

ABOUT ROSSETI KUBAN, PJSC

ROSSETI KUBAN'S BUSINESS IS ASSOCIATED WITH ELECTRICITY DELIVERY AND DISTRIBUTION IN 110 KV AND BELOW GRIDS BETWEEN SETTLEMENTS, IN THE COUNTRYSIDE, INDIVIDUAL CITIES, AND DISTRICT CENTRES OF THE KRASNODAR TERRITORY (INCLUDING SOCHI), THE REPUBLIC OF ADYGEA, AND SIRIUS URBAN-TYPE SETTLEMENT AS WELL.

As the largest taxpayer, the Company is actively involved in the social and economic life of the region by creating jobs and employment for suppliers in related industries, as well as by arranging various social programmes and charitable activities.

Rosseti Kuban, PJSC is a public company whose shares are admitted to trading on the Moscow Stock Exchange.

The Company runs its core business under natural monopoly conditions that are state-regulated as to:

- Setting tariffs for electricity transmission services and fees for connection of consumer terminals to the Company's power grid
- Giving non-discriminatory access to the mentioned services on equal footing

Rosseti Kuban is part of the IES of South of UES of Russia.

83.3 ths km²

AREA OF THE KRASNODAR TERRITORY AND THE REPUBLIC OF ADYGEA SERVICED BY ROSSETI KUBAN (0.5% OF RUSSIA'S AREA) WITH A POPULATION OF OVER 6.1 MN PEOPLE (4% OF RUSSIA'S POPULATION)

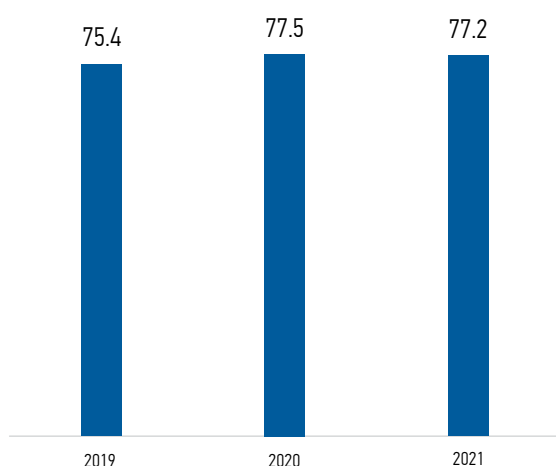
COMPANY'S SERVICE TERRITORY



**POSITION OF ROSSETI KUBAN IN UES OF RUSSIA,
IES OF SOUTH AND REGION OF OPERATION IN TERMS OF
ELECTRICITY DELIVERY TO THE COMPANY'S GRID IN 2019–2021¹ (BN KWH)**

Indicators	2019	2020	2021	Rosseti Kuban's share in 2021 (%)
Electricity consumption of the UES of Russia	1,059.4	1,033.7	1,090.4	2.3
Including:				
• IES of South	101.28	100.69	108.27	23.3
• Krasnodar Territory and Republic of Adygea	27.63	27.42	29.96	84.2
• PJSC Rosseti Kuban (electricity delivery to the Company's grid)	22.85	23.01	25.22	100

**THE COMPANY'S SHARE IN THE REGIONAL ELECTRICITY
TRANSMISSION MARKET (OF THE REQUIRED GROSS
REVENUE (RGR) FOR THE REGION) (%)**



**KEY CHARACTERISTICS OF THE COMPANY
AS OF THE END OF 2021**

Length of power transmission lines (ths km)	93.1 (by circuit)
Number of 35–220 kV SS, 6–10(35)/0.4 kV TS	24,835
Maximum allowable design capacity of the energy system ² (MVA)	9,014.9
Design capacity utilisation rate of the energy system (MVA)	5,593, or 78.95%³
Total number of electricity metering points of consumers connected to Rosseti Kuban's power grids according to the electricity transmission agreements concluded	1,159,940
Power grid branches	11

Rosseti Kuban is the largest power grid company in the Krasnodar Territory and the Republic of Adygea.

In its day-to-day operations, Rosseti Kuban balances out interests and creates value for all stakeholders, contributes to the economic growth of the regions where it operates, adheres to the concept of sustainable development, and ensures reliable and affordable energy supply to consumers.

¹. Source: Reports on the functioning of UES of Russia published by SO UPS at <https://www.so-ups.ru/functioning/tech-disc/tech-disc2022/>.

