

Balance sheet
31 December 2018

Form No. 1 OKUD [Russian National Classifier of Management Documentation]		Codes
		0710001
	Date	3
Organization: Kubanenergo PJSC	OKPO [Russian Classifier of Businesses and Organizations]	0 0
Taxpayer Identification Number	TIN	2309001660
Type of activity electricity transmission	OKVED [Russian Classifier of Types of Economic Activity]	35.12 / 35.13
Organizational legal form/ownership form: Public Joint-Stock Company / private	OKOPF [Russian Classifier of Organizational Legal Forms]/OKFS [Russian National Classifier of Forms of Ownership]	12247 / 16
Unit: thousand rubles	OKEI [Russian Classifier of Measurement Units]	384
Address: 2A Stavropolskaya str., 350033 Krasnodar, Krasnodar region		

notes	Indicator	Line code	as of 31 December 2018	as of 31 December 2017	as of 31 December 2016
	ASSETS				
	I. NON-CURRENT ASSETS				
5.1.1.- 5.2.2.	Intangible assets	1110	38 621	33 456	25 834
5.2.2.	including purchase of intangible assets in progress	1111	7 500	6 000	-
5.2.1.- 5.2.2	R&D results	1120	107 450	69 571	24 411
5.2.2.	including expenditures on researches in progress	1121	107 450	69 571	24 411
	Intangible development assets	1130	-	-	-
	Tangible development assets	1140	-	-	-
5.3.1.- 5.3.6.	Fixed assets	1150	62 534 635	59 659 050	55 910 737
	land plots and environmental facilities	1151	136 330	136 244	136 122
	buildings, vehicles, equipment, constructions	1152	50 768 189	50 815 750	50 114 801
	other fixed assets	1153	207 553	260 043	319 843
5.3.5.	construction in progress	1154	10 190 196	6 737 703	4 320 028
5.3.6.	advances paid for capital construction and purchase of fixed assets	1155	341 336	1 054 174	83 921
	raw materials and materials for production of fixed assets*	1156	891 031	655 136	936 022

5.3.1.	Income-bearing investments in tangible valuables	1160	-	-	-
5.4.1.- 5.4.3.	Financial investments	1170	37 556	36 004	45 588
	investments in subsidiaries	1171	37 555	36 003	45 587
	investments in dependent companies	1172	-	-	-
	investments in other companies	1173	1	1	1
	loans to companies for more than 12 months	1174	-	-	-
	financial investments	1175	-	-	-
5.7.2.	Deferred tax assets	1180	764 948	881 948	839 768
	Other non-current assets	1190	130 725	84 981	52 375
	TOTAL Section I	1100	63 613 935	60 765 010	56 898 713
	II. CURRENT ASSETS				
5.5.1.- 5.5.2.	Supplies	1210	1 861 538	1 580 657	1 407 566
	raw materials, supplies and other similar assets	1211	1 861 538	1 580 657	1 407 566
	expenses on construction-in-progress	1212	-	-	-
	finished products and goods for resale	1213	-	-	-
	goods delivered	1214	-	-	-
	other stock and expenses	1215	-	-	-
	Value added tax on valuables acquired	1220	2 450	6 020	7 496
5.6.1.- 5.6.4.	Accounts receivable	1230	7 057 410	6 847 388	7 119 419
	Accounts receivable that are due beyond 12 months	1231	22 880	28 694	12 614
	buyers and customers	123101	1 128	-	-
	bills receivable	123102	-	-	-
	advances paid	123103	-	-	-
	other accounts receivable	123104	21 752	28 694	12 614
	Accounts receivable that are due in the next 12 months	1232	7 034 530	6 818 694	7 106 805
	buyers and customers	123201	6 205 537	6 155 946	6 410 581
	bills receivable	123202	-	-	-
	debts of affiliated and depended companies on interest	123203	-	-	-
	debts of participants (founders) on share capital payment	123204	-	-	-
	advances paid	123205	34 489	32 118	13 369
	other accounts receivable	123206	794 504	630 630	682 855
5.4.1.- 5.4.3.	Financial investments	1240	-	-	-
	loans granted to companies for a period of less 12 months	1241	-	-	-

	other short-term financial investments	1242	-	-	-
f.4	Monetary assets and equivalents	1250	2 194 482	1 667 698	1 245 575
	cash bank	1251	-	-	-
	operating account	1252	2 194 307	1 667 376	1 245 436
	currency account	1253	-	-	-
	other funds	1254	175	322	139
	Other current assets	1260	1 179 000	989 980	609 432
	TOTAL Section II	1200	12 294 880	11 091 743	10 389 488
	BALANCE	1600	75 908 815	71 856 753	67 288 201

	LIABILITIES	Line	as of 31 December 2018	as of 31 December 2017	as of 31 December 2016
	III. CAPITAL AND RESERVES				
3.1.	Authorized capital (reserve capital, statutory find and partners' contributions)	1310	30 379 335	28 286 813	28 286 813
3.1	Capital (before registration of changes)	1311	-	2 092 522	2 072 164
3.1.	Treasury stock bought out at from the shareholders	1320	-	-	-
5.3.1., 5.1.1	Revaluation of non-current assets	1340	10 736 476	10 755 560	10 805 974
3.1.	Additional capital (without revaluation)	1350	6 481 916	6 481 916	6 481 916
3.1.	Reserve capital	1360	295 260	268 996	161 971
3.1.	Unallocated profit (uncovered loss) of	1370	(12 654 441)	(12 476 889)	(12 410 429)
	the past years	1371	(12 805 639)	(13 002 165)	(14 550 929)
	the reported period	1372	151 198	525 276	2 140 500
	TOTAL Section III	1300	35 238 546	35 408 918	35 398 409
	IV. LONG-TERM LIABILITIES				
5.6.7- 5.6.8	Borrowed funds	1410	13 283 239	22 617 796	18 912 239
	bank credits payable in more than 12 months after the reporting date	1411	9 683 239	15 617 796	11 912 239
	credits payable in more than 12 months after the reporting date	1412	3 600 000	7 000 000	7 000 000
5.7.2.	Deferred tax liabilities	1420	438 719	178 832	128 343
5.7.1.	Reserve for contingent liabilities	1430	-	-	-
5.6.5- 5.6.6.	Other liabilities	1450	1 248 675	989 505	1 429 365
	TOTAL Section IV	1400	14 970 633	23 786 133	20 469 947
	V. SHORT-TERM LIABILITIES				
5.6.7.- 5.6.8.	Borrowed funds	1510	11 395 279	91 064	79 078
	bank payable in more than 12 months after the reporting date	1511	7 915 101	13 120	3 264
	credits payable in more than 12 months after the	1512	3 480 178	77 944	75 814

	reporting date				
5.6.5.- 5.6.6.	Payables	1520	12 833 089	11 044 750	8 280 201
	suppliers and contractors	1521	5 238 557	6 198 136	4 837 353
	bills payable	1522	-	-	-
	salaries payable	1523	313 073	209 427	212 336
	debt to state extra-budgetary funds	1524	120 710	108 782	93 935
	taxes payable	1525	606 530	258 006	654 431
	advances received	1526	5 164 803	2 889 096	1 922 409
	payable to the participants (founders) on income payment	1527	919	500	37
	other accounts payable	1528	1 388 497	1 380 803	559 700
	Reserves for future expenses	1530	123 239	126 616	130 231
5.7.1	Estimated liability	1540	1 348 029	1 399 272	2 930 335
	Miscellaneous liabilities	1550	-	-	-
	TOTAL Section V	1500	25 699 636	12 661 702	11 419 845
	BALANCE (assets)	1700	75 908 815	71 856 753	67 288 201

Director _____ Ocheredko O.V.
(signature)

Chief accountant _____ Skiba I.V.
(signature)

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- (1)- reporting date of the reporting period
- (2)-the previous year
- (3)-the year preceding the previous year

Profit and Loss Statement

January - December 2018

Form OKUD [Russian National Classifier of Management Documentation]		Codes
		0710002
Date		31.12.2018
Organization: Kubanenergo PJSC	OKPO [Russian Classifier of Businesses and Organizations]	00104604
Taxpayer Identification Number	INN [Taxpayer Identification Number]	2309001660
Type of activity: electricity transmission	OKVED [Russian Classifier of Economic Activities]	35.12 / 35.13
Organizational legal form/ownership form Public Joint-Stock Company / private	OKOPF [Russian Classifier of Organizational Legal Forms]/OKFS [Russian Classifier of Forms of Ownership]	12247 / 16
Unit: thousand rubles	OKEI [Russian Classifier of Measurement Units]	384

	Indicator	Line	Jan-Dec of 2018	Jan-Dec of 2017
1	2	3	4	5
	Proceeds	2110	46 401 079	42 253 027
	including			
	income from electric energy transmission	2111	45 583 484	41 485 670
	income from grid connection	2112	602 467	647 952
	income from organization and development of UES of Russia in connection with distributional power network	2113	-	-
	income from reselling of electric energy and capacity	2114	-	-
	income from participation in other organizations	2115	-	-
	income from lease	2116	17 029	14 711
	income from selling other products, goods, works, services of industrial type	2117	198 099	104 694
	income from selling other products, goods, works, services of non-industrial type	2118	-	-
2.1.	Cost of sales	2120	(41 461 392)	(38 258 835)
	Including			
	cost of energy transmission	2121	(40 465 545)	(37 671 932)
	cost of network connection	2122	(833 487)	(515 844)
	cost of organization and development of UES of Russia in connection with distributional power grid	2123	-	-
	cost of reselling of electric energy and capacity	2124	-	-
	cost of participation in other organization	2125	-	-
	cost of rent	2126	(8 549)	(7 339)
	cost of other products, goods, works, services of industrial type	2127	(153 811)	(63 720)
	cost of other products, goods, works, services of non-industrial type	2128	-	-

	Gross profit (loss)	2100	4 939 687	3 994 192
2.1.	Commercial expenses	2210	-	-
2.1.	Administrative expenses	2220	(155 482)	(110 122)
	Sales profit (loss)	2200	4 784 205	3 884 070
	Participation incomes	2310	9 068	277
	Interest receivable	2320	81 528	47 248
	Interest payable	2330	(1 911 383)	(1 907 082)
5.11.	Other incomes	2340	2 575 341	2 392 613
5.11.	Other expenses	2350	(4 258 941)	(3 249 452)
	Profit (loss) before tax	2300	1 279 818	1 167 674
2.3.	Current profit tax	2410	(615 276)	(630 428)
2.3.	including constant tax liabilities (assets)	2421	675 921	436 710
2.3.	Changes in deferred tax liabilities	2430	(259 907)	(50 779)
2.3.	Changes in deferred tax assets	2450	(56 702)	10 962
2.3.	Other	2460	(196 735)	27 847
	Net profit (loss)	2400	151 198	525 276
	FOR REFERENCE:	Line	Jan-Dec of 2018	Jan-Dec of 2017
5.1.1. 5.3.1.	Results of revaluation of non-current assets not included into net profit (loss) of the period	2510	-	-
3.2	Results of other operations not included into net profit (loss) of the period	2520	-	-
	Aggregate financial result of the period	2500	151 198	525 276
2.2	Basis profit (loss) per share	2900	0,4980	1,7400
2.2.	Diluted profit (loss) per share	2910	0,4980	1,7400

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- (1) – reporting date of the reporting period
(2) – period of the previous year similar to the reporting period

2.1. Cost of goods, services and works sold divided by cost components

Indicator	Code	Jan-Dec of 2018	Jan-Dec of 2017
1	2	3	4
Production costs	6510	41 461 392	38 258 835
including			
direct materials costs	6511	8 992 760	8 604 749
labour costs	6512	4 490 001	4 040 302
fringe benefit expenses, occupational accident and occupational disease insurance	6513	1 298 452	1 168 796
depreciation	6514	3 966 930	3 772 687
miscellaneous expenses	6515	22 713 249	20 672 301
For reference: changes in inventory and provision (augmentation [+], reduction [-]):	6520	-	-
including			
production-in-progress	6521	-	-
products for sale	6522	-	-
purchased products	6523	-	-
products shipped	6524	-	-
auxiliary material	6525	-	-
Total cost of sold products (goods, services, works)	6500	41 461 392	38 258 835
including			
cost of goods sold	6530	-	-
management services for the third parties	6540	-	-
Business expenses	6550	-	-
including			
materials costs	6551	-	-
labour costs	6552	-	-
fringe benefit expenses	6553	-	-
depreciation	6554	-	-
miscellaneous expenses	6555	-	-
Administrative expenses	6560	155 482	110 122
including			
materials costs	6561	-	-
labour costs	6562	11 887	9 242
fringe benefit expenses, occupational accident and occupational disease insurance	6563	3 516	2 597
depreciation	6564	-	-
miscellaneous expenses	6565	140 079	98 283

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- (1) – reporting date of the reporting period
 (2) – period of the previous year similar to the reporting period

2.2 Profit per share, diluted profit per share

Indicator	Code	Jan-Dec of 2018	Jan-Dec of 2017
1	2	3	4
Net profit (uncovered loss) of the reporting period	6610	151 198	525 276
Dividends on preferred shares (3)	6611		
Base earnings (loss) of the reporting period	6612	151 198	525 276
Average amount of ordinary shares in circulation within the reporting period	6613	303 793	301 897
Base earnings (loss) per share (rubles)	6620	0,4980	1,7400
Average market cost of one ordinary share	6621	60	99
Possible growth of profit and average amount of shares in circulation	6630	X	X
In the result of conversion of preferred shares into ordinary	6631	X	X
possible growth of profit	66311	-	-
additional amount of shares	66312	-	-
In the result of conversion of obligations into ordinary shares	6632	X	X
possible growth of profit	66321	-	-
additional amount of shares	66322	-	-
In the result of contract on purchase-sale of shares at price lower than the market price	6633	X	X
contract price	66331	-	-
possible growth of profit	66332	-	-
additional amount of shares	66333	-	-
Diluted profit per share (rubles)	6640	0,4980	1,7400
adjusted base earning	6641	151 198	525 276
adjusted amount of average amount of ordinary shares in circulation	6642	303 793	301 897

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- (1) – reporting date of the reporting period
 (2) – period of the previous year similar to the reporting period
 (3) – this indicator includes dividends on cumulative shares for the previous reporting periods that were paid out or declared during the reporting year

2.3. Profit taxation

Indicator	Code	2018	2017
1	2	3	4
Profit (loss) before the taxation	6710	1 279 818	1 167 674
including:		1 279 818	1 167 674
20% rate	67101		
other rates	67102	-	-
non-taxable	67103	-	-
Permanent difference	6711	3 379 607	2 183 553
Change of deductible temporary differences	6712	(283 512)	54 809
Change of taxable temporary differences	6713	(1 299 533)	(253 896)
Conventional expenditure (revenue) on profit tax	6721	255 964	233 535
Permanent tax liability (asset)	6722	675 921	436 710
Expenditure (revenue) on deferred taxes	6723	(56 702)	10 962
Change in deferred tax liability	6724	(259 907)	(50 779)
Current profit tax	6725	(615 276)	(630 428)
Sum of profit tax for the previous tax periods (adjusted declarations, tax inspections)	6726	(48 472)	75 952
Other tax payments and sanctions from profit	6727	(87 985)	(3 661)
Write-off of deferred income taxes and losses	6728	(60 278)	(44 444)
For reference: sums of deferred tax assets and deferred tax liability written-off due disposal of an assets or type of liability	67281	(60 278)	(44 444)
Profit (loss) from core activities	6729	151 198	525 276

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- (1) – reporting date of the reporting period
- (2) – period of the previous year similar to the reporting period

Report on Changes in Equity for 2018

		Codes
Form OKUD [Russian National Classifier of Management Documentation]		0710003
Date		31.12.2018
Organization: Kubanenergo PJSC	OKPO [Russian Classifier of Businesses and Organizations]	604
Taxpayer Identification Number	INN [Taxpayer Identification Number]	2309001660
Type of activity: transmission of electricity	OKVED [Russian Classifier of Economic Activities]	.
Organizational legal form/ownership form: Public Joint-Stock Company / private	OKOPF [Russian Classifier of Organizational Legal Forms]/OKFS [Russian Classifier of Forms of Ownership]	
Unit of measurement: thousand rubles	OKEI [Russian Classifier of Measurement Units]	384

3.1. Cash flow

Indicator description	Line code	Authorized capital	Capital (before registration of changes)	Treasury stock	Additional capital	Reserve capital	Unallocated profit (uncovered loss)	Total
Balance as of December 31, 2016 (1)	3100	28 286 813	2 072 164	-	17 287 890	161 971	(12 410 429)	35 398 409
2017 (2)								
Increase of capital - total:	3210	-	20 358	-	-	-	525 276	545 634
including:								
net profit	3211	x	x	x	x	x	525 276	525 276
revaluation of property	3212	x	x	x		x		-
incomes directly related to increase of capital	3213	x	x	x	-	x	-	-
additional share issue	3214		20 358	-	-	x	x	20 358
increase of share nominal value	3215	-	-	x	x	x	-	x
legal entity reorganization	3216	-	-	-	-	-	-	-
Capital amount reduction – total:	3220	-	-	-	-	-	(535 125)	(535 125)
including:								
loss	3221	x	x	x	x	x	-	-
revaluation of property	3222	x	x	x	-	x	-	-
expenditures directly related to decrease of capital	3223	x	x	x	-	x	-	-
reduction of share nominal value	3224	-	-	-	x	x	-	-
reduction of number of shares	3225	-	-	-	x	x	-	-
legal entity reorganization	3226	-	-	-	-	-	-	-

dividends	3227	x	x	x	x	x	(535 125)	(535 125)
Additional fund changing	3230	x	x	x	(50 414)	x	50 414	x
Reserve fund changing	3240	x	x	x	x	107 025	(107 025)	x
Capital as of 31 December 2017 (2)	3200	28 286 813	2 092 522	-	17 237 476	268 996	(12 476 889)	35 408 918
2018 (3)								
Increase of capital - total:	3310	2 092 522	(2 092 522)	-	-	-	151 198	151 198
including:								
net profit	3311	x	x	x	x	x	151 198	151 198
revaluation of property	3312	x	x	x	-	x	-	-
incomes directly related to increase of capital	3313	x	x	x	-	x	-	-
additional share issue	3314	2 092 522	(2 092 522)	-	-	x	x	-
increase of share nominal value	3315	-	-	x	x	x	-	x
legal entity reorganization	3316	-	-	-	-	-	-	-
Capital reduction – total:	3320	-	-	-	-	-	(321 570)	(321 570)
including:								
loss	3321	x	x	x	x	x	-	-
revaluation of property	3322	x	x	x	-	x	-	-
expenditures directly related to decrease of capital	3323	x	x	x	-	x	-	-
reduction of share nominal value	3324	-	-	x	x	x	-	-
reduction of number of shares	3325	-	-	-	x	x	-	-
legal entity reorganization	3326	-	-	-	-	-	-	-
dividends	3327	x	x	x	x	x	(321 570)	(321 570)
Additional fund changing	3330	x	x	x	(19 084)	x	19 084	x
Reserve fund changing	3340	x	x	x	x	26 264	(26 264)	x
C	3300	30 379 335	-	-	17 218 392	295 260	(12 654 441)	35 238 546

(1) – year before the previous year

(2) – previous year

(3) – reporting period

3.3 Net assets

Indicator	Line code	as of 31.12.2018	as of 31.12.2017	as of 31.12.2016
Net assets	3600	35 361 785	35 535 534	35 528 640

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(signature)

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(signature)

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(1) – year before the previous year

(2) – previous year

(3) – reporting period

3.4. Calculation of cost estimation of net assets of joint stock company

Indicator		Line	as of 31 December 2018	as of 31 December 2017	as of 31 December 2016
1		2	3	4	5
I.	Assets				
1.	Intangible assets	1110	38 621	33 456	25 834
2.	Results of researches and developments	1120	107 450	69 571	24 411
3.	Intangible development assets	1130	-	-	-
4.	Tangible development assets	1140	-	-	-
5.	Fixed assets	1150	62 534 635	59 659 050	55 910 737
6.	Income-bearing investments in tangible valuables	1160	-	-	-
7.	Long-and short-term financial investments	1170 + 1240	37 556	36 004	45 588
8.	Miscellaneous intangible assets ²	1180+1190	895 673	966 929	892 143
9.	Stock	1210	1 861 538	1 580 657	1 407 566
10.	Value added tax on valuables acquired	1220	2 450	6 020	7 496
11.	Accounts receivable ³	1230	7 057 410	6 847 388	7 119 419
12.	Cash and equivalents	1250	2 194 482	1 667 698	1 245 575
13.	Miscellaneous current assets ¹	1260	1 179 000	989 980	609 432
14.	Total assets taken for accounting, (sum of paragraphs 1-13)		75 908 815	71 856 753	67 288 201
II.	Liabilities				
15.	Long-term borrowed funds	1410	13 283 239	22 617 796	18 912 239
16.	Deferred tax liabilities	1420	438 719	178 832	128 343
17.	Estimated liability	1430+1540	1 348 029	1 399 272	2 930 335
18.	Other long-term liabilities	1450	1 248 675	989 505	1 429 365
19.	Short-term borrowed funds	1510	11 395 279	91 064	79 078
20.	Bills payable ⁴	1520	12 833 089	11 044 750	8 280 201
21.	Miscellaneous short-term liabilities ⁵	1550	-	-	-
22.	Total for liabilities taken for accounting (sum of paragraphs 15-21)		40 547 030	36 321 219	31 759 561
23.	Cost of net assets of joint stock company (total for assets taken for accounting (line 14) minus total liabilities taken for accounting (line 22))		35 361 785	35 535 534	35 528 640

