



ITEM № 1  
ON APPROVAL OF THE ANNUAL REPORT, THE  
ANNUAL FINANCIAL STATEMENTS OF THE  
COMPANY FOR 2021

17 June 2022

**Explanatory information on the item (in part of the approval of the Annual Report, including the report on related party transactions concluded by the Company in 2021)**

In accordance with Federal Law of 26.12.1995 № 208-FZ “On Joint-Stock Companies”, the issue of approval of the annual report should be included in the agenda of the Annual General Meeting of Shareholders of the Company.

The Annual Report is the most important public document, annually considered by the Annual General Meeting of Shareholders and allowing to evaluate the results of the Company’s activities for the year.

The main purpose of drafting the Annual Report is to inform shareholders, investors and other stakeholders about all significant aspects of the Company’s activities and proper disclosure of information.

The Annual Report of Rosseti Centre for 2021 was developed in accordance with the requirements of the current legislation of the Russian Federation (including the Regulation on the disclosure of information by issuers of equity securities approved by the Bank of Russia 30.12.2014 № 454-P), the recommendations of the Corporate Governance Code (Letter of the Bank of Russia dated 10.04.2014 № 06-52/2463), Letter of the Bank of Russia dated 17.02.2016 № IN-06-52/8 “On disclosure in the annual report of a public joint-stock company of a report on compliance with the principles and recommendations of the Corporate Governance Code”, Letter of the Bank of Russia dated 11.12.2017 № IN-06-28/57 “On recommendations for disclosing in the annual report of a public joint-stock company information on remuneration of members of the board of directors (supervisory board), members of executive bodies and other key executives of the public joint stock company”, as well as intracorporate standards of the Company.

The Annual Report contains the Management report, which includes an overview of the main business processes, financial indicators, a corporate governance report and the Sustainability Report dedicated to work in the field of environmental, social and corporate governance – ESG (ecological, social and corporate governance).

The Annual Report takes into account the Corporate Governance Code recommended by the Bank of Russia and complies with the international reporting standards GRI (Global Reporting Initiative) in the field of sustainable development.

Appendices to the Annual Report are also the Report on Compliance with the Principles and Recommendations of the Corporate Governance Code and the Report on Related Party Transactions Made by the Company in the Reporting Year, submitted in accordance with Federal Law of 26.12.1995 № 208-FZ “On Joint-Stock Companies” in preparation for the holding of the annual general meeting of shareholders of a public company to persons entitled to participate in the annual general meeting of shareholders. All related party transactions concluded by the Company in 2021 passed the procedure of preliminary approval by the Board of Directors of the Company. Transactions (inter-related transactions), the value of which was 10 percent or more of the book value of the Company’s assets, were not made in the reporting year.

**Information on the conclusion of the Audit Commission**

The Annual Report was signed by General Director of the Company, the reliability of the data contained in it was confirmed by the Audit Commission of the Company, recommended by the Board of Directors of the Company on 12.05.2022 (Minutes No. 25/22) in accordance with the recommendations regarding the Audit Committee on 11.05.2022 (Minutes No. 09/22) and the Strategy Committee on 12.05.2022 (Minutes No. 10/22) for approval at the Annual General Meeting of Shareholders of Rosseti Centre, PJSC.

Based on the results of the assessment of the reliability of the Company’s statements at the end of 2021, the Audit Commission expresses its opinion on the reliability of the data contained in the Annual Report for 2020, the Financial Statements of the Company for 2021, the Report on related party transactions concluded in 2021 in all material respects.

The text of the Annual Report for 2021 (including the Report on related party transactions concluded in 2021) can be found on the Company’s website at: <https://www.mrsk-1.ru/about/management/controls/stockholders/material/gosa2022/>

**Information on the conclusion of the internal audit based on the results of assessing the reliability and effectiveness of the internal control system and the risk management system, the effectiveness of corporate governance**

The conclusion was prepared in accordance with the requirements of Federal Law of 26.12.1995 № 208-FZ “On Joint-Stock Companies”, recommendations of the Bank of Russia (Letter dated 01.10.2021 № IN-06-28/143) “On recommendations for organizing risk management, internal control, internal audit, the work of the audit committee of the board of directors (supervisory board) in public joint stock companies”, as well as in pursuance of the provisions of the Internal Audit Policy of IDGC of Centre, PJSC P 1/02-04/2021, approved by the decision of the Board of Directors (Minutes dated 23.08.2021 No. 36/21).

The conclusion was prepared based on the analysis of the Company’s internal regulations, financial and management reporting, the results of the monitoring of risk management processes, the implementation of control procedures, the results of internal audit and other internal and external guarantee providers (the Company’s divisions, regulatory and supervisory bodies).

Based on the assessment, the Internal Audit Department has sufficient grounds to confirm that the risk management system and the internal control system of the Company are organized in accordance with the requirements of the legislation and the scope of the Company’s activities, there are no significant deficiencies in the system that impede the achievement of its goals.

**Explanatory information on the item (in part of the approval of the annual financial statements)**

In accordance with Federal Law of 26.12.1995 № 208-FZ “On Joint-Stock Companies”, the agenda of the Annual General Meeting of Shareholders of the Company should include the issue of approval of the annual financial statements.

The annual financial statements for 2021 proposed for approval by the shareholders’ meeting were compiled in accordance with Federal Law “On Business Accounting” dated 06.12.2011 № 402-FZ and the Regulation on Business Accounting and Accounting Reporting in the Russian Federation (Order of the Ministry of Finance of the Russian Federation of 29.07.1998 № 34-n) and the Accounting Regulations.

The annual financial statements include:

Form No. 1 “Statement of Financial Position”

Form No. 2 “Statement of Financial Results”

Form No. 3 “Statement of Changes in Equity”

Form No. 4 “Cash Flow Statement”

Notes

Auditor’s Report

The financial statements of Rosseti Centre, PJSC under Russian Accounting Standards for 12 months of 2021 have the following indicators:

RUB mln	for 2021	for 2020	Change	
			absolute	relative
<b>Revenue</b>	<b>103 169</b>	<b>94 985</b>	<b>8 184</b>	<b>8.62%</b>
from electricity transmission services	97 771	90 491	7 280	8.04%
from grid connection services	1 487	1 306	181	13.86%
from electricity sale	591	531	60	11.30%
from other activity	3 320	2 657	663	24.95%
<b>Cost price</b>	<b>90 218</b>	<b>84 889</b>	<b>5 329</b>	<b>6.28%</b>
cost price of electricity transmission	87 399	83 025	4 374	5.27%
cost price of grid connection	305	293	12	4.10%
cost price of electricity sale	510	474	36	7.59%
cost price of other sales	2004	1 097	907	82.68%
<b>Selling costs</b>	<b>16</b>	<b>18</b>	<b>-2</b>	<b>-11.11%</b>
<b>Management costs</b>	<b>2 316</b>	<b>2 389</b>	<b>-73</b>	<b>-3.06%</b>
<b>Sales profit</b>	<b>10 619</b>	<b>7 689</b>	<b>2 930</b>	<b>38.11%</b>
Other income	3 770	3 757	13	0.35%
Other expenses	8 560	7 266	1 294	17.81%
Profit tax	1 527	1 138	389	34.18%
Other	-155	-212	57	-26.89%
<b>Net profit</b>	<b>4 147</b>	<b>2 830</b>	<b>1 317</b>	<b>46.54%</b>

**Statement of Financial Results**

The revenue of Rosseti Centre, PJSC for 2021 amounted to 103 169 million rubles, which is 8 184 million rubles (8,62 %) higher than in 2020.

volume of proceeds from the transmission of electricity amounted to 97 771 million rubles. At the end of 2021, there was an increase in revenue from services for the transmission of electricity compared to the same period last year by 7 280 million rubles (8,04 %), by increasing net supply by 2 368 million kWh (+ 4 682,5 million rubles) and growth of tariffs for the transmission of electric energy from 01 July 2021 (+ 2 598,1 million rubles).

The proceeds from the sale of electricity and capacity increased by 60 million rubles (11,30 %) and at the end of 2021 amounted to 591 million rubles.

At the end of 2021, the proceeds from services for grid connection amounted to 1 487 million rubles excluding VAT, which is 181 million rubles more compared to the same period in 2020 by 13,86%.

