





SHARES AND DIVIDENDS

150

Shares of Kubanenergo PJSC

151

Issuance of additional shares of the Company

153

Share Market and Capitalization of Kubanenergo PJSC

154

Profit Distribution and Dividend Policy

155

The history of dividend payments of Kubanenergo PJSC

SHARES OF KUBANENERGO PJSC

	AT THE BEGINNING OF 2018	AT THE END OF 2018
Class, category, type, a form of issue of securities	Ordinary, registered, uncertified shares	
The nominal value of each security	100 rub.	
Authorized capital	28,286,813,000 rubles	30,379,335,000 rubles
Number of securities in circulation	303,793,350 pieces, including 20,925,220 shares of additional issue	
State registration number of the issue of securities and the date of state registration	No. 1-02-00063-A, dated 08.07.2003 (main issue) No. 1-02-00063-A, dated 12.15.2016 (additional issue of shares)	
Presence/absence of a special right for the participation of the Russian Federation in the management of the Company ("golden share")	There is no special right for the participation of the Russian Federation in the management of the Company (the "golden share")	
Availability of authorized shares, which the Company is entitled to place in addition to the shares placed	194,439,107 pcs. of ordinary shares with the total nominal value of 19,443,900,000 rubles.	173,513,887 pcs. ordinary shares with a total nominal value of 17,351,400,000 rubles.

The Company's preferred shares were not issued.

There are no own shares on the balance of the Company; they were not planned for acquisition.

Subsidiaries and affiliates do not own shares of Kubanenergo PJSC.

By the Charter of Kubanenergo PJSC, each ordinary registered share of the Company provides the shareholder – its owner with the same amount of rights. The rights of shareholders are given in the Charter of the Company.



ISSUANCE OF ADDITIONAL SHARES OF THE COMPANY

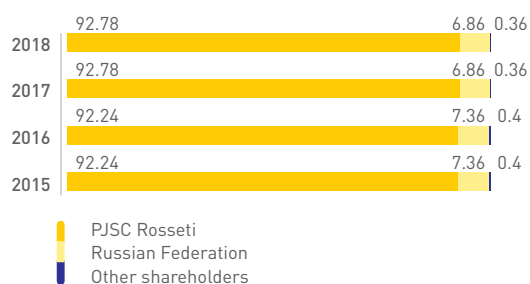
The placement of additional ordinary shares of Kubanenergo PJSC, the issue of which is registered by the Bank of Russia on 15.12.2016, was completed in the reporting year.

Information on additional issue of securities

EMISSION TARGETS	ATTRACTING INVESTMENT, IMPROVING THE FINANCIAL SUSTAINABILITY OF KUBANENERGO PJSC
Share price	100 rubles per share
Form of payment for shares	Cash
The period of the actual placement of shares	From 18.01.2017 to 20.10.2017
Number of shares actually placed	20,925,220 pcs.
Information on approval of the notice on the results of the additional share issue by the Board of Directors of Kubanenergo PJSC	The decision of 20.04.2018, minutes No. 307/2018
Date of receipt of the notification on the results of the additional issue of shares by the Bank of Russia	04.05.2018
Date of extract from the register of issuable securities of Kubanenergo PJSC compiled by the Bank of Russia and containing information on the outstanding shares of the additional issue	11.05.2018
Date of state registration of changes to the Company's Charter related to the increase in share capital	10.10.2018
Information on the issue of additional shares of Kubanenergo PJSC on the Company's website	Home/ For Shareholders and Investors/ Information disclosure / Information disclosure at the stages of the securities issue procedure/ Issue of shares of Kubanenergo PJSC of an additional series (with state registration number 1-02-00063-A of 15.12.2016)

SHARE CAPITAL STRUCTURE

Share capital structure, %



Changes in the share capital structure of the Company in the reporting year were insignificant (up to 1%).

Statistical information about shareholders of Kubanenergo PJSC as of December 31, 2018

SEQ NO.	REGISTERED PERSONS	NUMBER OF PERSONS	NUMBER OF SHARES	SHARE OF THE NUMBER OF SHARES PLACED, %
1	Account of unidentified persons		3,324	0.0011
2	Natural persons	1,773	339,071	0.1116
	including non-residents	2	485	0.0002
3	Legal entities, including nominees (total)	19	303,447,459	99.8861
	including owners (nominee holders) of more than 5% of shares	2	302,674,742	99.6318
	including non-residents	1	325	0.0001
4	Trust managers	0	0	0
5	Shares in common ownership	14	6,820	0.0022
Registry total:		1,806	303,793,350	100

SHARE MARKET AND CAPITALIZATION OF KUBANENERGO PJSC

In 2018, shares of Kubanenergo PJSC were circulated on the Moscow Stock Exchange with inclusion in the third level; the ticker is – KUBE, ISIN code: RU0009046767.