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(signature)

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1 – Except actual expenses on repurchase of own stock from shareholders

2 – Including the sum of differed tax assets

3 – Except debt of participants (founders) on share capital payment

4 – Including the sum of debt to participants on interest payment

5 – The data on the amount of other long-term and short-term liabilities includes the amount of reserves created in accordance with the established procedure in connection with contingent liabilities and with the termination of activities

6 – year before the previous year

7 – previous year

8 – reporting date of the reporting period

Statement on cash flow

January – December 2018

Form OKUD [Russian National Classifier of Management Documentation]		Codes
		0710004
Date		31.12.2018
Organization: Kubanenergo PJSC	OKPO [Russian Classifier of Businesses and Organizations]	00104604
Taxpayer Identification Number	INN [Taxpayer Identification Number]	2309001660
Type of activity: electricity transmission	OKVED [Russian Classifier of Economic Activities]	
Organizational legal form/ownership form Public Joint-Stock Company / private	OKOPF [Russian Classifier of Organizational Legal Forms]/OKFS [Russian Classifier of Forms of Ownership]	12247 / 16
Unit: thousand rubles	OKEI [Russian Classifier of Measurement Units]	384

Indicator	Line code	2018	2017
1	2	3	4
Cash flow from operating activities			
Income - total	4110	40 528 817	34 707 394
including:			
from sales of products, goods, work and services	4111	39 666 582	34 125 513
including from sales of products, goods, work and services to parent, subsidiary and dependent companies	411101	1 597	2 207
lease rents, license fee, royalties, commission and other payments	4112	23 117	23 328
including from lease rents, license fee, royalties, commission and other payments from parent, subsidiary and dependent companies	411201	644	687
from resale of financial assets	4113	-	-
including from resale of financial assets to parent, subsidiary and dependent companies	411301	-	-
other incomes	4119	839 118	558 553
including other incomes from parent, subsidiary and dependent companies	411901	292	58
Payments - total	4120	(35 060 521)	(31 550 420)
including:			
to suppliers (contractors) for materials, stuff, work, services	4121	(23 750 885)	(20 532 431)
including to suppliers (contractors) for materials, stuff, work, services of parent, subsidiary and dependent companies	412101	(180 569)	(120 562)
due to the fact of payment for the labour of an employee	4122	(4 742 943)	(4 540 178)
interest on debenture	4123	(1 788 456)	(2 079 674)
including interest on debenture to parent, subsidiary and dependent companies	412301	-	-
tax on the profit of organizations	4124	(614 877)	(582 651)
other payments	4129	(4 163 360)	(3 815 486)
including other payments to parent, subsidiary and dependent companies	412901	(30 493)	(37 781)
Balance of money flows from current operations	4100	5 468 296	3 156 974

Cash flow of investment activity funds			
Income – total	4210	279 889	1 295 093
including:			
from sale of non-current assets (except financial assets)	4211	1 873	1 300
including from sale of non-current assets (except financial assets) to parent, subsidiary and dependent companies	421101	-	-
from sale of shares of other organizations (equity share)	4212	-	-
including from sale of shares of other organizations (equity share) to parent, subsidiary and dependent companies	421201	-	-
from returning of granted loans, from sale of debt securities (claim of monetary funds to others)	4213	-	-
including from returning of granted loans, from sale of debt securities (claim of monetary funds to others) of parent, subsidiary and dependent companies	421301	-	-
from dividends, percent from debt financial placements and similar incomes from share participation in other organizations	4214	91 576	48 662
including from dividends, percent from debt financial placements and similar incomes from share participation in other organizations from parent, subsidiary and dependent companies	421401	9 068	277
other incomes	4219	186 440	1 245 131
including other incomes from parent, subsidiary and dependent companies	421901	-	-
Payments – total	4220	(6 864 565)	(7 220 872)
including:			
due to the fact of purchasing, creating, modernization, reconstruction and preparing for use of non-current assets	4221	(6 314 591)	(7 134 882)
including payments to parent, a subsidiary and dependent companies due to the fact of purchasing, creating, modernization, reconstruction and preparing for use of non-current assets	422101	-	-
due to the fact of purchasing shares of other companies (equity share)	4222	-	-
including payments to parent, affiliate and subsidiary companies due to the fact of purchasing shares of other companies (equity share)	422201	-	-
due to the fact of purchasing debt securities (claim of monetary funds to others), lending procuration to others	4223	-	-
including payments to parent, subsidiary and dependent companies due to fact of purchasing debt securities (claim of monetary funds to others), lending procuration to others	422301	-	-
interest of debenture, included to value of investment asset	4224	(373 222)	-
including interest of debenture, included to value of investment asset to parent, subsidiary and dependent companies	422401	-	-
other payments	4229	(176 752)	(85 990)
including other payments to parent, subsidiary and dependent companies	422901	(927)	(927)
Balance of money flows from current operations	4200	(6 584 676)	(5 925 779)
Cash flows from financial operations	Line		
Income – total	4310	39 098 182	41 518 322
including:			

receiving the credits and loans	4311	39 098 182	41 518 322
including receiving the credits and loans from parent, subsidiary and dependent companies	431101	-	-
from owners' lodgment (participants)	4312	-	-
including from owners' lodgment (participants) of parent, subsidiary and dependent companies	431201	-	-
from shares release, increasing share of participation	4313	-	20 358
from shares release, increasing share of participation of parent, subsidiary and dependent companies	431301	-	20 357
from issue of bonds, bills and other debt securities and other	4314	-	-
from issue of bonds, bills and other debt securities and other of parent, subsidiary and dependent companies	431401	-	-
other incomes	4319	4	457
other incomes from parent, subsidiary and dependent companies	431901	-	-
Payments - total	4320	(37 454 871)	(38 327 577)
including:		-	-
to owners (participants) due to the fact of their shares purchasing (equity share) or their cessation of membership	4321		
including to owners (participants) due to the fact of their shares purchasing (equity share) or their cessation of membership of parent, subsidiary and dependent companies	432101	-	-
to dividends and other payments under appropriation of profit in favor of owners (participants)	4322	(321 519)	(535 626)
including to dividends and other payments under appropriation of profit in favor of owners (participants) of parent, subsidiary and dependent companies	432201	(298 340)	(496 441)
due to the fact of payment of promissory notes (purchasing) and other debt securities, repayment of credits and loans	4323	(37 133 352)	(37 791 951)
including due to the fact of payment of promissory notes (purchasing) and other debt securities, repayment of credits and loans to parent, subsidiary and dependent companies	432301	-	-
other payments	4329	-	-
including other payments to parent, subsidiary and dependent companies	432901	-	-
Balance of money flows from current operations	4300	1 643 311	3 190 745
Balance of money flows in the accounting period	4400	526 931	421 940
Cash balance and money equivalent at the beginning of reporting period	4450	1 667 376	1 245 436
Cash balance and money equivalent at the end of reporting period	4500	2 194 307	1 667 376
Effect of exchange rate changes of rubles	4490	-	-

Director _____ Ocheredko O.V.

Chief accountant _____ Skiba I.V.
(signature)

(signature)

19 February 2019

- (1) – reporting date of the reporting period
- (2) – period of the previous year similar to the reporting period

5.1. Intangible assets
5.1.1. Availability and flow of intangible assets

Indicator			As of year's beginning				Changes for period								As of period's end			
Name	Code	Period	Initial/ current market value	Accumulated depreciation	Impairment losses	Residual value	entered	Initial/current market value	Accumulated depreciation	Impairment losses	Accrued depreciation	Impairment loss	Reassessment		Initial/ current market value	Accumulated depreciation	Impairment losses	Residual value
													Initial/current market value	Accumulated depreciation				
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
Intangible assets - total	5100	2018	65 681	(38 225)	-	27 456	13 473	(19 661)	19 661	-	(9 808)	-	-	-	59 493	(28 372)	-	31 121
	5110	2017	54 765	(28 931)	-	25 834	10 916	-	-	-	(9 294)	-	-	-	65 681	(38 225)	-	27 456
Objects of intellectual property(exclusive rights for results of intellectual property)	5101	2018	30 056	(9 650)	-	20 406	-	-	-	-	(4 491)	-	-	-	30 056	(14 141)	-	15 915
	5111	2017	24 648	(4 475)	-	20 173	5 408	-	-	-	(5 175)	-	-	-	30 056	(9 650)	-	20 406
including:																		
at a patent holder for inventions, industrial sample, useful model	51011	2018	7 759	(1 117)	-	6 642	-	-	-	-	(794)	-	-	-	7 759	(1 911)	-	5 848
	51111	2017	2 351	(882)	-	1 469	5 408	-	-	-	(235)	-	-	-	7 759	(1 117)	-	6 642
at a right holder for software, databases	51012	2018	22 105	(8 430)	-	13 675	-	-	-	-	(3 675)	-	-	-	22 105	(12 105)	-	10 000
	51112	2017	22 105	(3 512)	-	18 593	-	-	-	-	(4 918)	-	-	-	22 105	(8 430)	-	13 675
at owner for trade mark, service mark, name of place of origin of goods	51014	2018	192	(103)	-	89	-	-	-	-	(22)	-	-	-	192	(125)	-	67
	51114	2017	192	(81)	-	111	-	-	-	-	(22)	-	-	-	192	(103)	-	89
Others	5103	2018	35 625	(28 575)	-	7 050	13 473	(19 661)	19 661	-	(5 317)	-	-	-	29 437	(14 231)	-	15 206
	5113	2017	30 117	(24 456)	-	5 661	5 508	-	-	-	(4 119)	-	-	-	35 625	(28 575)	-	7 050

(1)- reporting year

(2)- previous year

5.2. Results of the scientific and research, design and experimental and technological works and intangible assets

5.2.1. Availability and flow of R&D results

Indicator name	Code	Period	As of year's beginning		Changes for period				As of period's end	
			initial cost	part of cost, written off to expenses	entered	retired		part of cost, written off to expenses for period	initial cost	part of cost, written off to expenses
						initial cost	part of cost, written off to expenses			
1	2	3	4	5	6	7	8	9	10	11
R&D, total	5140	2018	2 966	(2 966)	-	(2 966)	2 966	-	-	-
	5150	2017	2 966	(2 966)	-	-	-	-	2 966	(2 966)
among them:									-	-
Patentable results of fulfilled R&D	5141	2018	-	-	-	-	-	-	-	-
	5151	2017	-	-	-	-	-	-	-	-
Other	5142	2018	2 966	(2 966)	-	(2 966)	2 966	-	-	-
	5152	2017	2 966	(2 966)	-	-	-	-	2 966	(2 966)
For reference: of total sum of R&D			-	-	-	-	-	-	-	-
Expenses for R&D, made in-house	5143	2018	-	-	-	-	-	-	-	-
	5153	2017	-	-	-	-	-	-	-	-
Expenses for R&D, fulfilled by external agencies	5144	2018	-	-	-	-	-	-	-	-
	5154	2017	-	-	-	-	-	-	-	-

(1) – reporting year

(2) – previous year

5.2.2. In-progress and unregistered R&D and operations to acquire intangible assets in-progress

Indicator name	Code	Period	As of year's beginning	Changes for period			As of period's end
				expenses for period	expenses written off as those which haven't given positive result	entered in accounting records in the capacity of intangible assets or R&D	
1	2	3	4	5	6	7	8
Expenses on researches and developments in progress - total	5160	2	69 571	44 920	-	(7 041)	107 450
	5170	2	24 411	50 568	-	(5 408)	69 571
including:							
Patentable results of fulfilled R&D	5161	2	66 579	31 886	-	(7 041)	91 424
	5171	2	24 411	47 576	-	(5 408)	66 579
Other	5162	2	2 992	13 034	-	-	16 026
	5172	2	-	2 992	-	-	2 992
Operations to acquire intangible assets in-progress- total	5180	2	6 000	7 932	-	(6 432)	7 500
	5190	2	-	11 508	-	(5 508)	6 000
including:							
from a patent holder for inventions, industrial sample, useful model	5181	2	-	-	-	-	-
	5191	2	-	-	-	-	-
from a right holder for software, databases	5182	2	-	-	-	-	-
	5192	2	-	-	-	-	-
from owner, for trade mark, service mark, appellation of origin of goods	5183	2	-	-	-	-	-
	5193	2	-	-	-	-	-
Others	5184	2	6 000	7 932	-	(6 432)	7 500
	5194	2	-	11 508	-	(5 508)	6 000

(1) - reporting year

(2) - previous year

5.3. Fixed assets

5.3.1. Availability and flow of fixed assets

Indicator	Code	Period	As of year's beginning			Changes over the period							As of period's end		
			initial cost	accumulated depreciation	residual value	entered	accumulated depreciation on entered facilities			depreciation, accrued	reassessment		initial cost	accumulated depreciation	residual value
								initial cost	accumulated depreciation		initial cost	accumulated depreciation			
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Fixed assets (net of income-bearing investments into tangible assets) - total	5200	8	106 381 919	(55 169 882)	51 212 037	3 920 981	(7 155)	(243 141)	204 271	(3 974 921)	-	-	110 059 759	(58 947 687)	51 112 072
	5210	2020	102 336 045	(51 765 279)	50 570 766	4 448 217	-	(402 343)	377 749	(3 782 352)	-	-	106 381 919	(55 169 882)	51 212 037
including:															
Depreciable fixed assets – total:	5201	8	106 245 675	(55 169 882)	51 075 793	3 920 895	(7 155)	(243 141)	204 271	(3 974 921)	-	-	109 923 429	(58 947 687)	50 975 742
	5211	2020	102 199 923	(51 765 279)	50 434 644	4 448 095	-	(402 343)	377 749	(3 782 352)	-	-	106 245 675	(55 169 882)	51 075 793
including:															
production buildings	52011	10 874 958	(5 170 825)	5 704 133	113 999	(6 784)	(20 025)	19 144	(211 955)	-	-	10 968 932	(5 370 420)	5 598 512	10 874 958
	52111	10 751 167	(5 002 362)	5 748 805	172 519	-	(48 728)	41 339	(209 802)	-	-	10 874 958	(5 170 825)	5 704 133	10 751 167
constructions, except power lines	2012	8	2 861 327	(1 158 251)	1 703 076	124 851	(371)	(715)	715	(159 324)	-	-	2 985 463	(1 317 231)	1 668 232
	52112	2	2 638 598	(1 014 838)	1 623 760	223 882	-	(1 153)	1 140	(144 553)	-	-	2 861 327	(1 158 251)	1 703 076
power transmission lines and devices	52013	8	45 339 212	(15 237 604)	30 101 608	1 347 225	-	(75 339)	38 740	(1 727 104)	-	-	46 611 098	(16 925 968)	29 685 130
	52113	2020	43 429 408	(13 667 736)	29 761 672	1 940 353	-	(30 549)	23 623	(1 593 491)	-	-	45 339 212	(15 237 604)	30 101 608
machinery and equipment to produce electric power, substations, equipment to transform electric power	52014	8	39 205 445	(28 361 402)	10 844 043	2 042 311	-	(98 187)	96 816	(1 255 700)	-	-	41 149 569	(29 520 286)	11 629 283
	52114	2020 1	37 891 514	(27 446 014)	10 445 500	1 592 568	-	(278 637)	272 244	(1 187 632)	-	-	39 205 445	(28 361 402)	10 844 043
production and household equipment	52015	8	47 012	(39 315)	7 697	1 633	-	(762)	762	(2 317)	-	-	47 883	(40 870)	7 013
	52115	2020	43 988	(38 396)	5 592	4 144	-	(1 120)	1 120	(2 039)	-	-	47 012	(39 315)	7 697
misc.	52016	8	7 917 721	(5 202 485)	2 715 236	290 876	-	(48 113)	48 094	(618 521)	-	-	8 160 484	(5 772 912)	2 387 572
	52116	2	7 445 248	(4 595 933)	2 849 315	514 629	-	(42 156)	38 283	(644 835)	-	-	7 917 721	(5 202 485)	2 715 236
Facilities with unrestricted useful life, not depreciable	5202	8	136 244	-	136 244	86	-	-	-	-	-	-	136 330	-	136 330
		2	136 122	-	136 122	122	-	-	-	-	-	-	136 244	-	136 244

- totally	5212														
including:															
land plots	52021	8	136 244	-	136 244	86	-	-	-	-	-	-	136 330	-	136 330
	52121	2	136 122	-	136 122	122	-	-	-	-	-	-	136 244	-	136 244
objects of nature management	52022	8	-	-	-	-	-	-	-	-	-	-	-	-	-
	52122	2	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital investments for fundamental improvement of lands	5203	8	-	-	-	-	-	-	-	-	-	-	-	-	-
	5213	2 0	-	-	-	-	-	-	-	-	-	-	-	-	-
Accounted in composition of income-bearing investments into tangible assets - totally	5220	8	-	-	-	-	-	-	-	-	-	-	-	-	-
	5230	2 0	-	-	-	-	-	-	-	-	-	-	-	-	-
including:			-	-	-	-	-	-	-	-	-	-	-	-	-
property to be transferred on lease	5221	8	-	-	-	-	-	-	-	-	-	-	-	-	-
	5231	2	-	-	-	-	-	-	-	-	-	-	-	-	-
property submitted under a lease contract	5222	8	-	-	-	-	-	-	-	-	-	-	-	-	-
	5232	2 0	-	-	-	-	-	-	-	-	-	-	-	-	-

(1) - reporting year
(2) - previous year

5.3.3. Cost change of the fixed assets as a result of further construction, further equipping, reconstruction and partial liquidation

Indicator name	Code	2018	2017
1	2	3	4
Cost increase of the items of the fixed assets as a result of a further construction, further equipping, reconstruction – total	5260	755 812	799 576
including:			
production buildings	5261	4 370	14 698
construction, except for power transmission lines	5262	9 793	23 473
power transmission lines and devices	5263	708 425	728 123
machinery and equipment to produce electric power, substations, equipment to transform electric power	5264	29 228	30 780
production and household equipment	5265	-	-
miscellaneous	5266	3 996	2 502
Cost decrease of the items of the fixed assets as a result of a partial liquidation – total	5270	(79 019)	(35 153)
including:			
production buildings	5271	(136)	-
construction, except for power transmission lines	5272	-	(120)
power transmission lines and devices	5273	(65 321)	(28 789)
machinery and equipment to produce electric power, substations, equipment to transform electric power	5274	(13 562)	(6 244)
production and household equipment	5275	-	-
miscellaneous	5276	-	-

(1) - reporting year

(2) - previous year

5.3.4. Other use of the fixed assets

Indicator name	Code	As of 31 December 2018	As of 31 December 2017	As of 31 December 2016
1	2	3	4	5
Leased out fixed assets, on the books	5280	81 084	56 189	53 642
Leased out fixed assets, off the books	5281	-	-	-
Taken on lease fixed assets, on the books	5282	-	-	-
Taken on lease fixed assets, off the books	5283	3 092 597	3 041 044	3 621 269
Constructed, commissioned and actually being used property, for which the documents are submitted for state registration	5284	3 261 112	3 305 621	4 341 400
Fixed assets transferred to standby	5285	20 125	23 584	22 957
Other use of fixed assets (pledge etc.)	5286	-	-	-

(1) – reporting date of the reporting period

(2) – the previous year

(3) – the year preceding the previous year

5.3.5. Capital investments in progress

Indicator	Code	Period	As of year's beginning	Changes for period			As of period's end
				expenditures for period	written off	entered in accounting records as fixed assets or cost is increased	
1	2	3	4	5	6	7	8
Construction-in-progress and unaccomplished operations in respect to acquisition, renovation etc. of the fixed assets - total	5240	2018	6 737 703	9 310 773	(1 946 063)	(3 912 217)	10 190 196
	5250	2017	4 320 028	7 842 693	(1 027 436)	(4 397 582)	6 737 703
including:							
construction-in- progress	5241	2018	4 715 427	7 663 934	(12 250)	(3 734 277)	8 632 834
	5251	2017	2 555 838	6 338 434	(19 475)	(4 159 370)	4 715 427
fixed assets acquisition	5242	2018	268	177 854	(268)	(177 854)	-
	5252	2017	5 859	280 547	(47 926)	(238 212)	268
equipment for installation	5243	2018	2 021 964	1 468 899	(1 933 501)	-	1 557 362
	5253	2017	1 758 287	1 223 712	(960 035)	-	2 021 964
miscellaneous	5244	2018	44	86	(44)	(86)	-
	5254	2017	44	-	-	-	44