Revenue from other activities amounted to 3 320 million rubles. The increase in the revenue from other activities in 2021 by 663 million rubles (24,95 %) is due to the implementation of a larger volume of contracts for the following types of services: “Services of the call centre (Contact centres, hot lines, etc.)”, “Operational and technical maintenance of outdoor lighting systems”, “Consulting and organizational and technical services”.

The cost price for 2021 amounted to 90 218 million rubles, which is 5 329 million rubles (6,28 %) higher than in the previous reporting period. The main cost drivers are the increase in loss compensation costs (+1 358 million rubles); services of PJSC FGC UES and Territorial Grid Companies (+857 million rubles); services of contractors to fulfill the obligations of the Company under contracts for the provision of additional services (+401 million rubles); performance of energy service contracts (+317 million rubles); rising staff costs (+556 million rubles).

The gross profit in 2021 amounted to 12 949 million rubles against 10 096 million rubles for 2020.

The selling expenses in 2021 amounted to 16 million rubles, which is 2 million rubles (11,11 %) lower than in 2020. The main factor in reducing the selling expenses is the reduction in the cost of paying commissions for payment acceptance services..

The management expenses decreased by 73 million rubles (3,06 %) and at the end of 2021 amounted to 2 316 million rubles.

The sales profit for 2021 amounted to 10 619 million rubles against 7 689 million rubles for 2020.

Income from participations in other organizations compared to the previous year slightly increased by 6 million rubles and amounted to 20 million rubles.

The balance of interest receivable and payable in comparison with the previous year decreased by 195 million rubles and amounted to 2 148 million rubles.

The balance of other income and expenses for 2021 amounted to 2 661 million rubles against 1 180 million rubles for 2020. The main impact on this indicator was the growth of extraordinary expenses for emergency and restoration work as a result of technological disruptions caused by adverse weather events, and the growth of expenses for the creation of valuation reserves based on the results of judicial review of claims against Rosseti Centre, PJSC, as well as provisions for doubtful debts for the services rendered by Rosseti Centre, PJSC for the transmission of electricity.

As a result, the net profit at the end of 2021 amounted to 4 147 million rubles against 2 830 million rubles for 2020.

**Statement of Financial Position**

The total assets of Rosseti Centre, PJSC as of 31 December 2021 compared to 31 December 2020 increased by 8 589 million rubles (6,59 %) and amounted to 138 899 million rubles.

The non-current assets in comparison with the beginning of the year increased by 4 608 million rubles (4,14 %) and amounted to 116 018 million rubles.

The current assets increased by 3981 million rubles (21,06 %) and as of 31 December 2021 amounted to 22 881 million rubles.

The net assets increased by 2 741 million rubles (or by 4,68%).

The debt burden as of 31 December 2021 amounted to 42 288 million rubles. The debt portfolio is mainly represented by long-term loans and borrowings. The share of bank loans in the portfolio reaches 64,9%, bond loans – 23,6%, corporate loans –11,5%. The net debt of Rosseti Centre, PJSC amounted to 40 798 million rubles against 44 502 million rubles at the beginning of the year.

**Information on the results of an independent audit**

In the opinion of the independent auditor Ernst & Young LLC, the attached financial statements accurately reflect, in all material aspects, the financial position of the Company as of 31 December 2021, as well as its financial results and cash flows for 2021 in accordance with the rules for drawing up financial statements established in the Russian Federation.

The Audit Committee at the meeting on 08.04.2022 (Minutes No. 06/22) acknowledged the Auditor’s report and the procedures carried out by Ernst & Young LLC during the audit of the financial statements of the Company for 2021, prepared in accordance with RAS, in compliance with the terms of the agreement and the requirements of the legislation of the Russian Federation and recommended that the Board of Directors of Rosseti Centre, PJSC submit for approval by the Annual General Meeting of Shareholders the annual financial statements for 2021, and also include the conclusion of the Audit Committee of the Board of Directors of Rosseti Centre, PJSC based on the results of the assessment of the level of efficiency and quality of the external audit process, the auditor’s report on the financial statements of the Company for 2021 issued by Ernst & Young LLC to the list of materials provided to persons entitled to participate in the Annual General Meeting of Shareholders of the Company.

**Information on the conclusion of the Audit Commission**

Based on the audit performed, taking into account the opinion of the external auditor of the Company, the Audit Commission has sufficient grounds to confirm the reliability of the data contained in the annual financial statements of the Company for 2021 in all material respects.

The annual financial statements of the Company for 2021 were preliminarily approved by the Board of Directors of the Company on 12.05.2022 (Minutes No. 25/22) in accordance with the recommendations of the Audit Committee on 22.03.2022 (Minutes No. 05/22). The annual financial statements for 2021 are available on the Company’s website at: <https://www.mrsk-1.ru/about/management/controls/stockholders/material/gosa2022/>



ITEM № 1 «ON APPROVAL OF THE ANNUAL REPORT, THE ANNUAL FINANCIAL STATEMENTS OF THE COMPANY FOR 2021»

**Draft resolution on item № 1**

1. To approve the Annual Report of the Company for 2021.
2. To approve the annual financial statements of the Company for 2021.

**Annual Report of Rosseti Centre, PJSC for 2021.**Public Joint stock company  
«Rosseti Centre»**EXTRACT FROM MINUTES**  
of meeting of the Board of Directors of Rosseti Centre, PJSC  
(in the form of absent voting)**SEE APPENDIX 1**

«12» May 2022

Moscow

No. 25/22

Form of the meeting: **absent voting.**Total number of members of the Board of Directors: **11 people.**Participants of the voting: **A.V. Golovtsov, Y.V. Goncharov, V.Y. Zarkhin, M.V. Korotkova, D.V.****Krainitskiy, A.I. Krupenina, A.V. Mayorov, I.V. Makovskiy, A.V. Molskiy, E.V. Prokhorov, A.V.****Shevchuk.**Members who did not provide questionnaires: **none.**The quorum is **present.**Date of the minutes: **12.05.2022.****Item 7. On the prior approval of the Company's Annual Report for 2021.****Decision:**

Tentatively to approve the Company's Annual Report for 2021 and to recommend that the Annual General Meeting of Shareholders of the Company approve the Annual Report in accordance with Appendix # 5 to this decision of the Board of Directors of the Company.

**Decision taken unanimously.****Appendix:** The Company's Annual Report for 2021 (Appendix # 5).**Minutes signed by:**

Chairperson of the Board of Directors

A.V. Mayorov

Corporate Secretary

S.V. Lapinskaya

Extract is correct:

Corporate Secretary

of Rosseti Centre, PJSC

S.V. Lapinskaya

12.05.2022

Report on transactions concluded by Rosseti Centre, PJSC in 2021, recognized in accordance with the legislation of the Russian Federation as related party transactions

№	Name of the transaction	Date of the transaction	Significant terms of the transaction (parties, subject, price, validity period)	Person (s) who are related to the transaction	Notification of the related party transaction (letter details)	Governing body that made a decision on consent to the transaction or its subsequent approval (if there is such a decision - minutes details)
1.	Agreement for the provision of services for the organization of the functioning and development of the electric grid complex	27.04.2021	<p><b>Parties of the Agreement:</b> 1. IDGC of Centre, PJSC (Customer). 2. PJSC Rosseti (Contractor);</p> <p><b>Subject of the Agreement:</b> The Contractor undertakes to provide the Customer with the service for organizing the functioning and development of the Customer's power grid complex (hereinafter referred to as the Service) in accordance with the terms of the Agreement, and the Customer undertakes to accept and pay for the Service in accordance with the terms of the Agreement.</p> <p><b>Price of the Agreement:</b> The price of the Service under the Agreement for one year is no more than 207 458 299 (Two hundred seven million four hundred fifty eight thousand two hundred ninety nine) rubles 91 kopecks, plus VAT (20%) in the amount of no more than 41 491 659 (Forty one million four hundred ninety one thousand six hundred fifty nine) rubles 98 kopecks, the total price of the service including VAT is no more than 248 949 959 (Two hundred forty-eight million nine hundred forty-nine thousand nine hundred fifty-nine) rubles 89 kopecks.</p> <p><b>Term for the provision of the Service under the Agreement:</b> The beginning of the provision of the Service: 01.01.2021; The end of the provision of the Service: 31.12.2021.</p> <p><b>Duration of the Agreement:</b> The Agreement enters into force from the moment of its signing by the Parties and is valid until 31.12.2021, and in terms of settlements – until the Parties completely fulfill their obligations. The Agreement extends its effect to the legal relations of the Parties arising from 01.01.2021.</p>	<p>1. PJSC Rosseti - controlling entity of IDGC of Centre, PJSC, simultaneously being a party to the transaction.</p> <p>2. Andrey Vladimirovich Mayorov - Chairman of the Board of Directors of IDGC of Centre, PJSC, simultaneously being a member of the Management Board of PJSC Rosseti.</p> <p>3. Larisa Anatolievna Romanovskaya - Member of the Board of Directors of IDGC of Centre, PJSC, simultaneously being a member of the Management Board of PJSC Rosseti.</p>	Notification of IDGC of Centre, PJSC dated 12.04.2021 № MP1-TSA/7/3/522	Board of Directors of IDGC of Centre, PJSC (Minutes dated 19.04.2021 № 13/21)
2.	Agreement for provision of services for driving vehicles and for performance of work on maintenance and repair of vehicles	01.07.2021	<p><b>Parties of the Agreement:</b> IDGC of Centre, PJSC (Customer); JSC "Motor Vehicle Enterprise" (Contractor).</p> <p><b>Subject of the Agreement:</b> The Contractor undertakes to provide a range of services for the driving and maintenance of vehicles (hereinafter - the vehicles), as well as perform work related to their maintenance and repair, in accordance with the terms of the Agreement. The works and services include: 1. in terms of the organization of the vehicles driving and management: - receiving and processing applications from the Customer for the vehicles; - the vehicles distribution according to the Vehicle Applications;</p>	1. PJSC Rosseti - controlling entity of IDGC of Centre, PJSC, simultaneously being Controlling entity (indirectly through IDGC of Center and Volga Region, PJSC) of JSC "Motor Vehicle Enterprise", which is a party to the transaction.	Notification of IDGC of Centre, PJSC dated 27.05.2021 № MP1-TSA/7/3/766	Board of Directors of IDGC of Centre, PJSC (Minutes dated 28.05.2021 № 20/21)

