable

Line item	Line code	Period	Opening balance	Changes for period				Ending balance	
				Inflow	Retirement	Write-off to financial result	Transferring from long-term debt to short-term debt		
				As a result of business transactions (amount of debt under the deal of operation)	Interest accrued, penalties and other accruals	Repayment	Write-off to financial result	Transferring from long-term debt to short-term debt	
1	2	3	4	5	6	7	8	9	10
on participation in other organizations	55625	for 20 21	-	-	-	-	-	-	-
	55625	for 20 20	-	-	-	-	-	-	-
on lease services	55626	for 20 21	1 214	11 691	-	(7 151)	-	1 633	6 173
	55626	for 20 20	-	11 767	-	(1 901)	-	-	11 080
on other issues	55627	for 20 21	23 924	137 342	-	(109 479)	(1 346)	-	26 517
	55627	for 20 20	479	96 381	-	(20 697)	(617)	-	98 991
Delay from participants (shareholders) in paying revenues	5563	for 20 21	453	26	-	(135)	-	-	344
	5563	for 20 20	-	-	-	-	-	-	479
Notes payable	5564	for 20 21	-	-	-	-	-	-	-
	5564	for 20 20	-	-	-	-	-	-	-
Debts owed to state non-budgetary funds	5565	for 20 21	135 442	157 707	-	(135 442)	-	-	157 707
	5565	for 20 20	157 086	135 442	-	(157 086)	-	-	135 442
Settlements in respect of taxes and levies	5566	for 20 21	771 058	758 445	-	(771 058)	-	-	758 445
	5566	for 20 20	642 898	771 058	-	(642 898)	-	-	771 058
Payables owed to corporate staff	5567	for 20 21	317 117	299 688	-	(317 117)	-	-	299 688
	5567	for 20 20	273 713	317 117	-	(273 713)	-	-	317 117
Other accounts payable	5568	for 20 21	961 833	520 075	-	(494 736)	(4 783)	4 028	986 417
	5568	for 20 20	670 871	574 083	-	(281 946)	(1 543)	368	961 833
Out of the total amount of short-term debt	5569	for 20 21	270 704	488 841	-	(265 723)	-	-	493 822
	5569	for 20 20	26 205	264 918	-	(20 419)	-	-	270 704
Debt owed to subsidiaries	55691	for 20 21	270 704	488 841	-	(265 723)	-	-	493 822
	55691	for 20 20	26 205	264 918	-	(20 419)	-	-	270 704
Debt owed to affiliates	55692	for 20 21	-	-	-	-	-	-	-
	55692	for 20 20	-	-	-	-	-	-	-
<b>Total</b>	5570	for 20 21	12 278 000	7 916 047	-	(7 355 615)	(32 304)	-	12 806 128
	5570	for 20 20	9 919 296	6 956 104	-	(4 572 104)	(25 296)	-	12 278 000

(1) - the reporting period is indicated  
(2) - the prior year is indicated

Line item	line code	As at December 31 2021	As at December 31 2020	As at December 31 2019
1	2	3	4	5
<b>V. CURRENT LIABILITIES</b>				
Accounts payable		3 778 831	3 734 448	2 623 405
including:				
Settlements with suppliers and contractors	5691	3 188 311	2 774 790	2 007 423
including:				
construction	56911	712 884	644 377	373 642
other	56912	2 475 427	2 130 413	1 633 781
Notes payable	5692	-	-	-
Wages payable	5693	-	-	-
Debts owed to state non-budgetary funds	5694	-	-	-
Taxes and dues payable	5695	-	-	-
Advances received	5696	394 607	447 724	493 336
Delay from participants (shareholders) in paying revenues	5697	-	-	-
Other accounts payable	5698	195 913	511 934	122 646

(1) - reporting date of the reporting period is indicated  
(2) - prior-year period is indicated  
(3) - year, prior to preceding year is indicated

5.6.7. Loans and borrowings

Line item	Line code	Period	At the start of the year	Changes for period					At the end of the period
				Inflow	Accrual of interests	Principal repayment	Repayment of interest	Transferring from long-term debt to short-term debt	
1	2	3	4	5	6	7	8	9	10
<b>Long-term borrowings - total</b>	7410	for 20 21	17 882 922	17 894 477	-	(19 741 084)	-	-	16 036 315
	7430	for 20 20	19 432 911	36 128 620	-	(37 678 609)	-	-	17 882 922
including:									
Loans	7411	for 20 21	16 482 922	17 894 477	-	(19 741 084)	-	-	14 636 315
	7431	for 20 20	19 432 911	34 728 620	-	(37 678 609)	-	-	16 482 922
Borrowings	7412	for 20 21	1 400 000	-	-	-	-	-	1 400 000
	7432	for 20 20	-	1 400 000	-	-	-	-	1 400 000
<b>Current borrowings - total</b>	7420	for 20 21	5 553 866	6 020 569	1 580 336	(6 620 569)	(1 700 010)	-	4 834 192
	7440	for 20 20	3 652 592	13 835 373	1 611 812	(12 035 373)	(1 510 538)	-	5 553 866
including:									
Loans	7421	for 20 21	-	1 220 569	-	(1 220 569)	-	-	-
	7441	for 20 20	-	8 435 373	-	(8 435 373)	-	-	-
Interest on loans	74211	for 20 21	-	-	1 279 084	-	(1 270 853)	-	8 231
	74411	for 20 20	19 652	-	1 383 168	-	(1 402 820)	-	-
Borrowings	7422	for 20 21	5 553 866	4 800 000	301 252	(5 400 000)	(429 157)	-	4 825 961
	7442	for 20 20	3 632 940	5 400 000	228 644	(3 600 000)	(107 718)	-	5 553 866

(1) - the reporting period is indicated  
 (2) - the prior year is indicated

5.6.8. Expenses for loans and borrowings

Indication		For long-term loans and borrowings	For short-term loans and borrowings
Line item	Line code		
1	2	3	4
Expenses for loans total:	7510	1 274 772	4 312
write-off as other expenses	7511	1 248 004	4 312
included in the cost of assets	7512	26 768	-
Expenses for borrowings total:	7520	98 980	202 272
write-off as other expenses	7521	98 980	201 312
included in the cost of assets	7522	-	960
Out of the total cost on borrowings and loans:	7530	1 373 752	206 584
interest accrued	7531	1 373 752	206 584
other expenses	7532		

**5.7.1. Estimated liabilities**

Indication		Opening balance	Recognized	Redeemed	Written off as excessive amount	Ending balance
Line item	Line code					
1	2	3	4	5	6	7
<b>Estimated liabilities - total</b>	5700	1 527 161	2 259 085	(923 647)	(59 716)	2 802 883
including:						
Forthcoming vacation pay	5701	316 830	520 346	(506 218)		330 958
Year-end benefit payment	5702	316 770	322 479	(223 859)	-	415 390
Outstanding litigation as of reporting date	5703	52 860	254 925	(23 262)	(8 245)	276 278
Claims of tax authorities on the results of tax inspections that remained unsolved as of reporting date	5704	156 967	402 611	-	-	559 578
Other estimated liabilities	5705	683 734	758 724	(170 308)	(51 471)	1 220 679
<b>Out of the total amount of contingent liabilities:</b>						
Created for the account of expenses for core activities	5706	1 230 217				
Created for the account of other expenses	5707	997 073				
Included in the cost of assets	5708	31 795				

**5.7.2. Deferred taxes**

Line item	Line code	Deferred tax assets	Deferred tax liabilities
1	2	3	4
Balance at the beginning of the reporting period	7700	1 020 464	2 132 816
Change of temporary differences in the reporting period causing tax consequences	7710	397 444	346 088
The result of change in tax rates	7720	-	-
The result of change in taxation rules (accounting procedure of income tax)	7730	-	-
Change of temporary differences in the reporting period for transactions whose results are not included in the accounting profit (loss)	7740	21 143	-
write-off of temporary differences beyond tax consequences	7750	-	-
<i>For reference:</i> Recognition (write-off) of deferred tax assets due to the change of probability that the company will receive taxable income in subsequent reporting periods	7760	-	x
Balance at the end of the reporting period	7800	1 439 051	2 478 904

5.8. Securities

Indication		As at December 31, 2021	As at December 31, 2020	As at December 31, 2019
Line item	Line code	3	4	5
1	2	3	4	5
Received — total	5800	1 777 286	549 501	303 376
including:	5801	-	-	-
promissory notes	5802	-	107	107
pledged property	58021	-	107	107
where:	58022	-	-	-
items of fixed assets	58023	-	-	-
securities and other financial investments	5803	1 777 286	549 394	303 269
other	5810	-	-	-
other received	5811	-	-	-
Issued under own obligations— total	5812	-	-	-
including:	58121	-	-	-
promissory notes	58122	-	-	-
pledged property	58123	-	-	-
where:	5813	-	-	-
items of fixed assets				
securities and other financial investments				
other				
other issued				

- (1) - reporting date of the reporting period is indicated
- (2) - prior-year period is indicated
- (3) - year, prior to preceding year is indicated

5.9. Government assistance

Line item	Line code	2020				2019			
		At the start of the year	Received during the year	Returned during the year	At the end of the year	At the start of the year	Received during the year	Returned during the year	At the end of the year
Public funds received - total	5900	-	6 494	(6 494)	-	4 084	(4 084)	-	
including:									
on current expenses	5901	-	1 291	(1 291)	-	1 201	(1 201)	-	
compensations for Chernobyl victims	5902	-	-	-	-	-	-	-	
for task performance on mobilization training	5903	-	-	-	-	-	-	-	
for liquidation of interterritorial cross-subsidization	5904	-	-	-	-	-	-	-	
for investments in non-current assets	5905	-	5 203	(5 203)	-	2 883	(2 883)	-	
other purposes	5906	-	-	-	-	-	-	-	
where:									
funding for preventive measures to reduce occupational injuries and occupational diseases	5911	-	-	-	-	-	-	-	
funding for thorough medical check-ups for employees engaged in work with harmful and (or) occupational hazards factors	5912	-	-	-	-	-	-	-	

- (1) - reporting period is indicated
- (2) - prior-year period is indicated

5.10. Government assistance, which did not meet the conditions under which it was granted.\*

Indicator	Line item	Line code	For 2021(1)		3a 2020 (2)	
			refundable	has actually been returned	refundable	has actually been returned
	1	2	3	4	5	6
	budgetary funds received, which did not meet the conditions under which it was granted	7910				
	<i>Including:</i>					
	on current expenses	7911				
	compensations for Chernobyl victims	7912				
	for task performance on mobilization training	7913				
	for liquidation of interterritorial cross-subsidization	7914				
	other purposes	7915				
	<i>Including:</i>					
	funding for preventive measures to reduce occupational injuries and occupational diseases	7921				
	funding for thorough medical check-ups for employees engaged in work with harmful and (or) occupational hazards factors	7922				

(1) - reporting date is indicated  
 (2) - prior-year period is indicated

\* - To be included in the accounting records where data is available

5.11. Other revenues and expenses

Indication	Line code	For 2021	For 2020
1	2		
<b>Other revenues total</b>	8000	1 413 802	1 563 197
including:			
From sale of fixed assets, except apartments	8001	1 959	115
From sale of apartments	8002	-	-
From sale of inventories	8003	13 781	11 039
From sale of currency	8004	-	-
From sale of intangible assets	8005	-	-
From sale of securities	8006	-	-
From sale of other assets	8007	-	-
From joint arrangements	8008	-	-
Profit for 2020 recognized in the reporting period	8009	107 757	-
Profit for 2019 recognized in the reporting period	8010	14 260	36 856
Profit for 2018 recognized in the reporting period	8011	5 043	10 380
Profit up to January 1, 2018 recognized in the reporting period	8012	215 988	64 996
Penalties, fines and forfeits recognized or for which the judgments (arbitration awards) for their recovery have been obtained	8013	323 976	518 967
Accounts payable for which the statute of limitations has expired (more than three years)	8014	32 304	25 296
Exchange differences	8015	-	-
Assets in surplus on the results of the inventory count	8016	4 540	55
Donated assets except fixed assets and intangible assets	8017	7 711	3 881
Revenue from donated fixed assets identified in accordance with established order	8018	25 822	22 503
Value of tangible assets remaining after the assets that are not subject to recovery and further use have been written off	8019	3 934	3 791
Revaluation of financial investments according to the current market value	8020	-	-
Revenue from decrease (write-off) of provision for doubtful debts	8021	82 265	232 555
Revenue from decrease (write-off) of reserve for estimated liabilities	8022	59 716	64 391
Revenue from decrease (write-off) of provision for depreciation of inventories	8023	3 863	6 008
Revenues under assignment of claim agreements	8024	-	-
Revenues from determination of freelance electric power consumption	8025	68 476	70 376
Insurance settlements receivable	8026	160 699	230 611
Revenues related to the Interest in the Charter Capital of other organizations	8027	-	-
Restoring accounts receivable previously written off	8028	88	24
Discount on promissory notes	8029	-	-
Compensations for difference in tariffs (budgetary funding)	8030	-	-
Revenue from decrease (write-off) of provision for impairment of financial investments	8031	8 261	100
Increase in value of items of fixed assets	8032	-	-
Revenue from increase in value of previously cut-price items of fixed assets	8033	-	-
Revenue from payment of promissory notes	8034	-	-
Other	8035	273 359	261 253

