

Independent Auditor's Report
on Accounting (Financial) Statements of
**Public Joint Stock Company of
Power Industry and Electrification of Kuban**
for 2019

February 2020

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Contents	page
Independent Auditor's Report	3
Appendices	
Accounting (Financial) Statements of Public Joint Stock Company of Power Industry and Electrification of Kuban for 2019:	
Balance Sheet	9
Statement of Financial Result	11
Appendices to the Balance Sheet and Statement of Financial Results	12

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Independent Auditor's Report

To: the shareholders and the Board of Directors
of Public Joint Stock Company of Power Industry
and Electrification of Kuban

Opinion

We have audited the accompanying accounting (financial) statements of Public Joint-Stock Company of Power Industry and Electrification of Kuban(hereinafter –the Company) which comprise the balance sheet as of December 31, 2019, Statement of Financial Results for 2019, and appendixes thereto.

In our opinion, the accompanying accounting (financial) statements present fairly, in all material respects, the financial position of the Company as at December 31, 2019, and its accounting performance and cash flows for 2019 in accordance with the accounting (financial) statements preparation rules established by the Russian Federation.

Basics for Opinion

We conducted our audit in accordance with the International Standards of Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Accounting Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and with the ethical requirements that are relevant to our audit of the accounting (financial) statements in the Russian Federation, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of the most significance in our audit of the accounting (financial) statements of the current period. These matters were addressed in the context of our audit of the accounting (financial) statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the accounting (financial) statements section of our report, including in relation to these matters. Accordingly, our audit included procedures designed to respond to our assessment of the risks of

material misstatement of the accounting (financial) statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying accounting (financial) statements.

Key audit matter	How the matter was addressed in our audit.
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Recognition and measurement of revenue from electricity transmission services

Recognition and measurement of revenue from electricity transmission services was one of the most significance in our audit due to certain mechanisms of operation of retail electricity market that stipulate presence of disagreements between network, energy supply and other companies pertaining to the volume and cost of transmitted electricity. The sum of the disputable revenue is considered as material for the accounting (financial) statements of the Company. The assessment by the Company's management of favorable outcome of the dispute resolution is, to a large extent, subjective. The revenue is recognized when, with regard of assumptions, disputes are resolved in favor of the Company.

Information on the revenue from electricity transmission services is disclosed in Clause XX of Notes to the Accounting Statements and Statement of Financial Results.

Impairment of accounts receivable

In our opinion, **the matter of impairment of accounts receivable** was one of the most significance in our audit due to significant balances of the Company's accounts receivable as of December 31, 2019 as well as due to the fact that the management estimate of collectability of the receivables is based on the assumptions, in particular, forecasting financial solvency of the Company's customers.

Information on impairment of accounts receivable is disclosed in Clause XX of Notes to the Accounting Statements and Statement of Financial Results.

We have review the Company's policy on recognizing revenue from electricity transmission services; evaluated the system of internal control over revenue recognition; reviewed the accuracy of determined revenue amounts based on concluded electricity transmission contracts; on a sample basis obtained confirmations of accounts receivable balances from the counterparties; analyzed outcomes of litigations in respect of disputed amounts for the provided services, if any; and evaluated exiting procedures for confirming the volume of transmitted electricity.

We have analyzed the adequacy of the Company's policy on reviewing accounts receivable and determining whether accounts receivables impairment allowance should be established, as well as procedures of confirming the reasonableness of the estimates made by the management of the Company, including review of accounts receivable payments, review of maturity dates and overdue debts, review of customers' financial solvency.

We have performed audit procedures in respect of information used by the Company for determining the impairment of accounts receivable, in respect of classification of accounts receivable by their maturity dates; tested accuracy of calculating the allowance on the basis of the management estimates.

Key audit matter**How the matter was addressed in our audit.****Recognition, measurement and disclosure of provisions and contingent liabilities**

Recognition, measurement and disclosure of provisions and contingent liabilities in respect of litigations and claims of counterparties (including territorial electric grid companies and energy supply companies) were matters of the most significance in our audit because they require a lot of management judgments in respect of significant amounts of balance of payments between counterparties being in dispute in the course of litigations or in the process of pre-trial procedures.

Information on provisions and contingent liabilities are disclosed in Clause XX of Notes to the Accounting Statements and Statement of Financial Results.

The audit procedures included review of court rulings made by courts of different levels, and review of adequacy of management judgments in respect of the assessment of possibility of outflow of economic resources following dispute resolutions, review of conformity of the prepared documentation with the existing contracts and compliance with the law.

Other information

Audit of accounting (financial) statements of Public joint-stock company of power industry and electrification of Kuban for 2017 was conducted by other auditor that expressed unqualified audit opinion concerning the statements on February 22, 2018.

Other information included in the annual report for 2019

Other information includes information contained in the annual report for 2019, but does not include accounting (financial) statements and our audit report on it. The Management is responsible for other information. The annual report for 2019 is expected to be provided after the date of this audit report.

Our opinion on the accounting (financial) statements does not apply to other information, and we do not provide a conclusion that provides in any form confidence in this information.

Since we are conducting our audit of the accounting (financial) statements, our responsibility to study other above-mentioned information when it is provided to us, and, in doing so, consider whether the other information is materially inconsistent with the accounting (financial) statements our knowledge obtained in the course of audit or otherwise appears to be materially misstated.

Responsibilities of Management and the Audit Committee of the Board of Directors for the Accounting (Financial) Statements

The Management is responsible for the preparation and fair presentation of the accounting (financial) statements in accordance with the Russian Federation accounting (financial) statements preparation rules, and for such internal control as management determines is necessary to enable the preparation of accounting statements that are free from material misstatement, whether due to fraud or error.

In preparing the accounting (financial) statements, the Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Audit Committee of the Board of Directors is responsible for overseeing the preparation of the accounting (financial) statements of the Company.

Auditor's responsibility for the Audit of the Accounting (Financial) Statements

Our objectives are to obtain reasonable assurance on whether the accounting (financial) statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these accounting (financial) statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the accounting (financial) statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- ▶ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the accounting statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on

the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;

- ▶ Evaluate the overall presentation, structure and content of the accounting (financial) statements, including the disclosures, and whether the accounting (financial) statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Audit Committee of the Board of Directors of the Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee of the Board of Directors of the Company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee of the Board of Directors of the Company, we determine those matters that were of most significance in the audit of the accounting (financial) statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Manager in charge of the audit resulting in this independent auditor's report is Kalmykova A.B.

Kalmykova A.B.
Partner
Ernst & Young LLC
Krasnodar

20 February 2020

Details of the audited entity

Name: Public Joint-Stock Company of Power Industry and Electrification of Kuban
Record made in the State Register of Legal Entities on 17 September 2002; Primary state registration number 1022301427268
Address: 2A Stavropolskaya Street, Krasnodar 350033, Russia

Details of the auditor

Name: Ernst & Young LLC
Record made in the State Register of Legal Entities on 5 December 2002, State Registration Number 1027739707203.
Address: 77/1 Sadovnicheskaya naberezhnaya, Moscow 115035, Russia
Ernst & Young LLC is a member of Self-regulated organization of auditors "Russian Union of auditors" (Association) ("SRO RUA"). Ernst & Young LLC is included in the control copy of the register of auditors and audit organizations, main registration number 12006020327.

A member firm of Ernst & Young Global Limited

Balance sheet					
as at December 31 2019					
					Codes
Form of OKUD					0710001
Date (day, month, year)					31 12 2019
Company Kubanenergo PJSC					OKPO 00104604
Taxpayer Identification Number					TIN 2309001660
Economic activity electric power transmission					OKVED 2 35.12
Legal form/form of property					OKOPF/OKFS 12247 16
Public Joint Stock Company / privately owned					OKEI 384
Unit of measurement: thousands of RUR					
Registered office (address) 350033, the Russian Federation, Krasnodar, 2A Stavropolskaya Street					
Financial statements are audited <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO					
Name of audit organization/surname, first name, patronymic (if any) of registered auditor					
Limited Liability Company Ernst & Young					
Taxpayer Identification Number of audit organization/registered auditor					TIN 7709383532
Primary State Registration Number of audit organization/registered auditor					PSRNP / PSRNSP 1027739707203
Note	Line item	Line code	As at December 31 2019	As at December 31 2018	As at December 31 2017
	ASSETS				
	I. NON-CURRENT ASSETS				
5.1.1.-5.2.2.	Intangible assets	1110	134,682	38,621	33,456
5.2.2.	including non-complete transactions on acquisition of intangible assets	1111	7,500	7,500	6,000
5.2.1.-5.2.2.	Research and development results	1120	33,756	107,450	69,571
5.2.2.	including expenses for non-complete research and development	1121	33,756	107,450	69,571
	Intangible development assets	1130	-	-	-
	Tangible development assets	1140	-	-	-
5.3.1.-5.3.6.	Fixed assets	1150	63,343,130	62,534,635	59,659,050
	Lands and objects of nature management	1151	136,411	136,330	136,244
	Buildings, machinery, equipment, construction	1152	59,270,093	50,768,189	50,815,750
	Other fixed assets	1153	262,534	207,553	260,043
5.3.5.	Construction in progress	1154	3,069,476	10,190,196	6,737,703
5.3.6.	Advances issued for investment building and purchase of fixed assets	1155	30,056	341,336	1,054,174
	Raw materials intended to be used in case of fixed assets creation*	1156	574,560	891,031	655,136
5.3.1.	Income-bearing investments in tangible assets	1160	-	-	-
5.4.1.-5.4.3.	Financial investments	1170	39,050	37,556	36,004
	Investments in subsidiary companies	1171	39,049	37,555	36,003
	Investments in affiliates	1172	-	-	-
	Investments in other companies	1173	1	1	1
	Loans given to companies for the period of more than 12 months	1174	-	-	-
	Financial investments	1175	-	-	-
5.7.2.	Deferred tax assets	1180	792,989	764,948	881,948
	Other non-current assets	1190	291,676	130,725	84,981
	Total non-current assets	1100	64,635,283	63,613,935	60,765,010
	II. CURRENT ASSETS				
5.5.1.-5.5.2.	Inventory	1210	1,835,632	1,861,538	1,580,657
	Raw materials and other equivalent supplies	1211	1,832,183	1,861,538	1,580,657
	Work-in-progress	1212	-	-	-
	Finished goods and goods for resale	1213	1,396	-	-
	Shipped goods	1214	2,053	-	-
	Other inventories and expenses	1215	-	-	-
	VAT on purchased assets	1220	2,558	2,450	6,020
5.6.1.-5.6.4.	Accounts receivable	1230	7,433,109	7,057,410	6,847,388
	Payments expected beyond 12 months of the reporting date	1231	25,601	22,880	28,694
	Buyers and customers	123101	462	1,128	-
	Notes receivable	123102	-	-	-
	Advances issued	123103	-	-	-
	Other accounts receivable	123104	25,139	21,752	28,694
	Payments expected within 12 months of the reporting date	1232	7,407,508	7,034,530	6,818,694
	Buyers and customers	123201	6,610,771	6,205,537	6,155,946
	Notes receivable	123202	-	-	-
	Receivables from subsidiaries and affiliates for dividends	123203	-	-	-
	Receivables from participants (shareholders) for contributions to charter capital	123204	-	-	-
	Advances issued	123205	32,700	34,489	32,118
	Other accounts receivable	123206	764,037	794,504	630,630
5.4.1.-5.4.3.	Financial investments (except cash equivalents)	1240	-	-	-
	Loans given to companies for the period of less than 12 months	1241	-	-	-
	Other short-term financial investments	1242	-	-	-
F.4	Cash and cash equivalents	1250	1,699,590	2,194,482	1,667,698
	Cash in bank	1251	-	-	-
	Current accounts	1252	1,699,590	2,194,307	1,667,376
	Foreign currency accounts	1253	-	-	-
	Other cash	1254	-	175	322
	Other current assets	1260	625,747	1,179,000	989,980
	Total currents assets	1200	11,596,636	12,294,880	11,091,743
	BALANCE	1600	76,231,919	75,908,815	71,856,753

Note	Line item	Line code	As at December 31	As at December 31	As at December 31
			2019	2018	2017
LIABILITIES					
III. EQUITY AND RESERVES					
	Charter capital (share capital, charter fund, contributions of partners)	1310	30,379,335	30,379,335	28,286,813
3.1.	Capital (before the amendments are registered)	1311	3,086,449	-	2,092,522
3.1.	Treasury shares	1320	-	-	-
5.3.1.-5.1.1.	Revaluation of non-current assets	1340	-	10,736,476	10,755,560
3.1.	Additional paid-in capital (without revaluation)	1350	6,481,916	6,481,916	6,481,916
3.1.	Capital reserve	1360	302,820	295,260	268,996
3.1.	Accumulated profit (accumulated losses)	1370	359,366	(12,654,441)	(12,476,889)
	of past years	1371	(2,068,645)	(12,805,639)	(13,002,165)
	of reporting period	1372	2,428,011	151,198	525,276
	Total equity and reserves	1300	40,609,886	35,238,546	35,408,918
IV. NON-CURRENT LIABILITIES					
5.6.7.-5.6.8.	Borrowings	1410	19,432,911	13,283,239	22,617,796
	Bank loans subject to redemption beyond 12 months of the reporting date	1411	19,432,911	9,683,239	15,617,796
	Loans subject to redemption beyond 12 months of the reporting date	1412	-	3,600,000	7,000,000
5.7.2.	Deferred tax liabilities	1420	1,133,763	438,719	178,832
5.7.1.	Estimated liabilities	1430	-	-	-
5.6.5.-5.6.6.	Other liabilities	1450	1,161,583	1,248,675	989,505
	Total non-current liabilities	1400	21,728,257	14,970,633	23,786,133
V. CURRENT LIABILITIES					
5.6.7.-5.6.8.	Borrowings	1510	3,652,592	11,395,279	91,064
	Bank loans subject to redemption within 12 months of the reporting date	1511	19,652	7,915,101	13,120
	Loans subject to redemption within 12 months of the reporting date	1512	3,632,940	3,480,178	77,944
5.6.5.-5.6.6.	Accounts payable	1520	8,757,713	12,833,089	11,044,750
	Suppliers and contractors	1521	5,136,188	5,238,557	6,198,136
	Notes payable	1522	-	-	-
	Wages payable	1523	273,713	313,073	209,427
	Debts owed to state non-budgetary funds	1524	157,086	120,710	108,782
	Taxes and dues payable	1525	642,898	606,530	258,006
	Advances received	1526	1,876,504	5,164,803	2,889,096
	Delay from participants (shareholders) in paying revenues	1527	453	919	500
	Other accounts payable	1528	670,871	1,388,497	1,380,803
	Unearned revenues	1530	138,274	123,239	126,616
5.7.1.	Estimated liabilities	1540	1,339,596	1,348,029	1,399,272
	Other liabilities	1550	5,601	-	-
	Total current liabilities	1500	13,893,776	25,699,636	12,661,702
	BALANCE	1700	76,231,919	75,908,815	71,856,753
Chief Executive Officer	(signature)	Sergeev S.V.	(signature)	Chief accountant	(signature)
				Skiba I.V.	
* 20 *	February	20 20			

Statement of Financial Results		for January-December 2019		Codes	
Company	Kubanenergo PJSC	Form of OKUD	0710002	Date (day, month, year)	31 12 2019
Taxpayer Identification Number		OKPO	00104604	TIN	2309001660
Economic activity	electric power transmission	OKVED 2	35.12		
Legal form/form of property	Public Joint Stock Company	OKOPF/OKFS	12247 16		
Unit of measurement: thousands of RUR		OKEI	384		

Note	Line item	Line code	for January-December 2019	for January-December 2018
1	2	3	4	5
	Revenue	2110	51,003,699	46,401,079
	including			
	Revenue from electric power transmission	2111	46,515,696	45,583,484
	Revenue from technological connection	2112	4,206,155	602,467
	Revenue from organization of the functioning and development of unified energy system (UES) of Russia relating to integrated distribution power grid	2113	-	-
	Revenue from resale of electric power and capacity	2114	-	-
	Income derived from participatory interest in the charter capital of other companies	2115	-	-
	Lease revenue	2116	14,905	17,029
	Revenue from sales of other products, goods, works, services of a commercial character	2117	266,943	198,099
	Revenue from sales of other products, goods, works, services of a non-commercial character	2118	-	-
2.1.	Cost of sales	2120	(43,773,854)	(41,461,392)
	including			
	Cost of electric power transmission	2121	(42,302,088)	(40,465,545)
	Cost of technological connection	2122	(1,231,482)	(833,487)
	Cost of organization of the functioning and development of unified energy system (UES) of Russia relating to integrated distribution power grid	2123	-	-
	Cost resale of electric power and capacity	2124	-	-
	Cost of participatory interest in the charter capital of other companies	2125	-	-
	Cost of lease services	2126	(8,741)	(8,549)
	Cost of other products, goods, works, services of a commercial character	2127	(231,543)	(153,811)
	Cost of other products, goods, works, services of a non-commercial character	2128	-	-
	Gross profit (loss)	2100	7,229,845	4,939,687
2.1.	Selling costs	2210	-	-
2.1.	Administrative expenses	2220	(162,236)	(155,482)
	Profit (loss) from goods sold	2200	7,067,609	4,784,205
	Income derived from participatory interest in the charter capital of other companies	2310	635	9,068
	Interest receivable	2320	67,390	81,528
	Interest payable	2330	(1,971,069)	(1,911,383)
5.11.	Other revenues	2340	2,269,626	2,575,341
5.11.	Other expenses	2350	(3,909,428)	(4,258,941)
	Profit (loss) before tax	2300	3,524,763	1,279,818
2.3.	Current income tax	2410	(727,232)	(615,276)
2.3.	Including permanent tax liabilities (assets)	2421	676,838	675,921
2.3.	Changes in deferred tax liabilities	2430	(695,658)	(259,907)
2.3.	Changes in deferred tax assets	2450	41,099	(56,702)
2.3.	Other	2460	285,039	(196,735)
	Net profit (loss)	2400	2,428,011	151,198

Note	Line item	Line code	for January-December 2019	for January-December 2018
5.1.1. 5.3.1.	BACKGROUND INFORMATION Surplus on revaluation of non-current assets not included in the net profit (loss) of the period	2510	-	-
3.2.	Surplus on other operations not included in the net profit (loss) of the period	2520	-	-
	Comprehensive financial result for the period	2500	2,428,011	151,198
2.2.	Basic earnings (loss) per share	2900	7.7940	0.4980
2.2.	Diluted earnings (loss) per share	2910	7.7940	0.4980

Chief Executive Officer Sergeev S.V.
(signature)

Chief accountant Skiba I.V.
(signature)

" 20 " February 20 20

2.1. Cost of good sold, works, services according to elements of costs

Indication		for January-December	for January-December
Line item	Line code	2019	2018
1	2	3	4
Cost of production	6510	43,773,854	41,461,392
including			
Material cost	6511	9,591,487	8,992,760
Labour costs	6512	4,590,159	4,490,001
Compulsory insurance, insurance against accidents at work and work-related diseases	6513	1,346,895	1,298,452
Amortization	6514	4,245,097	3,966,930
Miscellaneous Expenditures	6515	24,000,216	22,713,249
For reference: Changes in inventories and reserves (increase [+], decrease [-]):	6520	-	-
including			
Work-in-progress	6521	-	-
Finished products	6522	-	-
Purchased goods	6523	-	-
Goods delivered	6524	-	-
Auxiliary materials	6525	-	-
Total cost of sales	6500	43,773,854	41,461,392
Selling expenses	6550	-	-
including			
Material cost	6551	-	-
Labour costs	6552	-	-
Compulsory insurance, insurance against accidents at work and work-related diseases	6553	-	-
Amortization	6554	-	-
Miscellaneous Expenditures	6555	-	-
Administrative expenses	6560	162,236	155,482
including			
Material cost	6561	-	-
Labour costs	6562	17,189	11,887
Compulsory insurance, insurance against accidents at work and work-related diseases	6563	4,772	3,516
Amortization	6564	-	-
Miscellaneous Expenditures	6565	140,275	140,079
Chief accountant		Skiba I.V.	
	(signature)	(signature)	
« 20 »	February	20 20	

