

APPENDIX 3

INFORMATION ON NON-CORE ASSETS OF PJSC ROSSETI KUBAN PARTICIPATION OF PJSC ROSSETI KUBAN IN COMMERCIAL AND NON- COMMERCIAL ORGANISATIONS

DISPOSAL OF NON-CORE ASSETS DURING THE REPORTING PERIOD

Pursuant to the Presidential Decree No. 596 dated 7 May 2012, the Russian Government Directives No. 4863p-P13 dated 7 July 2016, and Russian Government Directive No. 894-r dated 10 May 2017, a new version of the Non-Core Asset Disposal Programme for Rosseti Kuban, PJSC (hereinafter the Programme) was approved by the Board of Directors on 27 December 2021 (Minutes No. 460/2021 dated 28 December 2021).

The Programme specifies basic approaches, principles and procedures of non-core asset identification and sale, sets up criteria for attributing assets to non-core ones, the procedure of the Non-Core Asset Register keeping, approaches to non-core asset evaluation, main provisions on non-core asset disposition, as well as the procedure of reporting on implementing the Non-Core Asset Register.

By resolution of the Company's Board of Directors dated 13 December 2021 (Minutes No. 458/2021 dated 16 December 2021), the updated Non-Core Asset Register aligned with the Programme was approved.

IN 2021, A NON-CORE ASSET WAS SOLD THROUGH AN ELECTRONIC PUBLIC OFFERING ON THE RTS-TENDER TRADING PLATFORM:

Sl. No.	Asset description	Asset inventory No. (if applicable)	Balance sheet item containing the asset as at the reporting date prior to the asset divestment	Balance sheet items (analytics included) containing income and expenditure from asset disposal (91.1. 91.2)	Carrying amount, RUB '000	Actual sale value, RUB '000	Deviation of the actual sale value from the carrying amount, RUB '000	Reasons for the deviation of the actual sale value from the carrying amount
1	Property complex, at: 1a Krasnaya Street, Belorechensk, Krasnodar Territory.	—	1152	91.1. 91.2.	1,816.76	1886.87	70.11	Electronic bidding by public offer
TOTAL					1,816.76	1886.87		

PARTICIPATION OF PJSC ROSSETI KUBAN IN COMMERCIAL ORGANISATIONS

As at 31 December 2021, PJSC Rosseti Kuban had blocks of shares of four joint stock companies, including two subsidiaries.

INFORMATION ON PARTICIPATION IN SUBSIDIARIES, AFFILIATES AND OTHER BUSINESS ENTITIES (COMMERCIAL ORGANISATIONS) IN 2021

Short Company Title	Region of activity	Core business	Purpose of participation	PJSC Rosseti Kuban's share in the authorised capital of the Company as at 31 December 2021	2021 Financial Performance		Dividends received in the reporting year on shares held by the Company
					Revenue RUB '000	Net profit RUB '000	
1.	2.	3	4	5	6	7	8
Core companies							
JSC Energoservice Kuban	Krasnodar Territory	Design, installation and commissioning of metering units for electricity, gas and process equipment, hot and cold water supply	Ownership of shares	100	1,738,640	877	19,895
Non-core companies							
JSC Energetik Health Resort	Krasnodar Territory	Organisation of recreation and health improvement for children and adults, primarily employees of PJSC Rosseti Kuban and their families; organisation and holding of seminars and conferences	Ownership of shares	100	88,411	2,968	0
CJSC Turbogaz	Krasnodar Territory	Development of energy saving technologies; manufacturing, operation, maintenance and repair of power plants; generation and sale of electricity	Ownership of shares	4	0	0	0
JSC RITEK-SOYUZ	Krasnodar Territory	Organisation, implementation and support of research and development, engineering, construction and installation and commissioning works; monitoring and controlling	Ownership of shares	1	153,122	(1,323)	0

Blocks of shares of the above joint stock companies are included in the Non-Core Asset Register.

With regard to blocks of shares, the method of disposal is "retaining participation". The method of disposal is established prior to making a separate systemic decision regarding these assets.

The size of the stake in the voting shares of CJSC Turbogaz and CJSC RITEK-SOYUZ owned by the Company does not allow it to independently make decisions on the functioning of these commercial organisations, including determining the membership of their management and control bodies.

Interaction of PJSC Rosseti Kuban with its subsidiaries is carried out in line with the legislation of the Russian Federation, Articles of Associations and internal documents of the Company and its subsidiaries, including the Procedure for Interaction of the Company with Business Entities, Shares (Interests) of Which Are Owned by the Company approved by the resolution of the Board of Directors of the Company (Minutes No. 69/2009 dated 27 March 2009).