Indication		For 2021	For 2020
Line item	Line code		
1	2		
<b>Other revenues total</b>	8100	(4 825 874)	(3 777 891)
including:			
From sale of fixed assets, except apartments	8101	(1 849)	-
From sale of apartments	8102	-	-
From sale of inventories	8103	(11 305)	(8 825)
From sale of currency	8104	-	-
From sale of intangible assets	8105	-	-
From sale of securities	8106	-	-
From sale of other assets	8107	-	-
Other taxes	8108	-	-
Expenses for bank services	8109	(580)	(406)
Expenses for maintenance of financial investments	8110	-	-
Provision for doubtful debts	8111	(608 897)	(533 810)
Provision for impairment of financial investments	8112	-	(7 571)
Provision for impairment of tangible assets	8113	(876)	(2 309)
Provision for discontinued operations	8114	-	-
Reserve for estimated liabilities	8115	(273 716)	(55 696)
Retirement of assets without revenue	8116	(16 900)	-
VAT on donated property	8117	-	-
Loss for 2020 recognized in the reporting period	8118	(504 701)	-
Loss for 2019 recognized in the reporting period	8119	(565 434)	(428 141)
Loss for 2018 recognized in the reporting period	8120	(209 550)	(110 767)
Loss up to January 1, 2018 recognized in the reporting period	8121	(198 966)	(260 279)
Penalties, fines and forfeits recognized or for which the judgments (arbitration awards) for their recovery have been obtained	8122	(30 456)	(61 394)
State fees under the economic contracts	8123	(12 606)	(13 247)
Revaluation of financial investments according to the current market value	8124	-	-
Discount on promissory notes	8125	-	-
Expenses under assignment of claim agreements	8126	-	-
Non-refundable VAT	8127	(22 305)	(7 689)
Expenses for discovered non-contractual electricity consumption	8128	-	-
Contributions to associations and funds	8129	(3 207)	(3 649)
Accounts receivable for which the statute of limitations has expired (more than three years)	8130	(271)	(395)
Exchange differences	8131	-	-
Court costs	8132	(3 450)	(1 289)
Theft, shortages	8133	(167)	(268)
Expenses for execution proceedings	8134	-	-
Payment of the cost of employees' apartments	8135	-	-
Other financial aid and other cash payments to employees	8136	(337 595)	(291 347)
Financial aid to retired employees (including lump-sum payments, compensations for community charges)	8137	(9 174)	(9 826)
Expenses for sporting events	8138	(3 296)	(880)
Expenses for social activities	8139	(11 958)	(8 633)
Charitable expenditures	8140	-	-
Value of redeemable promissory notes	8141	-	-
Residual value of written-off fixed assets	8143	-	-
Reduction in prices of items of fixed assets	8144	-	-
Other	8145	(1 998 615)	(1 971 470)

5.13. Information on reportable segments

Line item	Line code	Period	Electric power transmission	Technological connection	Reportable segment name	Reportable segment name	Reportable segment name	Other segments	Total
Revenue from external buyers	8310	2021	54 526 276	2 347 653	-	-	-	795 815	57 669 744
	8311	2020	48 101 880	731 309	-	-	-	536 391	49 369 580
Sales revenue between segments	8320	2021	-	-	-	-	-	-	-
	8321	2020	-	-	-	-	-	-	-
<b>Total Revenue of segment</b>	<b>8300</b>	<b>2021</b>	<b>54 526 276</b>	<b>2 347 653</b>	-	-	-	<b>795 815</b>	<b>57 669 744</b>
including	<b>8400</b>	<b>2020</b>	<b>48 101 880</b>	<b>731 309</b>	-	-	-	<b>536 391</b>	<b>49 369 580</b>
Revenue from transmission	8301	2021	54 526 276	-	-	-	-	-	54 526 276
	8401	2020	48 101 880	-	-	-	-	-	48 101 880
Revenue from technological connection	8302	2021	-	2 347 653	-	-	-	-	2 347 653
	8402	2020	-	731 309	-	-	-	-	731 309
Other revenue	8303	2021	-	-	-	-	-	795 815	795 815
	8403	2020	-	-	-	-	-	536 391	536 391
Interest receivable	8303	2021	-	-	-	-	-	28 305	28 305
	8403	2020	-	-	-	-	-	28 872	28 872
Interest payable	8304	2021	1 552 608	-	-	-	-	-	1 552 608
	8404	2020	1 593 371	-	-	-	-	-	1 593 371
Income Tax Expenses	8305	2021	523 092	457 767	-	-	-	6 061	986 920
	8405	2020	204	116 154	-	-	-	634	116 992
<b>Gains/(losses) of segment</b>	<b>8306</b>	<b>2021</b>	<b>1 076 192</b>	<b>972 195</b>	-	-	-	<b>(336 553)</b>	<b>1 711 834</b>
	<b>8406</b>	<b>2020</b>	<b>(1 372 012)</b>	<b>(128 676)</b>	-	-	-	<b>(590)</b>	<b>(1 501 278)</b>
<b>Assets of segments</b>	8307	2021	76 995 336	1 371 236	-	-	-	1 187 499	79 554 071
	8407	2020	74 885 901	1 098 993	-	-	-	1 395 350	77 380 244
including non-current assets	8308	2021	66 060 311	1 213 283	-	-	-	739 947	68 013 541
	8408	2020	63 590 343	990 606	-	-	-	715 531	65 296 480
<b>Liabilities of segments</b>	<b>8309</b>	<b>2021</b>	<b>73 485 271</b>	<b>4 682 270</b>	-	-	-	<b>1 386 530</b>	<b>79 554 071</b>
	<b>8409</b>	<b>2020</b>	<b>71 151 660</b>	<b>5 092 056</b>	-	-	-	<b>1 136 528</b>	<b>77 380 244</b>
Amortization of fixed assets and intangible assets	8390	2021	4 537 749	69 806	-	-	-	51 191	4 653 746
	8490	2020	4 453 469	68 585	-	-	-	50 296	4 572 350



PUBLIC JOINT STOCK  
COMPANY ROSSETI KUBAN  
(PJSC ROSSETI KUBAN)

**NOTES TO THE ACCOUNTING (FINANCIAL) STATEMENTS  
FOR 2021**

Krasnodar  
2022

PJSC Rosseti Kuban

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## 1. BACKGROUND INFORMATION

PJSC Rosseti Kuban (hereinafter referred to as the “Company”) is the largest electric grid company in the territory of Krasnodar Region and the Republic of Adygeya that transmits and distributes electricity to the distribution grid with a voltage of 110 kV and lower located in populated areas, village settlements, separate cities and neighborhood centre of Krasnodar Region and the Republic of Adygeya, including Sochi.

**Full name:** Public Joint Stock Company Rosseti Kuban .

**Short name:** PJSC Rosseti Kuban.

Registered on February 10, 1993.

Entered in the Single State Register of Legal Entities by Inspection of the Federal Tax Service of Russia No. 3 in Krasnodar under No. 1022301427268 of September 17, 2002. Certificate 23 No. 001806938.

**TIN (KPP):** 2309001660 (997650001).

**Legal form / form of property PJSC Rosseti Kuban** – Public Joint Stock Company (Code OKOPF 47) / private ownership (Code OKFS 16).

**Registered office (legal address) PJSC Rosseti Kuban** – 350033, the Russian Federation, Krasnodar, 2A Stavropolskaya Street.

**The core activities of the Company are:**

- providing services for distribution and transmission of energy that is transferred out of the electrical system;
- services for technological connection of consumers to electric networks.

Table 1 – Permits (licences) for certain types of work

Branch of activities 1	Issuing authority 2	Details 3	Validity period 4
For extraction licence (fresh groundwater mining for household drinking process water supply in Krasnodar)	Ministry of Natural Resources of Krasnodar Region	КРД No. 80383 БЭ	From November 30, 2015 to July 20, 2034
For extraction licence (fresh groundwater mining for household drinking process water supply Tverskaya village of Apsheeronsk district of Krasnodar Region)	Ministry of Natural Resources of Krasnodar Region	КРД No. 80380БЭ	From October 26, 2015 to January 1, 2035
Execution of works related to the usage of information classified as state secret	Federal Security Service of the Russian Federation (FSB) in Krasnodar Region	ГТ 0084635, registration number 2050	From August 31, 2020 – July 13, 2023
Transportation by buses of other persons of licensee for own requirements	Federal Transportation Inspection Service (Rostransnadzor) of The Ministry of Transport of the Russian Federation	AH-23-000047	From April 8, 2019 – unlimited

Accounting Statements of PJSC Rosseti Kuban contain operational performance of all branch offices, representative offices and other business units, as follows:

Table 2 – Branches of PJSC Rosseti Kuban

№	Name	Registered office
1.	Krasnodar Electrical Networks	350000, Krasnodar, 131 Pashkovskaya Str.
2.	Sochi Electrical Networks	354000, Sochi, 42 Konstitutsii USSR Str.
3.	Armavir Electrical Networks	352900, Armavir, 54 Vorovskogo Str.
4.	Adygeya Electrical Networks	385000, Maykop, 358 Shovgenova Str.
5.	Timashevsk Electrical Networks	352700, Timashevsk, 176 Lenina Str.
6.	Tikhoretsk Electrical Networks	352122, Tikhoretsk, 62 Dzerzhinskogo Str.
7.	Leningrad Electrical Networks	353745, Leningradskaya village, 6 Divizii 302 Str.
8.	Slavyansk Electrical Networks	353560, Slavyansk-na-Kubani, 49 Stroitelei Str.
9.	South-West Electrical Networks	353902, Novorossiysk, 1 Vostochnyy Mol
10.	Labinsk Electrical Networks	352503, Labinsk, 334 Mira Str.
11.	Ust-Labinsk Electrical Networks	352232, Ust-Labinsk, 4 Krasnodarskaya Str.

The average annual number of employees in PJSC Rosseti Kuban for the reporting period amounted to 8, 876, in 2020 amounted to 8,959, prior to preceding 2019 amounted to 8,644.

#### Company's auditor:

Full name: Limited Liability Company Ernst & Young  
 Legal address: 115035, Moscow, 77 Sadovnicheskaya naberezhnaya, building 1  
 Current address: 115035, Moscow, 77 Sadovnicheskaya naberezhnaya, building 1  
 TIN: 7709383532  
 PSRN: 1027739707203  
 Phone/fax: 8 (495) 755-97-00/8; (495) 755-97-01

**Management Board of the Company** is the General Meeting of Shareholders, the Board of Directors of the Company, Management Board (Collegial Executive Body of the Company), General Director (Chief Executive Officer of the Company).

**Chief Executive Officer of the Company:** Ebzeev Boris Borisovich.

**Chief Accountant of the Company:** Loskutova Lyudmila Vladimirovna.

Table 3 – Members of the Board of Directors of the Company (as of December 31, 2021):

No.	Full name	Principal place of employment and official capacity	Position on the Board of Directors of Rosseti Kuban
1.	Krainkiy Daniil Vladimirovich	Deputy General Director for Legal Support of PJSC Rosseti	Chairman of the Board of Directors
2.	Gladkovskiy Grigoriy Konstantinovich	Deputy Chief Engineer of PJSC Rosseti	Member of the Board of Directors
3.	Goncharov Yuriy Vladimirovich	Head Adviser of the General Director of PJSC Rosseti	Member of the Board of Directors
4.	Kazakov Aleksandr Ivanovich	–	Member of the Board of Directors
5.	Kaloeva Madina Valerevna	Director for Corporate Management – Head of Corporate Governance Department of PJSC FGC UES	Member of the Board of Directors
6.	Kravchenko Konstantin Yurevich	Temporarily Acting Deputy General Director for Digital Transformation of PJSC Rosseti	Member of the Board of Directors
7.	Medvedev Mikhail Vladimirovich	Adviser to the Director-General of JSC "Avangard"	Member of the Board of Directors
8.	Molskiy Aleksey Valerevich	Deputy Director General for Investments, Capital Construction and Implementation of Services of PJSC Rosseti	Member of the Board of Directors
9.	Polinov Aleksey Aleksandrovich	Principal Counsellor of the General Director of PJSC Rosseti	Member of the Board of Directors
10.	Ebzeev Boris Borisovich	Chairman of the Management Board, General Director of PJSC Rosseti South, Chairman of the Management Board, Chief Executive Officer of PJSC Rosseti Kuban (holding more than one office)	Member of the Board of Directors
11.	Yavorskiy Viktor Korneevich	Member of the Presidium of the Board of "OPORA RUSSIA"	Member of the Board of Directors

Table 4 – Composition of Management Board of the Company (as of December 31, 2021):

No	Full name	Principal place of employment and official capacity	Status in the Management of PJSC Rosseti Kuban
1.	Ebzeev Boris Borisovich	Chairman of the Management Board, General Director of PJSC Rosseti South, Chairman of the Management Board, Chief Executive Officer of PJSC Rosseti Kuban (holding more than one office)	Chairman of the Management Board
2.	Armaganyan Edgar Garrievich	First Deputy Chief Executive Officer— Director of Sochi Electrical Networks Branch of PJSC Rosseti Kuban	Deputy Chairman of the Management Board
3.	Dzhabrailova Yulianna Khasanovna	Deputy Chief Executive Officer— Chief of the Apparatus of PJSC Rosseti South, Chief of the Apparatus of PJSC Rosseti Kuban (holding more than one office)	Member of the Management Board
4.	Iordanidi Kirill Aleksandrovich	Deputy Chief Executive Officer for Economics and Finance of PJSC Rosseti South, Deputy Chief Executive Officer for Economics and Finance of PJSC Rosseti Kuban (holding more than one office)	Member of the Management Board
5.	Korzhanevskiy Viktor Anatolevich	Deputy Chief Executive Officer for Investment Operations of PJSC Rosseti Kuban	Member of the Management Board
6.	Loskutova Lyudmila Vladimirovna	Chief Accountant - Head of the Accounting and Tax Accounting Department of PJSC Rosseti Kuban	Member of the Management Board
7.	Mishanin Aleksey Aleksandrovich	Deputy Chief Executive Officer for Technical Issues – Chief Engineer of PJSC Rosseti Kuban	Member of the Management Board
8.	Nishchuk Oleg Fedorovich	Deputy Chief Executive Officer of Implementation Services of PJSC Rosseti Kuban	Member of the Management Board

The Auditing Committee of the Company is the supervisory authority for financial and operational activities of the Company.

