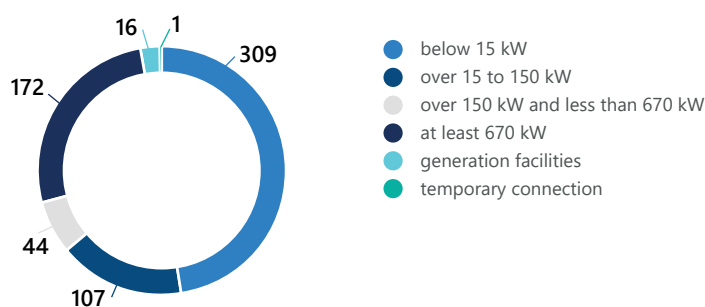


The Structure of the Rosseti Kuban's Agreements Concluded in 2020 by the Capacity Connected (MW)



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

When split by branches, the revenue target was achieved almost uniformly, without significant fluctuations. The power Grids of Slavyansk and Ust-Labinsk fulfilled the revenue indicator by 90%.

The greatest excess of the actual indicators over the target ones for the receipt of funds was shown by the Power Grids of Krasnodar and Adygeya, which is due to the receipt of advances from the applicants earlier than the planned date under the grid connection agreements (including from Research Institute - Regional Clinical Hospital No. 1 named after Professor S. V. Ochapovsky", Regional Clinical Hospital No. 2, Kuban State University of Physical Culture, Sports

and Tourism, Renewable Energy Sources LLC). Also in 2020, a large advance payment (RUB 689.9 mn) was received under the agreement with Caspian Pipeline Consortium - R CJSC.

In 2021, the planned Company's revenue from grid connection services is at least RUB 2.3 bn (excl. VAT). Major grid connection objects in terms of revenue will be: Caspian Pipeline Consortium – R CJSC, (estimated revenue – RUB 1.15 bn, excl. VAT), Novoroslesexport JSC (RUB 250.59 mln), Research Institute - Regional Clinical Hospital No. 1 named after Professor S. V. Ochapovsky (RUB 238.09 mn), All-Russian Children's Center "Orlyonok" (RUB 189.37 mln).

Grid Connection of Generating Facilities

Applicant	Generation Facility Connected	Required capacity for the grid connection of generating units for power supply to the grid, voltage rating	The grid connection agreement date, price (excl. VAT)	Status of the grid connection of the facility at the end of 2020
Rosneft	Tuapse Refinery	24 MW, 110 kV	01.04.2010 RUB 56.37 mln	The agreement is on the way. On December 21, 2016, Rosseti Kuban notified the Applicant of the completion of work provided for by technical specifications and the readiness to the actual connection of the Facility according to the applicable legislation. The grid connection deadline is May 30, 2022
ART-TECH LLC	Electric facilities of a land plot for the arrangement of a logistics center	6.2 MW, 10 kV	29.05.2020, RUB 4.14 mln	The agreement is on the way. The grid connection deadline is May 29, 2022
Renewable energy sources LLC	Electric facilities of a land plot for space activities, defense, security	4.5 MW, 10 kV	12.08.2020, RUB 7.13 mln	The agreement is on the way. The grid connection deadline is August 12, 2022
Verkhnebakansky Cement Plant OJSC	Verkhnebakansky Cement Plant OJSC's power plant	56.41 MW, 6 kV	03.09.2015 RUB 0.09 mln	The agreement is on the way. On February 18, 2019, Rosseti Kuban notified the Applicant of the readiness to the actual connection of the Facility according to the applicable legislation. The grid connection deadline is December 31, 2021
Novoroscement OJSC	GPU-based (gas piston unit) energy center with a capacity of 17,600 kW	17.60 MW 110 kV	04.03.2019 RUB 11.40 mln	The agreement is on the way. On March 4, 2019, Rosseti Kuban notified the Applicant of the readiness to the actual connection of the Facility according to the applicable legislation. The grid connection deadline is March 4, 2021. In accordance with the Applicant's request to extend the grid connection deadline, a corresponding supplementary agreement to the contract is being prepared