INFORMATION ON CURRENT QUOTES AND TRANSACTION PRICES IS AVAILABLE IN RUSSIAN AND ENGLISH:

- [HTTP://MOEX.COM](http://MOEX.COM);
- [HTTP://KUBANENERGO.RU](http://KUBANENERGO.RU).

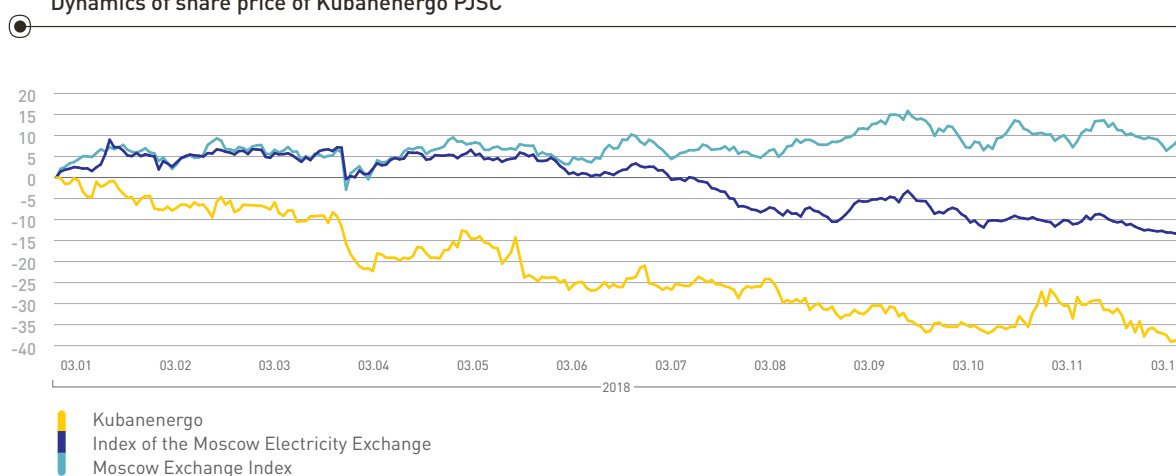
The maximum level of capitalization in 2018 amounted to 24.5 billion rubles, the minimum level – 14.1 billion rubles. The market value of one share for the reporting year decreased by 38% against the background of a decrease in the MosBirzy index by 10% and the Moscow Electricity Exchange index of the electric power industry by 12%.

The trading volume of the Company's shares on the Moscow Stock Exchange in 2018 amounted to 11.9 million rubles/ 0.2 million pcs.

Low trading activity in 2018 due to the small number of shares in free circulation.

The market capitalization of the Company at the beginning of 2018 was 23.97 billion rubles, at the end of the year – 14.83 billion rubles

Dynamics of share price of Kubanenergo PJSC



The price dynamics of one share of Kubanenergo PJSC in 2018

WEIGHTED AVERAGE PRICE (BEGINNING OF PERIOD)	MINIMUM PRICE	MAXIMUM PRICE	WEIGHTED AVERAGE PRICE (END OF PERIOD)	RELATIVE INCREASE FOR THE PERIOD, %
78.9	46.4	80.5	48.8	-38

Quotes and trading volumes

INDICATOR	2016	2017	2018	2018/2017 (RELATIVE INCREASE, %)
Weighted average end price	87.3	78.3	48.8	-38
Trading volume, pcs.	1,675,440	979,750	197,260	-79.9
Trading volume, rub.	124,397,570	85,314,890	11,862,165	-86.1

PROFIT DISTRIBUTION AND DIVIDEND POLICY

The Dividend Policy of the Company – it is a set of principles and methods used by the Company, to define the proportions between the capitalized part of the Company's profits and the part of the profits paid in the form of dividends. Also, it is a system of relations and principles for determining the procedure and terms for paying dividends, for establishing the Company's responsibility for the obligation to pay dividends.

The Dividend Policy of the Company is based on strict observance of the rights of shareholders stipulated by the current legislation of the Russian Federation, the Company's Charter and internal documents of the Company. The Dividend Policy of the Company is aimed at increasing the investment attractiveness of the Company and increasing its market capitalization. The policy is based on the balance of interests of the Company and its shareholders.

