

BUSINESS MODEL



RESOURCES



Production

Powerlines
165.1
thous. km

Substations
43.2
thous.

Substation capacity
38.3
GVA



Financial

Equity
74.9
RUB bln

Borrowed capital
23.6
RUB bln

Credit rating
ruAA+
Expert RA



Human

Average headcount
14.6
thous.

Overall staffing
93%



Intellectual

Expenses on innovations
275.15
RUB mln

R&D expenses
48.9
RUB mln



Reputational

Average QoS score for CS centers
4.95
(based on 5-point scoring system)

Positive and neutral mentions
99.16%

STRATEGIC GOALS

1. Establishment of a UEGC through consolidation of EGA under the management of the Rosseti Group of Companies
2. Improvement of the efficiency of the electric grid complex
3. Ensuring the implementation of the national projects of the Russian Federation
4. Ensuring the reliability and accessibility of electricity supply
5. Ensuring technological sovereignty

LINES OF BUSINESS



Electricity transmission

Customers (Corporates)

87.8
thous.

Customers (Individuals)

2.9
mln



Technological connection

Applications filed

44.1
thous.

Contracts concluded

23.5
thous.

Contracts executed

25.0
thous.



Additional services

Number of additional (non-tariff) services

8

CREATED VALUE FOR STAKEHOLDERS

Customers

Net supply

60.3
bln kWh

Connected capacity

832
MW

Powerlines commissioned

2.4
thous. km

Capacity commissioned

846
MVA

Repair and maintenance

8.2
RUB bln

Stakeholders and investors

Net income

15.8
RUB bln

Accrued dividends

6.6
RUB bln

State and society

Income tax and other payments

3.5
RUB bln

Environmental costs

63.9
RUB mln

Employees

Wage expenses

21.9
RUB bln

Labor protection expenses

795
RUB mln

Employees who underwent drilling

14.4
thous.

Training expenses

114.6
RUB mln

Suppliers and contractors

Total purchases

70
RUB bln





FINANCIAL RESULTS

Total revenues
127.6
RUB bln

including

Electricity transmission
120.5
RUB bln

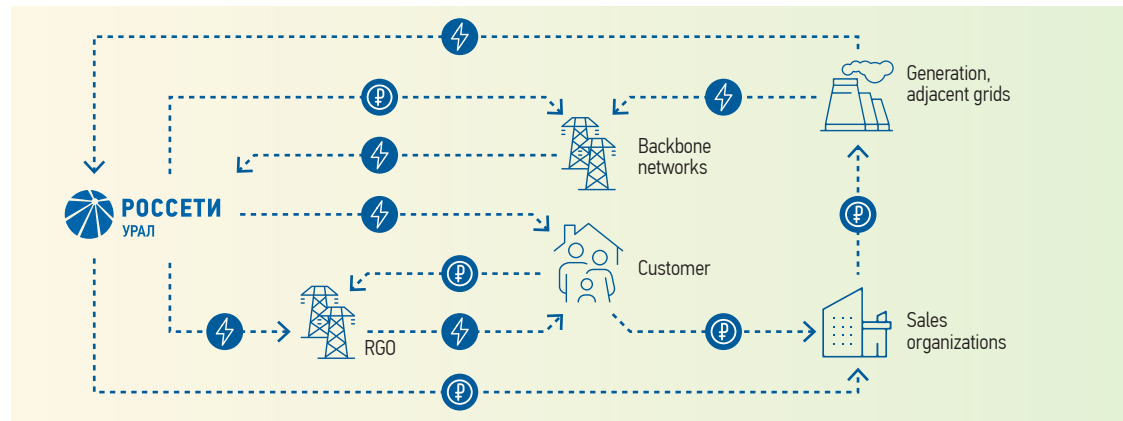
Technological connection
4.63
RUB bln

Additional services
2.51
RUB bln

CONTRIBUTION TO ACHIEVING THE UN SUSTAINABLE GOALS



Electricity Transmission Business Process



PAO Rosseti Ural renders electricity transmission services to providers of last resort, energy sales companies and direct customers (participants of whole-sale and retail electricity market) under contracts on electricity transmission. The subject of the contract is a set of organizational technical measures to deliver electricity to end-users, whose equipment is connected directly to PAO Rosseti Ural's networks, as well as RGOs.

PAO Rosseti Ural receives electricity from generating companies, adjacent grids located in neighboring regions, backbone networks to deliver it to end-users or RGOs.