Table 5 – Composition of the Company's Audit Committee (as of December 31, 2021):

No	Full name	Principal place of employment and official capacity	Status in the Audit Committee
1.	Kovaleva Svetlana Nikolaevna	Chairman of the Committee - Internal Audit Director - Head of Internal Audit Department of PJSC Rosseti	Chairman of the Audit Committee
2.	Rogachev Kirill Evgenevich	Chief Expert of Operational Audit Department of Internal Audit Department of PJSC Rosseti	Member of the Audit Committee
3.	Trishina Svetlana Mikhailovna	Secretary of the Committee - Deputy Head of Internal Audit Department - Head of Corporate Audit and Control of Subsidiary Companies Office of Internal Audit Department of PJSC Rosseti	Member of the Audit Committee
4.	Pyatakova Olga Gennadevna	Chief Expert of Operational Audit Department of Internal Audit Department of PJSC Rosseti	Member of the Audit Committee
5.	Tsarkov Viktor Vladimirovich	First Deputy Head of Internal Audit Department of PJSC Rosseti	Member of the Audit Committee

Table 6 – The Main Subsidiaries and Affiliates

Name of the subsidiary	Participatory interest (%)	Registered office	Line of business
1	2	3	4
Joint-Stock Company Energetik Holiday Facility	100	353490, Krasnodar Region, Gelendzhik, Divnomorskoye village, 4 Pionerskaya Str.	Organization of recreation and recovery of children and adults, primarily employees of PJSC Kubanenergo and their families; organization and conduct of seminars and conferences
Joint-Stock Company Kuban Energoservis	100	350080, Krasnodar Region, Krasnodar, 47 Novorossiyskaya Str.	Design, installation and adjustment of power, gas and process equipment metering units, hot and cold water supply

## 2. FUNDAMENTAL PRINCIPLES OF ACCOUNTING POLICIES

PJSC Rosseti Kuban keeps accounting records in accordance with the requirements for Russian Accounting Standards and Federal Law of December 6, 2011 No. 402-FZ “On Accounting” and also in accordance with Corporate Standard of PJSC Rosseti “*Uniform Corporate Accounting Principles for accounting purposes*”.

Data from Accounting Statements are presented in thousands Russian Rubles (if not otherwise mentioned).

### 2.1. Assets and liabilities in foreign currencies

The Company does not have assets and liabilities denominated in foreign currency at the beginning and the end of the reporting period.

### 2.2. Expenses for research, development and technological works (R&D)

Accounting of expenses for research, development and technological works is incurred in accordance with Accounting Regulation 17/02, approved by Order of the Ministry of Finance of the Russian Federation No. 115n of November 19, 2002 and subsequent changes. Writing off the expenses for each facility of R&D is made using the straight-line method.

### 2.3. Intangible assets

Accounting for intangible assets is kept by the Company in accordance with the Accounting Regulation 14/2007 “Intangible asset accounting”, approved by Order of the Ministry of Finance of the Russian Federation No. 153n of December 27, 2007.

Straight-line method is used for the amortization of the cost of the intangible assets with definite useful lives.

### 2.4. Fixed assets and construction in progress

Accounting for fixed assets is kept by the Company in accordance with the Accounting Regulation 6/01 “*Accounting for fixed assets*”, approved by Order of the Ministry of Finance of the Russian Federation No. 26n of March 30, 2001 and Accounting Guidelines on fixed assets, approved by Order of the Ministry of Finance of the Russian Federation No. 91n of October 13, 2003.

Accounting for construction in progress is kept by the Company in accordance with the Regulation of Accounting and Reporting in the Russian Federation, approved by Order of the Ministry of Finance of the Russian Federation No. 34n of July 29, 1998 and in accordance with the Accounting Regulation of long-term investments (letter of the Russian Ministry of Finance No. 160 of December 30, 1993), if not at variance with subsequent regulatory legal acts on accounting.

Items of fixed assets are accepted for recording at original cost, determined according to the method of receipt-purchase for a fee, implementation by own efforts, construction, receiving without compensation and so on.

Costs on borrowings and loans related to investment asset formation (items of fixed assets, asset groups and other similar assets demanding much time and purchasing costs and (or) construction) are included in the cost of the depreciable asset.

Amortization of the items of fixed assets is calculated using the straight-line method on the basis of their useful lives.

Useful life is regulated by the Committee of the Company on receipt of fixed assets in accordance with the final report of the technical employees taking into consideration the information specified in technical documentation of the construction site.

Item of fixed assets	Useful life, years
<i>Material-working machinery and equipment</i>	
Power transformer	30
Shunt reactor	30
Current limiting reactor	30
Cell of gas-insulated switchgear	30
Cell of the complete distribution device	25
Current transformer (CT)	30
Voltage transformer (VT)	30
Switch	30
Disconnecter, isolating switch and short-circuiting device	30
<i>Constructions and transfer mechanisms (transmission lines)</i>	
Overhead transmission lines (OTL)	35
Cable transmission lines	30
Overhead and cable transmission lines	30

Fully amortizing (depreciated) fixed assets are not measured at amortized cost.

The result due to retirement, write-off and donation of fixed asset is reflected in the Statement of financial results and as a part of other revenues and expenses.

Fixed asset value has not changed, except for further construction, modernization and reconstruction of fixed assets. Expenses for reconstruction of fixed assets are reflected on the balance sheet of the reporting period to which the expenses relate.

Accounting for the property acquired under leasing is carried out in accordance with the Federal Law No. 164-FZ of October 29, 1998 “*On financial lease (leasing)*”.

## 2.5. Inventories

Inventory accounting is kept by the Company in accordance with the Federal Accounting Standards 5/2019 “*Inventories*”, approved by Order of the Ministry of Finance of the Russian Federation No. 180n of November 15, 2019.

Inventories are those assets which are consumed or sold during the operating cycle of the company or used for a period of not more than 12 months.

Inventories are recognized in the accounting while simultaneously complying with the following conditions:

- costs incurred due to the acquisition or creation of inventories will ensure that future economic benefits of the organization will be produced;
- the amount of costs incurred due to the acquisition or creation of inventories, or the equivalent, has been determined.

Inventories include:

- raw materials, fuel, spare parts, complementary parts intended for use during work performance, rendering services;
- tools, inventories, special clothes, dedicated tooling, package and other similar objects used in the performance of work, provision of services, except for these objects are considered as fixed assets for accounting purposes.

The average estimate of the actual cost of inventories issued or written off for other purposes is made by determining the actual cost of inventories at the time of issue (rolling valuation).

The Company creates the reserves for impairment of inventories in relation to all Company’s inventories for which there are signs of obsolescence of reserves, loss of their initial qualities, and their market value reduction.

## 2.6. Deferred expenses

The principled approach established in the Company is to recognize incurred expense in the balance sheet and accounting as a part of deferred expense and its equating to the asset. This approach is based on the fact that the future economic benefits (temporary benefits) related to the asset and appraisal of the asset value is probable.

The Company has established that the balance of deferred expenses is recorded in the lines “Other non-current assets” and “Other current assets”.

For this purpose the distribution between section I and section II of the balance sheet occurs on the basis of repayment period of the relevant expenses, i.e. the expenses where the repayment period is more than 12 months are to be recorded in the section I of the balance sheet and the other expenses are to be recorded in the section II.

## 2.7. Financial investments

Accounting for financial investments is kept by the Company in accordance with the Accounting Regulation 19/02 “*Accounting for financial investments*”, approved by Order of the Ministry of Finance of the Russian Federation No. 126n of December 10, 2002.

Contributions to charter capitals of other organizations are recognized by the financial investments of the organization and recorded in accounting in the amount of actual expenses of the investor, i.e. according to the cost of assets entered against contribution in which the assets were recorded on the balance sheet.

Financial investments in which the current market value is not determined are subject to reflection in accounting and accounting statements at original cost as of reporting date (Clause 21, Accounting Regulation 19/02).

Financial investments in which the current market value is determined are subject to reflection in the accounting statements at the current market value at the end of the reporting period by means of adjustment of evaluation of investments for the previous reporting date (Clause 20, Accounting Regulation 19/02).

Debt securities are reflected at historical cost. Difference between nominal value of acquisition and nominal value of the securities is to be included in other revenues and expenses.

## 2.8. Borrowings and loans

Accounting for borrowings and loans is kept by the Company in accordance with the Accounting Regulation 15/2008 “*Accounting for borrowings and loans*”, approved by Order of the Ministry of Finance of the Russian Federation No. 107n of October 6, 2008.

## 2.9. Estimated liabilities

Accounting for estimated liabilities is kept by the Company in accordance with the Accounting Regulation 8/2010 “*Estimated liabilities, contingent liabilities and contingent assets*”, approved by Order of the Ministry of Finance of the Russian Federation No. 167n of December 13, 2010.

## 2.10. Deferred taxes

Accounting for deferred taxes is kept by the Company in accordance with the Accounting Regulation 18/02 “*Accounting for corporate income tax*”, approved by Order of the Ministry of Finance of the Russian Federation No. 114n of November 19, 2002.

The amounts of deferred tax asset and liability are to be reflected in expanded form on the balance sheet during the preparation of the accounting statements.

## 2.11. Revenue and other income

Accounting for revenue and other income is kept by the Company in accordance with the Accounting Regulation 9/99 “*Organization's income*”, approved by Order of the Ministry of Finance of the Russian Federation No. 32n of May 6, 1999.

Revenue is recognized in accounting of the Company, provided that the following conditions are met:

- 1) The organization has the right to receive revenue under the specific contract or it should be confirmed by other appropriate means;
- 2) The amount of revenue is to be defined;
- 3) There is confidence that there will be increase in economic benefits of the organization as a result of the concrete operation. There is confidence that there will be increase in economic benefits of the organization as a result of the concrete operation when the organization receives an asset in payment or there is no uncertainty about receipt of an asset;
- 4) If the ownership (possession, use and control) of production (goods) was transferred from the organization to the buyer or the work was accepted by the client (the service was provided);
- 5) Expenses that were incurred or will be incurred due to this operation may be identified.

Receipts related to the equity interest in other organizations; receipts from sale of fixed assets and other assets; fines, penalties and forfeitures for the breach of contract terms and conditions; receiving of assets without compensation; profit for past years; amounts of accounts payable for which the statute of limitations has expired; exchange differences and other income are the other income of the Company in accordance with the Clause 7, Accounting Regulation 9/99.

Other revenues are recorded in the statement of financial results less the expenses related to these revenues, in case that:

- corresponding rules of accounting require and do not prohibit such recognition of revenues;
- revenues and expenses related to them, as a result of one and the same or similar business activity (such as assignment for temporary use (temporary possession and use) of own assets) are not essential for financial characteristics of the Company.

## 2.12. Cost of goods sold, production, works, services, selling costs, administrative expenses and other expenses

Accounting for expenses is kept by the Company in accordance with the Accounting Regulation 10/99 “*Organization's expenses*”, approved by Order of the Ministry of Finance of the Russian Federation No. 33n of May 6, 1999. General business expenses are fully recognized in the cost of goods sold and services in the reporting period and distribution by types of activities is carried out in proportion to the revenue.

Administrative expenses are recorded in the account 26 “*General business expenses*” showing individual cost centers and nomenclature. Administrative expenses are recorded in the statement of financial results in the line “*Administrative expenses*”.

## 2.13. Government assistance

Accounting for funds received under government assistance is kept by the Company in accordance with the Accounting Regulation 13/2000 “*Accounting for government assistance*”, approved by Order of the Ministry of Finance of the Russian Federation No. 92n of December 16, 2000.

## 2.14. Associates and affiliates

Information on associates and affiliates is disclosed by the Company in accordance with the Accounting Regulation 11/2008 “*Information on Associates and Affiliates*” approved by Order of the Ministry of Finance of the Russian Federation No. 48n of April 29, 2008.

## 2.15. Information on segments

Information on segments is disclosed by the Company in accordance with the Accounting Regulation 12/2010 “*Information on segments*”, approved by Order of the Ministry of Finance of the Russian Federation No. 143n of November 8, 2010.

## 2.16. Cash flow information

Cash flow information is disclosed by the Company in accordance with the Accounting Regulation 23/2011 “*Statement of cash flows*”, approved by Order of the Ministry of Finance of the Russian Federation No. 11n of February 2, 2011.