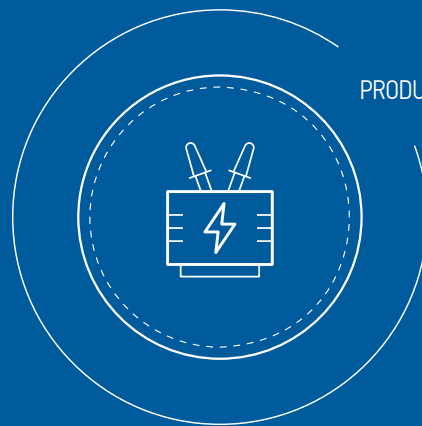
². Only for 110 kV substations.

³. The under-utilisation of design capacity is due to the need for redundancy in case of an emergency outage or scheduled repairs.

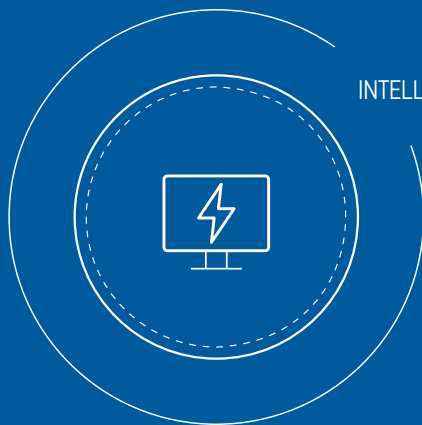
THE COMPANY ALSO USES FINANCIAL, INDUSTRIAL, INTELLECTUAL, HUMAN, SOCIAL AND REPUTATIONAL, AND ENVIRONMENTAL CAPITAL (RESOURCES).



FINANCIAL CAPITAL



PRODUCTION CAPITAL



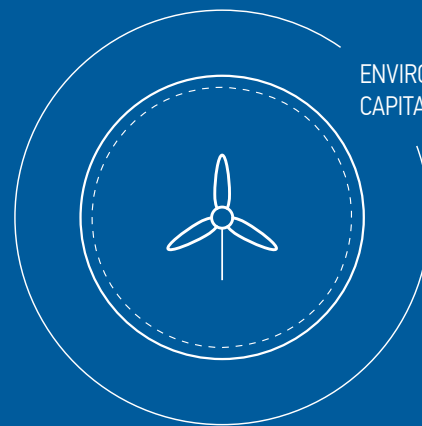
INTELLECTUAL CAPITAL



HUMAN CAPITAL



SOCIAL AND REPUTATION CAPITAL



ENVIRONMENTAL CAPITAL

CHANGE IN THE COST OF CAPITAL FOR 2021

Capitals as at 31 December 2020	How we created value in the reporting year	2021 results
Financial capital		
<p>The loss was RUB 1,501 mn due to the influence of negative factors associated with the spread of the new coronavirus infection (COVID-19).</p> <p>Net asset value at the end of the year was RUB 37,989 mn.</p> <p>The decrease in net assets per year amounted to RUB 2,116 mn due to the decrease in equity due to a year-end loss. The Company's market capitalisation¹ is RUB 22.69 bn</p>	<p>Total revenue in 2021 is RUB 57,670 mn, up RUB 8,300 mn year-on-year. EBITDA in 2021 is RUB 8,879 mn, up RUB 4,124 mn year-on-year.</p> <p>The figures are driven up by growing revenues from electricity transmission due to increased consumption, as well as revenues from grid connection as a result of agreements with large applicants</p>	<p>As the volume of services provided grew larger due to higher electricity consumption, revenues from electricity transmission went up and resulted in the profit of RUB 1,711.8 mn.</p> <p>Net asset value at the end of the year was RUB 40,466 mn.</p> <p>The increase in net assets for the year was RUB 2,476 mn on the back of an increase in equity due to the year-end profit. Market capitalisation of the Company:</p> <ul style="list-style-type: none"> • excluding outstanding additional shares – RUB 21.99 bn; • including outstanding additional shares – RUB 22.46 bn
Production capital		
<p>Total number of 35–220 kV substations (SS) and 6–10(35)/0.4 kV transformer substations (TS) is 24,186.</p> <p>The length of power transmission lines (PTL) is 92,230 km.</p> <p>The installed capacity of 35–110 kV substations is 11,471.07 MVA.</p> <p>Installed capacity of substations in the 10–6/0.4 kV distribution grid is 5,073.26 MVA.</p> <p>Repair cost of key production assets in 2020 is RUB 3 bn.</p> <p>System Average Interruption Duration Index (I_{SAIDI}) is 0.887 h</p>	<p>RUR 5,871 mn of capital investment (excl. VAT) was disbursed.</p> <p>Renewal of the following energy assets is underway:</p> <ul style="list-style-type: none"> • commissioning of new, renovated and upgraded facilities, including during grid connection of consumers, renovation and modernisation of equipment; • consolidation of grid assets on the basis of the Company; • write-off of obsolete equipment; • transfer to reserve or decommissioning of equipment. <p>The volume of electricity transmission services is 21,004.5 mn kWh, up 9.9% year-on-year (revenues – RUB 54,526.3 mn). Number of grid connections completed in 2021 is 33,795 with a total capacity of 788 MW (revenues – RUB 2,347.7 mn)</p>	<p>Total number 35–220 kV substations and 6–10(35)/0.4 kV transformer substations is 24,835</p> <p>The length of power transmission lines (PTL) is 93.07 ths km.</p> <p>The installed capacity of 35–110 kV substations is 11,561.03 MVA.</p> <p>The installed capacity of substations in the 10–6/0.4 kV distribution grid is 5,640 MVA.</p> <p>Repair cost of key production assets is RUB 3.3 bn.</p> <p>The system average interruption duration index (I_{SAIDI}) is 4.0939 h, which is above the previous year's level, but within the planned limits.</p> <p>The number of accidents in the 110 kV and above grid decreased by 3% as compared to the previous year</p>

