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ANNOUNCEMENT
PROPOSAL OF THE BOARD OF DIRECTORS of
S.I.F OLTENIA S.A.
regarding the distribution of the net profit achieved
in the financial year 2020

The year 2020 was marked by the onset of the COVID - 19 pandemic with global expansion, negatively affecting the entire world economy including the Romanian economy. Thus, in the financial statements prepared for 2020, subject to the approval of the Ordinary General Shareholders Meeting of S.I.F. Oltenia S.A. called for 28.04.2021 - first call, respectively 29.04.2021 if there is no quorum necessary for the meeting at the first call - the following indicators are presented:

TOTAL INCOME	70,945,772
TOTAL EXPENDITURE	(15,892,331)
CONSOLIDATED PROFIT BEFORE TAX	55,053,441
PROFIT TAX	(2,822,421)
NET PROFIT	52,231,020

S.I.F. Oltenia S.A. recorded a net profit to be distributed in the amount of RON 52,231,020, but below the profit of 2019 when the registered amount was RON 124,132,274.

From an economic point of view, it is expected that 2021 will follow the same downward trajectory as 2020, being dominated by the COVID-19 pandemic and the restrictions imposed by local and international authorities.

The vast majority of preliminary reports for 2020 recorded by companies listed on the Bucharest Stock Exchange are below those recorded in 2019 with little prospects of distributing dividends to shareholders, and if they are distributed, their level will be significantly lower compared to previous years. In this context, the recommendations made by the supervisory authorities of the European Union reinforce the hypothesis that the level of dividend distributions to the shareholders of European credit institutions and investment companies will be significantly reduced, given the need to maintain high liquidity in the coming period.

The Romanian capital market reacted by increasing the volatility of trading prices, which we appreciate to be more pronounced throughout the year 2021.

In this context, we estimate that S.I.F. Oltenia S.A. will receive lower dividends than in the previous year, and the eventual sale of shares will be made at lower and lower prices. This can lead to a potential liquidity deficit if the payment obligations of S.I.F. Oltenia S.A. will be high. The management of S.I.F. Oltenia S.A. wishes to inform the shareholders that it will carefully monitor the macroeconomic developments and the recommendations of the authorities from the economic sectors that are in the company's portfolio, following to adopt concrete measures and formulate appropriate proposals that will be analysed and approved by the General Shareholders Meeting.

We appreciate that the year 2021 can be a year of consolidating the portfolio of S.I.F. Oltenia S.A. by acquiring, at low prices, new liquid securities with potential for future growth, listed on a regulated market.

For these reasons, the Board of Directors of S.I.F. Oltenia S.A. submits to the approval of the General Shareholders Meeting two variants of profit distribution registered by the company on 31.12.2020, in the amount of RON 52,231,020, to decide on one of the two proposed options:

Variant I: the distribution of the entire net profit of the financial year 2020, in the amount of RON 52,231,020, to Other reserves, in order to support future investments, including share buy-back programme(s), after obtaining the necessary approvals in this regard;

OR

Variant II: distribution of the net profit of the financial year 2020, in the amount of RON 52,231,020, with the following intended uses:

- ***Dividends RON 25,000,000, accounting for RON 0.05 gross per share.***

Shareholders entitled to receive dividends distributed from the net profit made in the financial year 2020 are those who will be registered in the consolidated register of shareholders on the registration date to be approved by the Ordinary General Shareholders Meeting, in accordance with art. (1) of Law no. 24/2017.

The Board of Directors proposed and will submit for approval to the Ordinary General Shareholders Meeting that the registration date be 14.07.2021 (ex-date 13.07.2021), and the date of payment be 30.07.2021.

- ***Other reserves RON 27,231,020.***

This proposal was approved by the Board of Directors in the meeting of 18th March 2021 and was signed on its behalf by:

Sorin-Iulian Cioacă
President/ General Manager

Mihai Trifu
Vice President/ Deputy General Manager

Viorica Bălan
Compliance Officer