2.2. Earnings Per Share, diluted earnings per share

Indication		For January-December	For January-December
Line item	Line code	2019	2018
1	2	3	4
Net profit (accumulated losses) of the reporting period	6610	2,428,011	151,198
Preferred dividends ³	6611	-	-
Basic earnings (loss) of the reporting period	6612	2,428,011	151,198
Weighted average number of ordinary shares outstanding during the accounting period	6613	311,509	303,793
Basic earnings (loss) per share	6620	7.7940	0.4980
Weighted average market value per ordinary share	6621	71	60
Possible increment in profit and weighted average number of shares outstanding	6630	X	X
As a result of conversion of preferred shares into ordinary shares	6631	X	X
possible increment in profit	66311	-	-
additional number of shares	66312	-	-
As a result of conversion of the bonds into ordinary shares	6632	X	X
possible increment in profit	66321	-	-
additional number of shares	66322	-	-
As a result of performance of Share Sale and Purchase at a below-market price	6633	X	X
contract purchase price	66331	-	-
possible increment in profit	66332	-	-
additional number of shares	66333	-	-
Diluted Earnings per Share	6640	7.7940	0.4980
adjusted value of basic earnings	6641	2,428,011	151,198
adjusted value of weighted average the number of shares outstanding	6642	311,509	303,793

Chief accountant _____ Skiba I.V.
 (signature) (signature)

« 20 » February 20 20

2.3. Profit taxation

Line item	Line code	For January- December 2019	For January- December 2018 года
1	2	3	4
Profit (loss) before tax	6710	3,524,763	1,279,818
as well as taxed at a rate:			
20%	67101	3,524,763	1,279,818
other rates	67102	-	-
untaxed	67103	-	-
Permanent difference	6711	3,384,191	3,379,607
Changes in temporary subtractive differences	6712	205,493	(283,512)
Changes in taxable temporary differences	6713	(3,478,291)	(1,299,533)
Income Tax Expense (Potential Tax Benefit)	6721	704,953	255,964
Permanent tax liability (asset)	6722	676,838	675,921
Changes in deferred tax asset	6723	41,099	(56,702)
Changes in deferred tax liability	6724	(695,658)	(259,907)
Current corporate income tax	6725	(727,232)	(615,276)
Amounts of corporate income tax for prior tax periods (according to adjusted declarations, tax inspections)	6726	305,493	(48,472)
Other tax payments and penalties from income	6727	(8,010)	(87,985)
Write-off of deferred taxes on profit and loss	6728	(12,444)	(60,278)
For reference: where the amounts of deferred tax assets and deferred tax liabilities have been written off because of retirement of assets or types of liabilities	67281	(12,444)	7,003
Profit (loss) from ordinary activities	6729	2,428,011	151,198
Chief accountant	(signature)		Skiba I.V. (signature)

Statement of changes in equity for 20 ¹⁹								Codes	
							Form of OKUD	0710004	
							Date (day, month, year)	31.12.2019	
Company	PJSC Kubanenergo						OKPO	00104604	
Taxpayer Identification Number							TIN	2309001660	
Economic activity	electric power transmission						OKVED 2	35.12	
Legal form/form of property							OKOPF/OKFS	12247 16	
Public Joint Stock Company/ privately owned							OKEI	384	
Unit of measurement: thousands of RUR									

3.1. Capital flows

Line item	Line code	Charter capital	Capital (before the amendments are registered)	Treasury shares	Additional paid-in capital	Capital reserve	Accumulated profit (accumulated losses)	Total
Equity value as at December 31 20 ¹⁷	3100	28,286,813	2,092,522	-	17,237,476	268,996	(12,476,889)	35,408,918
For 20 ¹⁸								
Increase in equity- total:	3210	2,092,522	(2,092,522)	-	-	-	151,198	151,198
including:								
Net profit	3211	x	x	x	x	x	151,198	151,198
Revaluation of assets	3212	x	x	x	-	x	-	-
Income directly related to increase in equity	3213	x	x	x	-	x	-	-
Additional issue of shares	3214	2,092,522	(2,092,522)	-	-	x	x	-
increase in nominal value of shares	3215	-	-	x	x	x	-	x
reorganization of a legal entity	3216	-	-	-	-	-	-	-
Decrease in equity- total:	3220	-	-	-	-	-	(321,570)	(321,570)
including:								
loss	3221	x	x	x	x	x	-	-
revaluation of assets	3222	x	x	x	-	x	-	-
Income directly related to decrease in equity	3223	x	x	x	-	x	-	-
decrease in nominal value of shares	3224	-	-	-	x	x	-	-
decrease in number of shares	3225	-	-	-	x	x	-	-
reorganization of a legal entity	3226	-	-	-	-	-	-	-
dividends	3227	x	x	x	x	x	(321,570)	(321,570)
Changes in additional paid-in capital	3230	x	x	x	(19,084)	x	19,084	x
Changes in capital reserve	3240	x	x	x	x	26,264	(26,264)	x
Equity value as at December 31 20 ¹⁸	3200	30,379,335	-	-	17,218,392	295,260	(12,654,441)	35,238,546
For 20 ¹⁹								
Increase in equity- total:	3310	-	3,086,449	-	-	-	2,428,529	5,514,978
including:								
net profit	3311	x	x	x	x	x	2,428,011	2,428,011
revaluation of assets	3312	x	x	x	-	x	-	-
income directly related to increase in equity	3313	x	x	x	-	x	518	518
additional issue of shares	3314	-	3,086,449	-	-	x	x	3,086,449
increase in nominal value of shares	3315	-	-	x	x	x	-	x
reorganization of a legal entity	3316	-	-	-	-	-	-	-
Decrease in equity- total:	3320	-	-	-	-	-	(143,638)	(143,638)
including:								
loss	3321	x	x	x	x	x	-	-
revaluation of assets	3322	x	x	x	-	x	-	-
expenses directly related to decrease in equity	3323	x	x	x	-	x	-	-
decrease in nominal value of shares	3324	-	-	x	x	x	-	-
decrease in number of shares	3325	-	-	-	x	x	-	-
reorganization of a legal entity	3326	-	-	-	-	-	-	-
dividends	3327	x	x	x	x	x	(143,638)	(143,638)
Changes in additional paid-in capital	3330	x	x	x	(10,736,476)	x	10,736,476	x
Changes in capital reserve	3340	x	x	x	x	7,560	(7,560)	x
Equity value as at December 31 20 ¹⁹	3300	30,379,335	3,086,449	-	6,481,916	302,820	359,366	40,609,886

3.3. Net assets

Line item	Line code	As at December 31	As at December 31	As at December 31
		2019	2018	2017
Net assets	3600	40,748,160	35,361,785	35,535,534

Chief Executive Officer	(signature)	Sergeev S.V. (signature)		
Chief accountant	(signature)	Skiba I.V. (signature)		
" 20 "	February	20 20		

**3.4. Calculation of appraisal
of Net Asset Value of the Stock Company**

Line item		Balance sheet line code	As at December 31 2019	As at December 31 2018	As at December 31 2017
1		2	3	4	5
I.	Assets				
1.	Intangible assets	1110	134,682	38,621	33,456
2.	Research and development results	1120	33,756	107,450	69,571
3.	Intangible development assets	1130	-	-	-
4.	Tangible development assets	1140	-	-	-
5.	Fixed assets	1150	63,343,130	62,534,635	59,659,050
6.	Income-bearing investments in tangible assets	1160	-	-	-
7.	Long-term and short-term investments	1170 + 1240	39,050	37,556	36,004
8.	Other non-current assets ²	1180+1190	1,084,665	895,673	966,929
9.	Inventory	1210	1,835,632	1,861,538	1,580,657
10.	VAT on purchased assets	1220	2,558	2,450	6,020
11.	Accounts receivable ³	1230	7,433,109	7,057,410	6,847,388
12.	Cash and cash equivalents	1250	1,699,590	2,194,482	1,667,698
13.	Other current assets ¹	1260	625,747	1,179,000	989,980
14.	Assets accepted to calculation (the sum of items 1-13)		76,231,919	75,908,815	71,856,753
II.	Liabilities				
15.	Long-term borrowings	1410	19,432,911	13,283,239	22,617,796
16.	Deferred tax liabilities	1420	1,133,763	438,719	178,832
17.	Estimated liabilities	1430+1540	1,339,596	1,348,029	1,399,272
18.	Other long-term liabilities	1450	1,161,583	1,248,675	989,505
19.	Short-term borrowings	1510	3,652,592	11,395,279	91,064
20.	Accounts payable ⁴	1520	8,757,713	12,833,089	11,044,750
21.	Other short-term liabilities ⁵	1550	5,601	-	-
22.	Total liabilities accepted to calculation (the sum of items 15-21)		35,483,759	40,547,030	36,321,219
23.	Net Asset Value of the Stock Company (total assets accepted to calculation (page 14) by deducting total liabilities accepted to calculation (page 22))		40,748,160	35,361,785	35,535,534

Chief accountant

(signature)

Skiba I.V.

(signature)

« 20 » February 20 20

Statement of Cash Flows			
for January-December 20 19			
			Codes
Company PJSC Kubanenergo			Form of OKUD 0710005
Taxpayer Identification Number			Date (day, month, year) 31 12 2019
Economic activity electric power transmission			OKPO 00104601
Legal form/form of property			TIN 2309001660
Public Joint Stock Company / privately owned			OKVED 2 35.12
Unit of measurement: thousands of RUR			OKOPF/OKFS 12247 16
			OKEI 384
Line item	Line code	For January-December 2019	For January-December 2018
1	2	3	4
Cash Flow from Operating Activities			
Receipts - total	4110	40,021,240	40,528,817
including:			
from sale of products, goods, work and services	4111	38,862,997	39,666,582
<i>including from sale of products, goods, work and services to parent, subsidiary and affiliated companies</i>	411101	2,148	1,597
lease payments, license fees, royalties, commission charges and other similar payments	4112	29,914	23,117
<i>including from lease payments, license fees, royalties, commission charges and other similar payments from parent, subsidiary and affiliated companies</i>	411201	543	644
from resale of financial investments	4113	-	-
<i>including from resale of financial investments to parent, subsidiary and affiliated companies</i>	411301	-	-
other receipts	4119	1,128,329	839,118
<i>including other receipts from parent, subsidiary and affiliated companies</i>	411901	-	292
Payments - total	4120	(37,679,443)	(35,060,521)
including:			
suppliers (contractors) for raw materials, materials, work and services	4121	(24,828,071)	(23,750,885)
<i>including to suppliers (contractors) for raw materials, materials, work and services of parent, subsidiary and affiliated companies</i>	412101	(153,457)	(180,569)
due to employee remuneration	4122	(4,963,781)	(4,742,943)
interest on debenture	4123	(1,993,555)	(1,788,456)
<i>including interest on debenture to parent, subsidiary and affiliated companies</i>	412301	-	-
corporate income tax	4124	(388,307)	(614,877)
other payments	4129	(5,505,729)	(4,163,360)
<i>including other payments to parent, subsidiary and affiliated companies</i>	412901	(50,883)	(30,493)
Balance of cash flows from current transactions	4100	2,341,797	5,468,296
Cash Flow From Investing Activities			
Receipts - total	4210	463,923	279,889
including:			
from sale of non-current assets (except financial investments)	4211	2,843	1,873
<i>including from sale of non-current assets (except financial investments) to parent, subsidiary and affiliated companies</i>	421101	-	-
from share sale of other entities (ownership interest)	4212	-	-
<i>including from share sale of other entities (ownership interest) to parent, subsidiary and affiliated companies</i>	421201	-	-
from repayment of extended loans, from sale of debt securities (claims for cash against third parties)	4213	-	-
<i>including from from repayment of extended loans, from sale of debt securities (claims for cash against third parties) of parent, subsidiary and affiliated companies</i>	421301	-	-
dividends, interest on debt financial investments and similar income from ownership interest in other entities	4214	68,486	91,576
<i>including dividends, interest on debt financial investments and similar income from ownership interest in other entities from parent, subsidiary and affiliated companies</i>	421401	635	9,068
other receipts	4219	392,594	186,440
<i>including other receipts from parent, subsidiary and affiliated companies</i>	421901	-	-
Payments - total	4220	(4,693,561)	(6,864,565)
including:			
due to purchase, creation, modernization, reconstruction and preparation for use of non-current assets	4221	(4,394,586)	(6,314,591)
<i>including payments to parent, subsidiary and affiliated companies due to purchase, creation, modernization, reconstruction and preparation for use of non-current assets</i>	422101	(4,171)	-
due to share purchase of other entities (ownership interest)	4222	-	-
<i>including payments to parent, subsidiary and affiliated companies due to share purchase of other entities (ownership interest)</i>	422201	-	-
due to purchase of debt securities (claims for cash against third parties), granting loans to third parties	4223	-	-
<i>including payments to parent, subsidiary and affiliated companies due to purchase of debt securities (claims for cash against third parties), granting loans to third parties</i>	422301	-	-
interest on debenture included in the investment asset value	4224	(220,410)	(373,222)
<i>including interest on debenture, included in the investment asset value to parent, subsidiary and affiliated companies</i>	422401	-	-
other payments	4229	(78,565)	(176,752)
<i>including other payments to parent, subsidiary and affiliated companies</i>	422901	(927)	(927)
Balance of cash flows from investing activities	4200	(4,229,638)	(6,584,676)

5.1. Intangible assets

5.1.1. The existence of intangible assets and intangible assets turnover

Indication	Line item	Line code	Period	At the start of the year				Changes for period						At the end of the period				
				Original/ current market value	Accumulated amortization	Impairment losses	Residual value	Increase	Decrease			Impairment losses	Revaluation		Original/ current market value	Accumulated amortization	Impairment losses	Residual value
									Original/ current market value	Accumulated amortization	Impairment losses		Amortization charged	Original/ current market value				
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
		5100	for 2019	59,493	(28,372)	31,121	113,313	(8,296)	8,296	-	(17,252)	-	-	-	164,510	(37,328)	-	127,182
		5110	for 2018	65,681	(38,225)	27,456	13,473	(19,661)	19,661	-	(9,808)	-	-	-	59,493	(28,372)	-	31,121
		5101	for 2019	30,056	(14,141)	15,915	92,381	1,908	-	-	(11,831)	-	-	-	124,345	(25,972)	-	98,373
		5111	for 2018	30,056	(9,650)	20,406	-	-	-	-	(4,491)	-	-	-	30,056	(14,141)	-	15,915
		51011	for 2019	7,759	(1,911)	5,848	14,812	1,908	-	-	(1,670)	-	-	-	24,479	(3,581)	-	20,898
		51111	for 2018	7,759	(1,117)	6,642	-	-	-	-	(794)	-	-	-	7,759	(1,911)	-	5,848
		51012	for 2019	22,105	(12,105)	10,000	77,569	-	-	-	(10,139)	-	-	-	99,674	(22,244)	-	77,430
		51112	for 2018	22,105	(8,430)	13,675	-	-	-	-	(3,675)	-	-	-	22,105	(12,105)	-	10,000
		51013	for 2019	192	(125)	67	-	-	-	-	(22)	-	-	-	192	(147)	-	45
		51113	for 2018	192	(103)	89	-	-	-	-	(22)	-	-	-	192	(125)	-	67
		5102	for 2019	29,437	(14,231)	15,206	20,932	(10,204)	8,296	-	(5,421)	-	-	-	40,165	(11,356)	-	28,809
		5112	for 2018	35,625	(28,575)	7,050	13,473	(19,661)	19,661	-	(5,317)	-	-	-	29,437	(14,231)	-	15,206
	Other																	

5.2. Results of research, development and technological works and intangible assets

5.2.1. The existence and turnover of R&D deliverables

Line item	Line code	Period	At the start of the year		Increase	Changes for period		At the end of the year		
			Historical cost	Part of value written-off as expenses		Historical cost	Decrease	Part of value written-off as expenses for period	Historical cost	Part of value written-off as expenses
			4	5	6	7	8	9	10	11
Research and development (R&D) - total	2	3	-	-	-	-	-	-	-	-
	5140	for 20 19	-	-	-	-	-	-	-	-
	5150	for 20 18	2,966	(2,966)	-	(2,966)	2,966	-	-	-
where:										
Patentable results of performed R&D	5141	for 20 19	-	-	-	-	-	-	-	-
	5151	for 20 18	-	-	-	-	-	-	-	-
Other	5142	for 20 19	-	-	-	-	-	-	-	-
	5152	for 20 18	2,966	(2,966)	-	(2,966)	2,966	-	-	-
For reference: out of the total amount of										
Research and development expenses made by own efforts	5143	for 20 19	-	-	-	-	-	-	-	-
	5153	for 20 18	-	-	-	-	-	-	-	-
Research and development expenses made by efforts of external companies	5144	for 20 19	-	-	-	-	-	-	-	-
	5154	for 20 18	-	-	-	-	-	-	-	-

(1) - the accounting year is indicated

(2) - the prior year is indicated

5.2.2. Incomplete and unexecuted R&D and incomplete operations on purchase of intangible assets

Line item	Line code	Period	At the start of the year	Changes for period			At the end of the year
				Expenses for period	Costs written-off that had not given positive results	Accepted for recording as intangible assets and R&D	
1	2	3	4	5	6	7	8
Expenses for non-complete research and development - ecero	5160	for 20 19	107,450	45,163	-	(118,857)	33,756
	5170	for 20 18	69,571	44,920	-	(7,041)	107,450
total:							
Patentable results of performed R&D	5161	for 20 19	91,424	38,244	-	(95,912)	33,756
	5171	for 20 18	66,579	31,886	-	(7,041)	91,424
Other	5162	for 20 19	16,026	6,919	-	(22,945)	-
	5172	for 20 18	2,992	13,034	-	-	16,026
Incomplete operations on purchase of intangible assets - total	5180	for 20 19	7,500	-	-	-	7,500
	5190	for 20 18	6,000	7,932	-	(6,432)	7,500
including:							
at patent owner of inventions, industrial sample, utility model	5181	for 20 19	-	-	-	-	-
	5191	for 20 18	-	-	-	-	-
at the right holder for the computer software, database	5182	for 20 19	-	-	-	-	-
	5192	for 20 18	-	-	-	-	-
at trademark owner, owner of a service mark, Protected Designation of Origin	5183	for 20 19	-	-	-	-	-
	5193	for 20 18	-	-	-	-	-
Other	5184	for 20 19	7,500	-	-	-	7,500
	5194	for 20 18	6,000	7,932	-	(6,432)	7,500

5.3. Fixed assets

5.3.1. The existence and movement of fixed assets

Line item	Line code	Period	At the start of the year				Changes for period						At the end of the year		
			Historical cost	Accumulated amortization	Residual value	Increase		Decrease		Amortization charged	Revaluation		Historical cost	Accumulated amortization	Residual value
						Historical cost	Accumulated amortization of received objects	Historical cost	Accumulated amortization		Historical cost	Accumulated amortization			
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Fixed assets (excluding interest-bearing investments in material valuables) - total															
including:															
Depreciable fixed assets - total:															
including:															
industrial buildings	5201	for 2019	10,968,932	(5,370,420)	5,598,512	970,325	-	(92,510)	77,809	(213,472)	-	-	11,846,747	(5,506,083)	6,340,664
	5211	for 2018	10,874,958	(5,170,825)	5,704,133	113,989	(6,784)	(20,025)	19,144	(211,955)	-	-	10,968,932	(5,370,420)	5,598,512
constructions, except transmission lines	5202	for 2019	2,985,463	(1,317,231)	1,668,232	740,303	3,522	(2,432)	1,478	(173,945)	-	-	3,723,334	(1,486,176)	2,237,158
	5212	for 2018	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
transmission lines and its devices	5203	for 2019	46,611,098	(16,925,968)	29,685,130	6,409,125	4	(50,261)	38,332	(1,949,884)	-	-	52,969,962	(18,837,516)	34,132,446
	5213	for 2018	45,339,212	(15,237,604)	30,101,608	1,347,225	-	(75,338)	38,740	(1,727,104)	-	-	46,611,098	(16,925,968)	29,685,130
machinery and equipment for production of electrical energy, electrical substations, equipment for electrical energy transformation	5204	for 2019	41,149,569	(29,520,286)	11,629,283	3,528,656	(4,455)	(39,771)	39,410	(1,335,089)	-	-	44,638,454	(30,820,430)	13,818,024
	5214	for 2018	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
production and household inventory	5205	for 2019	47,883	(40,870)	7,013	45	-	(818)	801	(1,764)	-	-	47,110	(41,833)	5,277
	5215	for 2018	47,012	(39,315)	7,697	1,633	-	(762)	762	(2,317)	-	-	47,883	(40,870)	7,013
other	5206	aa 2019 r.	8,160,484	(5,772,912)	2,387,572	1,187,711	(216)	(223,331)	219,471	(572,149)	-	-	9,124,864	(6,125,806)	2,999,058
	5216	for 2019	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

unlimited useful life of fixed assets that are not subject to depreciation - total	5202	for 2019	136,330	-	136,330	105	-	(24)	-	-	-	136,411	-	136,411
	5212	for 2019	136,244	-	136,244	86	-	-	-	-	-	136,330	-	136,330
including:														
Lands	52021	for 2019	136,330	-	136,330	105	-	(24)	-	-	-	136,411	-	136,411
	52121	for 2018	136,244	-	136,244	86	-	-	-	-	-	136,330	-	136,330
objects of nature management	52022	for 2019	-	-	-	-	-	-	-	-	-	-	-	-
	52122	for 2018	-	-	-	-	-	-	-	-	-	-	-	-
Capital investments in fundamental improvement of lands	5203	for 2019	-	-	-	-	-	-	-	-	-	-	-	-
	5213	for 2018	-	-	-	-	-	-	-	-	-	-	-	-
Accounted as a part of interest-bearing investments in material valuables - total	5220	for 2019	-	-	-	-	-	-	-	-	-	-	-	-
	5230	for 2018	-	-	-	-	-	-	-	-	-	-	-	-
including:														
Property for lease	5221	for 2019	-	-	-	-	-	-	-	-	-	-	-	-
	5231	for 2018	-	-	-	-	-	-	-	-	-	-	-	-
Property provided under lease agreement	5222	for 2019	-	-	-	-	-	-	-	-	-	-	-	-
	5232	for 2018	-	-	-	-	-	-	-	-	-	-	-	-