(1) - reporting year

(2) - previous year

5.3.6. Advances paid for capital construction and fixed assets acquisition

Indicator	Code	Period	As of the beginning of the year		Changes within the period							As of the end of the period	
			accounted under contract's clauses	amount of provision for doubtful debts	entrance			retirement				accounted under contract's clauses	amount of provision for doubtful debts
					as a result of economic operations (debt sum on a transaction)	other accruals	accrual of a reserve	repayment	writing off owing to reserve, accrued earlier	writing off to financial result	recovery of a reserve		
1	2	3	4	5	6	7	8	9	10	11	12	13	14
Advances paid for capital construction	5291	2018 (1)	1 346 265	(102 648)	413 849	-	(3 709)	(1 251 265)	(92 165)	-	-	416 684	(14 192)
	5292	2017 (2)	205 835	(107 301)	1 267 961	-	-	(122 858)	(4 653)	(20)	-	1 346 265	(102 648)
including:													
<i>capital construction</i>	5291 1	2018 (1)	1 323 597	(99 516)	350 719	-	(3 709)	(1 188 767)	(91 333)	-	-	394 216	(11 892)
	5292 1	2017 (2)	124 690	(101 557)	1 265 940	-	-	(64 992)	(2 041)	-	-	1 323 597	(99 516)
<i>fixed assets acquisition</i>	5291 2	2018 (1)	2 543	(2 300)	20 069	-	-	(14 092)	-	-	-	8 520	(2 300)
	5292 2	2017 (2)	2 879	(2 522)	71	-	-	(185)	(222)	-	-	2 543	(2 300)
<i>miscellaneous</i>	5291 3	2018 (1)	20 125	(832)	43 061	-	-	(48 406)	(832)	-	-	13 948	-
	5292 3	2017 (2)	78 266	(3 222)	1 950	-	-	(57 681)	(2 390)	(20)	-	20 125	(832)

(1) - reporting year

(2) - previous year

5.4. Financial investments
5.4.1. Availability and flow of financial investments

Indicator	Code	Period	As of the beginning of the year		Changes for period					As of the end of the period	
			initial cost	accumulated adjustment	entered	retired (repaid)		interest accrual (including the initial cost bringing to nominal cost)	current market value (impairment losses)	initial cost	accumulated adjustment
1	2	3	4	5	6	7	8	9	10	11	12
Long-term FI - total	5301	2018 (1)	62 924	(26 920)	-	(17 234)	17 234	-	1 552	45 690	(8 134)
	5311	2017 (2)	62 924	(17 336)	-	-	-	-	(9 584)	62 924	(26 920)
Contributions in authorized (share) capital of other companies – total	53021	2018 (1)	62 924	(26 920)	-	(17 234)	17 234	-	1 552	45 690	(8 134)
	53121	2017 (2)	62 924	(17 336)	-	-	-	-	(9 584)	62 924	(26 920)
including:											
subsidiary companies	530211	2018 (1)	62 921	(26 918)	-	(17 234)	17 234		1 552	45 687	(8 132)
	531211	2017 (2)	62 921	(17 334)	-	-	-	-	(9 584)	62 921	(26 918)
dependent companies	530212	2018 (1)	-	-	-	-	-	-	-	-	-
	531212	2017 (2)	-	-	-	-	-	-	-	-	-
Miscellaneous	530213	2018 (1)	3	(2)	-	-	-	-	-	3	(2)
	531213	2017 (2)	3	(2)	-	-	-	-	-	3	(2)
State and municipal securities	53022	2018 (1)	-	-	-	-	-	-	-	-	-
	53122	2017 (2)	-	-	-	-	-	-	-	-	-
Securities of other entities-total	53023	2018 (1)	-	-	-	-	-	-	-	-	-
	53123	2017 (2)	-	-	-	-	-	-	-	-	-
including:											
debt securities (bonds, bills)	530231	2018 (1)	-	-	-	-	-	-	-	-	-
	531231	2017 (2)	-	-	-	-	-	-	-	-	-

Loans granted	53024	2018 (1)	-	-	-	-	-	-	-	-	-
	53124	2017 (2)	-	-	-	-	-	-	-	-	-
Deposits	53025	2018 (1)	-	-	-	-	-	-	-	-	-
	53125	2017 (2)	-	-	-	-	-	-	-	-	-
Miscellaneous	53026	2018 (1)	-	-	-	-	-	-	-	-	-
	53126	2017 (2)	-	-	-	-	-	-	-	-	-
Long-term FI having current market value- total	5302	2018 (1)	-	-	-	-	-	-	-	-	-
	5312	2017 (2)	-	-	-	-	-	-	-	-	-
Contributions in authorized (share) capital of other companies – total	53031	2018 (1)	-	-	-	-	-	-	-	-	-
	53131	2017 (2)	-	-	-	-	-	-	-	-	-
including:											
subsidiary companies	530311	2018 (1)	-	-	-	-	-	-	-	-	-
	531311	2017 (2)	-	-	-	-	-	-	-	-	-
dependent companies	530312	2018 (1)	-	-	-	-	-	-	-	-	-
	531312	2017 (2)	-	-	-	-	-	-	-	-	-
Miscellaneous	530313	2018 (1)	-	-	-	-	-	-	-	-	-
	531313	2017 (2)	-	-	-	-	-	-	-	-	-
State and municipal securities	53032	2018 (1)	-	-	-	-	-	-	-	-	-
	53132	2017 (2)	-	-	-	-	-	-	-	-	-
Securities of other entities- total	53033	2018 (1)	-	-	-	-	-	-	-	-	-
	53133	2017 (2)	-	-	-	-	-	-	-	-	-
including:											-
debt securities (bonds, bills)	530331	2018 (1)	-	-	-	-	-	-	-	-	-
	531331	2017 (2)	-	-	-	-	-	-	-	-	-
Miscellaneous	53034	2018 (1)	-	-	-	-	-	-	-	-	-
	53134	2017 (2)	-	-	-	-	-	-	-	-	-
Long-term FI which current market value is not determined - total	5303	2018 (1)	62 924	(26 920)	-	(17 234)	-	-	18 786	45 690	(8 134)
	5313	2017 (2)	62 924	(17 336)	-	-	-	-	(9 584)	62 924	(26 920)

(1) - reporting year

(2) - previous year

5.4.1. Availability and flow of financial investments (continued)

Indicator	Code	Period	As of the beginning of the year		Changes for period					As of the end of the period	
			initial cost	accumulated adjustment	entered	retired (repaid)		interest accrual (including the initial cost bringing to nominal cost)	current market value (impairment losses)	initial cost	accumulated adjustment
						initial cost	accrued adjustment				
1	2	3	4	5	6	7	8	9	10	11	12
Short-term FI - total	5305	2017 (1)	-	-	-	-	-	-	-	-	-
	5315	2016 (2)	-	-	-	-	-	-	-	-	-
Contributions in authorized (share) capital of other companies – total	53061	2017 (1)	-	-	-	-	-	-	-	-	-
	53161	2016 (2)	-	-	-	-	-	-	-	-	-
State and municipal securities	53062	2017 (1)	-	-	-	-	-	-	-	-	-
	53162	2016 (2)	-	-	-	-	-	-	-	-	-
Securities of other entities-total	53063	2017 (1)	-	-	-	-	-	-	-	-	-
	53163	2016 (2)	-	-	-	-	-	-	-	-	-
including:			-	-	-	-	-	-	-	-	-
debt securities (bonds, bills)	530631	2017 (1)	-	-	-	-	-	-	-	-	-
	531631	2016 (2)	-	-	-	-	-	-	-	-	-
Loans granted	53064	2017 (1)	-	-	-	-	-	-	-	-	-
	53164	2016 (2)	-	-	-	-	-	-	-	-	-
Deposits	53065	2017 (1)	-	-	-	-	-	-	-	-	-

	53165	2016 (2)	-	-	-	-	-	-	-	-	-
Miscellaneous	53066	2017 (1)	-	-	-	-	-	-	-	-	-
	53166	2016 (2)	-	-	-	-	-	-	-	-	-
Short-term FI having current market value- total	5306	2017 (1)	-	-	-	-	-	-	-	-	-
	5316	2016 (2)	-	-	-	-	-	-	-	-	-
Contributions in authorized (share) capital of other companies – total	53071	2017 (1)	-	-	-	-	-	-	-	-	-
	53171	2016 (2)	-	-	-	-	-	-	-	-	-
State and municipal securities	53072	2017 (1)	-	-	-	-	-	-	-	-	-
	53172	2016 (2)	-	-	-	-	-	-	-	-	-
Securities of other entities- total	53073	2017 (1)	-	-	-	-	-	-	-	-	-
	53173	2016 (2)	-	-	-	-	-	-	-	-	-
including:			-	-	-	-	-	-	-	-	-
debt securities (bonds, bills)	530731	2017 (1)	-	-	-	-	-	-	-	-	-
	531731	2016 (2)	-	-	-	-	-	-	-	-	-
Miscellaneous	53074	2017 (1)	-	-	-	-	-	-	-	-	-
	53174	2016 (2)	-	-	-	-	-	-	-	-	-
Short-term FI which current market value is not determined - total	5307	2017 (1)	-	-	-	-	-	-	-	-	-
	5317	2016 (2)	-	-	-	-	-	-	-	-	-
Financial investments - total	5300	2017 (1)	62 924	(26 920)	-	(17 234)	17 234	-	1 552	45 690	(8 134)
	5310	2016 (2)	62 924	(17 336)	-	-	-	-	(9 584)	62 924	(26 920)

(1) - reporting year

(2) - previous year

5.4.2. Adjustments of financial investments' assessments

Indicator	Code	As of the beginning of the year	Changes for period			As of the end of the period
			Increase	Decrease	Retirement under writing off of FI (financial investments)	
1	2	3	4	5	6	7
Long-term financial investments	7100	(17 336)	(9 584)	-	-	(26 920)
Difference between the current market value of the financial investments and their previous assessment	7110	-	-	-	-	-
<i>including:</i>						
Contributions in authorized (share) capital of other companies – total	7111	-	-	-	-	-
<i>including:</i>						
subsidiary companies	71111	-	-	-	-	-
dependent entities	71112	-	-	-	-	-
miscellaneous	71113	-	-	-	-	-
State and municipal securities	7112	-	-	-	-	-
Securities of other entities - total	7113	-	-	-	-	-
<i>including:</i>						
debt securities (bonds, bills)	71131	-	-	-	-	-

Miscellaneous	7114	-	-	-	-	-
Difference between the current cost of the debt securities and their initial cost	7120	-	-	-	-	-
<i>including:</i>						
Securities of other entities - total	7121	-	-	-	-	-
<i>including:</i>						
debt securities (bonds, bills)	71211	-	-	-	-	-
Miscellaneous	7122	-	-	-	-	-
Provision for impairment of financial investments, on which no market value is determined	7130	(26 920)	-	1 552	17 234	(8 134)
<i>including:</i>						
Contributions in authorized (share) capital of other companies – total	7131	(26 920)	-	1 552	17 234	(8 134)
<i>including:</i>						
subsidiary companies	71311	(26 918)	-	1 552	17 234	(8 132)
dependent entities	71312	-	-	-	-	-
miscellaneous	71313	(2)	-	-	-	(2)
State and municipal securities	7132	-	-	-	-	-
Securities of other entities - total	7133	-	-	-	-	-
<i>including:</i>		-	-	-	-	-
debt securities (bonds, bills)	71331	-	-	-	-	-
Loans granted	7134	-	-	-	-	-
Deposits	7135	-	-	-	-	-
Miscellaneous	7136	-	-	-	-	-
Short-term financial investments	7200	-	-	-	-	-
Difference between the current market value of the financial investments and their previous assessment, on which it was determined	7210	-	-	-	-	-
<i>including:</i>		-	-	-	-	-
Contributions in authorized (share) capital of other companies – total	7211	-	-	-	-	-
<i>including:</i>		-	-	-	-	-

subsidiary companies	72111	-	-	-	-	-
dependent entities	72112	-	-	-	-	-
Miscellaneous	72113	-	-	-	-	-
Securities of other entities - total	7212	-	-	-	-	-
<i>including:</i>		-	-	-	-	-
debt securities (bonds, bills)	72121	-	-	-	-	-
Miscellaneous	7213	-	-	-	-	-
Difference between the current value of the debt securities and their initial value	7220	-	-	-	-	-
<i>including:</i>		-	-	-	-	-
Other entities' securities – total	7221	-	-	-	-	-
<i>including:</i>		-	-	-	-	-
debt securities (bonds, bills)	72211	-	-	-	-	-
Miscellaneous	7222	-	-	-	-	-
Provision for impairment of financial investments, not having a market value	7230	-	-	-	-	-
<i>including:</i>		-	-	-	-	-
Contributions in authorized (share) capital of other companies – total	7231	-	-	-	-	-
<i>including:</i>		-	-	-	-	-
subsidiary companies	72311	-	-	-	-	-
dependent entities	72312	-	-	-	-	-
Miscellaneous	72313	-	-	-	-	-
State and municipal securities	7232	-	-	-	-	-
Securities of other entities - total	7233	-	-	-	-	-
<i>including:</i>		-	-	-	-	-
debt securities (bonds, bills)	72331	-	-	-	-	-
Loans granted	7234	-	-	-	-	-
Deposits	7235	-	-	-	-	-
Miscellaneous	7236	-	-	-	-	-

5.5. Business inventories
5.5.1. Availability and flow of inventories

Indictor	Code	Period	As of the beginning of the year		Changes for period					As of the end of the period	
			prime cost	reserve amount for cost reduction	receipts and expenditures	retired prime cost	reserve for cost reduction	losses from cost reduction	inventory turnover within groups (types)	prime cost	reserve for cost reduction
1	2	3	4	5	6	7	8	9	10	11	12
Inventories, total	5400	2018 (1)	1 587 652	(6 995)	2 341 189	(2 058 969)	6 874	(8 213)	x	1 869 872	(8 334)
	5420	2	1 416 925	(9 359)	1 859 941	(1 689 214)	5 443	(3 079)	x	1 587 652	(6 995)
raw material and materials	5401	2018 (1)	1 587 652	(6 995)	2 341 189	(2 058 969)	6 874	(8 213)	-	1 869 872	(8 334)
	5421	2	1 416 925	(9 359)	1 859 941	(1 689 214)	5 443	(3 079)	-	1 587 652	(6 995)
production-in-process	5402	2018 (1)	-	-	-	-	-	-	-	-	-
	5422	2	-	-	-	-	-	-	-	-	-
goods delivered	5403	2018 (1)	-	-	-	-	-	-	-	-	-
	5423	2	-	-	-	-	-	-	-	-	-
finished products and goods	5404	2018 (1)	-	-	-	-	-	-	-	-	-
	5424	2 0	-	-	-	-	-	-	-	-	-
miscellaneous inventories and expenditures	5405	2018 (1)	-	-	-	-	-	-	-	-	-
	5425	2 0	-	-	-	-	-	-	-	-	-

(1) - reporting year

(2) - previous year

5.5.2. Pledged inventory

Indicator	Code	As of 31 December 2018	A s	A s
Inventory unpaid as of the reporting date - total	5440	-	-	-
including raw materials	5441	-	-	-
construction in-progress	5442	-	-	-
goods dispatched	5443	-	-	-
finished products and goods	54441	-	-	-
miscellaneous goods and expenses	54442	-	-	-
Pledged inventory under the contract – total	5445	-	-	-
including raw materials	5446	-	-	-
goods dispatched	5447	-	-	-
finished products and goods	5448	-	-	-
miscellaneous goods and expenses	5449			

- (1) – reporting date of the reporting period
- (2) – previous year
- (3) – year preceding the previous

5.6. Accounts receivable and accounts payable

5.6.1. Availability and flow of accounts receivable

Indicator name	Code	Period	As of year's beginning		Changes for period								As of period's end	
			accounted under contract's clauses	amount of provision for doubtful debts	entrance							transfer from long-term into short-term indebtedness	accounted under contract's clauses	amount of provision for doubtful debts
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Long-term accounts receivable - total	5501	2018 (1)	28 694	-	12 152	-	-	(217)	-	-	-	(17 749)	22 880	-
	5521	2 0 1	12 614	-	21 034	-	-	(2 018)	-	-	-	(2 936)	28 694	-
including:														
Settlements with buyers and customers	5502	2018 (1)	-	-	1 857	-	-	-	-	-	-	(729)	1 128	-
	5522	2 0	-	-	-	-	-	-	-	-	-	-	-	-
including:														
electric power transmission	55021	2018 (1)	-	-	-	-	-	-	-	-	-	-	-	-
	55221	2	-	-	-	-	-	-	-	-	-	-	-	-
grid connection	55022	2018 (1)	-	-	1 857	-	-	-	-	-	-	(729)	1 128	-
	55222	2	-	-	-	-	-	-	-	-	-	-	-	-
organization of functioning and development of UES of Russia as to the distribution electric grid complex	55023	2018 (1)	-	-	-	-	-	-	-	-	-	-	-	-
	55223	2 0 1 7	-	-	-	-	-	-	-	-	-	-	-	-
resale of electric power and capacity	55024	2018 (1)	-	-	-	-	-	-	-	-	-	-	-	-
	55224	2 0	-	-	-	-	-	-	-	-	-	-	-	-
revenues from lease	55025	2018 (1)	-	-	-	-	-	-	-	-	-	-	-	-
	55225	2	-	-	-	-	-	-	-	-	-	-	-	-
other	55026	2018 (1)	-	-	-	-	-	-	-	-	-	-	-	-
	55226	2	-	-	-	-	-	-	-	-	-	-	-	-
Advances paid	5503	2018 (1)	-	-	-	-	-	-	-	-	-	-	-	-
	5523	2	-	-	-	-	-	-	-	-	-	-	-	-
Bills receivable	5504	2018 (1)	-	-	-	-	-	-	-	-	-	-	-	-
	5524	2	-	-	-	-	-	-	-	-	-	-	-	-
Other accounts receivable	5505	2018 (1)	28 694	-	10 295	-	-	(217)	-	-	-	(17 020)	21 752	-
	5525	2	12 614	-	21 034	-	-	(2 018)	-	-	-	(2 936)	28 694	-
including:														

non-interest bearing bills	55051	2018 (1)	-	-	-	-	-	-	-	-	-	-	-	-
	55251	2	-	-	-	-	-	-	-	-	-	-	-	-
others	55052	2018 (1)	28 694	-	10 295	-	-	(217)	-	-	-	(17 020)	21 752	-
	55252	2	12 614	-	21 034	-	-	(2 018)	-	-	-	(2 936)	28 694	-
From total sum of long-term accounts receivable:	5506	2018 (1)	-	-	-	-	-	-	-	-	-	-	-	-
	5526	2 0	-	-	-	-	-	-	-	-	-	-	-	-
indebtedness of subsidiary companies	55061	2018 (1)	-	-	-	-	-	-	-	-	-	-	-	-
	55261	2 0	-	-	-	-	-	-	-	-	-	-	-	-
indebtedness of dependent companies	55062	2018 (1)	-	-	-	-	-	-	-	-	-	-	-	-
	55262	2 0	-	-	-	-	-	-	-	-	-	-	-	-
Short-term accounts receivable - total	5510	2018 (1)	8 846 691	(2 027 997)	1 153 428	-	(255 240)	(1 038 571)	(209 574)	(6 887)	345 357	17 749	8 762 836	(1 728 306)
	5530	2 0	9 446 723	(2 339 918)	881 252	-	(579 341)	(1 240 564)	(238 533)	(5 123)	652 729	2 936	8 846 691	(2 027 997)
including:														
Settlements with buyers and customers	5511	2018 (1)	7 461 249	(1 305 303)	349 716	-	(115 577)	(497 222)	(2 009)	(320)	312 265	729	7 312 143	(1 106 606)
	5531	2 0	7 844 714	(1 434 133)	562 219	-	(465 884)	(926 464)	(17 843)	(1 377)	576 871	-	7 461 249	(1 305 303)
including:														
electric power transmission	55111	2018 (1)	7 394 900	(1 290 248)	248 347	-	(96 309)	(474 276)	(776)	-	308 947	-	7 168 195	(1 076 834)
	55311	2 0	7 808 289	(1 426 363)	520 231	-	(454 768)	(919 608)	(14 012)	-	576 871	-	7 394 900	(1 290 248)
grid connection	55112	2018 (1)	37 260	(11 681)	27 415	-	(19 268)	(5 391)	(1 233)	(49)	-	729	58 731	(29 716)
	55312	2	22 288	(7 404)	23 742	-	(7 798)	(5 249)	(3 521)	-	-	-	37 260	(11 681)
organization of functioning and development of UES of Russia as to the distribution electric grid complex	55113	2018 (1)	-	-	-	-	-	-	-	-	-	-	-	-
	55313	2 0 1 7	-	-	-	-	-	-	-	-	-	-	-	-
resale of electric power and capacity	55114	2018 (1)	-	-	-	-	-	-	-	-	-	-	-	-
	55314	2	-	-	-	-	-	-	-	-	-	-	-	-
revenues from lease	55115	2018 (1)	2 852	-	1 144	-	-	(958)	-	-	-	-	3 038	-
	55315	2	1 917	-	1 488	-	-	(553)	-	-	-	-	2 852	-
other	55116	2018 (1)	26 237	(3 374)	72 810	-	-	(16 597)	-	(271)	3 318	-	82 179	(56)
	55316	2	12 220	(366)	16 758	-	(3 318)	(1 054)	(310)	(1 377)	-	-	26 237	(3 374)
Advances paid	5512	2018 (1)	53 804	(21 686)	21 562	-	(597)	(23 374)	(12 004)	(145)	4 925	-	39 843	(5 354)
	5532	2	29 872	(16 503)	36 147	-	(7 589)	(12 063)	(14)	(138)	2 392	-	53 804	(21 686)
Bills receivable	5513	2018 (1)	-	-	-	-	-	-	-	-	-	-	-	-
	5533	2	-	-	-	-	-	-	-	-	-	-	-	-
indebtedness of participants	5514	2018 (1)	-	-	-	-	-	-	-	-	-	-	-	-

