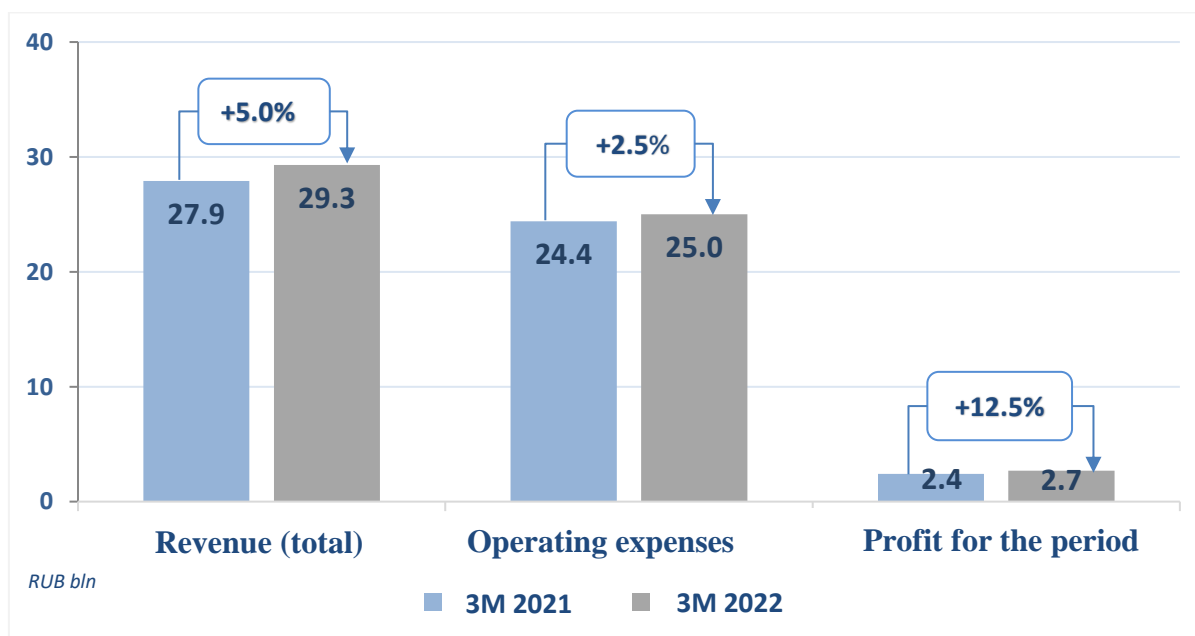


## The Management Discussion and Analysis of PJSC “Rosseti Centre” to Interim Condensed Consolidated Financial Statements of the Company, including its financial condition and performance results (MD&A)

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 unaudited Interim Condensed Consolidated Financial Statements for 3 months of 2022 in accordance with International Financial Reporting Standards (IFRS). Profit for the period amounted to RUB 2.7 bln, which is higher than the similar indicator last year by RUB 0.3 bln.



Revenue for the reporting period is RUB 29.3 bln, including revenue from electricity transmission — RUB 28.1 bln, revenue from technological connection — RUB 0.5 bln, other revenue — RUB 0.7 bln and revenue from lease agreements – RUB 0.05 bln.

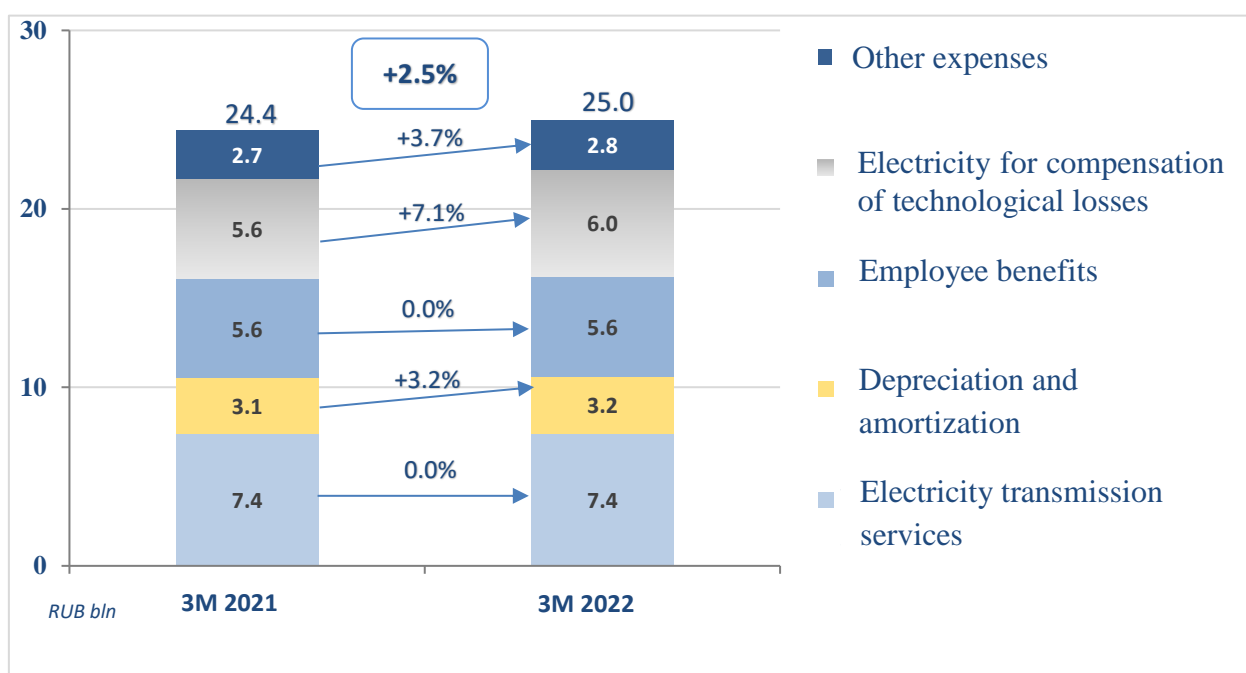
Data in billion RUB, unless otherwise stated

