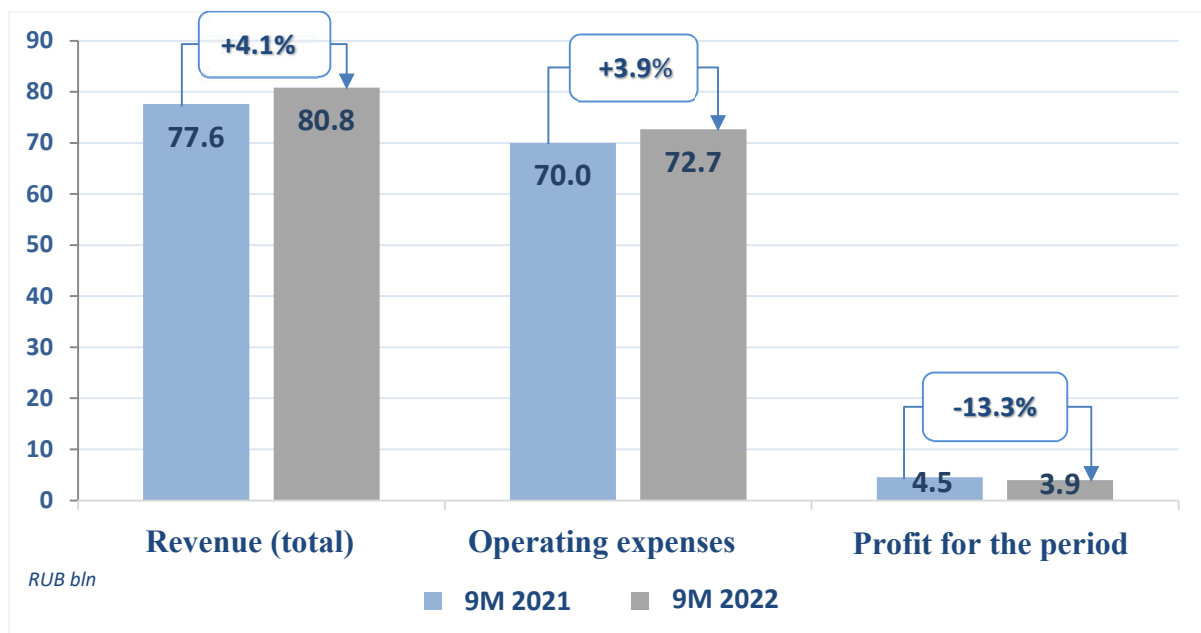


The Management Discussion and Analysis of PJSC “Rosseti Centre” to Interim Condensed Consolidated Financial Statements of the Company, including its financial condition and performance results (MD&A)

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 9 months of 2022 in accordance with International Financial Reporting Standards (IFRS). Profit for the period amounted to RUB 3.9 bln, which is lower than last year by RUB 0.6 bln.



Revenue for the reporting period is RUB 80.8 bln, including revenue from electricity transmission — RUB 76.6 bln, revenue from technological connection — RUB 1.6 bln, other revenue — RUB 2.5 bln and revenue from lease agreements – RUB 0.15 bln.

