

APPENDIX 3

INFORMATION ON NON-CORE ASSETS
OF ROSSETI KUBAN.

PARTICIPATION OF ROSSETI KUBAN IN COMMERCIAL
AND NON-COMMERCIAL ORGANIZATIONS

INFORMATION ON NON-CORE ASSETS OF ROSSETI KUBAN. PARTICIPATION OF ROSSETI KUBAN IN COMMERCIAL AND NON-COMMERCIAL ORGANIZATIONS

Non-Core Asset Register of the Company

Pursuant to the Decree No.596 of the President of Russia dated May 7, 2012, Directives No.4863p-P13 of the Government of Russia dated July 7, 2016 and Order No.894-r of the Russian Government dated May 10, 2017, the Board of Directors of Kubanenergo approved the Program for the Disposal of Non-core Assets of the Company on December 23, 2016 (Minutes No.259/2016); it was approved in a new version on December 22, 2018 (Minutes No.300/2018) (hereinafter — the Program).

The Program specifies basic approaches, principles and procedures of non-core asset identification and sale,

sets up criteria for attributing assets to non-core ones, the procedure of the Non-Core Asset Register keeping, approaches to non-core asset evaluation, main provisions on non-core asset disposition, as well as the procedure of reporting on processing of the Non-Core Asset Register.

By resolution of the Company's Board of Directors dated February 17, 2021

(Minutes No.419/2021), the Non-core Asset Register aligned with the Program was updated and approved.

In 2020, the non-core assets were not sold due to failed auctions in the absence of tender applications.

Participation of Rosseti Kuban in Commercial Organizations

As at December 31, 2020, Rosseti Kuban had blocks of shares of four joint stock companies, including two subsidiaries.

Name and address of companies	Region of activity	Activity	Stockholding of the Company in the share capital of the joint stock company, %
Subsidiaries of Rosseti Kuban			
Joint Stock Company Energetik Health Resort (Energetik Health Resort JSC), 4 Pionerskaya St., Divnomorskoye settlement, Krasnodar Territory, 353490	Krasnodar Territory	Organization of recreation and health improvement for children and adults, primarily employees of Company and their families; organization and holding of seminars and conferences	100
Joint Stock Company Energoservice Kuban (Energoservice Kuban JSC) 47 Novorossiyskaya St., 350080	Krasnodar, Krasnodar Territory	Design, installation and commissioning of metering units for electricity, gas and technological equipment, hot and cold water supply	100

Name and address of companies	Region of activity	Activity	Stockholding of the Company in the share capital of the joint stock company, %
Other commercial organizations, shares of which are owned by the Company			
Closed Joint Stock Company Regional Engineering and Technological Energy Company — SOYUZ (RITEK-SOYUZ CJSC) Legal address: 2 Stavropolskaya St., Central Administrative District, Krasnodar, 350033 Postal address: 50 Demus St., Krasnodar, 350080	Krasnodar Territory	Organization, implementation and support of research and development, engineering, construction and installation and commissioning works; monitoring and controlling	1
Closed Joint Stock Company North Caucasus Scientific and Production Joint Stock Corporation Turbogaz (Turbogaz CJSC) Legal address: Gelendzhik, Krasnodar Territory, 353470 Postal address: 66 Ordzhonikidze St., Krasnodar, Krasnodar Territory, 350000	Krasnodar Territory	Development of energy saving technologies; manufacturing, operation, maintenance and repair of power plants; production and sale of electricity	4

Blocks of shares of the above joint stock companies are included in the Non-Core Asset Register.

With regard to blocks of shares, the method of disposal is "retaining participation". The method of disposal is established prior to making a separate systemic decision regarding these assets.

The size of the stake in the voting shares of Turbogaz CJSC and RITEK-SOYUZ CJSC owned by the Company does not allow it to independently make decisions on the functioning of these commercial organizations, including determining the composition of their management and control bodies.

Interaction of Rosseti Kuban with subsidiaries is carried out in line with the legislation of the Russian Federation, Articles of Associations and internal documents of the Company and its subsidiaries, including the Procedure for Interaction of the Company with Business Entities, Shares (Interests) of which are owned by the Company, approved by the resolution of the Board of Directors of the Company (Minutes No.69/2009 dated March 27, 2009).

Main Goals of Company's Interaction with Subsidiaries:

- ensuring stable financial development and profitability of subsidiaries;
- ensuring protection of the rights and interests of shareholders of the Company and subsidiaries;
- increasing the investment attractiveness of the Company and subsidiaries by providing the investment community with complete, timely, reliable information about the activities of subsidiaries, as well as the balance and predictability of corporate policy in general;

- developing and implementing a coordinated and effective Investment Policy of subsidiaries.

