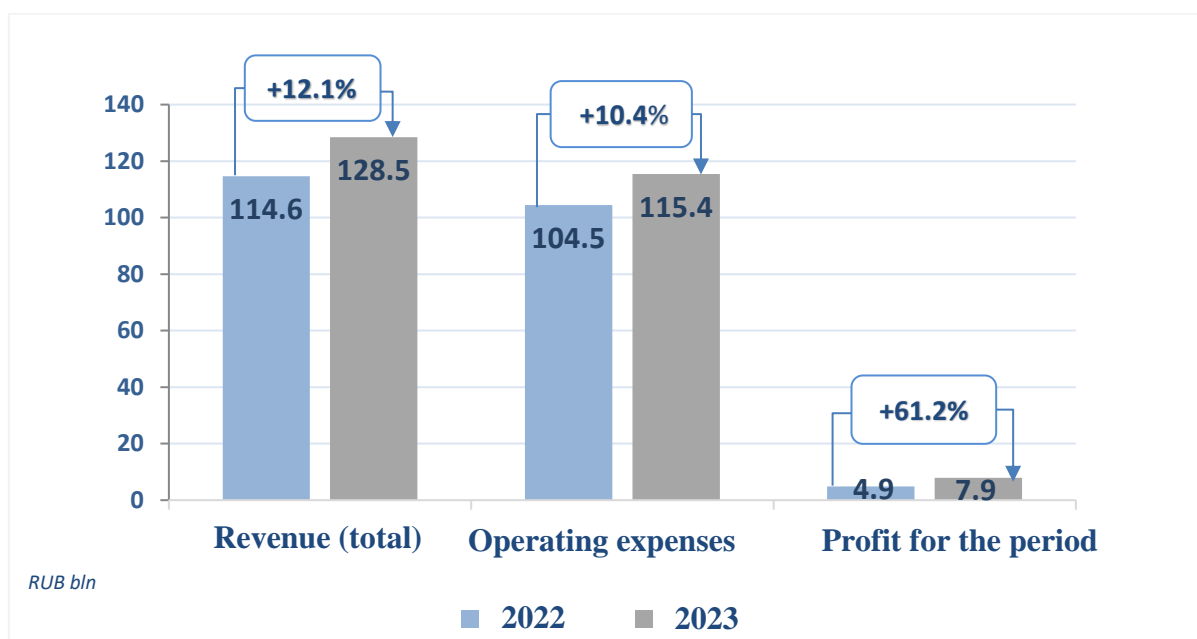


The Management Discussion and Analysis of PJSC “Rosseti Centre” to Consolidated Financial Statements of the Company, including its financial condition and performance results (MD&A)

The primary activities of PJSC “Rosseti Centre” (hereinafter referred to as the “Company”) and its subsidiaries (hereinafter together referred to as the “Group of Companies”) are provision of services for transmission and distribution of electricity for power grids, the provision of services for technological connection of consumers to the network, as well as the sale of electricity to the end consumer in a number of regions of the Russian Federation.

The Group of Companies, in addition to the Company, includes specialized electric grid and non-core subsidiaries in several regions of the Russian Federation.

The Company has published its audited Consolidated Financial Statements for 2023 in accordance with International Financial Reporting Standards (IFRS). Profit for the period amounted to RUB 7.9 bln, which is higher than the same indicator last year by RUB 3.0 bln.



Revenue for the reporting period is RUB 128.5 bln, including revenue from electricity transmission — RUB 117.1 bln, revenue from technological connection — RUB 5.0 bln, other revenue — RUB 5.7 bln and revenue for lease agreements – RUB 0.20 bln.

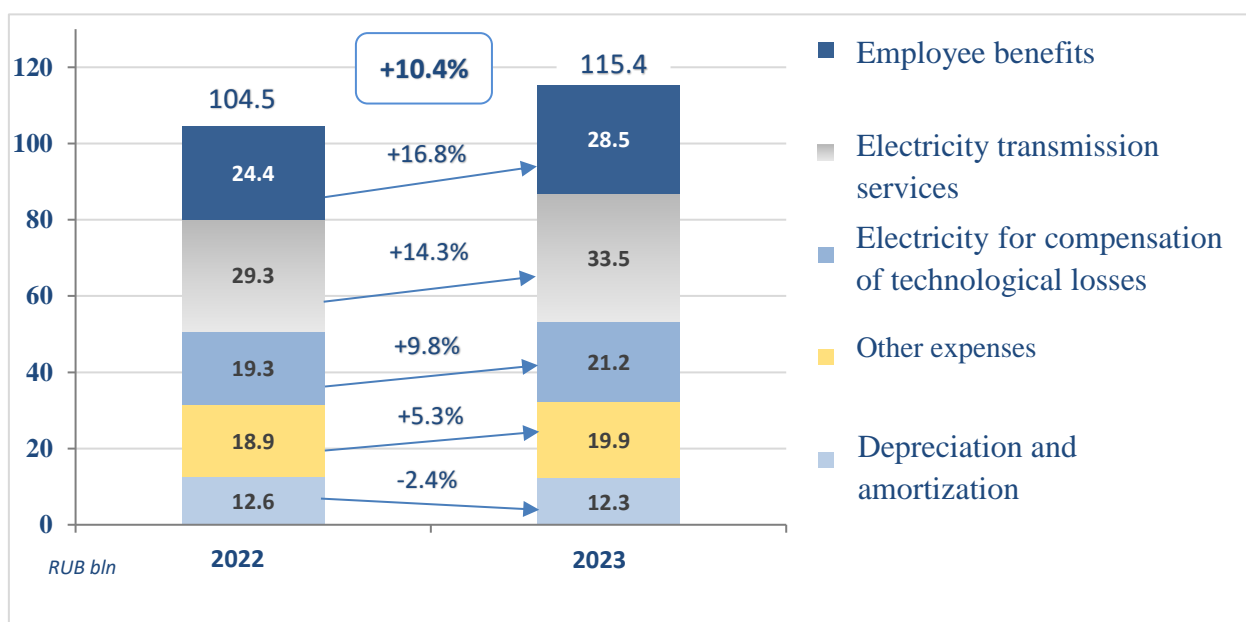
Data in billion RUB, unless otherwise stated