Report on transactions concluded by Rosseti Centre, PJSC in 2021, recognized in accordance with the legislation of the Russian Federation as related party transactions

№	Name of the transaction	Date of the transaction	Significant terms of the transaction (parties, subject, price, validity period)	Person (s) who are related to the transaction	Notification of the related party transaction (letter details)	Governing body that made a decision on consent to the transaction or its subsequent approval (if there is such a decision - minutes details)
			<ul style="list-style-type: none"> <li>- registration of travel documentation;</li> <li>- bringing the route, type of work, transported goods to the personnel of the vehicle manager;</li> <li>- dispatching of the Customer's vehicle (control on the line, changing the task during the work shift, carrying out measures to replace vehicles that have gone off the line, optimizing routes);</li> <li>- organization and implementation of pre-trip/post-trip control of the technical condition of the vehicles;</li> <li>- organization and conduct of medical pre-trip/post-trip examination of personnel involved in driving the vehicles;</li> <li>- providing the vehicles with fuels and lubricants (hereinafter - the fuels and lubricants) according to the standards agreed by the Customer;</li> <li>- the vehicles driving;</li> <li>- conducting briefings on labour protection and road safety.</li> </ul> <p>2. in terms of the vehicles maintenance and repair:</p> <ul style="list-style-type: none"> <li>- routine maintenance of the vehicles;</li> <li>- the vehicles repair (current, overhaul) in accordance with the conditions determined by the terms of the Agreement;</li> <li>- diagnostic work on the vehicles, their systems and devices;</li> <li>- provision of spare parts, units, consumables, tires, batteries;</li> <li>- carrying out a technical inspection of the vehicles.</li> </ul> <p><b>Price of the Agreement:</b> The price of works and services under the Agreement is not more than 528 243 600 (Five hundred twenty eight million two hundred forty three thousand six hundred) rubles 00 kopecks, including 20% VAT in the amount of not more than 88 040 600 (Eighty eight million forty thousand six hundred) rubles 00 kopecks, and includes:</p> <ul style="list-style-type: none"> <li>- the cost of vehicle driving services, which is determined by the actually rendered services and is formed on the basis of the current tariffs for services, and data from the waybills for the vehicle, drawn up by the Contractor for each trip and signed by the Customer;</li> <li>- the cost of repairing a vehicle and the cost of replaced (if necessary) components and assemblies and actually performed work per month.</li> </ul> <p><b>The period for the provision of the services and performance of the works under the Agreement:</b> <b>Start:</b> 01.07.2021. <b>End:</b> 31.12.2022. <b>Duration of the Agreement:</b> The Agreement comes into force from the moment of its signing by the Parties.</p>	<p>2. Alexander Viktorovich Pilyugin - Member of the Management Board of IDGC of Centre, PJSC, who is also a member of the Board of Directors of JSC "Motor Vehicle Enterprise".</p> <p>3. Artem Gennadievich Aleshin - Member of the Management Board of IDGC of Centre, PJSC, who is also a member of the Board of Directors of JSC "Motor Vehicle Enterprise".</p>		

**Annual financial statements of Rosseti Centre, PJSC for 2021.**Public Joint stock company  
«Rosseti Centre»**SEE APPENDIX 2****EXTRACT FROM MINUTES**  
of meeting of the Board of Directors of Rosseti Centre, PJSC  
(in the form of absent voting)

«12» May 2022

Moscow

No. 25/22

Form of the meeting: **absent voting**.Total number of members of the Board of Directors: **11 people**.Participants of the voting: **A.V. Golovtsov, Y.V. Goncharov, V.Y. Zarkhin, M.V. Korotkova, D.V. Krainskiy, A.I. Krupenina, A.V. Mayorov, I.V. Makovskiy, A.V. Molsky, E.V. Prokhorov, A.V. Shevchuk**.Members who did not provide questionnaires: **none**.The quorum is **present**.Date of the minutes: **12.05.2022**.**Item 2. On consideration of the annual financial statements of the Company for 2021.****Decision:**

To submit the annual financial statements of the Company for 2021 for approval by the Annual General Meeting of Shareholders of the Company in accordance with Appendix # 2 to this decision of the Board of Directors of the Company.

**Decision taken unanimously.****Appendix:** The annual financial statements of the Company for 2021 (Appendix # 2).**Minutes signed by:**

Chairperson of the Board of Directors

A.V. Mayorov

Corporate Secretary

S.V. Lapinskaya

Extract is correct:

Corporate Secretary  
of Rosseti Centre, PJSC  
12.05.2022

S.V. Lapinskaya

**Conclusion of the Audit Commission of Rosseti Centre, PJSC for 2021.**
**The Audit Commission  
of Rosseti Centre, PJSC**

Approved by  
the Audit Commission  
of Rosseti Centre, PJSC  
(Minutes dated 29 April 2022 # 3)

**CONCLUSION  
OF THE AUDIT COMMISSION**

of Public Joint stock company  
«Rosseti Centre»

FOR 2021

29 April 2022

Moscow

**I. INTRODUCTION  
INFORMATION ON THE AUDIT COMMISSION**

<b>Members of the Audit Commission were elected by the resolution of the General Meeting of Shareholders</b>	Decision of the Annual General Meeting of Shareholders of IDGC of Centre, PJSC dated 31.05.2021 (Minutes dated 31.05.2021 # 01/21)
<b>Chairperson, Secretary of the Audit Commission were elected by the decision of the Audit Commission</b>	Minutes of the Audit Commission of IDGC of Centre, PJSC dated 18.06.2021 # 1
<b>Chairperson of the Audit Commission</b>	Svetlana Nikolaevna Kovaleva
<b>Secretary of the Audit Commission</b>	Svetlana Mikhailovna Trishina
<b>Members of the Audit Commission</b>	Viktor Vladimirovich Tsarkov, Tatyana Viktorovna Zaitseva, Konstantin Igorevich Venevtsev

**Term of the audit performance:** In accordance with the work plan of the Audit Commission for the 2021-2022 corporate year (Minutes of the meeting of the Audit Commission of Rosseti Centre, PJSC dated 18.06.2021 # 1) and the decision of the Audit Commission of Rosseti Centre, PJSC (Minutes of the meeting dated 14.01.2022 # 2), the audit of the financial and economic activities of Rosseti Centre, PJSC for 2021 is carried out from January to June 2022.

**Reason for the audit:** Federal Law No. 208-FZ of 26.12.1995 "On Joint Stock Companies", the Articles of Association of Rosseti Centre, PJSC, the Regulation on the Audit Commission of Rosseti Centre, PJSC, the decision of the Audit Commission of Rosseti Centre, PJSC (Minutes of the meeting dated 14.01.2022 # 2).