(founders) as regards contributions into the charter capital	5534	2 0 1 7	-	-	-	-	-	-	-	-	-	-	-	-
Indebtedness of subsidiary and dependent entities as regards dividends	5515	2018 (1)	-	-	-	-	-	-	-	-	-	-	-	-
	5535	2 0 1	-	-	-	-	-	-	-	-	-	-	-	-
Other accounts receivable	5516	2018 (1)	1 331 638	(701 008)	782 150	-	(139 066)	(517 975)	(195 561)	(6 422)	28 167	17 020	1 410 850	(616 346)
	5536	2 0	1 572 137	(889 282)	282 886	-	(105 868)	(302 037)	(220 676)	(3 608)	73 466	2 936	1 331 638	(701 008)
including:														
non-interest bearing bills	55161	2018 (1)	-	-	-	-	-	-	-	-	-	-	-	-
	55361	2	-	-	-	-	-	-	-	-	-	-	-	-
overpayment in respect to taxes and levies	55162	2018 (1)	319 488	-	258 359	-	-	(303 404)	-	-	-	-	274 443	-
	55362	2 0	368 798	-	19 620	-	-	(68 930)	-	-	-	-	319 488	-
sale of property	55163	2018 (1)	1 073	-	42 219	-	-	(463)	-	(50)	-	596	43 375	-
	55363	2	29 126	(28 020)	279	-	-	(312)	(28 020)	-	-		1 073	-
others	55164	2018 (1)	1 011 077	(701 008)	481 572	-	(139 066)	(214 108)	(195 561)	(6 372)	28 167	16 424	1 093 032	(616 346)
	55364	2 0	1 174 213	(861 262)	262 987	-	(105 868)	(232 795)	(192 656)	(3 608)	73 466	2 936	1 011 077	(701 008)
From total sum of short-term accounts receivable	5517	2018 (1)	397	-	222	-	-	(359)	-	-	-	-	260	-
	5537	2 0	188	-	389	-	-	(180)	-	-	-	-	397	-
indebtedness of subsidiary companies	55171	2018 (1)	397	-	222	-	-	(359)	-	-	-	-	260	-
	55371	2 0	188	-	389	-	-	(180)	-	-	-	-	397	-
indebtedness of dependent companies	55172	2018 (1)	-	-	-	-	-	-	-	-	-	-	-	-
	55372	2 0	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	5500	2018 (1)	8 875 385	(2 027 997)	1 165 580	-	(255 240)	(1 038 788)	(209 574)	(6 887)	345 357	-	8 785 716	(1 728 306)
	5520	2 0	9 459 337	(2 339 918)	902 286	-	(579 341)	(1 242 582)	(238 533)	(5 123)	652 729	-	8 875 385	(2 027 997)

(1) - reporting year

(2) - previous year

5.6.3. Overdue accounts receivable

Indicator	Code	As of 31 December 2018 (1)		A		A	
		accounted under contract's clauses	balance sheet value (net of provision for doubtful debts)	accounted under contract's clauses	balance sheet value (net of provision for doubtful debts)	accounted under contract's clauses	balance sheet value (net of provision for doubtful debts)
1	2	3	4	5	6	7	8
Current accounts receivable that are due in the next 12 months after the reporting date	564	2 284 107	848 194	3 228 858	1 685 512	3 856 750	2 293 408
including:							
Settlements with buyers and customers, including	5641	1 430 530	615 718	2 341 071	1 520 407	2 744 035	2 086 478
<i>electricity transmission</i>	56411	1 378 243	593 202	2 288 770	1 479 843	2 722 851	2 073 063
<i>network connection</i>	56412	46 601	16 885	34 624	22 943	15 273	7 869
<i>organization of functioning and development of UES of Russia as to the distribution electric grid complex</i>	56413	-	-	-	-	-	-
<i>resale of electric power and capacity</i>	56414	-	-	-	-	-	-
<i>revenues from lease</i>	56415	1 715	1 715	1 729	1 729	1 338	1 338
<i>other</i>	56416	3 971	3 916	15 948	15 892	4 573	4 208
bills receivable	5642	-	-	-	-	-	-
debt of subsidiaries and dependent on interest	5643	-	-	-	-	-	-
debt of participants (founders) on share capital payment	5644	-	-	-	-	-	-
advances paid	5645	5 987	1 231	22 641	956	21 765	5 262
Other accounts receivable	5646	847 590	231 245	865 146	164 149	1 090 950	201 668

Chief Accountant _____ Skiba I.V.
(signature)

- (1) – reporting date of the reporting period
(2) – previous year
(3) – year preceding the previous

5.6.4. Disputes with Sales Companies

Counterparty	As of the beginning of the year		Changes for period				As of the end of the period	
			Accrued for the period (turnover on accounts receivable, RUR ths.)		Paid for the period (turnover on accounts payable, RUR ths.)			
	Company's data	Counterparty's data	Company's data	Counterparty's data	Company's data	Counterparty's data	Company's data	Counterparty's data
1	2	3	4	5	6	7	8	9
Kvant, LLC	59	59	-	-	59	59	-	-
TNS Energo Kuban, PJSC	671 486	671 486	107 288	107 288	59 537	59 537	719 237	719 237
Maikop CCP, LLC	153 196	153 196	146	146	153 196	153 196	146	146
Independent energy selling company, JSC	172 493	172 493	216 866	216 866	-	-	389 359	389 359
ESK, LLC	481	481	-	-	-	-	481	481
Oboronenergosbyt, JSC	22 875	22 875	359	359	-	-	23 234	23 234
Forest, LLC	802	802	355	355	-	-	1 157	1 157
EnergoHolding, LLC	1 075	1 075	-	-	1 075	1 075	-	-

5.6.5. Availability and flow of accounts payable

Indicator	Code	Period	Balance as of year's beginning	Changes for period					Balance as of period's end
				entrance				transfer from long-term into short- term indebtedness	
				as a result of economic operations (debt amount on a	accrued interest, penalties and other	repayment	writing off to financial result		

				transaction, operation)	accruals				
1	2	3	4	5	6	7	8	9	10
Long-term accounts payable – total	5551	2018 (1)	989 505	511 998	-	-	-	(252 828)	1 248 675
	5571	2017 (2)	1 429 365	326 845	-	(41)	-	(766 664)	989 505
including:									
accounts payable of suppliers and contractors	5552	2018 (1)	3 634	5 950	-	-	-	(3 634)	5 950
	5572	2017 (2)	47	3 634	-	(40)	-	(7)	3 634
including:									
<i>construction</i>	55521	2018 (1)	3 634	-	-	-	-	(3 634)	-
	55721	2017 (2)	29	3 634	-	(22)	-	(7)	3 634
<i>other</i>	55522	2018 (1)	-	5 950	-	-	-	-	5 950
	55722	2017 (2)	18	-	-	(18)	-	-	-
Other accounts payable	5553	2018 (1)	985 871	506 048	-	-	-	(249 194)	1 242 725
	5573	2017 (2)	1 429 318	323 211	-	(1)	-	(766 657)	985 871
From total sum of long-term indebtedness	5554	2018 (1)	-	-	-	-	-	-	-
	5574	2017 (2)	-	-	-	-	-	-	-
<i>debt to subsidiary companies</i>	55541	2018 (1)	-	-	-	-	-	-	-
	55741	2017 (2)	-	-	-	-	-	-	-
<i>debt to dependent companies</i>	55542	2018 (1)	-	-	-	-	-	-	-
	55742	2017 (2)	-	-	-	-	-	-	-
Short-term accounts payable - total	5560	2018 (1)	11 044 750	6 828 311	-	(5 275 025)	(17 775)	252 828	12 833 089
	5580	2017 (2)	8 280 201	7 211 065	-	(5 173 568)	(39 612)	766 664	11 044 750
including:		2018 (1)							
	5561	2017	6 198 136	2 209 396	-	(3 166 727)	(5 882)	3 634	5 238 557

Settlements with suppliers and contractors	5581	(2) 2018 (1)	4 837 353	4 637 326	-	(3 258 477)	(18 073)	7	6 198 136
including:		2017 (2)							
<i>construction</i>	55611	2018 (1)	551 360	694 195	-	(496 869)	(1 737)	3 634	750 583
	55811	2017 (2)	711 673	463 207	-	(609 555)	(13 972)	7	551 360
<i>other</i>	55612	2018 (1)	5 646 776	1 515 201	-	(2 669 858)	(4 145)	-	4 487 974
	55812	2017 (2)	4 125 680	4 174 119	-	(2 648 922)	(4 101)	-	5 646 776
Advances received	5562	2018 (1)	2 889 096	2 574 402	-	(537 799)	(9 385)	248 489	5 164 803
	5582	2017 (2)	1 922 409	814 684	-	(596 929)	(17 020)	765 952	2 889 096
including:									
<i>electricity transmission</i>	55621	2018 (1)	13 267	8 587	-	(8 886)	(32)	-	12 936
	55821	2017 (2)	5 878	9 805	-	(1 862)	(554)	-	13 267
<i>grid connection</i>	55622	2018 (1)	2 867 111	2 560 769	-	(523 554)	(8 399)	248 489	5 144 416
	55822	2017 (2)	1 909 489	798 598	-	(591 087)	(15 841)	765 952	2 867 111
<i>organization of functioning and development of UES of Russia as to the distribution electric grid complex</i>	55623	2018 (1)	-	-	-	-	-	-	-
	55823	2017 (2)	-	-	-	-	-	-	-
<i>resale of electric power and capacity</i>	55624	2018 (1)	-	-	-	-	-	-	-
	55824	2017 (2)	-	-	-	-	-	-	-
<i>participation in other entities</i>	55625	2018 (1)	-	-	-	-	-	-	-
	55825	2017 (2)	-	-	-	-	-	-	-
<i>lease services</i>	55626	2018 (1)	23	12	-	(17)	-	-	18
	55826	2017 (2)	97	18	-	(91)	(1)	-	23
	55627	2018	8 695	5 034	-	(5 342)	(954)	-	7 433

<i>other</i>		(1)							
	55826	2017 (2)	6 945	6 263	-	(3 889)	(624)	-	8 695
Debt to participants (founders) as regards the revenues payout	5563	2018 (1)	500	463	-	(44)	-	-	919
	5583	2017 (2)	37	463	-	-	-	-	500
Bills payable	5564	2018 (1)	-	-	-	-	-	-	-
	5584	2017 (2)	-	-	-	-	-	-	-
Debt to state non-budgetary funds	5565	2018 (1)	108 782	120 710	-	(108 782)	-	-	120 710
	5585	2017 (2)	93 935	108 782	-	(93 935)	-	-	108 782
Settlements in respect to taxes and levies	5566	2018 (1)	258 006	606 530	-	(258 001)	(5)	-	606 530
	5586	2017 (2)	654 431	258 006	-	(654 418)	(13)	-	258 006
Indebtedness towards organization's personnel	5567	2018 (1)	209 427	313 073	-	(209 427)	-	-	313 073
	5587	2017 (2)	212 336	209 427	-	(212 336)	-	-	209 427
Other accounts payable	5568	2018 (1)	1 380 803	1 003 737	-	(994 245)	(2 503)	705	1 388 497
	5588	2017 (2)	559 700	1 182 377	-	(357 473)	(4 506)	705	1 380 803
From the total sum of short-term indebtedness	5569	2018 (1)	58 758	4 048	-	(57 035)	-	-	5 771
	5589	2017 (2)	947	3 613	55 145	(947)	-	-	58 758
<i>debts to subsidiary entities</i>	55691	2018 (1)	58 758	4 048	-	(57 035)	-	-	5 771
	55891	2017 (2)	947	3 613	55 145	(947)	-	-	58 758
<i>debs to dependent companies</i>	55692	2018 (1)	-	-	-		-	-	-
	55892	2017 (2)	-	-	-		-	-	-
Total	5550	2018 (1)	12 034 255	7 340 309	-	(5 275 025)	(17 775)	-	14 081 764
	5570	2017 (2)	9 709 566	7 537 910	-	(5 173 609)	(39 612)	-	12 034 255

(1) – reporting year
(2) – previous year

5.6.6. Overdue accounts payable

Indicator	Code	As of 31 December 2018	As of 31 December 2017	As of 31 December 2016
1	2	3	4	5
V. Short-term Liabilities				
Accounts payable		3 058 041	3 938 683	2 073 360
including:				
Settlements with suppliers and contractors	5691	2 198 576	3 222 591	1 384 390
<i>including:</i>				
<i>construction</i>	56911	249 754	267 079	472 615
<i>other</i>	56912	1 948 822	2 955 512	911 775
Notes payable	5692	-	-	-
Salaries payable	5693	-	-	-
Debt to state non-budgetary funds	5694	-	-	-
Taxes and levies payable	5695	-	-	-
Advances paid	5696	704 179	523 158	549 816
Dividends payable to participants (shareholders)	5697	-	500	-
Other accounts payable	5698	155 286	192 434	139 154

Chief Accountant _____ Skiba I.V.
(signature)

5.6.7. Credits and loans

Indicator	Code	Period	As of year's beginning	Changes for period					As of period's end
				Entrance	Accrual of interest	Repayment of indebtedness's principle amount	Repayment of interest	Transfer from long-term into short-term indebtedness	
1	2	3	4	5	6	7	8	9	10
Long-term borrowed funds, total	7410	2018 (1)	22 617 796	38 940 412	-	(37 127 839)	-	(11 147 130)	13 283 239
	7430	2017 (2)	18 912 239	39 979 832	-	(35 839 237)	-	(435 038)	22 617 796
including:									
Credits	7411	2018 (1)							
	7431	2017 (2)	15 617 796	38 940 412	-	(37 127 839)	-	(7 747 130)	9 683 239
Loans	7412	2018 (1)	11 912 239	39 979 832	-	(35 839 237)	-	(435 038)	15 617 796
	7432	2017 (2)	7 000 000	-	-	-	-	(3 400 000)	3 600 000
Short-term borrowed	7420	2018	7 000 000	-	-	-	-	-	7 000 000

funds - total		(1)							
	7440	2017 (2)	91 064	157 765	2 166 512	(5 513)	(2 161 679)	11 147 130	11 395 279
including:			79 078	1 517 675	2 091 660	(1 952 714)	(2 079 674)	435 039	91 064
Credits	7421	2018 (1)							
	7441	2017 (2)							
<i>Interest on credits</i>	74211	2018 (1)	-	157 765	-	(5 513)	-	7 747 130	7 899 382
	74411	2017 (2)	-	1 517 675	-	(1 952 714)	-	435 039	-
Loans	7422	2018 (1)	13 120	-	1 361 182	-	(1 358 583)	-	15 719
	7442	2017 (2)	3 264	-	1 286 434	-	(1 276 578)	-	13 120

(1) – reporting year

(2) – previous year

5.6.8. Expenditures on credits and loans

Indicator		In respect to long-term credits and loans	In respect to short-term credits and loans
Name	Code		
1	2	3	4
Expenditures on credits, total:	7510	1 273 630	87 552
written off to other expenditures	7511	938 479	49 480
included in the assets' cost	7512	335 151	38 072
Expenditures on loans, total:	7520	768 848	36 482
written off to other expenditures	7521	768 848	36 482
included in the assets' cost	7522	-	-
From total expenditures on loans and credits:	7530		
accrued %	7531	2 042 478	124 033
other expenditures	7532	-	-

5.7. Contingent assets and liabilities

5.7.1. Estimated liabilities

Indicator		Balance as of year's beginning	Acknowledged	Repaid	Written off as excess sum	Balance as of period's end
Name	Code					
1	2	3	4	5	6	7
Estimated liabilities - total	5700	2 930 335	2 036 773	(3 353 568)	(214 268)	1 399 272
including:						
Payment of forthcoming vacation leaves	5701	240 124	398 376	(380 415)	-	258 085
Payment of remuneration following a year's results	5702	243 882	258 008	(217 884)	(25 998)	258 008
Court proceedings not completed as of reporting date	5707	238 603	173 492	(286 578)	(66 711)	58 806
Claims of tax authorities following results of tax audits, not settled as of reporting date	5708	-	-	-	-	-
Other estimated liabilities	5709	2 207 726	1 206 897	(2 468 691)	(121 559)	824 373
From total sum of contingent liabilities:						
Created for account of expenses on usual types of activity	5710	864 229				
Created for account of expenses	5720	701 851				
Included in assets cost	5730	31 079				

5.7.2. Deferred taxes

Name	Code	Deductible temporary differences	Deferred tax assets	Taxable temporary differences	Deferred tax liabilities
1	2	3	4	5	6
Balance as of the beginning of reporting year	7700	4 409 737	881 948	894 158	178 832
Revenue	7710	1 351 965	270 393	1 416 506	283 301
Expenses	7720	(1 635 477)	(327 095)	(116 972)	(23 394)
Result of tax rate changes	7730	X	-	X	-
Result of correction of errors of past years	7740	-	-	-	-
Permanent differences in cost of assets and liabilities	7750	-	-	-	-
Write-off which does not imply tax consequences	7760	(301 487)	(60 298)	(96)	(20)
Balance as of the end of reporting year	7800	3 824 738	764 948	2 193 596	438 719

5.8. Collaterals

Indicator		As of 31 December 2018	As of 31 December 2017	As of 31 December 2016
	Code			
1	2	3	4	5
Received – total	5800	578 597	1 923 541	466 369
including:				
bills	5801	-		
pledged property	5802	107	107	107
among it:				
items of fixed assets	58021	107	107	107
securities and other financial investments	58022	-	-	-
other	58023	-	-	-
other received	5803	578 490	1 923 434	466 262
Issues under own security – total	5810	-	-	-
including:				
bills	5811	-	-	-
collateral	5812	-	-	-
among it:				
items of fixed assets	58121	-	-	-
securities and other financial investments	58122	-	-	-
other	58123	-	-	-
Other issued	5813	-	-	-

(1) – reporting date of the reporting period

(2) – previous year

(3) – year preceding the previous

5.9. State assistance

Indicator	Code	2018				2017			
		As of the beginning of the year	Received for year	Returned for year	As of the end of the year	As of the beginning of the year	Received for year	Returned for year	As of the end of the year
Budgetary funds received - total	5900	-	2 167	(2 167)	-	-	2 560	(2 560)	-
including:					-	-			-
Current expenses	5901	-	409	(409)	-	-	417	(417)	-
Compensation for Chernobyl veterans	5902	-	-	-	-	-	-	-	-
Accomplishment of tasks on mobilization preparation	5903	-	-	-	-	-	-		-
For liquidation of the interterritorial cross subsidising	5904	-	-	-	-	-	-	-	-
For investments in non-current assets	5905	-	-	-	-	-	-	-	-
For other purposes	5906	-	1 758	(1 758)	-	-	2 143	(2 143)	-
including:		-	-	-	-	-	-	-	-
financing of precautionary measures on reducing of industrial injuries and occupational diseases	5911	-	1 757	(1 757)	-	-	2 143	(2 143)	-
financing of profound medical checks of the employees at work with harmful and (or) dangerous production factors	5912	-	-	-	-	-	-	-	-