Management and control of the activities of subsidiaries is carried out by the Company through the following corporate governance mechanisms:

- in accordance with the Articles of Association of Rosseti Kuban, the functions of General Meetings of Shareholders of 100% subsidiaries are performed by the Management Board of the Company;
- general management of the subsidiaries' activities is carried out by their Boards of Directors, most of their members are representatives of Rosseti Kuban;
- on the main issues of the agenda of General Meetings of Shareholders and meetings of the Boards of Directors of subsidiaries, the position of Rosseti Kuban is determined by the Board of Directors of the Company;
- the financial and economic activities of subsidiaries are regularly controlled by their Audit Commissions consisting of representatives of Rosseti Kuban.

Detailed information on S&A of Rosseti Kuban is published on the Company's website in the section About the Company / Subsidiary Companies.



Data on Activities of Energetik Health Resort JSC in the Reporting Year

Financial and Economic Performance Indicators of Energetik Health Resort JSC

No.	Name	2020	2019	2018
1	Revenue, RUB '000	41,013	58,784	64,289
2	Gross profit, RUB'000	-7,924	1,355	730
3	Net profit (retained profit / uncovered loss), RUB'000	-6,771	316	-784
4	Return on equity (ROE) ¹ , %	-21.70	0.92	-2.26
5	Return on total assets (ROTA) for profit before tax ¹ , %	-24.1	1.3	0.3
6	Net profitability ratio, %	-16.5	0.5	-1.2
7	Product (sales) profitability, %	-19.3	2.3	1.1
8	Amount of uncovered loss as of the reporting date, RUB'000	7,368	581	897
9	Ratio of uncovered loss as of the reporting date and balance sheet currency, %	21.5	1.6	2.5

Significant transactions (groups of related transactions) with liabilities of 10 per cent and more of carrying amount of the assets of Energetik Health Resort JSC according to its accounting data for the completed reporting period prior to the transaction made by Energetik Health Resort JSC in 2020

No.	Transaction	Transaction counterparty	Transaction price, incl. VAT, RUB
1	Independent assessment of professional qualification of the Company's employees	of Rosseti Kuban	10,105,200.00

¹ The indicators "Return on equity (ROE)", "Return on total assets (ROTA) for profit before tax" are calculated in accordance with the following methodology:
 Return on equity (ROE) = Net profit / Avg. equity value x 100%;
 Return on total assets (ROTA) for profit before tax = Profit before tax / Avg. total assets value x 100%.

Data on Activities of Energoservice Kuban JSC in the Reporting Year

Financial and Economic Performance Indicators of Energoservice Kuban JSC

No.	Name	2020	2019	2018
1	Revenue, RUB '000	993,507	100,737	39,895
2	Gross profit, RUB'000	155,021	17,527	12,924
3	Net profit (retained profit / uncovered loss), RUB'000	79,578	1,335	1,269
4	Return on equity (ROE) ¹ , %	145.4	9.0	6.9
5	Return on total assets (ROTA) for profit before tax ¹ , %	44.9	4.5	3.1
6	Net profitability ratio, %	8.0	1.3	3.2
7	Product (sales) profitability, %	10.3	2.6	9.6
8	Amount of uncovered loss as of the reporting date, RUB'000	–	–	–
9	Ratio of uncovered loss as of the reporting date and balance sheet currency, %	–	–	–

Significant transactions (groups of related transactions) with liabilities of 10 per cent and more of carrying amount of the assets of Energoservice Kuban JSC according to its accounting data for the completed reporting period prior to the transaction made by Energoservice Kuban JSC in 2020

