



ROSSETI
CENTRE

ALWAYS ONLINE

Appendices 5 to the Annual Report 2021

Opinion of the Audit Committee
on the Annual Report 2021

21
ANNUAL
REPORT

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

Members of the Audit Commission were elected by the resolution of the General Meeting of Shareholders	Decision of the Annual General Meeting of Shareholders of IDGC of Centre, PJSC dated 31.05.2021 (Minutes dated 31.05.2021 # 01/21)
Chairperson, Secretary of the Audit Commission were elected by the decision of the Audit Commission	Minutes of the Audit Commission of IDGC of Centre, PJSC dated 18.06.2021 # 1
Chairperson of the Audit Commission	Svetlana Nikolaevna Kovaleva
Secretary of the Audit Commission	Svetlana Mikhailovna Trishina
Members of the Audit Commission	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	<ul style="list-style-type: none"> - Belgorodenergo, - Bryanskenergo, - Voronezhenergo, - Kostromaenergo, - Kurskenergo,

	<ul style="list-style-type: none"> - 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
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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.

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