(1) – reporting year

(2) – previous year

5.11. Other revenues and expenditures

Indicator		Jan-Dec 2018	Jan-Dec 2017
	Code		
1	2		
Other revenues total	8000	2 575 341	2 392 613
including:			
From sale of fixed assets, except for flats	8001	222	127
From sale of flats	8002	-	-
From sale of business inventories	8003	9 791	10 145
From sale of currency	8004	-	-
From sale of intangible assets	8005	-	-
From sale of securities	8006	-	-
From sale of other assets	8007	-	-
From joint activities	8008	-	-
Profit of 2017, revealed in reporting period	8009	79 231	-
Profit of 2016, revealed in reporting period	8010	39 352	88 410
Profit of 2015, revealed in reporting period	8011	48 164	20 207
Profit before 01.01.2015, revealed in reporting year	8012	30 752	70 467
Acknowledged penalties, fines and forfeits or on which court's decisions (arbitration court's decisions) are got on their collection	8013	767 250	471 116
Accounts payable in respect to which a limitation period has expired (over three years)	8014	17 775	39 612
Currency differences	8015	-	-
Property in surplus following results of inventory taking	8016	433	5 709
Donated assets, except for fixed assets and intangible assets	8017	1 609	2 056
Revenue from donated fixed assets, determined according to an established procedure	8018	20 123	19 373
Cost of material valuables, remained from writing off of assets, which are not eligible for recovery and further use	8019	3 707	6 716
Reassessment of financial investments on current market value	8020	-	-
Revenue from decrease (writing off) of provision for doubtful debts	8021	345 357	652 729
Revenue from decrease (writing off) of reserve for estimated liabilities	8022	360 743	214 268
Revenue from decrease (writing off) of reserve for cost reduction of business inventories	8023	6 874	5 472
Revenues on claim assignment agreements	8024	-	-
Revenue from revealed non-contractual consumption of electric power	8025	98 171	32 240
Insurance payments receivable	8026	51 558	93 028
Revenues tied with participation in other organizations' charter capitals	8027	-	-

Recovery of accounts receivable written off earlier	8028	152	68
Discount on bills	8029	-	-
Compensation for difference in tariffs (budgetary financing)	8030	-	-
Revenue from decrease (writing off) of reserve for possible losses of financial investments	8031	18 786	-
Increases in the value of assets	8032	-	-
Revenue from earlier discounted fixed assets	8033	-	-
Revenue from payment of a bill	8034	-	-
Other	8035	675 291	660 870
Other expenditures, total	8100	(4 258 941)	(3 249 452)
including:			
From sale of fixed assets, except for flats	8101	(1)	-
From sale of flats	8102	-	-
From sale of business inventories	8103	(7 908)	(8 196)
From sale of currency	8104	-	-
From sale of intangible assets	8105	-	-
From sale of securities	8106	-	-
From sale of other assets	8107	-	-
Other taxes	8108	-	-
Expenditures in respect to banks' services payment	8109	(265)	(472)
Expenditures to performance of service financial investments	8110	-	-
Provision for doubtful debts	8111	(258 949)	(579 341)
Reserve for possible losses of financial investments	8112	-	(9 584)
Reserve for cost reduction of material valuables	8113	(8 401)	(3 079)
Reserve for discontinuing operation	8114	-	-
Reserve for estimated liabilities	8115	(610 651)	(208 333)
Retirement of incomeless assets	8116	(17 234)	-
VAT on donated property	8117	-	-
Loss of 2017, revealed in reporting period	8118	(442 284)	-
Loss of 2016, revealed in reporting period	8119	(187 450)	(379 775)
Loss of 2015, revealed in reporting period	8120	(302 207)	(193 838)
Loss before 01.01.2015, revealed in reporting period	8121	(252 306)	(78 611)
Acknowledged penalties, fines and forfeits or on which court's decisions (arbitration court's decisions) are got on their collection	8122	(325 631)	(202 725)
State duties in respect to economic contracts	8123	(15 858)	(13 274)
Reassessment of financial investments on current market value	8124	-	-
Discount on bills	8125	-	-
Expenditures under claim assignment agreements	8126	-	-
Nonreimbursable VAT	8127	(16 329)	(48 027)
Expenditures in respect to revealed non-contractual consumption of electric power	8128	-	-
Contributions in incorporations and funds	8129	(3 737)	(2 289)
Accounts receivable in respect to which a limitation period has expired (over three years)	8130	(6 887)	(5 143)
Currency differences	8131	-	-
Court costs	8132	(1 653)	(4 337)
Plundering, deficiencies	8133	(9 426)	(1 578)
Costs in respect to enforcement proceedings	8134	-	-
Cost redemption of employees' flats	8135	-	-
Other material (financial) aid and other payments to employees	8136	(272 401)	(243 834)

Material aid to pensioners (including lump sum payments, compensations of community charges)	8137	(7 354)	(7 623)
Expenditures to carry out sporting events	8138	(5 191)	(4 775)
Expenditures to carry out social activities	8139	(5 356)	(4 511)
Expenditures for charity	8140	-	-
Cost of the redeemed bonds	8141	-	-
Balance after the wrote off of the fixed assets	8143	-	-
Write-down of fixed assets	8144	-	-
Miscellaneous	8145	(1 501 462)	(1 250 107)

Director _____ Ocheredko O.V.
(signature)

Chief accountant _____ Skiba I.V.
(signature)

19 February 2019

(1) – reporting date of the reporting period

(2) – previous year's period similar to the reporting period

5.13. Reportable segments information

	Code	Period	Transfer of electric energy	Technological connection	Reporting segment	Reporting segment	Reporting segment	Other segments	Total
1	2	3	4	5	6	7	8	9	10
Proceeds from outside buyers	8310	2018	45 583 484	602 467				215 128	46 401 079
	8311	2017	41 485 670	647 952	-	-	-	119 405	42 253 027
Proceeds from sales between segments	8320	2018	-	-	-	-	-	-	-
	8321	2017	-	-	-	-	-	-	-
Proceeds of segment, total	8300	2018	45 583 484	602 467	-	-	-	215 128	46 401 079
	8400	2017	41 485 670	647 952	-	-	-	119 405	42 253 027
including									-
<i>proceeds from transmission</i>	8301	2018	45 583 484	-	-	-	-	-	45 583 484
	8401	2017	41 485 670	-	-	-	-	-	41 485 670
<i>proceeds from grid connection</i>	8302	2018	-	602 467	-	-	-	-	602 467
	8402	2017	-	647 952	-	-	-	-	647 952
<i>other proceeds</i>	8303	2018	-	-	-	-	-	215 128	215 128
	8403	2017	-	-	-	-	-	119 405	119 405
Interest receivable	8303	2018	-	-	-	-	-	81 528	81 528
	8403	2017	-	-	-	-	-	47 248	47 248
Interest payable	8304	2018	1 911 383	-	-	-	-	-	1 911 383
	8404	2017	1 907 082	-	-	-	-	-	1 907 082
Profit tax expenditures	8305	2018	1 128 620						1 128 620
	8405	2017	642 398	-	-	-	-	-	642 398
Profit/(loss) of segment	8306	2018	498 740	(190 380)	-	-	-	(157 162)	151 198
	8406	2017	587 988	174 596	-	-	-	(237 308)	525 276
Assets of segments	8307	2018	73 940 841	1 329 403	-	-	-	638 571	75 908 815
	8407	2017	69 339 697	2 051 070	-	-	-	465 986	71 856 753
including non-current assets	8308	2018	62 259 163	1 165 387	-	-	-	189 385	63 613 935
	8408	2017	58 807 465	1 776 528	-	-	-	181 017	60 765 010
Liabilities of segments	8309	2018	67 743 703	7 472 163	-	-	-	692 949	75 908 815
	8409	2017	65 574 225	5 084 432	-	-	-	1 198 096	71 856 753
Depreciation of fixed assets and intangible assets	8390	2018	3 913 180	59 624	-	-	-	11 925	3 984 729
	8490	2017	3 723 396	56 875	-	-	-	11 375	3 791 646



PUBLIC JOINT-STOCK COMPANY
OF POWER ENERGY AND
ELECTRIFICATION OF KUBAN

Kubanenergo PJSC



Notes to Financial Statements for 2018

Krasnodar

2019

1. General Provisions

Kubanenergo PJSC is the largest power grid company in the Krasnodar region and the Republic of Adygea transmitting and distributing electricity across 110 kV and lower electrical networks in populated areas, rural settlements, particular cities and towns, and district centres of the Krasnodar region and the Republic of Adygea, including Sochi.

Full name: Public joint stock company of power industry and electrification of Kuban.

Abbreviated name: Kubanenergo PJSC.

The company was registered on 10 February 1993.

The name was entered into the Unified State Register of Legal Entities by Russian Federal Tax Service Inspection No. 3 for Krasnodar under No. 1022301427268 on September 17, 2002. Certificate 23 No.001806938.

INN (Taxpayer Identification Number) / (Tax Registration Reason Code): 2309001660 / (997450001);

Form of incorporation/type of ownership of Kubanenergo PJSC: Public Joint Stock Company (code under the Russian Classifier of Forms of Incorporation: 47) / private ownership (code under the Russian Classifier of Types of Ownership: 16).

Location/registered address of Kubanenergo PJSC: 2A Stavropolskaya str., Krasnodar 350033, Russian Federation.

The Company's main activities are:

- transmission and distribution of electricity through electrical networks
- technological connection to networks

Table 1 - Licenses

Type of Activity	Issuing Authority	Details	Validity Period of License
1	2	3	4
The right to use mineral resources (extraction of fresh groundwater for utility and drinking water supply and process water supply in Krasnodar)	The Russian Ministry of Natural Resources	КРД (KRD) No. 03378 БЭ	17.07.2007 – 20.07.2034
Use of information constituting a state secret	Department of the Russian Federal Security Service (FSB) for the Krasnodar Region	GT 0062143, registration # 1223	06.08.2013 – 06.08.2018
Permit to work related to construction, reconstruction and overhaul	Self-regulatory Organization Energostroy, NP (non-for-profit partnership)	0212.03-2012- 2309001660-S-060	16.12.2013, with no expiration date
Permit to work related to preparation of design documentation for external networks of 35kV and their installation	Self-regulatory organization Energostroy, NP (non-for-profit partnership)	P-0263-01-2010-0274	03.02.2014, with no expiration date

The right to use mineral resources (extraction of fresh groundwater for utility and drinking water supply and process water supply)	The Russian Ministry of Natural Resources in Krasnodar region	КРД (KRD) No. 80380 БЭ	26.10.2015 – 01.01.2035
The right to operate fire explosive production facilities	The Russian Federal Service for Environmental, Technological and Nuclear Supervision	BP-30-003995 series AB No. 087343	11.11.2011, with no expiration date

The financial statements of Kubanenergo PJSC include performance indicators of all branches, representative offices, and other subdivisions, namely:

Table 2 – branches of Kubanenergo PJSC

#	Name	Location
1	Krasnodarskiye Elektricheskiye Seti (Krasnodar Electric Networks)	131 Pashkovskaya str., Krasnodar 350000
2	Sochinskiye Elektricheskiye Seti (Sochi Electric Networks)	42 Konstitutsii str., Sochi 354000
3	Armavirskiy Elektricheskiye Seti (Armavir Electric Networks)	54 Vorovskogo str., Armavir 352900
4	Adygeyskiye Elektricheskiye Seti (Adygeya Electric Networks)	358 Shovgenova str., Maykop 385000
5	Timashevskiy Elektricheskiye Seti (Timashevsk Electric Networks)	176 Lenina str., Timashevsk 353760
6	Tikhoretskiye Elektricheskiye Seti (Tikhoretsk Electric Networks)	62 Dzerzhinskogo str., Tikhoretsk 352100
7	Leningradskiy Elektricheskiye Seti (Leningradskaya Electric Networks)	6bld., 302-y Divizii str., Leningradskaya village 353740
8	Slavyanskiye Elektricheskiye Seti (Slavyansk Electric Networks)	49 Stroiteley str., Slavyansk-na-Kubani 353840
9	Yugo-Zapadnye Elektricheskiye Seti (South-West Electric Networks)	1 Vostochny Mol, Novorossiysk 353902
10	Labinskiye Elektricheskiye Seti (Labinsk Electric Networks)	334 Mira str., Labinsk 352510
11	Ust-Labinskiye Elektricheskiye Seti (Ust-Labinsk Electric Networks)	4 Krasnodarskaya str., Ust-Labinsk 352300

Average annual number of employees in Kubanenergo PJSC for the reporting period was 8 611 employees, 8 494 in the previous year, and in the year preceding the previous (2016) – 8 428 employees.

The Company's Auditor:

Name:

Limited Liability Company Ernst and Young

Registered address:

Petrovsky pereulok, 8, bldg.2, Moscow
107031 Russian Federation

Location:

Petrovsky pereulok, 8, bldg.2, Moscow

107031 Russian Federation
 Taxpayer Number (INN): 7709383532
 Primary State Registration Number (OGRN): 1027739707203
 Telephone: (495) 755-9700
 Fax: (495) 755-9701

The Company's management bodies are: the General Meeting of Shareholders, the Company's Board of Directors, the Company's Management Board (collegiate executive body), General Director of the Company (sole executive body).

General Director of the Company: Gavrilov Alexander Ilyich

Chief Accountant of the Company: Skiba Inna Viktorovna.

Table 3 – Members of the Board of Directors (31.12.2018)

#	Name	Place of employment and position	Status at the Board of Directors
1	Sergeeva Olga Andreevna	Deputy Director General – Chief of Staff, Rosseti PJSC; Chairperson of the Management Board	Chairperson of the Board of Directors
2	Selivanova Lyudmila Vasilievna	Deputy Director General for Government Authorities Relations, Rosseti PJSC	member of the Board of Directors
3	Varvarin Aleksandr Viktorovich	Vice-president - Managing Director in charge of Corporate Relations and Legal Support, Russian Union of Industrialists and Entrepreneurs	member of the Board of Directors
4	Gavrilov Alexander Ilyich	Director General of Kubanenergo PJSC	member of the Board of Directors
5	Gritsenko Vladimir Fyodorovich	Director in charge of Business Development at Unitel Engineering LLC; Presidium Member of Non-profit Partnership OPORA RUSSIA	member of the Board of Directors
6	Osipova Yelena Nikolaevna	Head of Financial Analysis and Liquidity Management Sector of the Treasury Department, Rosseti PJSC	member of the Board of Directors
7	Medvedev Mikhail Vladimirovich	Deputy Director General, Holding Intra Tool LLC; Deputy Director General for Economics and Finances, Industrial Park "Safonovo" LLC	member of the Board of Directors
8	Tyurkin Konstantin Vladimirovich	Deputy Head of Communications and Public Relations Sector of the Information Policy and Public Relations Department, Rosseti PJSC	member of the Board of Directors
9	Khokholkova Ksenia Valerievna	Deputy Head of Directorate of Share Capital Issues and Information Disclosure, Department of Corporate Governance and Interaction with Shareholders, Rosseti PJSC	member of the Board of Directors
10	Shagina Irina Alexandrovna	Head Tariff Policy Department, Rosseti PJSC	member of the Board of Directors
11	Tyukanko Alexey Sergeevich	Head of the Department of Documentation	member of the Board of

		Support and Control of the Implementation of Instructions of the Department of Organizational Support , Rosseti PJSC	Directors
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Table 4 – Members of the Management Board (31.12.2018)

#	Name	Place of employment and position	Status at the Management Board
1	Gavrilov Alexander Ilyich	General director of Kubanenergo PJSC	Chairperson of the Management Board
2	Shishigin Igor Nikolaevich	Deputy Director General for Technical Issues – Chief Engineer, Kubanenergo PJSC	Deputy Chairperson of the Management Board
3	Armaganyan Edgar Garrievich	First Deputy Director General – Director of Sochi electric networks, branch of Kubanenergo PJSC	Member of the Management Board
4	Golov Andrey Valerievich	Deputy Director General for Investment Activity, Kubanenergo PJSC	Member of the Management Board
5	Golovakha Lyudmila Alekseevna	Deputy Director General, Chief of Staff, Kubanenergo PJSC	Member of the Management Board
6	Nischyuk Oleg Fyodorovich	Deputy Director General for Selling of Services, Kubanenergo PJSC	Member of the Management Board
7	Kostetskiy Vyacheslav Yurievich	Deputy Director General for Development and Grid Connection	Member of the Management Board
8	Khazikova Zanda Ivanovna	Deputy Director General for Corporate Governance, Kubanenergo PJSC	Member of the Management Board
9	Ocheredko Olga Vyacheslavovna	Deputy Director General for Economic and Financial Affairs, Kubanenergo PJSC	Member of the Management Board
10	Statuyev Vladislav Andreyevich	Deputy Director General in charge of Security, Kubanenergo PJSC	Member of the Management Board
11	Golovakha Dmitriy Nikolaevich	Director of Southwestern electric networks – branch of Kubanenergo PJSC	Member of the Management Board

The Company's Auditing Commission controls financial and business operations of the Company.

Table 5 – Members of the Auditing Commission (31.12.2018)

#	Name	Place of employment and position	Status at the Auditing Commission
1	Kim Svetlana Anatolievna	Head of Directorate for Inspection Activity at Department for Control and Inspection, Rosseti PJSC	Chairperson of the Commission
2	Yerandina Yelena Stanislavovna	Leading expert at Directorate for Inspection Activity at Department for Control and Inspection, Rosseti PJSC	Member of the Commission
3	Kabizskina Yelena Alexandrovna	Deputy Head of Administration for Auditing Activity at Department of Control and Inspection, Rosseti PJSC	Member of the Commission
4	Malyshev Sergey Vladimirovich	Leading Expert of Auditing Activity Sector at Department of Control and Inspection, Rosseti PJSC	Member of the Commission
5	Slesareva Yelena Yurievna	Chief Expert at Internal Audit Department, Rosseti PJS	Member of the Commission

Table 6 – The Company’s Subsidiaries and Affiliates

Name	Share in the charter capital (%)	Location	Type of activities
“Energetik” Recreation Centre” JSC	100	4 Pionerskaya str., village Divnomorskoye, Gelendzik 353490, Krasnodar region,	Provision of healthcare services, health and fitness services, services related to accommodation (temporary accommodation), catering
“Energoservice of Kuban” JSC	100	47 Novorossiyskaya str., Krasnodar, 350080 Krasnodar region	Implementation of Programmes for Energy Saving and Improvement of Energy Efficiency in the Regions of Responsibility by Implementing the Multilevel System of Energy Services

2. General Provisions of the Accounting Policy

Kubanenergo PJSC maintains its accounting records in accordance with the Federal Law of 06.12.2011 No.402-FZ “On Accounting”, as well as in accordance with the Corporate Standard of Rosseti PJSC “Unified Corporate Accounting Principles”.

The figures in the financial statements are given in thousands of rubles (unless otherwise stated).

2.1. Assets and Liabilities in Foreign Currencies

At the beginning and the end of the reporting year, no assets and liabilities expressed in foreign currency were recorded on the Company’s accounting records.

2.2. Expenses on research-and-development activities (R&D)

Accounting of expenses on research-and-development activities is carried out in accordance with Regulations of Accounting 17/02 approved by order of the RF Ministry of Finance No.115n of 19.11.2002, as subsequently amended. Expenses on each particular R&D activity are written off using straight-line method.

2.3. Intangible Assets

The Company accounts intangible assets in accordance with the Accounting Standard 14/2007 “Accounting for Intangible Assets” approved by Order of the Russian Ministry of Finance No.153n of 27.12.2007.

Intangible assets with definite useful life are amortized using the straight-line method.

2.4. Fixed Assets and Construction in Progress

The Company accounts fixed assets in accordance with the Accounting Standard 6/01 “Accounting for Fixed Assets” approved by the Order of the Russian Ministry of Finance No.26n of 30.01.2001, and Guidelines for Accounting for Fixed Assets approved by the Order of the Russian Ministry of Finance No.91n of 13.10.2003.

The Company accounts construction-in-progress in accordance with the Russian Accounting Standard approved by the Order of the Russian Ministry of Finance No.34 n of 29.07.1998 as well as in accordance with the Regulation on Accounting for Long-Term Investments (Letter of the Russian Ministry of Finance of No.160 of 30.12.1993) insofar as it does not conflict with any subsequent law or regulation in relation to accounting.

The fixed assets were recorded on the accounting records at their initial cost, which is determined depending on the method of receipt/acquisition: for a fee, creation with the use of the company’s own resources, construction, receipt free of charge, etc.

Assets that meet the conditions to be qualified as fixed assets costing at least 40 000 rubles per unit shall be accounted at balance sheet and reports as part of inventories and written-off to production expenses in the course of their commissioning. The following facilities are recognized fixed assets regardless of their cost:

- power lines
- land plots
- buildings
- constructions
- vehicles

Expenses on loans and credits related to forming an investment asset (fixed assets, property and other similar assets that require a lot of time and cost to purchase and/or build) shall be included in the value of the depreciated asset.

The fixed assets were depreciated using the straight-line method on the basis of their useful life.

The useful life is determined by the Company's Commission for the acceptance of fixed assets based on the opinion of technical specialists, taking into account the information specified in the technical documentation of the facility.

For newly commissioned fixed assets belonging to "Power lines and devices" and "Machines and mechanisms" groups, for accounting purposes, the following useful live periods are established in accordance with the regulatory and technical documentation and operating instructions of equipment manufacturers:

Object of fixed assets	Useful life (years)
Material-working machinery and equipment	
Power transformer	30
Shunt reactor	30
Current limiting reactor	30
Gas-insulated switchgear unit	30
Switchgear unit	25
Current transformer	30
Voltage transformer	30
Switcher	30
Disconnecter, breaker switch, short-circuiting line switch	30
Surge arrester	30
Transmission facilities (power lines)	
Overhead lines	35
Cable lines	30
Overhead and cable lines	30

Depreciation expense in relation to fully depreciated / worn-out fixed assets was not charged.