¹ Calculated by PJSC Moscow Exchange at the market price (3).

Capitals as at 31 December 2020	How we created value in the reporting year	2021 results
Intellectual capital		
<p>The intangible asset value was RUB 145.5 mn.</p> <p>The actual value of the research and development (R&D) expenditure ($I_{R\&D}$) indicator stood at 0.24% of own revenues, with the plan of 0.15%.</p> <p>The actual value of the Innovative Products (Goods, Works, Services) Procurement Indicator ($I_{INNOVATIONS}$) was 4.55% of the actual investment programme utilisation, with the plan of 4.5% (RUB 210 mn)</p>	<p>Delivery of the R&D Programme, the integration of equipment and devices developed under the R&D Programme.</p> <p>Introduction of innovative technologies and solutions</p>	<p>The actual value of the R&D expenditure ($I_{R\&D}$) indicator is 0.16% of own revenues, with the plan of 0.15%.</p> <p>The actual value of the Innovative Products (Goods, Works, Services) Procurement Indicator ($I_{INNOVATIONS}$) was 4.33%, with the plan of 4.6%</p>
Human capital		
<p>The headcount was 9,274 people. The average headcount was 8,959 people. The staffing level at the end of the year was 96.9%.</p> <p>Employees with higher vocational education – 49.4% and with primary/secondary vocational education – 36.9%.</p> <p>The annual purchase order for working wear and shoes was fully executed</p>	<p>A total of 8,530 people trained (96.1% of the average headcount). Staff training costs amounted to RUB 76.3 mn.</p> <p>The Company's occupational safety costs in 2021 increased by 20% compared to 2020 and amounted to RUB 434.32 mn.</p> <p>Activities under comprehensive programme scheduled for 2021 were fully executed.</p> <p>To promote employees' health and life-span, the Company purchased necessary protection and safety equipment in 2021</p>	<p>The headcount is 8,981 people. The average headcount is 8,876 people. The staffing level at the end of the year was 92.9%.</p> <p>Employees with higher vocational education – 51.5% and with primary/secondary vocational education – 34.5%.</p> <p>The annual purchase order for working wear and shoes was fully executed.</p> <p>The Company's employees received compensation payments, including the provision of voluntary health insurance services</p>
Social and reputation capital		
<p>A high degree of social responsibility.</p> <p>High level of business transparency: Company's website, mass media, Internet, and congress and exhibition events</p>	<p>Creating public awareness on the Company's activities: 30,088 publications related to the Company's activities were made in the federal and regional media, as well as on social media resources in 2021</p>	<p>Accumulation of reputation capital.</p> <p>Over 73% of the messages concerning the activities of Rosseti Kuban initiated by the Company's PR departments were positive, and 26% – neutral</p>
Environmental capital		
<p>Environmental costs in 2020 were RUB 17.8 mn.</p>	<p>All planned environmental activities were implemented in the reporting year</p>	<p>Environmental costs in 2021 were RUB 19.3 mn</p>