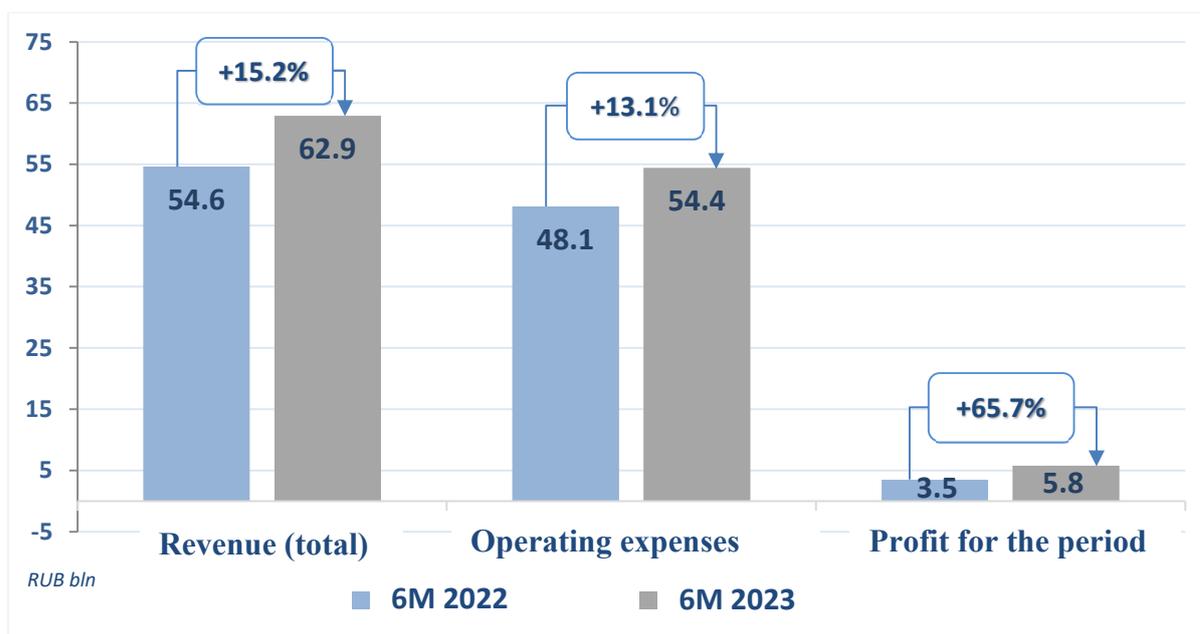


## The Management Discussion and Analysis of PJSC “Rosseti Centre” to Interim Condensed Consolidated Financial Statements of the Company, including its financial condition and performance results (MD&A)

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 6 months of 2023 in accordance with International Financial Reporting Standards (IFRS). Profit for the period amounted to RUB 5.8 bln, which is higher than the same value last year by RUB 2.3 bln.



Revenue for the reporting period is RUB 62.9 bln, including revenue from electricity transmission — RUB 58.6 bln, revenue from technological connection — RUB 1.8 bln, other revenue — RUB 2.4 bln and revenue from lease agreements – RUB 0.1 bln.