## 3. CHANGES IN ACCOUNTING POLICIES IN 2021

In 2021, some amendments were introduced to the Accounting Policies by the Company due to the entry into force of the new RAS 5/2019 “*Inventories*” on January 1, 2021, while the Company, in accordance with item 47 of this standard, chose a promising way to apply the change the Accounting Policies. Since the Company has chosen a perspective way of applying the change in accounting policy, the above-described changes did not affect the comparable data given in the accounting (financial) statements for 2021.

## 4. CHANGES IN ACCOUNTING POLICIES IN 2022

The accounting policy for 2022 is amended related to the regulatory changes of accounting, that are required for application in 2022:

- FAS 6/2020 “*Fixed assets*”, approved by Order of the Ministry of Finance of the Russian Federation No. 204n of September 17, 2020;
- FAS 26/2020 “*Capital investments*”, approved by Order of the Ministry of Finance of the Russian Federation No. 204n of September 17, 2020;
- FAS 25/2018 “*Lease accounting*”, approved by Order of the Ministry of Finance of the Russian Federation No. 208n of October 16, 2018;
- FAS 27/2021 “*Documents and document management system in accounting*”, approved by Order of the Ministry of Finance of the Russian Federation No. 62n of April 16, 2021.

The Company expects that changes in accounting policy due to changes in these standards will have a significant impact on the financial position of the Company, financial results of its operations and cash flow; the Company has not completed the calculation and assessment of the impact of these standards as of the date of signing of these statements.

## 5. INFORMATION DISCLOSURE ON SPECIFIC INDICATIONS OF ACCOUNTING STATEMENTS FOR 2021

### 5.1. Fixed assets

Real estate assets accepted for operation and in use undergoing the state registration are recorded in the account 01.06 “*Real estate assets the ownership of which is not registered*”. As of December 31, 2021 the original value of the real estate assets accepted for operation and in use undergoing the state registration amounted to 3,339,062 thousand rubles.

Fixed assets under the agreements providing for fulfilment of obligations by non-monetary assets were missing for the period from January 1 to December 31, 2021.

Information on fixed asset groups, change in value and usage are specified in Appendices 5.3.1; 5.3.3; 5.3.4

#### 5.1.1. Capital investments in progress

Amount of advances and advance payment of services related to the construction and purchase of fixed assets without VAT; raw materials intended to be used for the purpose of creation of fixed assets are recorded on the balance sheet of the Company as capital investments in-progress. As of December 31, 2021 the amount of advances and advance payment of services related to the construction and purchase of fixed assets amounted to 637,506 thousand rubles, VAT from advances and advance payment of services related to the construction and purchase of fixed assets is recorded in the line 1260 “*Other current assets*” in the amount of 125,914 thousand rubles. As of December 31, 2021 the amount of raw materials intended to be used for the purpose of creation of fixed assets amounted to 1,430,590 thousand rubles.

Total cost on borrowings and loans included in the cost of investment assets (paragraph 3,4 item 17 of RAS 15/2008) is disclosed in Appendix 5.6.8.

Information on the presence and flow of construction in progress assets is disclosed in Appendix 5.3.5.

### 5.1.2. Fixed assets received for lease

There are no fixed assets received for lease in the current reporting period. In the coming period lease payments are not planned.

### 5.2. Other non-current and current assets

As of December 31, 2021, deferred expenses amounted to 239,377 thousand rubles depending of the date of write-off, fixed as of the date of acceptance for recording. These expenses are recorded on the balance sheet:

1) Non-exclusive rights for computer software:

- Useful life more than 12 months (line 1190) amounted to 120,545 thousand rubles;
- Useful life during 12 months (line 1260) amounted to 102,041 thousand rubles

2) Other:

- Useful life more than 12 months (line 1190) amounted to 12,613 thousand rubles;
- Useful life during 12 months (line 1260) amounted to 4,178 thousand rubles.

The amount of VAT from advances received amounted to 700,138 thousand rubles is recorded in the line 1260 as a part other current assets.

### 5.3. Financial investments

The analysis of financial investments of PJSC Rosseti Kuban for the presence of impairment indicators was conducted as of December 31, 2021. As a result of reserve for decrease in financial investments was restored in the amount of 100 thousand rubles and accrued in the amount of 8,261 thousand rubles. Information on the presence and flow of financial investments is disclosed in Appendices 5.4.1 and 5.4.2

### 5.4. Government assistance

In 2021, the decision was made by the Territorial authorities of Social Insurance Fund of the Russian Federation (SIF RF) concerning the funding for preventive measures to reduce occupational injuries.

Information is disclosed in Appendix 5.9.

### 5.5. Equity and reserves

At the beginning of 2021 the charter capital of the Company amounted to 33,465,783 700 rubles and consist of 334,657,837 ordinary shares at par value of 100 (one hundred) rubles per share.

On April 1, 2021, the Bank of Russia made an official registration of this additional issue and securities prospectus of PJSC Rosseti Kuban. State registration number 1-02-00063-A was given to the additional issue of securities.

Additional shares of the Company are placed within one year from the date of state registration of additional issue up to April 1, 2022.

The maximum amount of placement of additional shares of this issue is 69,583,132 at nominal value of 100 (one hundred) rubles per share for a total amount of 6,958,313 thousand rubles.

As of December 31, 2021, 7,167,844 of additional shares is placed and paid.

The placement of additional shares at the end of the reporting year has not been completed, state registration of changes to the Company's Articles of Association has not been made. The amount of authorized capital as of December 31, 2021 has not changed and amounted to 33,465,783,700 rubles.

Preferred shares did not issued by the Company.

Additional capital of the Company is formed as a result of paid-in capital in excess of par.

The company creates the capital reserve intended for loss coverage. These losses are not specifically defined but may occur in economic turnover. The capital reserve is created out of net profits of the Company.

### 5.6. Accounts receivable

Information on the presence and flow of accounts receivable for the reporting period is disclosed in the Table 5.1. Notes to the balance sheet and statement of financial results are represented in a tabular format. Accounts receivable that is arisen and paid off in the one reporting period is not included in the turnover.

Advances, advance payments paid by the Company in connection with the acquisition, creation of inventories as of December 31, 2021, taking into account the reserve on doubtful debts amounted to 19,303 thousand rubles.

Table 7 – Settlements with the budget

(thousands of RUB)

Indication	Debt as of December 31, 2020		Accrued for 2021	Paid for 2021	Debt as of December 31, 2021	
	Debit	Credit			Debit	Credit
VAT	–	541 998	2 972 497	2 978 406	–	536 089
Property tax	20	162 374	606 301	609 812	533	159 376
Income tax	302 279	–	1 097 611	1 047 266	251 934	–
Land charge	28 601	1 164	4 307	-22 725	1 277	872
Personal income tax	2	63 439	775 758	779 031	29	60 193
Transport tax	–	2 081	8 580	8 751	–	1 910
Other taxes and dues	–	2	1	-2	–	5
<b>Total taxes</b>	<b>330 902</b>	<b>771 058</b>	<b>5 465 055</b>	<b>5 400 539</b>	<b>253 773</b>	<b>758 445</b>
Tax Penalties	5 600	–	-14 177	-19 776	1	–
Fines	19 452	–	-45 247	-48 747	15 952	–
<b>Total</b>	<b>355 954</b>	<b>771 058</b>	<b>5 405 631</b>	<b>5 332 016</b>	<b>269 726</b>	<b>758 445</b>

The amount of accounts receivable for taxes and dues is decreased for 86,228 thousand rubles in 2021.

There was a considerable decrease in accounts receivable related to the corporate tax in the amount of 50,345 thousand rubles. Accounts receivable for income tax in the amount of 251,934 thousand rubles arose due to the fact that advance payments (paid in 2021) had exceeded the amount of income tax, calculated for year results.

The accounts receivable on land value tax is decreased for 27,324 thousand rubles are mainly relate to the recovery of the excessively recovered sum of land tax from the budget implemented by tax authority in 2021 when the judicial decision in favour of the Company has come into force on December 24, 2020, partially canceled the results of on-site tax inspection regarding the on land value tax for 2011-2012.

The decrease of accounts receivable on fines in the amount of 3,500 thousand roubles, penalties in the amount of 5,599 thousand rubles are mainly relate to the recovery from budget of the excessively recovered tax sanctions on land tax in 2021 in accordance with the judicial decision in favour of the Company that has come into force.

Table 8 – Settlements for insurance contributions

(thousands of RUB)

Indication	Debt as of December 31, 2020		Accrued for 2021	Paid for 2021	Debt as of December 31, 2021	
	Debit	Credit			Debit	Credit
<b>Insurance contributions – total</b>	<b>22 436</b>	<b>135 442</b>	<b>1 772 938</b>	<b>1 734 420</b>	<b>6 183</b>	<b>157 707</b>
<b>including:</b>						
Pension contribution	6	105 235	1 284 996	1 274 990	15	115 250
Compulsory health insurance	–	28 153	307 027	305 812	–	29 368
Social insurance	22 430	2 054	180 915	153 618	6 168	13 089
<b>Penalties – total</b>	<b>–</b>	<b>–</b>	<b>1</b>	<b>1</b>	<b>–</b>	<b>–</b>
<b>Fines – total</b>	<b>94</b>	<b>–</b>	<b>87</b>	<b>121</b>	<b>128</b>	<b>–</b>
<b>Total</b>	<b>22 530</b>	<b>135 442</b>	<b>1 773 026</b>	<b>1 734 542</b>	<b>6 311</b>	<b>157 707</b>

Accounts receivable related to the insurance contributions decreased by 16 219 thousand rubles in 2021. The decrease was mainly driven by decreasing in accounts receivable in respect of contributions to the Social Insurance Fund owing to the recovery of social insurance expenses made by the insurer for the period of 2021 from the Social Insurance Fund.

Table 9 – Allocation of taxes, penalties and fines according to the levels of budget

(thousands of RUB)

Indication	Debt as of December 31, 2020		Accrued for 2021	Paid for 2021	Debt as of December 31, 2021	
	Debit	Credit			Debit	Credit
<b>Taxes – total</b>	<b>330 902</b>	<b>771 058</b>	<b>5 465 055</b>	<b>5 400 539</b>	<b>253 773</b>	<b>758 445</b>
Federal budget	79 163	605 439	3 918 988	3 886 764	37 785	596 285
Regional tax, national tax	223 138	164 455	1 541 760	1 536 500	214 711	161 288
Local tax	28 601	1 164	4 307	-22 725	1 277	872
<b>Penalties – total</b>	<b>5 600</b>	<b>–</b>	<b>-14 177</b>	<b>-19 776</b>	<b>1</b>	<b>–</b>
Federal budget	1	–	-1 821	-1 821	1	–
Regional tax, national tax	–	–	-12 356	-12 356	–	–
Local tax	5 599	–	–	-5 599	–	–
<b>Fines – total</b>	<b>19 452</b>	<b>–</b>	<b>-45 247</b>	<b>-48 747</b>	<b>15 952</b>	<b>–</b>
Federal budget	9 688	–	-22 396	-21 095	10 989	–
Regional tax, national tax	3 202	–	-22 862	-21 119	4 945	–
Local tax	6 562	–	11	-6 533	18	–
<b>Total</b>	<b>355 954</b>	<b>771 058</b>	<b>5 405 631</b>	<b>5 332 016</b>	<b>269 726</b>	<b>758 445</b>

Accounts receivable of buyers and clients, other accounts receivable are disclosed in Appendices 5.6.1-5.6.3.

## 5.7. Accounts payable, loans and borrowings

Information on the presence and flow of accounts payable for the reporting period is disclosed in the Table 5.3. Notes to the balance sheet and statement of financial results are represented in a tabular format. Accounts payable that is arisen and paid off in the one reporting period is not included in the turnover.

The amount of accounts payable for tax payments decreased by 12,613 thousand rubles that was mainly driven by reducing the assessment of VAT and personal income tax.

Accounts payable on value added tax decreased by 5,909 thousand rubles, including due to a decrease in VAT accrual for the 4th quarter of 2021.

In 2021, accounts payable on insurance contributions increased by 22,265 thousand rubles, including pension fund contributions – by 10,015 thousand rubles, contributions to the statutory social insurance fund - by 11,035 thousand rubles. This change is associated with an increase in the taxable base in 2021.