Indicators	2023	2022	Change
Revenue (total), including:	128.5	114.6	12.1%
Electricity transmission services	117.1	106.0	10.5%
Technological connection services	5.0	2.8	78.6%
Revenue from resale of electricity and capacity	0.4	0.6	-33.3%
Other revenue	5.7	5.0	14.0%
Revenue from lease agreements	0.20	0.19	5.3%

*Data of the Consolidated Financial Statements, rounded up to RUB bln.

The main factors that influenced the growth in the consolidated revenue are an increase in revenue from electricity transmission due to growth in the boiler tariffs.

Operating expenses of the Group of Companies following the results of 2023 amounted to RUB 115.4 bln, which is 10.4% higher than the same indicator last year.



The increase in the cost of electricity transmission services is due to growth in the cost of services of territorial grid organizations (TGO) because of an increase in the average TGO tariff, as well as an increase in the cost of electricity transmission services through federal grids due to an increase in rates for maintenance of electric grid facilities in UNEG grids.

The increase in electricity costs to compensate for technological losses was due to growth in the price of electricity (including growth in sales margins).

The increase in other operating expenses was caused by both inflationary growth in prices and an increase in the volume of non-regulated services compared to the previous year, as well as a one-time factor: an increase in the volume of measures aimed at reducing the level of electricity losses in grids (the costs are offset by a reduction in the cost of compensating for electricity losses).

An additional factor that influenced the growth of operating expenses was an increase in the cost of employee benefits, due to the indexation of wages and payment for overtime work in the elimination of power outages caused by adverse natural phenomena.

Name	2023	2022	Change	
			absolute	%
EBITDA, bln RUB	29.4	24.7	4.7	19.0%
EBITDA margin, %	22.9	21.6	1.3 p.p.	6.0%
Financial stability ratio	0.63	0.57	0.06	10.5%
Equity to total assets	0.40	0.37	0.03	8.1%
Current liquidity ratio	0.62	0.52	0.10	19.2%
A/R to A/P ratio	0.47	0.56	-0.09	-16.1%
A/R turnover, days	42	46	-4	-8.7%

Earnings before Interest, Taxation, Depreciation & Amortization (EBITDA) following the results of 2023 amounted to RUB 29.4 bln. The EBITDA margin following the results of 2023 amounted to 22.9%.

The financial stability ratio shows the share of long-term sources of financing (more than a year) that the company uses in its activities. The value of this indicator increased in the reporting period.

The equity to total assets ratio shows the portion of the company's assets that are covered by equity. The value of the indicator increased in the reporting period.

The current liquidity ratio reflects the capability of the company to pay off current (short-term) liabilities at the expense of current assets. The value of this indicator increased in the reporting period.

To service short-term liabilities following the results of 2023, the Group has available limits on long-term credit lines in the amount of over RUB 113 bln, which is more than the amount of short-term liabilities. The Group's solvency remains at a high level.

The ratio of accounts receivable and accounts payable characterizes the rationality of use of funds in turnover. Over the past period, this indicator decreased.

As at 31 December 2023 the assets of the Group of Companies reached RUB 148.8 bln (as at 31 December 2022 — RUB 139.8 bln), the net debt was RUB 37.6 bln (as at 31 December 2022 — RUB 39.6 bln). The weighted average borrowing rate of the Group of Companies (excluding interest-free borrowings) as at 31 December 2023 was 17.3%.

Data in billion RUB, unless otherwise stated

Indicators	As at 31.12.2023	As at 31.12.2022	Change
Total equity	60.6	52.8	14.8%
Total assets	148.8	139.8	6.4%
Borrowed funds	45.4	46.1	-1.5%
Cash and cash equivalents	7.8	6.5	20.0%
Net debt ¹	37.6	39.6	-5.1%

[1] The Net debt indicator is calculated based on reporting data, rounded to the nearest RUB bln, using the formula: long-term borrowed funds + short-term borrowed funds – cash and cash equivalents

The financial condition of the Group of Companies following the results of 2023 is characterized as stable.