**5.3.3. Change in fixed assets value as a result of further construction, further equipping,
reconstruction and partial liquidation**

Line item	Line code	For 2019	For 2018
1	2	3	4
Increase in fixed assets value as a result of further construction, further equipping, reconstruction - total	5260	1,344,731	755,812
including:			
industrial buildings	5261	8,769	4,370
constructions except transmission lines	5262	7,926	9,793
transmission lines and its devices	5263	1,263,933	708,425
machinery and equipment for production of electrical energy, electrical substations, equipment for electrical energy transformation	5264	60,496	29,228
production and household inventory	5265	-	-
other	5266	3,607	3,996
Decrease in fixed assets value as a result of partial liquidation- total:	5270	(33,948)	(79,019)
including:			
industrial buildings	5271	-	(136)
constructions except transmission lines	5272	-	-
transmission lines and its devices	5273	(33,599)	(65,321)
machinery and equipment for production of electrical energy, electrical substations, equipment for electrical energy transformation	5274	(284)	(13,562)
production and household inventory	5275	-	-
other	5276	(65)	-

5.3.4. Other usage of fixed assets

Line item	Line code	As at December 31	As at December 31	As at December 31
		2019	2018	2017
1	2	3	4	5
Leased out fixed assets that are recorded on the balance sheet	5280	173,122	81,084	56,189
Leased out fixed assets that are not recorded on the balance sheet	5281	-	-	-
Fixed asset acquired by leasing that are recorded on the balance sheet	5282	-	-	-
Fixed assets acquired by leasing that are not recorded on the balance sheet	5283	3,820,737	3,092,597	3,041,044
Real estate accepted for operation and in use undergoing the state registration	5284	5,945,667	3,261,112	3,305,622
Preparing Fixed Assets for Mothballing	5285	20,125	20,125	23,584
Other usage of fixed assets (pawn and others)	5286	-	-	-

(1) - the reporting date of the reporting period is indicated

(2) - the prior period is indicated

(3) - year prior to the preceeding year is indicated

5.3.5. Capital investments in progress

Line item	Line code	Period	Changes for period					At the end of the period
			At the start of the year	Expenses for period	Written off	Accepted for recording as fixed assets or increase in the value of capital investments	At the end of the period	
			4	5	6	7	8	
1	2	3						
Construction in progress and incomplete operations on purchase, modernization, etc. of fixed assets - total	5240	for 20 19	10,190,196	6,991,488	(1,283,769)	(12,828,419)	3,069,476	
	5250	for 20 18	6,737,703	9,310,773	(1,946,063)	(3,912,217)	10,190,196	
including:								
Construction in progress	5241	for 20 19	8,632,834	6,307,536	(294,017)	(12,296,564)	2,345,789	
	5251	for 20 18	4,715,427	7,663,934	(12,250)	(3,734,277)	8,632,834	
purchase of fixed assets	5242	for 20 19	-	531,855	-	(531,855)	-	
	5252	for 20 18	268	177,854	(268)	(177,854)	-	
equipment to be installed	5243	for 20 19	1,557,362	152,077	(989,752)	-	719,687	
	5253	for 20 18	2,021,964	1,468,899	(1,893,501)	-	1,557,362	
Other	5244	for 20 19	-	-	-	-	-	
	5254	for 20 18	44	86	(44)	(66)	-	

5.3.6. Advances issued for investment building and purchase of fixed assets

Line item	Line code	Period	Changes for period					At the end of the period				
			At the start of the period	Inflow	Reserve accrual	Repayment	Retirement	Provision recovery	Accounted under the terms and conditions of the contract	Reserve amount for doubtful debts		
			5	6	7	8	9	10	11	12	13	14
1	2	3										
Advances issued for investment building	5291	for 20 19	416,684	34,964	-	(149)	(405,133)	(1,798)	-	3,866	44,717	(8,677)
	5292	for 20 18	1,346,265	413,849	-	(3,709)	(1,251,265)	(92,165)	-	-	416,884	(14,192)
including:												
investment building	5291	for 20 19	394,216	32,354	-	-	(382,835)	(1,798)	-	1,566	41,937	(8,528)
	5292	for 20 18	1,329,597	350,719	-	(3,709)	(1,188,767)	(91,333)	-	-	394,216	(11,892)
purchase of fixed assets	5291	for 20 19	8,520	(2,300)	-	-	(6,499)	-	-	2,300	21	-
	5292	for 20 18	2,543	20,069	-	-	(14,092)	-	-	-	8,520	(2,300)
	5291	for 20 19	13,948	2,610	-	(149)	(13,799)	-	-	-	2,759	(149)
	5292	for 20 18	20,125	43,061	-	-	(48,406)	(832)	-	-	13,948	-

5.4. Financial investments

5.4.1. The existence and turnover of financial investments

Line item	Code	Period	At the start of the year		Changes for period					At the end of the period	
			Historical cost	Accumulated adjustment	Increase	Decrease (redeemed)		Accrual of interests (including bringing historical value to nominal value)	Current market value (losses from impairment)	Historical cost	Accumulated adjustment
						Historical cost	Accumulated adjustment				
1	2	3	4	5	6	7	8	9	10	11	12
Long-term financial investments - total	5301	for 20 19	45,690	(8,134)	-	-	-	-	1,494	45,690	(6,640)
	5311	for 20 18	62,924	(26,920)	-	(17,234)	17,234	-	1,552	45,690	(8,134)
Contributions to the charter (share) capitals of other companies - total	53021	for 20 19	45,690	(8,134)	-	-	-	-	1,494	45,690	(6,640)
	53121	for 20 18	62,924	(26,920)	-	(17,234)	17,234	-	1,552	45,690	(8,134)
including:											
Subsidiary Business Entities	530211	for 20 19	45,687	(8,132)	-	-	-	-	1,494	45,687	(6,638)
	531211	for 20 18	62,921	(26,918)	-	(17,234)	17,234	-	1,552	45,687	(8,132)
Dependent Business Companies	530212	for 20 19	-	-	-	-	-	-	-	-	-
	531212	for 20 18	-	-	-	-	-	-	-	-	-
other	530213	for 20 19	3	(2)	-	-	-	-	-	3	(2)
	531213	for 20 18	3	(2)	-	-	-	-	-	3	(2)
Federal and municipal securities	53022	for 20 19	-	-	-	-	-	-	-	-	-
	53122	for 20 18	-	-	-	-	-	-	-	-	-
Securities of other organizations - total	53023	for 20 19	-	-	-	-	-	-	-	-	-
	53123	for 20 18	-	-	-	-	-	-	-	-	-
including:											
debt securities (bonds, promissory notes)	530231	for 20 19	-	-	-	-	-	-	-	-	-
	531231	for 20 18	-	-	-	-	-	-	-	-	-
Loans given	53024	for 20 19	-	-	-	-	-	-	-	-	-
	53124	for 20 18	-	-	-	-	-	-	-	-	-
Certificates of deposit	53025	for 20 19	-	-	-	-	-	-	-	-	-
	53125	for 20 18	-	-	-	-	-	-	-	-	-
Other	53026	for 20 19	-	-	-	-	-	-	-	-	-
	53126	for 20 18	-	-	-	-	-	-	-	-	-
Long-term financial investments, having current market value - total	5302	for 20 19	-	-	-	-	-	-	-	-	-
	5312	for 20 18	-	-	-	-	-	-	-	-	-
Contributions to the charter (share) capitals of other companies - total	53031	for 20 19	-	-	-	-	-	-	-	-	-
	53131	for 20 18	-	-	-	-	-	-	-	-	-
including:											
Subsidiary Business Entities	530311	for 20 19	-	-	-	-	-	-	-	-	-
	531311	for 20 18	-	-	-	-	-	-	-	-	-
Dependent Business Companies	530312	for 20 19	-	-	-	-	-	-	-	-	-
	531312	for 20 18	-	-	-	-	-	-	-	-	-
Other	530313	for 20 19	-	-	-	-	-	-	-	-	-
	531313	for 20 18	-	-	-	-	-	-	-	-	-
Federal and municipal securities	53032	for 20 19	-	-	-	-	-	-	-	-	-
	53132	for 20 18	-	-	-	-	-	-	-	-	-
securities of other organizations - total	53033	for 20 19	-	-	-	-	-	-	-	-	-
	53133	for 20 18	-	-	-	-	-	-	-	-	-
including:											
debt securities (bonds, promissory notes)	530331	for 20 19	-	-	-	-	-	-	-	-	-
	531331	for 20 18	-	-	-	-	-	-	-	-	-
Other	53034	for 20 19	-	-	-	-	-	-	-	-	-
	53134	for 20 18	-	-	-	-	-	-	-	-	-
Long-term financial investments, where the current market value is not determined - total	5303	for 20 19	45,690	(8,134)	-	-	-	-	1,494	45,690	(6,640)
	5313	for 20 18	62,924	(26,920)	-	(17,234)	17,234	-	1,552	45,690	(8,134)

5.4. Financial investments

5.4.1. The existence and turnover of financial investments (continuation)

Line item	Line code	Period	At the start of the year		Changes for period						At the end of the period	
			Historical cost	Accumulated adjustment	Increase	Decrease (redeemed)		Accrual of interests (including bringing historical value to nominal value)	Current market value (losses from impairment)	Historical cost	Accumulated adjustment	
						Historical cost	Accumulated adjustment					
1	2	3	4	5	6	7	8	9	10	11	12	
Short-term financial investments - total	5305	for 20 19	-	-	-	-	-	-	-	-	-	-
	5315	for 20 18	-	-	-	-	-	-	-	-	-	-
Contributions to the charter (share) capitals of other companies - total	53061	for 20 19	-	-	-	-	-	-	-	-	-	-
	53161	for 20 18	-	-	-	-	-	-	-	-	-	-
Federal and municipal securities	53062	for 20 19	-	-	-	-	-	-	-	-	-	-
	53162	for 20 18	-	-	-	-	-	-	-	-	-	-
Securities of other organizations - total	53063	for 20 19	-	-	-	-	-	-	-	-	-	-
	53163	for 20 18	-	-	-	-	-	-	-	-	-	-
including:												
debt securities (bonds, promissory notes)	530631	for 20 19	-	-	-	-	-	-	-	-	-	-
	531631	for 20 18	-	-	-	-	-	-	-	-	-	-
Loans given	53064	for 20 19	-	-	-	-	-	-	-	-	-	-
	53164	for 20 18	-	-	-	-	-	-	-	-	-	-
Certificates of deposit	53065	for 20 19	-	-	-	-	-	-	-	-	-	-
	53165	for 20 18	-	-	-	-	-	-	-	-	-	-
Other	53066	for 20 19	-	-	-	-	-	-	-	-	-	-
	53166	for 20 18	-	-	-	-	-	-	-	-	-	-

5.4.2. Adjustments of estimates of financial investments

Indication		At the start of the year	Changes for period			At the start of the period
Line item	Line code		Increase	Decrease	Retirement of financial investments	
1	2	3	4	5	6	7
Long-term financial investments	7100	(8,134)	(100)	1,594	-	(6,640)
Difference between the current market value of financial investments and their initial estimate	7110	-	-	-	-	-
<i>including:</i>						
Contributions to the charter (share) capitals of other companies - total	7111	-	-	-	-	-
<i>including:</i>						
Subsidiary Business Entities	71111	-	-	-	-	-
Dependent Business Companies	71112	-	-	-	-	-
other	71113	-	-	-	-	-
Federal and municipal securities	7112	-	-	-	-	-
Securities of other organizations - total	7113	-	-	-	-	-
<i>including:</i>						
debt securities (bonds, promissory notes)	71131	-	-	-	-	-
Other	7114	-	-	-	-	-
Difference between the current value of debt securities and their original cost	7120	-	-	-	-	-
<i>including:</i>						
Securities of other organizations - total	7121	-	-	-	-	-
<i>including:</i>						
debt securities (bonds, promissory notes)	71211	-	-	-	-	-
Other	7122	-	-	-	-	-
Provision for impairment of financial investments, where the market value is not determined	7130	(8,134)	(100)	1,594	-	(6,640)
<i>including:</i>						
Contributions to the charter (share) capitals of other companies - total	7131	(8,134)	(100)	1,594	-	(6,640)
<i>including:</i>						
Subsidiary Business Entities	71311	(8,132)	(100)	1,594	-	(6,638)
Dependent Business Companies	71312	-	-	-	-	-
other	71313	(2)	-	-	-	(2)
Federal and municipal securities	7132	-	-	-	-	-
Securities of other organizations - total	7133	-	-	-	-	-
<i>including:</i>						
debt securities (bonds, promissory notes)	71331	-	-	-	-	-
Loans given	7134	-	-	-	-	-
Certificate of deposit	7135	-	-	-	-	-
Other	7136	-	-	-	-	-

Short-term financial investments	7200	-	-	-	-	-
Difference between the current market value of financial investments and their initial estimate, where the value is determined	7210	-	-	-	-	-
<i>including:</i>						
Contributions to the charter (share) capitals of other companies - total	7211	-	-	-	-	-
<i>including:</i>						
Subsidiary Business Entities	72111	-	-	-	-	-
Dependent Business Companies	72112	-	-	-	-	-
other	72113	-	-	-	-	-
Securities of other organizations - total	7212	-	-	-	-	-
<i>including:</i>						
debt securities (bonds, promissory notes)	72121	-	-	-	-	-
Other	7213	-	-	-	-	-
Difference between the current value of debt securities and their original cost	7220	-	-	-	-	-
<i>including:</i>						
Securities of other organizations - total	7221	-	-	-	-	-
<i>including:</i>						
debt securities (bonds, promissory notes)	72211	-	-	-	-	-
Other	7222	-	-	-	-	-
Provision for impairment of financial investments, without market value	7230	-	-	-	-	-
<i>including:</i>						
Contributions to the charter (share) capitals of other companies - total	7231	-	-	-	-	-
<i>including:</i>						
Subsidiary Business Entities	72311	-	-	-	-	-
Dependent Business Companies	72312	-	-	-	-	-
other	72313	-	-	-	-	-
Federal and municipal securities	7232	-	-	-	-	-
Securities of other rganizations - total	7233	-	-	-	-	-
<i>including:</i>						
debt securities (bonds, promissory notes)	72331	-	-	-	-	-
Loans given	7234	-	-	-	-	-
Certificate of deposit	7235	-	-	-	-	-
Other	7236	-	-	-	-	-

5.5. Inventories

5.5.1. The existence of inventory and inventory turnover

Line item	Line code	Period	At the start of the period		Change for the period				At the period end		
			prime cost	Reserve amount for impairment of value	Income and expenses	Decrease	Impairment loss	Inventory turnover between inventory groups (types of inventory)	Prime cost	Reserve amount for impairment of value	
1	2	3	4	5	6	7	8	9	10	11	12
Inventory - total	5400	for 2019	1,869,872	(8,334)	2,972,336	(2,998,094)	2,638	(2,786)	x	1,844,114	(8,482)
	5420	for 2018	1,587,652	(6,995)	2,341,189	(2,058,969)	6,874	(8,213)	x	1,869,872	(8,334)
Raw materials	5401	for 2019	1,869,872	(8,334)	2,965,255	(2,994,462)	2,638	(2,786)	-	1,840,665	(8,482)
	5421	for 2018	1,587,652	(6,995)	2,341,189	(2,058,969)	6,874	(8,213)	-	1,869,872	(8,334)
Work in progress	5402	for 2019	-	-	-	-	-	-	-	-	-
	5422	for 2018	-	-	-	-	-	-	-	-	-
Goods delivered	5403	for 2019	-	-	2,053	-	-	-	-	2,053	-
	5423	for 2018	-	-	-	-	-	-	-	-	-
Finished products and goods	5404	for 2019	-	-	5,028	(3,632)	-	-	-	1,396	-
	5424	for 2018	-	-	-	-	-	-	-	-	-
Other inventories and expenses	5405	for 2019	-	-	-	-	-	-	-	-	-
	5425	for 2018	-	-	-	-	-	-	-	-	-

5.5.2. Pledged inventory

Line item	Line code	As at December 31	As at December 31	As at December 31
		2018 (1)	2017 (2)	2016 (3)
1	2	3	4	5
Unpaid inventory as of reporting date - total	5440	-	-	-
including:				
raw materials	5441	-	-	-
work in progress	5442	-	-	-
shipped goods	5443	-	-	-
finished goods and goods	54441	-	-	-
Other inventory and expenses	54442	-	-	-
Pledged inventory under the contract - total	5445	-	-	-
including:				
raw materials	5446	-	-	-
shipped goods	5447	-	-	-
finished goods and goods	5448	-	-	-
Other inventory and expenses	5449	-	-	-