The Dividend Policy of the Company is determined by the Regulation on the Dividend Policy, approved by the decision of the Company's Board of Directors dated January 31, 2018 (minutes dated 01.02.2018, No. 297/2018) and posted on the Company's corporate website www.kubanenergo.ru – in the section "About Us/ Constituent and internal documents".

The main principles of a Dividend Policy of the Company:

- compliance of the practice of accrual and payment of dividends, adopted in the Company, with the legislation of the

Russian Federation and corporate management standards [decree of the Government of the Russian Federation of 29.05.2017, No. 1094-p];

- optimal combination of interests of the Company and shareholders;
- determining the amount of dividends in the amount of not less than 50% of the net profit determined according to the financial statements, including consolidated, compiled in accordance with International Financial Reporting Standards and calculated in accordance with the procedure established by the Regulation on Dividend Policy;
- ensuring the possibility of dividend payments with a quarterly frequency when the relevant criteria are met;
- provision of the maximum transparency (clarity) of the mechanism for determining the amount and the procedure for payment of dividends;
- obtaining the positive dynamics of dividend payments, subject to the growth of the Company's net profit;
- availability of information for shareholders and other interested parties on the Company's Dividend Policy;
- the need to maintain the required level of the financial and technical status of the Company (implementation of the investment program), ensuring the Company's development prospects.

Profit distribution for 2015–2018¹, thousand rubles

	FOR 2015 (ANNUAL GENERAL MEETING OF SHAREHOLDERS 2016)	FOR 2016 (ANNUAL GENERAL MEETING OF SHAREHOLDERS 2017)	FOR 2017 (ANNUAL GENERAL MEETING OF SHAREHOLDERS 2018)
Retained earnings (loss) of the reporting period, including:	1,452,479	2,140,500	525,276
Reserve fund	72,624	107,025	26,264
Profit for development	–	1,498,350	177,442
Dividends	1,144,797	535,125	321,570
Repayment of losses of past years	235,058	–	0

1. The same.

THE HISTORY OF DIVIDEND PAYMENTS OF KUBANENERGO PJSC

DIVIDEND PERIOD, YEAR	DATE AND NUMBER OF THE MINUTES OF THE ANNUAL GENERAL MEETING OF SHAREHOLDERS OF KUBANENERGO PJSC, ON WHICH SHAREHOLDERS HAVE DECIDED TO PAY DIVIDENDS	DATE OF COMPILING THE LIST OF PERSONS ENTITLED TO RECEIVE DIVIDENDS FOR THIS DIVIDEND PERIOD	AMOUNT OF DECLARED (ACCRUED) DIVIDENDS ON SHARES OF THIS CATEGORY (TYPE) PER ONE SHARE, RUBLES.	THE TOTAL AMOUNT OF DECLARED (ACCRUED) DIVIDENDS ON ALL SHARES OF THIS CATEGORY (TYPE), RUBLES.	TOTAL AMOUNT OF DIVIDENDS PAID ON ALL SHARES OF THE COMPANY OF ONE CATEGORY (TYPE), RUBLES.	THE PERIOD ALLOTTED FOR THE PAYMENT OF DECLARED DIVIDENDS ON THE COMPANY'S SHARES	FORM AND OTHER TERMS OF PAYMENT OF DECLARED DIVIDENDS ON THE COMPANY'S SHARES	REASONS FOR NON-PAYMENT OF DECLARED DIVIDENDS
2005	From 11.06.2006, No. 18	12.04.2006	4.476917	80,000,000	79,662,676.97	60 days	Cash	Failure of persons registered in the shareholder register to submit the information about changes in their personal data
2006	From 05.06.2007, No. 20	26.04.2007	1.253593	22,401,000	22,303,192.20			
2007	From 06.06.2008, No. 23	17.04.2008	1.678844	30,000,000	29,873,068.07	15 days		
2015	From 27.06.2016, No. 37	13.07.2016	4.047105	1,144,797,000	1,144,268,308.93	Ten and 25 business days ¹		
2016	From 29.06.2017, No. 39	27.06.2017	1.762658567	535,125,135	534,868,722.83	Ten and 25 business days ²		
2017	From 25.05.2018, No. 40	05.06.2018	1.0585165	321,570,274	321,436,132.35	Ten and 25 business days ³		

Following the results of the 2008–2014 financial year, the General Meeting of Shareholders of the Company made decisions not to pay dividends.

1. The same.

2. At the conclusion of the transaction, VAT was provided at a rate of 18%; in the fourth quarter of the reporting year, the parties entered into an additional agreement to change the VAT rate by 20%.

3. The same.