The result of the disposal, write-off, and gratuitous transfer of fixed assets is specified in the Statement of Financial Results, as part of other income and expenses.

The cost of the fixed assets was not subject to changes except as the objects were renovated, reconstructed or their construction was completed. Costs of recovery of fixed assets shall be recorded in the accounting records of the reporting period to which they

relate.

Property received under financial lease agreements shall be recorded in accounting records in accordance with the Federal Law No. 64-FZ of 29.10.1998 “On Financial Lease”.

2.5. Inventories

The Company accounts its inventories in accordance with the Accounting Standard 05/01 “Accounting for Inventories” approved by the Order of the Russian Ministry of Finance No.44n of 09.06.2001 and Guidelines for Accounting for Inventories approved by the Order of the Ministry of Finance No.119n of 28.12.2001.

When entering inventories into the books of account, the Company values them as follows:

- if the inventories are purchased for a fee: as the sum of actual costs of their purchase, except for value-added tax and other taxes to be recovered from the budget (paragraph 6, 11 of the Accounting Standard 5/01);
- if the inventories are produced with the use of the company’s own resources: based on actual costs related to the production of such inventories. Costs of the inventories production shall be recorded and formed in the books of account in the manner set forth to determine the prime cost of the relevant types of products (paragraph of the Accounting Standard 5/01);
- if the inventories are received as a contribution to the charter capital: based on their estimated monetary value approved by the founders/members except as otherwise required by the law of the Russian Federation; for these purposes, the actual expenses for delivery of the inventories and making them suitable for use shall be taken into account, according to paragraph 6 of Accounting Standard 5/01 (paragraph 8, 11 of the Accounting Standard 5/01);
- if the inventories are received without charge or under a deed of gift as well as remained after the retirement of fixed assets and other property, entering the inventories, which have been found as overstock based on the results of stock-taking, into the books of account: based on the current market value of the inventories as at the date of their entering into the books of account; the actual expenses for delivery of the inventories and making them suitable for use shall be taken into account (paragraph 9, 11 of the Accounting Standard 5/01);
- if the inventories are received under the agreements, which stipulate that the obligations shall be performed (payment shall be made) without use of money: based on the price of the values transferred or to be transferred to the Company; such price shall be determined based on the price, under which the Company typically determines the price of similar values under comparable circumstances. If it is impossible to determine the value of the assets transferred or to be transferred to the Company, the value of the inventories received by the company under the agreements, which stipulate that the obligations shall be performed (payment shall be made) without use of money, shall be determined based on the price, by which similar inventories are normally purchased under comparable circumstances. The actual cost price of such inventories also includes the actual expenses for delivery of the inventories and making them suitable for use, according to paragraph 6, 10, 11 of the Accounting Standard 5/01;
- the fixed price specified in the contract is considered to be the value of the

inventories received under the contracts of exchange, in which the agreed price of the property being exchanged is stated.

According to paragraph 16 of the Accounting Standard 5/01 “Accounting for Inventories”, if inventories are commissioned to production or are otherwise retired they shall be valued based on the average cost price of each type of the inventories.

Special clothing before it is put into use shall be recorded in the accounting records on account 10 “Materials”, separate sub-account “Special Gear and Special Clothing in Stock”. The value of special clothing with useful life over 12 months shall be amortized using the straight-line method based on the useful life of the special clothing stated in the standard industry norms for provision of special clothing, special footwear and other personal protective gear, as well as in the Rules for Provision of Employees with Special Clothing, Special Footwear and Other Personal Protective Gear approved by Decree of the Russian Ministry of Labour and Social Development No.290n of 01.07.2009.

The Company makes provision for reduction of value of the inventories at the expense of the financial results.

2.6. Prepaid Expenses

Recognition of costs incurred as a prepaid expense and their reporting on the books of account and financial statement as an asset is a principled approach accepted in the Company. This approach is based on the understanding of the temporary fact that the company is likely to receive economic benefits from this asset in the future and of its value assessment with a sufficient degree of reliability.

The Company has determined that balance of prepaid expenses shall be recorded on the rows “Other Non-Current Assets” and “Other Current Assets”.

For these purposes, distribution between sections I and II of the balance sheet shall be made based on the period of expensing relevant costs, i.e. costs with the period of expensing over 12 months shall be recorded in section I of the balance sheet, the rest of costs shall be recorded in section II.

2.7. Financial Investments

The Company accounts financial investments in accordance with the Accounting Standard 19/02 “Accounting for Financial Investments” approved by the Order of the Russian Ministry of Finance No.126n of 10.12.2002.

Investments in authorized capitals of other companies are recognized as financial investments of the company and shall be recorded in the books of account as actual costs of the investor, i.e. in accordance with the value of the contributed assets, based on which they were reported on the investor’s balance sheet.

Financial investments, in relation to which the current market value cannot be determined, shall be reported in the books of account and financial statements as at the reporting date in accordance with the initial value (paragraph 21 of the Accounting Standard 19/02).

Financial investments, in relation to which it is possible to determine the current market value, shall be reported in the financial statements as at the end of the reporting year in accordance with the current market value by adjusting their valuation as at the previous reporting date (paragraph.20 of the Accounting Standard 19/02).

Debt securities shall be recorded in the accounting records in accordance with the purchase price. The difference between the nominal purchase price and nominal value of the securities shall be included in “Other Income and Expenses”.

2.8. Loans and Credits

The Company accounts costs of loans and credits in accordance with the Accounting Standard 15/2008 “Accounting for Costs of Loans and Credits” approved by the Order of the Russian Ministry of Finance No.107n of 06.10.2008.

2.9. Estimated Liabilities

The Company accounts estimated and contingent liabilities in accordance with the Accounting Standard 1 “Estimated Liabilities, Contingent Liabilities and Contingent Assets” approved by the Order of the Russian Ministry of Finance No.167n of 13.12.2010.

2.10. Deferred Taxes

The Company accounts for deferred taxes in accordance with the Accounting Standard 18/02 “Accounting for Settlements in relation to Corporate Income Tax” approved by the Order of the Russian Ministry of Finance No.114n 19.11.2002.

When preparing its financial statements company shall report on the amounts of deferred tax assets and deferred tax liabilities on the balance sheet in expanded form.

2.11. Revenue and other income

The Company accounts its revenue and other income in accordance with the Accounting Standard 9/99 “Income of Company” approved by the Order of the Russian Ministry of Finance No.32n of 06.05.1999.

Revenue shall be recognized in the Company’s accounting records if the following conditions are met:

- 1) the company has the right to receive this revenue, which follows from a particular agreement or is otherwise confirmed;
- 2) the amount of the revenue can be determined;
- 3) there is certainty that the company’s economic benefits will increase in the result of a particular transaction. Confidence, that the company’s economic benefits will increase after a particular transaction, exists in case where the company has received the asset in return or there is no uncertainty with regard to the receipt of the asset;
- 4) the title (including right, title and interest) to products / goods has passed from the company to the buyer or the work has been accepted by the client (the service has been rendered);
- 5) costs that were incurred or will be incurred in connection with the transaction can be determined.

The Company’s other income includes revenues related to participation in charter capitals of other companies, receipts from sale of fixed assets and other assets, fines, penalties (including interest-based penalties) for breach of contract conditions, receipt of assets without consideration, profit of previous years, accounts payable in relation to which the limitation period has expired, foreign exchange differences, and other income, according to paragraph 7 of the Accounting Standard 9/99.

Other revenues are specified in the Statements of Financial Results minus the expenses related to these revenues when:

- certain accounting rules provide or do not prohibit such a reflection of revenue
- revenues and related expenses arising from the fact of economic activity that is the same or similar in nature (for example, temporary lending (temporary possession and use) of its assets) are not significant enough to characterize the Company’s financial state.

2.12. Cost of Sold Goods, Products, Works, Services, Selling and Administrative Expenses, Other Expenses

The Company accounts the expenses in accordance with the Accounting Standard 10/99 “Expenses of Company” approved by the Order of the Russian Ministry of Finance No. 33n of 06.05.1999. Management and administrative expenses are included in the cost of goods of the products sold and services of the reporting period; then they are distributed by the types of activity proportionally to the revenue.

Management expenses are recognized on account 26 “General expenses” in the context of cost centers and nomenclature. Management expenses are recorded in the Statement of Financial Results under the line “Administrative expenses”.

2.13. Government Assistance

The Company accounts the funds received as government assistance in accordance with the Accounting Standard 13/2000 “Accounting for Government Assistance” approved by Order of the Russian Ministry of Finance of No.92n of 16.10.2000.

2.14. Related Parties

The Company discloses information on related parties in accordance with the Accounting Standard 11/2008 “Information on Related Parties” approved by Order of the Russian Ministry of Finance No.48n of 29.04.2008.

2.15. Segment Information

The Company discloses segment information in accordance with the Accounting Standard 12/2010 “Segment Information” approved by Order of the Russian Ministry of Finance No. 143n of 08.10.2010.

2.16. Information on Cash Flows

Information on cash flow is disclosed by the Company in accordance with the Regulations of accounting “Report on cash flow” 23/2011, approved by order of the RF Ministry of Finance No.11n of 02.02.2011.

3. Changes in Accounting Policy in 2018

In 2018 the Accounting Policy of Kubanenergo PJSC remained unchanged.

4. Changes in Accounting Policy in 2019

Substantial changes were not introduced in the Company’s Accounting Policy in 2019.

5. Adjustments and Other Amendments in Accounting Related to Prior Periods

Adjustments and other amendments in accounting related to prior periods are absent in the report for 2018.

6. Disclosure of Individual Figures in the Accounting Statements for 2016

6.1. Fixed Assets

As of 31.12.2018 revaluation of fixed assets (code 110 “Production buildings”, code 420 “Equipment for power conversion”) was carried out by “LAIR” LLC in accordance with contract No.407/30-1132 of 14.09.2018. The Company management bodies decided not to include the results of revaluation of homogeneous groups of assets in accounting statements for 2018, because after revaluation the cost of fixed assets does not exceed the materiality level specified in the Company’s Accounting Policy. The materiality level when making a decision whether to reflect the results of the revaluation in the accounting (financial) statements is less than 10%.

The properties taken into operation and actually used that are currently in the process of state registration were recognized on the balance account 01.06 “Real estate with unregistered ownership”. As of 31.12.2018 the cost of real estate taken into operation

and actually used that is the process of state registration amounted to 3 261 112 thousand rubles.

There are no fixed assets received under contracts stipulating implementation of obligations using non-monetary assets for the period from 1 January till 31 December 2018.

Information about the presence and movement of fixed assets is disclosed in annexes 5.3.1; 5.3.3; 5.3.4.

6.1.1. Capital Investments in Progress (Construction in Progress; CIP)

The amount of advances and pre-payment for services related to the construction and acquisition of fixed assets as well as purchase of raw materials and materials, excluding VAT, are recorded in the Company's balance sheet as the capital investments in progress. As of December 31, 2018, the amount of advances and pre-payment for services related to the construction and acquisition of fixed assets, amounted to 341 336 thousand rubles; VAT on advances and pre-payment for services related to the construction and acquisition of fixed assets is recorded in line 1260 "Other Current Assets" and amounts to 61 156 thousand rubles. As of 31.12.2018 the sum of purchase of raw materials intended for construction of fixed assets amounted to 891 031 thousand rubles.

Information on stocks and transactions of construction in progress is disclosed in Annex 5.3.5.

6.1.2. Leased Fixed Assets

That are no leased fixed assets in the current reporting period. Lease payments are not planned in the nearest future.

6.2. Other Non-Current and Current Assets

As of December 31, 2018, the deferred expenses amounted to 200 241 thousand rubles; these expenses are recorded in the balance sheet depending on the writing-off period fixed as of the date of entry in the accounting records, as follows:

1) Non-exclusive rights to software programmes:

- Useful life is more than 12 months (Line 1190): 129 591 thousand rubles;
- Useful life is within 12 months (Line 1260): 69 261 thousand rubles;

2) Licenses:

- Useful life is within 12 months (Line 1260): 7 thousand rubles;

3) Other:

- Useful life is more than 12 months (Line 1190): 1 134 thousand rubles;
- Useful life is within 12 months (Line 1260): 248 thousand rubles.

6.3. Financial Investments

The Commission for Inspection of Available Devaluation of Financial Investments of Kubanenergo PJSC analyzed financial investments as of December 31, 2018 for the signs of impairment and, as a result of the audit, the reserve for the reduction of financial investments was restored to the amount of 1 552 thousand rubles.

Information on stocks and transactions of financial investments is disclosed in Annexes 5.4.1, 5.4.2.

6.4. Government Aid

Local bodies of the Social Insurance Fund of RF adopted resolutions on financial support of preventive measures for reduction of injuries.

Information is disclosed in Annex 5.9.

6.5. Accounts Receivable

Table 9 – Budget settlements

(in thousand rubles)

Indicator	Liability as of 31.12.2017		Accrued for 2018	Paid for 2018	Liability as of 31.12.2018	
	Debit	Credit			Debit	Credit
Value-Added Tax	-	59 494	2 271 935	2 003 808	-	327 621
Property tax	2	152 375	953 811	906 220	14550	214 514
Income tax	317 129	-	663 748	604 721	258 102	-
Land fee	1 583	1 135	5 911	5 490	1 067	1 040
Individual income tax	-	43 463	651 816	635 140	1	60 140
Transport tax	-	1 539	8 398	7 966	-	1 971
Total taxes:	318 714	258 006	4 555 619	4 163 345	273 720	605 286
Fines	1	-	25 527	25 528	2	-
Penalties	774	-	62 485	61 189	722	1 244
Total:	319 489	258 006	4 643 631	4 250 062	274 444	606 530

In 2018, accounts receivable for taxes and dues have decreased by 45 045 thousand rubles.

A significant decrease in receivables occurred for income tax in the amount of 59 027 thousand rubles. Income tax receivables in the amount of 258 102 thousand rubles was formed as a result of excess of advance payments paid during 2018 over the amount of income tax calculated for the year.

Table 10 – Insurance contributions for compulsory social insurance

(in thousand rubles)

	Liability as of 31.12.2017		Accrued for 2018	Paid for 2018	Liability as of 31.12.2018	
	Debit	Credit			Debit	Credit
Insurance contributions - total:	6 020	108 774	1 451 667	1 437 907	4 192	120 706
including:						
Contributions to the Pension Fund	1	82 825	1 048 040	1 039 755	22	91 131
Compulsory Medical Insurance	-	22 341	256 981	253 850	-	25 472
Social Insurance	6 019	3 608	146 646	144 302	4 170	4 103
Fines - total:	-	-	-	-	-	-
Penalties - total:	-	8	7	13	2	4
Total:	6 020	108 782	1 451 674	1 437 920	4 194	120 710

There were not any significant changes in compulsory medical insurance receivables and payables in 2018.

Table 11 – Allocation of taxes, fines and penalties over the budget levels

(in thousand rubles)

Indicator	Liability as of 31.12.2017		Accrued for 2018	Paid for 2018	Liability as of 31.12.2018	
	Debit	Credit			Debit	Credit
Taxes - total:	318 714	258 006	4 555 619	4 163 345	273 720	605 286

Federal budget	47 569	102 958	3 017 012	2 723 332	38 692	387 761
Regional budget	269 561	153 914	1 532 696	1 434 525	233 961	216 485
Local budget	1 584	1 134	5911	5 488	1 067	1 040
Fines - total:	1	-	25 527	25 528	2	-
Federal budget		-	1 842	1 843	1	-
Regional budget		-	23 685	23 685	-	-
Local budget	1	-	-	-	1	-
Penalties - total:	774	-	62 485	61 189	722	1 244
Federal budget	678	-	23 056	21 750	578	1 206
Regional budget	37	-	39 407	39 420	88	38
Local budget	59	-	22	19	56	-
Total:	319 489	258 006	4 631 643	4 250 062	274 444	606 530

Accounts receivable from customers and clients and other accounts receivable are disclosed in Annexes 5.6.1 - 5.6.3.

6.6. Capital and Reserves

On 10 October 2018 the company registered changes to the authorized capital of Kubanenergo PJSC and as of 31 December 2018 the authorized capital amounted 30 379 335 thousand rubles.

Additional paid-in capital of the Company was formed due to increase in the fixed assets value as determined by revaluation and due to share premium.

The Company generates the reserve capital for covering losses that, although not specifically identified, but may be incurred during the economic operations. The reserve capital is created from net income of the Company.

6.7. Accounts Payable, Loans and Borrowings

In 2018, there was a significant increase in tax payables to the federal budget. Tax payables increased by 348 524 thousand rubles.

A significant increase in payables occurred in value added tax. Accounts payable for value added tax increased by 268 127 thousand rubles as a result of a significant excess of VAT accrual for the 4th quarter of 2018 in the amount of 324 744 thousand rubles over the amount of accrual of VAT for the 4th quarter of 2017 of 40 613 thousand rubles. The increase in accounts payable on property tax of organizations by 62 139 thousand rubles was due to the increase of accruals on this tax. Property tax liabilities increased as a result of an increase in the tax base due to an increase in the tax rate applied to transmission lines and facilities, which are an integral part of their technology from 1.6% in 2017 to 1.9% in 2018, and due to the change in tax legislation and the application in 2018 to movable property, accepted at accounting as fixed assets from 2013, the tax rate is 1.1%, while in 2017 such property was exempted from taxation, in accordance with paragraph 25 of articles 381 of the Tax Code of the Russian Federation.

Table 12 – Sums and maturities of loans and borrowings of Kubanenergo PJSC
in thousand rubles

Bank	# of credit contract	Sum of actual debt (in thousand rubles)	Interest debt (in thousand rubles) as of 31.12.2018	Due date
Gazprombank JSC	0716-061	15 020	-	3-12 months
Gazprombank JSC	0716-061	423 459	-	3-12 months
Gazprombank JSC	0716-063	1 456 157	-	3-12 months
Russian Regional Development Bank (RRDB)	341ю	800 000	-	3-12 months
VTB Bank (PJSC)	KC-IQB-	-		1 than 1 month
VTB Bank (PJSC)	KC-IQB-	-		1 than 1 month
VTB Bank (PJSC)	KC-IQB-	-		1 than 1 month
VTB Bank (PJSC)	KC-IQB-	-		1 than 1 month
Sberbank PJSC	5400/307	451 350	589	3-12 months – debt; less than 1 months for interest
Sberbank PJSC	5400/343	990 782	2 614	3-12 months – debt; less than 1 months for interest
Sberbank PJSC	5400/344	1 134 277	1 468	3-12 months – debt; less than 1 months for interest
Sberbank PJSC	5400/345	1 500 000	1 960	3-12 months – debt; less than 1 months for interest
Sberbank PJSC	5400/406	1 128 338	1 591	3-12 months – debt; less than 1 months for interest
Bonded loan	4B02-02-00063-A-001P	3 400 000	48 246	3-12 months
Bonded loan	4B02-01-00063-A-001P	0	31 932	3-12 months
Total, line 1510	-	11 299 383	95 896	-
Gazprombank JSC	0717-005	2 581 708	-	1-3 years
VTB Bank (PJSC)	KC-IQB-	1 000 000	-	1-3 years
VTB Bank (PJSC)	KC-IQB-	1 000 000	-	1-3 years
VTB Bank (PJSC)	KC-IQB-	2 000 000	-	1-3 years
VTB Bank (PJSC)	KC-IQB-	2 000 000	-	1-3 years
Sberbank PJSC	5400/343	1 009 218	-	1-3 years
Sberbank PJSC	5400/344	2 955	-	1-3 years
Sberbank PJSC	5400/406	7 484	-	1-3 years
Sberbank PJSC	5400/406	2 850	-	1-3 years
Sberbank PJSC	5400/406	58 620	-	1-3 years
Sberbank PJSC	5400/406	5 113	-	1-3 years
Sberbank PJSC	5400/406	13 011	-	1-3 years
Sberbank PJSC	5400/406	2 270	-	1-3 years
Sberbank PJSC	5400/406	10	-	1-3 years
Bonded loan	4B02-01-00063-A-001P	3 600 000	-	over 3 years

As of 31 December 2018, interest rates on the loan portfolio were in the range of 7.60% to 9.25% per annum, bond rates were in the range of 10.44% to 12.63% per annum. Information is disclosed in Annexes 5.6.5. – 5.6.8.

6.7.1. Collateral for obligations

As of 31 December 2018, on the off-balance account 008 “Securities received for obligations and payments”, the sum of bank guarantees received for implementation of obligations under the construction/delivery contracts and return of payments (advances) amounted 578 490 thousand rubles. Pledged property under purchase agreement: 107 thousand rubles. (Annex 5.8.)