No.	Transaction counterparty	Transaction price, incl. VAT, RUB/.	Transaction
Q1			
1	Kubanenergo	5,218,040.00	Clearing of 10 kV overhead line right-of-ways of Power Grids of Tikhoretsk and Leningrad branches of the Company
2		12,678,574.79	Clearing of 35 kV and above overhead line right-of-ways of Power Grids of Krasnodar, Slavyansk, Timashevsk, Ust-Labinsk and of the South-West branches of the Company
3		5,169,077.12	Medium and current repair of equipment of 35 kV and above SS of Power Grids of Slavyansk and of the South-West branches
4		10,855,460.00	Clearing of 35 kV and above overhead line right-of-ways of Power Grids of Armavir and Labinsk branches of the Company
5		9,355,308.00	Medium and current repair of equipment of 35 kV and above SS of Power Grids of Tikhoretsk and Leningrad branches
6		38,932,614.85	Overhaul of distribution grid facilities of Power Grids of Krasnodar branch
7		10,140,528.00	Medium and current repair of equipment of 35 kV and above SS of Power Grids of Krasnodar and Ust-Labinsk branches
8		23,700,511.75	Overhaul of distribution grid facilities of Leningrad Power Grids branch
9		18,160,896.37	Overhaul of distribution grid facilities of Power Grids of Slavyansk branch
10		38,629,564.48	Overhaul of distribution grid facilities of Power Grids of Tikhoretsk branch
11		31,762,440.35	Overhaul of distribution grid facilities of Power Grids of Timashevsk branch
12		22,230,060.00	Repair of buildings and structures of Power Grids of Krasnodar and Ust-Labinsk branches
13		9,957,620.00	Clearing of 0.4-10 kV overhead line right-of-ways
14		20,758,802.84	Overhaul of distribution grid facilities of Power Grids of Ust-Labinsk branch
15		28,500,979.38	Overhaul of distribution grid facilities of Leningrad Power Grids branch

¹ The indicators "Return on equity (ROE)", "Return on total assets (ROTA) for profit before tax" are calculated in accordance with the following methodology:
 Return on equity (ROE) = Net profit / Avg. equity value x 100%;
 Return on total assets (ROTA) for profit before tax = Profit before tax / Avg. total assets value x 100%.

No.	Transaction counterparty	Transaction price, incl. VAT, RUB/.	Transaction
16	Prisma LLC	9,038,400.00	Implementation of design and survey, construction and installation works for FOCL facilities
17	Kubanenergo	16,031,806.49	Implementation of cadastral surveys for determination of boundaries of 0.4 kV overhead lines buffer zones of the Company in the Dinsky District of the Krasnodar Territory
18		54,396,054.00	Energy Service Contract
19		12,566,642.70	Implementation of cadastral surveys for determination of boundaries of 0.4 kV overhead lines buffer zones of the Company in the Seversky District of the Krasnodar Territory
20		15,038,018.45	Implementation of cadastral surveys for determination of boundaries of 0.4 kV overhead lines buffer zones of the Company in the Takhtamukaisky and Teuchezhsky Districts of the Republic of Adygea
21		8,024,930.09	implementation of cadastral surveys for determination of boundaries of 0.4 kV overhead lines buffer zones of the Company in Krasnodar and Goryachy Klyuch
22	Krasnodar Design Institute Giprokommunenergo LLC	5,125,000.00	Development of design and operational documentation and execution of land and legal documentation regarding facilities for connection to Power Grids of Krasnodar branch
23	PIK RESONANS LLC	6,150,000.00	A set of works on the development of design and operational documentation and execution of land and legal documentation regarding facilities for connection to the grids for the subsidised category of consumers
24	KASKADENERGO LLC	5,125,000.00	A set of works on the development of design and operational documentation and execution of land and legal documentation regarding facilities for connection to Power Grids of Slavyansk branch for the subsidised category of applicants
25		5,125,000.00	A set of works on the development of design and operational documentation and execution of land and legal documentation regarding facilities for connection to Power Grids of Adygea branch for the subsidised category of applicants
26	Antur LLC	5,953,627.00	Delivery of equipment for organization of automate work places
27	Krasur LLC	7,125,754.99	Medium and current repair of equipment of 35 kV and above SS of Power Grids of Krasnodar and Ust-Labinsk branches
28		7,003,837.09	Medium and current repair of equipment of 35 kV and above SS of Power Grids of Tikhoretsk and Leningrad branch
29	Kuban Energo Engineering LLC	15,000,000.00	A set of works on the development of design and operational documentation and execution of land and legal documentation regarding facilities for grid connection to the Company's branches for the subsidised category of consumers
30	TES LLC	25,220,471.93	Overhaul of 0.4-10 kV distribution grid facilities of Power Grids of Timashevsk branch
31		30,516,944.81	Overhaul of 0.4-10 kV distribution grid facilities of Power Grids of Tikhoretsk branch
32		16,353,681.00	Overhaul of 0.4-10 kV distribution grid facilities of Power Grids of Ust-Labinsk branch
33	Vialeks LLC	14,337,016.08	Overhaul of 0.4-10 kV overhead lines of Power Grids of Slavyansk branch
34	ProyektServis LLC	8,333,333.33	A set of works on the development of design and operational documentation and execution of land and legal documentation regarding facilities for connection to Power Grids of the South-West branch for the subsidised category of applicants