Indicators	3M 2022	3M 2021	Change
<b>Revenue (total), including:</b>	<b>29.3</b>	<b>27.9</b>	<b>5.0%</b>
Electricity transmission services	28.1	27.0	4.1%
Technological connection services	0.5	0.2	150.0%
Revenue from resale of electricity and capacity	0.2	0.2	0.0%
Other revenue	0.5	0.5	0.0%
Revenue from lease agreements	0.05	0.01	400.0%

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

The main factor that influenced the growth in the consolidated revenue is an increase in revenue from electricity transmission due to growth in the net supply and boiler tariffs.

Operating expenses of the Company's Group for 3 months of 2022 amounted to RUB 25.0 bln, which is 2.5% higher than the indicator for 3 months of 2021. The reasons for the growth were mainly an increase in electricity costs to compensate for technological losses due to an increase in the price of electricity and a change in the volume of losses due to the consolidation of power grid assets of JSC "LGEK" in the Lipetskenergo branch in the 4th quarter of 2021.



An additional factor that influenced the growth of operating expenses is the increase in depreciation charges and property tax due to the commissioning of fixed assets as a result of the implementation of the Investment Program.

Name	3M 2022	3M 2021	Change	
			absolute	%
EBITDA, bln RUB	8.1	6.9	1.2	17.4%
EBITDA margin, %	27.6	24.7	2.9 p.p.	11.8%
Financial stability ratio	0.70	0.69	0.01	1.4%
Equity to total assets	0.40	0.39	0.01	2.6%
Current liquidity ratio	0.75	0.82	-0.07	-8.5%
A/R to A/P ratio	0.83	0.94	-0.11	-11.7%
A/R turnover, days	43	52	-9	-17.3%

Earnings before Interest, Taxation, Depreciation & Amortization (EBITDA) following the results of 3 months of 2022 amounted to RUB 8.1 bln. EBITDA margin following the results of 3 months of 2022 amounted to 27.6%.

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.

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 decreased in the reporting period.

To service short-term liabilities following the results of 3 months of 2022, the Group has available limits on long-term credit lines in the amount of over RUB 65 bln, which is more than twice the amount of short-term liabilities. The Group's solvency remains high.

The proportion 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 March 2022 the assets of the Group of Companies reached RUB 131.9 bln (as at 31 December 2021 — RUB 130.3 bln), the net debt was RUB 46.2 bln (as at 31 December 2021 — RUB 47.1 bln). The decrease in the net debt is due to growth in cash and cash equivalents as at 31 March 2022. The weighted average borrowing rate of the Group of Companies (excluding interest-free borrowed funds) as at 31 March 2022 was 16.2%.

*Data in billion RUB, unless otherwise stated*

Indicators	As at 31.03.2022	As at 31.12.2021	Change
Total equity	54.2	51.2	5.9%
Total assets	131.9	130.3	1.2%
Borrowed funds	49.5	49.0	1.0%
Cash and cash equivalents	3.3	1.9	73.7%
Net debt <sup>1</sup>	46.2	47.1	-1.9%

[1] Net debt is calculated as follows: long-term borrowed funds + short-term borrowed funds – cash and cash equivalents

The financial condition of the Group of Companies following the results of 3 months of 2022 is characterized as stable.