MAIN GOALS OF COMPANY'S INTERACTION WITH SUBSIDIARIES:

- Ensuring stable financial development and profitability of subsidiaries
- Ensuring protection of the rights and interests of shareholders of the Company and subsidiaries
- Increasing the investment attractiveness of the Company and subsidiaries by providing the investment community with complete, timely, and reliable information about the activities of subsidiaries, as well as the balanced state and predictability of corporate policy in general
- Developing and implementing a coordinated and effective Investment Policy of subsidiaries

MANAGEMENT AND CONTROL OF THE ACTIVITIES OF SUBSIDIARIES IS CARRIED OUT BY THE COMPANY THROUGH THE FOLLOWING CORPORATE GOVERNANCE MECHANISMS:

- In accordance with the Articles of Association of Rosseti Kuban, the functions of General Meetings of Shareholders of 100% subsidiaries are performed by the Management Board of the Company
- General management of the subsidiaries' activities is carried out by their Boards of Directors, most of their members are representatives of Rosseti Kuban
- On the main issues of the agenda of General Meetings of Shareholders and meetings of the Boards of Directors of subsidiaries, the position of Rosseti Kuban is determined by the Board of Directors of the Company
- The financial and economic activities of subsidiaries are regularly monitored by their Auditing Commissions consisting of representatives of PJSC Rosseti Kuban

The operational management of each subsidiary is implemented by the sole executive body — the General Director. Collective executive bodies (Management Boards) are not provided for by the Articles of Association of subsidiaries.

Detailed information on subsidiaries and affiliates of PJSC Rosseti Kuban is published on the Company's website in the section About the Company / Subsidiary Companies.

DATA ON ACTIVITIES OF ENERGETIK HEALTH RESORT JSC IN THE REPORTING YEAR

FINANCIAL AND ECONOMIC PERFORMANCE INDICATORS OF ENERGETIK HEALTH RESORT JSC

Sl. No.	Description	2021	2020	2019
1	Revenue, RUB '000	88,411	41,013	58,784
2	Gross profit, RUB '000	-651	-7,924	1,355
3	Net profit (retained profit / uncovered loss), RUB '000	2,968	-6,771	316
4	Return on equity (ROE)*, %	10.13	-21.70	0.92
5	Return on total assets (ROTA) for profit before tax*, %	7.2	-24.1	1.3
6	Net profitability ratio, %	3.4	-16.5	0.5
7	Product (sales) profitability, %	-0.7	-19.3	2.3

Sl. No.	Description	2021	2020	2019
8	Amount of uncovered loss as at the reporting date, RUB '000	4,400	7,368	581
9	Ratio of uncovered loss as at the reporting date and balance sheet currency, %	10.9	21.5	1.6

THE INDICATORS "RETURN ON EQUITY (ROE)", "RETURN ON TOTAL ASSETS (ROTA) FOR PROFIT BEFORE TAX" ARE CALCULATED IN ACCORDANCE WITH THE FOLLOWING METHODOLOGY:

Return on equity (ROE) = Net profit / Average equity value x 100%.

Return on total assets (ROTA) for profit before tax = Profit before tax / Average total assets value * 100%.

INFORMATION ON MAJOR TRANSACTIONS MADE BY JSC ENERGETIK HEALTH RESORT IN 2021

In 2021, Energetik Health Resort JSC did not conclude any transactions outside the ordinary course of business that would be recognised as major transactions under the applicable laws of the Russian Federation.

Energetik Health Resort JSC has not entered into any expenditure-related transaction recognised as related-party transaction under the applicable laws of the Russian Federation and requiring the approval of the Company's management bodies.

According to Clause 2.11 of Article 2 of the Articles of Association of JSC Energetik Health Resort, the provisions of Chapter XI of the Federal Law On Joint Stock Companies shall not apply to the transactions, which are profitable for this company and made with legal entities directly or indirectly controlled by PJSC Rosseti.

No sale and purchase agreements for shares, participatory interest, shares in economic partnerships and companies were concluded by Energetik Health Resort JSC in the reporting year.

In 2021, there were no transactions with the property of JSC Energetik Health Resort (including interrelated transactions), the value of which exceeds the amount specified in the Company's Articles of Association or which is material for the business activities of the Company.

No legal entities controlled by JSC Energetik Health Resort, which are material for the activities of JSC Energetik Health Resort, have been established in 2021.