**Table 10 – Amounts and repayment periods of borrowings and loans of PJSC Rosseti Kuban as of December 31, 2021**

(thousands of RUB)

Name of the bank	No. of loan agreement	The amount of the actual debt	Interest debt	Repayment period
PJSC Rosseti	5736	0	17 898	Less than 1 month
PJSC Rosseti	5781	4 200 000	8 063	Amount of principal debt – less than 12 months, for percent – less than 3 months
LLC FGC – asset management *	6-3	600 000	0	Less than 6 months
JSC SMP Bank	No. 08-03-2021/OB	0	5	Less than 1 month
PAO Sberbank	5400/449	0	1 284	Less than 1 month
PAO Sberbank	5400/634	0	3 304	Less than 1 month
PAO Sberbank	5400/635	0	3 239	Less than 1 month
JSC Raiffeisen bank	No. 44895-KRD	0	399	Less than 1 month
<b>Total line 1510</b>	<b>–</b>	<b>4 800 000</b>	<b>34 192</b>	<b>–</b>
PJSC Sberbank	5400/449	777 178	0	Above 1.5 years
PJSC Sberbank	5400/634	2 000 000	0	Above 1.5 years
PJSC Sberbank	5400/635	1 960 593	0	Above 1.5 years
Bank GPB (JSC)	No. 0719-030-0000-K	1 000 000	0,00	Above 2 years
Bank GPB (JSC)	No. 0719-031-0000-K	730 968	0,00	Above 2 years
Bank GPB (JSC)	No. 0719-120-0000-K	648 886	0,00	Above 2 years
Bank GPB (JSC)	No. 0719-048-0000-TC	1 356 190	0,00	Above 1.5 years
Bank GPB (JSC)	No. 0719-049-0000-TC	1 575 000	0,00	Above 1.5 years
Bank GPB (JSC)	No. 0719-050-0000-TC	1 187 500	0,00	Above 1.5 years
PJSC PS Bank (Promsvyazbank)	No. 0089-20-3-15	1 900 000	0,00	Above 2 years
JSC Raiffeisen bank	No. 44895-KRD	1 500 000	0,00	Above 1 year
PJSC Rosseti***	5736	1 400 000		Above 3 years
<b>Total line 1410</b>	<b>–</b>	<b>16 036 315</b>	<b>0,00</b>	<b>–</b>

\* The legal entity (person) is a member of the same group of persons to which the Company belongs

\*\*\* The Company is entitled to manage more than 50% of total votes, attached to the shares that constitute the charter capital, the interest of this legal entity

Interest rates for debt portfolio of the Company have been formed in the range of 7,07% to 10,05% per annum as of December 31, 2021.

According to the results of the analysis of the statements of PJSC Rosseti Kuban for 2021, the Company recorded a violation of financial indicators under a loan agreement No. 5781 as of June 30, 2020 concluded with PJSC Rosseti. Due to the objective reasons for exceeding the indicators established by the loan agreement, as well as in accordance with the letter of PJSC Rosseti, the lender does not have intentions to request the acceleration of loan repayment prior to the scheduled date.

According to the results of the analysis of the statements of PJSC Rosseti Kuban for 2021, the creditor of the Company -PJSC Sberbank - recorded a violation of the condition for maintaining net credit turnover for the 3rd quarter of 2021 under the General Agreements No. 5400/449 as of July 9, 2018, No. 5400/634 and 5400/635 as of November 18, 2019. In accordance with the letter of PJSC Sberbank, the bank confirmed the lack of intention to use the right to request early repayment of debt amounts until the end of the issued tranches (up to July 21, 2023).

Information is disclosed in Appendices 5.6.5-5.6.8.

### 5.7.1. Securing obligations

As of December 31, 2021, the amount of bank guarantees received to insure the fulfilment of obligations under the contractor agreements/supply and repayment (return of advances) amounted to 1,777,286 thousand rubles on the off-balance sheet item 008 “Fulfilment of obligations and payments received” (Appendix 5.8.)

### 5.7.2. Information on opportunities of the Company to raise additional cash as of reporting date

**Table 11 – Unused credit facilities by the Company**

(thousands of RUB)

Creditor bank	Name and date of the contract	Amount of unutilized limit	Termination date of drawdown
PAO Sberbank	No. 5400/380 of September 29, 2017	3 000 000	September 23, 2022
PAO Sberbank	No. 5400/449 of July 9, 2018	1 222 822	July 8, 2023
PAO Sberbank	No.5400/635 of November 18, 2019	39 407	November 16, 2024
PAO Sberbank	No. 5400/695 of September 17, 2020	1 500 000	September 16, 2025
PAO Sberbank	No. 5400/696 of September 17, 2020	2 000 000	September 16, 2025
VTB Bank (PJSC)	No. KC-30750/0007/B-20 of August 20, 2020	1 425 000	July 20, 2025
VTB Bank (PJSC)	No. KC-30750/0008/B-20 of August 20, 2020	1 575 000	July 20, 2025
VTB Bank (PJSC)	No. KC-30750/0009/B-20 of August 20, 2020	1 575 000	July 20, 2025
VTB Bank (PJSC)	No. KC-30750/0013/B-20 of August 31, 2020	1 500 000	July 31, 2025
VTB Bank (PJSC)	No. KC-30750/0010/B-20 of August 31, 2020	1 575 000	July 31, 2025
VTB Bank (PJSC)	No. KC-30750/0014/B-20 of August 31, 2020	1 575 000	July 31, 2025
VTB Bank (PJSC)	No. KC-30750/0012/B-20 of August 31, 2020	1 850 000	July 31, 2025
VTB Bank (PJSC)	No. KC-30750/0011/B-20 of August 31, 2020	2 000 000	July 31, 2025
Bank "RRDB"( JSC)	No. 355ю of November 6, 2018	1 261 000	May 5, 2023
Bank "RRDB"( JSC)	No. 356ю of November 6, 2018	1 261 000	May 5, 2023
Bank "RRDB"( JSC)	No. 357ю of November 6, 2018	1 261 000	May 5, 2023
Bank "RRDB"( JSC)	No. 369ю of December 11, 2019	1 000 000	June 6, 2024
Bank "RRDB"( JSC)	No. 374ю of April 29, 2020	1 000 000	April 29, 2025
Bank "RRDB"( JSC)	No. 375ю of April 29, 2020	1 500 000	April 29, 2025
Bank "RRDB"( JSC)	No. 376ю of April 29, 2020	2 000 000	April 29, 2025

Creditor bank	Name and date of the contract	Amount of unutilized limit	Termination date of drawdown
Bank "RRDB"( JSC)	No. 379ю of August 25, 2020	1 575 000	February 25, 2025
Bank "RRDB"( JSC)	No. 397ю of December 29, 2021	1 200 000	December 29, 2028
Bank "RRDB"( JSC)	No. 398ю of December 29, 2021	2 000 000	December 29, 2026
Bank GPB (JSC)	No. 0719-031-0000-K of September 18, 2019	269 033	September 18, 2024
Bank GPB (JSC)	No. 0719-120-0000-K of November 20, 2019	2 351 115	November 15, 2024
Bank GPB (JSC)	No. 0720-048-0000-TC of September 30, 2020	143 810	September 16, 2025
JSC SMP Bank	No.08-22-2020/KJI of August 14, 2020	1 000 000	August 14, 2025
JSC SMP Bank	No. 08-03-2021/OB of February 1, 2021	500 000	February 1, 2024
AK Bars Bank (PJSC)	No. 6931/4/2021/0102 of February 26, 2021	500 000	February 26, 2024
AK Bars Bank (PJSC)	No. 6931/4/2021/0307 of February 26, 2021	500 000	February 26, 2024
PJSC Credit bank of Moscow	№ 0331/21 of July 14, 2021	1 500 000	July 14, 2026
JSC Bank of Russia	No. 00.19-5/01/138/21 of September 1, 2021	250 000	September 1, 2023

Available credit limits are opened up by the Company which makes it possible to refund borrowings subject to prompt repayment in 2021. As of December 31, 2021 the total amount of credit limit with termination of drawdown period in 2022-2025 amounted to 41,909,187 thousand rubles, including in the amount of 7,762,229 thousand rubles - in PAO Sberbank, in the amount of 14,058,000 thousand rubles - in Bank "RRDB" (JSC), in the amount of 2,763,958 thousand rubles – in Bank GPB (JSC), in the amount of 13,075,000 thousand rubles – in VTB Bank (PJSC), in the amount of 1,500,000 thousand rubles – in JSC SMP Bank, in the amount of 1,000,000 thousand rubles in AK Bars Bank (PJSC), in the amount of 1,500,000 thousand rubles in PJSC Credit bank of Moscow and in the amount of 250,000 thousand rubles – in JSC Bank of Russia.

As at December 31, 2021, free limits in the total amount of 1,300,000 thousand rubles under the loan agreements (concluded with PJSC Rosseti) are opened up.

### 5.8. Information on risks of business activity

Internal Control Policy and Risk Management Policy are approved by the Board of Directors of the Company (Minutes No. 233/2016 of March 18, 2016) and Risk Management Policy (Minutes of February 24, 2021 No. 420/2021), the main objective of which are to recognize and ensure the fulfilment of prevention measures intended to minimize the risks (control procedures) according to the deadlines, with the purpose of reducing the probability of financial and other losses that have an impact on achieving goals of the Company.

The risk management policy defines the general principles for the creation of the Risk Management (hereinafter referred to as the RM), its goals and objectives, general approaches to the organization, the distribution of responsibilities among the participants of the risk management and the nature of their interaction.

The development and functioning of the Risk Management is carried out on the basis of common principles, which are adopted and observed by the the governing bodies and employees of the Company at all levels of management:

- 1) operation of the Risk Management is a continuous, constantly operational process that affects all activities of the Company;
- 2) operation of the Risk Management contributes to the goals set out in the strategic and tactical planning documents;
- 3) Risk Management is an integral part of the decision-making process in the Company at all levels of administration. Risk Management contributes to informed decision-making, taking into consideration the analysis of all available information on probability and consequences of decisions and possible alternatives to decisions;
- 4) Risk Management contributes to achievement of the Company's goals, increase of productivity, health and safety support of the Company's employees, safety of the Company's activities, compliance with legal and regulatory requirements, environmental protection, improvement of service quality (client-oriented approach), efficiency of operations, management and reputation;;
- 5) Risk Management contributes to the optimal balance between risks and profitability for the Company as a whole taking into consideration the requirements of the legislation, provisions of internal documents and the Articles of Association of the Company, stipulates that when executing operations and deal-making associated with an increased risk of capital loss and investment, a reasonable risk score and compliance of the level of accepted risk with the established level of preferred risk should be taken into account;
- 6) uncertainty is an integral part of decisions made in the Company. Risk Management enables information on sources of uncertainty (risk factors) to be systematized and facilitated;
- 7) Risk Management functioning is based on a systematic approach that allows to ensure timely and qualitative identification, risk assessment and execution of control procedures formalized in internal documents of the Company. Systematic, regular, consistent management of all types of risks is carried out in all key areas of activity, at all levels of management of the Company;

- 8) Risk Management functioning is based solely on qualitative, timely, verified and confirmed information. Risk Management is based on information from sources such as historical data, experience, interested party feedback, observations, analyses, predictive data and expert assessments. However, decisions should take into consideration the limitations and assumptions of data sources or the modelling and risk assessment methods used and the possible subjectivity of the expert opinion on which the risk assessment is based;
- 9) governing bodies and managers of the Company ensure the dissemination of knowledge and skills in the field of risk management in the Company, contribute to the development of a corporate culture of compliance with the principles of risk management and decision-making taking into account the risks. Adequate and timely involvement of interested parties and, in particular, decision makers in the processes of risk management at all levels of management of the Company ensures the appropriate level of development of risk management and its compliance with the requirements of internal and external environment;
- 10) the risk owner is responsible for risk management within the prerogatives assigned his/her. Employees of the Company are responsible for compliance with the procedures, standards and measures for risk management established in the Company;
- 11) Risk Management is based on the principle of efficiency (productivity and cost-effectiveness) of risk management processes, namely, the need to achieve the established goals of the Company using the least amount of resources (economy) and (or) achieve the best result of the Company's activities using the established amount of resources (efficiency);
- 12) risk management processes affecting several areas of activity (business processes) or the activities of several structural divisions are based on collective decisions taken jointly on the basis of information available to various structural divisions, taking into consideration the opinions of all interested parties;
- 13) Risk management participants make all possible efforts and use possible resources to achieve the Company's goals, but risk management cannot guarantee full achievement of the Company's goals, as well as risk identification and absolute risk reduction;
- 14) Risk management operates in accordance with the conditions and factors of the external and internal environment;
- 15) risk management is a dynamic and responsive process;

- 16) The Company constantly monitors the operation of the risk management, as a result of which it develops measures aimed at improving and developing the risk management, the culture of compliance with the principles of risk management and decision-making taking into account the risks;
- 17) Risk Management of the Company complies with the principles set forth in the International Standard for Risk Management ISO 31000:2018 "Risk Management - Management," COSO concepts "Risk Management of the Organization: Integration with Strategy and Performance" and in methodological recommendations for state-owned companies/companies with public participation in the field of risk management.

The Company carries out collection and analysis of information characterizing the external and internal factors that have a negative impact on achieving goals of the Company every three months. The Company has developed and fulfills the measures in order to minimize the consequence of risk realization. These measures are focused on preventing the negative effects. At the same time political and economic factors have an impact on the activity of PJSC Rosseti Kuban. Because of these factors the Company can't guarantee that the measures intended to prevent the probability of negative effects will be able to remedy the situation, because these risk factors are out of the Company's control.

### **Industry risks**

*The risk of increased costs for electric power transmission services of other network organizations*

Under the conditions of limited tariff growth, the regional regulator accepts significant revenue growth for individual network organizations by reducing (or unchanged) revenue from some network organizations in favor of an increase in other network organizations.

The subjective approach of the regional regulator to the distribution of the network component among network organizations in the regions where it operates, the absence of revision of tariff decisions for individual network organizations during several regulatory periods, the inclusion of the investment component for individual network organizations, or as a result of enforcement of instructions of the Federal Antimonopoly Service of the Russian Federation (FAS Russia) and court decisions may lead to the realization of risk. The issuer assesses the risk as significant with a moderate level of consequences from implementation. To prevent and mitigate the consequences of realization those risks, the Issuer provides supporting materials to the Regulatory Authorities (Regional Energy Commission - Prices and Rates Department of the Krasnodar Region). These materials confirm the level of economically justified expenditures. Therefore, the Issuer maintains its position about necessity of breakthrough growth of expenditures of the Issuer, being the power provider for Krasnodar Region and the Republic of Adygeya.