**Purpose of the audit:** confirmation of the reliability of data contained in the Annual Report for 2021, the financial statements of Rosseti Centre, PJSC for 2021, the Report on related party transactions concluded in 2021 (hereinafter referred to as the Statements).

Reliability in all material respects means the accuracy of the Statements data, which allows shareholders to draw the right conclusions about the results of economic activities, financial and property status of Rosseti Centre, PJSC and take informed decisions based on these conclusions.

In accordance with Federal Law No. 208-FZ of 26.12.1995 "On Joint Stock Companies", the Articles of Association of Rosseti Centre, PJSC, the Executive Body of Rosseti Centre, PJSC bears responsibility for the organization, condition and reliability of accounting in Rosseti Centre, PJSC, timely submission of financial statements.

**Audited period:** from 01.01.2021 to 31.12.2021.

**Audited entity:** the Annual Report for 2021, the Financial Statements for 2021, the Report on related party transactions concluded in 2021, resolutions of management bodies, local regulations and organizational and administrative documents of Rosseti Centre, PJSC, programs and plans, accounting registers, primary accounting documents and other documentation of financial and economic activities of Rosseti Centre, PJSC.

**The audit was performed in accordance with the following:**

- Federal Law No. 402-FZ of 06.12.2011 "On Business Accounting";
- Federal Law No. 208-FZ of 26.12.1995 "On Joint Stock Companies";
- the Civil Code of the Russian Federation;
- Order of the Ministry of Finance of the Russian Federation No.34n of 29.07.1998 "On the Adoption of the Regulations on Business Accounting in the Russian Federation";
- Regulations (standards) on accounting (federal, industry);
- Order of the Ministry of Finance of the Russian Federation N 66n of 02.07.2010 "On the Forms of Financial Statements of Organisations";
- Regulation on the disclosure of information by issuers of equity securities, approved by the Central Bank of the Russian Federation dated 27 March 2020 No. 714-P;
- Instruction of the Bank of Russia "On the establishment of limit values for the size of transactions of joint-stock companies and limited liability companies, in excess of which such transactions can be recognized as related-party transactions" dated 31.03.2018 No. 4335-U;
- the Regulation on Accounting Policy Rosseti Centre, PJSC for 2021 PS BS 9/03-10/2021, approved by Order of IDGC of Centre, PJSC dated 30.12.2020 № 643-TSA (in the edition of Order dated 06.08.2021 № 355-TSA);
- other legislative acts and internal local regulations of Rosseti Centre, PJSC.

**INFORMATION ON THE COMPANY**

Full company name	Public Joint stock company «Rosseti Centre» (hereinafter referred to as the Company)
Abbreviated name	Rosseti Centre, PJSC (hereinafter referred to as the Company)
Location (Registered office)	Moscow, Russian Federation
Legal entity address	Malaya Ordynka st., 15, Moscow, 119017 Russian Federation
State registration (PSRN, date)	1046900099498 dated 17.12.2004
Taxpayer Identification Number (TIN)	6901067107
Branches and subdivisions with separate balance	Belgorodenergo, Bryanskenergo, Voronezhenergo, Kostromaenergo, Kurskenergo, Lipetskenergo, Orelenergo, Smolenskenergo, Tambovenergo, Tverenergo, Yarenergo
Executive Body (Full name, position, date of taking office (all in the reporting period and events after the reporting date))	Igor Vladimirovich Makovskiy from 19.09.2018 to the present
Chief Accountant (Full name, position, date of taking office)	Lyudmila Alexeevna Sklyarova, Chief Accountant – Head of Financial and Tax Accounting and Reporting Department from 19.04.2013 to the present
Average number of employees of the Company for 2021	28 693 persons
Major shareholders	PJSC Rosseti 50,23 %, NEW RUSSIAN GENERATION LIMITED 15,98 %
Primary activities	Electricity transmission and connection to distribution grids (OKVED code 35.12)

On 03 August 2021, in accordance with the decision of the Annual General Meeting of Shareholders of IDGC of Centre, PJSC, held on 31 May 2021 (Minutes # 01/21 dated 31 May 2021), an entry was made in the Unified State Register of Legal Entities about the change of the Company's name:

- full company name – Public Joint stock company «Rosseti Centre»;
- abbreviated company name – Rosseti Centre, PJSC.

The types of the Company's activities are determined by the Articles of Association.

Paragraph 2.8 of the Articles of Association stipulates that the Company can create branches and open representative offices that are not legal entities, act on behalf of the Company and on the basis of the provisions approved by the Company. The Company is responsible for the activities of the branch and representative office.

The governing bodies of Rosseti Centre, PJSC are:

- General Meeting of Shareholders
- Board of Directors
- Management Board
- General Director (CEO).

The supreme governing body of the Company is the General Meeting of Shareholders. The most important decisions related to the activities of the Company are made by the General Meeting of Shareholders within its competence established by the legislation of the Russian Federation and the Articles of Association of the Company.

The Board of Directors, which is elected at the general meeting of shareholders, takes decisions on the issues of determining the development strategy of the Company and controls the activities of its executive bodies in accordance with the Articles of Association of the Company.

The management of the current activities of the Company is carried out by the sole executive body – the General Director of the Company and the collegial executive body – the Management Board of the Company.

Control over the financial and economic activities of the Company is carried out by the Audit Commission of the Company.

The composition of the Board of Directors of the Company, acting in the reporting year, is presented below:

**Composition of the Board of Directors acting from 31.05.2021 to the present**

**Elected at the Annual General Meeting of Shareholders on 31.05.2021 (Minutes of the Annual General Meeting of Shareholders dated 31.05.2021 # 01/21)**

Andrey Vladimirovich Mayorov	Chairman of the Board of Directors of Rosseti Centre, PJSC, First Deputy Director General - Chief Engineer of PJSC Rosseti
Alexander Viktorovich Golovtsov	Member of the Board of Directors of Rosseti Centre, PJSC
Yury Vladimirovich Goncharov	Chief Adviser of PJSC Rosseti
Vitaly Yuryevich Zarkhin	Member of the Board of Directors of Rosseti Centre, PJSC
Maria Vyacheslavna Korotkova	Independent director, Development Director of Technoinnovation LLC
Daniil Vladimirovich Krainskiy	Deputy Director General for Legal Support of PJSC Rosseti
Anastasiya Igorevna Krupenina	Independent director, Director for Strategy and Investment of Five Plus LLC
Igor Vladimirovich Makovskiy	General Director of Rosseti Centre, PJSC, Chairman of the Management Board of of Rosseti Centre, PJSC
Alexey Valeryevich Molsky	Deputy Director General for Investment, Capital Construction and Sale of Services of PJSC Rosseti
Egor Vyacheslavovich Prokhorov	Deputy Director General for Strategy of PJSC Rosseti
Alexander Viktorovich Shevchuk	Independent director, Executive Director of Non-profit organization Association of Institutional Investors

**Composition of the Board of Directors acting from 29.05.2020 to 30.05.2021**

**Elected at the Annual General Meeting of Shareholders on 29.05.2020 (AGM Minutes dated 29.05.2020 # 01/20)**

Andrey Vladimirovich Mayorov	First Deputy Director General - Chief Engineer of PJSC Rosseti
Alexander Viktorovich Golovtsov	Independent director
Vitaly Yuryevich Zarkhin	Independent director
Alexander Ivanovich Kazakov	Independent director
Daniil Vladimirovich Krainskiy	Deputy Director General for Legal Support of PJSC Rosseti
Igor Vladimirovich Makovskiy	General Director of IDGC of Centre, PJSC, Chairman of the Management Board of IDGC of Centre, PJSC
Konstantin Alexandrovich Mikhailik	Deputy Director General for Digital Transformation of PJSC Rosseti
Alexey Igorevich Pavlov	Director of Strategy Department of PJSC Rosseti
Vasily Vladimirovich Rozhkov	Director of Production Activity Department - Deputy Chief Engineer of PJSC Rosseti
Larisa Anatolievna Romanovskaya	First Deputy Director General of PJSC Rosseti
Alexander Viktorovich Shevchuk	Independent director, Executive Director of Non-profit organization Association of Institutional Investors

**INFORMATION ON THE AUDITOR**

Full company name	Ernst & Young Limited Liability Company
Abbreviated company name	Ernst & Young LLC
Resolution of the Annual General Meeting of Shareholders to approve the auditor nomination	Decision of the Annual General Meeting of Shareholders of Rosseti Centre, PJSC dated 31.05.2021 (Minutes dated 31.05.2021 # 01/21)
Location	Sadovnicheskaya nab. 77, bld. 1, 115035 Moscow, Russian Federation
State registration number	1027739707203
SRO membership	Membership in self-regulatory organization of auditors Association "Sodruzhestvo" (NP AAC) Main registration number of record 12006020327
Agreement to provide auditing services	Audit agreement dated 01.06.2021 № I&C-2021-00065
Auditor's Report	Independent auditor's report on the financial statements of Public Joint stock company «Rosseti Centre for 2021 (signed 09.03.2022)

**II. ANALYTICAL PART**

During the audit, the Company's compliance with the legislation of the Russian Federation and local regulations of the Company was considered.