DATA ON ACTIVITIES OF JSC ENERGOSERVICE KUBAN IN THE REPORTING YEAR

FINANCIAL AND ECONOMIC PERFORMANCE INDICATORS OF JSC ENERGOSERVICE KUBAN

Sl. No.	Description	2021	2020	2019
1	Revenue, RUB '000	1,738,640	993,507	100,737
2	Gross profit, RUB '000	145,853	155,021	17,527
3	Net profit (retained profit / uncovered loss), RUB '000	877	79,578	1,335
4	Return on equity (ROE)*, %	1.0	145.4	9.0
5	Return on total assets (ROTA) for profit before tax*, %	1.5	44.9	4.5
6	Net profitability ratio, %	0.1	8.0	1.3
7	Product (sales) profitability, %	3.0	10.3	2.6
8	Amount of uncovered loss as at the reporting date, RUB '000	-	-	-

Sl. No.	Description	2021	2020	2019
9	Ratio of uncovered loss as at the reporting date and balance sheet currency, %	—	—	—

THE INDICATORS "RETURN ON EQUITY (ROE)", "RETURN ON TOTAL ASSETS (ROTA) FOR PROFIT BEFORE TAX" ARE CALCULATED IN ACCORDANCE WITH THE FOLLOWING METHODOLOGY:

Return on equity (ROE) = Net profit / Average equity value x 100%.

Return on total assets (ROTA) for profit before tax = Profit before tax / Average total assets value * 100%.

INFORMATION ON MAJOR TRANSACTIONS MADE BY JSC ENERGOSERVICE KUBAN IN 2021

In 2021, JSC Energoservice Kuban concluded 1 (one) major transaction (agreement for provision of bank guarantee with PJSC Sberbank) on the following material terms and conditions

Parties of the Agreement:

JSC Energoservice Kuban — the Principal

PJSC Sberbank — the Guarantor

Subject of the Agreement:

The Guarantor grants the guarantee of performance of Principal's obligations under Contract No. 407/30-196 dated 24 February 2021 for works and services under construction/reconstruction of the facility owned by Sochi Power Grids, branch of PJSC Rosseti Kuban: Reconstruction of 110 kV Kudepsta Substation with Replacement of Transformers from 2x16 MVA to 2x25 MVA (hereinafter — the Contract), and the guarantees of return of advance payments under the Contract by the Principal.

Price of the Agreement:

The amount of simultaneously valid guarantees (Limit) may not exceed RUB 268,810,688.00. The Guarantor's remuneration for the guarantee is 1.5% per annum of the actual amount of the relevant guarantee.

Other material terms and conditions of the Agreement:

The Agreement is valid since the signing by the Parties and until full implementation of the obligations by the Parties.

The validity of the Limit is from the date of the Agreement until 27 April 2023.

Since the price of this transaction exceeded 69.08% of the book value of the assets of JSC Energoservice Kuban as at 31 December 2020, the transaction was approved on 24 September 2021 by resolution of the Extraordinary General Meeting of Shareholders of the Company whose functions were performed by the Management Board of PJSC Rosseti Kuban (Minutes No. 27/2021 dated 24 September 2021).

JSC Energoservice Kuban has not entered into any expenditure-related transaction recognised as related-party transaction under the applicable laws of the Russian Federation and requiring the approval of the Company's management bodies.

According to Clause 2.11 of Article 2 of the Articles of Association of JSC Energoservice Kuban, the provisions of Chapter XI of the Federal Law On Joint Stock Companies shall not apply to the transactions, which are profitable for this company and made with legal entities directly or indirectly controlled by PJSC Rosseti.

No sale agreements for shares, participatory interest, shares of economic partnerships and companies of JSC Energoservice Kuban were concluded during the reporting year.

No transactions with the property of JSC Energoservice Kuban (including interrelated transactions) for the value exceeding the amount specified in the Company's Articles of Association or that would be material to the business activities of the Company were made in 2021.

No legal entities under JSC Energoservice Kuban control that are material to JSC Energoservice Kuban operations were established in 2021.