*The risk of an increase in the price of electricity purchased with the purpose of compensation for losses.*

Free pricing in the wholesale energy market (capacity), where the purchase of electric energy (capacity) is carried out in order to compensate for the technological expenses (losses) for electric power during the electric power transmission through the networks is a factor for the realization of this risk. If the risk is realized, there may be a change in the value of net profit, the total volume of uncontrolled expenses, the debt load, cost value of servicing raised funds. The risk is assessed by the company as "moderate" with an average level of consequences from realization. In order to minimize this risk and mitigate the consequences of its implementation, the shortfall in revenue in excess of the weighted average uncontrolled price of the wholesale electricity and capacity market on actual basis in relation to the accepted in the tariff balance decisions is claimed by the regulator for compensation in the future period of regulation

#### **Risks associated with the political and economic situation in the country and region**

*Risks associated with adverse weather conditions which may lead to technological disturbances..*

The actual value for achieving the reliability indicator of electric power transmission services in indicative terms did not exceed the planned values. The risk is assessed as "moderate" with an average level of consequences from implementation. To identify the causes of major technological disturbances (accidents), accident investigations are organized in accordance with the requirements of the Decree of the Government of the Russian Federation of October 28, 2009 No. 846 "On Approval of the Rules for Investigating the Causes of Accidents in the Electric Power Industry " (as amended). Based on the results of investigations, emergency prevention measures are being developed in order to minimize the consequences of the realization of the risk and henceforth prevent the occurrence of similar cases and cover the above-mentioned factors.

Sudden changes of regional scale (ecological, political, demographic, social) are unlikely, but their emergence will certainly affect the Company's activities. Taking into consideration the sufficient level of development of the transport infrastructure of the region, the risks of termination of transport communication due to inaccessibility and farness are minimal.

According to the Company, the situation in the region will have a favorable effect on the Company's activities and there is no reason to expect that the current changes in the situation in the region will lead to non-fulfillment of the Company's liabilities.

#### **Financial risks**

##### *Inflation risk*

The current inflation level cannot have a significant effect on the financial status of the Company. According to the data of the Federal State Statistics Service, the rate of the inflation for 2021 in the Russian Federation amounted to 8.4 percent. According to the forecasts of the social and economic development of the Ministry of Economic Development of the Russian Federation for 2022-2024, the inflation forecast for 2022-2023 could rise to 5-6 percent under favourable conditions.

For minimization of financial risks, risks associated with inflation processes and affecting the financial results of activity, the Company is implementing the plan of measures aimed at the effective management of material resources, improving labour efficiency, implementing the company's procurement policy in repair and other operational activities, optimizing costs through the rational utilization of material and human resources. Measures are being taken to analyze financial risks, plan and evaluate the actual profitability of the work, determine profitability indicators indicating the level of profitability of the Company, normative values of financial coefficients characterizing solvency and liquidity, which makes it possible to promptly detect drawbacks in the Company's work and take measures for their elimination. In accordance with Decree of the Government of the Russian Federation of December 29, 2011 No. 1178 "On price formation in sphere of regulated prices (tariffs) in power industry" when regulating electricity tariffs inflation level should be taken into consideration (consumer price index), that was defined in the prognosis of social and economic development of the Russian Federation. Thus, the Company considers these risks as moderate.

##### *The risk of an increase in interest rates on credits and loans.*

The Company attracts short-term and long-term borrowings from the Russian financial market. Since Company operates in the Russian Federation, inflation growth in the Russian Federation is one of the factors of overall growth of interest rates. Significant increase in interest rates on loans and borrowings can lead to debt service increase. Nowadays the risk of rising interest rates on loans is estimated as "significant" (On December 17<sup>th</sup>, the Board of Directors of the Bank of Russia made a decision on increase in the interest rate up to 8.50 percent per annum). To manage this risk, the Company optimizes the debt portfolio structure and reduces its servicing costs. According to the results of 2021, the average debt portfolio rate of the Company amounted to 9.48 percent. Besides, the Company strains after use of loans and borrowings with the fixed interest rate.

The Company's supposed actions in the event of negative effect of interest rates change on one's activity: attraction of longer-term loans to avoid negative effect of interest rates short-term fluctuations and diversify funding sources, negotiation with creditor banks, sending letters on the possibility of reducing interest rates on loans.

## Legal risks

*The risk of performance of a judicial act (settlement of disputes) on debt collection for power transmission services not in favor of the Company*

The absence of documents conforming actual fulfillment of obligations on behalf of the Company, services and expenses incurred, including insufficient or poor quality of supporting materials, incoherence of activities of business units may lead to negative financial consequences for the Company when pronouncing judicial acts (settlement of disputes) on collection of debts for power transmission services not in favor of the Company, collection of court costs. Risk is assessed as "significant" with an average level of impact from realization

The Company participates in legal proceedings, the results of which may significantly affect the Company's financial and economic activities. The Company continuously monitors litigation practice, which allows this information to be used to achieve positive judicial decisions in its favor.

*Impossibility of timely land registration (on high interest objects).*

The Company's exposure to the risk of untimely land registration should be considered as "moderate". The risks of untimely land registration are minimal and do not significantly affect electric power transmission activities, however, land registration on a timely basis has a direct impact on the implementation of the investment program, the implementation of which have a direct impact on the reliability of electricity supply. The Company implements cooperation with government authorities of regional/republican/local significance, with rightholders of plots of land, as well as controlling the activities of contract organizations performing works on land registration.

In the event of change and/or presentation of claims, deliberate obstructiveness of registration of proprietary rights by the relevant agencies, incoherence of activities of the Company's employees, the Issuer will take the necessary measures to execute the relevant documentation.

*Engaging of employees in corrupt practices*

Violation and failure to comply with the requirements of the legislation of the Russian Federation, local regulatory legal acts and regulatory and administrative documents may lead to negative reputational consequences, as well as financial damage to the company. The Company uses best practices in assessing the risk of corruption - the zero tolerance policy of management to corruption and fraud, that is, if such a risk is identified, it is assessed as "critical" with a high level of consequences from implementation. This reflects a high level of corporate culture and the zero tolerance policy of management to corruption and fraud. The implementation of the Corruption Control Plan allows to form a negative attitude towards corruption behavior among the Company's management/employees.

*Deliberate illegal acts on behalf of both legal entities and individuals, as well as on behalf of employees of the Company, causing economic damage and threat to the good name*

The Company monitors changes in the legislation of the Russian Federation, and cooperation has been established with law enforcement agencies. Preventive maintenance is performed with employees of the Company. The risk is assessed as "moderate".

*Occupational risks of the Company*

The risk of occupational injuries is measured as critical with high level of consequences from implementation and smoothed by ensuring occupational safety by way of:

- issuing certified, high-quality protective equipment, detergents and disinfectants, serviceable tools, devices;
- control of their correct use;
- implementing and using technologies ensuring safe performance of works and safe working conditions;
- compliance with the requirements of regulatory legal acts on maintenance, in the field of labor protection, fire, industrial and environmental safety, including in the design, construction, upgrading and retooling;-
- control of execution/implementation of programs containing requirements for labor protection and aimed at prevention of injuries (programs for elimination of places most likely to cause injury, etc.);
- timely providing workplace training on labor protection with quality control of their understanding.

### Reputational risk

The risk that the Company incurs losses due to such factors as a reduction in the number of customers (counterparties) because of the formation of negative image of financial stability, the financial position of the issuer, the quality of the work, is considered as minimal. The Company continuously works on maintaining the reliable and uninterrupted power supply to consumers, improving higher quality of service and customer-focused improvement - achieving the goals defined by the Strategy for development of integrated power grid of the Russian Federation. The realization of these goals and objectives largely determines the Company's reputation.

The Company is a natural monopoly, there is an annual increase in the number of electricity consumers. In addition, the Company developed good practice for long-term cooperation with its partners.

### Strategy risk

The Company, being a part of the unified integrated distribution power grid of Russia, seeks to achieve the objectives defined at the national level. The Strategy for development of integrated power grid of the Russian Federation was approved by the Decree of the Government of the Russian Federation of April 3, 2013 No.511-p. Since the Company is a subsidiary of PJSC Rosseti, the largest Russian systemically important electric grid company, the Company is a participant in implementation of policies and programmes on activities (business processes) of PJSC Rosseti. The goal of this Strategy is to ensure reliable, high-quality and affordable energy supply to consumers by organizing the most efficient network infrastructure corresponding to the world standards.

To ensure the implementation of the tasks and achievement of the goals defined in the Development Strategy of PJSC Rosseti and its subsidiaries and affiliates until 2030, as well as the objectives of the integrated power grid at the Federal level, the Long-term Development Program of PJSC Rosseti and its subsidiaries and affiliates (Rosseti Group of Companies) is approved until 2030.

These documents define the main risks that the Company may face in implementing the strategy. The list of these risks includes:

- reduction in yield for electric power transmission;
- failure to adopt regulatory initiatives to improve pricing in the industry;
- implementation of large-scale network infrastructure projects that do not provide the necessary return level on invested capital;
- cyber-attacks against network infrastructure facilities.

Decisions on the launch of the specific strategy (programme) in the Company's activity is made by the Board of Directors.

The probability of the risk of losses arising from errors (defects) made in management decisions, defining the strategy and activities of the Company, is assessed as low.

Measures to prevent the occurrence of this risk are:

- elaboration of proposals and scenarios to improve the implementation of specific policies and programmes;

- analysis of effectiveness of particular strategy, adoption of managerial solutions by the results of analysis;

- development and implementation of key performance indicators to achieve policies, linking them with bonuses of managers of the Company;

- continuous monitoring by the structural units of the Issuer's the ratio of the cost of implementing a specific strategy to the received profit and submission to the Board of Directors of the Company of the information for decision-making (including, by definition, the quantity and quality of resources).

### Operational risks

*Risk of reduction of electric power transmission services to consumers connected to regional distribution networks*

Volume reduction of electrical energy consumption may be driven by the impact of such external factor as economic crises and the decline in output of goods, the construction by consumers of their own generation, weather anomalies, industrial accidents, man-made disasters, a pandemic and the observance of quarantine regime by both individuals and legal entities.

Internal risk factors include undersupply of energy due to supply interruptions. Potential influence of these factors may influence on reducing the volume of services for transmission of energy, and therefore, changing of revenue of the Company. At present, the risk is assessed as "moderate" with an average level of consequences from realization.

However, as forecasted, the energy system of the Republic of Adygea and the Krasnodar region, developed by the Grid Operator of Unified Energy System (GO UES) as part of the “Scheme and Program for the Development of Unified Energy System of Russia for 2021-2027” the demand on electric power and capacity will increase. The Company participates in the formation of the Scheme and Program for the Development of the Electric Power Industry of the Krasnodar region, on the basis of which the Company's investment program is formed, the purpose of which is to expand the potential market for services and increase the number of connected consumers. The Company monitors and forecasts electric consumption by voltage levels, by which the price (tariff) for electric energy transmission services is differentiated, and by categories of consumers, as well as monitoring physical parameters of electric energy and capacity balance, carrying out work to increase the accuracy and reliability of demand planning for electric energy and capacity. The current and forecast economic situation in the region and in the whole country is also monitored, preparatory work is underway for the proper functioning of energy equipment in the corresponding seasons of the year, maintenance and repair of energy facilities are carried out.

*Risk of non-fulfillment by counterparties of obligations to pay for power transmission services within the terms established by the agreement/contract and/or or partial implementation*

As a result of the risk of non-fulfillment by counterparties of obligations to pay for services, the Company's accounts receivable index is subject to the greatest influence in the Company's reporting due to the inability of counterparties to pay for services of the Company. The risk is due to the insufficient performance of mechanisms for increasing payment discipline in the market for the provision of electricity transmission services, the consumer's lack of incentive to timely payments for electric power transmission services. The economic slowdown in Russia may affect the expense growth for electric power transmission to the distribution grids of the Company that while maintaining the established tariffs, will lead to a reduction in profits. As a result of this, disputed and overdue receivables for power transmission services arise, which leads to a decrease in liquidity and financial stability of the Company. To reduce this risk, the Company carries out work on receivables management aimed at optimizing its level and repayment of debts. The Company estimates the risk as "moderate" with an average level of consequences from realization.

*Risk of changing network configuration and working system*

The change in the network working system, the presence of transit cross-flow with intersystem regions, the presence of emergency modes, the consolidation of electrical network property, as a result, the increase in load losses are the main factors in the realization of this risk. The consequences of realization of this risk may be exceeding the established level of power losses set out in the Company's business plan for the current year. The society estimates the risk as "moderate" with a low level of consequences from realization.

In order to prevent the realization of this risk, the Company monitors and predicts electric consumption by voltage levels, by which the price (tariff) for electric energy transmission services is differentiated, and by categories of consumers, as well as monitoring the physical parameters of the balance of power energy and capacity, and conducting work to increase the accuracy and reliability of planning demand for power energy and capacity. In addition, data on loss volumes and prices for electric energy used by guaranteeing suppliers in calculating the cost of loss of electric energy are monitored.