The Audit Commission selectively checked a number of financial and business operations performed by the Company for accurate and timely reflection of the facts of economic life in accounting and financial statements for 2021, checking the reliability and completeness of information disclosure in the Annual Report for 2021, in the report on related party transactions concluded in 2021. Based on the results of the Company's statements, an analysis of the financial position and financial condition of the Company was carried out.

During the assessment of the reliability of the financial statements for 2021, the Audit Commission relied on the opinion of the auditor, expressed in the auditor's report of Ernst & Young LLC dated 09 March 2022.

According to the auditor Ernst & Young LLC:

*«the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2021 and its financial performance and its cash flows for 2021 in accordance with the rules on preparation of financial statements established in the Russian Federation».*

The set of accounting methods used by the Company constituting the Accounting Policy of Rosseti Centre, PJSC for accounting purposes for 2021, approved by Order dated 30.12.2020 № 643-TSA (in the edition of Order dated 06.08.2021 № 355-TSA), in the reporting year generally complied with the legislation of the Russian Federation on accounting and federal standards.

An inventory of the property and liabilities of the Company based on the results of 2021 was carried out in accordance with the requirements of the legislation of the Russian Federation. At the same time, the Audit Commission noted certain shortcomings in the course of the annual inventory of property and liabilities based on the results of 2021.

The statements were drawn up in accordance with the legislative and regulatory acts of the Russian Federation (RAS) and local regulations of the Company in all material respects.

The book value of the Company's property and liabilities as of 31 December 2021 amounted to 138 898,9 RUB mln and compared with the data on 31 December 2020 increased by 6,6 % or 8 589,3 RUB mln.

Non-current assets occupy 83,5 % in the structure of property, their value as of 31 December 2021 amounted to 116 017,4 RUB mln, which is 4,1 % more than the size of non-current assets as of 31 December 2020 mainly due to an increase in the cost of property, plant and equipment due to the commissioning of property, plant and equipment completed by construction and the acquisition of property, plant and equipment.

The share of current assets as of 31 December 2021 accounted for 16,5 % or 22 881,6 RUB mln, the largest share of which is accounts receivable (64,3 %) and inventories (13,3 %). The value of current assets, in comparison with their value as of 31 December 2020, increased by 21,1 % mainly due to the growth of financial investments (by 721,3 %) in connection with the provision of loans, value added tax on acquired valuables (36 times), cash and cash equivalents (by 87,2 %).

As of 31 December 2021, the amount of accounts receivable (line 1230 in the balance sheet), compared to the data as of 31 December 2020, increased by 0,7 % and amounted to 14 712,5 RUB mln. The total amount of receivables accounted for under the terms of contracts for 2021 decreased by 5,2 % and as of 31 December 2021 amounted to 25 404,6 RUB mln, of which 55,2 % of the debt is overdue receivables, 42,1 % of the debt was recognized by the Company as doubtful to be collected and an allowance for doubtful debts was created. The overdue receivables (under the terms of contracts) for the reporting year decreased by 19,8 %, the allowance for doubtful debts, in comparison with its value as of 31 December 2020, decreased by 12,2 %.

In the structure of capital and liabilities, as of 31 December 2021, equity capital accounts for 44,1 % and amounts to 61 311,2 RUB mln. Equity capital for the reporting year increased by 4,7 %, which is mainly due to the receipt of net profit by the Company in the reporting period.

The value of long-term liabilities as of 31 December 2021 amounted to 49 291,6 RUB mln, having increased over the reporting year by 7 770,3 RUB mln or 18,7 %, mainly due to an increase in other liabilities and the amount of borrowed funds.

## ITEM № 1 «ON APPROVAL OF THE ANNUAL REPORT, THE ANNUAL FINANCIAL STATEMENTS OF THE COMPANY FOR 2021»

The value of short-term liabilities for the reporting year decreased by 1 921,1 RUB mln or 6,4 % and amounted to 28 296,2 RUB mln. The decrease in the short-term liabilities was mainly due to a decrease in borrowed funds. In the structure of short-term liabilities, the largest share is occupied by accounts payable – 57,3 % or 16 221,2 RUB mln, having increased over the reporting year by 17,6 %, and borrowed funds – 30,1 % or 8 509,4 RUB mln, having decreased over the reporting year by 36,5 %. The share of overdue accounts payable in the total amount of accounts payable at the end of the reporting year compared to the same indicator as of 31 December 2020 decreased from 24,3 % to 10,5 %. As of 31 December 2021, the Company's short-term liabilities exceed the current assets by 5 414,6 RUB mln or 23,7 %.

The result of the Company's activities in the reporting year is a net profit in the amount of 4 147,1 RUB mln (in the previous reporting period, the net profit was 2 829,6 RUB mln).

The value of net assets as of 31 December 2021 amounts to 61 335,3 RUB mln and exceeds the authorized capital of the Company. The increase in the value of the net assets for the reporting year was 4,7 %.

During the audit, the data of the annual financial statements and the data of the Company's annual report for 2021 were selectively reconciled. As part of the work done, the Audit Commission did not find any material misstatements of the financial information contained in the Company's annual report for 2021.

The Audit Commission checked the information disclosure in the Company's annual report for 2021 for compliance with the requirements of the Bank of Russia's Regulation No. 714-P dated 27 March 2020 on disclosure of information by issuers of equity securities.

The annual report of the Company, submitted for approval by the annual General Meeting of Shareholders, contains the information provided for by the Bank of Russia's Regulation No. 714-P dated 27 March 2020 on disclosure of information by issuers of equity securities.

At the time of issuing this Conclusion, the annual report for 2021, submitted for approval by the annual General Meeting of Shareholders, has not been approved by the Board of Directors of the Company.

The Audit Commission checked the accuracy of the information in the report on related party transactions, concluded by Rosseti Centre, PJSC in 2021, for compliance with the requirements of Federal Law No. 208-FZ of 26.12.1995 "On Joint Stock Companies".

No facts of distortion of the information contained in the report on related party transactions, concluded by Rosseti Centre, PJSC in 2021, were revealed.

At the time of issuing this Conclusion, the report on related party transactions concluded by Rosseti Centre, PJSC in 2021 has not been approved by the Board of Directors of the Company.

No facts of violation of the legal acts of the Russian Federation in the course of financial and economic activities, which could significantly affect the Company's Statements, were revealed in the course of a random audit.

### III. FINAL PART

In accordance with Article 88 of Federal Law of 26 December 1995 No. 208-FZ "On Joint Stock Companies" based on the results of the audit of the financial and economic activities of the Company at the end of 2021, the Audit Commission expresses its opinion on the reliability of the data in all material respects contained in the Annual Report of the Company for 2021 and in the annual financial statements of the Company for 2021.

No facts of distortion of the information contained in the report on related party transactions, concluded by Rosseti Centre, PJSC in 2021, were revealed.

The Company's Statements confirmed by the Audit Commission:

Item #	Name of the statement form	Date of signature by the management	Number of sheets in the document
1.	Statement of Financial Position as of 31 December 2021	09.03.2022	2
2.	Statement of Financial Results for January – December 2021	09.03.2022	1
3.	Statement of Changes in Equity for January – December 2021	09.03.2022	3
4.	Statement of Cash Flows for January – December 2021	09.03.2022	2
5.	Notes to the Statement of Financial Position and the Statement of Financial Results of Rosseti Centre, PJSC for 2021 in text and tabular form	09.03.2022	97
6.	Report on related party transactions concluded by Rosseti Centre, PJSC in 2021	-	6
7.	Annual report of Rosseti Centre, PJSC for 2021 (with appendices)	-	573

This Conclusion of the Audit Commission should be considered together with all the approved forms of the Financial Statements and the Notes to the Statement of Financial Position and the Statement of Financial Results for 2021, the Annual Report of the Company for 2021, the Report on related party transactions, concluded by Rosseti Centre, PJSC in 2021.