No.	Transaction counterparty	Transaction price, incl. VAT, RUB/.	Transaction
35	Leningradskoye Agropromenergo JSC	18,822,946.43	Overhaul of distribution grid facilities of 0.4-10 kV overhead lines of Leningrad Power Grids branch
36		22,328,991.00	Overhaul of 6–10/0.4 kV TS of Leningrad Power Grids branch
37	Mega Group LLC	7,055,804.88	Clearing of 35 kV and above overhead line right-of-ways of Power Grids of Armavir and Labinsk branches
38		6,668,624.01	Clearing of 0.4-10 kV overhead line right-of-ways of Power Grids of Armavir, Krasnodar, and of the South-West branches
39	StroiMontazh-11 LLC	10,000,000.00	Implementation of construction and installation works on construction and reconstruction of 0.4–10 kV facilities of the Krasnodar Territory and the Republic of Adygea
40	Private entrepreneur P.A. Antonov	7,246,032.00	Clearing of 35 kV and above overhead line right-of-ways of Power Grids of Krasnodar, Slavyansk, Timashevsk, Ust-Labinsk and of the South-West branches of the Company
41	StroiMontazh-11 LLC	18,733,400.00	Repair of buildings and structures of Power Grids of Krasnodar and Ust-Labinsk branches
42		30,647,000.00	Overhaul of 0.4-10 kV distribution grid facilities of Power Grids of Krasnodar branch
43	Universal-electromontazh LLC	7,300,000.00	Implementation of construction and installation works for the construction and reconstruction of 0.4–10 kV facilities of Power Grids of Slavyansk branch
44	Tekhnologii stroitelstva JSC	10,000,000.00	Implementation of construction and installation works for the construction and reconstruction of 0.4–10 kV facilities of Power Grids of the South-West branch
Q2			
1	Kubanenergo	42,369,064.37	Implementation of design and survey works for the construction of 110 kV Yuzhnaya Ozereyevka SS
2		34,181,128.88	Implementation of design and survey works for the construction of 110 kV PTL for connection of 110 kV Yuzhnaya Ozereyevka SS
3		32,662,805.74	Implementation of construction and installation and commissioning works for creation of technical metering system of 6(10)/0.4 kV TS and 35–110 kV SS of Power Grids of Adygea branch (1-st stage)
4		32,058,056.27	Implementation of construction and installation and commissioning works for creation of technical metering system of 6(10)/0.4 kV TS and 35–110 kV SS of Power Grids of Adygea branch (3-rd stage)
5		31,237,493.23	Implementation of construction and installation and commissioning works for creation of technical metering system of 6(10)/0.4 kV TS and 35–110 kV SS of Power Grids of Adygea branch (2-nd stage)
6		15,534,964.92	Implementation of design and survey works for the reconstruction of 110/6 kV Yeysk-2 SS
7		14,865,775.26	Implementation of construction and installation works on power facilities of Power Grids of the South-West branch
8	Tekhnologii stroitelstva JSC	76,953,120.00	Construction and installation works on creation of the technical metering system
9	Mega Group LLC	34,679,971.00	Construction and installation works for the installation of power metering devices

No.	Transaction counterparty	Transaction price, incl. VAT, RUB/.	Transaction
Q3			
1	Caspian Pipeline Consortium JSC	141,205,161.67	Implementation of design and survey, construction and installation, and commissioning works
2	Caspian Pipeline Consortium JSC	35,554,720.00	Implementation of design and survey, construction and installation, and commissioning works
3	Rosseti Kuban	98,431,226.94	Implementation of construction and installation and commissioning works on power facilities of Power Grids of the South-West branch
4		34,664,380.21	Implementation of design and survey works on power facilities of Power Grids of Slavyansk branch
5	Tekhnologii stroitelstva JSC	77,987,880.00	Implementation of construction and installation and commissioning works
Q4			
1	Rosseti Kuban	49,920,000.00	Implementation of turn-key design and survey, construction and installation works on power facilities of Power Grids of Slavyansk branch
2		49,920,000.00	Implementation of turn-key design and survey, construction and installation works on facilities of Leningrad Power Grids branch
3		42,818,547.87	Overhaul of distribution grid facilities of Power Grids of Adygea, Krasnodar, Timashevsk branches
4		40,913,518.74	Overhaul of 0.4–10 kV distribution grid facilities of Power Grids of Labinsk and Ust-Labinsk branches

