

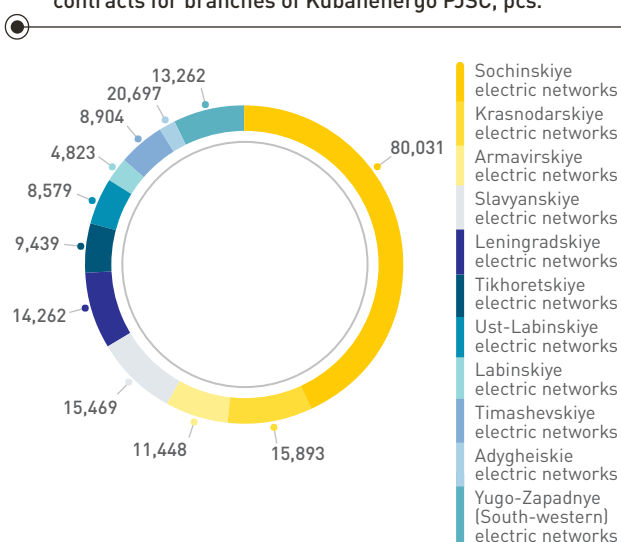
THE INTRODUCTION OF ELECTRICITY METERING DEVICES WITH REMOTE DATA COLLECTION (AUTOMATED METER READING AND CONTROL SYSTEM – AMRCS)

As a part of the implementation of energy service contracts in the reporting year, energy service companies installed 25,421 electricity metering devices, all with automatic control.

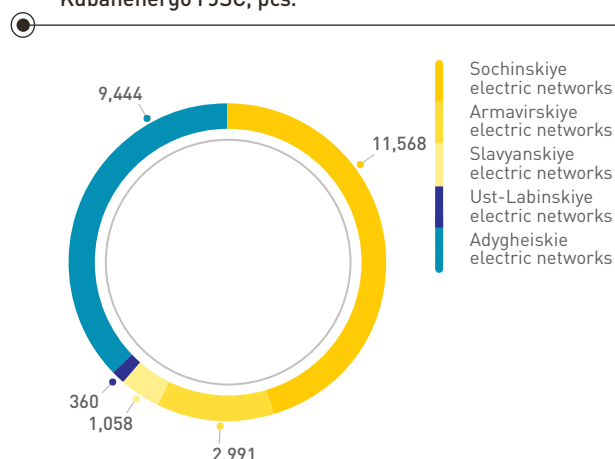
As a part of the implementation of the Company's investment program in 2018, 928 electricity meters were installed and automated at transformer substations, and 331 electricity metering devices were automated at substations, which far exceeds the planned figures.

The volume of electronic electricity metering instruments of the Company with remote data collection as of December 31, 2018, was 202,807 pieces (including in the framework of the implementation of energy service contracts).

The number of automated electricity metering devices with remote data collection as of December 31, 2018, including within the framework of energy service contracts for branches of Kubanenergo PJSC, pcs.



Electricity metering devices, automated in 2018 under energy service contracts for branches of Kubanenergo PJSC, pcs.



The introduction of metering devices with remote data collection has proven to be effective in reducing power losses; thus actual losses in 2018 on feeders included in energy service contracts were reduced on average to 11.9%.

In 2019, it is planned to continue the introduction of metering devices with remote data collection based on energy service contracts, as well as the installation and automation of technical accounting at the Company TS and SS under the investment program. It is planned to automate 40,460 metering points in the whole of the Company. And bring the number of automated metering devices with remote data collection by the end of 2019 to 243 thousand pieces, which will be 20.21% of the total number of electricity metering devices in the Company.