**Chairperson of the Audit Commission** S.N. Kovaleva

**Members of the Audit Commission** V.V. Tsarkov, S.M. Trishina, T.V. Zaitseva, K.I. Venevtsev

### Independent auditor's report.

**To the Shareholders and Board of Directors of Public Joint stock company «Rosseti Centre»**

**Opinion**

We have audited the financial statements of Public Joint stock company «Rosseti Centre» (the Company), which comprise the statement of financial position as at 31 December 2021, statement of financial results for 2021 and appendices thereto.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2021 and its financial performance and its cash flows for 2021 in accordance with the rules on preparation of financial statements established in the Russian Federation.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (including international standards of independence) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the Russian Federation, and we have fulfilled our other ethical responsibilities in accordance with these 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 of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key audit matter	How our audit addressed the key audit matter
<b>Recognition and assessment of revenue from electricity transmission services</b>	
<p>Recognition and assessment of revenue from electricity transmission services was one of the most significant matters of our audit in connection with certain specific features of the electricity market functioning mechanisms, which cause the existence of disagreements between power grids, power sales and other companies regarding the volumes and cost of transmitted electricity. The amount of revenue disputed by the counterparties is significant for the Company's accounting (financial) statements. The Company's management's assessment of the probability of resolving disputes in its favour is largely subjective. Revenue is recognized when, subject to assumptions, differences are resolved in favour of the Company. Information on revenue from electricity transmission services is disclosed in paragraph 10 and 16 of the Notes to the statement of financial position and the statement of financial results.</p>	<p>We reviewed the applied accounting policy with respect to the recognition of revenue from electricity transmission services, assessed the internal control system for the reflection of this revenue, checked the correctness of determining the respective amounts of revenue based on the electricity transmission agreements concluded, on a selective basis received confirmations of receivables balances from counterparties, analyzed the results of legal proceedings regarding the disputed amounts of services rendered, if any, and assessed the existing procedures for confirming the amount of electricity transmitted.</p>

Key audit matter	How our audit addressed the key audit matter
<b>Impairment of accounts receivable</b>	
<p>Impairment of accounts receivable is one of the most significant matter for our audit due to significant balance of the Company's accounts receivable as at 31 December 2021, as well as due to the fact that management's assessment of recoverability of accounts receivable is based on assumptions, in particular, on the forecasted ability of the Company's customers to pay.</p> <p>Information on impairment of accounts receivable is disclosed in paragraph 10 of the Notes to the statement of financial position and the statement of financial results.</p>	<p>We analyzed the adequacy of the Company's accounting policy with respect to impairment of accounts receivable, as well as the procedures for confirming the appropriateness of estimates made by the Company's management, including analysis of history of settlements, ageing and overdue receivables and customers' ability to pay.</p> <p>We performed audit procedures in relation to the information used by the Company to determine the impairment of receivables, as well as in relation to the structure of receivables by maturity, tested the calculation of the amount of the accrued provision.</p>
<b>Recognition, measurement and disclosure of provisions and contingent liabilities</b>	
<p>Recognition, measurement and disclosure of provisions and contingent liabilities in respect of litigations and claims of counterparties (including territorial electric grid companies and energy supply companies) were matters of most significance in our audit because they require a lot of management judgments in respect of significant amounts of the balance of settlements with counterparties disputed in the course of litigation or in the process of pre-trial settlement.</p> <p>Information on provisions and contingent liabilities is disclosed in paragraph 13 of the Notes to the statement of financial position and the statement of financial results.</p>	<p>The audit procedures included review of court rulings made by courts of different levels, review of adequacy of management judgments and documents confirming the assessment of possibility of outflow of economic resources following dispute resolutions, conformity of the prepared documentation with the existing contracts and compliance with the law, analysis of disclosure of contingent and estimated liabilities in the Notes to the statement of financial position and the statement of financial results.</p>

**Other information included in the annual report**

Other information consists of the information included in the annual report other than the financial statements and our auditor's report thereon. Management is responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that such other information contains a material misstatement, we are required to report that fact. We have no information about such facts.

**Responsibilities of the management and the Audit Committee of the Board of Directors for the financial statements**

The management is responsible for the preparation and fair presentation of the financial statements in accordance with the rules on preparation of financial statements established in the Russian Federation, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The Audit Committee of the Board of Directors is responsible for overseeing the Company's financial reporting process.

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, 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 ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

## ITEM № 1 «ON APPROVAL OF THE ANNUAL REPORT, THE ANNUAL FINANCIAL STATEMENTS OF THE COMPANY FOR 2021»

• Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those 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 for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

• Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control system;

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

• Conclude on the appropriateness of 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 internal control that we identify during our audit.

We also provide the Audit Committee of the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee of the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The head of the audit resulting in this independent auditor's report is T.L. Okolotina.

T.L. Okolotina,

acting on behalf Ernst & Young LLC

on the basis of a power of attorney dated 1 March 2022,

the head of the audit resulting in the auditor's report (PNRE 21906110171).

9 March 2022

### Details of the auditor

#### Name: Ernst & Young LLC

Record made in the State Register of Legal Entities on 5 December 2002, State Registration Number 1027739707203.

Address: Russia 115035, Moscow, Sadovnicheskaya naberezhnaya, 77, building 1.

Ernst & Young LLC is a member of Self-regulatory organization of auditors Association "Sodruzhestvo". Ernst & Young LLC is included in the control copy of the register of auditors and audit organizations, main registration number 12006020327.

### Details of the audited entity

Name: Public Joint stock company «Rosseti Centre»

Record made in the State Register of Legal Entities on 17 December 2004, State Registration Number 1046900099498.

Address: Malaya Ordynka st., 15, Moscow, Russia, 119017.

**Assessment of the Audit Committee of the Board of Directors of the Company of the auditor's report confirming the reliability of the annual financial statements of Rosseti Centre, PJSC, prepared in accordance with RAS and IFRS**



Public Joint stock company  
«Rosseti Centre»

**EXTRACT FROM MINUTES**  
of the meeting of the Audit Committee  
of the Board of Directors of Rosseti Centre, PJSC  
(in the form of joint presence)

22 March 2022

Moscow

No. 05/22

**Form of the meeting:** joint presence (in video conferencing format).

**Time of the meeting:** 11 hours 30 minutes – 12 hours 30 minutes.

**Place of the meeting:** Moscow, Malaya Ordynka St., 15, floor 1, room 201.

**Total number of members of the Audit Committee:** 3 persons.

**Participants of the meeting:** M.V. Korotkova, A.I. Krupenina, A.V. Shevchuk.

**Members who neither participated nor provided questionnaires:** none.

**The quorum** is present.

The Expert conclusion of the expert of the Audit Committee of the Board of Directors of Rosseti Centre, PJSC was taken into account at drawing up of the minutes.

**Date of the minutes:** 22.03.2022.

**Item 1. On preliminary consideration of the draft of the financial statements of the Company for 2021, prepared under RAS.**

**Decision taken at the meeting:**

1. To take into consideration the draft of the financial statements of the Company for 2021, prepared under RAS, in accordance with Appendix # 1 to this decision of the Audit Committee.

2. To recommend that the Board of Directors of Rosseti Centre, PJSC submit for approval by the Annual General Meeting of Shareholders of the Company the annual financial statements of the Company for 2021, prepared under RAS.

**Decision taken unanimously.**

**Appendix:** The draft of the financial statements of the Company for 2021, prepared under RAS (Appendix 1).

**Minutes signed by:**

Chairperson of the Audit Committee

A.V. Shevchuk

Secretary of the Audit Committee

S.V. Lapinskaya

**Extract is correct:**

Secretary of the Audit Committee  
22.03.2022.

S.V. Lapinskaya



Public Joint stock company  
«Rosseti Centre»

**EXTRACT FROM MINUTES**  
of the meeting of the Audit Committee  
of the Board of Directors of Rosseti Centre, PJSC  
(in the form of joint presence)

08 April 2022

Moscow

No. 06/22

**Form of the meeting:** joint presence (in video conferencing format).

**Time of the meeting:** 14 hours 00 minutes – 15 hours 00 minutes.

**Place of the meeting:** Moscow, Malaya Ordynka St., 15, floor 1, room 201.

**Total number of members of the Audit Committee:** 3 persons.

**Participants of the meeting:** M.V. Korotkova, A.I. Krupenina, A.V. Shevchuk.

**Members who neither participated nor provided questionnaires:** none.

**The quorum** is present.

The Expert conclusion of the expert of the Audit Committee of the Board of Directors of Rosseti Centre, PJSC was taken into account at drawing up of the minutes.

