

PRESS RELEASE**PROPOSAL OF THE BOARD OF DIRECTORS of
S.I.F. Oltenia S.A.
on the distribution of the net profit achieved
during the 2022 financial exercise**

For the year 2023, according to the January forecast of the International Monetary Fund¹, a slowdown in the world economy is estimated. The updated forecast for 2023 is 0.2 percentage points higher than the one published during the October 2022 estimate, but it remains below the historical average of 3.8%. Developments in international financial markets remain influenced by the high degree of uncertainty characterizing the current geopolitical and macroeconomic context. Against this background, the cycle of rising interest rates at the level of the main economies of the world, but also in many emerging and frontier countries, together with the persistence of risks induced by the war in Ukraine, continues to affect the economic activity of 2023.

The main risks to financial markets have resulted from this geopolitical and macroeconomic context, characterized by high inflation, mainly due to rising energy prices, with a negative impact on consumer income².

In this local and global economic context, the financial statements drawn up for 2022, subject to the approval of the Ordinary General Shareholders Meeting of S.I.F. Oltenia S.A. convened for 27.04.2023 - the first call, and for 28.04.2023 - the second call, if the quorum is not met for the meeting to carry out its work at the first call - include the following indicators:

Indicators	Value
TOTAL REVENUES	205,244,879 lei
TOTAL EXPENSES	32,740,715 lei
GROSS RESULT - PROFIT	172,504,164 lei
INCOME TAX	7,695,679 lei
NET RESULT - PROFIT	164,808,485 lei

In 2022, S.I.F. Oltenia S.A. recorded a net profit to be distributed in the amount of 164,808,485 lei, 73% higher than the budgeted value for 2022, determined mainly by the collection of consistent dividends from B.R.D. - Groupe Societe Generale S.A. București (gross amount 101,910,928 lei) and Banca Transilvania S.A. (gross amount 26,699,863 lei). In 2022, the dividends received by S.I.F. Oltenia S.A. from B.R.D.- Groupe Societe Generale S.A. București and Banca Transilvania S.A. accounted for 62.66% of the revenues of S.I.F. Oltenia S.A.

¹ International Monetary Fund - World Economic Outlook update, 23 January, available at <https://www.imf.org/en/Publications/WEO/Issues/2023/01/31/world-economic-outlook-update-january-2023>

² - Report on the stability of non-bank financial markets, available at <https://www.asfromania.ro/uploads/articole/attachments/63f484a468a7a239495117.pdf>

The revenues received in the form of extraordinary dividends from the issuers in the portfolio were used for the remuneration of shareholders during 2022, with total amounts of about 77 million lei, both through the distribution of dividends and through the implementation of a consistent programme of redemption of own shares.

The main companies in the portfolio of S.I.F. Oltenia S.A. show a prudent and reserved attitude within the measures adopted to ensure the lending capacity and compliance with prudential solvency and liquidity indicators, according to the recommendations made by the macroprudential supervisory authorities and the domestic banking sector. As a result, the decision of the executive bodies of the credit institutions in the portfolio of S.I.F. Oltenia S.A. not to submit to the approval of the General Shareholders Meeting the dividend distribution proposal for 2022 will result in a significant decrease in the revenues that S.I.F. Oltenia S.A. estimates to collect in 2023. This is likely to alter the ability of S.I.F. Oltenia S.A. to be ready to exploit during 2023, the opportunities that may arise on the capital market and in the Romanian economy.

Starting from the prospects of a year 2023 full of uncertainties, the Board of Directors of S.I.F. Oltenia S.A. submits to the approval of the Ordinary General Shareholders Meeting **the distribution of the net profit for the financial year 2022 in the amount of 164,808,485 lei, to other reserves, for own sources, in order to support future investments.**

This proposal was approved by the Board of Directors in the meeting of 17 March 2023 and signed on its behalf by:

Sorin - Iulian Cioacă
President - General Manager

Mihai Trifu
Vice-president - Deputy General Manager