*Risk of natural technical failures in the protection systems of information and telecommunication systems of integrated power grid facilities*

The reasons for this risk may be the use of outmoded equipment, lack of technical support, the use of equipment after the expiry of the service life of the equipment. The realization of this risk may lead to a decrease in the security of the electric grid complex facilities, temporary simple work in information and telecommunication systems. The society estimates the risk as "moderate" with a low level of consequences from realization.

In order to prevent the realization of this risk, the Company provides technical support for information protection tools, periodically analyzes the working capacity of information security products, provides repair and/or replacement of equipment, and also monitors the provision of protection systems with guaranteed and reserve power supply.

*The risk of breakdown and (or) terminating the functioning of facilities of IT infrastructure and telecommunication systems of power grid facilities*

The leading sources of risk realization may be unlawful acts of third parties as a result of a computer attack, which may lead to infliction of material damage to the Company, damage to business reputation, as well as disconnection of electricity consumers. The company evaluates risk as "significant" with a high level of consequences if adopted.

Inclusion of security requirements in the technical assignment for the creation of information infrastructure facilities and telecommunication systems of power grid facilities.

Implementation of information security products at information infrastructure facilities in accordance with the technical specifications for their creation.

The Company monitors the actions of the Company's employees through information security systems, monitors and analyzes external events of IT security, applies certified information security products.

*Risk of undue influence on the facilities of the power grid facilities and their information and telecommunication systems (terrorist, sabotage, criminal and other), including using information technologies*

The attractiveness of the targets for terrorist groups (the facility, during the failure of which the restriction of power supply to large electricity consumers is introduced) and, as a result, the failure of the equipment, power outage at consumers for a long time is the main factor for the realization of the risk. The company evaluates risk as "significant" with a high level of consequences if adopted.

Work is underway in the Company:

- installation of engineering safeguard system, video surveillance system, diagnostics monitoring and control system, security alarm at electric power industry facilities;
- reconstruction of technical security equipment at the facilities of Fuel & Energy Complex in accordance with the Company's investment programme.
- organization of the physical security of the most important Fuel & Energy Complex facilities;
- inclusion of security requirements in the technical scope of work for the creation of information infrastructure facilities and telecommunication systems of power grid facilities;
- introduction of information security products at information infrastructure facilities in accordance with technical scope of work;
- monitoring the actions of the Company's employees through information security systems. External information security events are monitored and analyzed, certified information security products are used.

### **Investments risks**

Implementation of investment programme of the Company demands fund raising both owned and loaned, on conditions satisfying the requirements of tariff system.

The main of the investment risks is the risk of increasing the volume of financing of the investment program in general and/or in accordance with the Project Brief (in relation to the established limits), the untimely inclusion of projects in the investment program, the absence of a contractor, accessible equipment compliant with the necessary requirements for the implementation of innovation projects. At present, the current risks are assessed as moderate.

The sources of risk may be an increase in the cost of materials, equipment and work for objective reasons (financial crisis, inflation, foreign economic changes, natural disasters, etc.), the refusal of contractors to participate in procurement procedures for the implementation of an innovative project.

To minimize risk of untimely and incorrect implementation of investment programme, a set of measures are applied:

- inclusion in the investment program of only those projects for which there are applicant organizations that meet the necessary requirements for the implementation of innovative projects;
- timely submission of proposals during the formation and adjustment of the investment program;
- control of implementation of investment projects according to cost and terms.

### **5.9. Deferred taxes**

In order to recognize revenues and expenses when calculating the income tax, the Company applies accrual method of accounting. The company accounts and includes in the report deferred tax assets and obligations on income tax. Deferred tax assets and obligations are accounted for temporary differences that are incomes and expenditures, which form the profit (loss) in one reporting period and taxable base on income tax in other reporting periods.

Current income tax is tax for taxation purposes determined in accordance with the legislation of the Russian Federation on taxes and dues. The future (deferred) component of income tax expense is reflected in the Statement of Financial Results.

Current income tax is recognized as obligation to budget equal to the amount of tax payable to the budget for the reporting period.

Income tax expense (qualified income tax) is calculated by multiplying accounting income (loss) by income tax rate, established in accordance with the legislation of the Russian Federation on taxes and dues.

The Company determined the following components of income tax in 2021, thousands of RUB:

Table 12 – Income tax

(thousands of RUB)

Line item	Amount	Tax rate	Amount	Income tax component
Profit/(loss) before tax	2 698 754	20%	539 751	qualified income tax
Deferred income tax, including:	256 780	20%	51 356	
Change of taxable temporary difference	(1 730 442)	20%	(346 088)	Changes in deferred tax liabilities
including:				including:
- differences appeared	(2 275 726)	20%	(455 145)	accrued deferred tax liabilities
- differences are repaid	545 284	20%	109 057	deferred tax liabilities are repaid
Changes in deductible	1 987 222	20%	397 444	Changes in deferred tax liabilities
including:				including:
- differences appeared	2 300 707	20%	460 141	accrued deferred tax liabilities
- differences are repaid	(313 485)	20%	(62 697)	deferred tax liabilities are repaid
Taxable (deductible) permanent differences	2 792 727	20%	558 545	Temporary tax asset (liability)

There are no reasons for changes in used tax rates versus the prior reporting period.

Information on profit taxation, deferred taxes flow is disclosed in Appendices 2.3 and 5.7.2.

#### 5.10. Cost of goods sold, production, works, services, selling costs, administrative expenses and other expenses

Expenses (costs) are recognized in that reporting period where they occurred, regardless the time of the actual cash payment or another implementation (accrual principle assumption).

Table 13 – Explanation of the balance item “Miscellaneous expenditures” as a part of prime cost

(thousands of RUB)

Indication		Indication	2021
Line item	Line item		
Cost of goods sold	6510	46 800 254	49 902 736
including			
Miscellaneous expenditures	6515	25 562 435	27 418 600
Including			
Services of distribution grid companies		12 876 119	13 867 571
Services of “FGC UES” PJSC		7 627 903	8 051 470
Other expenses		5 058 413	5 499 559

#### 5.10.1. Table 14 – Information on costs of energy resources use

Table 14 – Information on costs of energy resources use

Ser. No.	Accepted target indicators/indicators	Measurement unit	2020 (fact)	2021 (fact)
1.	2	3	5	5
1.1.	Electric power losses, including	Million rubles with VAT	9 940,924	10 883,478
		million kWh	2 340,764	2 502,071
1.1.1.	Expenditure for electrical substation own needs	Million rubles with VAT	68,744	86,796
		million kWh	17,278	19,954
1.2.	Consumption of resources for business needs including according to the type of resources	Million rubles with VAT	147,902	151,640
1.2.1.	fuel and energy, including	Million rubles with VAT	144,892	148,501
		tonne of oil equivalent	4 142	4 164
1.2.1.1.	electric power	Million rubles with VAT	136,858	139,899
		thousand kWh	30 288,726	29 764,935
		thousand kWh for sqm of floor area	0,193	0,190
1.2.1.2.	heat energy	Million rubles with VAT	6,776	7,734
		Gcal	2 737,995	3 183,902
		Gcal for sqm of floor area	0,125	0,145
1.2.1.3.	natural gas	thousand m3	100,379	118,851
		Million rubles with VAT	1,259	0,869
1.2.2.	hot-water supply	thousand m3	–	–
		Million rubles with VAT	–	–
1.2.3.	cold-water supply	thousand m3	68,698	69,446
		Million rubles with VAT	3,009	3,139

Ser. No.	Accepted target indicators/indicators	Measurement unit	2020 (fact)	2021 (fact)
1.	2	3	5	5
1.3.	Equipped with devices for energy resources accounting, consumed for housekeeping needs of the Company	%	100	100
1.4.	Equipped with smart devices for energy accounting of consumers at the retail market in accordance with the Intellectual Energy Accounting Development Program *	%	23,7	23,72

\* Equipped with smart devices for energy accounting is determined in accordance with the requirements of Decree of the Government of the Russian Federation of June 19, 2020 No. 890 "On procedure for granting access to the minimum set of functions of smart energy meters (capacity)".

### 5.11. Information on cash flows

In accordance with the Accounting Regulation 23/2011, the cash flows of organizations in the form of receipts and payments of value added tax (receipts from the buyers and clients, payments to suppliers and contractors and payments to the budget system of the Russian Federation and reimbursement from it) are recorded as compressed in the line 4119 "Other payments" of the form of balance sheet "Statement of Cash Flows" in the amount of 335,953 thousand rubles including:

- VAT as part of amounts received 9,563,477 thousand rubles;
- VAT as a part of money transferred (6,443,390) thousand rubles;
- VAT paid to the budget (2,935,878) thousand rubles;
- VAT recoverable 151,744 thousand rubles.

The result: 335,953 thousand rubles.

Highly liquid investments (cash equivalents) that can most quickly and easily be converted into previously known cash and subject to low risk of changes in value for the period from January 1 to December 31, 2021 amounted 16,478,000 thousand rubles (certificate of deposit). Cash transfer into certificate of deposit that is recognized as cash equivalents, is not cash flow and is not reflected in the Statement of Cash Flows.

Table 15 – The amount of a minimum cash balance on the current accounts of the Company as of December 31, 2021

(thousand rubles)

Foundation (additional agreement, trade confirmation)	Transaction starting date	Transaction expiration date	Amount of a minimum cash balance
1	2	3	4
Application No.201 of December 30, 2021 to the General Terms Agreement No. M3-0191/2012/007 of September 2, 2014	December 30, 2021	January 11, 2022	800 000
Application No.121 of December 30, 2021 to the General Terms Agreement No. M3-0191/2012/007 of September 2, 2014	December 30, 2021	January 10, 2022	75 000
<b>Total branch of the Bank GPB (JSC) "South"</b>			<b>875 000</b>
<b>Total</b>			<b>875 000</b>

There is no overdraft debt of PJSC Rosseti Kuban as of December 31, 2021.

As of December 31, 2021 there are no guarantees of third-parties received and not used by the Company in order to receive a loan where the amount of cash (raised by the Company) is indicated.

Cash (or cash equivalents) that cannot be used by the Company (for example, letters of credit opened in favour of other organizations related to the transactions in progress as of reporting date) is absent as of December 31, 2021.

## 5.12. Information on segments

According to Accounting Regulations 12/2010, the management and decision-making structure of the organization and the internal reporting system were taken as bases of segmentation in the Company. Calculations of reportable segments is made based on the information of management accounting.

The Company determined the structure of the reportable segments:

- 1) Electric power transmission;
- 2) Technological connection to electric networks.

The Company discloses information in the Accounting (Financial) Statements only by the reportable segments. The remaining segments are recorded as the other segments in the Accounting Statements. Information on the reportable segments does not contain data on the cash flow from operating, investment and financial operations because of the labour intensity of its presentation in the accounting (financial) statements.

Table 16 – Customers, revenue from sales which is less than 10% of the total revenue of the Company

(thousands of RUB)

Ser. No.	Line item (client)	Total amount of revenue	Including: electric power transmission	Including: other services
1.	Independent Energy Selling Company of Krasnodar Region JSC	18 067 285	18 067 232	53
2.	TNS Energo Kuban PJSC	25 832 039	25 688 475	143 564

Besides, information on reportable segments is disclosed in Appendix 5.13.

## 5.13. Related party disclosure

### 5.13.1. List of related parties

The operations of PJSC Rosseti Kuban are strongly affected by following individuals/legal entities, which are affiliated to the Company. In accordance with the legislation of the Russian Federation, PJSC Rosseti Kuban publishes the lists of affiliates of PJSC Rosseti Kuban on its website at: <https://rosseti-kuban.ru/aktsioneram-i-investoram/raskrytie-informatsii/spisok-affilirovannykh-lits-obschestva/>

Affiliated persons affecting the Company's activity:

- the largest shareholder of the Company – PJSC Rosseti (owns 93.58% of PJSC Rosseti Kuban shares);
- persons that are members of the management bodies of the Company (members of the Board of Directors, Management Board members, Chief Executive Officer of PJSC Rosseti Kuban).

PJSC Rosseti Kuban supervises the operations of its subsidiaries: Energetik Holiday Facility JSC and Kuban Energoservis JSC by methods of corporate management.