Data in billion RUB, unless otherwise stated

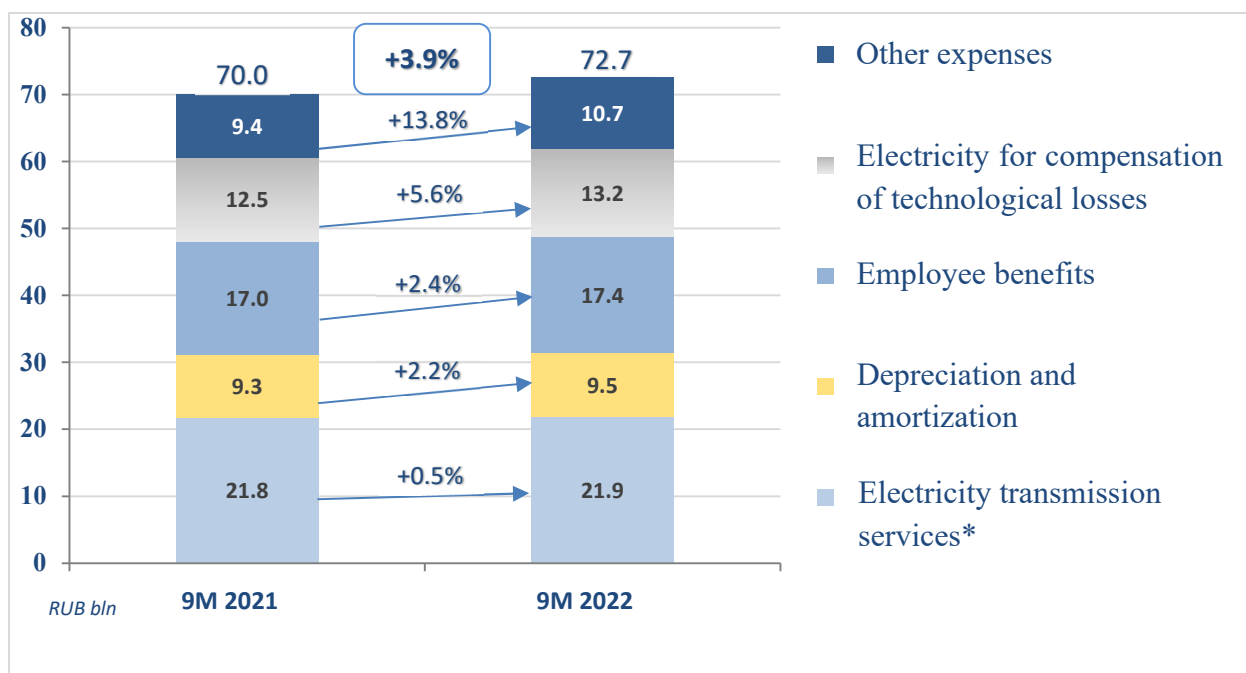
Indicators	9M 2022	9M 2021	Change
Revenue (total), including:	80.8	77.6	4.1%
Electricity transmission services	76.6	74.4	3.0%
Technological connection services	1.6	0.8	100.0%
Revenue from resale of electricity and capacity	0.4	0.4	-
Other revenue	2.1	1.9	10.5%
Revenue from lease agreements	0.15	0.03	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 Group of Companies following the results of 9 months of 2022 amounted to RUB 72.7 bln, which is 3.9% higher than the indicator for 9 months of 2021. The reason for the growth was 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 Lipetskenenergo branch in the 4th quarter of 2021.

The increase in other operating expenses was caused by inflationary growth in prices and an increase in the volume of services both for the transmission of electricity, technological connection of consumers to networks and non-regulated services compared to the same period last year.



* Taking into account the estimated liabilities for the services of territorial grid organizations (TGOs)

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

The decrease in the profit for 9 months of 2022 compared to the same period last year by RUB 0.6 bln was mainly caused by an increase in financial expenses in the reporting period due to growth in interest expenses on financial liabilities.

Name	9M 2022	9M 2021	Change	
			absolute	%
EBITDA, bln RUB	18.8	17.8	1.0	5.6%
EBITDA margin, %	23.3	22.9	0.4 p.p.	1.7%
Financial stability ratio	0.57	0.77	-0.20	-26.0%
Equity to total assets	0.39	0.40	-0.01	-2.5%
Current liquidity ratio	0.49	1.08	-0.59	-54.6%
A/R to A/P ratio	0.72	0.89	-0.17	-19.1%
A/R turnover, days	45	53	-8	-15.1%

Earnings before Interest, Taxation, Depreciation & Amortization (EBITDA) following the results of 9 months of 2022 amounted to RUB 18.8 bln. EBITDA margin following the results of 9 months of 2022 amounted to 23.3%.

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 this indicator in the reporting period did not change significantly.

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).

To service short-term liabilities following the results of 9 months of 2022, the Group has available limits on long-term credit lines in the amount of about RUB 70 bln, which is more than the amount of short-term liabilities. The Group's solvency remains at a high level.

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 30 September 2022 the assets of the Group of Companies reached RUB 134.1 bln (as at 31 December 2021 — RUB 130.3 bln), the net debt was RUB 44.1 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 30 September 2022. The weighted average borrowing rate of the Group of Companies (excluding interest-free borrowed funds) as at 30 September 2022 was 8.1%.

Data in billion RUB, unless otherwise stated

Indicators	As at 30.09.2022	As at 31.12.2021	Change
Total equity	53.3	51.2	4.1%
Total assets	134.1	130.3	2.9%
Borrowed funds	49.5	49.0	1.0%
Cash and cash equivalents	5.4	1.9	184.2%
Net debt ¹	44.1	47.1	-6.4%

[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 9 months of 2022 is characterized as stable.