**Date of the minutes:** 08.04.2022.

**Item 3. On consideration of the financial statements of the Company for 2021, prepared under IFRS.**

**Decision taken at the meeting:**

To take into consideration the consolidated financial statements of Rosseti Centre, PJSC for 2021, prepared under IFRS.

**Decision taken unanimously.**

**Minutes signed by:**

Chairperson of the Audit Committee

A.V. Shevchuk

Secretary of the Audit Committee

S.V. Lapinskaya

**Extract is correct:**

Secretary of the Audit Committee  
08.04.2022.

S.V. Lapinskaya

**Conclusion of the Audit Committee of the Board of Directors of Rosseti Centre, PJSC based on the results of assessing the effectiveness and quality of the external audit process, the auditor's report on the financial statements of the Company for 2021, issued by Ernst & Young LLC**

 Public Joint stock company  
 «Rosseti Centre»

**EXTRACT FROM MINUTES**  
 of the meeting of the Audit Committee  
 of the Board of Directors of Rosseti Centre, PJSC  
 (in the form of joint presence)

08 April 2022

Moscow

No. 06/22

**Form of the meeting:** joint presence (in video conferencing format).  
**Time of the meeting:** 14 hours 00 minutes – 15 hours 00 minutes.  
**Place of the meeting:** Moscow, Malaya Ordynka St., 15, floor 1, room 201.  
**Total number of members of the Audit Committee:** 3 persons.  
**Participants of the meeting:** M.V. Korotkova, A.I. Krupenina, A.V. Shevchuk.  
**Members who neither participated nor provided questionnaires:** none.  
**The quorum is present.**  
 The Expert conclusion of the expert of the Audit Committee of the Board of Directors of Rosseti Centre, PJSC was taken into account at drawing up of the minutes.  
**Date of the minutes:** 08.04.2022.

**Item 4. On evaluation of the effectiveness of the external audit process of the Company's financial statements for 2021.**
**Decision taken at the meeting:**

1. To recognize the Auditor's report and procedures, conducted by Ernst & Young LLC during the audit of the Company's financial statements, prepared under RAS, for 2021, in compliance with the terms and conditions of the contract and the requirements of the legislation of the Russian Federation.  
 2. To recommend that the Board of Directors of the Company include the Conclusion of the Audit Committee of the Board of Directors of Rosseti Centre, PJSC based on the results of assessing the effectiveness and quality of the external audit process, the auditor's report on the financial statements of the Company for 2021, issued by Ernst & Young LLC, into the list of materials provided to persons entitled to participate in the Annual General Meeting of Shareholders of the Company, in accordance with Appendix # 3 to this decision of the Audit Committee.

**Decision taken unanimously.**

**Appendix:** The Conclusion of the Audit Committee of the Board of Directors of Rosseti Centre, PJSC based on the results of assessing the effectiveness and quality of the external audit process, the auditor's report on the financial statements of the Company for 2021, issued by Ernst & Young LLC (Appendix # 3).

**Minutes signed by:**

Chairperson of the Audit Committee

A.V. Shevchuk

Secretary of the Audit Committee

S.V. Lapinskaya

**Extract is correct:**

Secretary of the Audit Committee

08.04.2022.

S.V. Lapinskaya

In accordance with paragraphs 294.2 and 294.3 of the Code of Corporate Governance, approved on 21.03.2014 by the Board of Directors of the Bank of Russia, the Audit Committee of the Board of Directors of Rosseti Centre, PJSC (hereinafter - the Company) evaluated the effectiveness of the process of external audit of financial statements of the Company for 2021, prepared under RAS, and assessed the Auditor's report, issued by the results of this audit.

Following the results of the public competitive negotiations without prequalification of bidders for the right to sign the agreement to render services for audit of financial statements, prepared in accordance with RAS, audit of consolidated financial statements prepared in accordance with IFRS, which is valid for the period of 2021, Ernst & Young LLC was recognized as the winner (Minutes of the meeting of the Procurement Commission dated 18.02.2021 № 6/416 r).

On the basis of the decisions of the Annual General Meeting of Shareholders (Minutes dated 31.05.2021 # 01/21), the Company's Board of Directors (Minutes dated 29.04.2021 No. 16/21), the Company entered into Agreement 7700/00185/2 / I&C-2021-00065 dated 01.06.2021 with Ernst & Young LLC (hereinafter - the External Auditor).

Registered office of the External Auditor: Sadovnicheskaya nab. 77, bld. 1, 115035 Moscow, Russia.

Ernst & Young LLC is a member of Self-regulated organization of auditors Association "Sodruzhestvo" (SRO AAC). (Main registration number 12006020327).

Independence and objectivity of the External Auditor was confirmed with the following information provided by Ernst & Young LLC:

- Ernst & Young LLC has implemented standards of activity, according to which this company aims to be an independent auditor and to have a reputation as an independent auditor;
- in accordance with the regulations of ethics and independence of Ernst & Young LLC, all partners and employees of Ernst & Young LLC annually confirm compliance with these regulations, including the absence of prohibited financial investments in their investment portfolio.
- Considering the above, in confirmation of the absence of a conflict of interest during the audit of the financial statements and comprehensive examination of Rosseti Centre, PJSC, the External Auditor informs in the Management and Governance Letter as follows:
  - From 1 January 2021 to the date of this report, we have not entered into any relationship that we believe could reasonably be considered to have an impact on our independence and objectivity.
  - We believe that we have taken effective steps to mitigate the major threats to our independence that arise in the course of our non-audit services.
  - We acknowledge the disclosure of the total amount of fees charged by EY and EY network firms to be paid by you for the provision of services during the reporting period and analyzed in the relevant categories.
  - We confirm that, in our professional judgment, EY is independent, our objectivity is beyond doubt, and we comply with the standards of professional ethics established by the Audit Board (the Code of Professional Ethics for Auditors, the Rules for Independence of Auditors and Audit Organizations).
  - We believe that our independence in this context is a matter that must be considered by both you and us. Thus, the Audit Committee should consider the facts of which you are aware and which will become known to you.

As part of the audit of the financial statements prepared in accordance with RAS, the External Auditor prepared and submitted the following documents:

- the Management and Governance Letter (the Auditor's Report) to the management and the Audit Committee of the Board of Directors of Rosseti Centre, PJSC following the results of the audit of the financial statements prepared in accordance with RAS and the consolidated financial statements prepared in accordance with IFRS for 9 months of 2021 (17 sheets).
- the Management and Governance Letter (the Auditor's Report) to the management and the Audit Committee of the Board of Directors of Rosseti Centre, PJSC following the results of the audit of the financial statements prepared in accordance with RAS and the consolidated financial statements prepared in accordance with IFRS for 2021 (14 sheets).
- the Notes to the Statement of Financial Position and the Statement of Financial Results of Rosseti Centre, PJSC for 2021 (98 sheets).
- the Auditor's Report on the financial statements prepared in accordance with RAS for 2021 (8 sheets).

The Audit Committee of the Board of Directors of the Company at its meetings reviewed the above documents prepared by Ernst & Young LLC, discussed with the External Auditor and the Company's management the main problems of the financial statements of the Company prepared in accordance with Russian Accounting Standards (hereinafter - RAS) (Minutes dated 11.01.2022 No. 01/22, Minutes dated 08.04.2022 No. 06/22).

The content of the Management and Governance Letter (the Report), prepared by Ernst & Young LLC, meets the requirements of Federal Law "On Auditing" No. 307-FZ, International Standards on Auditing (ISAs) 260 (revised) "Communication with those charged with governance" and 265 "Communicating deficiencies in internal control to those charged with governance and management".

The procedures performed by Ernst & Young LLC in the course of the external audit of the financial statements of the Company for 2021 under RAS correspond to the terms and conditions of the concluded agreement and the requirements of Federal Law "On Auditing Activities" dated 30.12.2008 № 307-FZ.

The Auditor's Report was compiled in accordance with the International Standards on Auditing (ISAs), enacted in the territory of the Russian Federation by Order of the Ministry of Finance of the Russian Federation dated 09.01.2019 N 2n, dated 30.12.2020 N 335n, dated 09.11.2021 N 172n.