(1) - the reporting date of the reporting period is indicated

(2) - the prior period is indicated

(3) - year, prior to preceding year is indicated

5.6 Accounts Receivable and Accounts Payable

5.6.1. The existence and turnover of accounts receivable

Line item	Line code	Period	At the start of the year		Changes for period							At the end of the period		
			Accounted under the terms and conditions of the contract	Reserve amount for doubtful debts	Inflow			Retirement				Transferring from long-term debt to short-term debt	Accounted under the terms and conditions of the contract	Reserve amount for doubtful debts
					As a result of business transactions (amount of debt under the deal of operation)	Interest payable, penalties and other accruals	Reserve accrual	Repayment	Written-off out of the previous accrued reserve	Write-off to financial result	Provision recovery			
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Non-current accounts receivable - total	5501	for 20 19	22,880	-	17,606	-	-	(128)	-	-	-	(14,757)	25,601	-
	5521	for 20 18	28,694	-	12,152	-	-	(217)	-	-	-	(17,749)	22,880	-
including:														
Settlements with buyers and customers	5502	for 20 19	1,128	-	-	-	-	-	-	-	-	(666)	462	-
	5522	for 20 18	-	-	1,857	-	-	-	-	-	-	(729)	1,128	-
including:														
on electric power transmission	55021	for 20 19	-	-	-	-	-	-	-	-	-	-	-	-
	55221	for 20 18	-	-	-	-	-	-	-	-	-	-	-	-
on technological connection	55022	for 20 19	1,128	-	-	-	-	-	-	-	-	(666)	462	-
	55222	for 20 18	-	-	1,857	-	-	-	-	-	-	(729)	1,128	-
on organization of the functioning and development of unified energy system (UES) of Russia relating to integrated distribution power grid	55023	for 20 19	-	-	-	-	-	-	-	-	-	-	-	-
	55223	for 20 18	-	-	-	-	-	-	-	-	-	-	-	-
on resale of electric power and capacity	55024	for 20 19	-	-	-	-	-	-	-	-	-	-	-	-
	55224	for 20 18	-	-	-	-	-	-	-	-	-	-	-	-
on rental income	55025	for 20 19	-	-	-	-	-	-	-	-	-	-	-	-
	55225	for 20 18	-	-	-	-	-	-	-	-	-	-	-	-
on other issues	55026	for 20 19	-	-	-	-	-	-	-	-	-	-	-	-
	55226	for 20 18	-	-	-	-	-	-	-	-	-	-	-	-
Advances issued	5503	for 20 19	-	-	-	-	-	-	-	-	-	-	-	-
	5523	for 20 18	-	-	-	-	-	-	-	-	-	-	-	-
Notes receivable	5504	for 20 19	-	-	-	-	-	-	-	-	-	-	-	-
	5524	for 20 18	-	-	-	-	-	-	-	-	-	-	-	-
Other accounts receivable	5505	for 20 19	21,752	-	17,606	-	-	(128)	-	-	-	(14,091)	25,139	-
	5525	for 20 18	28,694	-	10,295	-	-	(217)	-	-	-	(17,020)	21,752	-
including:														
non-interest promissory notes	55051	for 20 19	-	-	-	-	-	-	-	-	-	-	-	-
	55251	for 20 18	-	-	-	-	-	-	-	-	-	-	-	-
on other issues	55052	for 20 19	21,752	-	17,606	-	-	(128)	-	-	-	(14,091)	25,139	-
	55252	for 20 18	28,694	-	10,295	-	-	(217)	-	-	-	(17,020)	21,752	-
Out of the total amount of non-current accounts receivable	5506	for 20 19	-	-	-	-	-	-	-	-	-	-	-	-
	5526	for 20 18	-	-	-	-	-	-	-	-	-	-	-	-
receivables from subsidiaries	55061	for 20 19	-	-	-	-	-	-	-	-	-	-	-	-
	55261	for 20 18	-	-	-	-	-	-	-	-	-	-	-	-
receivables from affiliates	55062	for 20 19	-	-	-	-	-	-	-	-	-	-	-	-
	55262	for 20 18	-	-	-	-	-	-	-	-	-	-	-	-
Short-term accounts receivable - total	5510	for 20 19	8,762,836	(1,728,306)	1,449,920	-	(307,659)	(1,072,332)	(23,171)	(7,184)	295,476	14,757	9,124,826	(1,717,318)
	5530	for 20 18	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)
including:														
Settlements with buyers and customers	5511	for 20 19	7,312,143	(1,106,606)	866,805	-	(60,332)	(490,723)	(5,766)	-	88,818	666	7,683,125	(1,072,354)
	5531	for 20 18	7,461,249	(1,305,303)	349,716	-	(115,577)	(497,222)	(2,009)	(320)	312,265	729	7,312,143	(1,106,606)
including:														
on electric power transmission	55111	for 20 19	7,168,195	(1,076,834)	676,925	-	(45,527)	(458,097)	(5,710)	-	84,183	-	7,381,313	(1,032,468)
	55311	for 20 18	7,394,900	(1,290,248)	248,347	-	(96,309)	(474,276)	(776)	-	308,347	-	7,168,195	(1,076,834)
on technological connection	55112	for 20 19	58,731	(29,716)	33,431	-	(12,465)	(27,008)	-	-	4,635	666	65,820	(37,546)
	55312	for 20 18	37,260	(11,681)	27,415	-	(19,268)	(5,391)	(1,233)	(49)	-	729	58,731	(29,716)
on organization of the functioning and development of unified energy system (UES) of Russia relating to integrated distribution power grid	55113	for 20 19	-	-	-	-	-	-	-	-	-	-	-	-
	55313	for 20 18	-	-	-	-	-	-	-	-	-	-	-	-
on resale of electric power and capacity	55114	for 20 19	-	-	-	-	-	-	-	-	-	-	-	-
	55314	for 20 18	-	-	-	-	-	-	-	-	-	-	-	-
on rental income	55115	for 20 19	3,038	-	1,687	-	(216)	(1,977)	-	-	-	-	2,748	(216)
	55315	for 20 18	2,852	-	1,144	-	-	(958)	-	-	-	-	3,038	-
on other issues	55116	for 20 19	82,179	(56)	154,762	-	(2,124)	(3,641)	(56)	-	-	-	233,244	(2,124)
	55316	for 20 18	26,237	(3,374)	72,810	-	-	(16,597)	-	(271)	3,318	-	82,179	(56)
Advances issued	5512	for 20 19	39,843	(5,354)	19,413	-	(548)	(21,393)	(83)	(101)	840	-	37,679	(4,979)
	5532	for 20 18	53,804	(21,686)	21,562	-	(597)	(23,374)	(12,004)	(145)	4,925	-	39,843	(5,354)
Notes receivable	5513	for 20 19	-	-	-	-	-	-	-	-	-	-	-	-
	5533	for 20 18	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from participants (shareholders) for contributions to charter capital	5514	for 20 19	-	-	-	-	-	-	-	-	-	-	-	-
	5534	for 20 18	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from subsidiaries and affiliates for dividends	5515	for 20 19	-	-	-	-	-	-	-	-	-	-	-	-
	5535	for 20 18	-	-	-	-	-	-	-	-	-	-	-	-
Other accounts receivable	5516	for 20 19	1,410,850	(616,346)	563,702	-	(246,779)	(560,216)	(17,322)	(7,083)	205,818	14,091	1,404,022	(639,985)
	5536	for 20 18	1,331,638	(701,008)	782,150	-	(139,066)	(517,975)	(195,561)	(6,422)	28,167	17,020	1,410,850	(616,346)
including:														
non-interest promissory notes	55161	for 20 19	-	-	-	-	-	-	-	-	-	-	-	-
	55361	for 20 18	-	-	-	-	-	-	-	-	-	-	-	-
overpayment on taxes and dues	55162	for 20 19	274,443	-	8,565	-	-	(48,377)	-	-	-	-	234,631	-
	55362	for 20 18	319,488	-	258,359	-	-	(303,404)	-	-	-	-	274,443	-
Disposal of property	55163	for 20 19	43,375	-	981	-	-	(880)	-	(44)	-	596	44,028	-
	55363	for 20 18	1,073	-	42,219	-	-	(463)	-	(50)	-	596	43,375	-
other	55164	for 20 19	1,093,032	(616,346)	554,156	-	(246,779)	(510,959)	(17,322)	(7,039)	205,818	13,495	1,125,363	(639,985)
	55364	for 20 18	1,011,077	(701,008)	481,572	-	(139,066)	(214,108)	(195,561)	(6,372)	28,167	16,424	1,093,032	(616,346)
Out of the total amount of short-term accounts receivable	5517	for 20 19	260	-	222	-	-	(222)	-	-	-	-	38	-
	5537	for 20 18	397	-	222	-	-	(359)	-	-	-	-	260	-
receivables from subsidiaries	55171	for 20 19	260	-	222	-	-	(222)	-	-	-	-	38	-
	55371	for 20 18	397	-	222	-	-	(359)	-	-	-	-	260	-
receivables from affiliates	55172	for 20 19	-	-	-	-	-	-	-	-	-	-	-	-
	55372	for 20 18	-	-	-	-	-	-	-	-	-	-	-	-
Total	5500	for 20 19	8,785,716	(1,728,306)	1,467,526	-	(307,659)	(1,072,460)	(23,171)	(7,184)	295,476	-	9,150,427	(1,717,318)
	5520	for 20 18	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)

5.6.3. Overdue accounts receivable

Line item	Line code	As at December 31, 2019		As at December 31, 2018		As at December 31, 2017	
		Accounted under the terms and conditions of the contract	Carrying value (less the reserve for doubtful debts)	Accounted under the terms and conditions of the contract	балансовая стоимость (за вычетом резерва по сомнительным долгам)	Accounted under the terms and conditions of the contract	Carrying value (less the reserve for doubtful debts)
1	2	3	4	5	6	7	8
Payments expected within 12 months of the reporting date	564	3,167,474	1,673,160	2,284,107	848,194	3,228,858	1,685,512
including:							
buyers and customers, including	5641	2,347,946	1,497,998	1,430,530	615,718	2,341,071	1,520,407
<i>on electric power transmission</i>	56411	2,257,021	1,446,811	1,378,243	593,202	2,288,770	1,479,843
<i>on technological connection</i>	56412	47,937	10,390	46,601	16,885	34,624	22,943
<i>on organization of the functioning and development of unified energy system (UES) of Russia relating to integrated distribution power grid</i>	56413	-	-	-	-	-	-
<i>on resale of electric power and capacity</i>	56414	-	-	-	-	-	-
<i>on rental income</i>	56415	763	546	1,715	1,715	1,729	1,729
<i>on other issues</i>	56416	42,225	40,251	3,971	3,916	15,948	15,892
notes receivable	5642	-	-	-	-	-	-
Receivables from subsidiaries and affiliates for dividends	5643	-	-	-	-	-	-
Receivables from participants (shareholders) for contributions to charter capital	5644	-	-	-	-	-	-
Advances issued	5645	4,552	170	5,987	1,231	22,641	956
Other accounts receivable	5646	814,976	174,992	847,590	231,245	865,146	164,149
Chief accountant				Skiba I.V.			
		signature		signature			
(1) - the reporting date of the reporting period is indicated							
(2) - the prior period is indicated							
(3) - year, prior to preceding year is indicated							

5.6.5. The existence and turnover of accounts payable

Line item	Line code	Period	Opening balance	Changes for period					Ending balance
				Inflow		Retirement		Transferring from long-term debt to short-term debt	
				As a result of business transactions (amount of debt under the deal of operation)	Interest accrued, penalties and other accruals	Repayment	Write-off to financial result		
1	2	3	4	5	6	7	8	9	10
Long-term accounts payable total	5551	for 20 19	1,248,675	491,348	-	(1,089)	-	(577,351)	1,161,583
	5571	for 20 18	989,505	511,998	-	-	-	(252,828)	1,248,675
including:									
accounts payable of suppliers and contractors	5552	for 20 19	5,950	101,019	-	-	-	(2,337)	104,632
	5572	for 20 18	3,634	5,950	-	-	-	(3,634)	5,950
including:									
construction	55521	for 20 19	-	-	-	-	-	-	-
	55721	for 20 18	3,634	-	-	-	-	(3,634)	-
other	55522	for 20 19	5,950	101,019	-	-	-	(2,337)	104,632
	55722	for 20 18	-	5,950	-	-	-	-	5,950
Other accounts payable	5553	for 20 19	1,242,725	390,329	-	(1,089)	-	(575,014)	1,056,951
	5573	for 20 18	985,871	506,048	-	-	-	(249,194)	1,242,725
Out of the total amount of long-term debt	5554	for 20 19	-	-	-	-	-	-	-
	5574	for 20 18	-	-	-	-	-	-	-
Debt owed to subsidiaries	55541	for 20 19	-	-	-	-	-	-	-
	55741	for 20 18	-	-	-	-	-	-	-
Debt owed to affiliates	55542	for 20 19	-	-	-	-	-	-	-
	55742	for 20 18	-	-	-	-	-	-	-
Short-term accounts payable total	5560	for 20 19	12,833,089	4,561,822	-	(9,171,253)	(43,296)	577,351	8,757,713
	5580	for 20 18	11,044,750	6,828,311	-	(5,275,025)	(17,775)	252,828	12,833,089
including:									
Settlements with suppliers and contractors	5561	for 20 19	5,238,557	2,480,026	-	(2,579,872)	(4,860)	2,337	5,136,188
	5581	for 20 18	6,198,136	2,209,396	-	(3,166,727)	(5,882)	3,634	5,238,557
including:									
construction	55611	for 20 19	750,583	1,164,146	-	(644,303)	(4,545)	-	1,265,881
	55811	for 20 18	551,360	694,195	-	(496,869)	(1,737)	3,634	750,583
other	55612	for 20 19	4,487,974	1,315,880	-	(1,935,569)	(315)	2,337	3,870,307
	55812	for 20 18	5,646,776	1,515,201	-	(2,669,858)	(4,145)	-	4,487,974
Advances issued	5562	for 20 19	5,164,803	666,424	-	(4,494,875)	(34,157)	574,309	1,876,504
	5582	for 20 18	2,889,096	2,574,402	-	(537,799)	(9,385)	248,489	5,164,803
including:									
on electric power transmission	55621	for 20 19	12,936	20,098	-	(8,606)	-	-	24,428
	55821	for 20 18	13,267	8,587	-	(8,886)	(32)	-	12,936
on technological connection	55622	for 20 19	5,144,416	625,406	-	(4,483,955)	(33,238)	574,309	1,826,938
	55822	for 20 18	2,867,111	2,560,769	-	(523,554)	(8,399)	248,489	5,144,416
on organization of the functioning and development of unified energy system (UES) of Russia relating to integrated distribution power grid	55623	for 20 19	-	-	-	-	-	-	-
	55823	for 20 18	-	-	-	-	-	-	-
on resale of electric power and capacity	55624	for 20 19	-	-	-	-	-	-	-
	55824	for 20 18	-	-	-	-	-	-	-
on participation in other organizations	55625	for 20 19	-	-	-	-	-	-	-
	55825	for 20 18	-	-	-	-	-	-	-
on lease services	55626	for 20 19	18	1,213	-	(17)	-	-	1,214
	55826	for 20 18	23	12	-	(17)	-	-	18
on other issues	55627	for 20 19	7,433	19,707	-	(2,297)	(919)	-	23,924
	55826	for 20 18	8,695	5,034	-	(5,342)	(954)	-	7,433
Delay from participants (shareholders) in paying revenues	5563	for 20 19	919	-	-	(466)	-	-	453
	5583	for 20 18	500	463	-	(44)	-	-	919
Notes payable	5564	for 20 19	-	-	-	-	-	-	-
	5584	for 20 18	-	-	-	-	-	-	-
Debts owed to state non-budgetary funds	5565	for 20 19	120,710	157,086	-	(120,710)	-	-	157,086
	5585	for 20 18	108,782	120,710	-	(108,782)	-	-	120,710
Settlements in respect of taxes and levies	5566	for 20 19	606,530	642,898	-	(606,530)	(5)	-	642,898
	5586	for 20 18	258,006	606,530	-	(258,001)	(5)	-	606,530
Payables owed to corporate staff	5567	for 20 19	313,073	273,713	-	(313,073)	-	-	273,713
	5587	for 20 18	209,427	313,073	-	(209,427)	-	-	313,073
Other accounts payable	5568	for 20 19	1,388,497	341,675	-	(1,055,727)	(4,279)	705	670,871
	5588	for 20 18	1,380,803	1,003,737	-	(994,245)	(2,503)	705	1,388,497
Out of the total amount of short-term debt	5569	for 20 19	5,771	26,205	-	(5,771)	-	-	26,205
	5589	for 20 18	58,758	4,048	-	(57,035)	-	-	5,771
Debt owed to subsidiaries	55691	for 20 19	5,771	26,205	-	(5,771)	-	-	26,205
	55891	for 20 18	58,758	4,048	-	(57,035)	-	-	5,771
Debt owed to affiliates	55692	for 20 19	-	-	-	-	-	-	-
	55892	for 20 18	-	-	-	-	-	-	-
Total	5550	for 20 19	14,081,764	5,053,170	-	(9,172,342)	(43,296)	-	9,919,296
	5570	for 20 18	12,034,255	7,340,309	-	(5,275,025)	(17,775)	-	14,081,764

5.6.6. Overdue accounts payable

Line item	Line code	As at December 31, 2019	As at December 31, 2018	As at December 31, 2017
1	2	3	4	5
V. CURRENT LIABILITIES				
Accounts payable		2,623,405	3,058,041	3,938,683
including:				
Settlements with suppliers and contractors	5691	2,007,423	2,198,576	3,222,591
including:				
<i>construction</i>	56911	373,642	249,754	267,079
<i>other</i>	56912	1,633,781	1,948,822	2,955,512
Notes payable	5692	-	-	-
Wages payable	5693	-	-	-
Debts owed to state non-budgetary funds	5694	-	-	-
Taxes and dues payable	5695	-	-	-
Advances received	5696	493,336	704,179	523,158
Delay from participants (shareholders) in paying revenues	5697	-	-	500
Other accounts payable	5698	122,646	155,286	192,434

5.6.7. Loans and borrowings

Line item	Line code	Period	At the start of the year	Changes for period					At the end of the period
				Inflow	Accrual of interests	Principal repayment	Repayment of interest	Transferring from long-term debt to short-term debt	
1	2	3	4	5	6	7	8	9	10
Long-term borrowings - total	7410	for 20 19	13,283,239	19,916,920	-	(6,484,008)	-	(7,283,240)	19,432,911
	7430	for 20 18	22,617,796	38,940,412	-	(37,127,839)	-	(11,147,130)	13,283,239
including:									
Loans	7411	for 20 19	9,683,239	19,916,920	-	(6,484,008)	-	(3,683,240)	19,432,911
	7431	for 20 18	15,617,796	38,940,412	-	(37,127,839)	-	(7,747,130)	9,683,239
Borrowings	7412	for 20 19	3,600,000	-	-	-	-	(3,600,000)	-
	7432	for 20 18	7,000,000	-	-	-	-	(3,400,000)	3,600,000
Current borrowings - total	7420	for 20 19	11,395,279	2,221,723	2,170,660	(17,204,345)	(2,213,965)	7,283,240	3,652,592
	7440	for 20 18	91,064	157,765	2,166,511	(5,513)	(2,161,678)	11,147,130	11,395,279
including:									
Loans	7421	for 20 19	7,899,382	2,221,723	-	(13,804,345)	-	3,683,240	-
	7441	for 20 18	-	157,765	-	(5,513)	-	7,747,130	7,899,382
Interest on loans	74211	for 20 19	15,719	-	1,414,802	-	(1,410,869)	-	19,652
	74411	for 20 18	13,120	-	1,361,181	-	(1,358,582)	-	15,719
Borrowings	7422	for 20 19	3,480,178	-	755,858	(3,400,000)	(803,096)	3,600,000	3,632,940
	7442	for 20 18	77,944	-	805,330	-	(803,096)	3,400,000	3,480,178

5.6.8. Expenses for loans and borrowings

Indication		For long-term loans and borrowings	For short-term loans and borrowings
Line item	Line code		
1	2	3	4
Expenses for loans total:	7510	839,950	574,852
write-off as other expenses	7511	759,269	435,123
included in the cost of assets	7512	80,681	139,729
Expenses for borrowings total:	7520	375,840	380,018
write-off as other expenses	7521	375,840	380,018
included in the cost of assets	7522	-	-
Out of the total cost on borrowings and loans:	7530	1,215,790	954,870
interest accrued	7531	1,215,790	954,870
other expenses	7532	-	-

5.7.1. Estimated liabilities

Indication		Line code	Opening balance	Recognized	Redeemed	Written off as excessive amount	Ending balance
Line item							
1		2	3	4	5	6	7
Estimated liabilities - total		5700	1,348,029	1,136,566	(1,009,302)	(135,697)	1,339,596
including:							
Forthcoming vacation pay		5701	265,565	444,152	(446,703)	-	263,014
Year-end benefit payment		5702	348,878	372,778	(280,604)	(68,274)	372,778
Outstanding litigation as of reporting date		5703	222,759	93,472	(100,160)	(12,741)	203,330
Claims of tax authorities on the results of tax inspections that remained unsolved as of reporting date		5704	-				-
Other estimated liabilities		5705	510,827	226,164	(181,835)	(54,682)	500,474
Out of the total amount of contingent liabilities:							
Created for the account of expenses for core activities		5706	925,899				
Created for the account of other expenses		5707	182,666				
Included in the cost of assets		5708	28,001				

5.7.2. Deferred taxes

Line item	Line code	Deductible temporary difference	Deferred tax assets	Taxable temporary difference	Deferred tax liabilities
1	2	3	4	5	6
Balance at the beginning of the reporting year	7700	3,824,738	764,948	2,193,596	438,719
Income	7710	1,533,640	306,728	3,971,203	794,240
Expense	7720	(1,328,147)	(265,629)	(492,912)	(98,582)
The result of change in tax rates	7730	X	-	X	-
The result of error correction for past years	7740	-	-	-	-
Permanent differences in value of assets and liabilities	7750	-	-	-	-
Writing off beyond the tax consequences	7760	(65,284)	(13,058)	(3,072)	(614)
Balance at the end of the reporting period	7800	3,964,947	792,989	5,668,815	1,133,763