### 5.13.2. Operations carried out with related parties and transactions in progress with related parties where the settlements are executed through the bank under the terms of the contracts

Table 17 – Revenues and debts related to them for 2020

(thousands of RUB)

Contractor	As of December 31, 2019	Accrued	Paid	As of December 31, 2020
Energetik Holiday Facility JSC ***	38	2 075	(2 044)	69
Kuban Energoservis JSC ***	–	2 321	(2 269)	52
Rosseti PJSC***	–	1 422	(1 422)	–
JSC Fiber Optic Transmission Systems Management	–	5 227	(5 227)	–
PJSC Rosseti South*	–	4 639	(4 639)	–

Table 18 – Revenues and debts related to them for 2021

(thousands of RUB)

Contractor	As of December 31, 2020	Accrued	Paid	As of December 31, 2021
Energetik Holiday Facility JSC ***	69	1 764	(1 799)	34
Kuban Energoservis JSC ***	52	5 013	(4 894)	171
PJSC Rosseti ***	–	1 421	(1 421)	–
JSC Fiber Optic Transmission Systems Management	–	5 436	(4 077)	1 359

Table 19 – Expenses, other transactions and debts related to them for 2020

(thousands of RUB)

Contractor	As of December 31, 2019	Accrued	Paid	As of December 31, 2020
1	2	3	4	5
PJSC Rosseti***				
- other debts	(24 617)	(168 451)	153 049	(40 019)
- dividends	–	(595 146)	595 146	–
- calculations for interests	–	(196 712)	42 846	(153 866)
PJSC “FGC UES”*				
- trading transactions	(867 559)	(9 232 575)	9 307 647	(792 487)
- other debts	(12 001)	(4)	11 985	(20)
- other debts	10 495	357 500	(361 112)	6 883
provision	–	–	–	–
PJSC Rosseti North Caucasus*				
- other debts	(54)	(14)	14	(54)
- other debts	84 908	57 307	(67 946)	74 269
- provision	–	(66 459)	–	(66 459)
Energetik Holiday Facility JSC***				
- other debts	(130)	(15 457)	15 282	(305)
Technical Customer Centre JSC*				
- other debts	(2 207)	(1 347)	2 115	(1 439)
JSC Kuban Energoservis***				
- other debts	(26 075)	(1 034 298)	789 977	(270 396)
- other debts	–	225 881	(198 339)	27 542
- dividends	–	(668)	668	–
PJSC Research and Development Center of Federal Grid Company of Unified Energy System (FGC UES) **				
- other debts	–	(35)	35	–
JSC Fiber Optic Transmission Systems Management*				
- trading transactions	(101 019)	(294 892)	119 527	(276 384)
- other debts	(76 696)	(106 691)	160 222	(23 165)

Table 20 – Expenses, other transactions and debts related to them for 2021

(thousands of RUB)

Contractor	As of December 31, 2020	Accrued	Paid	As of December 31, 2021
1	2	3	4	5
PJSC Rosseti***				
- other debts	(40 019)	(151 733)	172 318	(19 434)
- settlements with shareholders	–	(760 060)	716 784	(43 276)
- calculations for interests	(153 866)	(286 355)	414 260	(25 961)
PJSC FGC UES*				
- trading transactions	(792 487)	(9 755 169)	9 732 840	(814 816)
- other debts	(20)	(28)	28	(20)

Contractor	As of December 31, 2020	Accrued	Paid	As of December 31, 2021
1	2	3	4	5
- other debts	6 883	9 397	(2 842)	13 438
provision	–	–	–	–

Contractor	As of December 31, 2020	Accrued	Paid	As of December 31, 2021
1	2	3	4	5
PJSC Rosseti North Caucasus*				
- other debts	(54)	–	–	(54)
- other debts	74 269	10 661	(12 371)	72 559
- provision	(66 459)	(8 032)	2 550	(71 941)
Energetik Holiday Facility JSC ***				
- other debts	(305)	(41 403)	41 653	(55)
Technical Customer Centre JSC *				
- other debts	(1 439)	(8 728)	4 863	(5 304)
JSC Kuban Energoservis ***				
- other debts	(270 396)	(1 759 152)	1 535 783	(493 765)
- other debts	27 542	410 502	(225 504)	212 540
- dividends	–	(19 894)	19 894	–
PJSC Research and Development Center of Federal Grid Company of Unified Energy System (FGC UES)*				
- other debts	–	(35)	35	–
JSC Fiber Optic Transmission Systems Management*				
- trading transactions	(276 384)	(500 053)	384 567	(391 870)
- other debts	(23 165)	(211 947)	212 062	(23 050)
LLC FGC-Asset Management*				
- calculations for interests		(14 898)	14 898	

\*\* The legal entity is a member of the same group of persons to which the Company belongs.

\*\* The legal entity is entitled to manage more than 20% of shares of the Company.

\*\*\* The Company is entitled to manage more than 50% of total votes, attached to the shares that constitute the charter capital, the interest of this legal entity.

Settlements are carried out monthly, the terms of the contracts are market. Non-Cash Payments.

Write-off of accounts receivable for which the statute of limitations has expired and other bad debts, including write-off out of provision for doubtful debts, has not been made.

### 5.13.3. Benefits payable to key management personnel

Table 21 – Information on the amounts of key management personnel benefits

Types of benefits	Members of the Board of Directors		Members of the Auditing Committee		Members of the Management Board	
	2020	2021	2020	2021	2020	2021
<b>1. Short-term benefits, including</b>	<b>29 493</b>	<b>16 530</b>	<b>844</b>	<b>986</b>	<b>2 271</b>	<b>1 793</b>
<b>1.1. Employee Remuneration for the reporting period (without vacation pay)</b>	<b>23 326</b>	<b>12 746</b>	<b>648</b>	<b>756</b>	<b>1 918</b>	<b>1 539</b>
a) bonus	–	–	–	–	–	–
b) fringe benefits	–	–	–	–	–	–
c) other types of compensation given to employees as a result of specific labor indications and bottom line	–	–	–	–	–	–
<b>1.2. Annual paid leave for the work in the reporting period</b>	–	–	–	–	–	–
<b>1.3. Other benefits in favour of key management personnel (regardless terms and conditions of an Employment Contract) total, including</b>	–	–	–	–	–	–
a) compensations for community charges;	–	–	–	–	–	–
b) health benefits (insurance);	–	–	–	–	–	–
c) lump-sum payments related to financial aid for vacation	–	–	–	–	–	–
d) full or partial payment for recreation;	–	–	–	–	–	–
e) full or partial payment for education for Company's personal benefit;	–	–	–	–	–	–
f) other (please specify) including:	–	–	–	–	–	–
Compensation for residential lease	–	–	–	–	–	–
Severance pay	–	–	–	–	–	–
<b>1.4. Accrued taxes and other compulsory payments to the corresponding budgets and extra-budgetary funds</b>	<b>6 167</b>	<b>3 784</b>	<b>196</b>	<b>230</b>	<b>353</b>	<b>254</b>
<b>2. Long-term benefits, including:</b>	–	–	–	–	–	–
<b>2.1. Post-employment benefits, including</b>	–	–	–	–	–	–
a) payments under the voluntary insurance agreements concluded with the insurance companies	–	–	–	–	–	–
b) payments under non-state pension agreements, concluded with non-state pension funds;	–	–	–	–	–	–
c) other payments, guaranteeing payment of pension benefits and other social guarantees after termination of labor activity;	–	–	–	–	–	–
<b>2.2. Other long-term benefits</b>	–	–	–	–	–	–
<b>2.3. Long-term benefits accrual</b>	–	–	–	–	–	–
<b>3. Total benefits (short-term and long-term benefits) excluding accruals on them</b>	<b>23 326</b>	<b>12 746</b>	<b>648</b>	<b>756</b>	<b>1 918</b>	<b>1 539</b>
<b>4. Total benefits accruals (short-term and long-term benefits)</b>	<b>6 167</b>	<b>3 784</b>	<b>196</b>	<b>230</b>	<b>353</b>	<b>254</b>

#### 5.14. The going concern principle

Accounting (financial) statements of PJSC Rosseti Kuban for 2021 were drawn up in accordance with the going concern principle, which assumes that the Company is able to sell its assets and fulfil its liabilities in the normal course of business in the foreseeable future. As reflected in the present accounting (financial) statements, the Company's financial result (profit) in 2021 amounted to 1,711,834 thousand rubles (the Company's financial result (loss) in 2020 amounted to 1,501,278 thousand rubles which was mainly driven by the impact of negative consequences associated with the spread of COVID-19), short-term liabilities of the Company as of December 31, 2021 amounted to 19,414,188 thousand rubles; including debt obligations in the amount of 4,834,192 thousand rubles. Available credit limits are opened up by the Company which makes it possible to refund borrowings subject to prompt repayment in 2022.

As of December 31, 2021, the total amount of credit limit with termination of drawdown period in 2022-2025 amounted to 41,909,187 thousand rubles, including in the amount of 7,762,229 thousand rubles – in PAO Sberbank, in the amount of 14,058,000 thousand rubles - in Bank "RRDB" (JSC), in the amount of 2,763,958 thousand rubles in Bank GPB (JSC), in the amount of 13,075,000 thousand rubles – in VTB Bank (PJSC), in the amount of 1,500,000 thousand rubles – in JSC SMP Bank, in the amount of 1,000,000 thousand rubles in AK Bars Bank (PJSC), in the amount of 1,500,000 thousand rubles in PJSC Credit bank of Moscow and in the amount of 250,000 thousand rubles – in JSC Bank of Russia. As at December 31, 2021, free limits in the total amount of 1,300,000 thousand rubles under the loan agreements (concluded with PJSC Rosseti) are opened up.

According to the forecasts of the Company Management, the net operating cash flow in 2022 will be sufficient to cover Company's liabilities payable in 2022.

Thus, despite the shortage of working capital, the Company's management believes that the Company will be able to meet all its current obligations in 2022.

#### 5.15. Estimated liabilities, contingent liabilities and assets

In 2021, the Company recognized in the accounting the estimated liabilities related to the possible compensation payments for unused vacations in the amount of 520,346 thousand rubles, previously formed estimated liability in the amount of 506,218 thousand rubles, ending balance of the reporting period amounted to 330,958 thousands rubles. As of December 31, 2021, the estimated liability was formed, related to the possible benefits pay according to the results of the year in the amount of 415,390 rubles.

The amount of the estimated liability according to the unsettled claims of the suppliers at the beginning of the reporting period is recorded in the Accounting (Financial) Statements in the amount of 683,734 thousand rubles. Charges amounted to 758,724 thousand rubles. The amount of the estimated liability according to the unsettled claims of the suppliers at the beginning of the reporting period is recorded in the Accounting Statements in the amount of 1,220,679 thousand rubles.

As of December 31, 2021, the on-site tax inspection for 2016-2018 has been completed, but the inspection certificate until the date of signature of the statements has not been submitted by the tax authority. According to the continuous development of practical application of taxation rules, the property tax may be disputed by the tax authorities and courts related to the movables and immovable, used by the Company. Risk of tax claims, as well as probability of adverse settlement of tax disputes (if they arise) is estimated by the Company as "possible". For this purpose, the Company's Management, acting on the prudence principle, made a decision on reserve for estimated liabilities for tax risks in the amount of 559,578 thousand rubles.

As of December 31, 2021, the amount of provision for lawsuits amounted to 276,278 thousand rubles (Appendix 5.7.1.).

Discounting of the amounts of estimated liabilities, recognized by the Company is not applicable, because the expected deadline for the fulfilment of obligations is less than 12 months after the reporting date.

The expected amounts of counter-claims or amounts of the third party claims in reimbursement of expenses that the Company is going to incur during the fulfilment of obligations, and also the assets recognized on such claims in accordance with the Clause 19 of the Accounting Regulation 8/2010 as of the reporting date are absent.

#### 5.16. Events after the reporting period

Accounting for events after the reporting date and disclosure of information concerning these events in the statements is kept by the Company in accordance with the Accounting Regulation 7/98 "Events after the reporting date", approved by Order of the Ministry of Finance of the Russian Federation No. 56n of November 25, 1998.

In February 2022, some countries announced new sanctions packages against Russian sovereign debt, a number of Russian banks and personal sanctions against Russian individuals.

As a result of geopolitical tensions grow since February 2022, there has been significant increase in volatility in the stock markets and foreign exchange markets, as well as the fall of the ruble against the dollar and the euro.

It is expected that these events may affect the activities of Russian organizations in various sectors of the economy.

Other economic events that have or may have an impact on financial position or operating results of the Company, that occur between the reporting date (December 31, 2021) and the date of signing of the Accounting (Financial) Statements of PJSC Rosseti Kuban for 2021 are absent.

Deputy Chief Executive Officer  
for Economics and Finance  
of PJSC Rosseti Kuban

K.A. Iordanidi

Chief Accountant – Head of  
Department of Financial Records  
Accounts and Tax Returns  
of PJSC Rosseti Kuban

L.V. Loskutova

February 25, 2022

### Appendices to the Balance Sheet and Statement of Financial Results

Appendix 5.1.1 “The existence of intangible assets and intangible assets turnover”  
 Appendix 5.2.1 “The existence and turnover of R&D deliverables”  
 Appendix 5.2.2 “Incomplete and unexecuted R&D and incomplete operations on purchase of intangible assets”  
 Appendix 5.3.1 “The existence and movement of fixed assets”  
 Appendix 5.3.3 “Changes in value of fixed assets as a result of further construction, further equipping, reconstruction and partial liquidation”  
 Appendix 5.3.4 “Other usage of fixed assets”  
 Appendix 5.3.5 “Capital investments in progress”  
 Appendix 5.3.6 “Advances issued for investment building and purchase of fixed assets”  
 Appendix 5.4.1 “The existence and turnover of financial investments”  
 Appendix 5.4.2 “Adjustments of estimates of financial investments”  
 Appendix 5.5.1 “The existence of inventory and inventory turnover”  
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 Appendix 5.6.1 “The existence and turnover of accounts receivable”  
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 Appendix 5.6.7 “Loans and borrowings”  
 Appendix 5.6.8 “Expenses for loans and borrowings”  
 Appendix 5.7.1 “Estimated liabilities”  
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 Appendix 5.13 “Information on reportable segments”  
 Appendix 2.1 “Cost of goods sold, works and services according to elements of costs”  
 Appendix 2.2 “Profit accrued to one share, diluted earnings per share”  
 Appendix 2.3 “Profit taxation”