6.7.2. Information on the Company’s Capabilities to Raise Additional Funds as of the Reporting Date

Table 11 – Unutilized credit lines of the Company
(in thousand rubles)

Creditor Bank	Agreement	Sum of unutilized limits	End of drawdown period
Gazprombank JSC	No.0716-060 of 30.09.2016	720 000	30.03.2019
Gazprombank JSC	No.0716-061 of 01.11.2016	561 521	30.04.2019
Gazprombank JSC	No.0716-062 of 01.11.2016	2 000 000	30.04.2019
Gazprombank JSC	No.0716-063 of 01.11.2016	543 843	30.04.2019
Sberbank PJSC	No.5400/307 of 12.09.2016	1 548 650	11.09.2019
Gazprombank JSC	No.0717-005 of 31.03.2017	418 293	30.09.2019
Sberbank PJSC	No.5400/344 of 03.05.2017	862 767	30.04.2020
Sberbank PJSC	No.5400/375 of 28.12.2017	500 000	25.12.2020
Gazprombank JSC	No.0717-035 of 29.12.2017	500 000	28.12.2020
Sberbank PJSC	No.5400/406 of 29.12.2017	782 304	28.12.2020
Sberbank PJSC	No.5400/407 of 29.12.2017	2 000 000	28.12.2020
Sberbank PJSC	No.5400/380 of 25.09.2017	3 000 000	23.09.2022
Sberbank PJSC	No.5400/449 of 09.07.2018	2 000 000	08.07.2023
Russian Regional Development Bank (RRDB)	No.355ю of 06.11.2018	1 261 000	05.05.2023
Russian Regional Development Bank (RRDB)	No.356ю of 06.11.2018	1 261 000	05.05.2023
Russian Regional Development Bank (RRDB)	No.357ю of 06.11.2018	1 261 000	05.05.2023

The Company has available credits, allowing refinancing of borrowed funds, urgent to maturity in 2019. The total amount of the credit limit with the end of the drawdown period in 2020–2023 as of 31 December 2018 is 12 428 071 thousand rubles, including at Sberbank PJSC in the amount of 8 645 071 thousand rubles, and at the Russian Regional Development Bank (RRDB) in the amount of 3 783 000 thousand rubles. In addition, the Company has opened overdraft lending limits at Sberbank PJSC and Gazprombank JSC in the total amount of 1 000 000 thousand rubles.

6.8. Information on the Risks of Business Activity

The Board of Directors of “Rosseti” PJSC approved the Strategy of development and improvement of internal control system of “Rosseti” PJSC and subsidiaries and affiliates of “Rosseti” JSC (Minutes No.143 of 13.02.2014), that determines current and target condition of internal control and risks management system of “Rosseti” PJSC and its subsidiaries and affiliates.

To implement this Strategy, the Issuer's Board of Directors approved the Policy of internal control and Policy of risks management (Minutes No. 233/2016 dd. 18.03.2016) that are aimed at timely finding and providing of preventive actions on minimization of risk (control procedures) to decrease the possibility of financial and other losses that influence at reaching the goals of the Company. The Policy of the Issuer on risks management requires the necessity of compliance with the following principals:

1) establishment and protection of values of the Company (the risk management system promotes achievement of goals and productivity improvement, provision of health and safety of people, safety of all types of activity of the Company, observance of legal and standard requirements, preservation of the environment, improvement of quality of services, efficiency of operations, management and reputation).

2) management of risks is an integral part of all organizational processes (management of risks is not an isolated activity which is separated from the core activity and processes in the organization; it is a part of obligations of the management and an integral part of all organizational processes, including strategic planning and all processes to manage projects and changes)

3) management of risks is a part of the decision-making process

4) management of risks is regular, structured and timely

5) management of risks is based on the best available information.

6) management of risks is transparent and considers interests of interested parties.

7) management of risks is dynamical, iterative (repeating) and reacting to changes.

8) management of risks promotes constant improvement of the organization.

9) responsibility for management of risks: all participants of the Risk Management System bear responsibility for revealing, estimation, analysis and continuous monitoring of risks within the limits of their activity, development and implementation of necessary events for management of risks, continuous monitoring of efficiency of events for management of risks.

10) the optimality principle (the ratio of costs for implementation of events for management of risks and effect from realization of these events, including conformity between the level of complexity of the Risk Management System at the level of complexity and degree of importance of the object subject to the analysis from the point of view of risks, is analyzed)

11) the unity of methodological base. Management of risks (revealing, analysis, estimation and monitoring of risks, development and monitoring of efficiency of events for management of risks) is performed on the basis of approaches and standards, uniform for all structural units of the Company.

Every quarter the Company collects and analyses information on internal and external factors that can negatively affect the Company's goals. For minimization of consequences from risks implementation the Issuer developed and carried out the events on prevention of negative consequences; at the same time there are political and economic factors that influence the activity of "Kubanenergo" PJSC in respect of which the Company cannot guarantee that events aimed to overriding of possible negative situations can change the situation for the better because these risks factors are beyond the Issuer's control.

Industry Risks

Tariff risks

In connection with the restriction of growth of tariffs for transmission services for end-users at the level of the RF Government, the likelihood of establishing a tariff lower than the economically justified level is estimated as high.

To prevent and mitigate the impacts from implementation of this risk the Company provides supporting materials to regulatory authorities, that confirm level of economically feasible expenses of the Issuer, upholds the position on necessity of outrunning growth of expenditures, as strategic Company, collective fund holder of Krasnodar region and Republic of Adygea, forms and send disputes to Federal Antimonopoly Service of the Russian Federation.

The Issuer is exposed to risks of reducing of revenues amount in connection with changing of structure of electric energy transmission relating to accepted one while tariffs were approved, and risks of changing of legislation in sphere of tariffs setting. The following events are implemented to minimize the risks:

- 1) cooperation with tariff regulatory authorities concerning questions related to accounting of losses that were caused by determining at the federal level the sums of falling out income from applying non-regulated price at necessary gross revenue of the Issuer in the next period of tariff regulation;*
- 2) preparation and submission to state tariff regulatory agencies the propositions on technological electric energy/power consumption taking into account dynamics of productive supply for purposes of forming of consolidated balance forecast for production and delivery of electricity for the next year;*
- 3) development and implementation of the Programme of increasing of electric energy efficiency and its coordination with administration of the regions;*
- 4) development and implementation of the Programme of cost management.*

The issuer's sphere of influence on the tariff regulation agencies is limited, and the issuer cannot guarantee that the measures aimed at minimizing the consequences will be as effective as possible.

The Issuer is exposed to risk of scarcities of source of funding of events on agreements on implementation of technological connection (hereafter – technological connection) due to approving by regulating authority of paying rate for technological connection lower of economically feasible level. One of the factors of this risks arising is introduction of amendments to legislation of the Russian Federation (Federal Law No. 35-FZ dd. 26.03.2003 “On power industry”) on excluding of power receivers of maximum capacity 150 kW from paying for technological connection of investment component for covering of charges for construction of power supply network facilities (from 1 October of 2015 – no more than 50% from amount of specified expenditures, from 1 October of 2017 – excluding this expenditures from paying for technological connection).

To minimize risk, the Company cooperates with tariffs regulatory authorities, forms correct scope of obligation on technological connection agreements, develops project documents on scope of obligations on technological connection agreements, submits in regulatory authorities the additional supporting materials, and adopts economic feasibility of paying rate for technological connection.

Risk of antimonopoly legislation is evaluated by Company as medium.

The reason of the risk implementation may become non-fulfillment of obligations of the Issuer on technological connection on concluded agreement on technological connection (because of scarcity of funds and large number of agreements on technological connection).

Risk of reducing the amount of services on electric energy transmission.

Risk of reducing the amount of services on electric energy transmission is industry risk. The reducing of electric energy consumption can be the consequence of external factors influence such as economy crisis and production decline, construction of electrical generation facilities by customers, extreme weather events, industrial accidents, and industrial disasters. Potential influence of these factors may influence on changing of revenue of the Issuer.

In connection with economic development of the region where the Issuer operates, there is a dynamic of increasing of amounts of electric energy consumption for the last few years. This risk is evaluated as medium. The Issuer implements monitoring of current and expected economic situation in region and in country, fulfills preparation works for appropriate work of power equipment in all seasons, carries out maintenance and repair of power facilities.

Operational risks

In the process of its activity the Issuer is exposed to risks associated with physical deterioration, abuse and critical changes in the parameters of the equipment.

The main ones are:

- 1) deterioration of performance and economic indicators of electric equipment;***
- 2) threat of failures with partial or full undersupply of electricity with corresponding negative social consequences;***
- 3) failure to comply with the obligations under the contracts for the provision of electricity transmission services;***
- 4) negative environmental effects.***

In order to decrease the risk of the group the issuer takes the following steps:

- 1) scheduled repair and maintenance of equipment***
- 2) technical re-equipment, reconstruction and new construction***
- 3) regular optimization of structure and amount of components and spare parts in reserve and other***
- 4) providing of industrial security and manufacturing control.***

Issuer assesses the level of risk above the average and believes that the negative factors will not materially affect its activities and performance of obligations on its securities.

Price risks

Provision of electricity transmission services includes as well the purchase of raw materials, services, equipment and other materials used by the Company in its operations. The price increase is mainly explained by inflationary pressures and the impact of macroeconomic factors. During the economic instability the risk of augmentation of cost for goods and services used by the Company increases.

In order to minimize these risks, the issuer uses the position of a large consumer and purchases the material and technical resources, and selects the service providers through competitive and regulated procurements.

Country and regional risks

Risks associated with the political and economic situation in the country and region

The worsening of economic and political situation in the country and the region under the influence of external factors (including sanctions) are main risks for the Company. Since the Company operates only on internal market, government of the Russian Federation develops programmes on import substitution including in regions where the Company operates, it leads to increasing of amount of electric energy consumption. Increasing of energy efficiency and adoption of energy-efficient technologies are development priorities of economics.

In the event of significant political instability, which can negatively affect the operations and earnings, the Issuer takes measures of crisis management, reduces as much as possible the expenses, and investment plans.

Additionally, there are risks associated with military conflicts, introduction of a state of emergency, natural disasters that may have consequences as follows:

- deterioration of the whole national economy status and, consequently, of the Issuer's financial status;
- detriment to the Issuer's properties that may negatively affect its ability to timely and fully fulfil its liabilities to consumers and counterparties.

The Company operates in the Krasnodar region and the Republic of Adygea. The regions where the Company carries out its activity are politically stable with the risk of a military conflict or a state of emergency occurrence there due to internal causes being minimal. At the same time, ***because of the proximity of the republics of the North Caucasus region***, there is a considerable risk of terrorist acts; for its minimization, the Company actively cooperates with state bodies in charge and takes coordinated measures to ensure security of production. The Company has elaborated and is carrying out target arrangements for protection of the Issuers' energy facilities against subversive or terrorist acts. ***The Company established a permanent working group on combating terrorism in the power distribution facilities in the region.*** To compensate for damage of the effect of emergency circumstances associated, inter alia, with natural disasters, the Issuer concludes property insurance contracts.

Sharp regional scale changes (environmental, political, demographic, social) are unlikely, but their emergence will doubtlessly affect the Company's activity. Taking into account the level of the region's transport infrastructure development, the risks of interruption of transport communication due to difficulty of access or remoteness of location are minimal.

In the Company's opinion, the situation in the region will have a favourable effect on the Issuer's activity; there is no reason to expect that a change of the situation in the region will entail the Issuer's failure to fulfil its liabilities.

Financial risks

Risk of interest rates change:

The ***Company*** attracts short- and long-term borrowings from the Russian financial market. Since ***Company*** operates in the Russian Federation, inflation growth in the Russian Federation is one of the factors of overall growth of interest rates. A substantial increase of interest rates on credits and loans may entail appreciation of the ***Company's***

debt servicing. For optimization of the debt portfolio structure and reduction of its servicing costs, the Issuer strains after use of credits and loans with the fixed interest rate which results in significant reduction of the above risk. The **Company's** supposed actions in the event of negative effect of interest rates change on one's activity: Attraction of longer-term credits to avoid negative effect of interest rates short-term fluctuations and diversify funding sources. Due to the decreasing of inflation rate, the risk is evaluated as moderate.

Risk of changes of foreign currencies exchange rates:

Carrying out its core business activity within the territory of the Russian Federation, the **Company** has neither investment into foreign companies which value of net assets is exposed to the risk of currency exchange rates fluctuations, nor revenues or expenses expressed in terms of foreign currency. Risks connected with exchange rate fluctuations, are not factors of direct impact on the financial and economic activities of the **Company**, but may lead to augmentation of prices for energy equipment. In connection with the strengthening of the national currency, as well as a decrease in the volatility of exchange rates, at present this risk is estimated as medium. In order to reduce the risk, the Company is implementing a programme of import substitution. In case of a further weakening of the national currency the issuer plans to analyse the risks and make appropriate decisions in each particular situation

Risk of reducing the customer prices

Changes in the consumer price index to some extent affect the Issuer's rate of return and one's financial and business activity results, but their effect is not a direct dependence factor. Indirect dependence of the Company's rate of return on changes of the consumer price index is mainly conditioned by the fact that tariffs for services for transmission of electric energy cross electric power grids are established by state tariff bodies on the basis of justified expenses on their provision and fully or partially compensate for growth of the Company's expenses associated with inflation. However, during high inflation periods, risks of reduction of the tariff compensatory component amount and of solvency of the Company's major consumers grow up.

Taking into account the abovementioned information, there are no guarantees that possible increase of consumer prices will not lead to a drop of the Company's rate of return in future. However, due to reduction of inflation this risk is estimated as moderate.

Inflation risks

The current inflation level cannot have a significant effect on the financial status of the Company. Nevertheless, for minimization of financial risks associated with inflation processes and affecting the financial results of activity, the Company is implementing an integrated programme for analysis of financial risks, planning and appraisal of actual profitability of activity; one identifies return rate indices that are indicative of the Company's level of cost-efficiency, normative values of financial coefficients characterizing the Issuer's solvency and liquidity, which enable one to promptly detect drawbacks in the Issuer's work and take measures for their elimination. As well as in accordance with RF Government Regulation No. 1178 dd. 29.12.2011 "On price formation in sphere of regulated prices (tariffs) in power industry" when regulating electricity tariffs inflation level should be taken into consideration (consumer price

index), that was defined in the prognosis of social and economic development of the Russian Federation. Thus, the Company considers these risks as moderate.

The occurrence of these financial risks can have an impact on the issuer's financial statements. The indicator which is most affected in the Company's statements is the index of accounts receivable arising from the inability of counterparties to pay for services of the Company. The probability of this risk is assessed as moderate. The deterioration of the economic situation in Russia may affect the growth of the cost of electricity transmission through electric grids of the Company, which, while maintaining the established tariffs will reduce the profits. To reduce this risk, the Company carries out the work on the management of debt receivable directed to optimization of its amount and repayment of debts.

Legal risks

The Company carries out its activity only on domestic market; consequently, the legal risks are considered only from the corresponding point of view.

Risks associated with tax and environmental legislation and customs and currency regulation.

Since no special taxation mode is applicable to the Company's activity and the Company has no overdue tax and levy indebtedness to budgets of all levels, the Company's tax risks are considered as the minimum within the framework of a conscientious taxpayer's activity.

In the shorter term, the Company does not foresee emergence of any significant risks in its financial and business activity associated with changes in tax and civil legislation.

Changes of currency and customs legislation of the Russian Federation are of no relevance for the Company's activity and, consequently, do not entail emergence of legal risks.

In case of changes and/or launch of requirements for licensing the Company's core activity, the Company will take all necessary measures for obtaining the licenses and permissions required.

The Company carries out regular work for prolongation of the licenses necessary for conduction of its business activity. The Company's exposure to the above risk may be considered insignificant. In case of change of requirements on licensing of the basic kinds of activity, the Issuer will take necessary steps to obtain the appropriate licenses and permits. Risks connected with absence of possibility to extend the license of the Company are minimal and cannot influence on Company's fulfillment of obligations on placed securities.

Reputational risks

The risk that the Company incurs losses due to such factors as a reduction in the number of customers (counterparties) because of the formation of negative image of financial stability, the financial position of the issuer, the quality of the work, is considered as minimal. The Company is a natural monopoly, there is an annual increase in the number of electricity consumers. In addition, the Company developed good practice for long-term cooperation with its partners.

Strategy risks

The Company, being a part of the single distribution grid complex of Russia, seeks to achieve the objectives defines at the national level. On 3 April 2013, the Russian Government approved the development strategy for the electric grid complex of the

Russian Federation. Since the Company is a subsidiary of Rosseti, the largest Russian backbone grid company, the Company is a participant in implementation of policies and programmes on activities (business processes) of Rosseti.

The decision to start the implementation of a specific strategy (programme) in the activities of the Company shall be accepted by the Board of Directors.

The probability of the risk of losses arising from errors (defects) made in management decisions, defining the strategy and activities of the Company, is assessed as low. Measures to prevent the occurrence of this risk are:

- elaboration of proposals and scenarios to improve the implementation of specific policies and programmes;
- analysis of effectiveness of particular strategy, adoption of managerial solutions by the results of analysis
- development and implementation of key performance indicators to achieve policies, linking them with bonuses of managers of the Company;
- continuous monitoring by the structural units of the Issuer's the ratio of the cost of implementing a specific strategy to the received profit and submission to the Board of Directors of the Company of the information for decision-making (including, by definition, the quantity and quality of resources)

Risks connected with Company's activity

Risks connected with the current legal trials of the Issuer.

The Company participates in legal trials the results of which can materially affect its financial and operational activities. The Company regularly monitors the judicial practice that allows to use this information for reaching positive judicial decision for the Company.

Currently there are no changes in judicial practice that can negatively affect at results of current trials and thus on the results of business activity of the Company.

Risks connected with potential liability of the Issuer on debts of third parties including affiliates of the Company.

The Company has affiliate joint stock companies with owning of 100% shares in the authorized capital. As the parent Company for subsidiaries and affiliates, the Company can be responsible for their debts. These liabilities can negatively effect on results of financial and operational activities of the Issuer. The possibility of specified risks is evaluated as medium.

Risks connected with possibility of loss of customers that constitute at least 10% of total revenue from sales of products (work, services) of the Company. The Company cooperates with main customers and is monopolist in sphere of services rendering on electric energy transmission in the regions of the Issuer's activity. The possibility of loss of main customers is minimal.

Risks in manufacturing activity of the Company:

- 1) systematic interruption of power supply of customers in the result of accidents and disturbances at grid sections and substation equipment*
- 2) violation of requirements of GOST 31144-2013 on providing the quality of electric energy*
- 3) disturbance of regime of electric energy transmission and reducing of quality of rendered services*
- 4) non-implementation of maintenance (including diagnosis) and repair in time*

5) *emergency situations in related networks, that can breakdown the equipment of the Company*

6) *excessive losses of electric energy*

To reduce these risks, the Company focuses on development of electric grid complex with using of science based engineering decisions and technologies, tested in operation, modern electric equipment.

Increasing of tariffs on rendered services by the Company, due to increasing of “external” expenses influence on risks: purchased electric energy on losses compensation, changing of amount of payment of services for electric energy transmission of “FGC UES” PJSC and other factors.

Investment risks

Implementation of investment programme of the Company demands fund raising both owned and loaned, on conditions satisfying the requirements of tariff system.

One of the investment risks is risk of reduction of sources of financing of Company’s investment programme. Currently this risk is rated as minimal and is determined by influence of the following factors: decline in the ruble, upturn in inflation, and rise in cost of debt capital.

To decrease the investment risk, the investment programmes of the Company are planned taking into account following key criterions of efficiency:

- increasing of reliability and availability of network infrastructure;*
- decreasing of amortization and modernization of facilities of power supply network system;*
- reaching of high load of commissioned capacity;*
- optimization of engineering solutions out of necessity of excluding the usage of imported equipment and materials, cost of which has high dependence from rate of exchange.*

To minimize risk of untimely and incorrect implementation of investment programme, the Issuer approved several local document aimed to fulfillment of control of terms and quality of investment projects.

6.9. Deferred taxes

In order to recognize income and expense when calculating the income tax, the Company applies accrual method of accounting. The company accounts and includes in the report deferred tax assets and obligations on income tax. Deferred tax assets and obligations are accounted for temporary differences that are incomes and expenditures, which form the profit (loss) in one reporting period, and taxable base on income tax in other reporting periods.

Current income tax is tax for taxation purposes defined in accounting on the basis of the amount of conditional tax, adjusted sum of permanent tax assets and liabilities as well as deferred tax assets and liabilities of reporting period.

Current income is recognized as obligation to budget equal to non-paid sum of income tax.