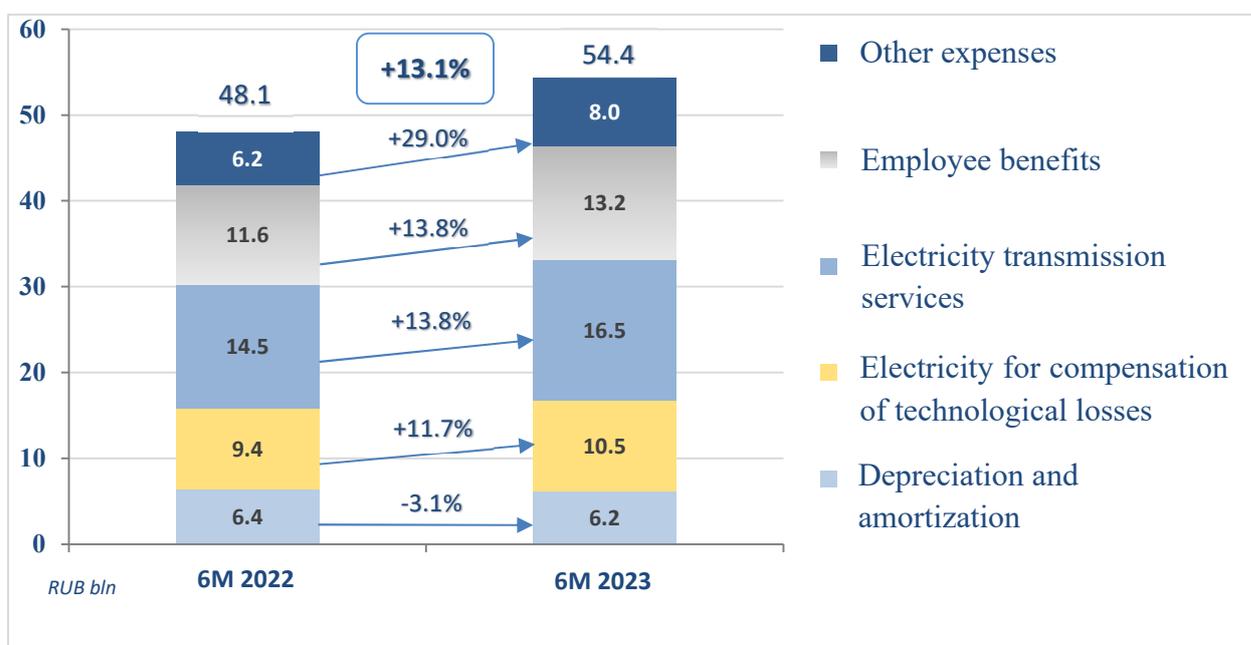
Data in billion RUB, unless otherwise stated

Indicators	6M 2023	6M 2022	Change
<b>Revenue (total), including:</b>	<b>62.9</b>	<b>54.6</b>	<b>15.2%</b>
Electricity transmission services	58.6	51.9	12.9%
Technological connection services	1.8	1.0	80.0%
Revenue from resale of electricity and capacity	0.3	0.3	0.0%
Other revenue	2.1	1.2	75.0%
Revenue from lease agreements	0.1	0.1	0.0%

\* 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 boiler tariffs.

Operating expenses of the Group of Companies following the results of 6 months of 2023 amounted to RUB 54.4 bln, which is 13.1% 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 one-time factors: 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), a change in provisions due to disagreements with sales organizations.

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	6M 2023	6M 2022	Change	
			absolute	%
EBITDA, bln RUB	16.1	13.9	2.2	15.8%
EBITDA margin, %	25.6	25.5	0.1 p.p.	0.4%
Financial stability ratio	0.59	0.63	-0.04	-6.3%
Equity to total assets	0.42	0.39	0.03	7.7%
Current liquidity ratio	0.52	0.59	-0.07	-11.9%
A/R to A/P ratio	0.61	0.70	-0.09	-12.9%
A/R turnover, days	42	44	-2	-4.5%

Earnings before Interest, Taxation, Depreciation & Amortization (EBITDA) following the results of 6 months of 2023 amounted to RUB 16.1 bln. EBITDA margin following the results of 6 months of 2023 amounted to 25.6%.

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 decreased 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 did not change 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.

The decrease in the financial stability and current liquidity ratios is mainly due to the reclassification of previously formed loan debt (transfer from long-term to short-term depending on the maturity) and an increase in the amount of advances received.

To service short-term liabilities following the results of 6 months of 2023, the Group has available limits on long-term credit lines in the amount of about RUB 131 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 30 June 2023 the assets of the Group of Companies reached RUB 139.3 bln (as at 31 December 2022 — RUB 139.8 bln), the net debt was RUB 40.4 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 30 June 2023 was 8.9%.

Data in billion RUB, unless otherwise stated

Indicators	As at 30.06.2023	As at 31.12.2022	Change
Total equity	58.4	52.8	10.6%
Total assets	139.3	139.8	-0.4%
Borrowed funds	45.4	46.1	-1.5%
Cash and cash equivalents	5.0	6.5	-23.1%
Net debt <sup>1</sup>	40.4	39.6	2.0%

[1] Net debt is calculated, based on the statements data rounded to billion RUB, 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 6 months of 2023 is characterized as stable.