

**Justification of the proposed distribution of net income**

**ROSSETI South, PJSC for 2022**

When making a decision on the distribution of net income, including making a decision (declaring) to pay dividends on shares, ROSSETI South, PJSC (hereinafter referred to as the the Company) is governed by the Federal Law On Joint-Stock Companies, the Company's Charter, and the Regulations on Dividend Policy of the Company approved by the Board on 02.02.2018 (Minutes No. 258/2018 dated 05.02.2018).

The charter capital of ROSSETI South, PJSC is 15,164,143 thousand rubles and the reserve fund is 342,652 thousand rubles as of December 31, 2022.

Based on the results of 2022, the Company lost 559,272 thousand rubles, therefore, the Board of ROSSETI South, PJSC at its meeting on May 11, 2023 (Minutes No. 522/2023) resolved to recommend that the Annual General Meeting of Shareholders of ROSSETI South, PJSC make the following decision:

1. To approve the following distribution of income (losses) of the Company for the 2022 reporting year:

|  |  |
| --- | --- |
| **Name** | (thousand rubles) |
| Undistributed income (uncovered loss) of the reporting period: | (559,272) |
| To distribute for: Reserve fund | - |
|  Income for development | - |
|  Dividends | - |
|  Loss recovery of the past | - |

2. Not to pay dividends on the Company's ordinary shares by the results of 2022.