5.8. Securities

Indication		As at December 31, 2019	As at December 31, 2018	As at December 31, 2017
Line item	Line code			
1	2	3	4	5
Received — total	5800	303,376	578,597	1,923,541
including:				
promissory notes	5801	-	-	-
pledged property	5802	107	107	107
where:				
items of fixed assets	58021	107	107	107
securities and other financial investments	58022	-	-	-
other	58023	-	-	-
other received	5803	303,269	578,490	1,923,434
Issued under own obligations— total	5810	-	-	-
including:				
promissory notes	5811	-	-	-
pledged property	5812	-	-	-
where:				
items of fixed assets	58121	-	-	-
securities and other financial investments	58122	-	-	-
other	58123	-	-	-
other issued	5813	-	-	-

5.9. Government assistance

Line item	Line code	2019				2018			
		At the start of the year	Received during the year	Returned during the year	At the end of the year	At the start of the year	Received during the year	Returned during the year	At the end of the year
Public funds received - total	5900	-	4,000	(4,000)	-	2,167	(2,167)	-	
<i>including:</i>									
on current expenses	5901	-	1,025	(1,025)	-	409	(409)	-	
compensations for Chernobyl victims	5902	-	-	-	-	-	-	-	
for task performance on mobilization training	5903	-	-	-	-	-	-	-	
for liquidation of interterritorial cross-subsidization	5904	-	-	-	-	-	-	-	
for investments in non-current assets	5905	-	-	-	-	-	-	-	
other purposes	5906	-	2,975	(2,975)	-	1,758	(1,758)	-	
<i>where:</i>									
funding for preventive measures to reduce occupational injuries and occupational diseases	5911	-	2,959	(2,959)	-	1,757	(1,757)	-	
funding for thorough medical check-ups for employees engaged in work with harmful and (or) occupational hazards factors	5912	-	-	-	-	-	-	-	

5.11. Other revenues and expenses

Indication		For January-December 2019	For January- December 2018
Line item	Line code		
1	2	3	4
Other revenues total	8000	2,269,626	2,575,341
including:			
From sale of fixed assets, except apartments	8001	2,063	222
From sale of apartments	8002	-	-
From sale of inventories	8003	10,042	9,791
From sale of currency	8004	-	-
From sale of intangible assets	8005	-	-
From sale of securities	8006	-	-
From sale of other assets	8007	-	-
From joint arrangements	8008	-	-
Profit for 2018 recognized in the reporting period	8009	198,679	-
Profit for 2017 recognized in the reporting period	8010	14,930	79,231
Profit for 2016 recognized in the reporting period	8011	9,350	39,352
Profit up to January 1, 2016 recognized in the reporting period	8012	10,328	78,916
Penalties, fines and forfeits recognized or for which the judgments (arbitration awards) for their recovery have been obtained	8013	422,610	767,250
Accounts payable for which the statute of limitations has expired (more than three years)	8014	43,296	17,775
Exchange differences	8015	-	-
Assets in surplus on the results of the inventory count	8016	158	433
Donated assets except fixed assets and intangible assets	8017	3,829	1,609
Revenue from donated fixed assets identified in accordance with established order	8018	20,722	20,123
Value of tangible assets remaining after the assets that are not subject to recovery and further use have been written off	8019	1,415	3,707
Revaluation of financial investments according to the current market value	8020	-	-
Revenue from decrease (write-off) of provision for doubtful debts	8021	299,342	345,357
Revenue from decrease (write-off) of reserve for estimated liabilities	8022	135,697	360,743
Revenue from decrease (write-off) of provision for depreciation of inventories	8023	2,825	6,874
Revenues under assignment of claim agreements	8024	-	-
Revenues from determination of freelance electric power consumption	8025	90,998	98,171
Insurance settlements receivable	8026	64,351	51,558
Revenues related to the Interest in the Charter Capital of other organizations	8027	-	-
Restoring accounts receivable previously written off	8028	92	152
Discount on promissory notes	8029	-	-
Compensations for difference in tariffs (budgetary funding)	8030	-	-
Revenue from decrease (write-off) of provision for impairment of financial investments	8031	1,594	18,786
Increase in value of items of fixed assets	8032	-	-
Revenue from increase in value of previously cut-price items of fixed assets	8033	-	-
Revenue from payment of promissory notes	8034	-	-
Other	8035	937,305	675,291

Other expenses total	8100	(3,909,428)	(4,258,941)
including:			
From sale of fixed assets, except apartments	8101	(4,766)	(1)
From sale of apartments	8102	-	-
From sale of inventories	8103	(9,079)	(7,908)
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	-	-
Expenses for bank services	8109	(318)	(265)
Expenses for maintenance of financial investments	8110	-	-
Provision for doubtful debts	8111	(307,808)	(258,949)
Provision for impairment of financial investments	8112	(100)	-
Provision for impairment of tangible assets	8113	(2,786)	(8,401)
Provision for discontinued operations	8114	-	-
Reserve for estimated liabilities	8115	(107,988)	(610,651)
Retirement of assets without revenue	8116	-	(17,234)
VAT on donated property	8117	-	-
Loss for 2018 recognized in the reporting period	8118	(298,761)	-
Loss for 2017 recognized in the reporting period	8119	(189,736)	(442,284)
Loss for 2016 recognized in the reporting period	8120	(111,116)	(187,450)
Loss up to January 1, 2016 recognized in the reporting period	8121	(28,396)	(554,513)
Penalties, fines and forfeits recognized or for which the judgments (arbitration awards) for their recovery have been obtained	8122	(35,641)	(325,631)
State fees under the economic contracts	8123	(12,708)	(15,858)
Revaluation of financial investments according to the current market value	8124	-	-
Discount on promissory notes	8125	-	-
Expenses under assignment of claim agreements	8126	-	-
Non-refundable VAT	8127	(8,962)	(16,329)
Expenses for discovered non-contractual electricity consumption	8128	-	-
Contributions to associations and funds	8129	(3,328)	(3,737)
Accounts receivable for which the statute of limitations has expired (more than three years)	8130	(7,184)	(6,887)
Exchange differences	8131	-	-
Court costs	8132	(2,100)	(1,653)
Theft, shortages	8133	(39,611)	(9,426)
Expenses for execution proceedings	8134	-	-
Payment of the cost of employees' apartments	8135	-	-
Other financial aid and other cash payments to employees	8136	(267,808)	(272,401)
Financial aid to retired employees (including lump-sum payments, compensations for community charges)	8137	(10,230)	(7,354)
Expenses for sporting events	8138	(4,694)	(5,191)
Expenses for social activities	8139	(8,473)	(5,356)
Charitable expenditures	8140	(5,000)	-
Value of redeemable promissory notes	8141	-	-
Residual value of written-off fixed assets	8143	-	-
Reduction in prices of items of fixed assets	8144	-	-
Other	8145	(2,442,835)	(1,501,462)

Chief Executive Officer

(signature)

Sergeev S.V.

(signature)

Chief executive

(signature)

Skiba I.V.

(signature)

« 20 »

February

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5.13. Information on reportable segments

Line item	Line code	Period	Electric power transmission	Technological connection	Reportable segment name	Reportable segment name	Reportable segment name	Reportable segment name	Other segments	Total
	2	3	4	5	6	7	8	9	10	
Revenue from external buyers	8310	2019	46,515,696	4,206,155	-	-	-	281,848	51,003,699	
	8311	2018	45,583,484	602,467	-	-	-	215,128	46,401,079	
Sales revenue between segments	8320	2019	-	-	-	-	-	-	-	
	8321	2018	-	-	-	-	-	-	-	
Total Revenue of segment	8300	2019	46,515,696	4,206,155	-	-	-	281,848	51,003,699	
including	8400	2018	45,583,484	602,467	-	-	-	215,128	46,401,079	
Revenue from transmission	8301	2019	46,515,696	-	-	-	-	-	46,515,696	
	8401	2018	45,583,484	-	-	-	-	-	45,583,484	
Revenue from technological connection	8302	2019	-	4,206,155	-	-	-	-	4,206,155	
	8402	2018	-	602,467	-	-	-	-	602,467	
Other revenue	8303	2019	-	-	-	-	-	281,848	281,848	
	8403	2018	-	-	-	-	-	215,128	215,128	
Interest receivable	8303	2019	-	-	-	-	-	67,390	67,390	
	8403	2018	-	-	-	-	-	81,528	81,528	
Interest payable	8304	2019	1,971,069	-	-	-	-	-	1,971,069	
	8404	2018	1,911,383	-	-	-	-	-	1,911,383	
Income Tax Expenses	8305	2019	1,096,752	-	-	-	-	-	1,096,752	
	8405	2018	1,128,620	-	-	-	-	-	1,128,620	
Gains/(losses) of segment	8306	2019	(666,388)	3,092,746	-	-	-	1,653	2,428,011	
	8406	2018	498,740	(190,380)	-	-	-	(157,162)	151,198	
Assets of segments	8307	2019	74,212,496	960,876	-	-	-	1,058,547	76,231,919	
including non-current assets	8407	2018	73,940,841	1,329,403	-	-	-	638,571	75,908,815	
	8308	2019	63,453,378	859,721	-	-	-	322,184	64,635,283	
	8408	2018	62,259,163	1,165,387	-	-	-	189,385	63,613,935	
Liabilities of segments	8309	2019	71,756,977	3,749,629	-	-	-	725,313	76,231,919	
	8409	2018	67,743,703	7,472,163	-	-	-	692,949	75,908,815	
Amortization of fixed assets and intangible assets	8390	2019	4,186,821	55,426	-	-	-	21,318	4,263,565	
	8490	2018	3,913,180	59,624	-	-	-	11,925	3,984,729	



PUBLIC JOINT STOCK
COMPANY OF POWER INDUSTRY
AND ELECTRIFICATION OF KUBAN
(PJSC KUBANENERGO)

**NOTES TO THE ACCOUNTING STATEMENTS
FOR 2019**

Krasnodar
2020

CONTENTS

1.	<u>BACKGROUND INFORMATION</u>	4
2.	<u>FUNDAMENTAL PRINCIPLES OF ACCOUNTING POLICIES</u>	56
2.1.	<u>Assets and liabilities in foreign currencies</u>	9
2.2.	<u>Expenses for research, development and technological works (R&D)</u>	9
2.3.	<u>Intangible assets</u>	56
2.4.	<u>Fixed assets and construction in progress</u>	9
2.5.	<u>Inventories</u>	11 Ошибка! Закладка не определена.
2.6.	<u>Deferred expenses</u>	13
2.7.	<u>Financial investments</u>	13
2.8.	<u>Borrowings and loans</u>	14
2.9.	<u>Estimated liabilities</u>	14
2.10.	<u>Deferred taxes</u>	14
2.11.	<u>Revenue and other income</u>	15
2.12.	<u>Cost of goods sold, products, works, services, selling costs, administrative expenses and other expenses</u>	16
2.13.	<u>Government assistance</u>	16
2.14.	<u>Associates and affiliates</u>	16
2.15.	<u>Information on segments</u>	16
2.16.	<u>Cash flow information</u>	16
3.	<u>CHANGES IN ACCOUNTING POLICIES IN 2019</u>	17
4.	<u>CHANGES IN ACCOUNTING POLICIES IN 2020</u>	ОШИБКА! ЗАКЛАДКА НЕ ОПРЕДЕЛЕНА.
5.	<u>ADJUSTMENTS AND OTHER CHANGES IN ACCOUNTING RELATED TO THE PRIOR PERIODS</u>	65
6.	<u>INFORMATION DISCLOSURE ON SPECIFIC INDICATIONS OF ACCOUNTING STATEMENTS FOR 2019</u>	65
6.1.	<u>Fixed assets</u>	18
6.1.1.	<u>Capital investments in progress</u>	66
6.1.2.	<u>Fixed assets received for lease</u>	Ошибка! Закладка не определена.
6.2.	<u>Other non-current assets and current assets</u>	66
6.3.	<u>Financial investments</u>	Ошибка! Закладка не определена.
6.4.	<u>Government assistance</u>	20
6.5.	<u>Equity and reserves</u>	20
6.6.	<u>Accounts receivable</u>	21
6.7.	<u>Accounts payable, loans and borrowings</u>	69
6.7.1.	<u>Securing obligations</u>	Ошибка! Закладка не определена.
6.7.2.	<u>Information on opportunities of the company to raise additional cash as of reporting date</u>	Ошибка! Закладка не определена.

6.8. Information on risks of business activity	Ошибка! Закладка не определена.	
6.9. Deferred taxes		36
6.10. Cost of goods sold, products, works, services, selling costs, administrative expenses and other expenses		38
6.10.1. Information on costs of energy resources use		38
6.11. Information on cash flows		39
6.12. Information on segments		40
6.13. Related party disclosure	Ошибка! Закладка не определена.	
6.13.1. List of related parties	Ошибка! Закладка не определена.	
6.13.2. Operations carried out with related parties and transactions in progress with related parties where the settlements are executed through the bank under the terms of the contracts	Ошибка! Закладка не определена.	
6.13.3. Benefits payable to key management personnel		45
6.14. The going concern principle		46
6.15. Estimated liabilities, contingent liabilities and assets		46
6.16. Events after the reporting period		47

BACKGROUND INFORMATION

PJSC Kubanenergo is the largest electric grid company in the territory of Krasnodar Region and the Republic of Adygeya that transmits and distributes electricity to the distribution grid with a voltage of 110 kV and lower located in populated areas, village settlements, separate cities and neighborhood centre of Krasnodar Region and the Republic of Adygeya, including Sochi.

Full name: Public Joint Stock Company of Power Industry and Electrification of Kuban .

Short name: PJSC Kubanenergo.

Registered on February 10, 1993.

Entered in the Single State Register of Legal Entities by Inspection of the Federal Tax Service of Russia No. 3 in Krasnodar under No. 1022301427268 of September 17, 2002. Certificate 23 No. 001806938.

TIN (KPP): 2309001660 (997650001).

Legal form / form of property PJSC Kubanenergo – Public Joint Stock Company (Code OKOPF 47) / private ownership (Code OKFS 16).

Registered office (legal address) PJSC Kubanenergo – 350033, the Russian Federation, Krasnodar, 2A Stavropolskaya Street.

The core activities of the Company are:

- providing services for distribution and transmission of energy that is transferred out of the electrical system;
- services for technological connection of consumers to electric networks.

Table 1 – Licences

Branch of activities	Issuing authority	Details	Validity period
1	2	3	4
For extraction licence (fresh groundwater mining for household drinking process water supply in Krasnodar)	Ministry of Natural Resources of the Russian Federation	КРД No. 03378 ВЭ	From July 17, 2007 – to July 20, 2034
Permission for construction works, overhaul and refurbishment works	Self-regulatory organization NPO Energostroy	0212.04-2013-2309001660-C-060	From December 16, 2013 – unlimited
Work permission for preparation of external electrical grid projects with voltage up to 35 kV inclusive and its buildings	Self-regulatory organization NPO Energoproekt	П-0263-03-2010-0274	From February 3, 2014 – unlimited
For extraction licence (fresh groundwater mining for household drinking process water supply)	Ministry of Natural Resources of Krasnodar Region	КРД No. 80380 ВЭ	From October 26, 2015 – January 1, 2035
For the operation of explosion and fire hazardous manufacturing facilities	Federal Service for Environmental, Technological, and Nuclear Supervision	БП-30-003995 Series AB No. 087343	From November 11, 2011– unlimited

Accounting Statements of PJSC Kubanenergo contain operational performance of all branch offices, representative offices and other business units, as follows:

Table 2 – Branch offices of PJSC Kubanenergo

№	Name	Registered office
1.	Krasnodar Electrical Networks	350000, Krasnodar, 131 Pashkovskaya Str.
2.	Sochi Electrical Networks	354000, Sochi, 42 Konstitutsii USSR Str.
3.	Armavir Electrical Networks	352900, Armavir, 54 Vorovskogo Str.
4.	Adygeya Electrical Networks	385000, Maykop, 358 Shovgenova Str.
5.	Timashevsk Electrical Networks	352700, Timashevsk, 176 Lenina Str.
6.	Tikhoretsk Electrical Networks	352122, Tikhoretsk, 62 Dzerzhinskogo Str.
7.	Leningrad Electrical Networks	353745, Leningradskaya village, 6 Divizii 302 Str.
8.	Slavyansk Electrical Networks	353560, Slavyansk-na-Kubani, 49 Stroitelei Str.
9.	South-West Electrical Networks	353902, Novorossiysk, 1 Vostochnyy Mol
10.	Labinsk Electrical Networks	352503, Labinsk, 334 Mira Str.
11.	Ust-Labinsk Electrical Networks	352232, Ust-Labinsk, 4 Krasnodarskaya Str.

The average annual number of employees in PJSC Kubanenergo for the reporting period amounted to 8,644, in 2018 amounted to 8,611, prior to preceding 2017 amounted to 8,494.

Company's auditor:

Full name: Limited Liability Company Ernst & Young
 Legal address: 115035, Moscow, 77 Sadovnicheskaya naberezhnaya, building 1
 Current address: 115035, Moscow, 77 Sadovnicheskaya naberezhnaya, building 1
 TIN: 7709383532
 PSRN: 1027739707203
 Phone/fax: 8 (495) 755-97-00/8; (495) 755-97-01

Management Board of the Company is the General Meeting of Shareholders, the Board of Directors of the Company, Management Board (Collegial Executive Body of the Company), General Director (Chief Executive Officer of the Company).

Chief Executive Officer of the Company: Sergeev Sergey Vladimirovich.

Chief accountant of the Company: Skiba Inna Viktorovna.

Table 3 – Members of the Board of Directors of the Company (as of December 31, 2019):

No.	Full name	Principal place of employment and official capacity	Position on the Board of Directors of PJSC Kubanenergo
1.	Gavrilov Aleksandr Ilich	Chairman of the Board of Directors of PJSC Kubanenergo	Chairman of the Board of Directors
2.	Sergeeva Olga Andreevna	Member of the Board, Principal Counsellor of PJSC Rosseti	Member of the Board of Directors
3.	Kiryukhin Sergey Vladimirovich	Acting Deputy General Director – Chief of PJSC Rosseti Staff	Member of the Board of Directors
4.	Varvarin Aleksandr Viktorovich	Vice-president for Legal Regulation and Law Enforcement of the Russian Union of Industrialists and Entrepreneurs (RSPP)	Member of the Board of Directors
5.	Larionov Dmitriy Vitalevich	Deputy Director of Department - Head of Department of Agricultural and Property Relations and Disposition of Property of Property Management Department of PJSC Rosseti	Member of the Board of Directors
6.	Osipova Elena Nikolaevna	Head of Department of Financial Analysis and Liquidity Management of Department of Finance of PJSC Rosseti	Member of the Board of Directors
7.	Medvedev Mikhail Vladimirovich	Adviser to the Director General of JSC Avangard	Member of the Board of Directors
8.	Rozhkov Vasiliy Vladimirovich	Director of the Department of Production Activity – Deputy Chief Engineer of PJSC Rosseti	Member of the Board of Directors
9.	Khokholkova Kseniya Valerevna	Chief Expert of Securities Management and Information Disclosure of Corporate Management Department of PJSC Rosseti	Member of the Board of Directors
10.	Shagina Irina Aleksandrovna	Director of the Department of Tariff Policy of PJSC Rosseti	Member of the Board of Directors
11.	Yavorskiy Viktor Korneevich	Member of the Presidium of the Board of "OPORA RUSSIA"	Member of the Board of Directors

Table 4 – Composition of Management of the Company (as of December 31, 2019):

No.	Full name	Principal place of employment and official capacity	Status in the Management of PJSC Kubanenergo
1.	Sergeev Sergey Vladimirovich	General Director of PJSC Kubanenergo	Chairman of the Board
2.	Shishigin Igor Nikolaevich	Deputy General Director for Technical Issues – Chief Engineer of PJSC Kubanenergo	Deputy Chairman of the Board
3.	Ocheredko Olga Vyacheslavovna	Deputy General Director for Economics and Finance of PJSC Kubanenergo	Member of the Board
4.	Armaganyan Edgar Garrievich	First Deputy General Director of PJSC Kubanenergo– Branch Manager of PJSC Kubanenergo Sochi Electrical Networks	Member of the Board
5.	Khazikova Zanda Ivanovna	Deputy General Director for Corporate Management of PJSC Kubanenergo	Member of the Board
6.	Nishchuk Oleg Fedorovich	Deputy General Director of Implementation Services of PJSC Kubanenergo	Member of the Board
7.	Belenko Roman Alekseevich	Deputy General Director of PJSC Kubanenergo	Member of the Board
8.	Shchepakin Maksim Mikhailovich	Deputy General Director – Chief of PJSC Kubanenergo Staff.	Member of the Board
9.	Skladchikov Vladimir Andreevich	Deputy General Director of Development and Utility Connection of PJSC Kubanenergo	Member of the Board

The Auditing Committee of the Company is the supervisory authority for financial and operational activities of the Company.

