

The largest and most significant power facilities of the below applicants were connected to the Company's power grids in 2020 (MW)

Applicant	Connected capacity
NESK Elektroseti JSC	87.0
OTEKO-Portservice LLC	12.4
Tamaneftegaz CJSC	10.0
Food Ingredients LLC	10.0
Logistic Center Adygea 1 LLC	8.9
Romex Development LLC	4.9
Gazprom Dobycha Krasnodar LLC	2.2

In 2020, significant capacities were allocated to meet the electricity demand of housing projects, the high rates of which were observed in recent years in the region. More than 1.4 thousand agreements for a total capacity of 139 MW were implemented.

Among the largest multi-unit apartment buildings connected to the Company's power grids in 2020 are: multi- and middle-story construction facilities in Krasnodar on Pokryshkina St. - Romex Development LLC (with a capacity of 4.9 MW) and on Voiskovaya St. - Krasnodar Stroy Center LLC (4.4 MW); residential complexes in the Prikubansky District of Krasnodar - Stroygarant LLC (3.6 MW), Invest Stroy LLC (3.5 MW), Pobeda-K Construction Company LLC (3.2 MW) and DARSTROY LLC (3 MW). Also, the residential complex "Symphony" (second

phase) on Rossiyskaya St. in Krasnodar, Development-Yug construction and investment corporation (2.1 MW), and a residential complex in microdistrict Kudepsta-3 in Sochi, Monolit LLC (2.8 MW) were connected.

The agricultural sector and the food industry, which require no less power capacity than other sectors, have always played a strategic role in the economic structure of the Southern Russia. In 2020, Rosseti Kuban implemented over 690 grid connection agreements for agricultural facilities for a total capacity of more than 30 MW. Of these, the largest agricultural facilities are: Agrofirma "Privolye" LLC (1.5 MW), Agrocomplex Company Named After N.I. Tkachev JSC (1 MW), Kuban Compound Feed Mill LLC (0.5 MW), Agro-Processing Complex "Dary Kubani" LLC (0.5 MW), Soyuz-Agro LLC (0.5 MW).

Consumer Demand for Grid Connection in 2020

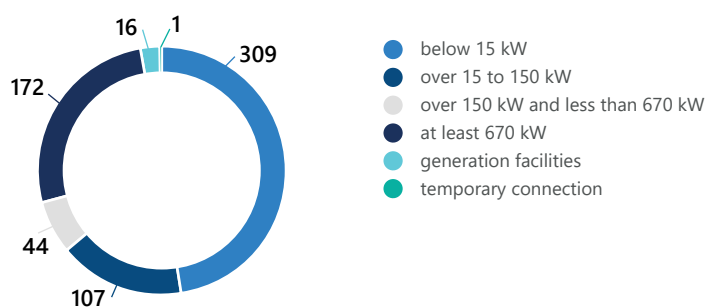
The Company concluded 26,379 agreements for connection to Rosseti Kuban power grids for a total capacity of 650 MW with a total value of RUB 2.87 bn, excl. VAT. Since 2018, the demand for grid connection has remained at a persistently

high level. On average, at least 30 thousand applications are annually received and about 26–29 thousand agreements are concluded.

Grid Connection Agreements Concluded in 2020

Connection categories		For total capacity, kW
Up to 15 kW inclusive, total	24,450	309,282
Including individuals up to 15 kW inclusive	20,715	264,309
Over 15 kW to 150 kW inclusive	1,586	106,826
Over 150 kW and less than 670 kW	177	44,139
At least 670 kW	114	171,686
Power generation facilities	4	16,262
Total, excl. temporary grid connection	26,331	648,195
Temporary connection	48	1,346
Total, incl. temporary grid connection	26,379	649,541

The Structure of the Rosseti Kuban's Agreements Concluded in 2020 by the Capacity Connected (MW)



Revenue and Funds Raised

In the reporting year, the revenue for the grid connection services amounted to RUB 731 mln (excl. VAT), or 112% of the planned value. The overachievement of the target is the result of ongoing work carried out by Rosseti Kuban to interact with applicants to ensure that contractual obligations are fulfilled as soon as possible. The major focus is also placed on the provision of additional services to applicants in terms of fulfilling the technical conditions for their obligations, which in turn reduces the terms of contract execution.

The overfulfillment of the target on receipt of funds is associated with the receipt of advances from the applicants earlier than the planned date under the grid connection agreements.

Revenue from grid connection in 2020 (RUB 731 mln), down by RUB 3,475 mln year-on-year. The deviation is due to the execution of contracts with large consumers in 2019 – Taman Federal Highway Administration of the Federal Road Agency FSI and Rostransmodernization FSI, the total revenue of which amounted to RUB 3,546 mln.

At of year-end 2020, the Company received RUB 1,922 mln (incl. VAT) for grid connection services, which is 318% higher than the planned value and 19% (RUB 307 mn) more than the same indicator for 2019 (RUB 1,615 mn (incl. VAT)).

This is due to the receipt of large advances in 2020 under the concluded grid connection agreements: RUB 689.9 mln – from Caspian Pipeline Consortium - R CJSC, RUB 120 mln – from Studio Project Design LLC.

Progress under the 2020 Plan for Revenue and Collection of Funds for Grid Connection Services by Branches

Power grids (Company's branches)	Funds, incl. VAT (RUB thsd)			Revenue, excl. VAT (RUB thsd)		
	Target	Actual	%	Target	Actual	%
Total	604,332	1,921,771	318.00	655,015	731,309	111.65
Sochi	99,859	443,169	443.79	201,284	212,945	105.79
Krasnodar	37,571	322,972	859.64	185,676	240,412	129.48
Southwest	388,838	936,102	240.74	62,288	62,349	100.10
Adygea	5,630	41,635	739.54	15,306	25,009	163.39
Armavir	5,855	22,416	382.86	7,707	9,832	127.58
Labinsk	978	4,187	428.10	8,194	11,312	138.06
Leningrad	4,135	20,460	494.80	25,451	31,716	124.62
Slavyansk	36,352	42,177	116.02	124,771	112,492	90.16
Timashevsk	11,885	60,957	512.87	12,709	13,586	106.90
Tikhoretsk	7,452	18,997	254.92	2,742	3,627	132.25
Ust-Labinsk	5,777	8,699	150.57	8,886	8,028	90.34