PARTICIPATION OF PJSC ROSSETI KUBAN IN NON-COMMERCIAL ORGANISATIONS

Sl. No.	Title of non-commercial organisation	Details of the organisation	Purpose of participation	Financial parameters
1	Full title of the Institution: Energy Institute for Advanced Training — Further Professional Education Institution of Public Joint Stock Company of Energy and Electrification of Kuban	Established on 10 September 2004 by resolution of the Board of Directors of JSC Kubanenergo (Minutes No. 3 dated 30 July 2004). Core activities: <ul style="list-style-type: none"> meeting the needs of the specialists of Rosseti Kuban in obtaining knowledge about the latest achievements in the electric power industry, advanced domestic and western experience in the electric power industry organising and conducting advanced training and professional retraining of specialists of Rosseti Kuban organising and conducting scientific research, scientific and technical and experimental works, consulting activities scientific review of programs, projects, recommendations, and other materials, including specialised ones 	Providing PJSC Rosseti Kuban with qualified personnel through professional raining, retraining and development of the Company's employees, improving their business qualities, preparing them for new job functions	—

Sl. No.	Title of non-commercial organisation	Details of the organisation	Purpose of participation	Financial parameters
2	Self-Regulatory Organisation — Interregional Construction Alliance (Union)	The main goals of the Union are to prevent harm to the life or health of individuals, property of individuals or legal entities, state or municipal property, environment, life or health of animals and plants, cultural heritage objects (historical and cultural monuments) of the peoples of the Russian Federation due to shortcomings in work, which have an impact on the safety of capital construction objects and are carried out by the members of the Union; improving the quality of construction, renovation, overhaul of construction projects; protection of the rights and legitimate interests of the members of the Union.	Compliance with the current legislation and elimination of the risks of bringing to administrative responsibility under Part 1 of Article 9.5.1 of the Code of the Russian Federation on Administrative Offenses	The entry fee is RUB 10,000. The monthly membership fee is RUB 5,000. Additional annual target membership fee for the needs of the National Association of Builders is RUB 5,000 per year. The amount of the compensation contribution to the compensation fund is RUB 100,000. Fee payment is made in monetary funds
3	All-Russian Branch Association of Employers of the Electric Power Industry "Energy Employment Organisation Association of Russia" (ERA of Russia Association)	<p>Main goals:</p> <ul style="list-style-type: none"> Protection and promotion of the interests of employers in the electric power industry, including in relations with state authorities and trade unions, consolidation of the aggregate resource of the Association members to influence the social and economic policy of the state Regulation of social and labor relations in the electric power industry, increasing the efficiency of social partnership, promoting the maintenance of social stability in the labor collectives of the electric power industry organisations, increasing the efficiency of human resource management, enhancing the return on investment to personnel and the development of human capital Assistance in the creation of favorable conditions for business in general and development of the electric power industry in particular, participation in the development and implementation of projects to increase the economic efficiency of energy organisations, increase labor productivity Development of the national system of professional qualifications and its industry segment, promoting the development of industry-specific professional education, meeting the needs of employers in training qualified personnel, etc. 	<ul style="list-style-type: none"> The need to promote the interests of the Company, including in relations with government bodies and trade unions The need to improve the efficiency of social partnership, to assist in maintaining social stability in labor collectives Development of cooperation with other organisations in the field of labor and on other issues of social and economic nature 	The annual membership fee is RUB 1,700,000.

Sl. No.	Title of non-commercial organisation	Details of the organisation	Purpose of participation	Financial parameters
4	Association — Nonprofit Partnership of Territorial Grid Organisations	The Association (Partnership) consolidates, represents and protects the professional interests of its participants in government bodies of all levels, in infrastructure, non-commercial and public organisations. The Partnership platform is a center for communication of its participants and dissemination of the best business practices in the Power Grid Complex. The Supervisory Board of the Association includes the Heads of the specialised offices of the Energy Committee of the State Duma of the Russian Federation and the Ministry of Energy of Russia	Ensuring the compliance of PJSC Rosseti Kuban with the requirements of the wholesale market in the event that the functions of a guaranteeing supplier are assigned to PJSC Rosseti Kuban	Entry (one-time) fee: RUB 1 mln. Quarterly current (regular) membership fee: RUB 256,000.
5	Chamber of Commerce and Industry of the Krasnodar Territory	Promotion of interaction between business entities and local authorities, all-round development of trade and economic, investment and scientific and technical cooperation between entrepreneurs of the Krasnodar Territory and entrepreneurs of foreign countries. Coordination and representation of the interests of all members of the Chamber, entrepreneurs and their associations, regardless of ownership, subordination and location within the Krasnodar Territory	<ul style="list-style-type: none"> Representation of interests in cooperation with the administration of the Krasnodar Territory, the city of Krasnodar, as well as the administrations of cities and districts of the Territory Development of business relations with large companies in Kuban 	The annual membership fee of the Company is RUB 20,000