Table 5 – Composition of the Company's Auditing Committee (as of December 31, 2019):

No.	Full name	Principal place of employment and official capacity	Status in the Auditing Committee
1.	Lelekova Marina Aleksseevna	Director of the Internal Control and Risk Management Department of PJSC Rosseti	Chairman of the Auditing Committee
2.	Kim Svetlana Anatolevna	Head of Supervisory Activities Department of the Internal Control and Risk Management Department of PJSC Rosseti	Member of the Auditing Committee
3.	Erandina Elena Stanislavovna	Chief Expert of Monitoring-Expert Management of the Department of Audit Activities of PJSC Rosseti	Member of the Auditing Committee
4.	Kabizskina Elena Aleksandrovna	Chief Expert of the Internal Control and Risk Management Department of PJSC Rosseti	Member of the Auditing Committee
5.	Malyshev Sergey Vladimirovich	Lead Expert of the of Supervisory Activities Department of the Internal Control and Risk Management Department of PJSC Rosseti	Member of the Auditing Committee

Table 6 – The Main Subsidiaries and Affiliates

Name of the subsidiary	Participatory interest (%)	Registered office	Line of business
1	2	3	4
Joint-Stock Company Energetik Holiday Facility	100	353490, Krasnodar Region, Gelendzhik, Divnomorskoye village, 4 Pionerskaya Str.	Provision of medical, sanatorium and health-resort, health and fitness services, accommodation services (temporary accommodation services), food and nutrition services and services to the population
Joint-Stock Company Kuban Energoservis	100	350080, Krasnodar Region, Krasnodar, 47 Novorossiyskaya Str.	Implementation of programs on energy conservation and increasing the energy efficiency of final consumers in the regions by means of implementation of the multilevel system of energy services.

FUNDAMENTAL PRINCIPLES OF ACCOUNTING POLICIES

PJSC Kubanenergo keeps accounting records in accordance with the requirements for Russian Accounting Standards and Federal Law of December 6, 2011 No. 402-FZ “On Accounting” and also in accordance with Corporate Standard of PJSC Rosseti “*Uniform Corporate Accounting Principles for accounting purposes*”.

Data from Accounting Statements are presented in thousands Russian Rubles (if not otherwise mentioned).

Assets and liabilities in foreign currencies

The Company does not have assets and liabilities denominated in foreign currency at the beginning and the end of the reporting period.

Expenses for research, development and technological works (R&D)

Accounting of expenses for research, development and technological works is incurred in accordance with Accounting Regulation 17/02, approved by Order of the Ministry of Finance of the Russian Federation No. 115H of November 19, 2002 and subsequent changes. Writing off the expenses for each facility of R&D is made using the straight-line method.

Intangible assets

Accounting for intangible assets is kept by the Company in accordance with the Accounting Regulation 14/2007 “*Intangible asset accounting*”, approved by Order of the Ministry of Finance of the Russian Federation No. 153H of December 27, 2007.

Straight-line method is used for the amortization of the cost of the intangible assets with definite useful lives.

Fixed assets and construction in progress

Accounting for fixed assets is kept by the Company in accordance with the Accounting Regulation 6/01 “*Accounting for fixed assets*”, approved by Order of the Ministry of Finance of the Russian Federation No. 26H of March 30, 2001 and

Accounting Guidelines on fixed assets, approved by Order of the Ministry of Finance of the Russian Federation No. 91H of October 13, 2003.

Accounting for construction in progress is kept by the Company in accordance with the Regulation of Accounting and Reporting in the Russian Federation, approved by Order of the Ministry of Finance of the Russian Federation No. 34H of July 29, 1998 and in accordance with the Accounting Regulation of long-term investments (letter of the Russian Ministry of Finance No. 160 of December 30, 1993), if not at variance with subsequent regulatory legal acts on accounting.

Items of fixed assets are accepted for recording at original cost, determined according to the method of receipt-purchase for a fee, implementation by own efforts, construction, receiving without compensation and so on.

Assets are recognized as a part of inventories and written-off as manufacturing expenses in accounting and accounting statements as far as they release to production or into operation and to relation of which the terms for attribution of assets to the fixed assets (with the value less than 40,000 rubles inclusive) are fulfilled. The following items are included in the fixed assets regardless of their value:

- transmission lines;
- lands;
- buildings;
- constructions;
- vehicles

Costs on borrowings and loans related to investment asset formation (items of fixed assets, asset groups and other similar assets demanding much time and purchasing costs and (or) construction) are included in the cost of the depreciable asset.

Amortization of the items of fixed assets is calculated using the straight-line method on the basis of their useful lives.

Useful life is regulated by the Committee of the Company on receipt of fixed assets in accordance with the final report of the technical employees taking into consideration the information specified in technical documentation of the construction site.

The following useful lives are determined for accounting purposes in accordance with the technical rules and regulations and instructions for the operation of equipment of manufacturing plants and newly introduced items of fixed assets related to the groups such as “Transmission lines and transmission facilities” and “Vehicles and machinery”.

Item of fixed assets	Useful life, years
<i>Material-working machinery and equipment</i>	
Power transformer	30
Shunt reactor	30
Current limiting reactor	30
Cell of gas-insulated switchgear	30
Cell of the complete distribution device	25
Current transformer (CT)	30
Voltage transformer (VT)	30
Switch	30
Disconnecter, isolating switch and short-circuiting device	30
<i>Constructions and transfer mechanisms (transmission lines)</i>	
Overhead transmission lines (OTL)	35
Cable transmission lines	30
Overhead and cable transmission lines	30

Fully amortizing (depreciated) fixed assets are not measured at amortized cost.

The result due to retirement, write-off and donation of fixed asset is reflected in the Statement of financial results and as a part of other revenues and expenses.

Fixed asset value has not changed, except for further construction, modernization and reconstruction of fixed assets. Expenses for reconstruction of fixed assets are reflected on the balance sheet of the reporting period to which the expenses relate.

Accounting for the property acquired under leasing is carried out in accordance with the Federal Law No. 164-FZ of October 29, 1998 “On financial lease (leasing)”.

Inventories

Inventory accounting is kept by the Company in accordance with the Accounting Regulation 5/01 “*Inventory accounting*”, approved by Order of the Ministry of Finance of the Russian Federation No. 44Н of June 9, 2001 and Accounting guidelines on inventory accounting, approved by Order of the Ministry of Finance of the Russian Federation No. 119Н of December 28, 2001.

When inventories are included in the accounting, inventory valuation is made by the following ways:

- when purchase for a charge – in the amount of actual expenses for purchasing except for VAT and other recoverable taxes from the budget (Clause 6, Accounting Regulation 5/01);
- during production by own efforts – on the basis of actual expenses related to the production of the current expenses. Accounting and formation of expenses for production of inventories are carried out in accordance with the procedure established for the determination of prime cost of the appropriate types of production (Clause 7, Accounting Regulation 5/01);
- entered against contribution to the charter capital – on the basis of monetary value agreed upon with shareholders (participants), unless otherwise required by the legislation of the Russian Federation in accordance with the actual expenses for delivery of inventories and bring them up to an acceptable standard for use (Clause 8, 11, Accounting Regulation 5/01);
- donation or received under the donation agreement and also remaining after disposal of fixed assets and other property, recognition of inventories that were recognized as the surplus on the results of the inventory count – on the basis of current market value for delivery of inventories and bring them up to an acceptable standard for use (Clause 9, 11, Accounting Regulation 5/01);
- received under the agreements providing for fulfilment of obligations (payment) by non-monetary assets – according to the value of assets transferred or subject to transfer to the Company, established on the basis of the price for which the Company usually identifies the value for the similar assets under comparable circumstances. When it is not possible to establish the value of assets that are transferred or subject to transfer to the Company, the inventory cost according to the agreements providing for fulfilment of obligations (payment) by non-monetary assets is identified on the basis of the price for which the Company usually purchases the similar inventories under comparable circumstances. The actual expenses for delivery of inventories and bring them up to an acceptable standard for use are included in the actual cost of these inventories (Clause 6, 10, 11, Accounting Regulation 5/01);
- cost of inventories received under the barter contracts where the contractual value of barterable property is established, official contractual value is recognized.

Inventories are measured at average cost of every type of inventory when the inventories release to production or their disposal in accordance with Clause 16 and Accounting Regulation 5/01 “Inventory accounting”.

Special clothes before putting into operation are recognized according to the account 10 "Materials" on the separate sub-account “Dedicated tooling and special clothes at stock”. The cost of special clothes that have useful lives more than 12 months is repaid using the straight-line method on the basis of their useful lives according to the industry standards requiring free issue of work clothes, special shoes and other personal protective equipment and in accordance with the Rules of Provision of Employees with special clothes, special shoes and other personal protective equipment, approved by Decree of the Ministry of Health and Social Development of July 1, 2009 No. 290H. Special clothes that have useful lives more than 12 months are reflected on the balance sheet as a part of other non-current assets.

The Company creates the reserve for depreciation of inventories for the account of financial results.

Deferred expenses

The principled approach established in the Company is to recognize incurred expense in the balance sheet and accounting as a part of deferred expense and its equating to the asset. This approach is based on the fact that the future economic benefits (temporary benefits) related to the asset and appraisal of the asset value is probable.

The Company has established that the balance of deferred expenses is recorded in the lines “Other non-current assets” and “Other current assets”.

For this purpose the distribution between section I and section II of the balance sheet occurs on the basis of repayment period of the relevant expenses, i.e. the expenses where the repayment period is more than 12 months are to be recorded in the section I of the balance sheet and the other expenses are to be recorded in the section II.

Financial investment

Accounting for financial investments is kept by the Company in accordance with the Accounting Regulation 19/02 “*Accounting for financial investments*”, approved by Order of the Ministry of Finance of the Russian Federation No. 126H of December 10, 2002.

Contributions to charter capitals of other organizations are recognized by the financial investments of the organization and recorded in accounting in the amount of actual expenses of the investor, i.e. according to the cost of assets entered against contribution in which the assets were recorded on the balance sheet.

Financial investments in which the current market value is not determined are subject to reflection in accounting and accounting statements at original cost as of reporting date (Clause 21, Accounting Regulation 19/02).

Financial investments in which the current market value is determined are subject to reflection in the accounting statements at the current market value at the end of the reporting period by means of adjustment of evaluation of investments for the previous reporting date (Clause 20, Accounting Regulation 19/02).

Debt securities are reflected at historical cost. Difference between nominal value of acquisition and nominal value of the securities is to be included in other revenues and expenses.

Borrowings and loans.

Accounting for borrowings and loans is kept by the Company in accordance with the Accounting Regulation 15/2008 “*Accounting for borrowings and loans*”, approved by Order of the Ministry of Finance of the Russian Federation No. 107H of October 6, 2008.

Estimated liabilities

Accounting for estimated liabilities is kept by the Company in accordance with the Accounting Regulation 8/2010 “*Estimated liabilities, contingent liabilities and contingent assets*”, approved by Order of the Ministry of Finance of the Russian Federation No. 167H of December 13, 2010.

Deferred taxes

Accounting for deferred taxes is kept by the Company in accordance with the Accounting Regulation 18/02 “*Accounting for corporate income tax*”, approved by Order of the Ministry of Finance of the Russian Federation No. 114H of November 19, 2002.

The amounts of deferred tax asset and liability are to be reflected in expanded form on the balance sheet during the preparation of the accounting statements.

Revenue and other income

Accounting for revenue and other income is kept by the Company in accordance with the Accounting Regulation 9/99 “*Organization's income*”, approved by Order of the Ministry of Finance of the Russian Federation No. 32H of May 6, 1999.

Revenue is recognized in accounting of the Company, provided that the following conditions are met:

- 1) The organization has the right to receive revenue under the specific contract or it should be confirmed by other appropriate means;
- 2) The amount of revenue is to be defined;
- 3) There is confidence that there will be increase in economic benefits of the organization as a result of the concrete operation. There is confidence that there will be increase in economic benefits of the organization as a result of the concrete operation when the organization receives an asset in payment or there is no uncertainty about receipt of an asset;
- 4) If the ownership (possession, use and control) of production (goods) was transferred from the organization to the buyer or the work was accepted by the client (the service was provided);
- 5) Expenses that were incurred or will be incurred due to this operation may be identified.

Receipts related to the equity interest in other organizations; receipts from sale of fixed assets and other assets; fines, penalties and forfeitures for the breach of contract terms and conditions; receiving of assets without compensation; profit for past years; amounts of accounts payable for which the statute of limitations has expired; exchange differences and other income are the other income of the Company in accordance with the Clause 7, Accounting Regulation 9/99.

Other revenues are recorded in the statement of financial results less the expenses related to these revenues, in case that:

- Corresponding rules of accounting require and do not prohibit such recognition of revenues;
- Revenues and expenses related to them, as a result of one and the same or similar business activity (such as assignment for temporary use (temporary possession and use) of own assets) are not essential for financial characteristics of the Company.

Cost of goods sold, production, works, services, selling costs, administrative expenses and other expenses.

Accounting for expenses is kept by the Company in accordance with the Accounting Regulation 10/99 “*Organization's expenses*”, approved by Order of the Ministry of Finance of the Russian Federation No. 33H of May 6, 1999. General business expenses are fully recognized in the cost of goods sold and services in the reporting period and distribution by types of activities is carried out in proportion to the revenue.

Administrative expenses are recorded in the account 26 “General business expenses” showing individual cost centers and nomenclature. Administrative expenses are recorded in the statement of financial results in the line “Administrative expenses”.

Government assistance

Accounting for funds received under government assistance is kept by the Company in accordance with the Accounting Regulation 13/2000 “*Accounting for government assistance*”, approved by Order of the Ministry of Finance of the Russian Federation No. 92H of December 16, 2000.

Associates and affiliates

Information on associates and affiliates is disclosed by the Company in accordance with the Accounting Regulation 11/2008 “*Information on associates and affiliates*”, approved by Order of the Ministry of Finance of the Russian Federation No. 48H of April 29, 2008.

Information on segments

Information on segments is disclosed by the Company in accordance with the Accounting Regulation 12/2010 “*Information on segments*”, approved by Order of the Ministry of Finance of the Russian Federation No. 143H of November 8, 2010.

Cash flow information

Cash flow information is disclosed by the Company in accordance with the Accounting Regulation 23/2011 “*Statement of cash flows*”, approved by Order of the Ministry of Finance of the Russian Federation No. 11H of February 2, 2011.

CHANGES IN ACCOUNTING POICIES IN 2019

In 2019 PJSC Kubanenergo changed the Accounting policies as to accounting model of fixed assets in accordance with the Federal Accounting Standards.

As of 2019 the Company evaluates the fixed assets after recognition at original cost (historical cost) to improve the quality of information and in accordance with Statutory Accounting Principles (Clause 6, Accounting Regulation 1/2008). Revaluation is not applicable.

Taking into account that it is impossible to identify with sufficient reliability the monetary valuation of effects of changes in accounting policies related to the periods prior to reporting period, changes in accounting will be applied in the future (Clause 15, Accounting Regulation 1/2008). It is understood that the current (recovered) value of fixed assets (that was established up to the date of changes in accounting policies) is taken as deemed cost and the balance of additional capital, formed as of January 1, 2019 from previously fixed asset revaluation is to be transferred to the accumulated profit.

Balance sheet line code	Before adjustment	Adjustment	After adjustment
1340 "Revaluation of non-current assets"	10 736 476	(10 736 476)	–
1370 "Accumulated profit (accumulated loss)"	(12 654 441)	10 736 476	(1 917 965)
1371 "Accumulated profit (accumulated loss) for past years"	(12 654 441)	10 736 476	(1 917 965)

CHANGES IN ACCOUNTING POICIES IN 2019

There were no significant changes in Accounting Policies in 2020.

The new version of Accounting Regulation 18/02 "Accounting for corporate income tax" shall come into force from the January 1, 2020.

The Company expects that changes in Accounting Policies due to the new version of the above mentioned Accounting Regulation will have a significant impact on the financial position of the Company and its financial results as of January 1, 2020 and in particular lead to:

- Reduction of the balance sheet line 1730 "Accumulated profit" approximately for the amount of 642,745 thousand rubles;

- Increase of the balance sheet line 1180 “Deferred tax assets” approximately for the amount of 167,015 thousand rubles.
- Increase of the balance sheet line 1420 “Deferred tax liabilities” approximately for the amount of 809,760 thousand rubles.

The Company is in the phase of final evaluation of the amounts that have an impact on indications of Accounting (Financial) Statements as of January 1, 2020.

These changes in the Accounting Regulation will be recorded on the Accounting (Financial) Statements for the first quarter (Q1) of 2020 and will lead to the changes in comparative indicators for the periods prior to reporting period.

ADJUSTMENTS AND OTHER CHANGES IN ACCOUNTING RELATED TO THE PRIOR PERIODS

There are no adjustments and other changes in accounting related to the prior periods.

INFORMATION DISCLOSURE ON SPECIFIC INDICATIONS OF ACCOUNTING STATEMENTS FOR 2019

Fixed assets

Real estate assets accepted for operation and in use undergoing the state registration are recorded in the account 01.06 “Real estate assets the ownership of which is not registered”. As of December 31, 2019 the original value of the real estate assets accepted for operation and in use undergoing the state registration amounted to 5,945,667 thousand rubles.

Fixed assets under the agreements providing for fulfilment of obligations by non-monetary assets were missing for the period from January 1 to December 31, 2019.

Information on fixed asset groups, change in value and usage are specified in Appendices 5.3.1; 5.3.3; 5.3.4.

Capital investments in-progress

Amount of advances and advance payment of services related to the construction and purchase of fixed assets without VAT; raw materials intended to be used for the purpose of creation of fixed assets are recorded on the balance sheet of the Company as capital investments in-progress. As of December 31, 2019 the amount of advances and advance payment of services related to the construction and purchase of fixed assets amounted to 30,056 thousand rubles, VAT from advances and advance payment of services related to the construction and purchase of fixed assets is recorded in the line 1260 "Other current assets" in the amount of 5,984 thousand rubles. As of December 31, 2019 the amount of raw materials intended to be used for the purpose of creation of fixed assets amounted to 574,560 thousand rubles.

Information on the presence and flow of construction in progress assets is disclosed in Appendix 5.3.5.

Fixed assets received for lease

There are no fixed assets received for lease in the current reporting period. In the coming period lease payments are not planned.

Other non-current assets and current assets

As of December 31, 2019, deferred expenses amounted to 265,609 thousand rubles depending of the date of write-off, fixed as of the date of acceptance for recording. These expenses are recorded on the balance sheet:

1) Non-exclusive rights for computer software:

- Useful life more than 12 months (line 1190) amounted to 184,569 thousand rubles;
- Useful life during 12 months (line 1260) amounted to 79,906 thousand rubles.

2) Other:

- Useful life more than 12 months (line 1190) amounted to 931 thousand rubles;
- Useful life during 12 months (line 1260) amounted to 203 thousand rubles.

Cost of special clothes with useful lives more than 12 months in the amount of 106,176 thousand rubles is recorded in the line 1190 as a part of non-current assets.

The amount of VAT from advances received amounted to 517,157 thousand rubles is recorded in the line 1260 as a part other current assets.