## ITEM № 1 «ON APPROVAL OF THE ANNUAL REPORT, THE ANNUAL FINANCIAL STATEMENTS OF THE COMPANY FOR 2021»

### Conclusion of the internal auditor of Rosseti Centre, PJSC based on the results of assessing the reliability and efficiency of the internal control system and the risk management system, the effectiveness of the Company's corporate governance



Public Joint stock company  
«Rosseti Centre»

EXTRACT FROM MINUTES  
of the meeting of the Audit Committee  
of the Board of Directors of Rosseti Centre, PJSC  
(in the form of absent voting)

11 April 2022 Moscow No. 07/22

**Form of the meeting:** absent voting.  
**Total number of members of the Audit Committee:** 3 persons.  
**Participants of the voting:** M.V. Korotkova, A.I. Krupenina, A.V. Shevchuk.  
**Members who did not provide questionnaires:** none.  
**The quorum is present.**  
The Expert conclusion of the expert of the Audit Committee of the Board of Directors of Rosseti Centre, PJSC was taken into account at drawing up of the minutes.  
**Date of the minutes:** 11.04.2022.

**Item 2. On preliminary consideration of the report of the internal auditor on the assessment of the effectiveness of the internal control system and the risk management system of the Company based on the results of 2021.**

**Decision:**  
To recommend that the Board of Directors of Rosseti Centre, PJSC take the following decision:  
«1. To take into consideration Auditor's Report dated 9 March 2022 No. 07-2022-Rosseti Centre on assessing the effectiveness of the Company's internal control system and risk management system in 2021, the conclusion of the internal auditor of Rosseti Centre, PJSC based on the results of assessing the reliability and effectiveness of the internal control system and risk management system, the effectiveness of the Company's corporate governance in accordance with the Appendices.  
2. To recommend that General Director of the Company include the conclusion of the internal auditor of Rosseti Centre, PJSC based on the results of assessing the reliability and efficiency of the internal control system and risk management system, the effectiveness of the Company's corporate governance into the list of materials provided to persons entitled to participate in the Annual General Meeting of Shareholders of the Company».

**Decision taken unanimously.**

**Minutes signed by:**  
Chairperson of the Audit Committee A.V. Shevchuk

Secretary of the Audit Committee S.V. Lapinskaya

**Extract is correct:**  
Secretary of the Audit Committee  
of the Board of Directors  
of Rosseti Centre, PJSC S.V. Lapinskaya  
11.04.2022

#### 1. Basis for the preparation of the report of the internal auditor

The Conclusion was prepared in accordance with the requirements of Federal Law No. 208-FZ dated 26.12.1995 "On Joint Stock Companies", recommendations of the Bank of Russia (letter dated 01.10.2020 No. IN-06-28/143) "On recommendations for organizing risk management, internal control, internal audit, the work of the audit committee of the board of directors (supervisory board) in public joint-stock companies", as well as in pursuance of the provisions of the Internal Audit Policy of Rosseti Centre, PJSC, hereinafter – the Company, (a new edition) BP 1/02-04/2021 approved by the decision of the Board of Directors of Rosseti Centre, PJSC (Minutes dated 23.08.2021 No. 36/21).

The assessment was carried out to determine the reliability and efficiency of the internal control system, risk management system, and the effectiveness of corporate governance.

#### 2. Methodology and criteria for assessing the internal control system, risk management system, corporate governance of Rosseti Centre, PJSC

The assessment of the effectiveness of the internal control system, the risk management system was carried out for the 2021 calendar year in accordance with the Methodological Instruction "Assessment of the effectiveness of the internal control system and the risk management system in Rosseti's Group, developed and approved taking into account generally accepted concepts in the field of internal control and risk management of the Treadway Committee of Sponsoring Organizations (COSO).

The corporate governance assessment was carried out for the 2020/2021 corporate year in accordance with the Methodological Instruction "Assessment of corporate governance in IDGC of Centre, PJSC" MI BP 1/08-03/2021, developed and approved taking into account the Corporate Governance Code, as well as the Methodological Recommendations approved by orders of the Federal Property Management Agency.

#### 3. Assessment of the reliability and efficiency of the internal control system of Rosseti Centre, PJSC

As a result of the analysis of the compliance of the current state of the ICS elements with the established criteria for the target state of the ICS elements, the level of maturity of the Company's internal control system based on the results of the assessment for 2021 is 4.9 points out of 6 possible, which, according to the scale for assessing levels of maturity, corresponds to maturity level 5 - "Optimal" with the following characteristics:

1) Problems (risks) of activity management are identified. The risk management system is integrated into the planning and decision-making processes. There is an increase in the efficiency and effectiveness of the risk management process by risk owners (risk implementation is not systematic).

Executive management bodies review the results of risk management on a quarterly basis and make management decisions. However, the RMS is not automated, not all possible controls are automated.

2) The processes are regulated, unified in the Company, the executive body and branches of subsidiaries and affiliates and communicated to the staff by posting on a public resource. Monitoring of the implementation and assessment of the effectiveness of the organization of the processes used in the Company is provided. When low efficiency of the implemented processes is revealed, their optimization is provided. The processes are under continuous improvement and are based on good practice. Activity management automation tools are used partially and to a limited extent.

The internal audit report "On the efficiency of the internal control system and the risk management system of the Company in 2021" was considered at a meeting of the Board of Directors of Rosseti Centre, PJSC (Minutes dated 15.04.2022 No. 19/22).

#### 4. Assessment of the reliability and efficiency of the risk management system of Rosseti Centre, PJSC

As a result of the analysis of the compliance of the current state of the RMS elements with the established criteria for the target state of the RMS elements, the level of maturity of the Company's risk management system based on the results of the assessment for 2021 is 4.6 points out of 6 possible, which, according to the maturity level assessment scale, corresponds to an intermediate between "Moderate" maturity level and "Optimal" with the following characteristics:

1) Problems (risks) of activity management are identified. Executive management bodies review the results of risk management on a quarterly basis and make management decisions. However, the RMS is not automated, not all possible controls are automated.

2) The processes are regulated, unified in the Company, the executive body and branches of subsidiaries and affiliates and communicated to the staff by posting on a public resource. Monitoring of the implementation and assessment of the effectiveness of the organization of the processes used in the Company is provided. When low efficiency of the implemented processes is revealed, their optimization is provided. The processes are under continuous improvement and are based on good practice. Activity management automation tools are used partially and to a limited extent.

The internal audit report "On the efficiency of the internal control system and the risk management system of the Company in 2021" was considered at a meeting of the Board of Directors of Rosseti Centre, PJSC (Minutes dated 15.04.2022 No. 19/22).

#### 5 Assessment of the effectiveness of corporate governance of Rosseti Centre, PJSC

Based on the results of the analysis of the compliance of the current state of corporate governance, it was established that, in accordance with the specified criteria for the target state of corporate governance, the principles and recommendations laid down in the Corporate Governance Code, in the Listing Rules and Best Corporate Practices, the overall assessment of the Company is 447.5 points or 85.2%. The specified assessment corresponds to the assessment of "developed practice" (<96% and ≥80%) with the following characteristic: corporate governance corresponds to developed practice and has the potential for improvement on an insignificant part of questions.

The internal audit report "On the assessment of the corporate governance of the Company for the 2020/2021 corporate year" was considered at a meeting of the Board of Directors of Rosseti Centre, PJSC (Minutes dated 15.09.2021 No. 39/21).

Internal audit maintains independence in relation to the directions of the Company's activities, which it checks, which allows auditors to perform their functions impartially and unbiased. At the same time, the internal audit department does not provide absolute guarantees and does not ensure the identification of all risks and shortcomings.

The results of the assessment of the reliability and effectiveness of the internal control system and the risk management system, as well as the assessment of the corporate governance system, carried out by the Internal Audit Department of Rosseti Centre, PJSC:

- based on documents and materials for the 2021 calendar year in terms of assessing the reliability and effectiveness of the internal control system and the risk management system, documents and materials for the 2020/2021 corporate year in terms of assessing the corporate governance system;
- confirm the provision of reasonable confidence in achieving the goals set for the Company.

Based on the assessment, the internal audit department has sufficient grounds to confirm that the risk management system, the internal control system and the corporate governance system of the Company are organized in accordance with the requirements of the legislation and the scope of the Company's activities, there are no significant deficiencies in the systems that impede the achievement of their goals.