

**EXPLANATORY NOTE  
AND DRAFT RESOLUTION  
OF THE ANNUAL GENERAL MEETING OF SHAREHOLDERS OF  
ROSSETI SOUTH PJSC**

**TOPIC 2: Distribution of income (including the payment (declaration) of dividends) and losses of the Company for 2023.**

According to the results of 2023, the Company received net profit in the amount of 2,430,773 thousand rubles.

At the same time, in accordance with clause 1 of Article 43 of the Federal Law "On Joint-Stock Companies", the Company may not make a decision (declare) on payment of dividends on shares, if as of the date of making such a decision, the net asset value of the Company is less than its authorized capital, and the reserve fund, and the excess over the nominal value of the liquidation value of outstanding preferred shares determined by the Charter, or will become less than their amount as a result of making such a decision.

As of 31.12.2023, the Company's authorized capital is 15,164,143 thousand rubles, Reserve capital (fund) - 342,652 thousand rubles, net asset value - 5,236,841 thousand rubles, which is lower than the Company's authorized capital by 9,927,302 thousand rubles. The Company did not issue any preferred shares.

At the time of the Annual General Meeting of Shareholders of the Company, this ratio of net asset value, reserve capital and authorized capital is maintained.

Thus, the Annual General Meeting of Shareholders of the Company is not entitled to make a decision on payment of dividends based on the results of 2023.

Given these considerations, the Board of ROSSETI South, PJSC at its meeting on May 14, 2024 (Minutes No. 572/2024) recommended the Annual General Meeting of Shareholders of ROSSETI South, PJSC resolve as follows:

1. Approve the following distribution of profit (losses) of ROSSETI South, PJSC received based on the results of 2023:

| Name                                                           | (thousand rubles) |
|----------------------------------------------------------------|-------------------|
| Undistributed income (uncovered loss) of the reporting period: | 2,430,773         |
| To distribute for: Reserve fund                                | 121,539           |
| Profit for development                                         | 0                 |
| Dividends                                                      | 0                 |
| Loss recovery of the past                                      | 2,309,234         |

2. Not to pay dividends on ordinary shares of ROSSETI South, PJSC based on the results of 2023.

In accordance with cl. 10.4. Art. 10 of the Company's Charter, the resolution on this topic is adopted by a majority of votes of the shareholders owning voting shares of the Company and participating in the meeting.

Given these considerations, the Annual General Meeting of Shareholders of ROSSETI South, PJSC is proposed to make a decision on the said topic.

**DRAFT RESOLUTION:**

1. To approve the following distribution of income (losses) of the Company for the 2023 reporting year:

| Name                                                           | (thousand rubles) |
|----------------------------------------------------------------|-------------------|
| Undistributed income (uncovered loss) of the reporting period: | 2,430,773         |
| To distribute for: Reserve fund                                | 121,539           |
| Profit for development                                         | 0                 |
| Dividends                                                      | 0                 |
| Loss recovery of the past                                      | 2,309,234         |

2. Not to pay dividends on the Company's ordinary shares by the results of 2023.