

Justification of the proposed distribution of net income ROSSETI South, PJSC for 2023

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).

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.

It is assumed that 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 will not be entitled to make a decision on payment of dividends based on the results of 2023.

In this regard, the Board of ROSSETI South, PJSC at its meeting on May 14, 2024 (Minutes No. 572/2024) decided to recommend 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.