Electricity transmission services, rendered by PAO Rosseti Ural, are paid in line with unified "pie" tariffs by energy sales companies and providers of last resort acting for the benefit of customers with concluded contracts on energy supply as well as by direct customers. PAO Rosseti Ural, in its turn, pays for RGO services in line with individual electricity transmission tariffs. Unified "pie" tariffs and individual tariffs for payments to RGOs are approved by the regional regulators.

In the course of electricity transmission electricity networks produce electricity losses due to the process of electricity transmission. Electricity losses are defined as the difference between the amount of electricity that came into the networks and amount of electricity transmitted to end-users and RGO networks.

To compensate losses PAO Rosseti Ural purchases electricity from providers of last resort and generators, producing electricity on qualified generating facilities, under retail-market PSAs.

Technological Connection Business Process



PAO Rosseti Ural renders services related to connection of consumer's equipment, electricity generation facilities and grid facilities owned by network operators and other entities under connection contracts in a manner and terms stipulated by the Rules of technological connection to networks.

To conclude a contract on connection to PAO Rosseti Ural's networks, an applicant files with the Company a request for connection. The Company prepares and concludes a connection contract with the filer. After that, the parties execute their liabilities under the contract.

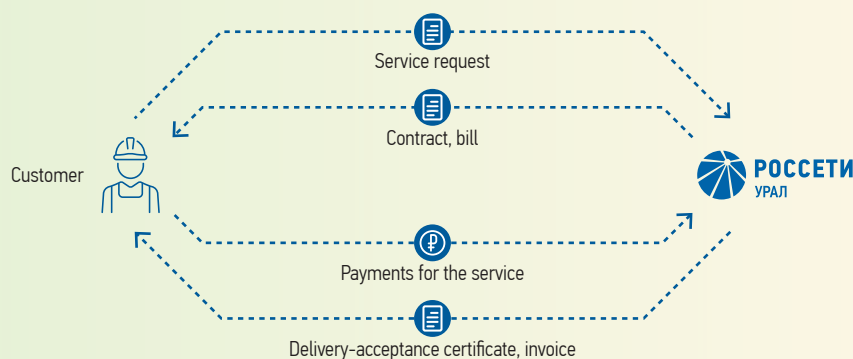
In case of connection of equipment (microgeneration facilities) of 0-0.4 kV filers (individuals requesting 0-15 kW capacity and corporates requesting 0-150 kW, 3rd reliability category), a grid company executes activities related to connection of the filer enabling the filer to independently connect to the networks and accept (supply) voltage and power. Upon completion of activities a grid company files with the filer a notice on connection possibility.

As for other categories of filers, upon connection of filer's equipment to the networks and acceptance (supply) of voltage and power, a filer and PAO Rosseti Ural prepare and conclude an act on connection.

In the course of the business process the Company interacts with the regulators in terms of setting fee rates for a regulation period and individual connection fees.

In the course of commissioning of grid facilities, constructed (reconstructed) by the Company under execution of technical conditions for connection of filer's facilities, PAO Rosseti Ural interacts with Rostekhnadzor. PAO Rosseti Ural interacts with energy sales companies while concluding energy supply contracts.

Rendering of Additional Services Business Process



Rendering of additional services Business Process includes the following stages:

- service sale: search and attraction of prospective customers, active, meetings and negotiations with customers, preparation of commercial proposals
- request registration: receipt of customer's documents, registration and initial processing of customer's request, verification of request completeness, preparation and sending a missing-documents request to the customer if customer's request is incomplete
- feedback: contacts with the customer to clarify customer's needs and correctness of choice of service required by the customer, to clarify the required scope and other parameters of the service, to offer him/her related services
- preparation of a contract: defining the cost and terms of service provision, creation and filling out a contract card in the automated system, approval of the contract, preparation of a printed form of the contract and an invoice for payment, signing the contract on behalf of the Company, sending the contract and the invoice to the customer
- conclusion of a contract: monitoring of contract signing by the customer, receipt of the signed contract from the customer, upload of scanned signed contract in the automated system
- payments for the services: monitoring of inflows of money from the customer, identification and approval of received payment, processing of the request
- execution of the contract: provision of services / completion of works
- closure of the contract: signing of delivery-acceptance certificates, accounting records, preparation and forwarding of invoice to the customer, closure of the contract in the automated system
- warranty service: elimination of defects of performed works / rendered services during the warranty period (if any)
- claim work in case of overdue receivables