Participation of Rosseti Kuban in Non-commercial Organizations

No.	Name of non-commercial organization	Organization details	Purpose of participation	Financial parameters
1	Full name of the Institution: Energy Institute for Advanced Training Further Professional Education Institution of Public Joint Stock Company of Energy and Electrification of Kuban	<p>Established on September 10, 2004 by resolution of the Board of Directors of Kubanenergo (Minutes No.3 dated July 30, 2004).</p> <p>Other types of activities:</p> <ul style="list-style-type: none"> meeting the needs of the specialists of Rosseti Kuban in obtaining knowledge about the latest achievements in the electric power industry, advanced domestic and western experience in the electric power industry; organizing and conducting advanced training and professional retraining of specialists of Rosseti Kuban; organizing and conducting scientific research, scientific and technical and experimental works, consulting activities; scientific expertise of programs, projects, recommendations, other materials and work specialized materials 	Providing Rosseti Kuban with qualified personnel through professional training, professional retraining and professional development of the Company's employees, improving their business qualities, preparing them for new job functions	–
2	Union Interregional Construction Alliance Self-Regulatory Organisation	The main goals of the Union are to prevent harm to the life or health of individuals, property of individuals or legal entities, state or municipal property, environment, life or health of animals and plants, cultural heritage objects (historical and cultural monuments) of the peoples of the Russian Federation due to shortcomings in work, which have an impact on the safety of capital construction objects and are carried out by the members of the Union; improving the quality of construction, reconstruction, overhaul of construction projects; protection of the rights and legitimate interests of the members of the Union.	Compliance with the current legislation and elimination of the risks of bringing to administrative responsibility under Part 1 of Article 9.5.1 of the Code of the Russian Federation on Administrative Offenses	<p>Entry fee: RUB 10,000</p> <p>Monthly membership fee: RUB 5,000</p> <p>Additional annual target membership fee for the needs of the National Association of Builders: RUB 5,000</p> <p>Compensation fee to the harm compensation fund: RUB 100,000</p> <p>Form of fee payment – cash</p>

3	All-Russian Branch Association of Employers of the Electric Power Industry "Energy Employment Organization Association of Russia" (ERA of Russia Association)	<p>Main goals:</p> <ul style="list-style-type: none"> • protection and promotion of the interests of employers in the electric power industry, including in relations with state authorities and trade unions, consolidation of the aggregate resource of the Association members to influence the social and economic policy of the state; • regulation of social and labor relations in the electric power industry, increasing the efficiency of social partnership, promoting the maintenance of social stability in the labor collectives of the electric power industry organizations, increasing the efficiency of human resource management, enhancing the return on investment to personnel and the development of human capital; • assistance in the creation of favorable conditions for business in general and development of the electric power industry in particular, participation in the development and implementation of projects to increase the economic efficiency of energy organizations, increase labor productivity; • development of the national system of professional qualifications and its industry segment, promoting the development of industry-specific professional education, meeting the needs of employers in training qualified personnel, etc. 	<ol style="list-style-type: none"> 1. the need to promote the interests of the Company, including in relations with government bodies and trade unions; 2. the need to improve the efficiency of social partnership, to assist in maintaining social stability in labor collectives; 3. development of cooperation with other organizations in the field of labor and on other issues of social and economic nature 	Annual membership fee: RUB 1,700,000
4	Association Nonprofit Partnership of Territorial Network Organizations	<p>The Association Nonprofit Partnership of Territorial Network Organizations consolidates, represents and protects the professional interests of participants of the partnership in government bodies of all levels, infrastructure, non-commercial and public organizations. The partnership platform is a center for communication of partnership participants and dissemination of the best business practices in the Power Grid Complex. The Supervisory Board of the Association Nonprofit Partnership of Territorial Network Organizations includes the Heads of the specialized offices of the Energy Committee of the State Duma of the Russian Federation, the Ministry of Energy of Russia</p>	<p>Ensuring the compliance of Rosseti Kuban with the requirements of the wholesale market in the event that the functions of a guaranteeing supplier are assigned to Rosseti Kuban</p>	Entry (one-time) fee: RUB 1 mln Quarterly current (regular) membership fee: RUB 256,000
5	Chamber of Commerce and Industry of the Krasnodar Territory	<p>Promotion of interaction between business entities and local authorities, all-round development of trade and economic, investment and scientific and technical cooperation between entrepreneurs of the Krasnodar Territory and entrepreneurs of foreign countries. Coordination and representation of the interests of all members of the Chamber, entrepreneurs and their associations, regardless of ownership, subordination and location on the Krasnodar Territory</p>	<ol style="list-style-type: none"> 1. representation of interests in cooperation with the administration of the Krasnodar Territory, the city of Krasnodar, as well as the administrations of cities and districts of the Territory; 2. development of business relations with large companies in Kuban 	Annular membership fee of the Company: RUB 20,000