Financial investments

Commission for inspection of depreciation of financial investments of PJSC Kubanenergo had been performed the analysis of financial investments for the presence of impairment indicators as of December 31, 2019. As a result of reserve for decrease in financial investments was restored in the amount of 1,594 thousand rubles and accrued in the amount of 100 thousand rubles. Information on the presence and flow of financial investments is disclosed in Appendices 5.4.1 and 5.4.2.

Government assistance

The decision was made by the Territorial authorities of Social Insurance Fund of the Russian Federation (SIF RF) concerning the funding for preventive measures to reduce occupational injuries.

Information is disclosed in Appendix 5.9

Equity and reserves

At the beginning of 2019 the charter capital of the Company amounted to 30,379,335,000 rubles (thirty billion three hundred and seventy nine million three hundred and thirty five thousand rubles) and consist of 303,793,350 ordinary shares at par value of 100 (one hundred) rubles per share.

PJSC Kubanenergo carried out the issuance of additional shares by means of public subscription in the reporting period. On July 18, 2019 the Bank of Russia carried out the official registration of secondary equity offering in the quantity of 37,477,392 units, 30,864,487 units of which were floated.

On November 28, 2019 the relevant extract of the Bank of Russia of November 19, 2019 No. 28-1-2/6479 from the register of securities was received by the Company. This extract contained information on outstanding stock issue. According to the present extract, 334,657,837 units of the ordinary shares of PJSC Kubanenergo at par value of 100 (one hundred) rubles per share are in circulation at the moment. The total make at par value amounted to 33,465,783,700 rubles (thirty three billion four hundred and sixty-five million seven hundred and eighty-three thousand seven hundred rubles).

As at December 31, 2019 the official registration of amendments to the Charter of PJSC Kubanenergo related to the above-mentioned increase of share capital was not carried out.

Preferred shares did not issued by the Company.

Additional capital of the Company is formed as a result of paid-in capital in excess of par.

The company creates the capital reserve intended for loss coverage. These losses are not specifically defined but may occur in economic turnover. The capital reserve is created out of net profits of the Company.

Accounts receivable

Information on the presence and flow of accounts receivable for the reporting period is disclosed in the Table 5.1. Notes to the balance sheet and statement of financial results are represented in a tabular format. Accounts receivable that is arisen and paid off in the one reporting period is not included in the turnover.

Table 7 – **Settlements with the budget**

(thousands of RUB)

Indication	Debt as of December 31, 2018		Accrued for 2019	Paid for 2019	Debt as of December 31, 2019	
	Debit	Credit			Debit	Credit
VAT	–	327 621	2 593 982	2 511 399	–	410 204
Property tax	14 550	214 514	626 589	653 462	721	173 812
Income tax	258 102	–	421 738	388 306	224 670	–
Land charge	1 067	1 040	4 826	4 554	857	1 102
Personal income tax	1	60 140	665 944	670 409	3	55 677
Transport tax	–	1 971	8 083	7 951	–	2 103
Total taxes	273 720	605 286	4 321 162	4 236 081	226 251	642 898
Tax Penalties	2	–	–	–	2	–
Fines	722	1 244	8 126	17 024	8 376	–
Total	274 444	606 530	4 329 288	4 253 105	234 629	642 898

The amount of accounts receivable for taxes and dues is decreased for 39,815 thousand rubles in 2019.

There was a considerable decrease in accounts receivable related to the income tax in the amount of 33,432 thousand rubles. Accounts receivable for income tax in the amount of 224,670 thousand rubles arose due to the fact that advance payments (paid in 2019) had exceeded the amount of income tax, calculated for year results.

Table 8 – Settlements for insurance contributions to compulsory health insurance

(thousands of RUB)

Indication	Debt for December 31, 2018		Accrued for 2019	Paid for 2019	Debt as of December 31, 2019	
	Debit	Credit			Debit	Credit
Insurance contributions – total	4 192	120 706	1 503 032	1 467 931	5 471	157 086
including:						
Pension contribution	22	91 131	1 087 513	1 060 355	2	118 269
Compulsory health insurance	–	25 472	262 174	252 885	1	34 762
Social insurance	4 170	4 103	153 345	154 691	5 468	4 055
Penalties – total	–	–	–	–	–	–
Fines – total	2	4	30	36	4	–
Total	4 194	120 710	1 503 062	1 467 967	5 475	157 086

There are no considerable changes in the dynamics of account receivable and accounts payable related to the insurance contributions to compulsory health insurance in 2019.

Table 9 –Allocation of taxes, penalties and fines according to the levels of budget.

(thousands of RUB)

Indication	Debt for December 31, 2018		Accrued for 2019	Paid for 2019	Debt for December 31, 2019	
	Debit	Credit			Debit	Credit
Taxes – total	273 720	605 286	4 321 162	4 236 081	226 251	642 898
Federal budget	38 692	387 761	3 335 387	3 236 923	18 352	465 885
Regional tax, national tax	233 961	216 485	980 951	994 603	207 040	175 912
Local tax	1 067	1 040	4 824	4 555	859	1 101
Penalties – total	2	–	–	–	2	–
Federal budget	1	–	–	–	1	–
Regional tax, national tax	–	–	–	–	–	–
Local tax	1	–	–	–	1	–
Fines – total	722	1 244	8 126	17 024	8 376	–
Federal budget	578	1 206	257	8 991	8 106	–
Regional tax, national tax	88	38	7 824	8 032	258	–
Local tax	56	–	45	1	12	–
Total	274 444	606 530	4 329 288	4 253 105	234 629	642 898

Accounts receivable of buyers and clients, other accounts receivable are disclosed in Appendices 5.6.1-5.6.3.

Accounts payable, loans and borrowings

Information on the presence and flow of accounts payable for the reporting period is disclosed in the Table 5.3. Notes to the balance sheet and statement of

financial results are represented in a tabular format. Accounts payable that is arisen and paid off in the one reporting period is not included in the turnover.

The amount of accounts payable for tax payments to the federal budget is increased in 2019. The amount of accounts payable related to the tax payments is increased for 36,368 thousand rubles.

There was a considerable increase in accounts payable related to the value added tax. Accounts payable related to the value added tax increased for 82,583 thousand rubles due to the fact that VAT charges for the fourth quarter (Q4) 2019 in the amount of 465,495 thousand rubles had exceeded the VAT charges in the amount of 324,744 thousand rubles for the fourth quarter (Q4) 2018.

The amount of accounts payable related to the property tax is decreased due to the fact that charges forming ending cash balance had decreased.

The difference between the charges in 2019 versus 2018 amounted to 327,222 thousand rubles due to the fact that changes in the tax legislation have taken place from January 1, 2019. There was an exception of movables out of the objects of taxation with simultaneous increase of tax rate up to 2,2%, used in 2019 in relation to the transmission lines and buildings being an integral part of them in accordance with Clause 1 Section 374 of Tax Code of the Russian Federation. In accordance with Clause 3 Section 380 of Tax Code of the Russian Federation, there was the 1,9% tax rate in 2018 in relation to the such movables.

Table 10 – Amounts and repayment periods of borrowings and loans of PJSC Kubanenergo as of December 31, 2019

(thousands of RUB)

Name of the bank	No. of loan agreement	The amount of the actual debt	Interest debt	Repayment period
PAO Sberbank	№ 5400/380	0	5 052	less than 1 month
PAO Sberbank	№ 5400/449	0	2 548	less than 1 month
PAO Sberbank	№ 5400/634	0	2 548	less than 1 month
PAO Sberbank	№ 5400/635	0	2 008	less than 1 month
VTB Bank (PJSC)	KC-ИБ-730750/2018/00069	0	1 249	less than 1 month
VTB Bank (PJSC)	KC-ИБ-730750/2018/00070	0	1 249	less than 1 month
VTB Bank (PJSC)	KC-ИБ-730750/2018/00071	0	2 499	less than 1 month
VTB Bank (PJSC)	KC-ИБ-730750/2018/00072	0	2 499	less than 1 month
Bond-secured loan	4B02-01-00063-A-001P	3 600 000	32 940	less than 1 month
Total line 1510	–	3 600 000	52 592	
PAO Sberbank	№ 5400/380	2 746 698	0	2-3 years
PAO Sberbank	№ 5400/449	2 000 000	0	3 years
PAO Sberbank	№ 5400/634	2 000 000	0	2 years
PAO Sberbank	№ 5400/635	1 576 301	0	2 years
Bank GPB (JSC)	№ 0719-030-0000-K	999 734	0	3 years
Bank GPB (JSC)	№ 0719-031-0000-K	1 000 000	0	3 years
VTB Bank (PJSC)	KC-ИБ-730750/2018/00069	1 000 000	0	1,5 year
VTB Bank (PJSC)	KC-ИБ-730750/2018/00070	1 000 000	0	1,5 year
VTB Bank (PJSC)	KC-ИБ-730750/2018/00071	2 000 000	0	1,5 year
VTB Bank (PJSC)	KC-ИБ-730750/2018/00072	2 000 000	0	1,5 year
Bank "RRDB"(JSC)	355ю	1 253 174	0	2-3 years
Bank "RRDB"(JSC)	356ю	596 004	0	3 years
Bank "RRDB"(JSC)	357ю	1 261 000	0	3 years
Total line 1410	–	19 432 911	0	

Interest rates for loan portfolio have been formed in the range of 7,60% to 7,75% per annum, rate of coupon yield on bond loan is 10,44% as of December 31, 2019.

Information is disclosed in Appendices 5.6.5-5.6.8.

Securing obligations

As of December 31, 2019, the amount of bank guarantees received to insure the fulfilment of obligations under the contractor agreements/supply and repayment (return of advances) amounted to 303,269 thousand rubles on the off-balance sheet item 008 “Fulfilment of obligations and payments received” (Appendix 5.8.). Pledged property under the agreement for purchase and sale of apartments amounted to 107,000 thousand rubles (Appendix 5.8.).

Information on opportunities of the Company to raise additional cash as of reporting date

Table 11 – Unused credit facilities by the Company

(thousands of RUB)

Creditor bank	Name and date of the contract	Amount of unutilized limit	Termination date of drawdown
PAO Sberbank	№ 5400/343 of May 3, 2017	2 000 000	April 30, 2020
PAO Sberbank	№ 5400/344 of May 3, 2017	2 000 000	April 30, 2020
PAO Sberbank	№ 5400/345 of May 3, 2017	1 500 000	April 30, 2020
PAO Sberbank	№ 5400/375 of December 28, 2017	500 000	December 25, 2020
Bank GPB (JSC)	№ 0717-035 of December 29, 2017	500 000	December 28, 2020
PAO Sberbank	№ 5400/406 of December 29, 2017	2 000 000	December 28, 2020
PAO Sberbank	№ 5400/407 of December 29, 2017	2 000 000	December 28, 2020
VTB Bank (PJSC)	№ KC-30750/0001/B-19 of March 29, 2019	1 000 000	March 27, 2021
VTB Bank (PJSC)	№ KC-30750/0002/B-19 of March 29, 2019	1 300 000	March 27, 2021
VTB Bank (PJSC)	№ KC-30750/0003/B-19 of March 29, 2019	1 400 000	March 27, 2021
VTB Bank (PJSC)	№ KC-30750/0004/B-19 of April, 22 2019	1 300 000	April 21, 2021
PAO Sberbank	№ 5400/380 of September 25, 2017	253 302	September 23, 2022
Bank "RRDB"(JSC)	№ 355ю of November 6, 2018	7 826	May 5, 2023
Bank "RRDB"(JSC)	№ 356ю of November 6, 2018	664 996	May 5, 2023
Bank GPB (JSC)	№ 0719-030-0000-K of September 18, 2019	266	September 18, 2024
Bank GPB (JSC)	№ 0719-120-0000-K of November 20, 2019	3 000 000	November 15, 2024
PAO Sberbank	№ 5400/635 of November 18, 2019	423 699	November 16, 2024
Bank "RRDB"(JSC)	№ 369ю of December 11, 2019	1 000 000	December 11, 2024

Available credit limits are opened up by the Company which makes it possible to refund borrowings subject to prompt repayment in 2020. As of December 31, 2019 the total amount of credit limit with termination of drawdown period in 2021-2024 amounted to 10,350,089 thousand rubles, including in the amount of 677,001 thousand rubles – in PAO Sberbank, in the amount of 1,672,822 thousand rubles - in Bank “RRDB” (JSC), in the amount of 5,000,000 thousand rubles – in VTB Bank (PJSC) and in the amount of 3,000,266 thousand rubles in – Bank GBP (JSC). Besides, overdraft limits are opened up by the

Company and they are provided by PAO Sberbank and Bank GPB JSC in the total amount of 1,000,000 thousand rubles.

Information on risks of business activity

Internal Control Policy and Risk Management Policy are approved by the Board of Directors of the Company (Minutes No. 233/2016 of March 18, 2016), the main objective of which is to recognize and ensure the fulfilment of prevention measures intended to minimize the risks (control procedures) according to the deadlines, with the purpose of reducing the probability of financial and other losses that have an impact on achieving goals of the Company. There are specific core principles in regards to risk management:

- 1) Creation and protection of values of the Company (risk management contributes to achievement of the goals, performance improvement, maintaining health and human safety, maintaining security for all types of Company's operations, observation of statutory and regulatory requirements, environment control, improvement of quality of services, operational efficiency, management and company image);
- 2) Risk management is an integral part of all organizational processes (risk management is not a separate activity that is separated from the core activity and operations of the company; risk management is a part of management commitment including the strategic planning, processes of project management and adjustments);
- 3) Risk management is a part of decision making procedure;
- 4) Risk management is a systematic, structured and well timed process;
- 5) Risk management is based on the best available information;
- 6) Risk management should be transparent , all-inclusive and respect the interests of concerned parties;
- 7) Risk management should be dynamic, repeated and adaptable to changes;
- 8) Risk management contributes to the permanent improvement of the company;
- 9) Responsibility for risk management – all participants of risk management are responsible for recognition, evaluation, analysis and continuous monitoring of risks as a part of its activities, development and implementation of necessary measures for risk management and continuous monitoring the efficiency of measures for risk management.
- 10) Principle of optimality is analyzed as relation of costs relating to the implementation of measures for risk management and the impact of the

implementation of these measures, including the compliance of degree of complexity of risk management with the importance of the object subject to examination depending of risks.

11) The unity of methodological framework. Risk management (recognition, evaluation, analysis and monitoring of risks, development and monitoring the efficiency of measures for risk management) is carried out on the basis of approaches and standards common to all structural units of the Company.

The Company carries out collection and analysis of information characterizing the external and internal factors that have a negative impact on achieving goals of the Company every three months. The Company has developed and fulfills the measures in order to minimize the consequence of risk realization. These measures are focused on preventing the negative effects. At the same time political and economic factors have an impact on the activity of PJSC Kubanenergo. Because of these factors the Company can't guarantee that the measures intended to prevent the probability of negative effects will be able to remedy the situation, because these risk factors are out of the Company's control.

Industry risks

Risks of tariff setting

In connection with the limitation of tariff growth for services for electric power transmission to the ultimate consumers at the Russian Federation government level, there is a high probability that published tariffs will not cover the full economically justified expenditures for electric power transmission.

To prevent and mitigate the consequences of realization those risks, the Company provides supporting materials to the Regulatory Authorities. These materials confirm the level of economically justified expenditures of the Company. Therefore, the Company maintains its position about necessity of accounting for economically justified expenditures in its entirety, being the power provider for Krasnodar Region and the Republic of Adygeya and also forms and sends the disputes to the Federal Antimonopoly Service of the Russian Federation.

Besides, the Company is subject to the risk of reduction of total revenue due to the changes of the actual structures of electric power transmission concerning the accepted one at the adoption of tariffs, and also the risks related to the legislative amendments in the sphere of tariff 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 Company 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) formation and implementation of Power Supply Program on improvement of operational efficiency and reduction of costs of PJSC Kubanenergo for 2020-2024.

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

The Company is subject to the risk of scarcities of source of funding of events on agreements on implementation of technological connection due to approving by regulating authority of paying rate for technological connection lower of economically justified level. One of the factors of this risks arising is introduction of amendments to legislation of the Russian Federation (Federal Law of March 26, 2003 No. 35-FZ "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 October 1, 2015 – no more than 50% from amount of specified expenditures, from October 1, 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 Company on technological connection on concluded agreement on technological connection (because of scarcity of funds and large number of agreements on technological connection). To prevent the risk realization the Company is going to carry out its obligations in its entirety under the agreements of 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 Company implements monitoring of current and expected economic situation in region and in country, fulfills preparation works for appropriate work of power.

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.

The company 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.

Risks of financial loss owing to external and political situations and regional risks

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

The indicators of economic progress in the regions where the Company operates (Krasnodar Region and the Republic of Adygeya) are stable for several years; these regions are attractive for investments.

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;
- damage to Company property that may negatively affect its ability to timely and fully fulfil its liabilities to consumers and counterparties.

The regions where the Company operates are politically stable with the risk of a military conflict or a state of emergency occurrence there due to internal causes being minimal. The Company has elaborated and is carrying out target arrangements for protection of the Company's 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. Besides, cooperation with law enforcement authorities is carried out. To compensate for damage of the effect of emergency circumstances associated, inter alia, with natural disasters, the Company concludes property insurance contracts.

Sharp regional scale changes (environmental, political, demographic and 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 favorable 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

Interest rate risk

The Company attracts short-term 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. Significant increase in interest rates on loans and borrowings can lead to debt service increase. But nowadays because of low level of inflation and regular decline in key rate, the risk of rising interest rates on loans is estimated as low (since the beginning of 2017 there has been a consistent decline in the interest rate from 10% per annum to 6,25 % per annum by the end of 2019). For optimization of the debt portfolio structure and reduction of its servicing costs, the Company strains after use of loans and borrowings 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 loans to avoid negative effect of interest rates short-term fluctuations and diversify funding sources.

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 Company'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.

Due to the decreasing of inflation rate, the risk is evaluated as moderate.

Inflation risks

The current inflation level cannot have a significant effect on the financial status of the Company. The Ministry of Economic Development of the Russian Federation has reviewed the Macroeconomic forecast related to the inflation rate for 2019-2022 in favor of its reduction against the background of forthcoming deceleration of consumer demand level, caused by the loan cycle. According to the data of the Federal State Statistics Service, the rate of the annual inflation continued to decline faster at the end of 2019, than expected by the Bank of Russia. 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 Company's solvency and liquidity, which enable one to promptly detect drawbacks in the Company's work and take measures for their elimination. As well as in accordance with Decree of the Government of the Russian Federation of December 29, 2011 No. 1178 "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 outstanding securities.

Reputational risk

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 risk

The Company, being a part of the unified integrated distribution power grid of Russia, seeks to achieve the objectives defines at the national level. The Strategy for development of integrated power grid of the Russian Federation was approved by the Decree of the Government of the Russian Federation of April 3, 2013 No.511-p. Since the Company is a subsidiary of PJSC Rosseti, the largest Russian systemically important electric grid company, the Company is a participant in implementation of policies and programmes on activities (business processes) of PJSC 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 Company

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 on time;

- 5) emergency situations in related networks, that can breakdown the equipment of the Company;
- 6) excessive losses of electric power.

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 risk

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 Company approved several local document aimed to fulfillment of control of terms and quality of investment projects.

Deferred taxes

In order to recognize revenues and expenses 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. The future (deferred) component of income tax expense is reflected in the Statement of Financial Results.

Current income tax is recognized as obligation to budget equal to the amount of tax payable to the budget for the reporting period.

Income tax expense (qualified income tax) is calculated by multiplying accounting income (loss) by income tax rate, established in accordance with the legislation of the Russian Federation on taxes and dues.

The Company determined the following components of income tax in 2019, thousands of RUB:

Table 12 – Income tax

(thousands of RUB)

Line item	Amount	Tax rate	Amount	Income tax component
Profit/(loss) before tax	3 524 763	20%	704 953	Income tax expense (qualified income tax)
Change of taxable temporary difference	(3 478 291)	20%	(695 658)	Changes in deferred tax liabilities
including:				including:
- differences appeared	(3 971 203)	20%	(794 240)	accrued deferred tax liabilities
- differences are repaid	492 912	20%	98 582	deferred tax liabilities are repaid
Changes in deductible temporary differences	205 493	20%	41 099	Changes in deferred tax liabilities
including:				including:
- differences appeared	1 533 640	20%	306 728	accrued deferred tax liabilities
- differences are repaid	(1 328 147)	20%	(265 629)	deferred tax liabilities are repaid
Taxable (deductible) permanent differences	3 384 191	20%	676 838	Temporary tax asset (liability)
Taxable base	(3 636 158)	20%	(727 232)	Current tax

There are no reasons for changes in used tax rates versus the prior reporting period.