Provisional profits tax expense (income) is accounted as multiplication of accounting income (loss) with rate of the income tax set by the RF legislation on taxes and levies. In 2018, the Company defined the following components of income tax, in thousand rubles:

Table 12 – **Income tax**

thousand rubles

Indicators	Sum	Tax rate	Sum	Tax component
Profit/loss before the taxation	1 279 818	20%	255 964	Provisional profits tax income
Taxable temporary difference	(1 299 533)	20%	(259 907)	Deferred tax obligations
including				
- difference appeared	(1 416 504)	20%	(283 301)	Deferred tax obligations were accrued
- difference discharged	116 971	20%	23 394	Deferred tax obligations were discharged
Deductible temporary difference	(283 512)	20%	(56 702)	Deferred tax asset
including				
- difference appeared	1 351 965	20%	270 393	Deferred tax assets were accrued
- difference discharged	(1 635 477)	20%	(327 095)	Deferred tax assets were discharged
Taxable (deductible) permanent difference	3 379 607	20%	675 921	Permanent tax asset (obligation)
Tax base	3 076 380	20%	615 276	Current tax

There were no reasons to change the tax rates in comparison to the previous period. During the reporting period due to disposal of assets (sale, transfer on free of charge basis, dissolution) the differed tax obligation in amount 20 thousand rubles, deferred tax assets in amount of 30 298 thousand rubles were written-off on account of profit and losses.

Information on taxation of profit, cash flow is disclosed in annexes 2.3 and 5.7.2.

6.10. Cost of goods sold, commercial expenses, administrative expenses and other expenses

Expenses are calculated for the reporting period in which they occurred regardless the time of actual payment of monetary assets (the accrual principle assumption).

Table 13 – **“Miscellaneous costs”**

(thousand rubles)

Indicator		2018	2017
Name	Code		
Cost of goods sold	6510	41 461 392	38 258 835
including			
Other expenses	6515	22 713 249	20 672 301
Including			
Services of electricity distribution companies		12 631 704	10 940 261
Services of “FGC UES” PJSC		7 081 576	6 156 017
Other expenses		2 999 969	3 576 023

6.10.1 Information on the expenses on use of energy resources

Table 14 – **Information on the expenses on use of energy resources**

#	Approved target indicators	Measurement unit	2018 (fact)	2017 (fact)
1	2	3		
1.1.	Electric energy losses, including	Mln rubles, including VAT	9 091.283	8 966.093
		Mln kilowatt-hour	2 590.145	2 728.984
1.1.1.	Energy for own needs	Mln rubles, including VAT	50.700	58.746
		Mln kilowatt- hour	17.118	17.821

1.2.	Energy purchased for operational and household needs, by resource types	Mln rubles, including VAT	133.484	136.272
1.2.1.	Fuel and energy, including	Mln rubles, including VAT	130.388	132.803
		Tons of fuel	4 488	4 690
1.2.1.1.	Electric energy	Mln rubles, including VAT	119.854	122.149
		Thousands kilowatt-hour	30 968.873	32 287.897
		Thousands kilowatt-hour per square meter of premises	0.273	0.275
1.2.1.2.	Thermal energy	Mln rubles, including VAT	9.505	9.686
		gCal	4369.918	4 400.286
		gCal per square meter of premises	0.134	0.117
1.2.3.	Hot water supply	Thousands of cubic meters	-	-
		Mln rubles, including VAT	-	-
1.2.4.	Cold water supply	Thousands of cubic meters	82.318	94.891
		Mln rubles, including VAT	3.095	3.469
1.2.5.	Natural gas	Thousands of cubic meters	127.327	161.509
		Mln rubles, including VAT	1.029	0.968
1.3.	Metering devices of electric energy consumed for the Company's own needs	%	100	100
1.4.	Smart electricity metering devices for consumers in the retail market, in accordance with the Programme for future development of electricity metering systems	%	73.1	72.2

6.11. Cash flow dynamics information

In accordance with Accounting Regulations 23/2011, the Company's cash flow in the form of revenue receipts and payments of VAT (receipts from customers and buyers, payments to contractors and budget of RF or reimbursement) is briefly calculated in line 4129 "Other payments" in the form "Cash flow dynamics report" in the amount of (149 908) thousands rubles, including:

VAT included in received amounts	7 167 958 thousands rubles
VAT included in amounts transferred	5 290 693 thousands rubles
VAT paid to a budget	2 027 173 thousands rubles
Result	(149 908) thousands rubles

Highly liquid investments (cash equivalents) that can be readily converted into previously known amounts of cash and which are subject to insignificant risk of changes in value for the period from 01.01.2018 to 31.12.2018 amounted 12 649 000 thousand rubles (deposits). Transfer of funds to deposits recognized as cash equivalents is not a cash flow and is not reflected in the Cash Flow Report.

Table 15 – Sum of minimum required balance on current accounts of the Company as of 31 December 2018

(thousand rubles)

Ground (additional agreement, confirmation of transaction)	Transaction starting date	Transaction ending date	Sum of minimum required balance
1	2	3	5
Confirmation No.38 of 29.12.2018 to Agreement of 30.07.2017	29.12.2018	11.01.2019	500 000
Confirmation No.39 of 29.12.2018 to Agreement of 30.07.2017	29.12.2018	09.01.2019	125 000
Confirmation No.40 of 29.12.2018 to Agreement of 30.07.2017	29.12.2018	09.01.2019	20 000
Joint stock bank “Rossiya” JSC, total			
Notification No.1 of 28.12.2018 to Additional Agreement No.1- no/40730-1358 of 06.11.2018	28.12. 2018	11.01.2019	450 000
Branch of Russian Regional Development Bank JSC			450 00
Total			

There is no debt on overdraft loan as of 31 December 2018.

As of December 31, 2018, there are no third-party guarantees received and not used by the Company to raise a credit with specification of the amount of monetary funds that can be raised by the Company.

Cash (or cash equivalents) that cannot be used by the Company (e.g., letters of credit opened for the benefit of other organizations for transactions in progress as of the reporting sheet date) is absent as of 31 December 2018.

6.12. Segment Information

According to Accounting Regulations 12/2010, the management and decision-making structure of the organization and the internal reporting system were taken as bases of segmentation in the Company.

The Company determined the structure of the reportable segments:

- 1) electricity transmission
- 2) network connection

The Company discloses the information in the accounting statements only by the reportable segments. The remaining segments are presented in the accounting statements as other segments. Information on the reportable segments does not contain data on the cash flow from operating, investment and financial operations because of the labour intensity of its presentation in the financial statements

Table 16 – Consumers, the sales revenue from which is not less than 10 % of the total revenue of the Company

(thousand rubles)

#	Consumer (Customer)	Total Revenue	Including Electricity	Including Other Services
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			Transmission	
1	Independent Energy Selling Company of Krasnodar region JSC	16 404 971	16 4040 971	-
2	TNS Energo Kuban PJSC	21 220 870	21 148 161	72 709

In addition, information by the reportable segments is presented in Annex 5.13.

6.13. Information on the Related Parties

6.13.1. List of the Related Parties

The operations of Kubanenergo PJSC are strongly affected by following persons/entities, which are affiliated to the Company. Within the legislation of the Russian Federation, Kubanenergo PJSC publishes the lists of affiliates on its website at <http://www.kubanenergo.ru> in Section “For Shareholders and Investors / Lists of Affiliates”, as well as at <http://www.e-disclosure.ru/portal/company.aspx?id=2827>.

Entities/persons affecting the Company’s activity:

- the largest shareholders of the Company – Rosseti JSC (owns 92.78 % of the Company shares);
- persons, that are members of the management bodies of the Company (BoD members, Management Board members, director general of Kubanenergo PJSC).

Kubanenergo PJSC supervises the operations of its subsidiaries: “Recreation Centre “Energetik” JSC and “Energoservis Kuban” JSC by methods of corporate management.

6.13.2. Transactions Made with the Related Parties and Related-Party Transactions in Progress

Table 17 – Income and related receivables for 2017

(thousand rubles)

Contractor	As of 31 December 2016	Accrued	Paid	As of 31 December 2017
Recreation Centre Energetik JSC***	180	3 077	(3 219)	38
Energoservice of Kuban JSC	8	683	(332)	359
Rosseti PJSC***	-	1 398	(1 398)	-
Main Computer Center of Power Industry	30	60	(75)	15
MOESK PJSC	-	13 252	-	13 252

Table 18 – Income and related receivables for 2018

thousand rubles

Counterparty	As of 31 December 2017	Accrued	Paid	As of 31 December 2018
Recreation Centre Energetik JSC***	38	2 660	(2 438)	260
Energoservice of Kuban JSC	359	68	(427)	-
Rosseti PJSC***	-	1 049	(1 049)	-
Rosseti – Engineering Supervision Centre, branch	-	350	(350)	-
Main Computer Center of Power Industry	15	-	-	15

IDGC of Volga PJSC	-	5 658	(5 658)	-
IDGC of the South PJSC	-	1 000	(1 000)	-
IDGC of North Caucasus PJSC	-	42 444		-
MOESK PJSC	13 252	-	(13 252)	-

Table 19 – Expenses and other transactions and related to it payables for 2017-

(thousand rubles)

Counterparty	As of 31 December 2016	Accrued	Repaid	As of 31 December 2017
1	2	3	4	5
IDGC of the South PJSC*				
- trading transactions	(24 861)	(610)	25 471	-
- other payables	(90 379)	(3 268)	93 647	-
IDGC of the Centre and Volga region PJSC*				
- other payables	-	(7 074)	7 074	-
Rosseti PJSC **				
- other payables	(5 297)	(115 874)	115 874	(5 297)
- dividends	-	(496 441)	496 441	-
- payments to founders	-	(20 357)	20 357	-
FGC UES PJSC *				
- trading transactions	(502 268)	(10 290 048)	8 498 315	(2 294 001)
- other payables	(33 885)	(211 028)	211 050	(33 863)
- other payables	255 920	535 612	(594 079)	197 453
Reserve	(167 116)	(1 854)	561	(168 409)
IDGC of North Caucasus PJSC *				
- other payables	(54)	-	-	(54)
Recreation Centre Energetik JSC***				
- other payables	-	(12 107)	11 968	(139)
- dividends	-	(277)	277	-
Engineering Supervision Centre JSC				
- other payables	-	(2 113)	2 038	(75)
IT Energy Service JSC				
- other payables	(189)	(1 611)	1 684	(116)
IDGC of Volga PJSC *				
- other payables	(2 356)	(2 320)	4 676	-
Energoservice of Kuban JSC***				
- other payables	(947)	(120 807)	63 135	(58 619)
IDGC of Centre PJSC *				
- other payables	-	(3 657)	3 657	-
IDGC of Siberia PJSC *				
- other payables	-	(1 249)	1 249	-
MOESK PJSC				
- other payables	-	(4 673)	4 673	-
Scientific and Research Centre of FGC UES				
- other payables	-	(90)	90	-

Directorate of FOCL-Power Lines JSC				
- other payables	(1 146)	(18 140)	17 294	(1 992)

Table 20 – Expenses and other transactions and related to it payables for 2018

(thousand rubles)

Counterparty	As of 31 December 2017	Accrued	Repaid	As of 31 December 2018
1	2	3	4	5
IDGC of the South PJSC *				
- other payables	-	(1 252)	2 525	-
IDGC of the Centre and Volga region PJSC *				
- other payables	-	(413)	413	-
Rosseti PJSC ***				
- other payables	(5 297)	(160 736)	141 827	(24 206)
- dividends	-	(298 340)	298 340	-
FGC UES PJSC *				
- trading transactions	(2 294 001)	(9 639 146)	10 694 906	(1 238 241)
- other payables	(33 863)	(453 396)	191 449	(295 810)
- other payables	197 453	1 029 709	(1 042 486)	184 676
Reserve	(168 409)		960	(167 449)
IDGC of North Caucasus PJSC *				
- other payables	(54)	-	-	(54)
Recreation Centre Energetik JSC***				
- other payables	(139)	(11 953)	12 092	-
Engineering Supervision Centre JSC				
- other payables	(75)	(27 526)	20 926	(6 675)
IT Energy Service LLC*				
- other payables	(116)	-	116	(116)
Energoservice of Kuban JSC***				
- other payables	(58 619)	(38 425)	91 273	(5 771)
-dividends	-	(9 068)	9 068	-
Scientific and Research Centre of FGC UES				
- other payables	-	(50)	50	-
Directorate of FOCL-Power Lines JSC				
-trade transactions	-	(22 844)	-	(22 844)
- other payables	(1 992)	(39 931)	26 201	(15 722)
Elektrosetservice UNPG JSC				
-trade transactions	-	(158 448)	112 517	(45 931)
- other payables	-	(250 879)	205 045	(45 834)

* - company belongs to the same group as the Company

**- company has the right to dispose of more than 20 % of the Company's shares

***- company has the right to dispose of more than 50 % of the total votes of the shares in the Authorized Capital of the person

Write-off of accounts receivable, the limitation period of which has expired, of other bad

debts, including out of provision for doubtful debts, has not been made.

16.13.3. Compensations Payable to Key Management Personnel

Table 21 – Information on the compensations payable to key management personnel

Payments	thousand rubles					
	Members of the Board of Directors		Members of Auditing Committee		Members of Management Board	
	2018	2017	2018	2017	2018	2017
Short-term compensations, incl.:	9 917	8 771	1 039	1 020	1 827	2 221
1.1. Salaries for the reporting period (vacation bonus excl.)	7 605	6 829	797	782	1 401	1 703
a) premiums	0	0	0	0	0	0
b) bonuses	0	0	0	0	и	0
c) other incentive payments, the bases for which are the indices of labour or performance	0	0	0	0	0	0
1.2. Annual paid holidays for operations in the reporting period	0	0	0	0	0	0
1.3. Total other payments for the benefit of key management personnel (not depending on the respective terms in the labour contract), incl.:	0	0	0	0	0	0
a) the Company's payment for public services	0	0	0	0	0	0
b) the Company's payment for medical care, incl. treatment	0	0	0	0	0	0
c) one-off pecuniary aid payments for vacation	0	0	0	0	0	0
d) full or partial vacation bonus	0	0	0	0	0	0
e) full or partial payment for education in the private interests	0	0	0	0	0	0
f) others (please, specify), incl.:	0	0	0	0	0	0
compensation for residential premises lease	0	0	0	0	0	0
material aid for mortgage repayment	0	0	0	0	0	0
1.4. Taxes payable and other compulsory payments into the respective budgets and extra-budgetary funds	2312	1 942	242	238	426	518
2. Long-term compensations, incl.:	0	0	0	0	0	0
2.1. Compensations upon withdrawal, incl.:	0	0	0	0	0	0
a) payments under the voluntary insurance contracts concluded with the insurance companies	0	0	0	0	0	0
b) payments under the non-governmental retirement insurance contracts concluded with the non-governmental pension funds	0	0	0	0	0	0
c) other pension and social safety net payments upon withdrawal	0	0	0	0	0	0
2.2. Other long-term compensations	0	0	0	0	0	0
2.3. Long-term compensation charges	0	0	0	0	0	0
3. TOTAL (short-term and long-term) compensations, charges excl.	7 605	6 829	797	782	1 401	1 703
4. TOTAL (short-term and long-term) compensation payments	2 312	1 942	242	238	426	518

6.14. Going Concern Principle

Accounting (financial) statements of Kubanenergo PJSC for 2018 have been prepared on a going concern basis, which assumes that the Company is able to sell its assets and

discharge its liabilities in the normal course of business in the foreseeable future. As reflected in the accounting (financial) statements the Company's net profit in 2016 amounted to 151 198 thousand rubles (in 2015 net profit amounted 525 276 thousand rubles). Short-term liabilities of the Company as of 31 December 2018 amounted to 25 699 636 thousand rubles; including debt obligations in the amount of 11 395 279 thousand rubles.

The Company has available credit, allowing refinancing of borrowed funds, urgent to maturity in 2019. The total amount of the credit limit with maturity in 2020-2023 as at 31 December 2018 is 12 428 071 thousand rubles, including at Sberbank PJSC in the amount of 8 645 071 thousand rubles, and at Russian Regional Development Bank (JSC) in the amount of 3 783 000 thousand rubles. Besides, the company has overdraft lending limits at Sberbank and GPB Bank (JSC) with a total amount of 1 000 000 thousand rubles.

We assume that the cash flow from business activity in 2019 will enough to cover our obligations that are due in 2019.

Thus, despite the shortage of working capital, the Company's management believes that the Company will be able to meet all its current obligations in 2019.

6.15. Estimated Liabilities, Contingent Assets and Liabilities

In 2018 the Company recognized in the accounting the estimated liabilities related to possible compensation for unused vacation in the amount of 436 549 thousand rubles, partly the written off previously formed a provision in the amount of 429 069 thousand rubles, the balance as of the end of the reporting period amounted 265 565 thousand rubles. As of 31 December 2018 a provision related to the possible payment of remuneration for the year was recognized in the amount of 348 878 thousand rubles.

The amount of liabilities on outstanding claims at the beginning of reporting period is reflected in the financial statements in the amount of 824 373 thousand rubles, including 647 742 thousand rubles in part of inconsistent volume of losses, 176 631 thousand rubles in terms of electricity transmission services. Charges totaled 202 266 thousand rubles, including 31 331 thousand rubles in part of inconsistent volume of losses, 170 935 749 thousand rubles in terms of electricity transmission services. The amount of the estimated liability for outstanding claims of providers at end of period is 476 031 thousand rubles, including 2 44 422 thousand rubles in part of inconsistent volume of losses, 231 609 thousand rubles in terms of electricity transmission services.

The amount of the provision for judicial disputes is 22 759 thousand rubles, other estimated liabilities – 34 796 thousand rubles (annex 5.7.1).

Discounting of the value of the recognized estimated liabilities was not made because the expected period of performance is less than 12 months after the balance sheet date.

The expected amount of counter-claims or amounts to a third party claims in respect of costs which the Company will incur in the performance of obligations and assets recognized by such requirements in accordance with paragraph 19 of PBU 8/2010 at the balance sheet date are absent.

Due to the fact that the current tax legislation of the Russian Federation permits the possibility of different interpretations of the concepts and terms of civil, family and other branches of the Russian legislation used in the Tax Code of the Russian Federation, the position of the Company's management regarding taxes may be challenged by tax authorities, in particular pertaining to qualification of immovable

(movable) property and determining its composition when calculating tax on property. The risk of claims from the tax authorities, as well as the likelihood of unfavorable resolution of tax disputes (if they arise) is assessed by the Company as “possible”. The management of the Company assesses conditional tax risks in the range of 500 million rubles, which does not exceed 1% of the value of the Company’s assets.

6.16. Events After the Reporting Date

The Company accounts events occurring after the reporting date and makes disclosure thereof in the statements in accordance with the Accounting Regulations “Events Occurring after the Reporting Date” PBU 7/98 approved by Decree of the Ministry of Finance of the Russian Federation No. 56n of 25.11.1998.

On 5 February 2019, the decision of the Fifteenth Commercial Court of Appeal in case No.A32-1878/2018 satisfied the claims of TNS Energo Kuban PJSC to recover the cost of electrical energy released by Yugvodokanal LLC in the amount of 318 702 thousand rubles. This fact of business activity is qualified by Kubanenergo PJSC as a significant event and is reflected accordingly in the financial statements for 2018.

There are no other facts of economic operations, which have, or in the future may have, an impact on the financial condition or the performance of the Company and which occur from the reporting date (31 December 2018) till the date of signing of the accounting statements for 2018.

Deputy Director General in charge of
Economics and Finances of Kubanenergo PJSC

Ocheredko O.V.

Skiba I.V.

Chief Accountant - Head of Department for
Accounting, Tax Accounting and Reports,
Kubanenergo PJSC

19 February 2019

Annexes to the Balance Sheet and to the Income Statement

- Annex 5.1.1 Stocks and Transactions of Intangible Assets
- Annex 5.2.1 R&D Stocks and Transactions
- Annex 5.2.2 R&D in Progress, Unexecuted R&D and Intangible Assets Acquisition Transactions in Progress
- Annex 5.3.1 Stocks and Transactions of Fixed Assets
- Annex 5.3.3 Changes in the Fixed Assets Value as a Result of Completion of Construction, Extra Fitting, Reconstruction and Partial Liquidation
- Annex 5.3.4 Other Use of Fixed Assets
- Annex 5.3.5 Capital Investments in Progress
- Annex 5.3.6 Advances for Capital Construction and Fixed Assets Acquisition
- Annex 5.4.1 Presence and Flow of Financial Investments
- Annex 5.4.2 Adjustments of Financial Investment Estimates
- Annex 5.5.1 Stocks and Transactions of Inventories
- Annex 5.5.2. "Pledged Inventory"
- Annex 5.6.1 Stocks and Transactions of Accounts Receivable
- Annex 5.6.3 Overdue Accounts Receivable
- Annex 5.6.5 Stocks and Transactions of Accounts Payable
- Annex 5.6.6 Overdue Accounts Payable
- Annex 5.6.7 Loans and Borrowings
- Annex 5.6.8 Cost of Loans and Borrowings
- Annex 5.7.1 Estimated Liabilities
- Annex 5.7.2 Deferred Taxes
- Annex 5.8 Provisions
- Annex 5.9 Government Aid
- Annex 5.11 Other revenues and expenses
- Annex 5.13 "Information of Reportable Segments"
- Annex 2.1 Cost of Sales, Works and Services by Cost Elements
- Annex 2.2 Earnings per Share, Diluted Earnings per Share
- Annex 2.3 Taxation of Profit