Deferred tax liability in the amount of 614 thousand rubles and deferred tax asset in the amount of 13,058 thousand rubles were written off to the profit and loss account in the reporting period due to the retirement of an asset (sale, transfer on a non-repayable basis or liquidation).

Information on profit taxation, deferred taxes flow is disclosed in Appendices 2.3 and 5.7.2.

Cost of goods sold, production, works, services, selling costs, administrative expenses and other expenses.

Expenses (costs) are recognized in that reporting period where they occurred, regardless the time of the actual cash payment or another implementation (accrual principle assumption).

Table 13 – Explanation of the balance item “Miscellaneous expenditures” as a part of prime cost.

(thousands of RUB)

Indication		2018	2019
Line item	Line code		
Cost of goods sold	6510	41 461 392	43 773 854
including			
Miscellaneous expenditures	6515	22 713 249	24 000 216
Including			
Services of distribution grid companies		12 631 704	12 371 771
Services of “FGC UES” PJSC		7 081 576	7 647 277
Other expenses		2 999 969	3 981 168

Information on costs of energy resources use

Table 14 – Information on costs of energy resources use

Ser. No.	Accepted target indicators/indicators	Measurement unit	2018 (fact)	2019 (fact)
1.	2	3	4	5
1.1.	Electric power losses, including	Million rubles with VAT	9 091,283	9 433,909
		million kWh	2 590,145	2 426,390
1.1.1.	Expenditure for electrical substation own needs	Million rubles with VAT	50,700	64,496
		million kWh	17,118	16,590

Ser. No.	Accepted target indicators/indicators	Measurement unit	2018 (fact)	2019 (fact)
1.	2	3	4	5
1.2.	Consumption of resources for business needs including according to the type of resources	Million rubles with VAT	133,484	140,730
1.2.1.	fuel and energy, including	Million rubles with VAT	130,388	137,690
		tonne of oil equivalent	4 488	4 166
1.2.1.1.	electric power	Million rubles with VAT	119,854	128,818
		thousand kWh	30 968,873	29 914,193
		thousand kWh for sqm of floor area	0,264	0,201
1.2.1.2.	heat energy	Million rubles with VAT	9,505	8,137
		Gcal	4 369,918	3 214,236
		Gcal for sqm of floor area	0,134	0,131
1.2.3.	Hot-water supply	thousand m3	–	–
		Million rubles with VAT	–	–
1.2.4.	cold-water supply	thousand m3	82,318	73,191
		Million rubles with VAT	3,095	3,040
1.2.5.	natural gas	thousand m3	127,327	101,577
		Million rubles with VAT	1,029	0,735
1.3.	Equipped with devices for energy resources accounting, consumed for housekeeping needs of the Company	%	100	100
1.4.	Equipped with smart devices for energy accounting of consumers at the retail market in accordance with the Programme for future development of electricity metering systems	%	73,1	73,25

Information on cash flows

In accordance with the Accounting Regulation 23/2011, the cash flows of organizations in the form of receipts and payments of value added tax (receipts from the buyers and clients, payments to suppliers and contractors and payments to the budget system of the Russian Federation and reimbursement from it) are recorded as compressed in the line 4129 “Other payments” of the form of balance sheet “Statement of Cash Flows” in the amount of (395,290) thousand rubles including:

- VAT as part of amounts received 7,762,299 thousand rubles;
- VAT as a part of amounts paid (5, 637, 214) thousand rubles;

- VAT, paid to the budget (2,520,375) thousand rubles.

The result: (395,290) thousand rubles

Highly liquid investments (cash equivalents) that can most quickly and easily be converted into previously known cash and subject to low risk of changes in value for the period from January 1, 2019 to December 31, 2019 amounted 12,702,000 thousand rubles (certificate of deposit). Cash transfer into certificate of deposit that is recognized as cash equivalents, is not cash flow and is not reflected in the Statement of Cash Flows.

Table 15 – The amount of a minimum cash balance on the current accounts of the Company as of December 31, 2019

(thousands of RUB)

Foundation (additional agreement, trade confirmation)	Transaction starting date	Transaction expiration date	Amount of a minimum cash balance
1	2	3	4
Application No. 254 of December 31, 2019 to the General Agreement No.M3-0191/2014/007 of September 2, 2014	December 31, 2019	January 10, 2020	400 000
Application No. 255 of December 31, 2019 to the General Agreement No. M3-0191/2014/007 of September 2, 2014	December 31, 2019	January 10, 2020	600 000
Application No. 256 of December 31, 2019 to the General Agreement No. M3-0191/2014/007 of September 2, 2014	December 31, 2019	January 10, 2020	80 000
Total according to JSC Gazprombank			1 080 000
Total			1 080 000

There is no overdraft debt of PJSC Kubanenergo as of December 31, 2019.

As of December 31, 2019 there are no guarantees of third-parties received and not used by the Company in order to receive a loan where the amount of cash (raised by the Company) is indicated.

Cash (or cash equivalents) that cannot be used by the Company (for example, letters of credit opened in favour of other organizations related to the transactions in progress as of reporting date) is absent as of December 31, 2019.

Information on segments

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) Electric power transmission;
- 2) Technological connection to electric networks.

The Company discloses information in the Accounting Statements only by the reportable segments. The remaining segments are recorded as the other segments in the Accounting Statements. 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 accounting statements

Table 16 – Customers, revenue from sales which is less than 10% of the total revenue of the Company

(thousands of RUB)

№ п/п	Line item (client)	Total amount of revenue	Including: electric power transmission	Including: other services
1.	Independent Energy Selling Company of Krasnodar Region JSC	16 061 606	16 061 606	–
2.	TNS Energo Kuban PJSC	22 075 390	21 975 765	99 625

Besides, information on reportable segments is disclosed in Appendix 5.13.

Related party disclosure

List of related parties

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

Individuals/legal entities affecting the Company’s activity:

- the largest shareholder of the Company – PJSC Rosseti (owns 92,78%¹ of the Company shares);
- persons that are members of the management bodies of the Company (members of the Board of Directors, Management Board members, Chief Executive Officer of PJSC Kubanenergo).

¹ Outstanding shares Interest is 93,44%.

PJSC Kubanenergo supervises the operations of its subsidiaries: Energetik Holiday Facility JSC and Kuban Energoservis JSC by methods of corporate management.

Operations carried out with related parties and transactions in progress with related parties where the settlements are executed through the bank under the terms of the contracts

Table 17 – Revenues and debts related to them for 2018.

(thousands of RUB)

Contractor	As of December 31, 2017	Accrued	Paid	As of December 31, 2018
Energetik Holiday Facility JSC	38	2 660	(2 438)	260
Kuban Energoservis JSC ***	359	68	(427)	–
PJSC Rosseti ***	–	1 049	(1 049)	–
Rosseti – Engineering Supervision Centre branch PJSC	–	350	(350)	–
Main Data Processing Center of Power Engineering JSC	15	–	–	15
PJSC IDGC of Volga	–	5 658	(5 658)	–
PJSC IDGC of the South	–	1 000	(1 000)	–
PJSC IDGC of the North Caucasus	–	42 444	–	42 444
PJSC MOESK	13 252	–	(13 252)	–

Table 18 – Revenues and debts related to them for 2019

(thousands of RUB)

Contractor	As of December 31, 2018	Accrued	Paid	As of December 31, 2019
Energetik Holiday Facility JSC	260	2 694	(2 916)	38
Kuban Energoservis JSC ***	–	181	(181)	–
PJSC Rosseti	–	1 422	(1 422)	–
JSC Fiber Optic Transmission Systems Management	–	19 149	(19 149)	–
Main Data Processing Center of Power Engineering JSC	15	–	(15)	–
PJSC IDGC of the North Caucasus	42 444	43 464	(1 000)	84 908

Table 19 – Expenses, other transactions and debts related to them for 2018

(thousands of RUB)

Contractor	As of December 31, 2017	Accrued	Paid	As of December 31, 2018
1	2	3	4	5
PJSC IDGC of the South				
- other debts	–	(1 252)	1 252	–
PJSC IDGC of Centre and the Volga Region*				
- other debts	–	(413)	413	–
PJSC Rosseti***				
- other debts	(5 297)	(160 736)	141 827	(24 206)
- dividends	–	(298 340)	298 340	–
Rosseti – Engineering Supervision Centre branch, PJSC				
- other debts	–	(4 505)	4 505	–
PJSC FSK EES*				
- trading transactions	(2 294 001)	(9 639 146)	10 694 906	(1 238 241)
- other debts	(33 863)	(453 396)	191 449	(295 810)
- other debts	197 453	1 029 709	(1 042 486)	184 676
provision	(168 409)	–	960	(167 449)
PJSC IDGC of the North Caucasus *				
- other debts	(54)	–	–	(54)
Energetik Holiday Facility JSC***				
- other debts	(139)	(11 953)	12 092	–
Technical Customer Centre JSC*				
- other debts	(75)	(27 526)	20 926	(6 675)
IT Energy Service LLC*				
- other debts	(116)	–	116	–
JSC Kuban Energoservis***				
- other debts	(58 619)	(38 425)	91 273	(5 771)
- dividends	–	(9 068)	9 068	–
JSC Engineering Supervision Centre FSK EES*				
- other debts	–	(50)	50	–
JSC Fiber Optic Transmission Systems Management*				
- trading transactions	–	(22 844)	–	(22 844)
-other debts	(1 992)	(39 931)	26 201	(15 722)
JSC Electrosetservis Unified National Electricity Grid*				
- trading transaction	–	(158 448)	112 517	(45 931)
- other debts	–	(250 879)	205 045	(45 834)

Table 20 – Expenses, other transactions and debts related to them for 2019

(thousands of RUB)

Contractor	As of December, 31 2018	Accrued	Paid	As of December, 31 2019
1	2	3	4	5
PJSC IDGC of the South*				
- other debts	–	(869)	869	–
Training Centre "IDGS of Urals" Non-State Privately Owned Educational Institution of Continuing Professional Education *				
- other debts	–	(150)	150	–
PJSC IDGC of Urals				
- other debts	–	(2 665)	2 665	–
PJSC Rosseti***				
- other debts	(24 206)	(168 629)	168 218	(24 617)
- dividends	–	(133 262)	133 262	–
- settlements with shareholders	–	(3 086 449)	3 086 449	–
PJSC FSK EES*				
- trading transactions	(1 238 241)	(10 145 002)	10 515 684	(867 559)
- other debts	(295 810)	(182 837)	466 646	(12 001)
- other debts	184 676	7 779	(181 960)	10 495
provision	(167 449)	–	167 449	–
PJSC IDGC of the North Caucasus*				
- other debts	(54)	–	–	(54)
Energetik Holiday Facility JSC***				
- other debts	–	(15 098)	14 968	(130)
Technical Customer Centre JSC*				
- other debts	(6 675)	(5 722)	10 190	(2 207)
JSC Kuban Energoservis***				
- other debts	(5 771)	(86 680)	66 376	(26 075)
- dividends	–	(635)	635	–
JSC Engineering Supervision Centre FSK EES*				
- other debts	–	(50)	50	–
JSC Fiber Optic Transmission Systems Management*				
- trading transactions	(22 844)	(121 366)	43 191	(101 019)
- other debts	(15 722)	(112 729)	51 755	(76 696)
JSC Electrosetservis Unified National Electricity Grid*				
- trading transactions	(45 931)	–	45 931	–
- other debts	(45 834)	(123 167)	169 001	–

* The legal entity is a member of the same group of persons to which the Company belongs.

** The legal entity is entitled to manage more than 20% of shares of the Company.

*** The Company is entitled to manage more than 50% of total votes, attached to the shares that constitute the charter capital, the interest of this legal entity.

Write-off of accounts receivable for which the statute of limitations has expired and other bad debts, including write-off out of provision for doubtful debts, has not been made.

Benefits payable to key management personnel

Table 21 – Information on the amounts of key management personnel benefits

Types of benefits	Members of the Board of Directors		Members of the Auditing Committee		Members of the Board	
	2018	2019	2018	2019	2018	2019
1. Short-term benefits, including	9 917	17 557	1 039	1 030	1 827	1 727
1.1. Employee Remuneration for the reporting period (without vacation pay)	7 605	13 765	797	790	1 401	1 459
a) bonus	0	0	0	0	0	0
b) fringe benefits	0	0	0	0	0	0
c) other types of compensation given to employees as a result of specific labor indications and bottom line	0	0	0	0	0	0
1.2. Annual paid leave for the work in the reporting period	0	0	0	0	0	0
1.3. Other benefits in favour of key management personal (regardless terms and conditions of an Employment Contract) total, including	0	0	0	0	0	0
a) compensations for community charges;	0	0	0	0	0	0
b) health benefits (insurance);	0	0	0	0	0	0
c) lump-sum payments related to financial aid for vacation	0	0	0	0	0	0
d) full or partial payment for recreation;	0	0	0	0	0	0
e) full or partial payment for education for Company's personal benefit;	0	0	0	0	0	0
f) other (please specify) including:	0	0	0	0	0	0
Compensation for residential lease	0	0	0	0	0	0
Severance pay	0	0	0	0	0	0
1.4. Accrued taxes and other compulsory payments to the corresponding budgets and extra-budgetary funds	2 312	3 792	242	240	426	268
2. Long-term benefits, including:	0	0	0	0	0	0
2.1. Post-employment benefits, including	0	0	0	0	0	0
a) payments under the voluntary insurance agreements concluded with the insurance companies	0	0	0	0	0	0
b) payments under non-state pension agreements, concluded with non-state pension funds;	0	0	0	0	0	0
c) other payments, guaranteeing payment of pension benefits and other social guarantees after termination of labor activity;	0	0	0	0	0	0

Types of benefits	Members of the Board of Directors		Members of the Auditing Committee		Members of the Board	
	2018	2019	2018	2019	2018	2019
2.2. Other long-term benefits	0	0	0	0	0	0
2.3. Long-term benefits accrual	0	0	0	0	0	0
3. Total benefits (short-term and long-term benefits) excluding accruals on them	7 605	13 765	797	790	1 401	1 459
4. Total benefits accruals (short-term and long-term benefits)	2 312	3 792	242	240	426	268

The going concern principle

Accounting statements of PJSC Kubanenergo for 2019 were drawn up in accordance with the going concern principle, which assumes that the Company is able to sell its assets and fulfil its liabilities in the normal course of business in the foreseeable future. As reflected in the present accounting (financial) statements the Company's net profit in 2019 amounted to 2,428,011 thousand rubles (in 2018 net profit amounted to 151,198 thousand rubles), short-term liabilities of the Company as of December 31, 2019 amounted to 13,893,776 thousand rubles; including debt obligations in the amount of 3,652,592 thousand **rubles**. Available credit limits are opened up by the Company which makes it possible to refund borrowings subject to prompt repayment in 2020. As of December 31, 2019 the total amount of credit limit with termination of drawdown period in 2021-2024 amounted to 10,350,089 thousand rubles, including in the amount of 677,001 thousand rubles – in PAO Sberbank, in the amount of 1,672,822 thousand rubles - in Bank “RRDB” (JSC), in the amount of 5,000,000 thousand rubles – in VTB Bank (PJSC) and in the amount of 3,000,266 thousand rubles in – Bank GBP (JSC).

According to the forecasts of the Company Management, the net operating cash flow in 2020 will be sufficient to cover Company's liabilities payable in 2020.

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 2020.

Estimated liabilities, contingent liabilities and assets

In 2019 the Company recognized in the accounting the estimated liabilities related to the possible compensation payments for unused vacations in the amount of 444, 152 thousand rubles, previously formed estimated liability in the amount of 446,703 thousand rubles, ending balance of the reporting period amounted to 263,014 thousands rubles. As of December 31, 2019, the estimated liability was formed, related to the possible benefits pay according to the results of the year in the amount of 372,778 rubles.

The amount of the estimated liability according to the unsettled claims of the suppliers at the beginning of the reporting period is recorded in the Accounting Statements in the amount of 510,827 thousand rubles, including 244,422 thousand rubles as related to non-consensual amount of loss, 231,609 thousand rubles as related to services for transmission of energy. Charges amounted to 226,164 thousand rubles, including 6,668 thousand rubles as related to non-consensual amount of loss, 218,634 thousand rubles as related to services for transmission of energy. The amount of estimated liability according to the unsettled claims of the suppliers at the end of the reporting period amounted to 500,474 thousand rubles, including 208,963 thousand rubles as related to non-consensual amount of loss, 290,650 thousand rubles as related to services for transmission of energy.

As of December 31, 2019, the amount of provision for lawsuits amounted to 203,330 thousand rubles (Appendix 5.7.1.).

Discounting of the amounts of estimated liabilities, recognized by the Company is not applicable, because the expected deadline for the fulfilment of obligations is less than 12 months after the reporting date.

The expected amounts of counter-claims or amounts of the third party claims in reimbursement of expenses that the Company is going to incur during the fulfilment of obligations, and also the assets recognized on such claims in accordance with the Clause 19 of the Accounting Regulation 8/2010 as of the reporting date are absent.

The Company does not disclose the numerical information concerning the possible contingent liabilities because of incomplete tax inspection for 2016-2018.

According to the continuous development of practical application of taxation rules, the property tax may be disputed by the tax authorities and courts related to the movables and immovable, used by the Company. The Company's Executive Board does not eliminate the risk of resource outflow, however, the impact of the events cannot be estimated with sufficient measure of reliability.

According to Executive Board opinion, the applicable legislative provisions as at December 31, 2019 were correctly interpreted and the position "Group" may be well-reasoned and secured with regard to tax compliance.

Events after the reporting period

Accounting for events after the reporting date and disclosure of information concerning these events in the statements is kept by the Company in accordance with the Accounting Regulation 7/98 "*Events after the reporting date*", approved by Order of the Ministry of Finance of the Russian Federation No. 56Н of November 25, 1998.

Economic events that have or may have an impact on financial position or operating results of the Company, that occur between the reporting date (December 31, 2019) and the date of signing of the Accounting Statements of PJSC Kubanenergo for 2019 are absent.

Chief Executive Officer of
PJSC Kubanenergo

S.V. Sergeev

Chief Accountant-Head of the
Accounting and Tax Accounting
Department of PJSC Kubanenergo

I.V. Skiba

February, 20 2020

Appendices to the Balance Sheet and Statement of Financial Results

- Appendix 5.1.1 “The existence of intangible assets and intangible assets turnover”
- Appendix 5.2.1 “The existence and turnover of R&D deliverables”
- Appendix 5.2.2 “Incomplete and unexecuted R&D and incomplete operations on purchase of intangible assets”
- Appendix 5.3.1 “The existence and movement of fixed assets”
- Appendix 5.3.3 “Changes in value of fixed assets as a result of further construction, further equipping, reconstruction and partial liquidation”
- Appendix 5.3.4 “Other usage of fixed assets”
- Appendix 5.3.5 “Capital investments in progress”
- Appendix 5.3.6 “Advances issued for investment building and purchase of fixed assets”
- Appendix 5.4.1 “The existence and turnover of financial investments”
- Appendix 5.4.2 “Adjustments of estimates of financial investments”
- Appendix 5.5.1 “The existence of inventory and inventory turnover”
- Appendix 5.5.2 “Pledged inventory”
- Приложение 5.6.1 “The existence and turnover of accounts receivable”
- Приложение 5.6.3 “Overdue accounts receivable”
- Appendix 5.6.5 “The existence and turnover of accounts payable”
- Appendix 5.6.6 “Overdue accounts payable”
- Appendix 5.6.7 “Loans and borrowings”
- Appendix 5.6.8 “Expenses for loans and borrowings”
- Appendix 5.7.1 “Estimated liabilities”
- Appendix 5.7.2 “Deferred taxes”
- Appendix 5.8 “Securities”
- Appendix 5.9 “Government assistance”
- Appendix 5.11 “Other revenues and expenses”
- Appendix 5.13 “Information on reportable segments”
- Appendix 2.1 “Cost of goods sold, works and services according to elements of costs”
- Appendix 2.2 “Profit accrued to one share, diluted earnings per share”
- Appendix 2.3 “Profit taxation”